



# Summary of Financial Performance

AXA Mansard Insurance PLC  
April-2023



**Know  
You  
Can**

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## OUTLINE– FY 2022 REVIEW

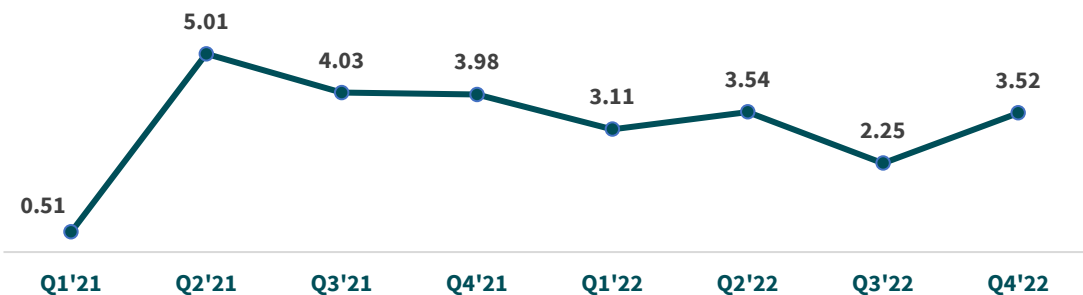
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# 1 Macro Economic and Industry Review

# Macroeconomic Highlights

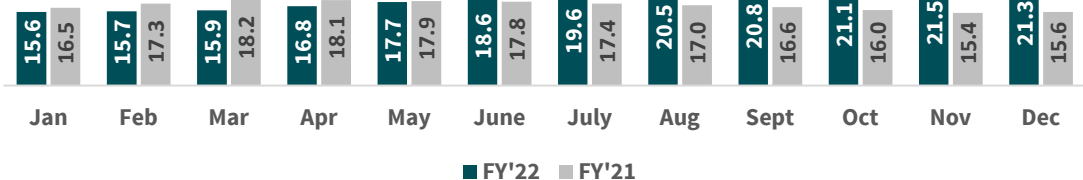
## GDP Growth Rate (%)



- The Nigerian GDP grew by 3.10% year on year in 2022, compared to 3.40% in 2021.
- While real GDP grew by 3.52% in Q4 2022, it saw a 46bps decline (3.98% - Q4 2021), indicating lower economic activity than in the previous year.
- Contribution from the oil sector declined to 5.67% from 7.24% the previous year while contribution from the non oil sector grew by 2% to 94.3%
- Growth in the non oil sector was driven by the agriculture, information & communication, and finance & insurance sectors which grew by 2%, 10.35% and 11.61%, respectively.

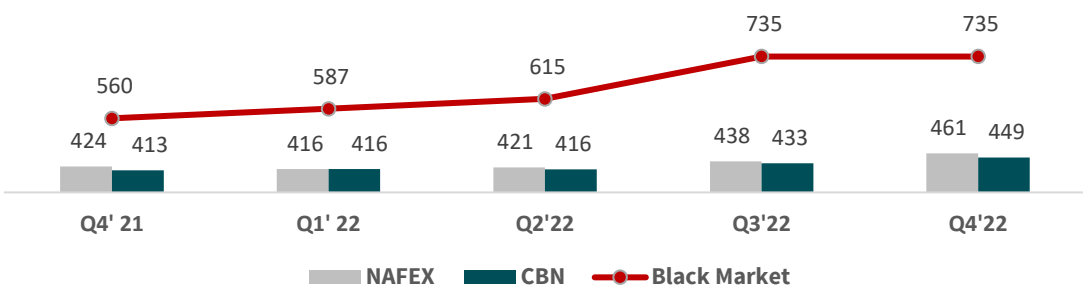
## Consumer Price Index

CPI (%)



- Headline inflation rose from 15.6% in January 2022 to 21.5% in November, the highest level in over 15 years, although slightly declining by 12bps in December to 21.3%.
- While core inflation grew by 25bps to 18.5%, food inflation declined by 37bps to 23.8% leading to the decline of headline inflation in December.
- The rise in the 2022 inflation was largely driven by insecurity, pressures on exchange rates and energy prices, as well as the impact of flooding on the agriculture segment

## USD Exchange Rate (₦)



- The Naira continued to depreciate against the dollar through the 2022 Financial year.
- FX rates on the NAFEX, CBN and Parallel markets continued the weakness, declining by 9%, 9% and 31% respectively YoY, and standing at ₦461/\$, ₦449/\$ and ₦735/\$ at FY 22

