AXA Mansard Insurance Plc and Subsidiary Companies

Unaudited Financial Statements
30 September, 2022

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 year ended 30 September 2022 that:

(a) We have reviewed the financial statement;

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

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

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

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

(d) We:

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

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

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

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

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

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

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

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

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

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

Consolidated Statement of Financial Position

as at 30 September 2022

(All amounts in thousands of Naira)

	Notes	Group 30-Sep-22	Group 31-Dec-21	Parent 30-Sep-22	Parent 31-Dec-21
ASSETS					
Cash and cash equivalents	5	17,286,880	17,343,344	14,557,270	14,227,012
Investment securities:					
– Fair value through profit or loss	6.1	3,451,030	3,653,526	3,451,030	3,653,526
– Available-for-sale assets	6.2	32,843,508	35,107,537	29,280,339	30,864,575
Financial assets designated at fair value	6.3	2,713,476	4,374,805	2,713,476	4,374,805
Trade receivables	7	12,808,974	7,013,359	4,217,449	1,196,453
Reinsurance assets	8	11,889,038	11,172,348	11,726,514	10,870,972
Deferred acquisition cost	9	1,070,054	752,954	639,836	620,749
Other receivables	10	4,276,855	3,929,885	3,915,473	2,981,536
Loans and receivables	11	402,472	1,655,085	1,506,171	2,666,458
Investment properties	12	14,629,889	14,560,934	-	-
Investment in subsidiaries	13	-	-	1,652,000	1,652,000
Intangible assets	14	448,977	400,647	393,795	354,896
Property and equipment	15	3,084,279	2,802,458	2,693,023	2,404,365
Right of use	15c	806,350	797,757	686,634	654,074
Statutory deposit	16	500,000	500,000	500,000	500,000
TOTAL ASSETS		**106,211,782**	**104,064,639**	**77,933,010**	**77,021,421**
LIABILITIES					
Insurance liabilities	17	46,984,720	36,928,441	31,267,079	25,594,713
Investment contract liabilities:					
– At amortised cost	18.1	4,941,422	6,868,168	4,941,422	6,868,168
– Liabilities designated at fair value	18.1	2,713,476	4,374,805	2,713,476	4,374,805
Trade payables	19	10,212,950	11,638,229	10,021,101	11,286,130
Other liabilities	20	4,089,791	4,513,072	2,735,829	3,141,233
Current income tax liabilities	21	1,232,248	1,962,020	518,571	645,958
Borrowings	22	2,342,690	2,454,143	-	-
Deferred tax liability	23	956,112	932,573	-	-
TOTAL LIABILITIES		**73,473,409**	**69,671,451**	**52,197,478**	**51,911,007**
EQUITY					
Share capital	24.1	18,000,000	18,000,000	18,000,000	18,000,000
Share premium	24.2	78,255	78,255	78,255	78,255
Contingency reserve	24.3	5,008,077	4,816,716	5,008,077	4,816,716
Treasury shares	24.5	(111,476)	(111,476)	(111,476)	(111,476)
Fair value reserves	24.6	(1,178,433)	(62,329)	(936,345)	(8,764)
Retained earnings	24.7	6,421,057	7,351,131	3,697,021	2,335,683
SHAREHOLDERS' FUNDS		**28,217,480**	**30,072,297**	**25,735,532**	**25,110,414**
Total equity attributable to the owners of the parent		28,217,480	30,072,297	25,735,532	25,110,414
Non-controlling interest in equity	25	4,520,893	4,320,891	-	-
TOTAL EQUITY		**32,738,373**	**34,393,188**	**25,735,532**	**25,110,414**
TOTAL LIABILITIES AND EQUITY		**106,211,782**	**104,064,639**	**77,933,010**	**77,021,421**

Signed on behalf of the Board of Directors on October 26, 2022

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 Statement of Comprehensive Income

for the period ended 30 September 2022

	Notes	Group	Group	Parent	Parent
		30-Sep-22	**30-Sep-21**	**30-Sep-22**	**30-Sep-21**
Continuing operations					
Gross written premium	27	57,892,596	48,783,941	35,446,826	29,910,316
Gross premium income	27	52,474,294	40,473,381	33,787,370	24,567,433
Re-insurance expenses	27	(17,800,370)	(13,341,368)	(17,595,106)	(13,160,600)
Net premium income	27	34,673,924	27,132,013	16,192,264	11,406,833
Fee and commission on insurance contracts	28	1,922,812	1,390,174	1,922,812	1,390,174
Net underwriting income		36,596,736	28,522,187	18,115,076	12,797,007
Claims:					
Claims expenses (gross)	29	(25,231,425)	(21,618,920)	(8,384,614)	(9,738,863)
Claims expenses recovered from reinsurers	29	991,786	3,971,939	956,589	3,883,624
Underwriting expenses	30	(4,188,917)	(3,384,943)	(3,443,312)	(2,807,275)
Changes in individual life reserves	17.3	(1,985,185)	80,431	(1,985,185)	80,431
Changes in annuity reserves	17.4	149,599	820,308	149,599	820,308
Net underwriting expenses		(30,264,142)	(20,131,185)	(12,706,923)	(7,761,775)
Total underwriting profit		6,332,594	8,391,002	5,408,153	5,035,232
Investment income	31	4,265,654	3,804,207	5,126,085	4,598,399
Net gains/(losses) on financial instruments	32	(372,181)	(894,800)	(532,342)	(969,195)
Profit on investment contracts	33	226,441	316,342	226,441	316,342
Other income	34	72,265	28,493	14,567	17,412
Total investment income		4,192,179	3,254,242	4,834,751	3,962,958
Expenses for marketing and administration	35	(1,239,134)	(1,328,016)	(1,347,583)	(1,235,046)
Employee benefit expense	36	(3,195,259)	(2,286,916)	(2,557,305)	(1,879,712)
Other operating expenses	37	(3,053,477)	(2,651,040)	(2,033,418)	(1,853,857)
(Impairment)/writeback of premium receivables	7.1	-	2,326	-	-
Results of operating activities		3,036,903	5,381,598	4,304,598	4,029,575
Finance cost	38	(178,717)	(380,266)	(97,361)	(72,798)
Profit before tax		2,858,186	5,001,332	4,207,237	3,956,777
Income tax expense	39	(1,146,897)	(1,195,499)	(404,537)	(134,752)
Profit from discontinued operations (net of tax)		-	-		
Profit for the year		1,711,289	3,805,833	3,802,700	3,822,025
Profit attributable to:					
Owners of the parent		1,511,287	3,578,474	3,802,700	3,822,025
Non-controlling interest	25	200,002	227,359	-	-
		1,711,289	3,805,833	3,802,700	3,822,025
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	(1,116,104)	(3,548,418)	(927,581)	(3,542,033)
Items that will not be subsequently reclassified to profit or loss account		-	-	-	-
Other comprehensive income for the year		(1,116,104)	(3,548,418)	(927,581)	(3,542,033)
Total comprehensive income for the year		595,185	257,415	2,875,119	279,992
Attributable to:					
Owners of the parent		395,183	30,056	2,875,119	279,992
Non-controlling interests	25	200,002	227,359	-	-
Total comprehensive income for the year		595,185	257,415	2,875,119	279,992
Earnings per share:					
Basic (kobo)		17	40	42	42
Diluted (kobo)		17	43	43	46

Consolidated Statement of Comprehensive Income

for the period ended 30 September 2022

	Group	**Group**	**Parent**	**Parent**
	Q3 2022 only	**Q3 2021 only**	**Q3 2022 only**	**Q3 2021 only**
Gross premium written	12,923,956	11,602,614	7,371,388	6,781,279
Gross premium income	17,757,508	14,550,074	11,276,957	8,779,453
Re-insurance expenses	(5,829,645)	(4,842,306)	(5,749,361)	(4,753,984)
Net premium income	11,927,863	9,707,768	5,527,596	4,025,469
Fee and commission on insurance contracts	493,639	307,420	493,639	307,420
Net underwriting income	12,421,502	10,015,188	6,021,235	4,332,889
	-	-	-	-
Claims expenses (gross)	(7,945,820)	(9,318,049)	(2,411,222)	(4,847,044)
Claims expenses recovered from reinsurers	(256,771)	2,537,527	(307,921)	2,534,324
Net claims	(1,481,935)	(1,230,228)	(1,073,409)	(951,752)
Underwriting expenses	(445,238)	(100,882)	(445,238)	(100,882)
Changes in individual life reserves	156,454	(80,482)	156,454	(80,482)
Changes in annuity reserves	-	-	-	-
Net underwriting expenses	(9,973,310)	(8,192,114)	(4,081,336)	(3,445,836)
Total underwriting profit	2,448,192	1,823,074	1,939,899	887,053
Investment income	1,328,029	1,390,608	871,131	752,310
Net (losses)/gains on financial instruments	337,481	561,866	(167,941)	517,066
Fair value gains on investment property	-	-	-	-
Disposal of shares in subsidiary	-	-	-	-
Profit on investment contracts	79,545	32,184	79,545	32,184
Other income	26,130	24,642	7,443	7,656
Total investment income	1,771,185	2,009,300	790,178	1,309,216
Expenses for marketing and administration	(453,266)	(447,817)	(481,071)	(418,828)
Employee benefit expense	(1,053,991)	(688,926)	(823,286)	(616,656)
Other operating expenses	(1,106,471)	(744,004)	(883,248)	(583,183)
(Impairment)/writeback of premium receivables	-	-	-	-
Total operating expenses	-	28,356	-	-
Results of operating activities	1,605,649	1,979,983	542,472	577,602
Finance cost	(47,918)	(141,241)	(33,552)	(25,388)
Profit before tax	1,557,730	1,838,742	508,920	552,214
Income tax expense	(717,794)	(322,824)	(167,116)	(45,075)
Profit for the period	839,936	1,515,918	341,804	507,139
Profit attributable to:				
Owners of the parent	672,680	1,429,557	341,804	507,140
Non-controlling interest	167,256	86,361	-	-
	839,936	1,515,918	341,804	507,139
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)	(1,466,205)	(2,915,387)	(1,409,874)	(2,909,449)
Other comprehensive income for the period	(1,466,205)	(2,915,387)	(1,409,874)	(2,909,449)
Total comprehensive income for the period	(626,269)	(1,399,469)	(1,068,070)	(2,402,310)
Attributable to:				
Owners of the parent	(793,525)	(1,485,830)	(1,068,070)	(2,402,310)
Non-controlling interests	167,256	86,361	-	-
Total comprehensive income for the period	(626,269)	(1,399,469)	(1,068,070)	(2,402,310)

