AXA Mansard Insurance Plc and Subsidiary Companies

Financial Statements
30 September 2020

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

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

(a) We have reviewed the financial statement;

(b) To the best of our knowledge, the financial statement does not contain:

(i) *Any untrue statement of a material fact, or*

(ii) *Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;*

(c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company and its consolidated subsidiaries as of, and for the period presented in the report.

(d) We:

(i) *Are responsible for establishing and maintaining internal controls.*

(ii) *Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entries particularly during the year in which the periodic reports are being prepared;*

(iii) *Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;*

(iv) *Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;*

(e) We have disclosed to the auditors of the Company and Audit Committee:

(i) *All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and*

(ii) *Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;*

(f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mrs. Ngozi Ola-Israel	**Mr. Adekunle Ahmed**
FRC/2017/ANAN/00000017349	FRC/2017/CIIN/00000017019
Chief Financial Officer	Chief Executive Officer

Consolidated Statement of Financial Position

as at 30 September 2020

(All amounts in thousands of Naira)

	Notes	Group 30-Sep-20	Group 31-Dec-19	Parent 30-Sep-20	Parent 31-Dec-19
ASSETS					
Cash and cash equivalents	5	21,721,874	17,911,416	16,381,165	16,133,274
Investment securities:					
– Fair value through profit or loss	6.1	5,036,672	5,302,005	5,036,672	5,302,005
– Available-for-sale assets	6.2	28,050,610	27,836,825	24,551,167	22,032,646
Financial assets designated at fair value	6.3	4,940,966	4,154,695	4,940,966	4,154,695
Trade receivables	7	10,145,103	5,418,424	3,925,532	1,224,373
Reinsurance assets	8	9,743,310	8,974,246	9,575,721	8,895,612
Deferred acquisition cost	9	513,121	331,047	481,407	321,055
Other receivables	10	2,582,620	1,548,652	2,059,787	801,891
Loans and receivables	11	244,328	403,548	2,038,109	882,168
Investment properties	12	15,287,773	15,801,949	-	1,350,000
Investment in subsidiaries	13	-	-	1,652,000	3,537,247
Intangible assets	14	248,939	1,580,297	221,511	215,450
Property and equipment	15	2,179,880	1,989,781	1,975,800	1,784,543
Right of use		970,233	535,863	970,233	462,082
Statutory deposit	16	500,000	500,000	500,000	500,000
TOTAL ASSETS		**102,165,429**	**92,288,748**	**74,310,070**	**67,597,041**
LIABILITIES					
Insurance liabilities	17	30,765,432	25,162,941	20,024,309	17,491,746
Investment contract liabilities:					
– At amortised cost	18.1	4,829,522	4,275,765	4,829,522	4,275,765
– Liabilities designated at fair value	18.2	4,940,966	4,154,695	4,940,966	4,154,695
Trade payables	19	13,497,511	16,567,712	13,187,222	16,478,545
Other liabilities	20	3,962,660	3,305,822	2,574,425	1,894,835
Current income tax liabilities	21	1,355,942	935,546	176,855	203,650
Borrowings	22	4,070,364	6,965,804	-	-
Deferred tax liability	23	947,367	841,496	-	-
TOTAL LIABILITIES		**64,369,764**	**62,209,781**	**45,733,299**	**44,499,236**
EQUITY					
Share capital	24.1	5,250,000	5,250,000	5,250,000	5,250,000
Share premium	24.2	4,443,453	4,443,453	4,443,453	4,443,453
Contingency reserve	24.3	4,348,580	4,270,458	4,348,580	4,270,458
Other reserves	24.4	2,652,077	2,687,483	2,652,077	2,652,077
Treasury shares	24.5	(304,924)	(304,924)	(304,924)	(304,924)
Fair value reserves	24.6	3,893,716	1,080,718	3,629,948	923,562
Retained earnings	24.7	13,043,138	7,832,957	8,557,637	5,863,179
SHAREHOLDERS' FUNDS		**33,326,040**	**25,260,145**	**28,576,771**	**23,097,805**
Total equity attributable to the owners of the parent		33,326,040	25,260,145	28,576,771	23,097,805
Non-controlling interest in equity	25	4,469,625	4,818,822	-	-
TOTAL EQUITY		**37,795,665**	**30,078,967**	**28,576,771**	**23,097,805**
TOTAL LIABILITIES AND EQUITY		**102,165,429**	**92,288,748**	**74,310,070**	**67,597,041**

Signed on behalf of the Board of Directors on 30 October 2020

Mrs. Ngozi Ola-Israel	**Mr. Adekunle Ahmed**	**Mr. Olusola Adeeyo**
FRC/2017/ANAN/00000017349	FRC/2017/CIIN/00000017019	FRC/2013/NIM/00000001919
Chief Financial Officer	Chief Executive Officer	Chairman

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 30 September 2020

	Share Capital	Share premium	Contingency reserve	Capital and other statutory reserves	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,535,406	152,077	(304,924)	1,080,718	7,832,957	25,260,145	4,818,822	30,078,967
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	5,237,470	5,237,470	434,374	5,671,844
Transfer to contingency reserves	-	-	78,122	-	-	-	-	(78,122)	-	-	-
Transfer to statutory reserves	-	-	-	17,315	-	-	-	(17,315)	-	-	-
Other comprehensive income										-	
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	2,828,425	-	2,828,425	-	2,828,425
Total comprehensive income for the year	-	-	78,122	17,315	-	-	2,828,425	5,142,033	8,065,895	434,374	8,500,269
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments expense	-	-	-	-	-	-	-	-	-	-	-
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	(52,721)	-	-	(15,427)	68,148	-	(783,571)	(783,571)
Total changes in ownership interests	-	-	-	(52,721)	-	-	(15,427)	68,148	-	(783,571)	(783,571)
Balance at 30 September 2020	5,250,000	4,443,453	4,348,580	2,500,000	152,077	(304,924)	3,893,716	13,043,138	33,326,040	4,469,625	37,795,665

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
Total comprehensive income for the year											-
Profit for the year	-	-	-	-	-	-	-	2,708,674	2,708,674	199,598	2,908,272
Transfer to contingency reserves	-	-	131,368	-	-	-	-	(131,368)	-	-	-
Transfer to statutory reserves	-	-	-	6,728	-	-	-	(6,728)	-		-
Other comprehensive income							-		-		
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	1,630,944	-	1,630,944		1,630,944
Total comprehensive income for the year	-	-	131,368	6,728	-	-	1,630,944	2,570,578	4,339,618	199,598	4,539,216
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Equity- settled share-based payments expense	-	-	-	-	17,173	-	-	-	17,173	-	17,173
Vested portion of equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	17,173	-	-	-	17,173	-	17,173
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-		
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	5,250,000	4,443,453	4,270,458	2,535,406	152,077	(304,924)	1,080,718	7,832,957	25,260,145	4,818,822	30,078,967

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Parent

	Share Capital	Share premium	Contingency reserve	Capital reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,500,000	152,077	(304,924)	923,562	5,863,179	23,097,805
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	-	2,772,580	2,772,580
Transfer to contingency reserves	-	-	78,122	-	-	-	-	(78,122)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	2,706,386	-	2,706,386
Total comprehensive income for the year	-	-	78,122	-	-	-	2,706,386	2,694,458	5,478,966
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	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
Balance at 30 September 2020	5,250,000	4,443,453	4,348,580	2,500,000	152,077	(304,924)	3,629,948	8,557,637	28,576,771

Year ended 31 December 2019

Parent

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

Consolidated Statement of Comprehensive Income

for the period ended 30 September 2020

	Notes	Group 30-Sep-20	Group 30-Sep-19	Parent 30-Sep-20	Parent 30-Sep-19
Continuing operations					
Gross written premium	27	39,462,909	37,434,059	23,534,345	24,442,256
Gross premium income	27	34,189,821	30,642,095	20,773,384	20,963,831
Re-insurance expenses	27	(10,437,033)	(11,506,468)	(10,275,696)	(11,403,490)
Net premium income	27	23,752,788	19,135,627	10,497,688	9,560,341
Fee and commission on insurance contracts	28	1,276,701	1,517,571	1,276,701	1,517,571
Net underwriting income		25,029,489	20,653,198	11,774,389	11,077,912
Claims:					
Claims expenses (gross)	29	(14,340,254)	(11,665,541)	(5,261,492)	(3,850,735)
Claims expenses recovered from reinsurers	29	364,574	(1,459,018)	330,620	(1,520,878)
Underwriting expenses	30	(2,940,894)	(2,699,071)	(2,454,841)	(2,363,802)
Changes in individual life reserves	17.3	(449,582)	(463,811)	(449,582)	(463,811)
Changes in annuity reserves	17.4	(652,500)	(74,811)	(652,500)	(74,811)
Net underwriting expenses		(18,018,656)	(16,362,252)	(8,487,795)	(8,274,037)
Total underwriting profit		7,010,833	4,290,946	3,286,594	2,803,875
Investment income	32	3,930,825	4,028,113	1,942,797	2,910,674
Net gains/(losses) on financial instruments	33	775,398	(254,241)	936,505	(333,479)
Net gains on investment property	12	835,824	(78,549)	-	-
Disposal of shares in subsidiary	33b	829,572	-	1,093,924	
Profit on investment contracts	34	159,798	248,187	159,798	248,187
Other income	35	25,553	44,338	(20,233)	47,473
Total investment income		6,556,970	3,987,848	4,112,791	2,872,855
Expenses for marketing and administration	36	(1,112,867)	(1,531,809)	(1,006,109)	(1,331,505)
Employee benefit expense	37	(2,147,064)	(1,975,651)	(1,593,034)	(1,011,029)
Other operating expenses	38	(2,610,853)	(2,107,829)	(1,821,742)	(1,844,944)
(Impairment)/writeback of other assets	14	-	-	(0)	-
(Impairment)/writeback of premium receivables	7.1	(53,724)	36,009	(14,860)	-
Results of operating activities		7,643,295	2,699,514	2,963,640	1,489,252
Finance cost	39	(583,946)	(278,366)	(58,089)	-
Profit before tax		7,059,349	2,421,148	2,905,551	1,489,252
Income tax expense	40	(1,387,505)	(310,627)	(132,971)	(182,581)
Profit for the year		5,671,844	2,110,521	2,772,580	1,306,671
Profit attributable to:					
Owners of the parent		5,237,470	1,922,696	2,772,580	1,306,671
Non-controlling interest	25	434,374	187,825	-	-
		5,671,844	2,110,521	2,772,580	1,306,671
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in available-for-sale financial assets (net of taxes)	24.6	2,828,425	137,976	2,706,386	151,767
Items that will not be subsequently reclassified to profit or loss account		-	-	-	-
Other comprehensive income for the year		2,828,425	137,976	2,706,386	151,767
Total comprehensive income for the year		8,500,269	2,248,497	5,478,966	1,458,438
Attributable to:					
Owners of the parent		8,065,895	2,041,177	5,478,966	1,458,438
Non-controlling interests	25	434,374	207,320	-	-
Total comprehensive income for the year		8,500,269	2,248,497	5,478,966	1,458,438
Earnings per share:					
Basic (kobo)	41	50.74	18.37	26.86	12.66
Diluted (kobo)	41	49.94	18.08	26.44	12.46

