AIICO INSURANCE PLC AND SUBSIDIARIES

UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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Corporate Information

Directors	Mr. Kundan Sainani (Indian)	Chairman
	Mr. Babatunde Fajemirokun	Group MD / CEO
	Mr. Olusola Ajayi	Executive Director
	Mr. Adewale Kadri	Executive Director
	Mr. Samaila Zubairu	Director/Independent
	Mr. Ademola Adebise	Director
	Mrs. Oluwafolakemi Edun (nee Fajemirokun)	Director
	Mr. Olalekan Akinyanmi	Director
	Mr. Raimund Snyders (South African)	Director
Company Secretary	Mr. Donald Kanu AIICO Insurance Plc AIICO Plaza Plot PC 12, Churchgate Street Victoria Island, Lagos	
Registered Office	AIICO Plaza Plot PC 12, Churchgate Street Victoria Island Lagos	
RC No.	7340	
TIN	00401332-0001	
Corporate Head Office	AIICO Plaza Plot PC 12, Churchgate Street Victoria Island Lagos Tel: +234 01 2792930-59 0700AIIContact (0700 2442 6682 28) Fax: +234 01 2799800 Website: //**www.aiicoplc.com** E-mail: aiicontact@aiicoplc.com	
Registrar	Coronation Registrars (formerly, United Securities Limited) 09, Amodu Ojikutu Street Off Bishop Oluwole Street Victoria Island P.M.B. 12753 Lagos	
Independent Auditor	**Ernst & Young** 10th & 13th Floors, UBA House 57, Marina Road Lagos Island Lagos website: ***www.ey.com/ng***	
Bankers	Access Bank Plc Ecobank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Stanbic IBTC Bank Standard Chartered Bank Nigeria Limited Union Bank of Nigeria Plc United Bank of Africa Plc Wema Bank Plc	
Actuary	Zamara Consulting Actuaries Nigeria Limited FRC/2017/NAS/00000016912	

Corporate information Cont'

Reinsurers	Africa Reinsurance Corporation Continental Reinsurance Plc Swiss Reinsurance WAICA Reinsurance Nigerian Reinsurance Trust Reinsurance Zep Reinsurance Arig Reinsurance Aveni Reinsurance NCA Reinsurance
Estate Valuer	Niyi Fatokun & Co. (Chartered Surveyors & Valuer) FRC/2013/NIESV/70000000/1217
Regulatory Authority	National Insurance Commission (NAICOM)

Branch Networks

1. Port Harcourt
11 Ezimgbu Link Road (Mummy B Road)
Off Stadium Road
G.R.A Phase 4, Port Harcourt
Rivers State
Tel: +234 808 313 4875
+234 909 448 9393

2. Kaduna
Yaman Phone House
1, Constitution Road
Kaduna, Kaduna State
Tel: +234 803 338 6968;
+234 805 601 9667

3. Abuja Area Office
No 44 Durban Street,
Off Adetokunbo Ademola Crescent, Wuse II
FCT, Abuja.
Tel: +234 805 820 0439
+234 817 668 4115

4. Kano
8, Post Office Road
Kano
Kano State
Tel: +234 807 810 7938
+234 806 593 4787

5. Abeokuta
46, Tinubu Street
Ita Eko, Abeokuta
Ogun State
Tel: +234 803 255 7071

6. Lagos, Ikeja
AIICO House
Plot 2, Oba Akran Avenue
Opp. Dunlop, Ikeja, Lagos
Tel: +234 1 460 2097-8; +234 808 313 4376
+234 1 460 2218

7. Aba
7, Factory Road
Aba, Abia State
Tel: +234 805 531 4351

8. Lagos, Isolo
203/205, Apapa-Oshodi Expressway
Isolo, Lagos
Tel: +234 802 305 4803; +234 805 717 6063

9. Enugu
55-59, Chime Avenue
Gbuja's Plaza New Haven
Enugu State
Tel: +234 803 724 6767

10. Lagos, Ilupeju
AIICO House
36/38, Ilupeju Industrial Avenue
Ilupeju, Lagos
Tel: +234 816 046 6239
+234 803 334 3036

11. Benin
28, Sakponba Road
Benin City
Edo State
Tel: +234 805 116 3395
+234 813 405 1972

12. Onitsha
Noclink Plaza, 41 New Market Road
Opp UBA Bank, Onitsha
Anambra State
Tel: +234 708 606 4999
+234 803 375 0361

13. Jos
4, Beach Road
Jos, Plateau State.
Tel: +234 805 735 6726
+234 809 033 5125

14. Owerri
46, Wetheral Road
Owerri, Imo State
Tel: +234 805 603 3269
+234 706 603 2065

15. Ibadan
12, Moshood Abiola Way
Challenge Area
Ibadan, Oyo State
Tel: +234 803 231 8925
+234 802 834 4263

16. Warri
60, Effurun/Sapele Road
Warri.
Delta State.
Tel: +234 803 971 0794
+234 818 749 7490

Results at a Glance - The Group

Profit or Loss and Other Comprehensive Income ***In thousands of naira***	**2021**	**2020**	**Increase/ (decrease) Changes**	**Increase/ (decrease) %**
Gross premium written	54,674,448	47,194,259	7,480,189	16
Gross premium income	51,442,789	44,132,294	7,310,495	17
Net premium income	42,961,859	38,765,595	4,196,264	11
Claim expenses (net)	(30,166,507)	(22,776,824)	(7,389,683)	(32)
Underwriting (loss)/profit	29,742,665	(22,432,368)	52,175,033	233
Investment and other income	(21,883,363)	34,461,234	(56,344,597)	164
Other expenses	(15,447,435)	(13,021,866)	(2,425,569)	(19)
Profit before income tax expense	27,789	4,661,324	(4,633,535)	(99)
Profit after tax from discontinued operations	2,372,854	179,465	2,193,389	1222
Profit for the period	2,425,583	5,405,366	(2,979,783)	(55)
Total other comprehensive (loss)/ profit	(1,053,537)	(969,502)	(84,035)	9
Total comprehensive income for the period	1,372,046	4,435,864	(3,063,818)	(69)
Basic and diluted earnings per share (kobo)	15	45		

Financial Position ***In thousands of naira***	**30-Sep-21**	**31-Dec-20**	**Changes**	**%**
Cash and cash equivalents	19,272,843	31,913,335	(12,640,493)	(40)
Financial assets	164,854,685	188,342,047	(23,487,362)	(12)
Trade receivables	813,343	937,078	(123,735)	(13)
Reinsurance assets	11,633,233	7,496,395	4,136,838	55
Deferred acquisition costs	1,044,230	582,265	461,965	79
Other receivables and prepayments	4,809,648	2,426,871	2,382,777	98
Deferred tax assets	10,833	6,168	4,665	76
Investment in associate	781,908	-	781,908	100
Investment properties	758,000	758,000	0	0
Goodwill and other intangible assets	868,671	889,082	(20,411)	(2)
Property and equipment	6,907,292	7,009,404	(102,112)	(1)
Statutory deposits	500,000	500,000	-	-
Assets classified as held for sale	-	2,237,780	(2,237,780)	100
Total assets	**212,254,686**	**243,098,424**	**(30,843,739)**	**(13)**
Insurance contract liabilities	118,413,581	136,078,388	17,664,806	13
Investment contract liabilities	21,856,460	21,835,376	(21,084)	(0)
Trade payables	3,223,362	2,020,724	(1,202,638)	(60)
Other payables and accruals	5,121,672	4,774,609	(347,064)	(7)
Fixed income liabilities	27,195,416	43,046,848	15,851,432	37
Current income tax payable	293,686	358,099	64,413	18
Deferred tax liabilities	-	8,837	8,837	100
Liabilities attributable to assets held for sale	-	316,462	316,462	(100)
Total liabilities	**176,104,178**	**208,439,343**	**32,335,164**	**16**
Issued share capital	7,843,988	7,843,988	(0)	(0)
Share premium	7,037,181	7,037,181	-	-
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	(1,542,565)	(507,416)	(1,035,149)	204
Foreign exchange reserve	125,852	175,600	(49,748)	(28)
Contingency reserve	8,067,945	7,213,594	854,351	12
Retained earnings	12,461,384	9,924,143	2,537,241	26
Statutory reserves of disposal assets	-	202,042	(202,042)	100
Shareholders' funds	**35,806,490**	**33,701,838**	**2,104,653**	**313**
Non-controlling interests	344,018	957,243	(613,225)	100
Total equity	**36,150,508**	**34,659,081**	**1,491,427**	**4**
Total liabilities and equity	**212,254,686**	**243,098,424**	**(30,843,736)**	**(13)**

Results at a Glance - The Company

Profit or loss and other comprehensive income ***In thousands of naira***	**2021**	**2020**	**Increase/ (Decrease) Changes**	**Increase/ (Decrease) %**
Gross premium written	54,067,884	46,624,645	7,443,239	16
Gross premium income	50,953,406	43,652,878	7,300,528	17
Net premium income	42,472,476	38,286,179	4,186,297	11
Claim expenses (net)	(29,878,823)	(22,460,398)	(7,418,425)	(33)
Underwriting profit/(loss)	29,424,389	(22,903,595)	52,327,984	228
Investment and other income	(22,835,337)	31,409,842	(54,245,180)	(173)
Other expenses	(14,805,403)	(11,520,692)	(3,284,711)	(29)
Profit before income tax expense	(684,967)	2,606,497	(3,291,465)	(126)
Profit from discontinued operations	3,013,374	-	3,013,374	100
Profit for the period	2,362,656	3,232,988	(870,332)	(27)
Other comprehensive income/(loss)	(441,684)	(1,219,094)	777,410	(64)
Total comprehensive income for the period	1,920,971	2,013,893	(92,923)	(5)
Basic and diluted earnings per share (kobo)	15	42		

Financial Position ***In thousands of naira***	**30-Sep-21**	**31-Dec-20**	**Changes**	**%**
Cash and cash equivalents	7,900,375	9,279,385	(1,379,011)	(15)
Financial assets	145,655,676	166,074,396	(20,418,720)	(12)
Trade receivables	786,493	897,596	(111,103)	(12)
Reinsurance assets	11,633,233	7,496,395	4,136,838	55
Deferred acquisition costs	1,044,230	582,265	461,965	79
Other receivables and prepayments	3,763,051	726,262	3,036,789	418
Investment in subsidiaries	1,087,317	1,087,317	-	0
Investmets in associate	705,691	-	705,691	100
Investment properties	758,000	758,000	(0)	(0)
Goodwill and other intangible assets	843,636	862,379	(18,743)	(2)
Property and equipment	6,627,331	6,705,570	(78,239)	(1)
Statutory deposits	500,000	500,000	-	-
Assets classified as held for sale	-	1,365,042	(1,365,042)	100
Total assets	**181,305,032**	**196,334,608**	**(15,029,576)**	**(8)**
Insurance contract liabilities	118,203,174	135,856,973	17,653,799	13
Investment contract liabilities	21,856,460	21,835,376	(21,084)	(0)
Trade payables	2,868,844	1,963,893	(904,951)	(46)
Other payables and accruals	3,703,625	3,892,160	188,535	5
Current income tax payable	273,373	307,621	34,248	11
Total liabilities	**146,905,476**	**163,856,023**	**16,950,547**	**10**
Issued share capital	7,843,988	7,843,988	-	-
Share premium	7,037,181	7,037,181	0	0
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	(749,292)	(438,586)	(310,706)	71
Foreign exchange reserve	125,852	175,600	(49,748)	(28)
Contingency reserve	8,067,945	7,213,594	854,350	12
Retained earnings	10,261,175	8,834,100	1,427,075	16
Shareholders' funds	**34,399,556**	**32,478,584**	**1,920,971**	**71**
Total liabilities and equity	**181,305,032**	**196,334,608**	**(15,029,576)**	**(8)**

Shareholding Structure And Freefloat Status

Company name	AIICO Insurance Plc
Year end	December
Reporting Period	30-Sep-21
Share Price at end of reporting period	N0.95 (30 September 2020: N0.82)

Shareholding Structure/Free Float Status

Description	30-Sep-21		30-Sep-20	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	15,687,975,434	100%	11,330,204,480	100%
Substantial Shareholdings (5% and above)				
AIICO Investment Inc.	1,340,090,053	8.54%	889,291,665	7.85%
AIICO Bahamas Limited	1,879,357,280	11.98%	1,200,200,000	10.59%
DF Holdings Limited	3,125,313,708	19.92%	1,549,463,097	13.68%
LeapFrog III Nigeria Insurance Holdings LTD	4,788,834,058	30.53%	3,200,000,000	28.24%
Total Substantial Shareholdings	11,133,595,099	70.97%	6,838,954,762	60.36%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Babatunde Fajemirokun	50,194,174	0.32%	21,716,621	0.19%
Ademola Adebise	21,030	0.00%	21,030	0.00%
Total Directors' Shareholdings	50,215,204	0.00%	21,737,651	0.19%
Other Influential Shareholdings				
Nil	-	0.00%	-	0.00%
Nil	-	0.00%	-	0.00%
Total Other Influential Shareholdings	-	0.00%	-	0.00%
Free Float in Units and Percentage	4,504,165,131	28.71%	4,469,512,067	39.45%
Free Float in Value	₦ 4,278,956,874.45		₦ 3,664,999,894.94	

Declaration:

AIICO Insurance Plc with a free float percentage of 28.71% as at 30 September 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Mr. Donald Kanu
Company Secretary

FRC/2013/NBA/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria

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 unaudited financial statements for the period ended 30 September 2021 that:

(i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- 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 Group as of, and for the years presented in the report.