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)
for the period ended 30 September 2022

	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 2022	18,000,000	78,255	4,816,716	-	-	(111,476)	(62,329)	7,351,131	30,072,297	4,320,891	34,393,189
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	1,511,287	1,511,287	200,002	1,711,289
Transfer to contingency reserves	-	-	191,361	-	-	-	-	(191,361)	-	-	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(1,116,104)		(1,116,104)	-	(1,116,104)
Total comprehensive income for the year	-	-	191,361	-	-	-	(1,116,104)	1,319,926	395,183	200,002	595,185
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	(2,250,000)	(2,250,000)	-	(2,250,000)
Impact of vesting of shares in the equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-
Bonus issue expenses		-		-	-	-	-	-	-	-	-
Recapitalization	-	-		-	-	-	-	-	-	-	-
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	-	-	-	(2,250,000)	(2,250,000)	-	(2,250,000)
Balance at 30 September, 2022	18,000,000	78,255	5,008,077	-	-	(111,476)	(1,178,433)	6,421,057	28,217,480	4,520,893	32,738,373

Period ended 30 September 2021
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 2021	18,000,000	-	4,345,125	-	167,381	(304,924)	5,264,806	6,470,482	33,942,870	3,750,585	37,693,455
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	3,805,832	3,805,832	227,359	4,033,191
Transfer to contingency reserves	-	-	170,015	-	-	-	-	(170,015)	-	-	-
Other comprehensive income											-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(3,548,418)		(3,548,418)	-	(3,548,418)
Total comprehensive income for the year	-	-	170,015	-	-	-	(3,548,418)	3,635,817	257,414	227,359	484,773
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	(2,240,905)	(2,240,905)	-	(2,240,905)
Impact of vesting of shares in the equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-
Bonus issue expenses		-		-	-	-	-	-	-	-	-
Recapitalization	-	-		-	-	-	-	-	-	-	-
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	-	-	-	(2,240,905)	(2,240,905)	-	(2,240,905)
	-	-	-	-	-	-	-	-	-	-	-
Period ended 30 September 2021	18,000,000	-	4,515,140	-	167,381	(304,924)	1,716,388	7,865,394	31,959,379	3,977,944	35,937,323

Statement of Changes in Equity
(All amounts in thousands of Naira unless otherwise stated)
for the period ended 30 September 2022

Parent

	Share Capital	**Share premium**	**Contingency reserve**	**Capital and other statutory reserves**	**Share scheme reserves**	**Treasury shares**	**Fair value reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2022	18,000,000	78,255	4,816,716	-	-	(111,476)	(8,764)	2,335,683	25,110,414
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	-	3,802,700	3,802,700
Transfer to contingency reserves	-	-	191,361	-	-	-	-	(191,361)	-
Other comprehensive income								-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(927,581)	-	(927,581)
Total comprehensive income for the year	-	-	191,361	-	-	-	(927,581)	3,611,339	2,875,119
Transactions with owners, recorded directly in equity									
Dividends to equity holders	-	-	-	-	-	-	-	(2,250,000)	(2,250,000)
equity settled share based payment									-
Impact of vesting of shares in the equity settled share based payment	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	(2,250,000)	(2,250,000)
Balance at 30 September, 2022	18,000,000	78,255	5,008,077	-	-	(111,476)	(936,345)	3,697,021	25,735,532

	Share Capital	**Share premium**	**Contingency reserve**	**Capital reserves**	**Share scheme reserve**	**Treasury shares**	**Fair value reserves**	**Retained earnings**	**Total**
Balance at 1 January 2021	18,000,000	-	4,345,125	-	167,381	(304,924)	5,032,542	2,129,200	29,369,324
Total comprehensive income for the year									-
Profit for the year	-	-	-	-	-	-	-	3,822,025	3,822,025
Transfer to contingency reserves	-	-	170,015	-	-	-	-	(170,015)	-
Other comprehensive income								-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(3,542,033)	-	(3,542,033)
Total comprehensive income for the year	-	-	170,015	-	-	-	(3,542,033)	3,652,010	279,993
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	(1,980,000)	(1,980,000)
equity settled share based payment									-
Impact of vesting of shares in the equity settled share based payment	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	(1,980,000)	(1,980,000)
Balance at 30 September 2021	18,000,000	-	4,515,140	-	167,381	(304,924)	1,490,509	3,801,210	27,669,317

Statement of Cashflows

for the period ended 30 September 2022
(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 30-Sep-2022	Group 30-Sep-2021	Parent 30-Sep-2022	Parent 30-Sep-2021
Cash flows from operating activities					
Cash premium received		51,497,117	43,609,296	31,825,967	25,642,887
Cash paid as reinsurance premium		(15,893,852)	(13,671,105)	(15,688,588)	(13,490,337)
Fee income received		1,664,031	1,768,745	1,997,434	1,523,656
Cash received on investment contract liabilities	18.2	324,706	1,194,690	324,706	1,194,690
Cash paid to investment contract holders	18.2	(4,303,494)	(2,056,257)	(4,303,494)	(2,056,257)
Claims paid	29	(22,369,718)	(14,959,722)	(6,152,242)	(5,356,708)
Cash received from reinsurers on recoveries for claims paid	8	1,167,569	537,483	1,065,409	181,597
Cash received from coinsurers on recoveries and claims paid	7.2a	184,233	284,720	184,233	284,720
Underwriting expenses paid	30	(4,188,917)	(3,384,943)	(3,443,312)	(2,807,275)
Employee benefits paid		(3,289,190)	(2,575,121)	(2,543,513)	(2,080,185)
Rent received		695,163	156,318	-	-
Other operating expenses paid		(3,555,095)	(3,526,209)	(3,569,119)	(2,353,929)
Premium received in advance	19	631,809	6,357,681	631,809	6,357,681
Lease payment		(295,147)	(43,108)	(295,147)	(43,108)
Changes in working capital		2,269,215	13,692,468	34,144	6,997,432
Income tax paid	21	(1,773,750)	(1,285,514)	(458,966)	(127,231)
Net cash from operating activities		495,465	12,406,954	(424,822)	6,870,201
Cash flows from investing activities					
Purchases of property, plant and equipment	15	(922,425)	(1,066,337)	(787,654)	(624,523)
Dividend received		2,891,512	360,802	770,011	2,622,372
Investment income received	31	2,785,406	2,308,694	2,433,941	1,892,056
Purchase of intangible assets	14	(314,639)	(127,315)	(105,344)	(115,684)
Proceeds from the disposal of property and equipment		83,284	661,881	83,119	611,881
Purchase of fair value through profit or loss financial assets		(7,595,392)	(10,577,840)	(7,595,392)	(5,526,172)
Sale of fair value through profit or loss financial assets		4,005,813	2,940,761	4,005,813	1,302,435
Sale of available-for-sale financial assets		6,099,407	3,989,503	5,697,441	3,989,503
Purchase of available-for-sale financial assets		(5,495,364)	(7,691,927)	(2,727,048)	(7,691,927)
Increase in loans and receivables		(11,605)	(40,422)	(11,605)	(40,422)
Repayment of loans and receivables		71,775	61,276	1,114,238	247,853
Net cash used in investing activities		1,597,771	(9,180,925)	2,877,520	(3,332,628)
Cash flows from financing activities					
Dividend paid		(2,250,000)	(1,980,000.00)	(2,250,000)	(1,980,000)
Interest & principal repayment on borrowings	25	(165,000)	(715,537)	-	-
Net cash used in financing activities		(2,415,000)	(2,695,537)	(2,250,000)	(1,980,000)
Net increase/decrease in cash and cash equivalents		(321,764)	530,492	202,698	1,557,573
Cash and cash equivalent at beginning of year	8	17,343,344	20,251,719	14,227,012	16,575,948
Effect of exchange rate changes on cash and cash equivalent		265,300	25,391	127,560	24,566
Cash and cash equivalent at end of year	8	17,286,880	20,807,602	14,557,270	18,158,087

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 2023. The estimated impact of the adoption of the standard on the Group's equity as at 1 January 2023 is based on the assessments summarised below. The actual impact of adopting the standard at 1 January 2023 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 2023.
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 (2023) 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 2023.

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.

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**
30 June 2022				
Cash and cash equivalent	17,286,880	-	17,286,880	17,286,880
Loans and receivables	402,472	-	402,472	402,472
Trade receivables	12,808,974	-	12,808,974	12,808,974
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	2,339,815	-	2,339,815	2,339,815
Other receivables (less prepayment)	2,478,449	-	2,478,449	2,478,449
Statutory deposit	-	500,000	500,000	500,000
	35,316,590	500,000	35,816,590	35,816,590

Parent	**Loan and receivables**	**Other financial instruments at amortised cost**	**Carrying amount**	**Fair value**
30 June 2022				
Cash and cash equivalent	11,021,735	-	11,021,735	11,021,735
Loans and receivables	4,032,424	-	4,032,424	4,032,424
Trade receivables	6,463,327	-	6,463,327	6,463,327
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	2,339,815	-	2,339,815	2,339,815
Other receivables (less prepayment)	3,133,144	-	3,133,144	3,133,144
Statutory deposit	-	500,000	500,000	500,000
	26,990,445	500,000	27,490,445	27,490,445

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, useful 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, `

(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.