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

for the period ended 30 September 2020

	Group Q3 2020 only	**Group Q3 2019 only**	**Parent Q3 2020 only**	**Parent Q3 2019 only**
Gross premium written	8,919,475	8,075,434	5,057,580	4,023,227
Gross premium income	11,456,667	10,962,871	6,880,731	7,369,718
Re-insurance expenses	(3,375,966)	(3,908,130)	(3,322,739)	(3,871,047)
Net premium income	8,080,701	7,054,741	3,557,992	3,498,671
Fee and commission on insurance contracts	363,984	410,088	363,984	410,088
Net underwriting income	8,444,685	7,464,829	3,921,976	3,908,759
Claims expenses (gross)	(4,094,909)	(4,859,901)	(1,267,488)	(2,165,685)
Claims expenses recovered from reinsurers	(42,972)	276,692	(57,657)	258,317
Net claims	(4,137,881)	(4,583,209)	(1,325,145)	(1,907,368)
Underwriting expenses	(931,494)	(821,120)	(756,862)	(689,863)
Changes in individual life reserves	(443,555)	(236,750)	(443,555)	(236,750)
Changes in annuity reserves	(516,187)	27,939	(516,187)	27,939
Net underwriting expenses	(6,029,117)	(5,613,140)	(3,041,749)	(2,806,042)
Total underwriting profit	2,415,568	1,851,689	880,227	1,102,717
Investment income	1,172,973	1,370,671	562,317	798,109
Net (losses)/gains on financial instruments	446,553	(372,510)	466,770	(381,995)
Fair value gains on investment property	(9,908)	50,779	-	-
Disposal of shares in subsidiary	829,572	-	1,093,924	-
Profit on investment contracts	27,331	87,734	27,331	87,734
Other income	25,553	6,838	(30,744)	3,792
Total investment income	2,457,996	1,143,512	2,119,598	507,640
Expenses for marketing and administration	(373,508)	(556,344)	(357,254)	(483,071)
Employee benefit expense	(719,130)	(663,136)	(565,742)	(738,140)
Other operating expenses	(907,233)	(875,386)	(659,836)	(269,203)
(Impairment)/writeback of premium receivables	(36,167)	35,518	-	-
Total operating expenses	(2,036,038)	(2,059,348)	(1,582,832)	(1,490,414)
Results of operating activities	2,837,526	935,853	1,416,993	119,943
Finance cost	(180,006)	(86,578)	(23,107)	-
Profit before tax	2,657,520	849,275	1,393,886	119,943
Income tax expense	(591,672)	(157,017)	(47,644)	(53,165)
Profit for the period	2,065,848	692,258	1,346,242	66,778
Profit attributable to:				
Owners of the parent	2,045,982	612,842	1,346,242	66,778
Non-controlling interest	19,866	79,416	-	-
	2,065,848	692,258	1,346,242	66,778
Other comprehensive income:				
Items that may be subsequently reclassified to the profit or loss account:				
Changes in available-for-sale financial assets (net of taxes)	1,411,305	(160,102)	1,339,794	(14,726)
Other comprehensive income for the period	1,411,305	(160,102)	1,339,794	(14,726)
Total comprehensive income for the period	3,477,153	532,156	2,686,036	52,052
Attributable to:				
Owners of the parent	3,457,287	452,740	2,686,036	52,052
Non-controlling interests	19,866	79,416	-	-
Total comprehensive income for the period	3,477,153	532,156	2,686,036	52,052

Statement of Cashflows

for the period ended 30 September 2020
(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 30-Sep-2020	Group 30-Sep-2019	Parent 30-Sep-2020	Parent 30-Sep-2019
Cash flows from operating activities					
Cash premium received		28,383,756	28,864,021	14,437,373	17,872,566
Cash paid as reinsurance premium		(11,672,414)	(12,707,793)	(11,511,077)	(12,604,815)
Fee income received		1,426,510	1,787,042	1,327,781	2,023,017
Cash received on investment contract liabilities	18.1	1,783,757	770,342	1,783,757	770,342
Cash paid to investment contract holders	18.1	(1,226,300)	(153,239)	(1,226,300)	(153,239)
Claims paid	29	(15,180,546)	(14,124,646)	(6,686,714)	(6,541,176)
Cash received from reinsurers on recoveries for claims paid	8f	905,637	(2,252,983)	669,919	(1,922,304)
Cash received from coinsurers on recoveries and claims paid	7.2a	252,215	(404,446)	252,215	(404,446)
Underwriting expenses paid	30	(2,940,894)	(2,699,071)	(2,454,841)	(2,363,802)
Employee benefits paid		(2,256,229)	(2,086,236)	(1,633,942)	(1,114,620)
Rent received		990,948	891,533	-	-
Other operating expenses paid		(3,352,977)	(5,464,856)	(2,517,972)	(5,085,203)
Premium received in advance	19	2,029,701	5,894	2,029,701	5,894
Changes in working capital		(856,835)	(7,574,438)	(5,530,099)	(9,517,786)
Income tax paid	21	(657,969)	(453,451)	(156,776)	(180,407)
Net cash from operating activities		(1,514,804)	(8,027,889)	(5,686,875)	(9,698,193)
Cash flows from investing activities					
Purchases of property, plant and equipment	15	(672,166)	(324,873)	(534,378)	(239,466)
Dividend received		333,702	189,720	155,320	729,005
Investment income received	31	2,446,415	1,625,856	1,912,794	1,373,256
Purchase of intangible assets	14	(58,402)	(10,178)	(49,640)	(9,653)
Proceeds from the disposal of property and equipment		10,888	7,242	7,266	6,770
Proceeds from the disposal of investment property	12	1,350,000	-	1,350,000	-
Proceeds from the disposal of shares in subsidiary	33b	3,000,000	-	3,000,000	-
Purchase of fair value through profit or loss financial assets		(3,334,713)	-	(3,334,713)	-
Sale of fair value through profit or loss financial assets		4,590,269	-	4,590,269	-
Sale of available-for-sale financial assets		20,282,221	34,469,683	19,407,645	28,698,106
Purchase of available-for-sale financial assets		(19,094,499)	(27,223,007)	(19,508,517)	(21,097,727)
Increase in loans and receivables		(36,146)	-	(1,692,304)	-
Repayment of loans and receivables		50,776	-	583,061	-
Net cash used in investing activities		8,868,343	8,734,443	5,886,803	9,460,290
Cash flows from financing activities					
Interest & principal repayment on borrowings		(4,594,119)	(886,537)	-	-
Borrowed funds received		1,000,000	-	-	-
Net cash used in financing activities		(3,594,119)	(886,537)	-	-
Net increase/decrease in cash and cash equivalents		3,759,420	(179,983)	199,928	(237,903)
Cash and cash equivalent at beginning of year	5	17,911,416	5,238,705	16,133,274	4,218,348
Effect of exchange rate changes on cash and cash equivalent		51,038	28,904	47,963	27,850
Cash and cash equivalent at end of year	5	21,721,874	5,087,626	16,381,165	4,008,295

1 General information

Reporting entity

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

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

2 Summary of significant accounting policies

2.1 Basis of presentation and compliance with IFRS

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

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

(a) Basis of measurement

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

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

(b) Use of estimates and judgements

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

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

2.1.1 Changes in accounting policy and disclosures

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

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

New or amended standards	Summary of the requirements	Possible impact on Consolidated financial statements
IFRS 9: Financial instruments	IFRS 9, released in July 2014, replaces the existing guidance in IAS 39 Financial instruments: Recognition and measurement. IFRS 9 includes revised guidance on the reclassification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.	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. *Classification and measurement* 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. *Impairment:* 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 alomg with the effective date of IFRS 9 (2022) at the earliest. The impact of the adoption of this amendment on the Group is being assessed.
IFRS 17: Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. The results of insurers using this model are therefore likely to be less volatile than under the general model.	The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2022.

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

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

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

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

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

The Group has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following;
a) Its activities are predominantly connected with insurance contracts;
b) 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.
c) The company’s activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related

Fair value disclosures

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 acquistion 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 of 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 of 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'sother 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 coinsurers for claims settled to policy holders on behalf of coinsurers 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 reclassfied as available for sale assets. In making this reclassification, the entire portfolio becomes tainted and the group cannot designate any instrument as held to maturity for the next two years after a sale or reclassification. Fair values changes upon tainting of the HTM portfolio are recognised in Other Comprehensive income prospectively.

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

Impairment of financial assets

(a) Financial assets carried at amortised cost

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

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

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

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

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

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.
When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

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

(b) Assets classified as available for sale

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

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

6 Pledged assets

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

Derecognition of financial assets

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

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

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

Offsetting financial instruments

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

(f) Investment property

Property held for rental yields and capital appreciation that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building.
Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.
Subsequently, it is carried at fair value, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert.

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

Investment properties are 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, usefiul lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(ii) Goodwill

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

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

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

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

(ii) Life insurance contracts premium and claims

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

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

(iii) Annuity premium and claims

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

(iv) Salvages

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

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

(v) Subrogation

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

(vi) Deferred policy acquisition costs (DAC)

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

(vii) Deferred income

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

(viii) Receivables and payables related to insurance contracts

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

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

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

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

- *Reinsurance and coinsurance contracts held*

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

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

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

(k) Investment contracts

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

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

(l) Technical reserves

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

(i) General insurance contracts

Reserves for unearned premium

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

Reserves for outstanding claims

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

Reserves for unexpired risk

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

(ii) Life business

Life fund

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

Liability adequacy test

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

(m) Financial liabilities

(i) *Borrowings*

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

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

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

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

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

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

(ii) *Trade and other payables*

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

(iii) *Financial guarantee contracts*

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

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

(n) Provisions

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

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

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

(o) Current and deferred income tax

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

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

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

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

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

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

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

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

(p) Equity and Reserves

(i) **Share capital**

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

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

(ii) **Share premium**

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

(iii) **Fair value reserves**

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

(iv) **Treasury shares**

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

(v) **Contingency reserves**

(a) Non-life business

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

(b) Life business

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

(vi) **Statutory reserves**

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

(vii) **Capital reserves**

This refers to reserves arising from business restructuring.

(viii) **Retained earnings**

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

(ix) **Dividends**

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

(q) Earnings per share

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

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

(r) Revenue recognition

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

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

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

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

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

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

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

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

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

(e) Net fair value gain on non financial assets

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

(s) Changes in life fund estimates

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to profit or loss.

(t) Investment income

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

(u) Operating expenditure

(i) *Reinsurance expenses*

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

(ii) *Underwriting expenses*

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

(iii) Other operating expenses

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

(iv) Employee benefits

(a) Defined contribution plans

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

(b) Short-term benefits

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

(c) Share based payment

(i) Equity-settled share based payment

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

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

(ii) Cash-settled share based payment

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

(d) Termination benefits

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

(v) IFRIC 23: Uncertainty over income tax treatment

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

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used,

by an entity in its income tax filings:

- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to

be used in its income tax filings

- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Group has adopted IFRIC 23 effective 1 January 2019.