(ii) We:

- are responsible for establishing and maintaining internal controls.
- 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 entities particularly during the year in which the yearic reports are being prepared;
- have evaluated the effectiveness of the group's internal controls as of date of the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(iii) We have disclosed to the auditors of the Group and Audit Committee:

- all significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls;

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.

Mr. Babatunde Fajemirokun	**Mr. Oladeji Oluwatola**
MD/CEO	**Chief Financial Officer**
FRC /2015/MULTI/00000019973	**FRC/2013/ICAN/0000004910**
21 October 2021	**21 October 2021**
Date	**Date**

Statement of Significant Accounting Policies
For the period ended 30 September 2021

1 Reporting entity

AIICO Insurance Plc was established in 1963 by American Life Insurance Company and was incorporated in 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Stock Exchange (NSE) in December 1990. The Company was registered by the Federal Government of Nigeria to provide insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals. Arising from the merger in the insurance industry, AIICO Insurance Plc acquired Nigerian French Insurance Plc and Lamda Insurance Company Limited in February 2007.

The Company currently has its corporate head office at Plot PC 12, Churchgate St, Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria.

These consolidated and separate financial statements comprise the Company and its subsidiaries (together referred to as "the Group"). The Group and Company are primarily involved in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers. The activities of the subsidiaries and AIICO Insurance percentage holding are mentioned in Note 13 (Investment in subsidiaries).

2 Basis of accounting

2.1 *Statement of compliance*

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act No. 6, 204, the Insurance Act of Nigeria 2003, the Pension Reform Act 2014 and relevant National Insurance Commission (NAICOM) policy guidelines and circulars.

These consolidated and separate financial statements were authorised for issue by the Company's Board of Directors on 21 October 2021.

2.2 Going concern

These consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group and the Company have adequate resources to continue as going concern for the foreseeable future.

2.3 *Functional and presentation currency*

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group and Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.4 *Basis of measurement*

These consolidated and separate financial statements have been prepared under the historical cost convention, except for the following items; which are measured on an alternative basis on each reporting date.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

Items	Measurement Bases
Item of building (Property plant and eqyuipment)	Fair value
Non-derivative Financial asset at fair value through other comprehensive income	Fair value
Non-derivative Financial asset at fair value through profit or loss	Fair value
Investment properties	Fair value
Insurance contract liabilities	Fair value

2.5 ***Use of estimates and judgement***

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In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are described in Note 4.

2.6 Changes in accounting policies

The Group has consistently applied the accounting policies as set out in Note 3 to all years presented in these financial statements. A number of other new standards are also effective from 1 January 2020 but they do not have a material effect on the Group's financial statements. Such standards are discussed below:

A Issued and Amended standards effective from priods beginning on or after 1 January 2020

(i) Definition of a Business (Amendments to IFRS 3)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

(ii) Definition of Material (Amendments to IAS 1 and IAS 8)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

(iii) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

(iii) Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

(iv) Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

2.7 Segment reporting

For management purposes, the Group is organized into business units based on their products and services.
Segment performance is evaluated based on profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to individual operating segments.
Inter-segment transactions which occurred in 2021 as shown in Note 5.1 Segment statement of profit or loss and other comprehensive income and 5.2 Segment statement of financial position and results will include those transfers between business segments.

As a result of the amendments to IFRS 7, the Group has expanded disclosure about offsetting financial assets and financial liabilities.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3 Significant accounting policies

The Group has consistently applied the following accounting policies to all years presented in these consolidated and separate financial statements.

3.1 Basis of Consolidation

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. However, this does not preclude the Group from reclassifying insurance contracts to accord with its own policy only if classification needs to be made on the basis of the contractual terms and other factors at the inception or modification

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.
Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or a liability, will be recognized as measurement year adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquiree. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)
3.1 Basis of Consolidation (Continued)

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

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

Acquisition-related costs are expensed as incurred
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.

Disposal of subsidiaries
On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in such subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset elected to be measured at fair value through other comprehensive income depending on the level of influence retained.

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

(d) Investment in associate
An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its Consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the Group discontinues recognizing its share of further losses

3.2 Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined.
Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

3.3 Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.
Cash and cash equivalents are carried at amortized cost in the consolidated and separate statements of financial position.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, except for a financial asset or liability measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:
• Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling)
• Those to be measured at fair value through profit or loss (FVTPL); and
• Those to be measured at amortized cost.
The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flow (i.e. solely payments of principal and interest- (SPPI test)).

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortized cost.
Management determine the classification of the financial instruments at initial recognition.

(i) Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
• how the performance of the portfolio is evaluated and reported to the Group's management;
• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
• how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

• the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest

As a second step of its classification process the Company assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

• contingent events that would change the amount and timing of cash flows;
• leverage features;
• prepayment and extension terms;
• terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset features); and
• features that modify consideration of the time value of money – e.g. yearical reset of interest rates.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).
The following are not considered to be changes in the business model:
• A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
• A temporary disappearance of a particular market for financial assets
• A transfer of financial assets between parts of the entity with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting year following the change in business model.

Gains, losses or interest previously recognized are not restated when reclassification occurs.

3.4.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

(i) Debt instuments

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gain or loss on a debt securities that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Investment income'.

The amortized cost of a financial instrument is the amount at which it was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter year, to the instrument's net carrying amount.

*** Fair value through other comprehensive income (FVOCI)**

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income.

*** Fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value of a debt securities that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net fair value gain/loss' in the year in which it arises. Interest income from these financial assets is recognized in profit or loss as investment income.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value

gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.
Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.4.4 Impairment of financial assets

(a) Overview of the Expected Credit Losses (ECL) principles

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:
• Financial assets that are debt instruments measured at amortized cost and FVOCI
In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined.

The 12month ECL is the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). Both LT ECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Loss allowances for account receivable are always measured at an amount equal to lifetime ECL. The Group has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and POCI, as described below:

•Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.

• Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

• Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs.

If, in a subsequent year, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, depending on the stage of the lifetime – stage 2 or stage 3 of the ECL bucket, the Group would continue to monitor such financial assets for a probationary year of 90 days to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12-months ECL (Stage 1). In addition to the 90 days probationary year above, the Group also observes a further probationary year of 90 days to upgrade from Stage 3 to 2. This means a probationary year of 180 days will be observed before upgrading financial assets from Lifetime ECL (Stage 3) to 12-months ECL (Stage 1).

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.4 Financial instruments (Continued)
3.4.4 Impairment of financial assets (Continued)

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The Group considers a financial asset to be in default when the following occurs;
- The counterparty is unlikely to pay its credit obligations e.g market information
- Failure by the counterparty to meet obligation 90days past due.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g indicators of financial asset OR breach of covenant.
- quantitative e.g overdue status and non payment of another obligation of the same issuer to the Group.

The Group has defined its maximum year in estimating expected credit losses to be the maximum year to which the Group is exposed to the credit risk.

The Group has assumed that credit risk of a financial asset has not increased significantly since initial recognition if the financial asset have low credit risk at reporting date. The Group considers a financial asset to have low risk when its credit rating is equivalent to the globally understood definition of investment grade.

As a back stop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering grace year that might be available to the borrower.

(b) **The calculation of ECLs**

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the
The mechanics of the ECL calculations are outlined below and the key elements are as follows:
• PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
• EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
• LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.
The mechanics of the ECL method are summarised below:

• Stage 1: The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

• Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

• Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(c) **Debt instruments measured at fair value through OCI**

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is reclassified to the profit and loss upon derecognition of the assets.

(d) **Collateral valuation**

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.
However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on yearic basis as deemed necessary.

(e) **Presentation of allowance for ECL in the statement of financial position**

Loan allowances for ECL are presented in the statement of financial position as follows:
• Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
• Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve in equity (through OCI).

(f) **Forward looking information**

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:
• GDP growth
• Unemployment rates
• Inflation rates
• Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 43 (d) in the financial statements.

3.4.5 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from

observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

Fair value of fixed income liabilities is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.4.6 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.4.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired.
When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.4.8 Write off

The Group writes off a financial asset (and any related allowances for impairment losses) when the Group determines that the assets are uncollectible. Financial assets are written off either partially or in their entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss on financial assets.
However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

3.5 Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" policy. Refer to note 3.4 for basis of measurement.

3.6 Reinsurance assets

The Group cedes insurance risk in the normal course of business on the bases of our treaty and facultative agreements. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract

3.7 Trade payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

3.8 Other payables and accruals

Other payables and accruals 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

Other payables and accruals (Continued)

amount. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss. Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

3.9 Deferred expenses

(a) Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial year arising from the writing or renewing of insurance contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

Acquisition cost for life insurance are expensed as incurred. Subsequent to initial recognition, Acquisition cost for general insurance are amortized over the year in which the related revenues are earned. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and are treated as a change in an accounting estimate. DAC are derecognized when the related contracts are either settled or disposed off.

(b) Deferred expenses -Reinsurance commissions

Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

3.10 Other receivables and prepayment

Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and are amortized on a straight line basis to the profit or loss account.

3.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

(a) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to the income taxes, if any. It is measured using tax rate enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends received by the Group.

(b) *NITDA Levy*

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of ₦100million under the third schedule of the Act.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

(c) ***Deferred income taxation***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that its probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves.

Unrecognised deferred tax asset are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value presumed to be recovered through sale, and the Group has not been rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Investment properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.13 Intangible assets and goodwill

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite.
Intangible assets with finite lives are amortized over the useful economic lives, using a straight line method, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

Computer software, not integral to the related hardware acquired by the Group, is stated at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The estimated useful life is 5 years.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(c) Present value of acquired in-force business (PVIF)

When a portfolio of insurance contracts is acquired, whether directly from another insurance company or as part of a business combination, the difference between the fair value of insurance rights acquired and insurance obligation assumed are measured using the Group's existing accounting policies and it is recognized as the value of the acquired in-force business.

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses. The intangible asset is amortized over the useful life of the acquired in-force policy during which future premiums are expected, which typically varies between five and fifty years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and they are treated as a change in an accounting estimate. An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit and loss. PVIF is also considered in the liability adequacy test for each reporting year.
PVIF is derecognized when the related contracts are settled or disposed off.

(d) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(e) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and generally recognised in profit or loss. Goodwill is not amortised.
Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Imapairment on goodwill

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

3.14 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses except for building (see note 2.4). Cost includes

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Buildings are measured at fair value less accumulated depreciation while land is not depreciated (see note 2.4). Valuations are performed frequently (within every three year (3yrs)) to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount and the net value is restated to the revalued amount of the asset. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been reclassified to the related asset category.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property and equipment for current and comparative years are as follows:

Land	Not depreciated
Buildings	50 years
Furniture and equipment	5 years
Motor vehicles	4 years
Leased motor vehicles	4 years
Capital work in progress	Not depreciated

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit or loss account for the year.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. Any revaluation gain or loss previously recognised in reserve is derecognised into retained earnings

(e) Reclassification to investment property

When the use of a property changes from owner- occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

3.15 Statutory deposit

Statutory deposit represent 10% of required minimum paid up capital of AIICO Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

3.16 Insurance contract liabilities

(a) Life insurance contract liabilities

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. Discounted cash flows model is used in the valuation.