Notes to the financial statements

The Group is organized into six operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the Management Investment and Underwriting Committee. These segments and their respective operations are as follows:

3 The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the period ended 30 September 2022

September, 2022	Non-life	Non life business	Life Only	Micro	Life Business	Elimination between Life & non life	**AXA Mansard**	Investment	Property	Health	Elimination	**Total**
In thousands of Nigerian Naira				Insurance			**Insurance**	Management	Development	Maintenance	adjustments	
Cash and cash equivalents	8,243,330	8,243,330	6,288,613	25,325	6,313,939	-	**14,557,269**	459,346	281,638	1,988,628	-	**17,286,881**
Fair value through profit or loss	-	-	3,178,830	272,200	3,451,030		**3,451,030**		-	-	-	**3,451,030**
Available-for-sale assets	16,104,548	16,104,548	13,062,760	113,030	13,175,790	-	**29,280,338**	1,120,093	449,392	1,993,684	-	**32,843,507**
Financial assets designated at fair	-	-	2,713,476	-	2,713,476	-	**2,713,476**	-	-	-	-	**2,713,476**
Trade receivables	3,403,524	3,403,524	813,927	-	813,927	-	**4,217,451**	-	-	8,591,524	-	**12,808,974**
Reinsurance assets	10,013,951	10,013,951	1,712,563	-	1,712,563	-	**11,726,514**	-	-	162,524	-	**11,889,038**
Deferred acquisition cost	639,836	639,836	-	-	-	-	**639,836**	-	-	430,218	-	**1,070,054**
Other receivables	2,624,995	2,624,995	1,290,463	14	1,290,477	-	**3,915,472**	547,209	523,310	1,489,190	(2,186,707)	**4,288,475**
Loans and receivables	1,292,716	1,339,602	2,380,457	680,250	3,060,708	(2,894,142)	**1,506,168**	839	-	1,852,056	(2,968,211)	**390,852**
Investment properties	-	-	-	-	-	-	**-**	-	14,629,889	-	(4,400,000)	**10,229,890**
Investment in subsidiaries	1,252,000	1,252,000	400,000	-	400,000	-	**1,652,000**	-	-	4,400,000	(1,652,000)	**4,400,000**
Intangible assets	393,794	393,794	-	-	-	-	**393,794**	22,395	166	20,621	12,000	**448,976**
Property, plant and equipment	2,692,624	2,692,624	403	-	403	-	**2,693,027**	65,496	66,162	259,594	-	**3,084,279**
Right of Use	626,613	626,613	60,021		60,021		**686,634**			119,716	-	**806,350**
Statutory deposit	300,000	300,000	200,000	-	200,000	-	**500,000**	-	-	-	-	**500,000**
TOTAL ASSETS	47,587,931	47,634,817	32,101,513	1,090,819	33,192,332	(2,894,142)	**77,933,009**	2,215,378	15,950,557	21,307,755	(11,194,918)	**106,211,782**
Insurance liabilities	18,135,501	18,135,501	13,131,578	-	13,131,578	-	**31,267,079**	-	-	15,717,642	-	**46,984,720**
Investment contract liabilities:												
– At amortised cost		-	4,941,421	-	4,941,421	-	**4,941,421**	-	-	-	-	**4,941,422**
– Financial liabilities designated at	-	-	2,713,476	-	2,713,476	-	**2,713,476**	-	-	-	-	**2,713,476**
Trade payables	8,199,372	8,199,372	1,820,666	1,063	1,821,729	-	**10,021,101**	-	-	191,850	-	**10,212,950**
Other Liabilities	5,137,490	5,137,490	445,100	47,389	492,489	(2,894,142)	**2,735,837**	749,367	483,765	3,440,688	(3,319,867)	**4,089,791**
Current income tax liabilities	222,067	222,067	296,504	-	296,504	-	**518,571**	99,486	179,632	434,558	-	**1,232,248**
Borrowings	-	-	-	-	-	-	**-**	-	4,194,747	-	(1,852,059)	**2,342,690**
Deferred tax liability	-	-	-	-	-	-	**-**	14,177	887,236	54,699	-	**956,112**
TOTAL LIABILITIES	31,694,430	31,694,430	23,348,745	48,452	23,397,197	(2,894,142)	**52,197,485**	863,030	5,745,380	19,839,437	(5,171,926)	**73,473,409**
EQUITY												
Share capital	10,000,000	10,000,000	8,000,000	-	8,000,000	-	**18,000,000**	150,000	5,152	700,000	(855,152)	**18,000,000**
Share premium	78,255	78,255	-	-	-	-	**78,255**	790,000	1,454,974	-	(2,244,974)	**78,255**
Contingency reserve	3,966,559	3,970,257	1,032,490	5,330	1,037,820	-	**5,008,077**	-	-	-	-	**5,008,077**
Other reserves	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Treasury shares	(111,476)	(111,475)	-	-	-	-	**(111,474)**	-	-	-	-	**(111,476)**
Retained earnings	3,007,198	3,050,386	(374,930)	1,021,555	646,626	-	**3,697,012**	421,076	7,583,765	1,001,678	(6,282,473)	**6,421,058**
Fair value reserves	(1,047,035)	(1,047,035)	95,208	15,482	110,690	-	**(936,345)**	(8,728)	-	(233,360)	-	**(1,178,434)**
	15,893,501	15,940,388	8,752,768	1,042,367	9,795,136	-	**25,735,525**	1,352,348	9,043,891	1,468,318	(9,382,599)	**28,217,480**
Non-controlling interests in equity	-	-	-	-	-	-	**-**	-	1,161,286	-	3,359,608	**4,520,893**
				-	3,697,169	3,697,169						
TOTAL EQUITY	15,893,501	15,940,388	8,752,768	1,042,367	9,795,136	-	**25,735,525**	1,352,348	10,205,177	1,468,318	(6,022,991)	**32,738,373**
TOTAL LIABILITIES AND	47,587,931	47,634,817	32,101,513	1,090,819	33,192,332	(2,894,142)	**77,933,009**	2,215,378	15,950,557	21,307,755	(11,194,918)	**106,211,782**

4 The consolidated financial data for the reporting segments for the period ended 30 September 2022 is as follows:

30 September 2022	Non life Business	Life Business	Insurance	Investment management	Property development	Health Maintenance	Elimination Adjustments	Total
Revenue:								
Derived from external customers:								
Gross written premium	23,563,581	11,883,245	35,446,826	-	-	22,727,409	(281,639)	57,892,596
Gross premium income	22,831,273	10,956,094	33,787,367	-	-	18,968,563	(281,639)	52,474,291
Reinsurance expenses	(16,421,299)	(1,173,807)	(17,595,106)	-	-	(205,262)	-	(17,800,369)
Net premium income	6,409,974	9,782,287	16,192,261	-	-	18,763,301	(281,639)	34,673,922
Fees and commission income	1,562,672	360,141	1,922,813	-	-	-	-	1,922,813
Net underwriting income	7,972,646	10,142,428	18,115,074	-	-	18,763,301	(281,639)	36,596,735
Claims:								
Claims expenses (gross)	3,496,519	4,888,094	8,384,613	-	-	16,846,812	-	25,231,425
Claims expenses recovered from reinsurers	(421,481)	(535,107)	(956,589)	-	-	(35,198)	-	(991,787)
Underwriting expenses	2,226,662	1,216,652	3,443,314	-	-	745,606	-	4,188,920
Changes in individual life reserves	-	1,985,186	1,985,186	-	-	-	-	1,985,186
Increase/(decrease) in annuity reserves	-	(149,599)	(149,599)	-	-	-	-	(149,599)
Net underwriting expenses	5,301,700	7,405,226	12,706,925	-	-	17,557,220	-	30,264,144
Total underwriting profit	2,670,946	2,737,202	5,408,149	-	-	1,206,081	(281,639)	6,332,591
Investment income	2,690,538	2,435,548	5,126,086	820,769	-	378,240	(2,544,492)	3,780,604
Net gains on fin. instruments/Inv. Property	2,649	(534,991)	(532,341)	37,006	78,121	45,032	-	(372,182)
Disposal of shares in subsidiary	-	-	-	-	-	-	-	-
Profits on investment contracts	-	226,440	226,440	-	-	-	-	226,440
Other income	14,516	51	14,567	18,399	5,473	33,825	-	72,265
Rental income	-	-	-	-	726,519	-	(33,246)	693,273
Total investment income	2,707,703	2,127,048	4,834,752	876,175	810,113	457,098	(2,577,738)	4,400,400
Expenses for marketing and administration	754,199	593,383	1,347,582	18,629	-	154,561	(281,639)	1,239,134
Employee benefit expense	1,330,525	1,226,780	1,775,311	285,460	-	1,134,489	-	3,195,260
Other operating expenses	1,105,431	927,985	2,815,410	269,959	26,201	450,642	(300,516)	3,261,695
Impairment of other assets	-	-	-	-	-	-	-	-
Impairment of premium receivables	-	-	-	-	-	-	-	-
Results of operating activities	2,188,494	2,116,103	4,304,598	302,127	783,913	(76,513)	(2,277,222)	3,036,902
Finance cost	(97,361)		(97,361)	-	(139,821)	(14,655)	73,121	(178,716)
Profit before tax	**2,091,132**	**2,116,103**	**4,207,236**	**302,127**	**644,092**	**(91,169)**	**(2,204,101)**	**2,858,186**
Income tax expenses	(202,045)	(202,492)	(404,537)	(77,075)	(192,621)	(472,664)	-	(1,146,897)
Profit for the year	**1,889,088**	**1,913,611**	**3,802,699**	**225,052**	**451,471**	**(563,833)**	**(2,204,101)**	**1,711,289**
Assets and liabilities								
Total assets	47,634,817	33,192,332	79,689,444	2,215,378	15,950,557	21,307,755	(14,089,060)	106,211,782
Total liabilities	31,694,430	23,397,197	55,043,175	863,030	5,745,380	19,839,437	(8,066,068)	73,473,407
Net assets/(liabilities)	**15,940,387**	**9,795,135**	**24,646,269**	**1,352,348**	**10,205,177**	**1,468,318**	**(6,022,992)**	**32,738,375**