(vi) IFRS 15: Revenue from contracts with customers

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

(vii) Leases

(a) Determining whether an arrangement contains a lease

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

(b) Leased assets

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

(c) Lease payments

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

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

The Group has elected to apply the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from
the use of an identified asset; and the right to direct the use of that asset. The Group has applied the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component. Leases, under which the Group possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the statement of financial position and recognized as a leased asset. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset, and (b) the right to direct the use of the identified asset. The Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term. The Group presents right-of-use assets as a separate class under ‘property and equipment’. The Group presents lease liability in other liabilities in the statement of financial position.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2020. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments - the Group applied this approach to all other leases.
The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

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

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

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

3. 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:

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
30 September 2020 In thousands of Naira	Non-life	Life		Non-life	Life			
ASSETS								
Cash and cash equivalents	7,978,322	2,227,091	1,517,486	3,672,794	900,263	85,161	5,340,758	**21,721,874**
Fair value through profit or loss	-	2,113,258	-	-	-	2,923,414	-	**5,036,672**
Available-for-sale	3,916,323	1,193,449	3,723,351	12,914,547	1,197,392	1,606,156	3,499,392	**28,050,610**
Financial assets designated at fair value	-	-	4,940,966	-	-	-	-	**4,940,966**
Trade receivables	2,066,365	1,859,167	-	-	-	-	6,219,571	**10,145,103**
Reinsurance assets	8,847,408	728,313	-	-	-	-	167,589	**9,743,310**
Other receivables	-	-	-	791,180	1,268,607	-	522,833	**2,582,620**
Deferred acquisition cost	481,407	-	-	-	-	-	31,714	**513,121**
Loans and receivables	-	-	-	946,192	1,091,917	-	(1,793,781)	**244,328**
Investment properties	-	-	-	-	-	-	15,287,773	**15,287,773**
Investment in subsidiaries	-	-	-	1,252,000	400,000	-	-	**-**
Intangible assets	-	-	-	210,352	11,159	-	27,428	**248,939**
Property and equipment	-	-	-	1,975,397	403	-	204,080	**2,179,880**
Right of use	-			910,213	60,021		-	**970,233**
Statutory deposit	-	-	-	300,000	200,000	-	-	**500,000**
TOTAL ASSETS	23,289,826	8,121,278	10,181,803	22,972,674	5,129,761	4,614,731	29,507,357	**102,165,429**
LIABILITIES								
Insurance liabilities	12,061,452	5,132,540	-	-	-	2,830,317	10,741,123	**30,765,432**
Investment contract liabilities:								
– At amortised cost	-	-	4,829,522	-	-	-	-	**4,829,522**
– Financial liabilities designated at fair value	-	-	4,940,966	-	-	-	-	**4,940,966**
Trade payables	-	-	-	11,378,363	1,808,859	-	310,289	**13,497,511**
Other liabilities	-	-	-	1,872,537	701,888	-	1,388,235	**3,962,660**
Current income tax liabilities	-	-	-	98,857	77,998	-	1,179,087	**1,355,942**
Borrowings	-	-	-	-	-	-	4,070,364	**4,070,364**
Deferred tax liability	-	-	-	-	-	-	947,367	**947,367**
TOTAL LIABILITIES	12,061,452	5,132,540	9,770,488	13,349,757	2,588,745	2,830,317	18,636,465	**64,369,764**
SURPLUS	11,228,374	2,988,738	411,315	9,622,917	2,541,016	1,784,414	10,870,892	**37,795,665**

Parent

	Insurance fund		Investment Contracts	Shareholders funds		Annuity	Total
30 September 2020 In thousands of Naira	Non-life	Iife		Non-life	Iife		
ASSETS							
Cash and cash equivalents	7,978,322	2,227,091	1,517,486	3,672,843	900,263	85,161	**16,381,165**
Fair value through profit or loss	-	2,113,258	-	-	-	2,923,414	**5,036,672**
Available-for-sale	3,916,323	1,193,449	3,723,351	12,914,495	1,197,392	1,606,156	**24,551,167**
Financial assets designated at fair value	-	-	4,940,966	-	-	-	**4,940,966**
Trade receivables	2,066,365	1,859,167	-	-	-	-	**3,925,532**
Reinsurance assets	8,847,408	728,313	-	-	-	-	**9,575,721**
Other receivables	-	-	-	791,180	1,268,607	-	**2,059,787**
Deferred acquisition cost	481,407	-	-	-	-	-	**481,407**
Loans and receivables	-	-	-	946,192	1,091,917	-	**2,038,109**
Investment properties	-	-	-	-	-	-	**-**
Investment in subsidiaries	-	-	-	1,252,000	400,000	-	**1,652,000**
Intangible assets	-	-	-	210,352	11,159	-	**221,511**
Property and equipment	-	-	-	1,975,397	403	-	**1,975,800**
Right of use				910,213	60,021		**970,233**
Statutory deposit	-	-	-	300,000	200,000	-	**500,000**
TOTAL ASSETS	23,289,826	8,121,278	10,181,803	22,972,671	5,129,761	4,614,731	**74,310,070**
LIABILITIES							
Insurance liabilities	12,061,452	5,132,540	-	-	-	2,830,317	**20,024,309**
Investment contract liabilities:							
– At amortised cost	-	-	4,829,522	-	-	-	**4,829,522**
– Financial liabilities designated at fair value	-	-	4,940,966	-	-	-	**4,940,966**
Trade payables	-	-	-	11,378,363	1,808,859	-	**13,187,222**
Other liabilities	-	-	-	1,872,537	701,888	-	**2,574,425**
Current income tax liabilities	-	-	-	98,857	77,998	-	**176,855**
Deferred income tax	-	-	-	-	-	-	**-**
TOTAL LIABILITIES	12,061,452	5,132,540	9,770,488	13,349,757	2,588,745	2,830,317	**45,733,299**
SURPLUS	11,228,374	2,988,738	411,315	9,622,914	2,541,016	1,784,414	**28,576,771**

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 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 reser	-	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 Insititutions	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**
Investment contract liabilities:								
– 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**

Parent

	Insurance fund		Investment	Shareholders funds		Annuity	Total
31 December 2019 **In thousands of Naira**	Non-life	life	**Contracts**	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**
Investment contract liabilities:							
– 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

4 (a) The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the year ended 30 September 2020

September 2020 *In thousands of Nigerian Naira*	Non life business	Life Business	Elimination between Life &	**AXA Mansard Insurance**	Investment Management	Property Development	Health Maintenance	Elimination adjustments	**Total**
Cash and cash equivalents	11,651,090	4,730,075	-	**16,381,165**	138,853	706,134	4,495,722	-	**21,721,874**
Fair value through profit or loss	-	5,036,672		**5,036,672**	-	-	-	-	**5,036,672**
Available-for-sale assets	16,830,819	7,720,348	-	**24,551,167**	1,385,579	493	2,113,371	-	**28,050,610**
Financial assets designated at fair value	-	4,940,966	-	**4,940,966**	-	-	-	-	**4,940,966**
Trade receivables	2,066,365	1,859,167	-	**3,925,532**	-	-	6,219,571	-	**10,145,103**
Reinsurance assets	8,847,408	728,313	-	**9,575,721**	-	-	167,589	-	**9,743,310**
Deferred acquisition cost	481,407	-	-	**481,407**	-	-	31,714	-	**513,121**
Other receivables	791,180	1,268,607	-	**2,059,787**	219,269	132,989	170,575	-	**2,582,620**
Loans and receivables	2,053,100	1,091,918	(1,106,909)	**2,038,109**	9,290	-	1,383,172	(3,186,243)	**244,328**
Investment properties	-	-	-	**-**	-	15,287,773	-	-	**15,287,773**
Investment in subsidiaries	1,252,000	400,000	-	**1,652,000**	-	-	4,400,000	(6,052,000)	**-**
Intangible assets	210,352	11,159	-	**221,511**	12,181	376	2,871	12,000	**248,939**
Property, plant and equipment	1,975,397	403	-	**1,975,800**	49,007	48,176	106,897	-	**2,179,880**
Right of Use	910,213	60,021		**970,233**			-	-	**970,233**
Statutory deposit	300,000	200,000	-	**500,000**	-	-	-	-	**500,000**
TOTAL ASSETS	47,369,331	28,047,648	(1,106,909)	**74,310,070**	1,814,179	16,175,941	19,091,482	(9,226,243)	**102,165,429**
Insurance liabilities	12,061,453	7,962,856	-	**20,024,309**	-	-	10,741,123	-	**30,765,432**
Investment contract liabilities:	-								
– At amortised cost	-	4,829,522	-	**4,829,522**	-	-	-	-	**4,829,522**
– Financial liabilities designated at fair value	-	4,940,966	-	**4,940,966**	-	-	-	-	**4,940,966**
Trade payables	11,378,363	1,808,859	-	**13,187,222**	-	-	310,289	-	**13,497,511**
Other Liabilities	2,979,602	701,732	(1,106,909)	**2,574,425**	580,796	681,022	742,258	(615,841)	**3,962,660**
Current income tax liabilities	98,857	77,998	-	**176,855**	40,891	181,349	956,847	-	**1,355,942**
Borrowings	-	-	-	**-**	-	4,300,566	2,341,327	(2,571,529)	**4,070,364**
Deferred income tax	-	-	-	**-**	7,352	923,558	16,457	-	**947,367**
TOTAL LIABILITIES	26,518,275	20,321,933	(1,106,909)	**45,733,299**	629,039	6,086,495	15,108,301	(3,187,370)	**64,369,764**
EQUITY									
Share capital	4,250,000	1,000,000	-	**5,250,000**	150,000	5,152	700,000	(855,152)	**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	756,870	-	**4,348,580**	-	-	-	-	**4,348,580**
Other reserves	1,652,077	1,000,000	-	**2,652,077**	-	-	-		**2,652,077**
Treasury shares	(304,924)	-	-	**(304,924)**	-	-	-	-	**(304,924)**
Retained earnings	6,339,468	2,218,169	-	**8,557,637**	215,232	4,159,695	3,049,321	(2,938,747)	**13,043,138**
Fair value reserves	1,679,272	1,950,676	-	**3,629,948**	29,908	-	233,860	-	**3,893,716**
	20,851,056	7,725,715	-	**28,576,771**	1,185,140	5,619,821	3,983,181	(6,038,873)	**33,326,040**
Non-controlling interests in equity	-	-	-	**-**	-	4,469,625	-	-	**4,469,625**
TOTAL EQUITY	20,851,056	7,725,715	-	**28,576,771**	1,185,140	10,089,446	3,983,181	(6,038,873)	**37,795,665**
TOTAL LIABILITIES AND EQUITY	47,369,331	28,047,648	(1,106,909)	**74,310,070**	1,814,179	16,175,941	19,091,482	(9,226,243)	**102,165,429**

December 2019 *In thousands of Nigerian Naira*	Non life business	Life Business	Elimination between 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	-	-		**15,801,949**
Investment in subsidiaries	3,137,247	400,000	-	**3,537,247**	-	-	-	4,400,000	(7,937,247)	**-**
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**
Investment contract liabilities:										
– 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**

(b) The consolidated financial data for the reporting segments for the year ended 30 September 2020 is as follows:

30 September 2020	Non life Business	Life business	Insurance	Investment management	Property development	Health Maintenance	Disposed subsidiary-Pension	Elimination Adjustments	Total
Revenue:									
Derived from external customers:									
Gross written premium	16,547,307	6,987,038	23,534,345	-	-	16,108,096	-	(179,532)	39,462,909
Gross premium income	14,771,125	6,002,259	20,773,384	-	-	13,595,969	-	(179,532)	34,189,821
Reinsurance expenses	(9,517,913)	(757,783)	(10,275,696)	-	-	(161,336)	-	-	(10,437,033)
Net premium income	5,253,212	5,244,476	10,497,688	-	-	13,434,633	-	(179,532)	23,752,788
Fees and commission income	1,138,256	138,445	1,276,701	-	-	-	-	-	1,276,701
Net underwriting income	6,391,468	5,382,921	11,774,389	-	-	13,434,633	-	(179,532)	25,029,489
Claims:									
Claims expenses (gross)	2,864,482	2,397,010	5,261,492	-	-	9,078,762	-	-	14,340,254
Claims expenses recovered from reinsurers	(317,999)	(12,621)	(330,620)	-	-	(33,954)	-	-	(364,574)
Underwriting expenses	1,613,663	841,178	2,454,841	-	-	486,054	-	-	2,940,895
Changes in individual life reserves	-	449,582	449,582	-	-	-	-	-	449,582
Increase/(decrease) in annuity reserves	-	652,500	652,500	-	-	-	-	-	652,500
Net underwriting expenses	4,160,146	4,327,649	8,487,795	-	-	9,530,862	-	-	18,018,656
Toral underwriting profit	2,231,322	1,055,272	3,286,594	-	-	3,903,771	-	(179,532)	7,010,833
Investment income	1,079,925	862,872	1,942,797	598,256	74	326,456	358,047	(167,931)	3,057,699
Net gains on fin. instruments/Inv. Property	22,316	914,188	936,505	9,558	663,530	(7,434)	9,064	-	1,611,222
Disposal of shares in subsidiary	1,093,924	-	1,093,924	-	-	-	-	(264,352)	829,572
Profits on investment contracts	-	159,798	159,798	-	-	-	-	-	159,798
Other income	(20,233)	-	(20,233)	-	-	45,775	10	-	25,553
Rental income	-	-	-	-	906,144	-	-	(33,018)	873,126
Total investment income	2,175,932	1,936,858	4,112,791	607,814	1,569,748	364,797	367,121	(465,301)	6,556,970
Expenses for marketing and administration	551,910	454,199	1,006,109	27,000	1,000	46,121	65,655	(33,018)	1,112,867
Employee benefit expense	770,709	822,325	1,593,034	187,433	-	156,856	209,741	-	2,147,064
Other operating expenses	925,605	896,136	1,821,741	213,059	35,547	767,748	51,009	(278,250)	2,610,854
Impairment of other assets	-	-	-	-	-	-	-	-	-
Impairment of premium receivables	14,860	-	14,860	-	-	38,864	-		53,724
Results of operating activities	2,144,169	819,470	2,963,641	180,322	1,533,201	3,258,979	40,716	(333,565)	7,643,294
Finance cost	(58,089)		(58,089)	-	(301,775)	(249,096)	-	25,014	(583,945)
Profit before tax	**2,086,080**	**819,470**	**2,905,552**	**180,322**	**1,231,426**	**3,009,883**	**40,716**	**(308,551)**	**7,059,349**
Income tax expenses	(94,724)	(38,247)	(132,971)	(67,223)	(250,897)	(934,575)	(1,836)	-	(1,387,505)
Profit for the year	**1,991,356**	**781,223**	**2,772,580**	**113,098**	**980,529**	**2,075,308**	**38,880**	**(308,551)**	**5,671,844**
Assets and liabilities									
Total assets	47,369,331	28,047,648	74,205,281	1,814,179	16,175,941	19,091,482	-	(10,333,152)	102,165,430
Total liabilities	26,518,275	20,321,933	46,761,260	629,039	6,086,495	15,108,301	-	(4,294,279)	64,369,762
Net assets/(liabilities)	**20,851,056**	**7,725,715**	**27,444,021**	**1,185,140**	**10,089,446**	**3,983,181**	**-**	**(6,038,873)**	**37,795,668**

Notes to the financial statements

30 September 2020	Non life	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Segment reporting									
In thousands of Naira									
External revenue									
Net premium earned	5,253,212	5,244,476	10,497,688	-	-	13,434,633	-	(179,532)	23,752,788
Net interest income	1,079,925	1,022,670	2,102,595	598,256	74	326,456	358,047	(167,931)	3,217,497
Net fees and commission	1,138,256	138,445	1,276,701	-	-	-	-	-	1,276,701
Net trading income/(expense)	22,316	914,188	936,505	9,558	74	(7,434)	9,064	-	947,766
Other income	1,073,691	-	1,073,691	-	906,144	45,775	10	(297,370)	1,728,249
Inter segment revenue	-	-	(179,532)	1,351,529	-	179,532	-	(465,301)	1,065,760
Total segment revenue	8,567,400	7,319,779	15,707,649	1,959,343	906,292	13,978,962	367,121	(1,110,134)	31,988,763
Reportable segment profit before tax	2,086,080	819,470	2,905,552	180,322	1,231,426	3,009,883	40,716	(308,551)	7,059,348
Reportable segment assets	47,369,331	28,047,648	74,205,281	1,814,179	16,175,941	19,091,482	-	(10,333,152)	102,165,429
Reportable segment liabilities	26,518,275	20,321,933	46,761,260	629,039	6,086,495	15,108,301	-	(4,294,279)	64,369,764

(All amounts in thousands of Naira unless otherwise stated)

5 Cash and cash equivalents

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Cash at bank and in hand	11,715,020	7,603,647	8,167,147	6,024,334
Tenored deposits	10,006,854	10,307,769	8,214,018	10,108,940
	21,721,874	17,911,416	16,381,165	16,133,274

6 Investment securities

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

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Fair value through profit or loss (see note 6.1)	5,036,672	5,302,005	5,036,672	5,302,005
Available-for-sale (see note 6.2)	28,050,611	27,836,825	24,551,167	22,032,646
Financial assets designated at fair value (see note 6.3)	4,940,966	4,154,695	4,940,966	4,154,695
	38,028,249	37,293,525	34,528,805	31,489,346

6.1 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 Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Government bonds	4,721,592	3,184,337	4,721,592	3,184,337
Treasury bills	315,080	2,232,618	315,080	2,232,618
	5,036,672	5,416,955	5,036,672	5,416,955

6.2 ***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 Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Government & corporate bonds	18,094,749	12,820,184	17,014,726	11,498,908
Tenored deposits with maturity above 90 days	-	1,077,894	-	1,077,895
Treasury bills	1,151,635	4,846,197	801,259	1,546,058
Equity securities (see table (a) below)	212,646	182,602	135,942	124,349
Investment funds	8,591,580	8,909,948	6,599,240	7,785,436
	28,050,610	27,836,825	24,551,167	22,032,646

(a) Analysis of equity securities is shown below:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Quoted securities	152,630	122,586	75,925	64,333
Unquoted securities				
Insurance Energy pool	36,466	36,466	36,466	36,466
Imperial Homes Limited	23,500	23,500	23,500	23,500
DML Nominees limited	50	50	50	50
	212,646	182,602	135,942	124,349

6.3 ***Financial assets designated at fair value***

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Investment contracts designated at fair value	4,940,966	4,154,695	4,940,966	4,154,695
	4,940,966	4,154,695	4,940,966	4,154,695

7 Trade receivables

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Premium receivable (see 7.1 below)	9,136,729	4,383,727	2,917,158	189,676
Coinsurance receivable (see 7.2 below)	1,008,374	1,034,697	1,008,374	1,034,697
	10,145,103	5,418,424	3,925,532	1,224,373

All trade receivables fall due within one year.

7.1 Premium receivables

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
(a) Premium receivables	9,227,953	4,416,751	2,963,086	220,743
Less specific provision for impairment	(91,224)	(33,024)	(45,928)	(31,067)
	9,136,729	4,383,727	2,917,158	189,676

Analysis of premium receivables:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Life contracts insurance receivable	1,548,803	185,376	1,548,803	185,376
Non-life contracts insurance receivable	1,368,357	4,299	1,368,357	4,299
AXA Mansard Health (HMO) receivable	6,219,571	4,194,052	-	-
	9,136,731	4,383,727	2,917,160	189,675

(All amounts in thousands of Naira unless otherwise stated)

Counter party categorization of insurance receivable:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Brokers and agents	2,963,086	220,743	2,963,086	220,743
Contract holders	6,264,867	4,196,009	-	-
Total insurance receivables	9,227,953	4,416,752	2,963,086	220,743
Less impairment of receivables:				
– Brokers and agents	(45,928)	(31,067)	(45,928)	(31,067)
– Contract holders	(45,296)	(1,957)	-	-
Total impairment	(91,224)	(33,024)	(45,928)	(31,067)
	9,136,729	4,383,728	2,917,158	189,676

(b) Impairment of premium receivable

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	33,025	73,936	31,067	35,969
Additional impairment/(write back) during the year	53,724	(40,911)	14,860	(4,902)
Write off of premium receivables	-	-	-	-
Balance, end of year	91,224	33,025	45,928	31,067

7.2 Co-insurance receivable

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Co-insurers' share of outstanding claims	1,008,374	1,034,697	1,008,374	1,034,697
	1,008,374	1,034,697	1,008,374	1,034,697

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

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	1,034,697	309,443	1,034,697	309,443
Additions in the year	225,892	825,585	225,892	825,585
Receipts during the year	(252,215)	(100,331)	(252,215)	(100,331)
	1,008,374	1,034,697	1,008,374	1,034,697

8 Reinsurance assets

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Total reinsurers' share of outstanding claims (see note (a) below)	1,478,350	3,418,524	1,460,967	3,405,168
Reinsurance premium paid in advance for next year's policies	-	-	-	-
Prepaid re-insurance- Non life & health (see note (b) below)	3,362,517	2,075,397	3,255,730	2,029,410
Prepaid re-insurance- group life reserves (see note (c) below)	243,938	253,769	243,938	253,769
Reinsurance share of individual life reserves (see note (d) below)	26,634	26,634	26,634	26,634
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	1,824,353	1,462,249	1,780,935	1,442,958
Recoverables from reinsurers on claims paid (see note (f) below)	2,807,517	1,737,673	2,807,517	1,737,673
	9,743,310	8,974,246	9,575,721	8,895,612

(a) The movement in reinsurers' share of outstanding claims is as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	3,418,524	2,811,265	3,405,168	3,405,168
Movement during the year	(1,940,174)	-	(1,944,201)	-
	1,478,350	3,418,524	1,460,967	3,405,168

Reinsurance share of outstanding claims can be analysed as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Non-life	1,370,591	2,694,480	1,370,591	2,694,480
Life	90,376	103,427	90,376	103,427
AXA Mansard Health (HMO)	17,383	13,357	-	-
Balance, end of year	1,478,350	2,811,264	1,460,967	2,797,907

(b) The movement in prepaid reinsurance - Non life & health is as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	2,075,397	1,926,409	2,029,409	1,892,293
Movement during the year (see note 27)	1,287,120	148,988	1,226,321	137,116
	3,362,517	2,075,397	3,255,730	2,029,409

(All amounts in thousands of Naira unless otherwise stated)

(c) The movement in prepaid re-insurance- group life reserves:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	253,769	305,258	253,769	305,258
Movement during the year (see note 27)	(9,831)	(51,489)	(9,831)	(51,489)
	243,938	253,769	243,938	253,769

(d) The movement in reinsurance share of individual life reserves:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	26,634	48,908	26,634	48,908
Movement during the year (see note 27)	-	(22,274)	-	(22,274)
	26,634	26,634	26,634	26,634

Reinsurance Expense for the year:	Group Dec-2019	Group Dec-2019	Parent Dec-2019	Parent Dec-2019
Prepaid re-insurance at the beginning of the year (see note 8(a), (b) & (c) above)	2,355,801	2,280,575	2,309,812	2,246,459
Reinsurance cost (see note 27)	11,714,323	15,394,250	11,492,186	15,242,133
Total	14,070,124	17,674,825	13,801,998	17,488,592
Prepaid re-insurance at the end of the year (see note 8(a), (b) & (c) above)	(3,633,089)	(2,355,800)	(3,526,302)	(2,309,813)
Reinsurance expense for the year (see note 27)	10,437,035	15,319,024	10,275,696	15,178,779