# Insurance Market Conditions

## Non-Life & Life

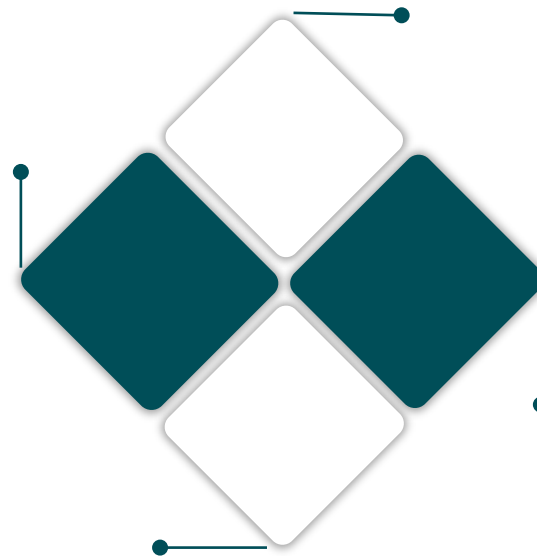
- As of December 2021, the insurance industry was made up of 63 players comprising 27 Non-Life Insurers, 14 Life insurers, 12 Composite insurers, 6 micro insurers and 4 takaful insurers.
- Overall, the 2021 market size is estimated at about ₦632 billion (GPI) where the composite segment represents circa 38% of total GPI. The non-life and life segments contribute 35% and 20% respectively, to the industry's GPI.
- The oil and gas business line is the single largest contributor to the industry GPI at 18%.
- On the 22<sup>nd</sup> of December 2022, the apex regulator, The National Insurance Commission announced the increase in premiums for motor policies. Whilst increasing the pricing for 3<sup>rd</sup> party policies by 200%, a limit was set for other motor policy types.

### Non- Life:

- Market size in 2021 was about ₦416 billion\*. Premiums grew by circa 16% YoY.
- AXA Mansard was ranked the 3<sup>rd</sup> largest insurer by premiums with about 7% market share in 2021.

### Life:

- Market size in 2021 was estimated at N310 billion\*
- AXA Mansard's share in 2021 was circa 4.5% of the market with group life being the highest contributor.



***Driving Growth  
and  
Differentiation***

## Health

- AXA Mansard is currently one of the biggest players within the Health sector, driving AXA Mansard's growth in the last 5 years with a CAGR of 26%.
- In May 2022, the President signed into law the National Health Insurance Authority (NHIA) Act which seeks to promote, regulate, and integrate health insurance schemes and coverage for all Nigerians.
- Major healthcare infrastructure & financing gaps still exist as reports shows that 8 out of 10 Nigerians have no access to health insurance.
- Notably, 80% of patients pay for healthcare out of pocket, 17% pay through HMO cover and 3% have loved ones pay for them.
- With more than 61 HMOs currently active, industry GWP only makes up <5% of private healthcare spending .
- Potentially the health insurance industry can grow by up to 20% annually on the back of the current private health spending and drive revenue growth.
- Top 5 players control 35-40% market share – AXA with circa 14% market share.
- The industry is still driven by corporate and government lives, with the retail segment still largely untapped.



# 2 Business Overview

## AXA Mansard

- A non-bank financial service company
- A member of the AXA Group *(the worldwide leader in insurance and asset management)*

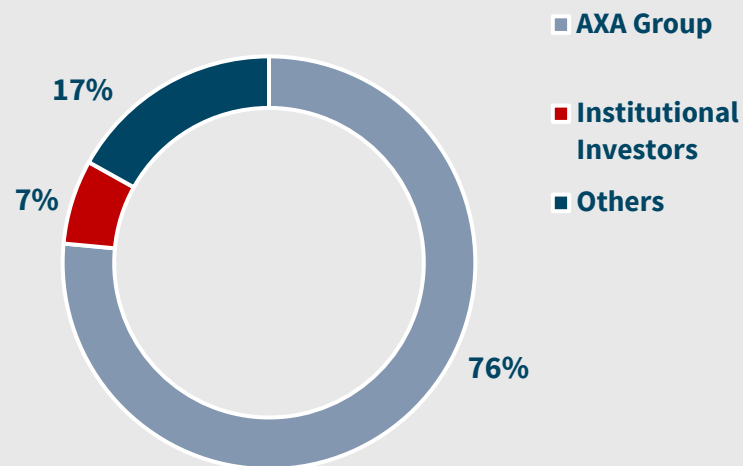
### Business segments

- Life & Savings
- Property & Casualty
- Asset Management
- Health Management

### Listing

- Nigerian Stock Exchange - November 2009

## Shareholders



**9 billion**

Shares

**6,200+**

Shareholders

**29 kobo per share**

EPS

## Our employees



**343**

Staff Members



**54%**  
Male



**46%**  
Female

**20**  
Management  
Team  
Members

**50%**  
Male

**50%**  
Female

### Learning & Development

**87%**  
of staff trained



### Learning Interventions

- AXA Climate Academy
- Leadership training
- Technical academy framework
- Business process optimization
- Coaching & mentoring programme