(All amounts in thousands of Naira unless otherwise stated)

5 Cash and cash equivalents

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Cash at bank and in hand	10,542,164	9,088,688	8,084,436	6,612,288
Tenored deposits	6,744,716	8,254,656	6,472,834	7,614,724
	17,286,880	17,343,344	14,557,270	14,227,012

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

6 Investment securities

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Fair value through profit or loss (see note 6.1)	3,451,030	3,653,526	3,451,030	3,653,526
Available-for-sale (see note 6.2)	32,843,509	35,107,537	29,280,339	30,864,575
Financial assets designated at fair value (see note 6.3)	2,713,476	4,374,805	2,713,476	4,374,805
	39,008,015	43,135,868	35,444,845	38,892,906

6.1 Fair value through profit or loss

Fair value through profit or loss instruments represent

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Government bonds	3,251,030	3,453,526	3,251,030	3,453,526
Treasury bills	200,000	200,000	200,000	200,000
	3,451,030	3,653,526	3,451,030	3,653,526

6.2 Available-for-sale assets

Available for sale instruments represent interests in

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Government & corporate bonds	22,377,432	23,956,740	20,663,191	22,211,757
Tenored deposits with maturity above 90 days	-	-	-	-
Treasury bills	1,195,266	2,208,282	1,195,740	2,058,835
Equity securities (see table (a) below)	330,575	293,572	264,943	192,952
Investment funds	8,940,235	8,648,943	7,156,465	6,401,031
	32,843,508	35,107,537	29,280,339	30,864,575

(a) Analysis of equity securities is shown below:

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Quoted securities	274,559	237,556	208,927	136,936
Unquoted securities				
Insurance Energy pool	36,466	36,466	36,466	36,466
Imperial Homes Limited	19,500	19,500	19,500	19,500
DML Nominees limited	50	50	50	50
	330,575	293,572	264,943	192,952

6.3 Financial assets designated at fair value	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Investment contracts designated at fair value	2,713,476	4,374,805	2,713,476	4,374,805
	2,713,476	4,374,805	2,713,476	4,374,805
	2,713,476	4,374,805	2,713,476	4,374,805

7 Trade receivables

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Premium receivable (see 7.1 below)	11,724,392	5,955,650	3,132,867	138,744
Coinsurance receivable (see 7.2 below)	1,084,582	1,057,709	1,084,582	1,057,709
	12,808,974	7,013,359	4,217,449	1,196,453

All trade receivables fall due within one year.

7.1 Premium receivables

		Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
7.1a	Premium receivables	11,896,245	6,127,503	3,161,984	167,861
	Less specific provision for impairment	(171,853)	(171,853)	(29,117)	(29,116)
		11,724,392	5,955,650	3,132,867	138,745

(All amounts in thousands of Naira unless otherwise stated)

Analysis of premium receivables:

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Life contracts insurance receivable	458,198	25,325	458,198	25,325
Non-life contracts insurance receivable	2,674,670	113,419	2,674,670	113,419
AXA Mansard Health (HMO) receivable	8,591,524	5,816,906	-	-
	11,724,392	5,955,650	3,132,868	138,744

Counter party categorization of insurance receivable:

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Brokers and agents	3,161,984	167,861	3,161,984	167,861
Contract holders	8,734,261	5,959,642	-	-
Total insurance receivables	11,896,245	6,127,503	3,161,984	167,861
Less impairment of receivables:				
– Brokers and agents	(29,117)	(29,117)	(29,117)	(29,116)
– Contract holders	(142,736)	(142,736)	-	-
Total impairment	(171,853)	(171,853)	(29,117)	(29,116)
	11,724,392	5,955,650	3,132,867	138,745

The movement in impairment of insurance receivable is as follows:

7.1b Impairment of premium receivable	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	171,853	154,977	29,117	41,067
Additional impairment/(write back) during the year	-	42,906		(11,950)
Write off of premium receivables		(26,030)	-	-
Balance, end of year	171,853	171,853	29,117	29,117

7.2 Co-insurance receivable	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Co-insurers’ share of outstanding claims	1,084,582	1,057,709	1,084,582	1,057,709
	1,084,582	1,057,709	1,084,582	1,057,709

(a) The movement in co-insurance recoverable on claims paid	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	1,057,709	923,762	1,057,709	923,762
Additions in the year	211,106	418,346	211,106	418,346
Receipts during the year	(184,233)	(284,399)	(184,233)	(284,399)
	1,084,582	1,057,709	1,084,582	1,057,709

8 Reinsurance assets	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Total reinsurers’ share of outstanding claims (see note (a) below)	1,385,917	2,119,313	1,385,917	2,119,313
Reinsurance premium paid in advance for next year's policies	-	-	-	-
Prepaid re-insurance- Non life & health (see note (b) below)	5,398,584	5,103,009	5,318,676	5,038,597
Prepaid re-insurance- group life reserves (see note (c) below)	520,842	127,154	520,842	127,154
Reinsurance share of individual life reserves (see note (d) below)	43,155	43,155	43,155	43,155
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	3,206,534	2,269,928	3,184,865	2,160,874
Recoverables from reinsurers on claims paid (see note (f) below)	1,334,006	1,509,789	1,273,059	1,381,879
	11,889,038	11,172,348	11,726,514	10,870,972

(a) The movement in reinsurers’ share of outstanding claims is as follows:	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	2,119,313	1,502,091	2,119,313	1,502,091
Movement during the year	(733,396)	617,222	(733,396)	617,222
	1,385,917	2,119,313	1,385,917	2,119,313

Reinsurance share of outstanding claims can be analysed as follows:	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Non-life	1,355,364	2,033,096	1,355,364	2,033,096
Life	30,553	86,217	30,553	86,217
AXA Mansard Health (HMO)	-	-	-	-
Balance, end of year	1,385,917	2,119,313	1,385,917	2,119,313

(All amounts in thousands of Naira unless otherwise stated)

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	5,103,009	2,289,064	5,038,597	2,222,808
Movement during the year (see note 27)	295,575	2,813,945	280,079	2,815,789
	5,398,584	5,103,009	5,318,676	5,038,597

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	127,154	127,154	127,154	127,154
Movement during the year (see note 27)	393,688	-	393,688	-
	520,842	127,154	520,842	127,154

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	43,155	43,155	43,155	43,155
Movement during the year (see note 27)	-	-	-	-
	43,155	43,155	43,155	43,155

Reinsurance Expense for the year:	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Prepaid re-insurance at the beginning of the year (see note 8(a), (b) & (c) above)	5,273,319	5,273,319	5,208,906	5,208,906
Reinsurance cost (see note 27)	18,489,633	21,386,576	18,268,872	21,125,909
Total	23,762,952	26,659,895	23,477,778	26,334,815
Prepaid re-insurance at the end of the year (see note 8(a), (b) & (c) above)	(5,962,581)	(5,273,318)	(5,882,673)	(5,208,906)
Reinsurance expense for the year (see note 27)	17,800,371	21,386,577	17,595,105	21,125,909

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Non-life	2,611,674	1,957,428	2,611,674	1,957,428
Life	573,191	203,446	573,191	203,446
Health	21,669	109,054	-	-
Balance, end of year	3,206,534	2,269,928	3,184,865	2,160,874

The movement in reinsurance IBNR:	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	2,269,928	2,269,928	2,160,874	2,160,874
Movement during the year	936,606	-	1,023,991	-
	3,206,534	2,269,928	3,184,865	2,160,874

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

	Group September 2022	Group Dec-2021	Parent September 2022	Parent Dec-2021
Balance, beginning of the year	1,509,789	1,509,789	1,381,879	1,381,879
Additions in the year	712,560	3,243,847	417,248	2,782,146
Receipts during the year	(888,343)	(3,243,847)	(526,068)	(2,782,146)
	1,334,006	1,509,789	1,273,059	1,381,879

(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 September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Deferred acquisition cost- Fire	170,062	158,990	170,062	158,990
Deferred acquisition cost- Gen. Accident	126,391	62,174	126,391	62,174
Deferred acquisition cost- Motor	74,199	74,136	74,199	74,136
Deferred acquisition cost- Marine	32,395	43,451	32,395	43,451
Deferred acquisition cost- Engineering	98,597	174,406	98,597	174,406
Deferred acquisition cost- Oil & Gas	134,032	99,769	134,032	99,769
Deferred acquisition cost- Aviation	4,160	7,823	4,160	7,823
Deferred acquisition cost- HMO	430,218	132,205	-	-
Total	1,070,054	752,954	639,836	620,749

The movement in deferred acquisition cost is as follows:

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	752,954	415,717	620,749	346,212
Movement in deferred acquisition cost	317,099	337,237	19,087	274,537
Balance, end of year	1,070,054	752,954	639,836	620,749
Current	620,749	346,212	620,749	346,212
Non-current	449,305	406,742	19,087	274,537
	1,070,054	752,954	639,836	620,749

10 Other receivables

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Prepayment (see note (i) below)	1,798,406	988,150	782,329	522,838
Accrued income (see note (ii) below)	567,293	420,374	2,321,273	227,428
Lease receivables (see note (iv) below)	-	-	-	-
Other account receivables (see note (iii) below)	2,046,311	2,656,516	947,026	2,366,425
Gross	4,412,010	4,065,040	4,050,628	3,116,691
Less: Specific impairment of other receivables (see (a) below)	(135,155)	(135,155)	(135,155)	(135,155)
Net receivables	4,276,855	3,929,885	3,915,473	2,981,536

(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 the period ended.
(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.
(iv) Lease receivables represents receivables for the sublease of a building.