(e) Reinsurance share of IBNR can be analysed as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Non-life	1,652,896	1,022,608	1,652,896	1,022,608
Life	128,039	420,350	128,039	420,350
Health	43,419	19,291	-	-
Balance, end of year	1,824,354	1,462,249	1,780,935	1,442,958

The movement in reinsurance IBNR:	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	1,462,249	1,491,441	1,442,958	1,488,122
Movement during the year	362,105	(29,192)	337,977	(45,164)
	1,824,354	1,462,249	1,780,935	1,442,958

(f) The movement in recoverables from reinsurers on claims paid

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	1,737,673	2,133,436	1,737,673	2,133,436
Additions in the year	1,975,481	2,852,945	1,739,763	2,474,285
Receipts during the year	(905,637)	(2,852,945)	(669,919)	(2,474,285)
	2,807,517	1,737,673	2,807,517	1,737,673

(All amounts in thousands of Naira unless otherwise stated)

9 Deferred acquisition cost

This relates to the commission paid on the unexpired premium reserve	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Deferred acquisition cost- Fire	141,084	68,161	141,084	68,161
Deferred acquisition cost- Gen. Accident	83,386	40,963	83,386	40,963
Deferred acquisition cost- Motor	62,151	73,221	62,151	73,221
Deferred acquisition cost- Marine	24,758	61,627	24,758	61,627
Deferred acquisition cost- Engineering	42,845	45,872	42,845	45,872
Deferred acquisition cost- Oil & Gas	114,498	24,063	114,498	24,063
Deferred acquisition cost- Aviation	12,684	7,148	12,684	7,148
Deferred acquisition cost- HMO	31,714	9,992	-	-
Total	513,121	331,047	481,407	321,055

The movement in deferred acquisition cost is as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of year	331,047	494,584	321,055	481,077
Movement in deferred acquisition cost	182,073	(57,812)	160,352	(65,864)
Balance, end of year	513,121	331,047	481,407	321,055
Current	207,530	311,295	207,530	207,530
Non-current	305,591	282,567	273,877	273,547
	513,121	593,862	481,407	481,077

10 Other receivables

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Prepayment (see note (i) below)	694,475	574,504	523,302	454,609
Accrued income (see note (ii) below)	243,628	275,932	81,768	35,373
Other account receivables (see note (iii) below)	1,744,509	813,068	1,554,709	426,761
Gross	2,682,612	1,663,504	2,159,779	916,743
Less: Specific impairment of other receivables (see (a) below)	(99,992)	(114,852)	(99,992)	(114,852)
Net receivables	2,582,620	1,548,652	2,059,787	801,891

(i) Prepayment includes prepaid rents and prepaid expenses such as maintenance agreements. The average amortization period for these expenses is 24 months.
(ii) Accrued income relates to dividend income earned but not yet received as at year end.
(iii) Other account receivables relate to amounts due from various third parties and also includes cash advanced to staff in respect of various operating expenses.
(a) The movement in provision for impairment of other receivables:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	114,852	69,152	114,852	69,152
Charge for the year	(14,860)	45,700	(14,860)	45,700
Balance end of year	99,992	114,852	99,992	114,852
Current	2,219,629	1,280,501	1,810,911	613,670
Non-current	462,983	383,003	348,868	303,073
	2,682,612	1,663,504	2,159,779	916,743

11 Loans and receivables

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Loans and advances to related party (see note (a) below)	29,246	175,647	1,832,444	677,082
Other loans (see (b) below)	1,106,619	1,106,619	1,106,619	1,106,619
Staff loans and advances	215,082	227,901	205,665	205,086
Gross	1,350,947	1,510,167	3,144,728	1,988,787
Less:				
Specific impairment of Other loans (see note (c) below)	(1,106,619)	(1,106,619)	(1,106,619)	(1,106,619)
	(1,106,619)	(1,106,619)	(1,106,619)	(1,106,619)
Net loans and receivables	244,328	403,548	2,038,109	882,168

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

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	175,647	101,479	677,082	147,310
Additions during the year	-	95,405	1,656,442	529,771
Accrued Interest during the year	-	-	45,044	-
Converted to equity	-	-	-	-
Payments during the year	(146,401)	(21,237)	(546,123)	-
Balance end of year	29,246	175,647	1,832,444	677,082

(c) The movement in impairment of Other loans:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of the year	1,106,619	1,106,619	1,106,619	1,106,619
Additions/(write back) during the year	-	-	-	-
Balance end of year	1,106,619	1,106,619	1,106,619	1,106,619

(All amounts in thousands of Naira unless otherwise stated)

12 Investment properties

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Landed property (Parcel of Land, Located at Bela Vista Estate, Lekki - Lagos) - see note 14(b)	-	1,350,000	-	1,350,000
Landed property	-	-	-	-
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	15,287,773	14,451,949	-	-
Cost incurred on purchase of APD by health				
Balance, end of year	15,287,773	15,801,949	-	1,350,000
Non-current	15,287,773	15,801,949	-	1,350,000
	15,287,773	15,801,949	-	1,350,000

The movement in investment property is analysed as follows:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Balance, beginning of year	15,801,949	17,525,962	1,350,000	3,040,000
Additionals during the year		-		
Investment property disposed during the year	(1,350,000)	(1,300,000)	(1,350,000)	(1,300,000)
Foreign exchange gain/(loss)	835,824	(19,438)	-	-
Change in fair value		(404,575)	-	(390,000)
Investment property at fair value	15,287,773	15,801,949	-	1,350,000

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

Investment Properties	Valuation technique	Fair value at 30 September 2020 (in thousands)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Landed Property	Market Valuation approach	-	NA	NA	NA
Office Property	Income Capitalisation Cashflow approach	15,287,773	Forecast price per square metre	$600-$700 ($615)	The higher the price per square metre, the higher the fair value
			Capitalisation rate	6%	The higher the caapitalisation rate, the higher the fair value

13 Investment in subsidiaries

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

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

(b) *Principal subsidiary undertakings:*

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

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

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

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

2 AXA Mansard Health Limited was incorporated as a private limited liability company on the 7th of August 2003 and its principal activity is to manage the provision of health care services throu 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 Isl an ultra modern office structure.

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

(All amounts in thousands of Naira unless otherwise stated)

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

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

(i) *APD Limited*

	Group Sept-2020	Group Dec-2019
NCI percentage	44.3%	44.3%
Cash and cash equivalents	706,134	285,072
Other receivables	132,989	131,742
Available-for-sale assets	493	493
Investment properties	15,287,773	14,451,949
Property and equipment	48,176	48,079
Intangible assets	376	455
Borrowings	(4,300,566)	(4,190,149)
Other liabilities	(1,785,929)	(1,618,608)
Net assets	10,089,446	9,109,033
Carrying amount of NCI	4,469,625	4,035,302

	Sept-2020	Dec-2019
Income	1,569,748	1,335,287
Expenses	1,834,976	1,712,670
Profit before tax	(265,228)	(377,383)
Profit after tax	980,529	374,320
Profit allocated to NCI (44.3%)	434,374	165,824

(d) Significant restrictions and impairment

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

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

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

(All amounts in thousands of Naira unless otherwise stated)

14 Intangible assets

Analysis of intangible assets:

	Group Sept-2020	Group Dec-2019	Parent Sept-2020	Parent Dec-2019
Computer software acquired (see note (a) below)	236,939	241,765	221,511	215,450
License fee (see note (b) below)	-	400,000	-	-
Goodwill	12,000	938,532	-	-
Total	248,939	1,580,297	221,511	215,450

(a) **Group**

2020	**Computer software**	**License**	**Goodwill**	**Total**
Cost:				
Balance, beginning of year	680,172	500,000	938,532	2,118,704
Additions	58,402	-	-	58,402
Disposal (AMPL)	(39,811)	(500,000)	(926,532)	(1,466,343)
Balance, end of year	698,763	-	12,000	710,763
Amortization:				
Balance, beginning of year	438,407	100,000	-	538,407
Amortisation charge	54,710	11,667	-	66,377
Disposal (AMPL)	(31,293)	(111,667)	-	(142,960)
Balance, end of year	461,824	-	-	461,824
Closing net book value	236,939	-	12,000	248,939

2019	**Computer software**	**License**	**Goodwill**	**Total**
Cost:				
Balance, beginning of year	606,692	500,000	938,532	2,045,224
Additions	73,480	-	-	73,480
Intangible assets written off	-	-	-	-
Balance, end of year	680,172	500,000	938,532	2,118,704
Amortization:				
Balance, beginning of year	377,049	80,000	-	457,049
Amortisation charge	61,358	20,000	-	81,358
Accumulated amortization on intangible asset written off	-	-	-	-
Balance, end of year	438,407	100,000	-	538,407
Closing net book value	241,765	400,000	938,532	1,580,297

Parent	Parent Sept-2020	Parent Dec-2019
Cost:		
Balance, beginning of year	566,120	493,165
Additions	49,640	72,955
Intangible assets written off	-	-
Balance, end of year	615,760	566,120
Amortization:		
Balance, beginning of year	350,670	303,079
Amortisation charge	43,579	47,591
Accumulated amortization on intangible asset written off	-	-
Balance, end of year	394,249	350,670
Closing net book value	221,511	215,450

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

Notes to the financial statements

(All amounts in thousands of Naira unless otherwise stated)

15 (a) Property and equipment

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	1,071,976	1,037,222	536,537	1,162,736	61,551	4,916,851
Additions	-	-	302,308	195,778	54,341	81,394	38,345	672,166
Disposals	-	-	(177,444)	(14,016)	(13,624)	(21,000)	-	(226,084)
Disposal (AMPL)	-	-	(112,814)	(96,104)	(41,015)	(58,203)	-	(308,135)
Balance, 30 September 2020	389,664	657,165	1,084,026	1,122,879	536,239	1,164,928	99,896	5,054,798
Accumulated depreciation								
Balance, 1 January 2020	-	83,566	657,815	790,787	443,524	951,377	-	2,927,070
Charge for the period	-	9,858	128,916	126,421	28,086	62,234	-	355,514
Disposals	-	-	(134,459)	(12,746)	(12,982)	(19,180)	-	(179,367)
Disposal (AMPL)	-	-	(79,427)	(65,596)	(33,267)	(50,009)	-	(228,299)
Balance, 30 September 2020	-	93,424	572,845	838,866	425,361	944,423	-	2,874,918
Net book value								
Balance, 1 January 2020	389,664	573,598	414,161	246,435	93,013	211,359	61,551	1,989,781
Balance, 30 September 2020	389,664	563,741	511,181	284,014	110,878	220,506	99,896	2,179,880

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	848,540	893,653	354,435	935,314	61,551	4,140,322
Additions	-	-	223,710	181,442	43,125	47,757	38,345	534,378
Disposals	-	-	(152,901)	(11,475)	(6,343)	(8,112)	-	(178,831)
Balance, 30 September 2020	389,664	657,165	919,348	1,063,619	391,218	974,959	99,896	4,495,869
Accumulated depreciation								
Balance, 1 January 2020	-	83,566	507,204	693,621	304,212	767,178	-	2,355,780
Charge for the period	-	9,858	97,935	110,067	20,132	45,936	-	283,927
Disposals	-	-	(93,772)	(11,475)	(6,343)	(8,049)	-	(119,639)
Balance, 30 September 2020	-	93,424	511,367	792,213	318,001	805,065	-	2,520,069
Net book value								
Balance, 1 January 2020	389,664	573,598	341,336	200,032	50,223	168,136	61,551	1,784,542
Balance, 30 September 2020	389,664	563,741	407,981	271,406	73,217	169,894	99,896	1,975,800