## Distribution Network

**~500,000**  
Customers



**3,906**  
Agents



**28**  
Welcome Centers



**2**  
Regional Offices



## Financial Performance



**#68.9Bn** ↑15%  
GWP



**#33.1Bn** ↑36%  
Net Claims Paid



**#8.1Bn** ↓12%  
Underwriting Profit



**#3.3Bn** ↓42%  
PBT



**#28.9Bn** ↓4%  
SHF



**12%** ↓39%  
ROE



**#106.2Bn** ↑2%  
Total Asset

## Asset Management

**¥127 billion**

Total AUMs  
+8% vs 2021



**10.38%** average yield  
Money Market Fund

**¥1.1B**  
Gross Revenue



**10.37%** 2022 return  
Equity Income Fund

## Ratings & Achievements

**Health**

**Property & Casualty**

**Life & Savings**

**Asset Management**

External Ratings



**A.M. Best**

B+ Financial Strength Rating  
bbb- with stable outlook : Long  
term Issuer Credit rating

## Awards & Accolades

### 2022 Notable Awards

| Award                            | Category                          |
|----------------------------------|-----------------------------------|
| Top 50 brands in Nigeria Awards  | Top 50 brands in Nigeria          |
| GRC and Fincrim Prevention Award | Fraud Prevention Champion         |
| Nigerian Investor Value Awards   | Best Performing Stock             |
| World Economic Magazine Award    | Most Innovative Insurance company |
| HR Oscars Award                  | HR Optimization Award             |

At the end of 2022, AXA is ranked amongst Top-5 players in various business segments based on (Revenues and investment performance)