11 Loans and receivables

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Loans and advances to related party (see note (a) below)	243,120	1,388,378	1,359,273	2,425,274
Other loans (see (b) below)	-	-		
Staff loans and advances	159,352	266,707	146,898	241,184
Gross	402,472	1,655,085	1,506,171	2,666,458
Net loans and receivables	402,472	1,655,085	1,506,171	2,666,458

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

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of the year	1,388,378	226,254	2,425,274	786,138
Additions during the year	-	1,162,124	-	1,864,689
Payments during the year	(1,145,258)	-	(1,066,001)	(225,553)
Balance end of year	243,120	1,388,378	1,359,273	2,425,274

12 Investment properties

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	14,629,889	14,560,934	-	-
Balance, end of year	14,629,889	14,560,934	-	-
Non-current	14,629,889	14,560,934	-	-
	14,629,889	14,560,934	-	-

The movement in investment property is analysed as follows:

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	14,560,934	13,694,760	-	-
			-	
Investment property disposed during the year	-	-		-
Foreign exchange gain/(loss)	68,955	826,193	-	-
Change in fair value	-	39,981	-	-
Investment property at fair value	14,629,889	14,560,934	-	-

13 Investment in subsidiaries

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

	Parent September-2022	Parent Dec-2021
AXA Mansard Investments Limited	940,000	940,000
AXA Mansard Health Limited	712,000	712,000
	1,652,000	1,652,000

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

(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 t

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 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 thro 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 structure.

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

	Parent September-2022	Parent Dec-2021
Balance, beginning of year	1,652,000	1,652,000
Additions, during the year	-	-
Disposal, during the year	-	-
Balance, end of year	1,652,000	1,652,000

(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 September-2022	Group Dec-2021
NCI percentage	44.3%	44.3%
Cash and cash equivalents	281,638	844,532
Other receivables	523,310	82,346
Available-for-sale assets	449,392	78,784
Investment properties	14,629,889	14,560,934
Property and equipment	66,162	55,009
Intangible assets	166	245
Borrowings	(4,194,747)	(4,193,835)
Other liabilities	(1,550,633)	(1,674,309)
Net assets	10,205,177	9,753,706
Carrying amount of NCI	1,161,286	1,161,286

	September-2022	Dec-2021
Income	810,113	1,933,016
Expenses	923,733	2,081,234
Profit before tax	(113,620)	(148,218)
Profit after tax	451,471	1,287,373
Profit allocated to NCI (44.3%)	200,002	570,306

(d) Significant restrictions and impairment

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

14 Intangible assets

Analysis of intangible assets:

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Computer software acquired (see note (a) below)	436,977	388,647	393,795	354,896
License fee (see note (b) below)	-	-	-	-
Goodwill	12,000	12,000	-	-
Total	448,977	400,647	393,795	354,896

(a) **Group**

2022	**Computer software**	**License**	**Goodwill**	**Total**
Cost:				
Balance, beginning of year	799,991	-	12,000	811,991
Additions	314,639	-	-	314,639
Balance, end of year	1,114,630	-	12,000	1,126,630
Amortization:				
Balance, beginning of year	481,974	-	-	481,974
Amortisation charge	195,679	-	-	195,679
Balance, end of year	677,653	-	-	677,653
Closing net book value	436,977	-	12,000	448,977

Group

2021	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	799,991	-	12,000	811,991
Additions	159,135	-	-	159,135
Disposal	(16,183)	-	-	(16,183)
Balance, end of year	799,991	-	12,000	954,943
Amortization:				
Balance, beginning of year	481,974	-	-	481,974
Amortisation charge	117,985	-	-	117,985
Accumulated amortization on disposed assets	(45,663)	-	-	(45,663)
Balance, end of year	554,296	-	-	554,296
Closing net book value	388,647	-	12,000	400,647

Parent	Parent September-2022	Parent Dec-2021
Cost:		
Balance, beginning of year	876,123	716,988
Additions	105,344	159,135
Intangible assets written off	-	-
Balance, end of year	981,467	876,123
Amortization:		
Balance, beginning of year	521,227	411,545
Amortisation charge	66,445	109,682
Accumulated amortization on intangible asset written off	-	-
Balance, end of year	587,672	521,227
Closing net book value	393,795	354,896

Notes to the financial statements

(All amounts in thousands of Naira unless otherwise stated)
30th September 2022

15 Property and equipment

(a) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2022	389,664	657,165	1,462,305	1,535,783	635,789	1,574,592	100,686	6,355,985
Additions	-	-	152,966	409,288	142,253	183,688	34,230	922,425
Disposals	-	-	(75,658)	(3,608)	(564)	(9,110)	-	(88,939)
Balance, 30 September 2022	389,664	657,165	1,539,613	1,941,462	777,479	1,749,171	134,916	7,189,471
Accumulated depreciation								
Balance, 1 January 2022	-	109,852	771,078	1,116,872	461,307	1,094,416	-	3,553,525
Charge for the period	-	10,954	178,231	226,360	64,534	117,582	-	597,662
Disposals	-	-	(32,713)	(3,608)	(564)	(9,110)	-	(45,995)
Balance, 30 September 2022	-	120,806	916,597	1,339,623	525,277	1,202,888	-	4,105,192
Net book value								
Balance, 1 January 2022	389,664	547,313	691,227	418,911	174,483	480,177	100,686	2,802,460
Balance, 30 September 2022	389,664	536,359	623,016	601,839	252,201	546,282	134,916	3,084,279

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2022	389,664	657,165	1,179,516	1,394,453	454,312	1,303,907	100,686	5,479,703
Additions	-	-	130,141	371,976	102,299	149,008	34,230	787,654
Disposals	-	-	(64,767)	(3,608)	(564)	(9,110)	-	(78,048)
Balance, 30 September 2022	389,664	657,165	1,244,890	1,762,821	556,048	1,443,805	134,916	6,189,309
Accumulated depreciation								
Balance, 1 January 2022	-	110,949	659,349	1,037,989	345,015	922,036	-	3,075,338
Charge for the period	-	10,953	129,288	192,960	33,977	99,765	-	466,944
Disposals	-	-	(32,713)	(3,608)	(564)	(9,110)	-	(45,995)
Balance, 30 September 2022	-	121,902	755,924	1,227,341	378,428	1,012,691	-	3,496,287
Net book value								
Balance, 1 January 2022	389,664	546,216	520,167	356,464	109,297	381,871	100,686	2,404,365
Balance, 30 September 2022	389,664	535,263	488,966	535,480	177,620	431,114	134,916	2,693,023

(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 2021	389,664	657,165	1,166,343	1,288,449	592,680	1,260,797	91,646	5,446,743
Additions	-	-	368,775	250,439	59,179	316,657	9,041	1,004,091
Disposals	-	-	(72,813)	(3,105)	(16,070)	(2,862)	-	(94,849)
Balance, 31 December 2021	389,664	657,165	1,462,305	1,535,983	635,789	1,574,592	100,687	6,355,983
Accumulated depreciation								
Balance, 1 January 2021	-	96,709	627,003	894,021	434,765	965,958	-	3,018,456
Charge for the period	-	13,144	194,883	225,957	42,611	130,761	-	607,356
Disposals	-	-	(50,808)	(3,105)	(16,070)	(2,303)	-	(72,287)
Balance, 31 December 2021	-	109,853	771,078	1,116,873	461,306	1,094,416	-	3,553,525
Net book value								
Balance, 1 January 2021	389,664	560,456	539,340	394,429	157,915	294,839	91,646	2,428,287
Balance, 31 December 2021	389,664	546,216	692,818	419,165	187,877	466,032	100,687	2,802,458

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2021	389,664	657,165	979,590	1,205,461	415,510	1,048,110	91,645	4,787,144
Additions	-	-	264,558	192,097	54,872	256,640	9,041	777,208
Disposals	-	-	(64,631)	(3,105)	(16,070)	(843)	-	(84,649)
Balance, 31 December 2021	389,664	657,165	1,179,516	1,394,453	454,312	1,303,907	100,686	5,479,704
Accumulated depreciation								
Balance, 1 January 2021	-	97,805	548,619	839,524	325,831	820,564	-	2,632,343
Charge for the period	-	13,144	154,482	201,570	35,253	102,301	-	506,750
Disposals	-	-	(43,752)	(3,105)	(16,070)	(829)	-	(63,756)
Balance, 31 December 2021	-	110,949	659,349	1,037,989	345,015	922,036	-	3,075,338
Net book value								
Balance, 1 January 2021	389,664	559,360	430,971	365,936	89,679	227,546	91,645	2,154,802
Balance, 31 December 2021	389,664	546,216	520,167	356,464	109,297	381,871	100,686	2,404,365

(i) In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements
(ii) There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (December 2021: nil)
(iii) All items of property and equipment are non-current
(iv) There was no leased asset included in property and equipment (December 2021: nil)
(v) The company had no capital commitment (December 2021: nil)
(vi) The company had no items pledged for borrowings included in property and equipment (December 2021: nil)
(vii) There were no impairment losses on any class of property and equipment

(All amounts in thousands of Naira unless otherwise stated)

15c Right of Use

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
As at January	797,757	898,841	654,074	722,803
Additions	165,871	143,463	165,871	143,463
Depreciation	(157,277)	(244,547)	(133,310)	(212,192)
Balance	806,350	797,757	686,634	654,074