The interest rate applied is based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in the profit or loss by establishing an additional insurance liability for the remaining loss. In subsequent years, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation.

(b) Guaranteed annuity

Guaranteed annuity is recognised as an insurance contract. Annuity premium are recognised as income when received from policy holders, payments to policy holders are recognised as an expense when due. The amount of insurance risk under contracts with guaranteed annuity is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Group does not have sufficient historical data on which to base its estimate of the number of contract holders who exercise their option

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

historical data on which to base its estimate of the number of contract holders who exercise their option.

(c) Non-life insurance contract liabilities

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims expenses. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

3.16.2 Investment contract liabilities

Investment contract liabilities are recognized when contracts are entered into and premiums are received. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated profit or loss account. The liability is derecognized when the contract expires, is discharged or is cancelled. When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

However, when contracts contain both financial risk component and significant insurance risk component and cash flows from the two components are not distinct and cannot be measured reliably, the underlying amounts are not unbundled but are recognized in the statement of financial position account as insurance contract liabilities. After which, the actuary, using the contract terms, allocates a portion to the deposit component during the actuarial valaution. The portion allocated to the deposit component is subsequently debited to the profit and loss account as part of the actuarially determined liabilities with a corresponding credit posted to other investmnent contract liabilities account in order to track the deposit element separately from the risk element.

3.17 Portfolio under Management

(i) Fiduciary activities

The Group acts in other fiduciary capacities that results in holding or placing of assets on behalf of individuals and other institutions. These assets arising thereon are excluded from these financial statement as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.

(ii) Fixed income liability

These are funds managed by the Group on behalf of its clients. The interest rate on these liabilities are agreed with the client at the inception of the investment. The Group invests these funds in finanacial instruments in order to generate at the minimum, the agreed rate of returns. The interest spread on these investments is the return to the Group. These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these laibilities are measured at amortised cost using the effective interest method.

3.18 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencementdate, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, 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 measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

During the year, the group has no lease liability as all leases were rental and leased properties prepaid.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of ‘other revenue’. Generally, the accounting policies applicable to the Group as a lessor in the comparative year were not different from IFRS 16.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.
Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Share capital

(a) Ordinary shares

The Group's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

(b) Dividends on ordinary share capital

Dividends on ordinary shares when approved by the Group's shareholders are paid from retained earnings.

(c) Share premium

The Group classifies share premium as equity when there is no obligation to transfer cash or other assets.

3.21 Deposit for shares

The group recognises funds received from investors for the purposes of equity purchase as deposit for shares pending the allotment of its shares.

3.22 Revaluation reserve

Subsequent to initial recognition, an item of property and equipment and intangibles is carried using the cost model. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation gains is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which it is recognised in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in profit or loss. When a revalued asset is disposed of, any revaluation surplus is left in equity under the heading retained earnings.

3.23 Fair value reserve

(a) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

(b) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments
designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.24 Exchange gains reserve

Exchange gain reserves comprises the cumulative net change when fair value through other comprehensive income investment in foreign currency are translated into the functional currency. When such investment is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income shall be reclassified to the profit or loss account.

3.25 Technical reserves

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

(a) 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.

(b) Reserves for Outstanding Claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus 10 percent from claims incurred but not reported (IBNR) as at the reporting date. The IBNR is based on the liability adequacy test.

(c) Reserves for Unexpired Risk

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

(d) Life Business

General Reserve Fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date

(e) Liability Adequacy Test

At each end of the reporting year, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related deferred acquisition cost (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 recognised in 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". The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. Hence, the Group carries out actuarial valuation on both life and non-life insurance businesses.

3.26 Statutory reserve

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.

3.27 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 percent 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 and accumulated until it reaches the amount of the minimum paid up capital – Insurance ACT 22 (1)(b).

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.28 Retained earnings

This account accumulates profits or losses from operations.

3.29 Revenue recognition

(a) Gross premium income

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross general insurance written premiums comprise the total premiums receivable for the whole year of cover provided by contracts entered into during the accounting year. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting year for premiums receivable in respect of business written in prior accounting years. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent years is deferred as a provision for unearned premiums.

(b) Reinsurance premium

Gross reinsurance premiums on life and investment contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Gross general reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the year and are recognised on the date the policy becomes effective.

Premiums includes any adjustments arising in the accounting year in respect of reinsurance contracts that commenced in prior accounting years.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

(c) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. The administration fee is calculated as a flat charge payable monthly from contributions received while the fund management fee is an asset based fee charged as a percentage of the opening net assets value of the pension fund investment. These fees are recognized as revenue over the year in which the related services are performed. If the fees are for services provided in future years, then they are deferred and recognized over those future years.

(d) Change in life fund

Actuarial valuation of the ordinary life and annuity fund is conducted at reporting date to determine the net liabiities on the existing policies and the adequacy of the assets representing the insurance fund. The changes in the fund is charged to the income statement.

(e) Investment income

Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(f) Realized gains and losses

Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(g) Investment property rental income

Rental income from investment property is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental Income from other property is recognised as other income.

The fair value gain or loss on investment property is recognised in the profit or loss account

3.30 Benefits, claims and expenses recognition

(a) Gross benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims. Changes in the gross valuation of insurance are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due. General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

(b) Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

(c) Reinsurance expenses

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

3.31 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 recognised in the accounting year in which they are incurred.

3.32 Other operating income

Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

3.Significant accounting policies (Continued)

3.33 Employee benefits

(a) Short term employee benefit

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The Pension Reform Act 2014 requires a minimum contributions of 8% from the staff and 10% by the Company based on the basic salaries and other designated allowances. The Pension Reform Act 2014 also allows the Company to bear the full contribution on behalf of the employees as far as the minimum contributions of 18% is met. The Company contributes 18% of the employees' emolument as pension contributions which is charged to the profit or loss account.

3.34 Other operating expenses

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Other operating expenses are accounted for on accrual basis and recognized in the profit or loss upon utilization of the service or at the date of their origin.

3.35 Finance cost

Interest paid is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

3.36 Earnings per share

The Group presents basic 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 Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares held by the Group. 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.

3.37 Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions except for IFRS 17. The likely impact of IFRS 17 insurance contracts on the group's financial statements is stated in note (e) below

(a) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) Annual reporting years beginning on or after 1 January 2023

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(b) Reference to the Conceptual Framework (Amendments to IFRS 3) Annual reporting years beginning on or after 1 January 2022

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

(c) Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) Annual reporting years beginning on or after 1 January 2022

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(d) Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) Annual reporting years beginning on or after 1 January 2022

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(e) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard
for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting years beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

(f) Annual Improvements to IFRS Standards 2018–2020 Annual reporting years beginning on or after 1 January 2022

Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

4 Critical accounting estimates and judgements

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

(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).

The main assumption underlying these technique is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

(b) Impairment of financial instrument

The Company has applied some judgment in carrying out an assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporating forward-looking information in the measurement of ECL.

The judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for debt instruments measured at amortised cost and fair value through other comprehensive income. In estimating these cash flows, the Company makes judgments about the borrower's financial situation and value of other collateral (where applicable). These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

These critical assumptions have been applied consistently to all years presented.

(c) Measurement of fair values

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- Level 1: Quoted market price in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

(d) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value. The Group's investment in unquoted equity financial instrument are measured at fair value.

(e) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts

(f) Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management’s judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(g) Determination of impairment of property and equipment and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management’s judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Statement of Significant Accounting Policies (Continued)
For the period ended 30 September 2021

(h) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

(i) Investment properties

The Group's investment properties are valued on the basis of open market value. The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value such as price per square meter, rate of development in the area and quality of the building.

(j) Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;
• an insurance company, whether proprietary or mutual, other than a life insurance company; or
• a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the year for which the profits are being ascertained, subject to the Iimitation below:
An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

(a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;

(b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(k) Deferred tax asset and liabilities

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(l) Determining control over investee entities

Management applies its judgement to determine whether the Group has control over subsidiaries or significant influence over an investee company as set out in Note 3.1(b).
The Group has determined that it exercises control and significant influence over certain investee companies due to its representation on the Board of such companies and its significant participation in the Companies' operating and financial policies

Consolidated and separate statements of financial position
As at 30 September 2021

In thousands of naira	**Notes**	**Group** **30-Sep-21**	**Group** **31-Dec-20**	**Company** **30-Sep-21**	**Company** **31-Dec-20**
Assets					
Cash and cash equivalents	6	19,272,843	31,913,335	7,900,375	9,279,385
Financial assets	7	164,854,685	188,342,047	145,655,676	166,074,396
Trade receivables	8	813,343	937,078	786,493	897,596
Reinsurance assets	9	11,633,233	7,496,395	11,633,233	7,496,395
Deferred acquisition costs	10	1,044,230	582,265	1,044,230	582,265
Other receivables and prepayments	11	4,809,648	2,426,871	3,763,051	726,262
Deferred tax assets	12(d)	10,833	6,168	-	-
Investment in subsidiaries	13	-	-	1,087,317	1,087,317
Investment in associate	13(h)	781,908	-	705,691	-
Investment properties	14	758,000	758,000	758,000	758,000
Goodwill and other intangible assets	15	868,671	889,082	843,636	862,379
Property and equipment	16	6,907,292	7,009,404	6,627,331	6,705,570
Statutory deposits	17	500,000	500,000	500,000	500,000
Assets classified as held for sale	13(f)	-	2,237,780	-	1,365,042
Total assets		**212,254,686**	**243,098,424**	**181,305,032**	**196,334,608**
Liabilities					
Insurance contract liabilities	19	118,413,581	136,078,388	118,203,174	135,856,973
Investment contract liabilities	20	21,856,460	21,835,376	21,856,460	21,835,376
Trade payables	21	3,223,362	2,020,724	2,868,844	1,963,893
Other payables and accruals	22(a)	5,121,672	4,774,609	3,703,625	3,892,160
Fixed income liabilities	22(b)	27,195,416	43,046,848	-	-
Current income tax payable	12(a)	293,686	358,099	273,373	307,621
Deferred tax liabilities	12(d)	-	8,837	-	-
Liabilities attributable to assets held for sale	18.1(b)	-	316,462	-	-
Total liabilities		**176,104,178**	**208,439,343**	**146,905,476**	**163,856,023**
Equity					
Issued share capital	23(a)(ii)	7,843,988	7,843,988	7,843,988	7,843,988
Share premium	23(b)	7,037,181	7,037,181	7,037,181	7,037,181
Revaluation reserve	23(c)	1,812,707	1,812,707	1,812,707	1,812,707
Fair value reserve	23(d)	(1,542,565)	(507,416)	(749,292)	(438,586)
Foreign exchange gains reserve	23(e)	125,852	175,600	125,852	175,600
Contingency reserve	23(h)	8,067,945	7,213,594	8,067,945	7,213,594
Retained earnings	23(i)	12,461,384	9,924,143	10,261,175	8,834,100
Statutory reserve of disposal assets classified as held for sale	23(f)	-	202,042	-	-
Shareholders' funds		**35,806,490**	**33,701,838**	**34,399,556**	**32,478,584**
Non-controlling interests	13(e)	344,018	957,243	-	-
Total equity		**36,150,508**	**34,659,081**	**34,399,556**	**32,478,584**
Total liabilities and equity		**212,254,686**	**243,098,424**	**181,305,032**	**196,334,608**

These consolidated and separate financial statements were approved by the Board of Directors on 21 October 2021 and signed on its behalf by:

Mr. Kundan Sainani
Chairman
FRC/2013/IODN/00000003622

Mr. Babatunde Fajemirokun
Managing Director/ Chief Executive Officer
FRC /2015/MULTI/00000019973

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910

The accounting policies and the accompanying notes to the financial statements form an integral part of these financial statements.