**Push Boundaries  
Grow your potential**



# FY 22 Financial Performance

# Group Financial Performance - 2022 Snapshot

**FY'22**

**FY'21**

69.0 bn

**Gross Written  
Premium**

60.2 bn

46.1 bn

**Net Premium  
Income**

37.1 bn

33.2 bn

**Net Claims**

24.3 bn

8.1 bn

**Underwriting  
Profit**

9.2 bn

11.0 bn

**Operating  
Expenses**

9.4 bn

3.4 bn

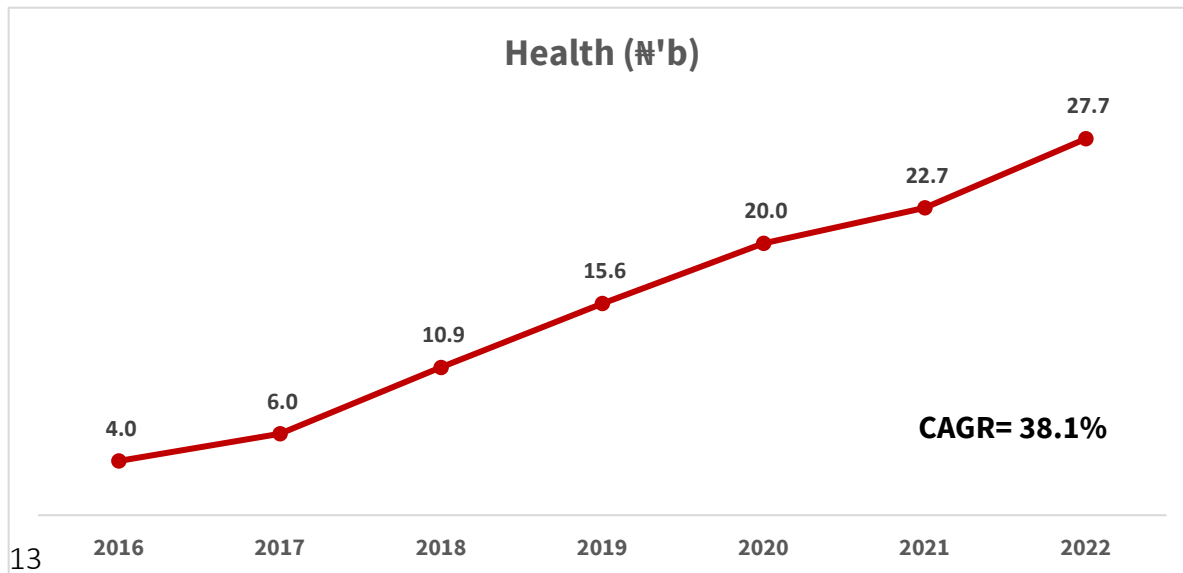
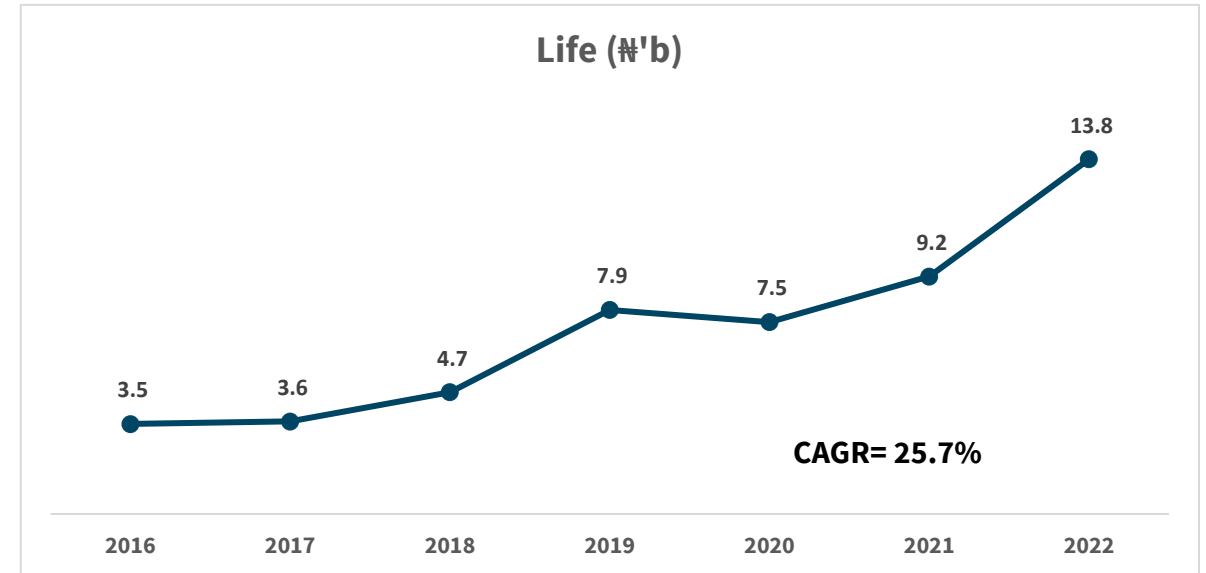
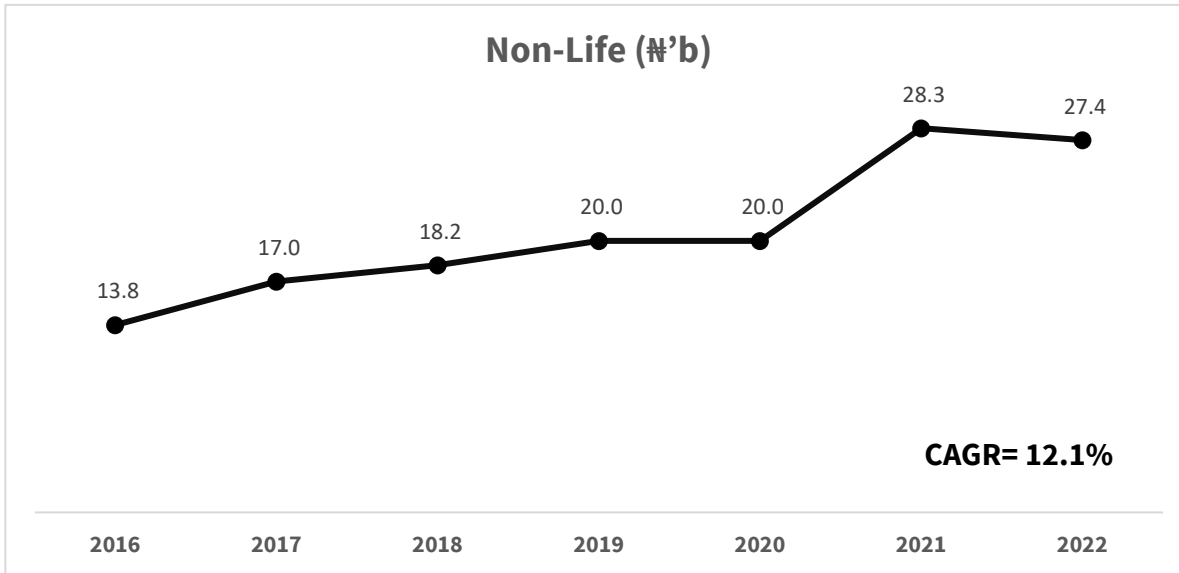
**Profit Before Tax**

5.8 bn

## Highlights

- Gross written premium improved 15% YoY, driven by growth within the health (22%) and life (49%) lines of business.
- Gross premium earned improved 25% vs 2021 (69bn vs 56bn) while maintaining a relatively flat retention ratio, the group incurred reinsurance expense of ₹23.3bn up from ₹18.5b last year. This led to the 24% growth in net premium income during the period.
- The group saw a 36% growth in net claims due to a high claims experience during the period. This was largely driven by increased average cost of claims in the health line of business.
- The 12% decline in underwriting profit can be attributable to the increase in net claims (36%), with total claims pay out of 31bn (+16% vs 2021). Underwriting profit was further impacted by increased underwriting expenses driven by the cost of acquiring and renewing insurance contracts which increased by 32% to ₹7.2b from ₹5.5b last year.
- Operating expenses grew by 15% YoY leading to a 42% decline in profit before tax.
- The group remains within the top 5 ranked businesses in the insurance industry. We will continue to provide impactful solutions to our customers and are committed to ongoing development in our technical and operational performance.