(All amounts in thousands of Naira unless otherwise stated)

15 Property and equipment

(b) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2019	389,664	657,165	856,502	896,967	502,493	1,096,570	17,906	4,417,267
Additions	-	-	271,613	140,255	34,044	66,166	43,645	555,723
Disposals	-	-	(56,139)	-	-	-	-	(56,139)
Balance, 31st December 2019	389,664	657,165	1,071,977	1,037,222	536,537	1,162,736	61,551	4,916,851
Accumulated depreciation								
Balance, 1 January 2019	-	70,423	600,737	657,506	390,311	855,906	-	2,573,905
Charge for the period	-	13,144	114,195	133,281	53,213	95,471	-	409,303
Disposals	-	-	(56,138)	-	-	-	-	(56,138)
Balance, 31st December 2019	-	83,566	657,815	790,787	443,524	951,377	-	2,927,070
Net book value								
Balance, 1 January 2019	389,664	586,742	256,743	239,461	112,182	240,664	17,906	1,843,362
At 31st December 2019	389,664	573,598	414,161	246,435	93,013	211,359	61,551	1,989,781

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2019	389,664	657,165	671,689	784,920	348,488	890,520	17,906	3,760,352
Additions	-	0	232,989	108,733	5,947	44,794	43,645	436,108
Disposals	-	-	(56,139)	-	-	-	-	(56,139)
Balance, 31st December 2019	389,664	657,165	848,539	893,653	354,435	935,314	61,551	4,140,322
Accumulated depreciation								
Balance, 1 January 2019	-	70,423	475,137	576,589	275,078	695,472	-	2,092,698
Charge for the period	-	13,144	88,203	117,032	29,134	71,706	-	319,220
Disposals	-	-	(56,138)	-	-	-	-	(56,138)
Balance, 31st December 2019	-	83,567	507,202	693,621	304,212	767,178	-	2,355,779
Net book value								
Balance, 1 January 2019	389,664	586,742	196,552	208,331	73,410	195,048	17,906	1,667,655
At 31st December 2019	389,664	573,598	341,337	200,032	50,223	168,136	61,551	1,784,543

(All amounts in thousands of Naira unless otherwise stated)

15 Right of Use

(c)

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
As at January	535,863	477,868	462,082	335,956
Additions	684,726	220,503	666,749	216,304
Disposal (AMPL)	(82,793)	-	-	-
Depreciation	(167,563)	(162,508)	(158,598)	(90,178)
Balance	970,233	535,863	970,233	462,082

16 Statutory deposit

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

17 Insurance liabilities

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
– Outstanding claims (see note 17.1a)	3,912,162	6,070,304	3,884,585	5,980,088
– Claims incurred but not reported (see note 17.1b)	6,422,211	5,036,746	3,983,085	3,218,061
– Unearned premium (see note 17.2)	15,632,826	10,359,740	7,358,406	4,597,446
– Individual life reserve (see note 17.3)	1,967,916	1,518,334	1,967,916	1,518,334
– Annuity reserves (see note 17.4)	2,830,317	2,177,817	2,830,317	2,177,817
Total insurance liabilities, gross	30,765,432	25,162,941	20,024,309	17,491,746
Reinsurance receivables:				
Reinsurers' share of outstanding claims	1,478,350	3,418,524	1,460,967	3,405,168
Prepaid re-insurance- Non life & health	3,362,517	2,075,397	3,255,730	2,029,410
Reinsurance share of group life reserves	243,938	253,769	243,938	253,769
Reinsurance share of individual life reserves	26,634	26,634	26,634	26,634
Reinsurance share of Incurred But Not Reported (IBNR) claims	1,824,353	1,462,249	1,780,935	1,442,958
Recoverables from reinsurers on claims paid	2,807,517	1,737,673	2,807,517	1,737,673
Total reinsurers' share of insurance liabilities	9,743,309	8,974,246	9,575,721	8,895,612
Net insurance liability	21,022,123	16,188,695	10,448,588	8,596,134
Current	23,562,647	19,062,238	12,821,524	11,391,043
Non-current	7,202,785	6,100,703	7,202,785	6,100,703

(All amounts in thousands of Naira unless otherwise stated)

17.1a – Outstanding claims

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Non-Life	3,266,580	5,077,011	3,266,580	5,077,011
Group life	618,005	903,077	618,005	903,077
Health	27,577	90,216	-	-
	3,912,162	6,070,304	3,884,585	5,980,088

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Balance, beginning of year	6,070,304	6,789,051	5,980,088	6,767,999
Additional claims expense during the year	12,856,282	18,275,346	4,425,089	7,713,021
Claims paid during year	(15,180,546)	(19,067,181)	(6,686,714)	(8,574,020)
Foreign exchange impact of dollar denominated claims	166,122	73,088	166,122	73,088
Balance, end of year	3,912,162	6,070,304	3,884,585	5,980,088

17.1b – Claims incurred but not reported

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Non life business	3,034,676	2,041,728	3,034,676	2,041,728
Group life	948,409	1,176,333	948,409	1,176,333
Health	2,439,126	1,818,684	-	-
	6,422,211	5,036,745	3,983,085	3,218,061

17.2 Unearned premium

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Non life business	5,760,196	3,984,015	5,760,196	3,984,015
Group life	1,598,210	613,431	1,598,210	613,431
Health	8,274,420	5,762,294	-	-
	15,632,826	10,359,740	7,358,406	4,597,446
Current	13,228,274	7,955,188	4,953,854	2,192,894
Non-current	2,404,552	2,404,552	2,404,552	2,404,552

The movement in unearned premium during the year is as follows:	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Balance, beginning of year	10,359,740	8,348,888	4,597,446	4,449,647
Movement during the year	8,540,902	2,010,852	2,639,533	147,799
Balance, end of year	18,900,642	10,359,740	7,236,979	4,597,446

17.3 Individual life reserves can be analysed as follows:	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Individual life	1,967,916	1,518,334	1,967,916	1,518,334
	1,967,916	1,518,334	1,967,916	1,518,334

Movement in individual life reserves:	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Balance, beginning of year	1,518,334	775,525	1,518,334	775,525
Changes in individual life reserves	449,582	742,809	449,582	742,809
Balance, end of year	1,967,916	1,518,334	1,967,916	1,518,334

17.4 Annuity reserves can be analysed as follows:	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Annuity	2,830,317	1,854,619	2,830,317	1,854,619
	2,830,317	1,854,619	2,830,317	1,854,619

Movement in Annuity reserves:	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Balance, beginning of year	2,177,817	1,854,619	2,177,817	1,854,619
Annuity premium written during the year	-	-	-	-
Annuity payout during the year	(214,680)	(292,751)	(214,680)	(292,751)
Accretion to/(release from) annuity fund	867,180	615,949	867,180	615,949
Balance, end of year	2,830,317	2,177,817	2,830,317	2,177,817

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

18 Investment contract liabilities

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

	Group Sept-2020	Group Dec -2019	Parent Sept-2020	Parent Dec -2019
Investment Contract Liabilities - At amortised cost:				
- Guaranteed investment (interest-linked)	3,771,077	3,324,001	3,771,077	3,324,001
- Bonus Life investible (interest-linked)	1,058,445	951,764	1,058,445	951,764
	4,829,522	4,275,765	4,829,522	4,275,765
Investment Contract Liabilities - Liabilities designated at fair value:				
- Unitized funds	4,940,966	4,154,695	4,940,966	4,154,695
	9,770,488	8,430,460	9,770,488	8,430,460

(All amounts in thousands of Naira unless otherwise stated)

Movements in amounts payable under investment contracts liabilities during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 30 September 2020. The movement in interest-linked funds during the year was as follows:

18.1

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of year	4,275,765	3,691,424	4,275,765	3,691,424
Contributions	1,058,445	951,764	1,058,445	951,764
Withdrawal	(1,287,259)	(1,019,725)	(1,287,259)	(1,019,725)
Interest accrued during the year	782,571	652,302	782,571	652,302
Balance, end of year	4,829,522	4,275,765	4,829,522	4,275,765

The N4.68 billion (2019: N4.28 billion) for Parent and Group refer to the Guaranteed investment (interest-linked) and Bonus life investible (interest linked) contracts shown in note 18. These are the financial liabilities presented at amortised cost in the Group financial statements (the fair value of the financial liabilities being equal to the amortised cost at the reporting date).

19 Trade payables

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

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Reinsurance payable	1,410,556	2,645,937	1,410,556	2,645,937
Co-insurance payable	1,227,082	549,116	1,227,082	549,116
Unallocated premium & refunds (see (a) below)	1,727,027	2,341,847	1,727,027	2,341,847
Due to agents & brokers	7,103,146	4,646,461	6,792,856	4,557,294
Premium received in advance	2,029,701	6,384,351	2,029,701	6,384,351
	13,497,511	16,567,712	13,187,222	16,478,545

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

20 Other liabilities

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Deferred income	1,283,661	1,133,852	284,392	233,312
Due to investment brokers	202	202	-	-
Creditors and accruals	1,919,618	1,778,011	1,530,853	1,330,575
Unclaimed dividend	63,955	65,932	63,955	65,932
Cash settled share based payment liability	70,912	70,912	70,912	70,912
Lease Liability	624,313	256,913	624,313	194,104
	3,962,661	3,305,822	2,574,425	1,894,835
Current	2,347,505	2,155,962	1,625,650	1,408,346
Non-current	1,615,156	1,149,860	948,775	486,490

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

21 Current income tax liabilities

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of year	935,546	773,819	203,650	257,967
Current year charge				
- Property & Casualty	94,722	99,731	94,722	99,731
- Life & Savings	38,247	39,858	38,247	39,858
- AXA Mansard Investments Limited	35,847	3,392	-	-
- AXA Mansard Health Limited	928,428	454,504	-	-
- AXA Mansard Pensions Limited		8,835	-	-
- APD Limited	179,864	385,733	-	-
Payments during the year	(657,969)		(156,776)	
WHT credit notes utilised during the year	(198,743)	(830,326)	(2,988)	(193,906)
Balance, end of year	1,355,942	935,546	176,855	203,650

22 Borrowings

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Bank borrowings	3,079,206	6,950,888	-	-
Loan note	991,158	14,916	-	-
Total borrowings	4,070,364	6,965,804	-	-

23 Deferred income tax

(a) ***Liabilities***

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of year	841,496	837,061	-	-
Charge in income statement for the year	180,654	4,435	-	-
Tax charge /(reversals) relating to components of other comprehensive income	-	-	-	-
Balance, end of year	947,367	841,496	-	-

(All amounts in thousands of Naira unless otherwise stated)

24 Share capital:

24.1 Share capital comprises:

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
(a) Authorized:				
10,500,000,000 Ordinary shares of 50k each (Dec 2019: 10,500,000,000 ordinary shares)	5,250,000	5,250,000	5,250,000	5,250,000

During the course of the period, the Company increased its authorised share capital from N5,000,000,000 to N5,250,000,000 by the creation of 500,000,000 ordinary shares of N0.50 each.

(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

Movement in issued and fully paid shares

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of year	5,250,000	5,250,000	5,250,000	5,250,000
Additional shares during the year	-	-	-	-
Balance, end of year	5,250,000	5,250,000	5,250,000	5,250,000

(i) Non-Life Business

Share capital comprises:

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
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 Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
2,000,000,000 Ordinary shares of 50k each	1,000,000	1,000,000	1,000,000	1,000,000

24.2 Share premium

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
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.