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 September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
– Outstanding claims (see note 17.1a)	6,509,288	7,237,054	5,017,131	5,431,070
– Claims incurred but not reported (see note 17.1b)	10,078,100	6,547,943	7,942,108	5,350,846
– Unearned premium (see note 17.2)	22,316,571	16,898,268	10,227,079	8,567,621
– Individual life reserve (see note 17.3)	6,075,267	4,090,082	6,075,267	4,090,082
– Annuity reserves (see note 17.4)	2,005,494	2,155,094	2,005,494	2,155,094
Total insurance liabilities, gross	46,984,720	36,928,441	31,267,079	25,594,713
Reinsurance receivables:				
Reinsurers' share of outstanding claims	1,385,917	2,119,313	1,385,917	2,119,313
Prepaid re-insurance- Non life & health	5,398,584	5,103,009	5,318,676	5,038,597
Reinsurance share of group life reserves	520,842	127,154	520,842	127,154
Reinsurance share of individual life reserves	43,155	43,155	43,155	43,155
Reinsurance share of Incurred But Not Reported (IBNR) claims	3,206,534	2,269,928	3,184,865	2,160,874
Recoverables from reinsurers on claims paid	1,334,006	1,509,789	1,273,059	1,381,879
Total reinsurers' share of insurance liabilities	11,889,038	11,172,348	11,726,514	10,870,972
Net insurance liability	35,095,682	25,756,093	19,540,564	14,723,742
Current	36,499,407	28,278,713	20,781,765	16,944,984
Non-current	10,485,313	8,649,728	10,485,314	8,649,729

(All amounts in thousands of Naira unless otherwise stated)

17.1a – Outstanding claims

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Non-Life	4,459,379	4,964,451	4,459,379	4,964,451
Group life	557,752	466,620	557,752	466,619
Health	1,492,157	1,805,983	-	-
	6,509,288	7,237,054	5,017,131	5,431,070

17.1b – Claims incurred but not reported

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Non life business	5,340,355	3,843,842	5,340,355	3,843,842
Group life	2,601,753	1,507,004	2,601,753	1,507,004
Health	2,135,992	1,197,097	-	-
	10,078,100	6,547,943	7,942,108	5,350,846

17.2 Unearned premium

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Non life business	8,335,767	7,603,459	8,335,767	7,603,459
Group life	1,891,312	964,162	1,891,312	964,162
Health	12,089,493	8,330,648	-	-
	22,316,572	16,898,269	10,227,079	8,567,621
Current	19,912,019	14,493,716	7,822,526	6,163,068
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 September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Balance, beginning of year	16,898,269	12,423,308	8,567,621	5,076,216
Movement during the year	5,418,303	4,474,961	1,659,458	3,491,405
Balance, end of year	22,316,572	16,898,269	10,227,079	8,567,621

17.3 Individual life reserves can be analysed as follows:

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Individual life	6,075,267	4,090,082	6,075,267	4,090,082
	6,075,267	4,090,082	6,075,267	4,090,082

Movement in individual life reserves:	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Balance, beginning of year	4,090,082	2,509,447	4,090,082	2,509,447
Changes in individual life reserves	1,985,185	1,580,635	1,985,185	1,580,635
Balance, end of year	6,075,267	4,090,082	6,075,267	4,090,082

17.4 Annuity reserves can be analysed as follows:

	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Annuity	2,005,494	2,155,094	2,005,494	2,155,094
	2,005,494	2,155,094	2,005,494	2,155,094

Movement in Annuity reserves:	Group September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Balance, beginning of year	2,155,094	3,054,196	2,155,094	3,054,196
Annuity premium written during the year	-	-	-	-
Annuity payout during the year	(212,262)	(293,383)	(212,262)	(293,383)
Accretion to/(release from) annuity fund	62,662	(605,719)	62,662	(605,719)
Balance, end of year	2,005,494	2,155,094	2,005,494	2,155,094

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

18.1 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 September-2022	Group Dec -2021	Parent September-2022	Parent Dec -2021
Investment Contract Liabilities - At amortised cost:				
- Guaranteed investment (interest-linked)	4,116,716	5,646,114	4,116,716	5,646,114
- Bonus Life investible (interest-linked)	824,706	1,222,054	824,706	1,222,054
	4,941,422	6,868,168	4,941,422	6,868,168
Investment Contract Liabilities - Liabilities designated at fair value:				
- Unitized funds	2,713,476	4,374,805	2,713,476	4,374,805
	7,654,898	11,242,973	7,654,898	11,242,973

(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 2022. The movement in interest-linked funds during the year was as follows:

18.2

	Group September-2022	Group Dec- 2021	Parent September-2022	Parent Dec- 2021
Balance, beginning of year	6,868,167	5,153,518	6,868,167	5,153,518
Contributions	324,706	1,222,054	324,706	1,222,054
Withdrawal	(2,642,165)	(450,986)	(2,642,165)	(450,986)
Interest accrued during the year	390,713	943,581	390,713	943,581
Balance, end of year	4,941,421	6,868,167	4,941,421	6,868,167

The N4.94 billion (2021: N6.86 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).

18.3 The movement in unitised funds during the year was as follows:

	Group September-2022	Group Dec- 2021	Parent September-2022	Parent Dec- 2021
Balance, beginning of year	4,374,805	4,485,249	4,374,805	4,485,249
Contributions	-	-		
Reclassification to registered funds (see note (a) below)	-	-	-	-
Withdrawals	(1,661,329)	(110,444)	(1,661,329)	(110,444)
Balance, end of year	2,713,476	4,374,805	2,713,476	4,374,805
Currrent	2,713,476	4,374,805	2,713,476	4,374,805

19 Trade payables

Trade payables represent liabilities to customers, agents, brokers, coinsurers and re-insurers on insurance contracts at the period ended.

	Group September-2022	Group Dec- 2021	Parent September-2022	Parent Dec- 2021
Reinsurance payable	2,384,833	478,315	2,384,833	478,315
Co-insurance payable	849,914	662,069	849,914	662,069
Unallocated premium & refunds (see (a) below)	1,590,350	1,950,027	1,590,350	1,950,027
Due to agents & brokers	4,756,044	7,921,081	4,564,195	7,568,982
Premium received in advance	631,809	626,737	631,809	626,737
	10,212,950	11,638,229	10,021,101	11,286,130

(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 September-2022	Group Dec- 2021	Parent September-2022	Parent Dec- 2021
Deferred income	672,281	931,062	370,516	295,895
Due to investment brokers	-	-	-	-
Creditors and accruals	2,431,906	2,504,646	1,471,640	1,905,456
Unclaimed dividend	60,256	74,551	60,256	74,551
Cash settled share based payment liability	114,248	114,248	114,248	114,248
Lease Liability	811,100	888,565	719,168	751,083
	4,089,791	4,513,072	2,735,829	3,141,233
Current	2,656,000	2,815,000	1,595,145	2,004,088
Non-current	1,433,791	1,698,072	1,140,684	1,137,146

(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 September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	1,962,020	1,648,795	645,958	125,911
Current year charge				
- Property & Casualty	181,502	329,341	181,502	329,341
- Life & Savings	181,934	294,517	181,934	294,517
- AXA Mansard Investments Limited	79,794	49,573	-	-
- AXA Mansard Health Limited	456,750	941,074	-	-
- AXA Mansard Pensions Limited			-	-
- APD Limited	182,610	315,089	-	-
Payments during the year	(1,773,750)	(1,616,369)	(458,966)	(103,811)
WHT credit notes utilised during the year	(38,613)	-	(31,858)	-
Balance, end of year	1,232,248	1,962,020	518,571	645,958

(All amounts in thousands of Naira unless otherwise stated)

22 Borrowings

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Bank borrowings	2,329,784	2,435,870	-	-
Loan note	12,906	18,273	-	-
Short term borrowings	-	-	-	-
Total borrowings	2,342,690	2,454,143	-	-

23 Deferred income tax

(a) *Liabilities*

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	932,573	818,666	-	0
Charge in income statement for the year	23,539	113,907	-	-
Tax charge /(reversals) relating to components of other comprehensive income	-	-	-	-
Balance, end of year	956,112	932,573	-	0

24.1 Share capital:

Share capital comprises:

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
(a) Authorized:				
9,000,000,000 Ordinary shares of N2 each (Dec 2021: 9,000,000,000 ordinary shares)	18,000,000	18,000,000	18,000,000	18,000,000

At the end of December 31st, 2020, the Company increased its authorised share capital from N5,250,000,000 to N18,000,000,000 by the creation of 25,500,000,000 ordinary shares of 50k each. Furthermore, effective September 27th, 2021, and following all necessary regulatory approvals, the nominal value of the shares were increased from 50k to N2 and consequently the number of shares reduced from 36,000,000,000 to 9,000,000,000 shares.

(b) Issued and fully paid

9,000,000,000 Ordinary shares of N2 each	18,000,000	18,000,000	18,000,000	18,000,000

Movement in issued and fully paid shares

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	18,000,000	18,000,000	18,000,000	18,000,000
Additional shares during the year	-	-	-	-
Balance, end of year	18,000,000	18,000,000	18,000,000	18,000,000

(i) Non-Life Business

Share capital comprises:

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
5,000,000,000 Ordinary shares of N2 each	10,000,000	10,000,000	10,000,000	10,000,000

(ii) Life Business

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
4,000,000,000 Ordinary shares of N2 each	8,000,000	8,000,000	8,000,000	8,000,000

24.2 Share premium

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Share Premium	78,255	78,255	78,255	78,255

During the course of the year, Share Premium arose as a result of the vesting of shares within the equity settled share based payment scheme.

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.

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

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of the year	4,816,716	4,345,125	4,816,716	4,345,125
Transfer from retained earnings	191,361	471,591	191,361	471,591
Balance, end of year	5,008,077	4,816,716	5,008,077	4,816,716

Analysis per business segment

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Non-life business	3,970,257	3,970,257	3,970,257	3,970,257
Life business	1,037,820	846,459	1,037,820	846,459
Balance, end of year	5,008,077	4,816,716	5,008,077	4,816,716

(All amounts in thousands of Naira unless otherwise stated)

(i) Non-Life Business

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	3,970,257	3,591,032	3,970,257	3,591,032
Transfer from retained earnings	0	379,225	0	379,225
Balance, end of year	3,970,257	3,970,257	3,970,257	3,970,257

(ii) Life Business

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	846,459	754,093	846,459	754,093
Transfer from retained earnings	191,361	92,366	191,361	92,366
Balance, end of year	1,037,820	846,459	1,037,820	846,459

24.5 Treasury shares

Treasury shares represent the 55,738,227 (2021: 55,738,227 at N2 per share) N2 ordinary shares held by the Company under the AXA Mansard Share Option Plan (MSOP).