# Gross written Premium

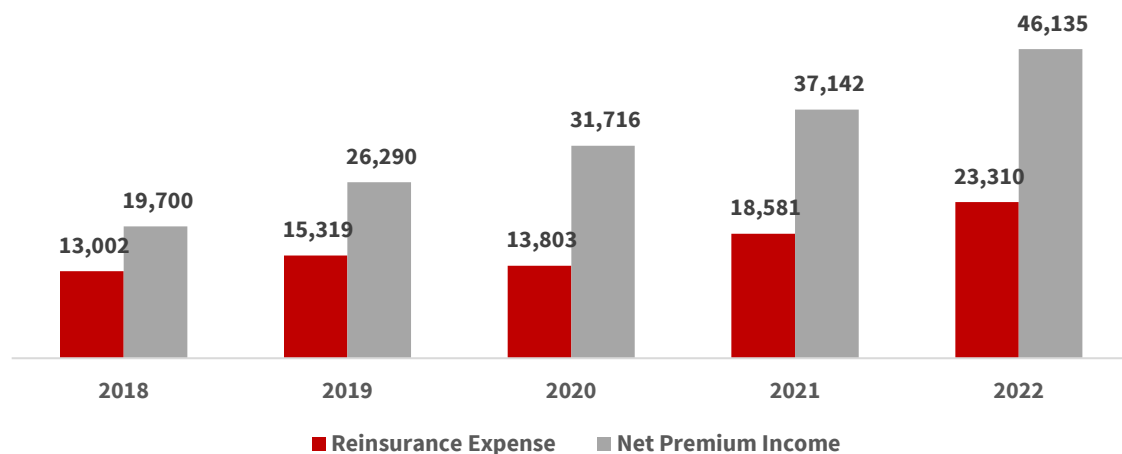


## Highlights

- The Non-Life business saw a slight decline of 3% in premiums due to the partial renewal of some policies and deliberate steps taken to focus on profitability. The decline was driven by a shortfall in the engineering portfolio while energy revenues remained relatively flat.
- The life business grew by 49% largely driven by growth in individual life protection due to increased sales of the new life savings product and growth in Group Life.
- The Health business being the largest contributor to the group's GWP growth, grows 22%. This growth is attributable to commercial health lines of business as well as an increased share of existing business.

# Group Expenses

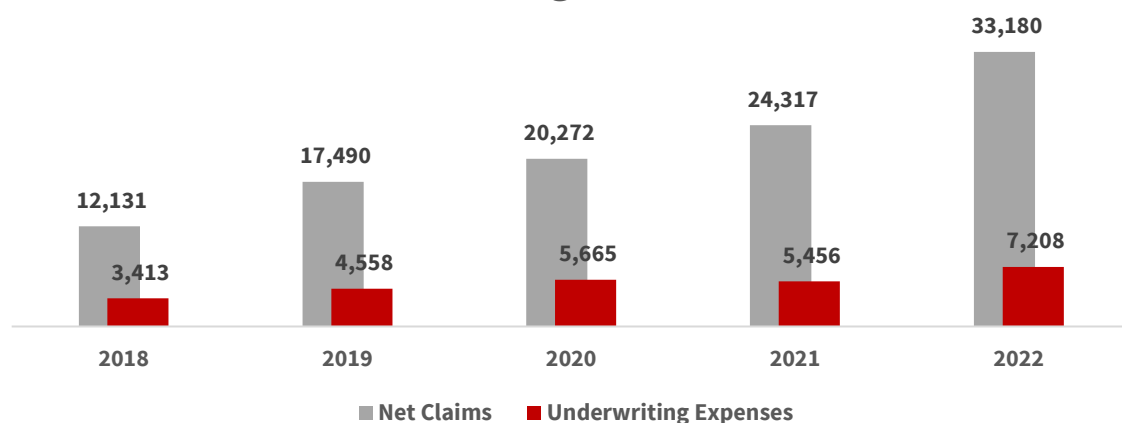
## Reinsurance & NPI (¥'000)



### Highlights

- Reinsurance expenses is up by 25% YoY in line with growth in gross premium income of **¥69.4m** up from of **¥55.7m** last year. The growth is also consistent with the increase in policies and risk the group underwrote in 2022.
- Retention ratio declined marginally to **66%** of the gross premium income indicating the group's commitment to remain efficient in making underwriting decisions by balancing the risk profile (*through the transfer of risk*)