Consolidated and separate statements of profit or loss and other comprehensive income
For the period ended 30 September 2021

		Group		Company	
In thousands of naira	**Notes**	**2021**	**2020**	**2021**	**2020**
Gross premium written	24(a)	**54,674,448**	**47,194,259**	**54,067,884**	**46,624,645**
Gross premium income	24(b)	51,442,789	44,132,294	50,953,406	43,652,878
Reinsurance expenses	24(c)	(8,480,930)	(5,366,699)	(8,480,930)	(5,366,699)
Net premium income		**42,961,859**	**38,765,595**	**42,472,476**	**38,286,179**
Fee and commission income					
Insurance contracts	25	1,723,710	1,089,654	1,723,710	1,089,654
Pension and other contracts	25	159,739	341,619	-	-
Net underwriting income		**44,845,308**	**40,196,868**	**44,196,186**	**39,375,833**
Claims expenses:					
Claims expenses (Gross)	26(a)	(36,565,497)	(29,630,349)	(36,277,813)	(29,313,923)
Claims expenses recovered from reinsurers	26(b)	6,398,990	6,853,525	6,398,990	6,853,525
Claims expenses (Net)		**(30,166,507)**	**(22,776,824)**	**(29,878,823)**	**(22,460,398)**
Underwriting expenses	27	(7,574,546)	(5,654,324)	(7,531,384)	(5,620,942)
Change in life fund	19(d)	7,633,764	(18,593,296)	7,633,764	(18,593,296)
Change in annuity fund	19(e)(i)	15,263,972	(11,459,179)	15,263,972	(11,459,179)
Change in other investment contracts	20(b)	(259,326)	(4,145,613)	(259,326)	(4,145,613)
Total underwriting expenses		**(15,102,643)**	**(62,629,236)**	**(14,771,797)**	**(62,279,428)**
Underwriting profit/(loss)		**29,742,665**	**(22,432,368)**	**29,424,389**	**(22,903,595)**
Investment income	28(a)	9,533,341	10,625,486	9,085,790	7,730,453
Profit from deposit administration	28(b)	446,751	51,552	446,751	51,552
Net realised gains	29	1,186,097	1,505,145	1,186,097	1,505,145
Net fair value gains	30	(33,831,322)	21,044,467	(33,831,322)	21,044,467
Other operating income	31	781,771	1,234,583	277,347	1,078,225
Personnel expenses	32	(2,614,294)	(2,869,532)	(2,079,101)	(2,065,230)
Other operating expenses	33	(5,261,007)	(4,401,267)	(5,194,918)	(3,737,777)
Finance cost		-	(96,743)	-	(96,743)
Impairment loss	34	2,413	-	-	-
Share of Associate Profit		41,376	-	-	-
Profit before income tax from continuing operations		**27,789**	**4,661,324**	**(684,967)**	**2,606,497**
Income tax expense	12(b)(i)	24,940	564,578	34,248	626,491
Profit after tax from continuing operations		**52,729**	**5,225,901**	**(650,719)**	**3,232,988**
Discontinued operations					
Profit after tax from discontinued operations	13(g)	2,372,854	179,465	3,013,374	-
Profit for the period		**2,425,583**	**5,405,366**	**2,362,656**	**3,232,988**
Attributable to shareholders		2,349,652	5,135,874	2,362,656	3,232,988
Attributable to non-controlling interest holders	13(e) (i)	75,931	269,492	-	-
		2,425,583	**5,405,366**	**2,362,656**	**3,232,988**
Other comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss in subsequent periods:					
Net (loss) / gain on financial assets	23(d)	(912,273)	(817,674)	(310,704)	(1,111,738)
Items within OCI that will not be reclassified to profit or loss in subsequent periods:					
Fair value (loss) on equity securities	23(i)	(91,517)	(167,752)	(81,232)	(123,279)
Exchange (loss)/gains on financial assets	23(e)	(49,748)	15,923	(49,748)	15,923
Total other comprehensive (loss)/ income		**(1,053,537)**	**(969,502)**	**(441,684)**	**(1,219,094)**
Total comprehensive profit for the period		**1,372,046**	**4,435,864**	**1,920,971**	**2,013,893**
Attributable to shareholders		1,433,231	4,166,372	1,920,971	2,013,893
Attributable to non-controlling interests		(61,185)	269,492	-	-
		1,372,046	**4,435,864**	**1,920,971**	**2,013,893**
Basic and diluted earnings per share (Kobo)	35	15	45	15	42

Consolidated and separate statement of profit or loss and other comprehensive income
For the period ended 30 September 2021

	Group		Company	
In thousands of naira	**3months ended 30 September 2021**	**3months ended 30 September 2020**	**3months ended 30 September 2021**	**3months ended 30 September 2020**
Gross premium income	17,007,193	15,060,446	16,831,868	14,896,407
Reinsurance expenses	(3,215,747)	(2,082,468)	(3,215,747)	(2,082,468)
Net premium income	**13,791,446**	**12,977,978**	**13,616,121**	**12,813,939**
Fees and commission income				
Insurance contract	625,068	311,734	625,068	311,734
Pension and other contracts	(65,293)	127,242	-	-
Net underwriting income	**14,351,220**	**13,416,953**	**14,241,189**	**13,125,673**
Claims expenses:				
Claims expenses (Gross)	(10,199,340)	11,608,876	(10,034,309)	11,453,646
Claims expenses recovered from reinsurer	969,779	(3,286,695)	969,779	(3,286,695)
Claims expenses (Net)	**(9,229,561)**	**8,322,181**	**(9,064,530)**	**8,166,951**
Underwriting expenses	(2,843,910)	2,219,896	(2,831,072)	2,200,365
Change in life fund	(2,660,558)	8,540,285	(2,660,558)	8,540,285
Change in annuity fund	(1,134,254)	4,623,377	(1,134,254)	4,623,377
Change in other investment contract	(702,068)	1,218,982	(702,068)	1,218,982
Total underwriting expenses	**(16,570,351)**	**(24,924,721)**	**(16,392,482)**	**(24,749,960)**
Underwriting profit/ (loss)	**(2,219,131)**	**(11,507,768)**	**(2,151,293)**	**(11,624,287)**
Investment income	3,615,100	4,294,252	3,313,267	2,723,567
Profit from deposit administration	29,140	7,905	29,140	7,905
Net realised gains	981,027	1,240,428	981,027	1,240,428
Net fair value gains	(743,807)	9,535,614	(743,807)	9,535,613
Other operating income	(18,789)	1,167,583	(89,195)	1,071,047
Personnel expenses	(873,463)	(871,313)	(710,563)	(690,283)
Other operating expenses	(1,694,647)	(1,856,304)	(1,786,058)	(1,417,164)
Finance cost	-	978,460	-	
Impairment loss on financial assets	2,413	-	-	-
Share of Associate Profit	41,376	-	-	-
Profit before income tax from continuing operations	**(880,781)**	**2,988,857**	**(1,157,481)**	**846,826**
Income taxes	53,982	(56,159)	57,874	-
Profit after tax from continuing operations	**(826,799)**	**2,932,698**	**(1,099,607)**	**846,826**
Discontinued operations				
Profit after tax from discontinued operations	-	107,243	-	
Profit for the year	**(826,799)**	**3,039,941**	**(1,099,607)**	**846,826**
Attributable to shareholders	(668,725)	2,830,732	(1,099,607)	846,826
Attributable to non-controlling interest holders	(158,074)	209,210	-	-
	(826,799)	**3,039,942**	**(1,099,607)**	**846,826**
Other comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss				
Net (loss)/gain on financial assets	920,597	257,893	(50,480)	(852,797)
Items within OCI that will not be reclassified to profit or loss				
Realized (loss)/gains on equities	(3,589)	(1,134)	42,047	31,241
Revaluation gain on property and equipment	-	-	-	-
Exchange (loss)/gains on financial assets	-	-	-	-
Income tax relating to other comprehensive income				
Total other comprehensive loss	**917,008**	**256,759**	**(8,433)**	**(821,556)**
Total comprehensive profit for the period	**90,209**	**3,296,700**	**(1,108,040)**	**25,270**
Attributable to shareholders	420,887	3,310,614	(1,108,040)	25,271
Attributable to non-controlling interest	(330,678)	58,310	-	-
	90,209	**3,368,924**	**(1,108,040)**	**25,271**

Consolidated and Separate Statements of Changes in Equity - Group
For the period ended 30 September 2021

In thousands of naira	Note	Issued Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foeign exchange gains reserve	Statutory Reserve	Contingency Reserve	Retained Earnings	Deposit for shares	Statutory Reserve of Disposal Group	Shareholders' Equity	Non Controlling Interests	Total equity
		Attributable to owners of the Group												
Balance at 1 January 2021		7,843,988	7,037,181	1,812,707	(507,416)	175,600	-	7,213,594	9,924,143	-	202,042	33,701,838	957,243	34,659,081
Balance as at 1 Jan 2021		7,843,988	7,037,181	1,812,707	(507,416)	175,600	-	7,213,594	9,924,143	-	202,042	33,701,838	957,243	34,659,081
Total comprehensive income for the year														
Profit for the period		-	-		-	-	-	-	2,349,652	-	-	2,349,652	75,931	2,425,583
Other comprehensive income		-	-	-	(1,003,789)	(49,748)	-	-	-	-	-	(1,053,537)		(1,053,537)
NCI Share of other comprehensive income		-	-	-	60,157	-	-	-	-	-	-	60,157	(60,157)	-
Total other comprehensive income for the year		-	-	-	(943,632)	(49,748)	-	-	2,349,652	-		1,356,272	15,774	1,372,045
Transfers within equity														
Transfer to contingency reserve		-	-	-	-	-	-	854,350	(854,350)	-		-	-	-
Transfer to/(from) retained earnings		-	-	-	(91,517)	-		-	301,407	-	(202,042)	7,849	(1,028)	6,821
Transfer to disposal group													(627,971)	(627,971)
Transfer to investment in associates									740,532			740,532	-	740,532
Total transfers		-	-	-	(91,517)	-	-	854,350	187,589	-	(202,042)	748,381	(629,000)	119,381
Transactions with owners, recorded directly in equity														
Transactions with NCI		-	-	-		-	-	-	-			-	-	-
Ord shares of 4,400,000,000 with nominal value of 50kobo each at market price of N1.20kobo		-	-							-	-	-	-	-
Direct cost attributable to capital raised										-	-	-	-	-
Right Issue		-	-			-					-	-	-	-
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders		-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2021		**7,843,988**	**7,037,181**	**1,812,707**	**(1,542,565)**	**125,852**	**-**	**8,067,945**	**12,461,384**	**-**	**-**	**35,806,491**	**344,018**	**36,150,508**
Balance at 1 January 2020	**24**	3,465,102	2,824,389	1,812,707	1,995,336	159,677	167,874	6,320,410	5,888,969	5,280,000	167,874	27,914,465	995,599	28,910,063
Total comprehensive income for the year														
Profit for the period		-	-		-	-	-	-	5,135,874	-	-	5,135,874	269,492	5,405,367
Other comprehensive income		-	-	-	(847,080)	15,923	-	-		-	-	(831,157)	29,407	(801,750)
NCI Share of other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	
Total other comprehensive income for the year		-	-	-	(847,080)	15,923	-	-	5,135,874	-		4,304,717	298,899	4,603,616
Transfers within equity														
Transfer to contingency reserve		-	-	-	44,472	-	-	479,153	(479,153)	-		-	-	-
Deposit for shares		-	-	-	-	-	-	-	-	-		-		-
Transfer to/(from) retained earnings		-	-	-	-	-	-	-	(163,304)	-	-	118,832	(4,447)	(123,279)
Transfer to/(from) retained earnings to statutory reserve		-	-	-	-	-	-	-	-	-		-	-	-
Total transfers		-	-	-	44,472	-	-	479,153	(642,457)	-		(118,832) -	4,447	(123,279)
Transactions with owners, recorded directly in equity														
Private placement		2,200,000	3,001,804							(5,280,000)	-	(78,196)	-	-
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	(75,177)	-	-	(75,177)	(32,003)	(107,180)
Total contributions by and distributions to equity holders		2,200,000	3,001,804	-	-	-	-	-	(75,177)	(5,280,000)		(153,373)	(32,003)	(185,376)
Balance at 30 September 2020		**5,665,102**	**5,826,193**	**1,812,707**	**1,192,728**	**175,599**	**167,874**	**6,799,563**	**10,307,210**	**-**	**167,874**	**31,946,976**	**1,258,048**	**33,205,024**

Consolidated and Separate Statements of Changes in Equity - Company
For the period ended 30 September 2021