24.3 Contingency reserves

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

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

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

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of the year	4,270,458	4,139,090	4,270,458	4,139,090
Transfer from retained earnings	78,122	131,368	78,122	131,368
Balance, end of year	4,348,580	4,270,458	4,348,580	4,270,458

Analysis per business segment

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Non-life business	3,591,032	3,591,032	3,591,032	3,591,032
Life business	757,548	679,426	757,548	679,426
Balance, end of year	4,348,580	4,270,458	4,348,580	4,270,458

(i) Non-Life Business

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

(ii) Life Business

	Group Sep-2020	Group Dec- 2019	Parent Sep-2020	Parent Dec- 2019
Balance, beginning of year	679,426	548,058	679,426	548,058
Transfer from retained earnings	78,122	131,368	78,122	131,368
Balance, end of year	757,548	679,426	757,548	679,426

24.4 Other reserves

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

(All amounts in thousands of Naira unless otherwise stated)

(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	Group	Parent	Parent
	Sep-2020	Dec- 2019	Sep-2020	Dec- 2019
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

(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:

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.

	Group	Group	Parent	Parent
	Sep-2020	Dec- 2019	Sep-2020	Dec- 2019
Balance, beginning of year	152,077	134,904	152,077	134,904
Additions, during the year-Tranche 3	-	17,173	-	17,173
Additions during the year from vested tranches 1 and 2	-	-	-	-
Vested portion transferred to retained earnings, during the year	-	-	-	-
Balance, end of year	152,077	152,077	152,077	152,077

24.5 Treasury shares

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

Treasury shares' balances as at September 2020 are as analysed below:	Group	Group	Parent	Parent
	Sep-2020	Dec- 2019	Sep-2020	Dec- 2019
Balance, beginning of year	(304,924)	(304,924)	(304,924)	(304,924)
Value of vested portion of treasury shares	-	-	-	-
Value of forfeited portion of the Treasury shares	-	-	-	-
Balance, end of year	(304,924)	(304,924)	(304,924)	(304,924)

24.6 Fair value reserves

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

Movements in the fair value reserve:

	Group	Group	Parent	Parent
	Sep-2020	Dec- 2019	Sep-2020	Dec- 2019
At beginning of year	1,080,718	(550,226)	923,562	(549,906)
Changes in available-for-sale financial assets (net of taxes)	2,812,998	1,630,944	2,706,386	1,473,468
Balance, end of year	3,893,716	1,080,718	3,629,948	923,562

Changes in the valuation of AFS financial assets during the year are as analysed below:	Group	Group	Parent	Parent
	Sep-2020	Dec- 2019	Sep-2020	Dec- 2019
At beginning of year	1,080,718	(550,226)	923,562	(549,906)
Net unrealised changes in fair value of AFS assets	2,860,437	1,661,607	2,730,965	1,390,718
Realised (losses)/gains transferred to income statement	(32,012)	(30,663)	(24,579)	82,750
Disposal (AMPL)	(15,427)	-	-	-
Balance, end of year	3,893,716	1,080,718	3,629,948	923,562

24.7 Retained earnings

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

25 Non-controlling interests in equity

	Group	Group
	Sep-2020	Dec- 2019
Opening balance	4,818,822	4,619,224
Business combination (NCI interest at acquisition date)	-	-
Transfer from the profit or loss account	434,374	199,598
Disposal of subsidiary with NCI	(783,571)	-
Balance as at year end	4,469,625	4,818,822

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

(All amounts in thousands of Naira unless otherwise stated)

APD Limited

Non controlling interest (44.3%)	Group Sep-2020	Group Dec- 2019
Opening balance	1,936,742	1,770,918
Transfer from the profit or loss account	434,374	165,824
Balance as at year end	2,371,116	1,936,742

AXA Mansard Pensions Limited

Non controlling interest (40%)	Group Sep-2020	Group Dec- 2019
Opening balance	721,676	683,640
NCI interest at acquisition date	-	-
Disposal	(721,676)	
Transfer from profit or loss account	-	33,774
Balance as at year end	-	721,676

26 Contingencies and commitments

(a) *Litigations and claims*

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

(b) *Bonds and guarantees*

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

27 Net premium income

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Gross written premium	39,462,909	37,434,059	23,534,345	24,442,256
Gross premium income				
Non-life	16,547,305	17,522,573	16,547,305	17,479,143
Life (Group life and individual life)	6,987,038	6,963,113	6,987,038	6,963,113
Annuity	-	-	-	-
AXA Mansard Health (HMO)	15,928,564	12,991,802	-	-
Provision for unearned premium				
Non life	(1,776,181)	(2,606,684)	(1,776,181)	(2,606,684)
Group life	(984,779)	(871,741)	(984,778)	(871,741)
AXA Mansard Health (HMO)	(2,512,126)	(3,356,968)	-	-
Gross premium income	34,189,821	30,642,095	20,773,384	20,963,831
Re-insurance cost				
-Non life	10,744,234	11,785,873	10,744,234	11,785,873
-Life	747,952	1,931,030	747,952	1,931,030
-AXA Mansard Health (HMO)	222,137	141,207	-	-
Changes in prepaid re-insurance				
-Non life	(1,226,321)	(2,102,606)	(1,226,321)	(2,102,606)
-Group life	9,831	(246,801)	9,831	(246,801)
-Individual life	-	35,994	-	35,994
-AXA Mansard Health (HMO)	(60,800)	(38,229)	-	-
Re-insurance expenses	10,437,033	11,506,468	10,275,696	11,403,490
Net premium income	23,752,788	19,135,627	10,497,688	9,560,341

28 Fee and commission income on insurance contracts

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Fees and commission income	1,276,701	1,517,571	1,276,701	1,517,571

29 Claims:

Claims expenses	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Claims paid during the year (see note (a) below)	15,180,546	14,124,646	6,686,714	6,541,176
Movement in outstanding claims	(2,225,757)	(3,834,352)	(2,190,246)	(3,859,208)
Claims incurred	12,954,789	10,290,294	4,496,468	2,681,968
Outstanding claims- IBNR	1,385,465	1,375,247	765,024	1,168,767
Total claims and loss adjustment expense	14,340,254	11,665,541	5,261,492	3,850,735
Recoverable on IBNR	(362,105)	(26,620)	(337,977)	(14,552)
Reinsurance share of outstanding claims	1,973,012	3,878,578	1,973,012	3,878,578
Recovered from re-insurers	(1,975,481)	(2,392,940)	(1,965,655)	(2,343,148)
Total claims expenses recovered from reinsurers	(364,574)	1,459,018	(330,620)	1,520,878
Net claims and loss adjustment expense	13,975,680	13,124,559	4,930,872	5,371,613

(All amounts in thousands of Naira unless otherwise stated)

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Non life	3,778,858	294,159	3,778,858	294,159
Group life	1,961,648	1,421,522	1,961,648	1,421,522
Individual life	730,429	419,417	730,429	419,417
Annuity	214,680	216,610	214,680	216,610
HMO	8,493,832	7,583,470	-	-
	15,179,447	9,935,177	6,685,615	2,351,707

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Non life	(1,555,093)	(3,592,149)	(1,555,093)	(3,592,149)
Group life	(285,071)	(267,059)	(285,071)	(267,059)
HMO	(35,512)	24,856	-	-
	(1,875,676)	(3,834,352)	(1,840,164)	(3,859,208)

30 Underwriting expenses:

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Acquisition cost	2,480,475	2,658,362	1,994,422	2,323,093
Maintenance cost	460,419	40,709	460,419	40,709
	2,940,894	2,699,071	2,454,841	2,363,802

Analysis of acquisition cost is as shown below:

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Acquisition cost paid during the year	2,298,402	2,597,052	1,834,070	2,261,595
Movement in deferred acquisition cost	182,073	61,310	160,352	61,498
Increase and decrease in life fund	-	-	-	-
	2,480,475	2,658,362	1,994,422	2,323,093

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Non life	1,363,303	1,325,118	1,363,303	1,325,118
Life	631,119	763,002	631,119	763,002
Health	486,053	300,336	-	-
	2,480,475	2,658,362	1,994,422	2,323,093

31 Impairment charge/(writeback) on premium receivables

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Write back on premium receivables (see note 7.1b)	-	-	-	-
Impairment charge of premium receivables	53,724	(36,009)	14,860	-
	53,724	(36,009)	14,860	-

32 Investment income

Investment income comprises the following:

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Dividend income	266,398	504,700	201,715	1,246,742
Interest income on investment securities	1,743,514	2,062,354	1,369,890	1,617,137
Interest income on cash and cash equivalents	356,139	56,842	371,192	46,795
Rental income	873,125	724,051	-	-
Asset management fees (see note (a) below)	691,649	680,166	-	-
Interest income from related parties	-	-	-	-
	3,930,825	4,028,113	1,942,797	2,910,674

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

33 Net (losses)/gains on financial instruments

a)

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Gains on financial assets	101,158	(98,101)	99,657	(152,997)
Gain on Investment Property	-	(78,549)	-	-
Foreign exchange gain	(115,713)	(282,900)	46,895	(307,242)
Fair value through Profit or Loss	789,953	126,760	789,953	126,760
	775,398	(254,241)	936,505	(333,479)
Fair value gain on investment property			-	-
	775,398	(254,241)	936,505	(333,479)

b) Disposal of shares in subisidary

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Purchase Consideration	3,000,000	-	3,000,000	-
Investment in subisidiaries	-		(1,885,247)	
Net asset as at date of disposal	(1,618,306)	-		-
Disposal cost	(20,828)	-	(20,828)	-
NCI	783,571	-		-
License	(388,333)	-		-
Godwill	(926,532)	-		-
Gain on disposal	829,572	-	1,093,924	-

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

34 Profit on investment contracts

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Interest income	347,797	422,839	347,797	422,839
Gains/(losses) from sale of investments	24,606	(4,718)	24,606	(4,718)
Total interest income	372,403	418,121	372,403	418,121
Expenses				
Guaranteed interest	(187,403)	(141,021)	(187,403)	(141,021)
Other expenses	(25,202)	(28,913)	(25,202)	(28,913)
Net profit	159,798	248,187	159,798	248,187

35 Other income

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Profit/loss from sale of property and equipment	(31,767)	7,242	(31,032)	6,770
Sundry income	57,320	37,096	10,799	40,703
Total	25,553	44,338	(20,233)	47,473

36 Expenses for marketing and administration

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Marketing and administrative expenses	761,587	1,224,198	654,829	1,023,894
Direct selling cost	351,280	307,611	351,280	307,611
	1,112,867	1,531,809	1,006,109	1,331,505

37 Employee benefit expense

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Wages and salaries	1,710,145	1,205,762	1,298,520	786,728
Other employee costs	74,516	446,127	23,226	(9,896)
Pension costs – defined contribution plans	48,574	51,293	33,981	40,683
Performance-based expenses	313,829	272,469	237,307	193,514
	2,147,064	1,975,651	1,593,034	1,011,029