## Net Underwriting Expenses (¥'000)

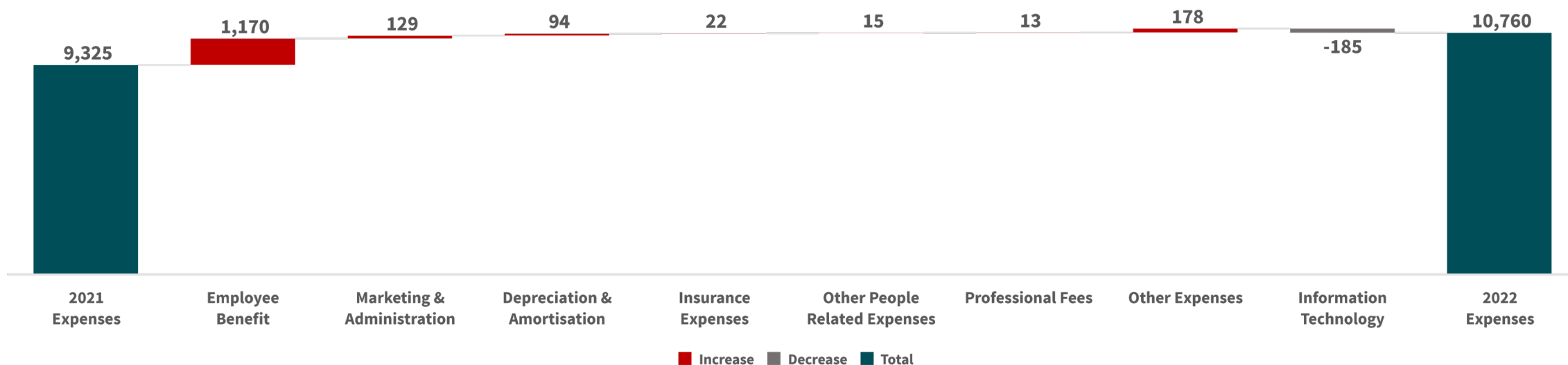


### Highlights

- We saw a 36% growth in our Net Claims largely driven by a 17% growth in gross claims paid during the year. We are committed to settling claims promptly while maintaining efficiency by reducing fraudulent claims and keeping our customers satisfied.
- Underwriting expenses grew by 32% driven by growth in the acquisition cost of obtaining and renewing insurance contracts. Acquisition cost of **¥3.8m** makes up 52% of the 2022 underwriting expenses. The group is constantly exploring opportunities to improve the underwriting process through digital enhancements and process optimization.

# Group Expenses

## Operating Expense Evolution (₹'m)



### Highlights

- OPEX growth of 15% was below headline inflation which closed at 21.8% in December 2022. Operating expenses were significantly impacted by increased employee benefit expenses which shows our commitment to sustainable employee wellbeing.
- The group made 2% cost savings in technology expenses which is a result of efficiency gains from process improvements and automation initiatives.
- Overall, the group has remained consistent in managing and controlling cost effectively as the cost to income ratio grew slightly by 1pts to 16% from 15% last year.

| Details                               | FY'2022           | FY'2021          | YoY Change |
|---------------------------------------|-------------------|------------------|------------|
|                                       | ₹'000             | ₹'000            | %          |
| Employee Benefit Expense              | 4,899,730         | 3,730,129        | 31%        |
| Marketing and Administration          | 1,656,757         | 1,527,477        | 8%         |
| Other People Related Expenses         | 1,439,066         | 1,423,649        | 1%         |
| Depreciation and Amortisation Charges | 1,061,033         | 967,200          | 10%        |
| Information Technology Expenses       | 538,796           | 723,836          | -26%       |
| Professional Fees                     | 215,133           | 201,984          | 7%         |
| Insurance Expenses                    | 363,303           | 341,735          | 6%         |
| Other Expenses                        | 586,319           | 408,799          | 43%        |
| <b>Total Operating Expenses</b>       | <b>10,760,137</b> | <b>9,324,809</b> | <b>15%</b> |

# Group Financial Position - 2022 Snapshot

## Reinsurance Asset



**¥12bn - 7% ↑**  
(¥11.2bn - 2021)

## Total Asset



**¥106.2bn - 2% ↑**  
(¥104.1bn - 2021)

## Insurance Liabilities



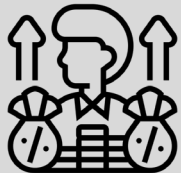
**¥44.8bn - 21% ↑**  
(¥36.9bn - 2021)

## Investment Contract



**¥6.7bn - 40% ↓**  
(¥11.2bn - 2021)

## Total Liability



**¥73.1bn - 5% ↑**  
(¥69.7bn - 2021)

## Shareholders Fund



**¥28.9bn - 4% ↓**  
(¥30.1bn - 2021)

## Highlights

- The group closed the 2022 financial year with a 2% growth in balance sheet size at ¥106.2bn up from ¥104bn last year. Reinsurance asset also grew by 7% indicating a growth in the group and the risk it underwrites.
- The group had a high claims experience during the year which can be seen as Insurance liabilities grows by 21%. The growth was driven by 67% growth in the outstanding claims reserve (OCR) and 28% growth in claims incurred but not reported (IBNR).
- Shareholders' funds declined by 4% driven by the 6% dip in retained earnings.
- In conclusion, the group has maintained a sustainably strong balance sheet with adequate liquidity buffers and a strong operating performance.