Treasury shares' balances as at December 2021 are as analysed below:	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
Balance, beginning of year	(111,476)	(304,924)	(111,476)	(304,924)
Value of vested portion of treasury shares	-	193,448	-	193,448
Balance, end of year	(111,476)	(111,476)	(111,476)	(111,476)

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.

	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
At beginning of year	(62,329)	5,264,806	(8,764)	5,032,542
Changes in available-for-sale financial assets (net of taxes)	(1,116,104)	(5,327,135)	(927,581)	(5,041,306)
Balance, end of year	(1,178,433)	(62,329)	(936,345)	(8,764)

Changes in the valuation of AFS financial assets during the year are as analysed below:	Group September-2022	Group Dec-2021	Parent September-2022	Parent Dec-2021
At beginning of year	(62,329)	5,264,806	(8,764)	5,032,542
Net unrealised changes in fair value of AFS assets	(1,116,104)	(5,327,135)	(927,633)	(4,971,019)
Realised (losses)/gains transferred to income statement	-	-	52	(70,286)
Balance, end of year	(1,178,433)	(62,329)	(936,345)	(8,764)

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 September-2022	Group Dec-2021
Opening balance	4,320,891	3,750,585
Business combination (NCI interest at acquisition date)	-	-
Transfer from the profit or loss account	200,002	570,306
Disposal of subsidiary with NCI	-	-
Balance as at period ended	4,520,893	4,320,891

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 (2021: nil).

APD Limited

Non controlling interest (44.3%)	Group September-2022	Group Dec-2021
Opening balance	2,201,857	1,631,551
Transfer from the profit or loss account	200,002	570,306
Balance as at period ended	2,401,859	2,201,857

(All amounts in thousands of Naira unless otherwise stated)

26 Contingencies and commitments

(a) *Litigations and claims*

The Group is presently involved in twelve (12) legal proceedings (2021: twelve (12)). 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 2022.

27 Net premium income

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Gross written premium	57,892,596	48,783,941	35,446,826	29,910,316
Gross premium income				
Non-life	23,563,582	22,231,270	23,563,582	22,231,270
Life (Group life and individual life)	11,883,245	7,679,047	11,883,245	7,679,047
Annuity	-	-	-	-
AXA Mansard Health (HMO)	22,445,770	18,873,625	-	-
Provision for unearned premium				
Non life	(732,308)	(4,014,626)	(732,308)	(4,014,626)
Group life	(927,150)	(1,328,259)	(927,149)	(1,328,258)
AXA Mansard Health (HMO)	(3,758,845)	(2,967,676)	-	-
Gross premium income	52,474,294	40,473,381	33,787,370	24,567,433
Re-insurance cost				
-Non life	16,701,377	15,575,085	16,701,377	15,575,085
-Life	1,567,495	960,408	1,567,495	960,408
-AXA Mansard Health (HMO)	220,761	322,412	-	-
Changes in prepaid re-insurance				
-Non life	(280,078)	(3,205,039)	(280,078)	(3,205,039)
-Group life	(393,688)	(169,854)	(393,688)	(169,854)
-Individual life	-	-	-	-
-AXA Mansard Health (HMO)	(15,497)	(141,644)	-	-
Re-insurance expenses	17,800,370	13,341,368	17,595,106	13,160,600
Net premium income	34,673,924	27,132,013	16,192,264	11,406,833

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 September-2022	Group September-2021	Parent September-2022	Parent September-2021
Fees and commission income	1,922,812	1,390,174	1,922,812	1,390,174

29 Claims:

Claims expenses	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Claims paid during the year (see note (a) below)	22,369,718	17,015,979	6,152,242	5,356,708
Movement in outstanding claims	(668,450)	2,872,787	(358,890)	2,932,052
Claims incurred	21,701,268	19,888,766	5,793,352	8,288,760
Outstanding claims- IBNR	3,530,157	1,730,154	2,591,262	1,450,103
Total claims and loss adjustment expense	25,231,425	21,618,920	8,384,614	9,738,863
Recoverable on IBNR	(936,606)	(607,290)	(1,023,991)	(524,028)
Reinsurance share of outstanding claims	657,380	(2,422,888)	695,756	(2,422,882)
Recovered from re-insurers	(712,560)	(941,761)	(628,354)	(936,714)
Total claims expenses recovered from reinsurers	(991,786)	(3,971,939)	(956,589)	(3,883,624)
Net claims and loss adjustment expense	24,239,639	17,646,981	7,428,025	5,855,239

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

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Non life	2,450,028	2,961,494	2,450,028	2,961,494
Group life	1,405,476	1,400,104	1,405,476	1,400,104
Individual life	2,084,476	778,964	2,084,476	778,964
Annuity	212,262	216,146	212,262	216,146
HMO	16,217,476	11,659,271	-	-
	22,369,718	17,015,979	6,152,242	5,356,708

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

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Non life	(450,022)	2,861,298	(450,022)	2,861,298
Group life	91,132	70,754	91,132	70,754
HMO	(309,560)	(59,265)	-	-
	(668,450)	2,872,787	(358,890)	2,932,052

(All amounts in thousands of Naira unless otherwise stated)

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 September-2022	Group September-2021	Parent September-2022	Parent September-2021
Acquisition cost	3,580,779	3,000,919	2,835,174	2,423,251
Maintenance cost	608,138	384,024	608,138	384,024
	4,188,917	3,384,943	3,443,312	2,807,275

Analysis of acquisition cost is as shown below:

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Acquisition cost paid during the year	3,263,680	2,532,134	2,816,087	2,003,830
Movement in deferred acquisition cost	317,099	468,785	19,087	419,421
	3,580,779	3,000,919	2,835,174	2,423,251

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

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Non life	1,812,581	1,558,717	1,812,581	1,558,717
Life	1,022,593	864,534	1,022,593	864,534
Health	745,605	577,668	-	-
	3,580,779	3,000,919	2,835,174	2,423,251

31 Investment income

Investment income comprises the following:

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Dividend income	834,431	428,412	2,863,856	2,878,055
Interest income on investment securities	2,063,371	1,794,913	1,888,780	1,532,847
Interest income on cash and cash equivalents	375,273	167,019	373,449	187,497
Rental income	693,273	991,391	-	-
Asset management fees (see note (a) below)	299,306	422,472	-	-
Interest income from related parties	-	-	-	-
	4,265,654	3,804,207	5,126,085	4,598,399

(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.

32 Net (losses)/gains on financial instruments

a)

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Gains on financial assets	43,823	12,083	(54,216)	12,135
Gain on Investment Property	-	-	-	-
Foreign exchange gain	28,942	305,884	(11,997)	245,037
Fair value through Profit or Loss (FVTPL)	(444,946)	(1,212,767)	(466,129)	(1,226,367)
	(372,181)	(894,800)	(532,342)	(969,195)
Fair value gain on investment property	-	-	-	-
	(372,181)	(894,800)	(532,342)	(969,195)

33 Profit on investment contracts

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Interest income	433,681	367,944	433,681	367,944
Gains/(losses) from sale of investments	(2,232)	-	(2,232)	-
Total interest income	431,449	367,944	431,449	367,944
Expenses				
Guaranteed interest	(177,803)	(23,835)	(177,803)	(23,835)
Other expenses	(27,205)	(27,767)	(27,205)	(27,767)
Net profit	226,441	316,342	226,441	316,342

34 Other income

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Profit/loss from sale of property and equipment	5,236	8,925	5,071	8,296
Sundry income	67,029	19,568	9,496	9,116
Total	72,265	28,493	14,567	17,412

35 Expenses for marketing and administration

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Marketing and administrative expenses	884,762	1,042,957	993,211	949,987
Direct selling cost	354,372	285,059	354,372	285,059
	1,239,134	1,328,016	1,347,583	1,235,046

36.1 Employee benefit expense

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Wages and salaries	2,633,049	2,006,067	2,105,479	1,721,212
Other employee costs	128,821	88,683	75,025	38,162
Pension costs – defined contribution plans	77,558	84,205	58,026	69,423
Performance-based expenses	355,832	107,961	318,775	50,914
Equity and Cash settled share-based payments	-	-	-	-
	3,195,259	2,286,916	2,557,305	1,879,712

37 Other operating expenses

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Depreciation and amortisation charges	643,134	506,473	533,384	434,303
Depreciation on right of use	157,277	180,388	133,310	156,122
Professional fees	154,216	101,489	90,182	86,401
Directors' emolument and expenses	55,610	18,578	34,418	14,431
Contract services cost	1,028,190	904,834	859,632	771,431
Auditor's remuneration	29,261	29,285	23,929	25,521
Bank charges	60,209	84,939	44,055	66,086
Stamp duty charge on bank transactions	1,419	1,812	1,417	1,811
Insurance related expenses	280,483	20,031	267,949	256,439
Training expenses	124,582	96,899	98,793	81,083
Asset management fees expense	-	-	208,118	164,977
Information technology expenses	355,437	467,716	302,912	397,600
Other expenses	163,659	238,596	217,313	25,177
Shared service cost	-	-	(781,994)	(627,526)
	3,053,477	2,651,040	2,033,418	1,853,857

38 Finance cost

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

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Interest expense	178,717	380,266	97,361	72,798
	178,717	380,266	97,361	72,798