		Attributable to owners of the Company								
In thousands of naira	**Note**	**Issued Share Capital**	**Share Premium**	**Revaluation Reserve**	**Fair Value Reserve**	**Exchange gains reserve**	**Contingency Reserve**	**Retained Earnings**	**Deposit for shares**	**Total shareholders' Equity**
Balance at 1 January 2021		7,843,988	7,037,181	1,812,707	(438,588)	175,600	7,213,594	8,834,102	-	32,478,583
Balance at 1 Jan 2021		7,843,988	7,037,181	1,812,707	(438,588)	175,600	7,213,594	8,834,102	-	32,478,585
Total comprehensive income for the year										
Profit for the period		-	-	-		-	-	2,362,656	-	2,362,656
Other comprehensive income		-	-	-	(391,936)	(49,748)	-		-	(441,684)
Total other comprehensive income for the year		-	-	-	(391,936) -	49,748	-	2,362,656	-	1,920,971
Transfers within equity										
Transfer to contingency reserve		-	-	-	-	-	854,350	(854,350)	-	-
Transfer to retained earnings from fair value reserve					81,232			(81,232)	-	-
Total transfers within equity		-	-	-	81,232	-	854,350 -	935,583	-	-
Balance as at 30 September 2021		**7,843,988**	**7,037,181**	**1,812,707**	**(749,292)**	**125,852**	**8,067,945**	**10,261,175**	**-**	**34,399,556**
Balance at 1 January 2020	24	3,465,102	2,824,389	1,812,707	828,179	159,677	6,320,410	5,253,958	5,280,000	25,944,421
Balance at 1 Jan 2020		3,465,102	2,824,389	1,812,707	828,179	159,677	6,320,410	5,253,958	5,280,000	20,664,421
Total comprehensive income for the year										
Profit for the period		-	-	-		-	-	3,232,988	-	3,232,988
Other comprehensive income		-	-	-	(1,111,738)	15,923	-		-	(1,095,815)
Total other comprehensive income for the year		-	-	- -	1,111,738	15,923	-	3,232,988	-	2,137,173
Transfers within equity										
Transfer to contingency reserve		-	-	-	-	-	479,153	(479,153)	-	-
Private placement		2,200,000	3,001,804						(5,280,000) -	78,196
Direct cost attributable to capital raised									-	-
Right Issue		-	-							-
Transfer to retained earnings				-				(123,279)	- -	123,279
Total transfers within equity		2,200,000	3,001,804	-	-	-	479,153 -	602,432	(5,280,000) -	201,475
Transactions with owners, recorded directly in equity										
Dividend paid to ordinary shareholders		-	-	-	-		-	-	-	-
Total contributions by and distributions to equity holders		-	-	-		-	-	-	-	-
Balance at 30 September 2020		**5,665,102**	**5,826,193**	**1,812,707**	**(283,559)**	**175,600**	**6,799,563**	**7,884,513**	**-**	**27,880,119**

Consolidated and Separate Statements of Cash Flows
For the period ended 30 September 2021
In thousands of naira

		Group		Company	
	Notes	**30-Sep-21**	**30-Sep-20**	**30-Sep-21**	**30-Sep-20**
Operating activities:					
Total premium received		54,798,182	47,036,144	54,178,987	46,640,864
Commission received		1,723,710	1,179,545	1,723,710	837,926
Commission paid		(5,232,370)	(5,128,935)	(5,189,208)	(5,095,552)
Premium paid in advance		558,556	563,283	558,556	563,283
Reinsurance premium paid		(8,480,930)	(7,271,145)	(8,480,930)	(7,271,145)
Gross benefits and claims paid	19(a)(i)	(34,524,057)	(24,882,896)	(34,148,293)	(24,539,976)
Claims recoveries		2,262,152	10,313,013	2,262,152	10,313,013
Receipt from deposit administration	20(a)	21,084	240,231	21,084	240,231
Withdrawal from deposit administration	20(a)	-	(41,843)	-	(41,843)
Other underwriting expenses paid		(2,459,555)	(1,122,800)	(2,717,131)	(1,122,800)
Payments to employees	32	(2,614,294)	(2,869,532)	(2,079,101)	(2,065,230)
Other operating cash payments		(4,515,040)	12,313,519	(8,639,298)	(8,043,565)
Other income received		781,771	391,282	277,347	228,462
Fixed income received		(15,851,432)	41,205,832	-	-
Income tax paid	12	(32,541)	(203,287)	-	(106,430)
Net cash flows (used in)/ from operating activities		**(13,564,765)**	**71,722,411**	**(2,232,126)**	**10,537,238**
Investing activities:					
Interest income received		11,166,188	7,142,579	10,718,638	4,701,886
Purchase of property and equipment	16	(227,112)	(568,485)	(308,315)	(526,302)
Purchase of intangibles	15	-	(48,537)	-	-
Purchase of Investment properties		(0)	-	(0)	-
Proceeds from sale of property and equipment		5,683	9,656	5,683	2,781
Purchase of financial assets at amortized cost	7(a)(iii)	(40,068,987)	(13,312,342)	(39,568,987)	(8,170,798)
Purchase of financial assets at FVTOCI	7(b)(ii)	(9,726,974)	(58,604,987)	(3,110,824)	(8,739,670)
Purchase of financial assets at FVTPL	7(c)(i)	(18,736,439)	(127,553,479)	(18,736,439)	(127,553,479)
Proceed on disposal/ redemption of financial assets		60,272,535	139,317,337	51,853,360	130,491,753
Net cash flows from/ (used in) investing activities		**2,684,895**	**(53,618,258)**	**853,115**	**(9,793,829)**
Financing activities:					
Principal & interest payment on borrowings	(b)(ii)	-	(1,207,674)	-	(1,207,674)
Dividend paid to non controlling interest	13(e) (i)	-	(32,003)	-	-
Net cash flows (used in)/ from financing activities		**-**	**(1,239,677)**	**-**	**(1,207,674)**
Net increase in cash and cash equivalents		(10,879,870)	16,864,476	(1,379,011)	(464,265)
Cash and cash equivalents at 1 January		31,913,335	10,080,164	9,279,385	8,166,352
Included in the assets of the disposal group		(1,760,622)	(937,201)	-	-
Cash and cash equivalents as at 30 September		**19,272,843**	**26,007,439**	**7,900,375**	**7,702,087**

Notes to the Consolidated and Separate Financial Statements
For the period ended 30 September 2021

5 Segment Information

For management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments as follows:

- The life insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

- The non-life insurance segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

- The Health segment is a Health Maintenance Organization for prepaid health plans to cater for the health needs of individuals and corporate organizations. The segment became a full subsidiary of AIICO Insurance Plc on July 1, 2012.

- The Wealth Management segment is registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. The segment commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. The segment offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 30 September 2021

5.1 Segment statement of profit or loss and other comprehensive income

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	30 September 2021
Gross premium written	**38,384,305**	**15,683,579**	**-**	**54,067,884**	**606,564**	**-**	**-**	**54,674,448**
Gross premium income from external customers	37,669,941	13,283,465	-	50,953,406	489,383	-	-	51,442,789
Premiums ceded to reinsurers	(1,187,028)	(7,293,902)	-	(8,480,930)	-	-	-	(8,480,930)
Net premium Income	**36,482,913**	**5,989,563**	**-**	**42,472,476**	**489,383**	**-**	**-**	**42,961,859**
Fees and Commission Income								
Insurance contract	400,830	1,322,880	-	1,723,710	-	-	-	1,723,710
Pension and other contracts	-	-	-	-	218,156	271,626	(330,043)	159,739
Net underwriting income	**36,883,743**	**7,312,443**	**-**	**44,196,186**	**707,539**	**271,626**	**(330,043)**	**44,845,308**
Claims expenses:								
Claims expenses (Gross)	(28,703,973)	(7,573,840)	-	(36,277,813)	(287,684)	-	-	(36,565,497)
Claims expenses recovered from reinsurer	2,239,342	4,159,648	-	6,398,990	-	-	-	6,398,990
Claims expenses (Net)	**(26,464,631)**	**(3,414,192)**	**-**	**(29,878,823)**	**(287,684)**	**-**	**-**	**(30,166,507)**
Underwriting expenses	(4,396,248)	(3,135,136)	-	(7,531,384)	(43,162)	-	-	(7,574,546)
Change in life fund	7,633,764	-	-	7,633,764	-	-	-	7,633,764
Change in annuity fund	15,263,972	-	-	15,263,972	-	-	-	15,263,972
Change in other investment contract	(259,326)	-		(259,326)				(259,326)
Total underwriting expenses	**(8,222,469)**	**(6,549,328)**	**-**	**(14,771,797)**	**(330,846)**	**-**	**-**	**(15,102,643)**
Underwriting (loss)/profit	**28,661,273**	**763,115**	**-**	**29,424,389**	**376,694**	**271,626**	**(330,043)**	**29,742,665**
Investment income	8,071,539	1,014,251	-	9,085,790	44,361	403,190	-	9,533,341
Profit from deposit administration	446,751	-	-	446,751	-	-	-	446,751
Net realised gains and losses	1,068,095	118,002	-	1,186,097	-	-	-	1,186,097
Fair value losses	(33,831,322)	-	-	(33,831,322)	-	-	-	(33,831,322)
Other operating revenue	114,371	162,976	-	277,347	494	503,930	-	781,771
Employee Benefits expense	(1,205,879)	(873,222)	-	(2,079,101)	(209,922)	(325,271)	-	(2,614,294)
Other operating expense	(3,102,043)	(2,092,875)	-	(5,194,918)	(141,604)	(254,527)	330,043	(5,261,007)
- Impairment expense	-	-	-	-	-	2,413		2,413
Share of Associate Profit	24,652	16,724		41,376	-	-	-	41,376
Profit before tax	**247,438**	**(891,029)**	**-**	**(643,591)**	**70,022**	**601,360**	**-**	**27,790**
Income tax expense	(11,140)	45,388	-	34,248	-	(9,308)		24,940
Profit after income tax expense for the period	**236,299**	**(845,642)**	**-**	**(609,343)**	**70,022**	**592,051**	**-**	**52,729**
Discontinued operations	**1,795,408**	**1,217,967**	**-**	**3,013,374**	**-**	**-**	**(640,520)**	**2,372,854**
Profit for the period	**2,031,706**	**372,325**	**-**	**2,404,032**	**70,022**	**592,051**	**(640,520)**	**2,425,583**
Other Comprehensive Income								
Net (loss)/ gain on fair value financial asset	(16,012)	(294,692)	-	(310,704)	-	(601,570)	-	(912,273)
Exchange gain on unquoted investments	-	(49,748)	-	(49,748)	-	-	-	(49,748)
Loss on equities	(81,232)	-	-	(81,232)	-	(10,284)	-	(91,517)
Other comprehensive income for the period	**(97,244)**	**(344,440)**	**-**	**(441,684)**	**-**	**(611,854)**	**-**	**(1,053,537)**
Total comprehensive income for the period, net of tax	**1,934,462**	**27,885**	**-**	**1,962,347**	**70,022**	**(19,803)**		**1,372,046**

No single external customer contributed 10 percent or more of the entity's revenues as at the end of the year.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 30 September 2021