# Company Financial Position - 2022 Snapshot

## Reinsurance Asset



**¥11.8bn - 9% ↑**  
(¥10.9bn - 2021)

## Total Asset



**¥80.8bn - 5% ↑**  
(¥77bn - 2021)

## Insurance Liabilities



**¥30.8bn - 20% ↑**  
(¥25.6bn - 2021)

## Investment Contract



**¥6.7bn - 40% ↓**  
(¥11.2bn - 2021)

## Total Liability



**¥54.7bn - 5% ↑**  
(¥51.9bn - 2021)

## Shareholders Fund



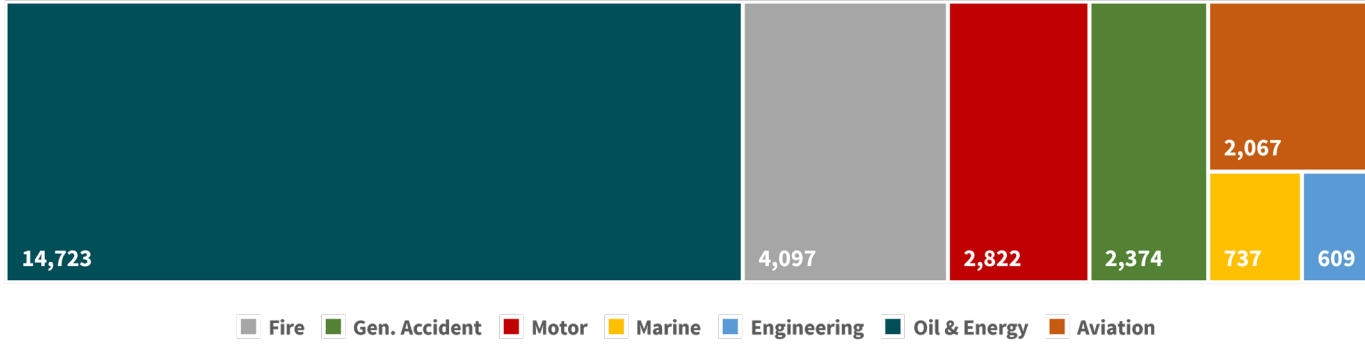
**¥26.2bn - 4% ↑**  
(¥25.1bn - 2021)

## Highlights

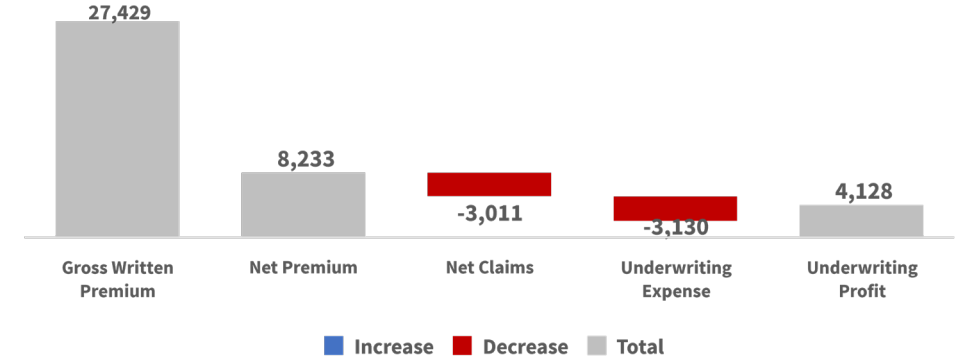
- Total assets grew by 5% to ¥80.9bn up from ¥77bn last year largely driven by 13% growth in financial assets.
- Reinsurance assets also up by 9% indicating a growth in the policies the company underwrites.
- Insurance contract liabilities grows by 20%. This is attributable to the 101% growth in outstanding claims reserve (OCR) from ¥5.4bn up to ¥10.9bn out of which the non-life business contributed 82%.
- Investment contract liabilities declined by 40% due to increased withdrawal from the interest linked policies during the period
- Shareholders' funds were up by 4% driven by the 64% growth in retained earnings for the period.
- In conclusion, the company maintains a sustainable balance sheet with adequate liquidity to settle its obligations.

# Insurance Revenue Generation And Underwriting Performance

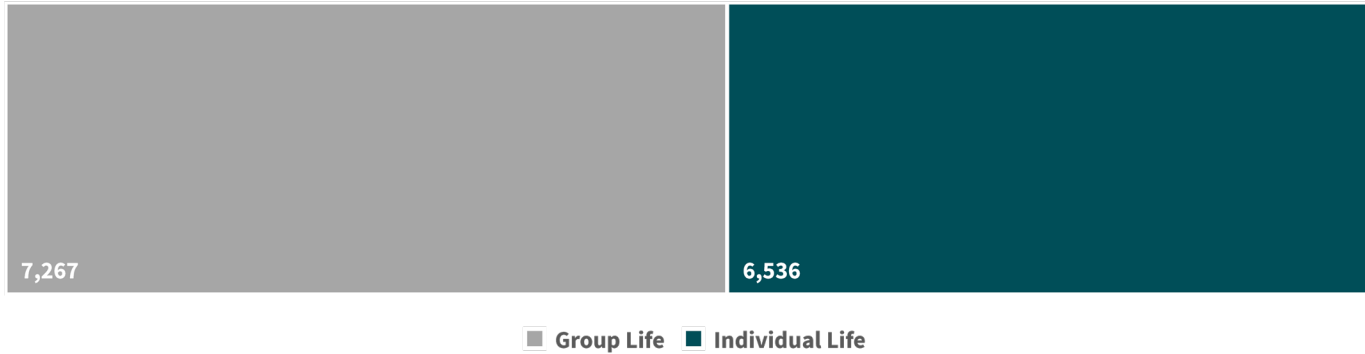
### Non-Life GWP (₹'000)