38 Other operating expenses

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Depreciation and amortisation charges	421,892	369,169	327,505	278,379
Depreciation on right of use	167,563	-	158,598	-
Professional fees	116,871	137,046	89,267	121,034
Directors' emolument and expenses	55,625	55,835	33,739	34,649
Contract services cost	780,798	700,475	653,832	574,526
Auditor's remuneration	27,935	29,783	23,301	25,241
Bank charges	195,180	88,108	49,458	61,222
Stamp duty charge on bank transactions	3,215	2,988	3,214	2,987
Insurance related expenses	-	49,428	-	159,947
Training expenses	97,175	90,145	80,438	78,310
Asset management fees expense	-		142,914	135,561
Information technology expenses	517,541	252,823	445,894	205,228
Other expenses	227,058	332,029 -	186,418	167,860
	2,610,853	2,107,829	1,821,742	1,844,944

39 Finance cost

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Interest expense	583,946	278,366	58,089	-
	583,946	278,366	58,089	-

40 Income tax expense

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Company income tax				
- Non life	94,724	64,916	94,724	64,916
- Life	38,247	117,665	38,247	117,665
- AXA Mansard Investments Limited	35,759	36,218	-	-
- APD Limited	179,864	(120,139)	-	-
- AXA Mansard Health Limited	872,677	183,338	-	-
- AXA Mansard Pensions Limited	1,836	6,252	-	-
Education tax				
- General	-	-	-	-
- AXA Mansard Health Limited	55,751	1,775	-	-
- AXA Mansard Investments limited	2,776	-	-	-
Capital gains tax				
- General	-	-	-	-
- Life	-	-	-	-
Additional prior period tax				
-General	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Pensions Limited	-	-	-	-
WHT credit utilised during the year	-	-	-	-
	1,281,634	290,025	132,971	182,581
Deferred tax				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	28,689	18,499	-	-
- APD Limited	71,033	(374)	-	-
- AXA Mansard Health Limited	6,148	2,477	-	-
- AXA Mansard Pensions Limited	-	-	-	-
	105,871	20,603	-	-
Total tax charge for the year	1,387,505	310,627	132,971	182,581

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:

Effective tax rate reconciliation analysis	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Profit before income tax	7,059,349	1,786,518	2,905,551	1,136,915
Tax calculated at domestic rate applicable in Nigeria at 30% (2019:30%)	2,117,805	535,955	453,499	341,075
Effect of:				
Tax exempt income	(1,330,930)	(1,032,753)	(1,038,378)	(786,746)
Expenses not deducted for tax purposes	97,444	106,668	84,908	69,646
Effect of unrecognized tax losses	2,195,159	1,327,379	2,195,159	1,327,379
Prior period underprovision	-	-		-
Impact of minimum tax	103,915	(1,438,828)	103,915	(1,438,828)
Impact of industry tax law	(1,915,487)	155,697	(1,695,188)	
NITDA Levy	61,072	36,846	29,056	28,511
Witholding tax	-	88,087	-	88,087
Previously recognized deferred tax liability	-	-	-	-
Impact of Dividend tax	-	467,228	-	122,920
Tertiary education tax	58,527	-	-	-
	1,387,505	310,627	132,971	182,581

41 Earnings per share

(a) ***Earnings per share - Basic***

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

	Group Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Profit attributable to equity holders	5,237,470	1,896,446	2,772,580	1,306,671
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)	50.74	18.37	26.86	12.66

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

	Parent Sep-2020	Parent Sep-2019
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares issued during the year	-	-
Effect of treasury shares held	-	-
Effect of share options exercised	-	-
Weighted-average number of ordinary shares at 30 September	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 Sep-2020	Group Sep-2019	Parent Sep-2020	Parent Sep-2019
Profit attributable to equity holders	5,237,470	1,896,446	2,772,580	1,306,671
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	10,486,501	10,486,501	10,486,501	10,486,501
Diluted earnings per share (kobo per share)	49.94	18.08	26.44	12.46

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

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

42 Disclosure: Securities Trading Policy

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

43 Disclosure on the Impact of COVID-19

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

The Company will continue to track the progress of the fight against the pandemic and its impact on her business. However, based on present assessment, the Directors are of the opinion that the Going Concern of the Company is not endangered and it would be able to continue even into the foreseeable future. We remain committed to the public interest, serving our customers as our first priority and building a resilient business even in 2020.

AXA MANSARD INSURANCE PLC
APPENDIX 1 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))
for the period ended 30 September 2020

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	AGRICULTURE =N=000	September 2020 =N=000	September 2019 =N=000
REVENUE										
Gross written premium	2,519,063	1,371,670	1,892,386	533,785	577,435	8,820,773	814,761	-	16,529,873	17,442,295
Add Reinsurance Inward Premium	7,631	1,294	911	4,831	1,763	1,002	-	-	17,432	36,848
	2,526,694	1,372,964	1,893,297	538,616	579,198	8,821,775	814,761	-	16,547,305	17,479,143
Less Unexpired Risks Provision	(326,427)	(221,623)	104,565	36,319	27,770	(1,386,849)	(9,935)	-	(1,776,180)	(2,606,685)
Gross Premium Earned	2,200,267	1,151,341	1,997,862	574,935	606,968	7,434,926	804,826	-	14,771,125	14,872,458
Less Reinsurance Cost										
Local Facultative Premium	(1,256,469)	(97,403)	-	(19,495)	(81,030)	(6,544,930)	(582,448)	-	(8,581,775)	(10,254,076)
Prepaid Reinsurance	215,964	5,367	(85,147)	(50,868)	(75,147)	1,224,800	(8,649)	-	1,226,320	2,102,606
Reinsurance Treaty Premium	(533,081)	(53,577)	(63,920)	(242,524)	(179,963)	(1,023,875)	(65,520)	-	(2,162,460)	(1,531,798)
Net Premium	(1,573,586)	(145,613)	(149,067)	(312,887)	(336,140)	(6,344,005)	(656,617)	-	(9,517,915)	(9,683,269)
Net Earned Premium	626,681	1,005,728	1,848,795	262,048	270,828	1,090,921	148,210	-	5,253,211	5,189,189
Add Commission Received										
Direct Business Commission	5,381	-	-	264	329	339,326	30,791	-	376,091	376,844
Local Facultative Comm	228,527	12,201	-	4,655	2,864	80,601	30,001	-	358,849	471,520
Reinsurance Treaty Comm	130,751	-	-	59,819	53,003	210,446	-	-	454,019	382,328
Deferred Comm. Income	(43,919)	(3,144)	10,643	10,468	12,154	(43,328)	6,423	-	(50,703)	(35,310)
Investment income	45,017	72,245	132,805	18,824	19,455	78,365	10,646	-	377,357	380,516
	365,757	81,302	143,448	94,030	87,805	665,410	77,861	-	1,515,613	1,575,899
Total Income	**992,438**	**1,087,030**	**1,992,243**	**356,078**	**358,633**	**1,756,331**	**226,071**	**-**	**6,768,823**	**6,765,088**
Expenses										
Claims Paid	621,428	319,743	1,155,137	59,747	195,155	1,424,643	3,004	-	3,778,858	4,483,627
Outstanding Claims	(276,771)	55,674	(88,230)	32,108	(20,304)	(1,636,197)	28,547	-	(1,905,174)	(3,592,149)
IBNR OS	73,310	(69,615)	(21,924)	19,424	39,845	932,016	19,892		992,948	625,007
Gross Claims	417,967	305,803	1,044,982	111,279	214,696	720,462	51,443	-	2,866,632	1,516,485
Treaty Claims Recovered	185,223	4,366	9,417	15,100	48,440	-	-	-	262,546	606,346
Facultative Claims Recovered	63,032	72,014	73,374	-	17,582	1,159,123	-		1,385,125	1,355,263
Co-insurers Claims Recovered	-	-	-	-	-	-	-	-	-	8
Ri Claim Recoverable	(281,322)	960	(24,139)	19,127	(4,872)	(1,669,748)	34	-	(1,959,960)	(3,756,853)
IBNR Recoverable	41,079	(18,005)	(10,584)	12,297	24,532	579,595	1,374		630,288	115,445
Total Claims Recovered/Recoverable	8,012	59,335	48,068	46,524	85,682	68,970	1,408	-	317,999	(1,679,790)
Net claims Incurred	**409,955**	**246,468**	**996,914**	**64,755**	**129,013**	**651,492**	**50,036**	**-**	**2,548,633**	**3,196,275**
Underwriting Expenses (commission expenses)	452,925	215,331	131,318	86,854	109,259	308,942	77,333	-	1,381,962	1,286,217
Deferred Acquisition Cost (Comm)	(72,923)	(42,423)	11,070	36,869	3,027	(90,435)	(5,536)	-	(160,351)	(61,498)
Other acquisition Cost	72,542	(41)	44,626	24,553	-	15	-	-	141,695	275,828
Maintenance Costs	69,415	22,677	51,920	9,966	10,539	69,977	15,865	-	250,359	121,998
Total underwriting expenses	**521,959**	**195,544**	**238,933**	**158,242**	**122,825**	**288,499**	**87,662**	**-**	**1,613,664**	**1,622,544**
Underwriting Profit	**60,524**	**645,018**	**756,396**	**133,081**	**106,794**	**816,340**	**88,373**	**-**	**2,606,526**	**1,946,269**

AXA MANSARD INSURANCE PLC

APPENDIX 2 (SUMMARISED REVENUE ACCOUNTS (LIFE BUSINESS))

for the period ended 30 September 2020

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	September 2020 TOTAL	September 2019 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	4,807,097	2,179,941	-	6,987,038	6,963,113
Less Unexpired Risks Provision	(984,779)	-	-	(984,779)	(871,741)
	3,822,318	2,179,941	-	6,002,259	6,091,372
Less Reinsurance Premium					
Local Facultative Premium	(621,937)	(18,911)	-	(640,848)	(1,645,190)
Ri share of Insurance Liabilities	(9,831)	-	-	(9,831)	210,807
Reinsurance Treaty Premium	(90,802)	(16,302)	-	(107,104)	(285,840)
Net Premium	**3,099,748**	**2,144,728**	**-**	**5,244,476**	**4,371,149**
Add commission received					
Direct business commission	11,274	(62)	-	11,212	15,004
Local Facultative	103,337	1,967	-	105,304	223,545
Reinsurance treaty	18,202	3,726	-	21,929	83,638
Investment Income	220,184	152,346	302,058	674,587	954,201
	352,997	157,977	302,058	813,032	1,276,388
Total income	**3,452,745**	**2,302,705**	**302,058**	**6,057,508**	**5,647,536**
Expenses					
Claims paid	1,961,648	529,823	214,680	2,706,150	1,926,109
Surrenders	-	200,606	-	200,606	131,439
Outstanding Claims	(285,071)	-	-	(285,071)	(267,059)
IBNR OS	(227,924)	-	-	(227,924)	543,760
Gross claims incurred	1,448,652	730,429	214,680	2,393,760	2,334,250
Reinsurance claims recovered	-	-	-	-	-
Co insurance claims recovered	(225,892)	(92,092)	-	(317,984)	(352,910)
RI Claims Recoverable	13,052	-	-	13,052	121,725
RI Share of IBNR	292,311	-	-	292,311	100,894
Net claims incurred	**1,528,123**	**638,337**	**214,680**	**2,381,139**	**2,203,959**
Acquisition expenses (commission expenses)	339,854	173,751	-	513,605	617,120
Other acquisition costs	57,981	59,533	-	117,514	75,410
Maintenance cost	62,991	147,069	-	210,060	32,957
Transfer to life fund	-	449,581	652,500	1,102,081	538,621
Total expenses	1,988,949	1,468,271	867,179	4,324,399	3,468,067
Underwriting profit	**1,463,797**	**834,434**	**(565,122)**	**1,733,109**	**2,179,469**