In thousands of naira	**Life Business**	**General Business**	**Elimination of inter-business transactions**	**Company**	**Health management services**	**Asset management**	**Elimination of inter-segment transactions**	**Continued Operation**	**Discontinued operation**	**30 September 2020**
Gross premium written	**35,397,724**	**11,226,921**	**-**	**46,624,645**	**569,614**	**-**	**-**	**47,194,259**		**47,194,259**
Gross premium income from external customers	34,063,025	9,589,853	-	43,652,878	479,416	-	-	44,132,294		44,132,294
Premiums ceded to reinsurers	(621,549)	(4,745,150)	-	(5,366,699)	-	-	-	(5,366,699)		(5,366,699)
Net premium Income	**33,441,476**	**4,844,703**	**-**	**38,286,179**	**479,416**	**-**	**-**	**38,765,595**		**38,765,595**
Fees and Commission Income										
Insurance contract	150,919	938,736	-	1,089,655	-	-	-	1,089,655		1,089,655
Pension and other contracts	-	-	-	-	206,038	233,170	(97,590)	341,618	1,098,659	1,440,277
Net underwriting income	**33,592,395**	**5,783,439**	**-**	**39,375,834**	**685,454**	**233,170**	**(97,590)**	**40,196,868**	**1,098,659**	**41,295,527**
Claims expenses:										
Claims expenses (Gross)	20,055,146	9,258,777	-	29,313,923	316,426	-	-	29,630,349		29,630,349
Claims expenses recovered from reinsurer	(251,496)	(6,602,029)	-	(6,853,525)	-	-	-	(6,853,525)		(6,853,525)
Claims expenses (Net)	**19,803,650**	**2,656,748**	**-**	**22,460,398**	**316,426**	**-**	**-**	**22,776,823**	**-**	**22,776,824**
Underwriting expenses	3,726,196	1,894,746	-	5,620,942	33,382	-	-	5,654,324	20,625	5,674,949
Change in life fund	18,593,296	-	-	18,593,296	-	-	-	18,593,296		18,593,296
Change in annuity fund	11,459,179	-	-	11,459,179	-	-	-	11,459,179		11,459,179
Change in other investment contract	4,145,613			4,145,613				4,145,613		4,145,613
Total underwriting expenses	**57,727,934**	**4,551,494**	**-**	**62,279,428**	**349,808**	**-**	**-**	**62,629,235**	**20,625**	**62,649,861**
Underwriting (loss)/profit	**(24,135,539)**	**1,231,945**	**-**	**(22,903,594)**	**335,646**	**233,170**	**(97,590)**	**(22,432,367)**	**1,078,034**	**(21,354,334)**
Investment income	7,047,859	682,594	-	7,730,453	66,766	2,903,445	(75,178)	10,625,486	118,118	10,743,604
Profit from deposit administration	51,552	-	-	51,552	-	-	-	51,552		51,552
Net realised gains and losses	746,720	758,425	-	1,505,145	-	-	-	1,505,145		1,505,145
Fair value gains/(losses)	21,044,467	-	-	21,044,467	-	-	-	21,044,467		21,044,467
Other operating revenue	333,463	744,762	-	1,078,225	479	155,879	-	1,234,583	6,461	1,241,044
Employee Benefits expense	(1,197,833)	(867,397)	-	(2,065,230)	(205,233)	(599,069)	-	(2,869,532)	(549,976)	(3,419,509)
Other operating expense	(2,453,393)	(1,284,384)	-	(3,737,777)	(131,404)	(629,675)	97,590	(4,401,266)	(471,052)	(4,872,318)
Finance costs	(56,110)	(40,632)	-	(96,743)	-	-	-	(96,743)	(2,120)	(98,863)
Profit before tax	**1,381,186**	**1,225,312**	**-**	**2,606,500**	**66,254**	**2,063,751**	**(75,178)**	**4,661,325**	**179,465**	**4,840,787**
Income tax expense	42,269	584,222	-	626,491	-	(61,912)		564,579	-	564,579
Profit for the period	**1,423,456**	**1,809,534**	**-**	**3,232,990**	**66,255**	**2,001,839**	**(75,178)**	**5,225,903**	**179,465**	**5,405,365**
Attributable to Shareholders of the Company	1,423,454	1,809,534	-	3,232,988	50,426	1,801,654	(75,178)	5,009,890	125,984	5,135,874
Attributable to Non-Controlling Interest	-	-	-	-	15,828	200,184	-	216,012	53,481	269,493
Other Comprehensive Income										
Net gain on fair value financial asset	(596,052)	(515,687)	-	(1,111,739)	-	294,065	-	(817,674)	-	(817,674)
Impairment charge on FVTOCI	15,922	-		15,922	-	-	-	15,922		15,922
Exchange gain on unquoted investments		-	-	-	-	-	-	-	-	-
(Loss)/Gains on equities	(121,878)	(1,402)	-	(123,280)	-	(44,472)	-	(167,752)	-	(167,752)
Other comprehensive income/(loss) for the period, net of tax	**(702,008)**	**(517,088)**	**-**	**(1,219,098)**	**-**	**249,593**	**-**	**(969,505)**	**-**	**(969,504)**
Total comprehensive income for the period, net of tax	**721,447**	**1,292,446**	**-**	**2,013,895**	**66,255**	**2,251,432**	**(75,178)**	**4,256,397**	**179,465**	**4,435,863**

No single external customer contributed 10 percent or more of the entity's revenues as at end of the period.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 30 September 2021

5.2 Segment Statement of Financial Position

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	30 September 2021
Assets										
Cash and cash equivalents	4,500,196	3,400,179	-	7,900,375	337,669	11,034,800	-	19,272,843		19,272,843
Trade receivable	-	786,493	-	786,493	55,050	288,494	(316,693)	813,343		813,343
Reinsurance assets	2,395,671	9,237,562	-	11,633,233	-	-	-	11,633,233		11,633,233
Deferred acquisition cost	-	1,044,230	-	1,044,230	-	-	-	1,044,230		1,044,230
Financial assets:										
Amortized cost	51,205,955	12,316,984		63,522,939	900,692	1,332,180	(5,641,802)	60,114,009		60,114,009
Fair value through OCI	2,399,252	3,356,600		5,755,852	-	23,404,856	(796,917)	28,363,791		28,363,791
Fair value through profit or loss	76,376,885	-		76,376,885	-	-	-	76,376,885		76,376,885
Deferred tax asset	-	-	-	-	10,833	-	-	10,833		10,833
Investment in subsidiary	837,317	250,000		1,087,317	-	-	(1,087,317)	-		-
Investment in associate	-	-	747,067	747,067	-	-	-	747,067	34,841	781,908
Investment property	459,000	299,000	-	758,000	-	-	-	758,000		758,000
Property, plant and equipment	4,758,438	1,868,893	-	6,627,331	11,481	268,481	-	6,907,292		6,907,292
Other receivables and prepayments	4,412,979	621,421	(1,271,349)	3,763,051	13,983	1,032,615	-	4,809,648		4,809,648
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Goodwill and other intangible assets	42,834	800,803	-	843,637	12,044	12,991	-	868,671		868,671
Assets classified as held for sale	445,112	301,955	(747,067)	-	-	-	-	-	-	-
Total Assets	**147,588,527**	**34,282,165**	**(1,271,349)**	**181,346,408**	**1,341,752**	**37,374,416**	**(7,842,729)**	**212,219,846**	**34,841**	**212,254,686**
Liabilities and Equity										
Liabilities										
Trade payables	2,252,948	615,896	-	2,868,844	354,518	-		3,223,362		3,223,362
Other payables and accrual	1,670,495	3,304,479	(1,271,349)	3,703,625	27,757	1,706,982	(316,693)	5,121,672		5,121,672
Fixed income liability	-	-	-	-	-	33,634,135	(6,438,719)	27,195,416		27,195,416
Current tax payable	129,359	144,014	-	273,373	10,980	9,333	-	293,686		293,686
Investment contract liabilities	21,856,460	-	-	21,856,460	-	-	-	21,856,460		21,856,460
Insurance contract liabilities	101,828,106	16,375,068	-	118,203,174	210,407	-	-	118,413,581		118,413,581
Total liabilities	**127,737,368**	**20,439,457**	**(1,271,349)**	**146,905,476**	**603,663**	**35,350,450**	**(6,755,411)**	**176,104,178**	**-**	**176,104,178**
Equity										
Issued share capital	2,274,641	5,569,347	-	7,843,988	600,000	750,000	(1,350,000)	7,843,988		7,843,988
Share premium	2,307,539	4,729,641	-	7,037,181	47,494	41,346	(88,840)	7,037,181		7,037,181
Revaluation reserves	1,199,619	613,088	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserves	127,744	(1,893)	-	125,852				125,852		125,852
Fair value reserve	(47,119)	(702,173)	-	(749,292)	-	(522,610)	(270,663)	(1,542,565)		(1,542,565)
Contingency reserve	3,851,387	4,216,558	-	8,067,945	-	-		8,067,945		8,067,945
Retained earnings	10,582,461	(279,910)	-	10,302,551	90,600	1,755,235	(385,303)	11,763,083	698,290	12,461,384
Shareholders funds	**20,296,272**	**14,144,659**	**-**	**34,440,932**	**738,094**	**2,023,971**	**(2,094,806)**	**35,108,192**	**698,290**	**35,806,491**
Non- controlling interest	-	-	-	-	-	-	1,007,489	1,007,476	(663,459)	344,018
Total equity	**20,296,272**	**14,144,659**	**-**	**34,440,932**	**738,094**	**2,023,971**	**(1,087,317)**	**36,115,668**	**34,831**	**36,150,509**
Total liabilities and equity	**148,033,640**	**34,584,116**	**(1,271,349)**	**181,346,408**	**1,341,752**	**37,374,417**	**(7,842,730)**	**212,219,846**	**34,831**	**212,254,686**

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In thousands of naira	**Life**	**General**	**Elimination of inter-business transactions**	**Company**	**Health management services**	**Asset management**	**Elimination of inter-segment transactions**	**Continued Operation**	**Disposal group AIICO Pensions Limited**	**31 December 2020**
Assets										
Cash and cash equivalents	2,215,601	7,063,784	-	9,279,385	47,741	22,586,210	-	31,913,336	1,749,941	33,663,277
Trade receivable	-	897,597	-	897,597	8,358	264,556	(233,431)	937,079	173,459	1,110,536
Reinsurance assets	725,700	6,770,695	-	7,496,395	-	-	-	7,496,395		7,496,395
Deferred acquisition cost	-	582,265	-	582,265	-	-	-	582,265		582,265
Financial assets:										
Amortized cost	29,361,244	8,554,364		37,915,608	913,486	10,691,947	(5,468,822)	44,052,219	97,098	44,149,316
Fair value through OCI	6,457,983	4,686,879		11,144,862	-	16,927,958	(796,917)	27,275,903		27,275,903
Fair value through profit or loss	117,013,926	-		117,013,926	-	-	-	117,013,926		117,013,926
Deferred tax asset	-	-	-	-	6,168	-	-	6,168	8,491	14,659
Investment in subsidiary	1,650,627	801,732	(1,365,042)	1,087,317	-	-	(1,087,317)	-		-
Investment property	459,000	299,000	-	758,000	-	-	-	758,000		758,000
Property, plant and equipment	4,797,172	1,908,398	-	6,705,570	13,304	290,531	-	7,009,404	147,225	7,156,629
Other receivables and prepayments	2,990,292	172,664	(2,436,694)	726,262	15,497	1,685,111	-	2,426,871	18,271	2,445,142
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Goodwill and other intangible assets	59,244	803,135	-	862,379	10,729	15,977	-	889,085	43,295	932,377
Assets classified as held for sale			1,365,042	1,365,042	-	-	(1,365,042)	-		-
Total Assets	**165,930,787**	**32,840,515**	**(2,436,694)**	**196,334,608**	**1,015,284**	**52,462,290**	**(8,951,529)**	**240,860,651**	**2,237,780**	**243,098,424**
Liabilities and Equity										
Liabilities										
Trade payables	1,135,492	828,401	-	1,963,893	56,831	-		2,020,724	59,954	2,080,678
Other payables and accrual	1,088,092	5,240,762	(2,436,694)	3,892,160	24,070	1,091,811	(233,431)	4,774,609	92,942	4,867,551
Fixed income liability	-	-	-	-	-	49,312,587	(6,265,739)	43,046,848	-	43,046,848
Current tax payable	118,220	189,400	-	307,620	36,052	14,426	-	358,098	131,083	489,181
Deferred tax liability	-	-	-	-	8,837	-	-	8,837	32,484	41,320
Investment contract liabilities	21,835,376	-	-	21,835,376	-	-	-	21,835,376	-	21,835,376
Insurance contract liabilities	123,391,802	12,465,170	-	135,856,973	221,415	-	-	136,078,388	-	136,078,388
Total liabilities	**147,568,982**	**18,723,733**	**(2,436,694)**	**163,856,022**	**347,205**	**50,418,824**	**(6,499,170)**	**208,122,880**	**316,462**	**208,439,343**
Equity										
Issued share capital	2,274,641	5,569,347	-	7,843,988	600,000	750,000	(2,428,777)	6,765,211	1,078,777	7,843,988
Share premium	2,307,539	4,729,641	-	7,037,181	47,494	41,346	(129,205)	6,996,816	40,365	7,037,181
Statutory reserve	-	-	-	-	-	-		-	202,042	202,042
Revaluation reserve	1,199,618	613,089	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserve	127,744	47,855	-	175,600				175,600		175,600
Available-for-sale reserve	(31,106)	(407,480)	-	(438,586)	-	78,958	(147,786)	(507,414)		(507,414)
Contingency reserve	3,467,544	3,746,050	-	7,213,594	-	-		7,213,594		7,213,594
Retained earnings	9,015,827	(181,723)	-	8,834,102	20,593	1,173,163	(703,833)	9,324,012	600,127	9,924,143
Shareholders funds	**18,361,807**	**14,116,779**	**-**	**32,478,586**	**668,087**	**2,043,467**	**(3,409,601)**	**31,780,525**	**1,921,311**	**33,701,838**
Non- controlling interest	-	-	-	-	-	-	957,243	957,243		**957,243**
Total equity	**18,361,807**	**14,116,779**	**-**	**32,478,586**	**668,087**	**2,043,467**	**(2,452,358)**	**32,737,767**	**2,878,554**	**34,659,081**
Total liabilities and equity	**165,930,789**	**32,840,513**	**(2,436,694)**	**196,334,608**	**1,015,287**	**52,462,288**	**(8,951,529)**	**240,860,649**	**2,237,787**	**243,098,424**