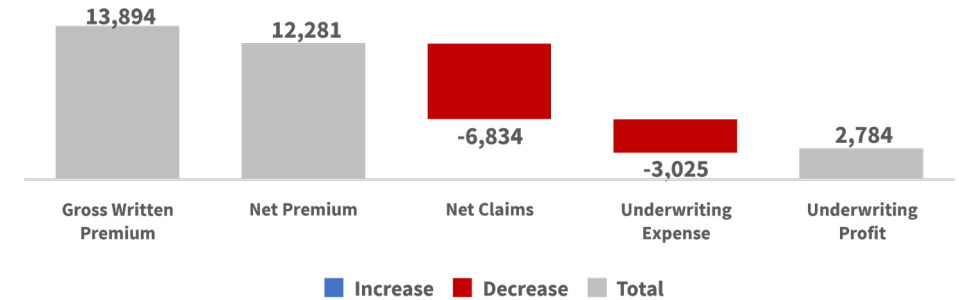
### Non-Life (₹'000)



### Life GWP (₹'000)



### Life (₹'000)



- Non-Life:** The Oil and Energy, fire and motor product lines were the top 3 contributors to the Non-Life GWP at 54%, 15% and 10%, respectively. While total GWP declined YoY owing to the timing of booking of key business, the non-life business also saw a decline in net claims as well as unexpired risk leading to a 47% growth in underwriting profit from last year. With the exception of fire and engineering, all the product lines were profitable and we remain on course to deploy necessary underwriting solutions to restore these 2 classes of business to profitability.
- Life:** Group life and individual life products contributed 53% and 47% of the total GWP respectively. The life business experienced growth in GWP as well as its expenses. Overall, underwriting profit grew marginally by 7% YoY with all product lines being profitable.



# Digital Business Performance

# 4

# Digital Performance Dashboard

## FY Performance

|   |   |                   |
|---|---|-------------------|
| AXA Direct<br>(Digital, EC,<br>DP)<br>4.06bn                      | <b>₦2.28B</b>                             | CR<br><b>56%</b>  |
| AXA Direct<br>(Digital, EC,<br>DP, Retail<br>Inclusion)<br>5.06bn | <b>₦2.32b</b><br>Transaction Count<br>86k | CR<br><b>46%</b>  |
| Processed<br>Bank Transfer  | <b>₦9.49b</b>                             | CR<br><b>95%</b>  |
| AXA Direct +<br>Bank Transfers                                    | <b>₦11.8b</b>                             | CR<br><b>78%</b>  |
| Website<br>Visitors   | <b>1.02m</b>                              | CR<br><b>100%</b> |

## FY 2022 vs FY 2021

|                                   |                |                   |
|-----------------------------------|----------------|-------------------|
| AXA Direct<br>5.06bn              | <b>₦2.32b</b>  | GR<br><b>5%</b>   |
| Insurance                         | <b>₦1.36bn</b> | GR<br><b>32%</b>  |
| Savings &<br>Contribution         | <b>₦858.9m</b> | GR<br><b>-27%</b> |
| Investments<br>(Bank<br>Transfer) | <b>₦9.49b</b>  | GR<br><b>38%</b>  |

In 2022, MyAXA Plus had 82.4k total downloads with N191.2m in-app transactions. The app is currently the 2<sup>nd</sup> most downloaded app in the industry.

USSD transactions of N648k, and USSD liquidation of N1.31b



# 5 Initiatives

# AXA on Sustainability

## 2022 Sustainability Initiatives



### AXA Climate Academy

- In 2022, our staff members attended the AXA climate academy
- The academy was developed to drive the knowledge of the sustainably agenda thereby embedding it in our culture
- We achieved a 100% completion and pass rate



### AXA Roots Movement

- In partnership with the Lagos State government, we planted 100 Queen Palm trees across the State.
- Amongst its numerous benefits, tree planting is an effective way of minimizing erosion and reducing air pollution



### Leadership & Awareness

- We demonstrated industry leadership by organizing webinars focused on sustainability
- The webinar themed “reducing business cost with sustainability programs” focused on ways to reduce cost and achieve a sustainable living environment



### AXA Waste Recycle

- As part of our commitment to address climate and environment risk, we commenced a recycling drive at 6 locations within the state
- This drive will help to reduce waste and pollution thereby, protecting the ecosystem and our natural resources



**Thank you**