39 Income tax expense

	Group September-2022	Group September-2021	Parent September-2022	Parent September-2021
Company income tax				
- Non life	202,045	110,574	202,045	110,574
- Life	202,492	24,178	202,492	24,178
- AXA Mansard Investments Limited	76,773	36,567	-	-
- APD Limited	182,610	223,792	-	-
- AXA Mansard Health Limited	443,969	706,987	-	-
- AXA Mansard Pensions Limited	-	-	-	-
Education tax				
- General	-	-	-	-
- AXA Mansard Health Limited	12,781	55,751	-	-
- AXA Mansard Investments limited	2,688	2,776	-	-
Capital gains tax				
- General	-	-	-	-
- Life	-	-	-	-
Additional prior period tax				
-General	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Pensions Limited	-	-	-	-
WHT credit utilised during the year	-	-	-	-
	1,123,358	1,160,625	404,537	134,752
Deferred tax				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	(2,386)	4,571	-	-
- APD Limited	10,011	10,792	-	-
- AXA Mansard Health Limited	15,914	19,512	-	-
- AXA Mansard Pensions Limited	-	-	-	-
	23,539	34,874	-	-
Total tax charge for the year	1,146,897	1,195,499	404,537	134,752

40 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 September-2022	Group September-2021	Parent September-2022	Parent September-2021
Profit attributable to equity holders	1,511,287	3,578,473	3,802,700	3,822,025
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	9,000,000	9,000,000	9,000,000	9,000,000
Basic earnings per share (kobo per share)	17	40	42	42

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

	Parent September-2022	Parent September-2021
Issued ordinary shares at 1 January	9,000,000	10,500,000
Effect of bonus issue	-	25,500,000
Weighted effect of increase in nominal value of shares during the year	-	(27,000,000)
Weighted-average number of ordinary shares at 30 September	9,000,000	9,000,000

(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 September-2022	Group September-2021	Parent September-2022	Parent September-2021
Profit attributable to equity holders	1,511,287	3,578,473	3,802,700	3,822,025
Weighted average number of ordinary shares in issue (thousands) (see note (b) (i) below)	8,888,524	8,392,179	8,888,524	8,392,179
Diluted earnings per share (kobo per share)	17	43	43	46

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

	Group September-2022	Group September-2021
Issued ordinary shares at 1 January	9,000,000	10,500,000
Effect of treasury shares held	(111,476)	(607,821)
Effect of ordinary shares granted under the employee share option	-	-
Effect of bonus issue	-	25,500,000
Weighted effect of bonus issue on shares in issue	-	(27,000,000)
Weighted-average number of ordinary shares at 30 September 2022	8,888,524	8,392,179

41 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.

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

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

AXA MANSARD INSURANCE PLC
APPENDIX 1 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))
for the period ended 30 September 2022

	FIRE	GENERAL ACCIDENT	MOTOR	MARINE	ENGINEERING	OIL & ENERGY	AVIATION	September 2022	September 2021
	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE									
Gross written premium	3,138,897	2,056,379	2,142,357	587,332	458,196	13,431,818	1,724,856	23,540,007	22,216,175
Add Reinsurance Inward Premium	16,583	1,488	829	3,630	-	-	1,045	23,575	15,095
	3,155,480	2,057,867	2,143,186	590,962	458,196	13,431,818	1,725,901	23,563,582	22,231,270
Less Unexpired Risks Provision	(99,614)	(391,787)	(18,441)	54,738	376,460	(606,806)	(46,858)	(732,308)	(4,014,627)
Gross Premium Earned	3,055,866	1,666,080	2,124,745	645,700	834,656	12,825,012	1,679,043	22,831,274	18,216,644
Less Reinsurance Cost									
Local Facultative Premium	(1,387,779)	(179,303)	(3,965)	(49,730)	(34,377)	(11,344,193)	(1,348,041)	(14,347,388)	(13,358,727)
Prepaid Reinsurance	30,796	51,174	694	(75,265)	(388,853)	697,987	(36,455)	280,078	3,205,039
Reinsurance Treaty Premium	(658,499)	(29,017)	(39,169)	(226,741)	(220,877)	(1,089,555)	(90,131)	(2,353,989)	(2,216,358)
Total Reinsurance cost	**(2,015,482)**	**(157,146)**	**(42,440)**	**(351,736)**	**(644,107)**	**(11,735,761)**	**(1,474,627)**	**(16,421,299)**	**(12,370,046)**
Net Earned Premium	**1,040,384**	**1,508,934**	**2,082,305**	**293,964**	**190,549**	**1,089,251**	**204,416**	**6,409,975**	**5,846,598**
Add Commission Received									
Direct Business Commission	10,345	-	-	-	117	507,776	30,318	548,556	442,217
Local Facultative Comm	272,791	7,783	631	9,025	11,095	265,227	14,224	580,776	438,043
Reinsurance Treaty Comm	187,067	-	-	82,039	68,256	170,599	-	507,961	456,850
Deferred Comm. Income	(40,251)	(7,031)	(69)	7,774	(16,775)	(18,009)	(262)	(74,623)	(133,482)
Investment income	83,131	120,570	166,385	23,489	15,226	87,036	16,334	512,184	375,493
	513,083	121,322	166,947	122,327	77,919	1,012,628	60,613	2,074,854	1,579,121
Total Income	**1,553,467**	**1,630,256**	**2,249,252**	**416,291**	**268,468**	**2,101,879**	**265,029**	**8,484,828**	**7,425,719**
Expenses									
Claims Paid	845,266	235,934	949,281	20,602	294,208	80,629	24,108	2,450,028	2,961,754
Outstanding Claims	(960,638)	211,347	35,310	(11,970)	61,991	103,706	110,232	(450,022)	2,861,298
IBNR OS	776,853	(18,845)	145,410	74,279	(78,296)	596,169	943	1,496,514	1,007,851
Gross Claims	661,482	428,436	1,130,000	82,912	277,904	780,503	135,283	3,496,520	6,830,903
Treaty Claims Recovered	32,701	-	19,582	3,144	136,794	232	-	192,452	455,741
Facultative Claims Recovered	121,654	14,417	848	3,199	-	19,416	-	159,534	62,815
Co-insurers Claims Recovered	55,261	-	-	79	-	-	-	55,340	28,166
Ri Claim Recoverable	(727,170)	7,100	4,723	(22,945)	18,288	86,382	(6,471)	(640,093)	2,387,109
IBNR Recoverable	282,756	(3,412)	13,148	41,283	(48,600)	369,017	54	654,246	497,853
Total Claims Recovered/Recoverable	(234,798)	18,105	38,301	24,760	106,482	475,047	(6,417)	421,479	3,431,684
Net claims Incurred	**896,280**	**410,331**	**1,091,699**	**58,152**	**171,422**	**305,457**	**141,700**	**3,075,041**	**3,399,219**
Underwriting Expenses (commission expenses)	550,574	303,736	162,653	102,657	85,807	350,535	109,183	1,665,145	1,869,159
Deferred Acquisition Cost (Comm)	(11,071)	(64,218)	(63)	11,056	75,809	(34,263)	3,663	(19,087)	(419,421)
Other acquisition Cost	33,066	180	83,435	49,011	696	134	-	166,523	108,980
Maintenance Costs	133,888	63,969	53,390	18,376	13,882	115,492	15,084	414,081	180,427
Total underwriting expenses	**706,457**	**303,667**	**299,416**	**181,100**	**176,194**	**431,898**	**127,930**	**2,226,663**	**1,739,145**
Underwriting Profit	**(49,270)**	**916,258**	**858,137**	**177,039**	**(79,149)**	**1,364,525**	**(4,601)**	**3,183,125**	**2,287,355**

AXA MANSARD INSURANCE PLC

APPENDIX 2 (SUMMARISED REVENUE ACCOUNTS (LIFE BUSINESS))

for the period ended 30 September 2022

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	September 2022 TOTAL	September 2021 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	6,987,708	4,895,537	-	11,883,245	7,679,047
Less Unexpired Risks Provision	(927,150)	-	-	(927,150)	(1,328,259)
	6,060,558	4,895,537	-	10,956,095	6,350,788
Less Reinsurance Premium					
Local Facultative Premium	(1,001,639)	(13,209)	-	(1,014,848)	(831,416)
Ri share of Insurance Liabilities	393,688	-	-	393,688	169,854
Reinsurance Treaty Premium	(524,633)	(28,014)	-	(552,647)	(128,992)
Net Premium	**4,927,974**	**4,854,314**	**-**	**9,782,288**	**5,560,234**
Add commission received					
Direct business commission	14	(0)	-	14	640
Local Facultative	179,705	1,919	-	181,623	145,610
Reinsurance treaty	172,977	5,526	-	178,503	41,571
Investment Income	186,661	183,871	361,844	732,377	737,258
	539,357	191,316	361,844	1,092,517	925,080
Total income	**5,467,331**	**5,045,630**	**361,844**	**10,874,805**	**6,485,313**
Expenses					
Claims paid	1,405,476	2,050,437	212,262	3,668,175	2,094,463
Surrenders	-	34,039	-	34,039	300,751
Outstanding Claims	91,132	-	-	91,132	70,754
IBNR OS	1,094,748	-	-	1,094,748	442,253
Gross claims incurred	2,591,356	2,084,476	212,262	4,888,094	2,908,221
Reinsurance claims recovered	-	-	-	-	-
Co insurance claims recovered	(211,027)	(10,000)	-	(221,027)	(389,992)
RI Claims Recoverable	55,664	-	-	55,664	(35,772)
RI Share of IBNR	(369,745)	-	-	(369,745)	(26,176)
Net claims incurred	**2,066,249**	**2,074,476**	**212,262**	**4,352,987**	**2,456,281**
Acquisition expenses (commission expenses)	587,128	150,063	-	737,191	633,909
Other acquisition costs	168,057	117,346	-	285,403	230,626
Maintenance cost	101,806	92,251	-	194,057	203,597
Transfer to life fund	-	1,985,185	(149,599)	1,835,586	(900,740)
Total expenses	2,923,240	4,419,321	62,663	7,405,224	2,623,674
Underwriting profit	**2,544,091**	**626,309**	**299,181**	**3,469,581**	**3,861,640**