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6 Cash and cash equivalents

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Cash on hand	2,249	1,022	588	391
Cash in banks	5,011,223	15,728,791	4,105,763	6,206,705
Short-term deposits	16,027,656	17,943,541	3,797,386	3,075,651
Cash at bank attributable to discontinued operations (see note 18)	(1,764,924)	(1,754,244)	-	-
	19,276,205	31,919,110	7,903,737	9,282,747
Allowance for impairment on short term deposits relating to disposal group	(7,665)	(10,077)	(3,362)	(3,362)
Allowance for impairment on short term deposits transferred to disposal group (see note 18)	4,303	4,303	-	-
	19,272,843	31,913,335	7,900,375	9,279,385
At 1 January	(10,077)	(10,077)	(3,362)	(3,362)
(Charge)/ recovery in the year	-	-	-	-
Allowance for impairment on short term deposits relating to disposal group	(4,303)	(4,303)	-	-
Allowance for impairment on short term deposits transferred to disposal group (see note 18)	4,303	4,303	-	-
Balance as at	(10,077)	(10,077)	(3,362)	(3,362)
Current	19,272,843	31,913,335	7,900,375	9,279,385
Non Current	-	-	-	-
	19,272,843	31,913,335	7,900,375	9,279,385

(a) Short-term deposits are made for 'varying periods' of between one day and three months, depending on the immediate cash requirements of the Group and Company. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and the average interest rate on the short-term deposits as at the reporting date was 8% per annum

7 Financial assets

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Financial assets at amortized cost (see note (a) below)	60,316,400	44,149,317	63,522,939	37,915,608
Fair value through other comprehensive income (see note (b) below)	28,363,789	27,275,901	5,755,852	11,144,862
Fair value through profit or loss (see note (c) below)	76,376,885	117,013,926	76,376,885	117,013,926
Amortised cost financial assets transferred to disposal group	(202,389)	(97,097)	-	-
	164,854,685	188,342,047	145,655,676	166,074,396
Current	104,740,674	28,720,379	82,132,737	11,566,151
Non Current	60,114,011	159,621,668	63,522,939	154,508,245
	164,854,685	188,342,047	145,655,676	166,074,396

(a) Financial assets at amortized cost

In thousands of naira				
Amortised cost	60,316,400	44,149,317	63,522,939	37,915,608
Amortised cost financial assets transferred to disposal group	(202,389)	(97,097)	-	-
	60,114,011	44,052,220	63,522,939	37,915,608

In thousands of naira				
Federal government bonds	55,447,270	29,248,522	54,035,413	29,211,993
Treasury bills	2,103,647	12,097,447	-	-
Other financial assets (see (i) below)	-	-	5,885,959	5,986,564
Corporate bond	100,493		100,493	
Loans to policyholders (see note (d)(i))	2,516,401	2,105,215	2,516,401	2,105,215
Staff loans	1,122,866	561,027	799,321	483,302
Agent loans	95,932	46,647	95,932	46,647
Other loans	125,318	117,785	125,318	117,785
Transfer to disposal group	(202,495)	(97,203)	-	-
	61,208,938	44,079,440	63,558,837	37,951,506
Allowance for Impairment of other loans (see (ii) below)	(3,142)	(16,576)	(3,142)	(3,142)
Allowance for Impairment of treasury bills (see (ii) below)	(11,033)	(1,033)	-	-
Allowance for Impairment of bonds (see (ii) below)	(35,365)	(9,715)	(9,715)	(9,715)
Allowance for Impairment of GIN (see (ii) below)	-	-	(23,039)	(23,039)
Allowance for impairment transferred to disposal group	106	106	-	-
	61,159,503	44,052,220	63,522,940	37,915,608

(i) Other financial aasets relates to an investment in AIICO Capital's GIN note for investment in bonds and treasury bills at a guaranteed return of 10%. AIICO Capital is regulated by Securities and Exchange Commission (SEC) to invest in the capital market and carries out this type of investments for its clients.

(ii) Movement in impairment allowance during the year is as follows:

	Group		Company	
	Sep-21	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	27,219	37,187	35,897	36,154
Charge for the year bonds	25,649	(19,937)	-	(19,937)
Charge for the year treasury bills	9,999	(809)	-	(597)
Charge for the year other loans	(13,434)	10,671	-	(2,763)
Charge for the year GIN	-	-	-	23,039.49
Transferred to disposal group	106	106	-	-
Balance as at	49,540	27,219	35,897	35,897

(iii) Movement in amortized cost portfolio is as follows;

In thousands of naira				
Balance at 1 January	44,079,333	43,608,155	37,951,504	42,263,082
Additions during the year	40,068,987	23,257,157	39,568,987	10,577,821
Disposals/Repayments	(23,951,264)	(24,845,248)	(14,894,483)	(15,530,731)
Accrued interest	371,273	2,156,473	932,827	641,332
Transferred to disposal group (see note 18)	(202,495)	(97,203)	-	-
	60,365,834	44,079,333	63,558,835	37,951,504
Allowance for impairment (ECL) (see (ii) above)	(49,540)	(27,219)	(35,897)	(35,897)
Allowance for impairment transferred to disposal group	106	106	-	-
	60,316,400	44,052,219	63,522,939	37,915,608

(b) Financial assets classified at fair value through other comprehensive income

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Federal Government bonds	13,697,057	10,968,936	2,046,062	5,794,840
Corporate bonds	329,263	382,273	329,263	382,272
Treasury bills	10,924,594	10,924,595	-	-
Equities (see note (i) below)	3,412,875	5,000,098	3,380,528	4,967,751
	28,363,790	27,275,901	5,755,853	11,144,862

(i) Equity instruments designated at fair value through other comprehensive income

In thousands of naira				
Quoted equities	580,721	1,863,882	548,374	1,863,882
Unquoted equities	2,832,154	3,136,216	2,832,154	3,136,216
	3,412,875	5,000,098	3,380,528	5,000,098

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 30 September 2021

(ii) Movement in financial asset classified as fair value through other comprehensive income (FVTOCI) is as follows;

In thousands of naira				
Balance at 1 January	27,275,901	31,712,734	11,144,862	9,698,351
Additions during the year	9,726,974	22,802,094	3,110,824	15,072,250
Disposals	(7,907,556)	(25,348,753)	(7,907,556)	(12,765,010)
Exchange gain	(49,748)	15,923	(49,748)	15,923
Accrued interest	844,844	599,843	487,965	390,113
Fair value (loss) during the period	(912,273)	(2,505,939)	(310,704)	(1,266,765)
Balance as at	28,978,143	27,275,901	6,475,643	11,144,862

(c) **Financial assets classified at fair value through profit or loss**

In thousands of naira				
Federal Government bonds	75,966,344	116,497,203	75,966,344	116,497,203
State Government bonds	93,676	143,815	93,676	143,815
Corporate bonds	316,864	372,908	316,864	372,908
Treasury bills	-	-	-	-
	76,376,885	117,013,926	76,376,885	117,013,926

(i) Movement in financial asset classified as fair value through profit or loss (FVTPL) is as follows;

In thousands of naira				
Balance at 1 January	117,013,926	51,543,372	117,013,926	51,543,372
Additions during the year	18,736,439	132,926,739	18,736,439	132,926,739
Disposals during the year	(32,020,914)	(103,807,873)	(32,020,914)	(103,807,873)
Accrued interest	6,478,756	5,714,312	6,478,756	5,714,312
Fair value (loss)/ gain during the period	(33,831,322)	30,637,376	(33,831,322)	30,637,376
Balance as at	76,376,885	117,013,926	76,376,885	117,013,926

(d)
(i) **Gross movement in financial assets 2021 (Group)**

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	44,079,333	27,275,901	117,013,926	**188,369,160**
Additions during the year	40,068,987	9,726,974	18,736,439	68,532,400
Disposals/Repayments during the year	(23,951,264)	(7,907,556)	(32,020,914)	(63,879,734)
Accrued interest	371,273	844,844	6,478,756	7,694,873
Fair value (loss)/ gain	-	(912,273)	(33,831,322)	(34,743,594)
Exchange gain	-	(49,748)	-	(49,748)
Impairment loss	(49,540)	-	-	(49,540)
Transferred to disposal group	(202,389)	-	-	(202,389)
	60,316,401	**28,978,143**	**76,376,885**	**165,671,428**

(ii) **Gross movement in financial assets 2020 (Group)**

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	43,608,155	31,712,734	51,543,372	**126,864,260**
Additions during the year	23,257,157	22,802,094	132,926,739	178,985,990
Disposals/Repayments during the year	(24,845,248)	(25,348,753)	(103,807,873)	(154,001,874)
Accrued interest	2,156,473	599,843	5,714,312	8,470,627
Fair value loss	-	(2,505,940)	30,637,376	28,131,436
Exchange gain	-	15,923	-	15,923
Impairment loss	(27,219)	-	-	(27,219)
	44,149,316	**27,275,900**	**117,013,926**	**188,439,143**

(iii) **Gross movement in financial assets 2021 (Company)**

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	37,951,504	11,144,862	117,013,926	166,110,291
Additions during the year	39,568,987	3,110,824	18,736,439	61,416,250
Disposals/Repayments during the year	(14,894,483)	(7,907,556)	(32,020,914)	(54,822,953)
Accrued interest	932,827	487,965	6,478,756	7,899,548
Fair value (loss)/ gain	-	(310,704)	(33,831,322)	(34,142,026)
Exchange gain	-	(49,748)	-	(49,748)
Impairment loss	(35,897)	-	-	(35,897)
	63,522,939	**6,475,643**	**76,376,885**	**146,375,466**

(iv) **Gross movement in financial assets 2020 (Company)**

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	42,263,082	9,698,351	51,489,251	103,450,684
Additions during the year	10,577,821	15,072,250	132,926,739	158,576,810
Disposals/Repayments during the year	(15,530,731)	(12,765,010)	(103,753,752)	(132,049,493)
Accrued interest	641,332	390,113	5,714,312	6,745,757
Fair value (loss)/ gain	-	(1,266,765)	30,637,376	29,370,611
Exchange gain	-	15,923	-	15,923
Impairment loss	(35,897)	-	-	(35,897)
	37,915,606	**11,144,862**	**117,013,926**	**166,074,394**

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(e)(i) Policy loans

The Group granted loans to policyholders in line with the insurance policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholders upon surrender of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is within the policy duration and such policy must be in force and must have acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed annually.

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings. Policy loans are not impaired as balances are set-off against benefits accruable to the policyholders.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Group
Fair value measurements At 30 September 2021

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	75,966,344	-	75,966,344
-State Government bonds	-	93,676	-	93,676
-Corporate bonds	-	316,864	-	316,864
Group Financial Assets at FVTPL as at 30 September 2021	-	76,376,884	-	76,376,884
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	13,697,057	-	13,697,057
-Corporate bonds	-	329,263	-	329,263
-Treasury bills	-	10,924,594	-	10,924,594
-Quoted equities	580,721		-	580,721
-Unquoted equities	-	-	2,832,154	2,832,154
Group Financial Assets at FVOCI as at 30 September 2021	580,721	24,950,914	2,832,154	28,363,789

Fair value measurements At 31 December 2020

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	116,497,203	-	116,497,203
-State Government bonds	-	143,815	-	143,815
-Corporate bonds	-	372,908	-	372,908
-Treasury bills	-	-	-	-
Group Financial Assets at Fair value as at 31 December 2020	-	117,013,926	-	117,013,926
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	10,968,936	-	10,968,936
-Corporate bonds	-	382,272	-	382,272
-Treasury bills	-	10,924,594	-	10,924,594
-Quoted equities	1,863,882	-	-	1,863,882
-Unquoted equities	-	-	3,136,216	3,136,216
Group Financial Assets at Fair value as at 31 December 2020	1,863,882	22,275,802	3,136,216	27,275,900

Fair value measurements At 30 September 2021
Company

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	75,966,344	-	75,966,344
-State Government bonds	-	93,676	-	93,676
-Corporate bonds	-	316,864	-	316,864
Company Financial Assets at Fair value as at 30 September 2021	-	76,376,884	-	76,376,884
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	2,046,062	-	2,046,062
-Corporate bonds	-	329,263	-	329,263
-Treasury bills	-	-	-	-
-Quoted equities	548,374	-	-	548,374
-Unquoted equities	-	-	2,832,154	2,832,154
Company Financial Assets at Fair value as at 30 September 2021	548,374	2,375,325	2,832,154	5,755,853

Fair value measurements At 31 December 2020
Company

In thousands of naira	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	116,497,203	-	116,497,203
-State Government bonds	-	143,815	-	143,815
-Corporate bonds	-	372,908	-	372,908
-Treasury bills	-	-	-	-
Company Financial Assets at Fair value as at 31 December 2020	-	117,013,926	-	117,013,926
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	5,794,839	-	5,794,839
-Corporate bonds	-	382,272	-	382,272
-Treasury bills	-	-	-	-
-Quoted equities	1,831,535	-	-	1,831,535
-Unquoted equities	-	-	3,136,216	3,136,216
Company Financial Assets at Fair value as at 31 December 2020	1,831,535	6,177,111	3,136,216	11,144,861

Recognised fair value measurements

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices or dealer quotes for similar instruments
-for other financial instruments – discounted free cash flow analysis.

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8 Trade receivables

(a) Trade receivables comprise:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Due from brokers	786,493	897,596	786,493	897,596
Due from direct clients (see note (i) below)	302,491	347,664	-	-
Trade receivables attributable to discontinued operations (see note 18)	(154,771)	(189,132)		
	934,213	1,056,128	786,493	897,596
Allowance for impairment on trade receivables (see note (ii) below)	(136,543)	(134,724)	-	-
	15,673	15,673		
Allowance for impairment on trade receivables ttributable to discontinued operations (see note (18) below)				
	813,343	937,078	786,493	897,596

Age Analysis of trade receivables:	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Within 30 days	897,597	897,597	786,493	897,596
Above 30 days	165,948	39,481	-	-
Balance as at	1,063,545	937,078	786,493	897,596

(i) Due from direct clients relates to fees receivables.
(ii) The movement in impairment allowance during the year is shown below;

In thousands of naira				
At 1 January	134,724	195,973	-	-
(Reversal)/charge for the year	1,819	(61,249)	-	-
	136,543	134,724	-	-

9 Reinsurance assets

Reinsurance assets is analyzed as follows:

In thousands of naira				
Prepaid reinsurance (see note (a) below)	3,858,345	1,935,631	3,858,345	1,935,631
Recoverable on outstanding claims (see note (b) below	6,361,031	5,068,358	6,361,031	5,068,358
Recoveries on Claims paid (see note (c) below)	1,413,857	492,406	1,413,857	492,406
	11,633,233	7,496,395	11,633,233	7,496,395
Current	11,633,233	7,496,395	11,633,233	7,496,395
Non Current	-	-	-	-
Balance at 31 December	11,633,233	7,496,395	11,633,233	7,496,395

Reinsurance assets by business segment is analysed as follows;

(i) Life reinsurance assets

in thousands of naira				
Prepaid reinsurance	691,985	239,598	691,985	239,598
Recoverable on outstanding claims	848,934	362,441	848,934	362,441
Recoveries on Claims paid	854,752	123,661	854,752	123,661
	2,395,671	725,700	2,395,671	725,700

(ii) Non life reinsurance assets;

in thousands of naira				
Prepaid reinsurance	3,166,360	1,696,033	3,166,360	1,696,033
Recoverable on outstanding claims	5,512,097	4,705,917	5,512,097	4,705,917
Recoveries on Claims paid	559,105	368,745	559,105	368,745
	9,237,562	6,770,695	9,237,562	6,770,695

(a) The movement in prepaid reinsurance is as follows;

In thousands of naira				
Balance at 1 January	1,935,631	1,442,243	1,935,631	1,442,243
Additions during the period	10,403,644	8,394,428	10,403,644	8,394,428
Reinsurance expense in the period (see note 25c)	(8,480,930)	(7,901,040)	(8,480,930)	(7,901,040)
Balance as at	3,858,345	1,935,631	3,858,345	1,935,631

(b) The movement in reinsurance on outstanding claims is as follows;

In thousands of naira				
Balance at 1 January	5,068,358	3,694,393	5,068,358	3,694,393
Changes during the period	1,292,673	1,373,965	1,292,673	1,373,965
Balance as at	6,361,031	5,068,358	6,361,031	5,068,358

(c) The movement in recoveries on claims paid is as follows;

In thousands of naira				
Balance at 1 January	492,406	323,933	492,406	323,933
Changes during the period	921,451	168,473	921,451	168,473
Balance as at	1,413,857	492,406	1,413,857	492,406

10 Deferred acqusition costs

The analysis of deferred acquisition costs (DAC), which represents commission paid during the year on unearned premium received on different classes of business is shown below:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Fire	261,057	145,566	261,057	145,566
Motor	355,038	197,970	355,038	197,970
Workmen Compensation	41,769	23,291	41,769	23,291
Marine	156,635	87,340	156,635	87,340
Personal accident	73,096	40,759	73,096	40,759
Casualty accident	104,423	58,227	104,423	58,227
Oil and Gas	52,212	29,113	52,212	29,113
	1,044,230	582,265	1,044,230	582,265

The movement in deferred acquisition costs is as follows:				
Balance at 1 January	582,265	488,884	582,265	488,884
Acquisition during the period	5,694,335	6,440,718	5,651,173	6,440,718
Amortization for the period	(5,232,370)	(6,347,337)	(5,189,208)	(6,347,337)
Balance as at	1,044,230	582,265	1,044,230	582,265
Current	1,044,230	582,265	1,044,230	582,265
Non Current	-	-	-	-
Balance as at	1,044,230	582,265	1,044,230	582,265

11 Other receivables and prepayments

In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Prepaid expenses (see note (i) below)	1,315,901	508,592	1,263,023	465,583
Short term lease payment	-	24,566		24,566
Right-of-use Assets	-	21,987		21,987
Prepaid minimum deposit	-	46,805	-	46,805
Receivable from agents	41,842	34,235	41,842	34,235
WHT Receivable-Dividend	218,157	81,879	218,157	81,879
Other receivables	3,029,768	1,708,807	2,036,049	51,207
Receivable fron part disposal of subsidiary (see note (ii) below)	203,980	-	203,980	-
Doubtful receivables (see note (iii) below)	68,588	68,588	68,588	68,588
	4,878,236	2,495,459	3,831,639	794,850
Less allowance for impairment	(68,588)	(68,588)	(68,588)	(68,588)
	4,809,648	2,426,871	3,763,051	726,262

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In thousands of naira	**Group** **Sep-21**	**Dec-20**	**Company** **Sep-21**	**Dec-20**
Current	4,809,648	2,426,871	3,763,051	726,262
Non Current	-	-	-	-
Balance as at	4,809,648	2,426,871	3,763,051	726,262

(i) Prepaid expenses relate to rent and other expenses.

(ii) Receivable from part disposal of subsidiary relates to the proceeds from disposal of 33.91% of the shares of AIICO pensions which represents 48.1% of the company's total investment in the company. The funds were subsequently received in July 2021.

(iii) This represents receivable amount under reconciliation.

12 Income taxes

(a) Current income tax payable

The movement in current income tax payable can be analyzed as follows:

In thousands of naira	**Group** **Sep-21**	**Dec-20**	**Company** **Sep-21**	**Dec-20**
Balance at 1 January	358,099	487,112	307,621	361,505
Charge for the year	(24,940)	93,153	(34,248)	52,545
Payments made during the year	(32,541)	(222,166)	-	(106,430)
Transferred to disposal group (see note 18(b))	(6,931)	-	-	-
Balance as at	293,686	358,099	273,373	307,621

(b) Amounts recognised in profit or loss

In thousands of naira	**Group** **Sep-21**	**Dec-20**	**Company** **Sep-21**	**Dec-20**
Minimum tax (see note (iii) below)	-	-	-	-
	-	-	-	-

(i) Income tax expense

Current income tax expense	(24,940)	235,921	(34,248)	52,545
Tertiary tax	-	-	-	-
NITDA levy	-	-	-	-
Current Income tax expense	(24,940)	235,921	(34,248)	52,545
Deferred tax expense				
Origination of temporary differences	-	(441,415)	-	(441,415)
Total deferred income tax (benefit)/ expense	-	(441,415)	-	(441,415)
Total income taxes	**(24,940)**	**(205,494)**	**(34,248)**	**(388,870)**

(ii) Income tax expense

In thousands of naira				
Minimum tax (see note (i) above)	-	-	-	-
Corporate tax (see note (i) above)	(24,940)	235,921	(34,248)	52,545
	(24,940)	235,921	(34,248)	52,545
Back duty (see note (ii) above)	-	-	-	-
Income tax expense	**(24,940)**	**235,921**	**(34,248)**	**52,545**

* The life business of the Company was assessed to minimum tax using section 16 of the Company Income Tax Act (CITA) as there was no taxable profit.
** The non-life business of the Company was assessed using section 16 of CITA which provides for 30% of the taxable profit.

The Directors believe that accruals for tax liabilities are adequate for all open tax years based on its assessment of relevant factors, including the interpretations of tax law and tax practices in the determination of obligation for income taxes

(c) Amounts recognised in OCI

Group

In thousands of naira	**Before tax**	**Sep-21** **Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	(49,748)	-	(49,748)
Fair value gain on fair value financial assets (see note 24 d)	(1,920,727)	-	(1,920,727)
Balance as at	(1,970,475)	-	(1,970,475)

Company

In thousands of naira	**Before tax**	**Sep-21** **Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets (see note 24 e)	(49,748)	-	(49,748)
Fair value gain on fair value financial assets (see note 24 d)	(310,704)	-	(310,704)
Balance as at	(360,452)	-	(360,452)

Group

In thousands of naira	**Before tax**	**Dec-20** **Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	15,923	-	15,923
Fair value loss on fair value financial assets	(2,598,684)	8,182	(2,590,502)
Balance as at	(2,582,761)	8,182	(2,574,579)

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Company *In thousands of naira*	**Before tax**	**Dec-20** **Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	15,923	-	15,923
Fair value loss on fair value financial assets	(1,236,133)	-	(1,236,133)
Balance as at	(1,220,210)	-	(1,220,210)

(d) Movement in deferred tax balances

2021
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 30 September: Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(7,022)	-	-	9,018	9,018	-
Unrelieved losses	-	-	-	-	-	-
Unrealised exchange gain on financial assets	(1,815)	-	-	1,815	1,815	-
	(8,837)	**-**	**-**	**10,833**	**10,833**	**-**

2021
Company

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 30 September: Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	-	441,416	-	-	-	-
Investment property	-	-	-	-	-	-
	-	**441,416**	**-**	**-**	**-**	**-**

2020
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(481,164)	477,353	-	(3,931)	3,091	(7,022)
Unrelieved losses	3,077	-	-	3,077	3,077	-
Investment property	-	-	-	-	-	-
Unrealised exchange gain on financial assets	(1,815)	-	-	(1,815)	-	(1,815)
	(479,902)	**477,353**	**-**	**(2,669)**	**6,168**	**(8,837)**

2020
Company

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	(441,416)	441,416	-	-	-	-
Investment property	-	-	-	-	-	-
	(441,416)	**441,416**	**-**	**-**	**-**	**-**

(e) Unrecognised deferred tax on unrelieved losses

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Unrecognised deferred tax	11,870,014	11,870,014	11,870,014	11,870,014
	11,870,014	11,870,014	11,870,014	11,870,014

This represents the deferred tax on unrelieved losses on the life and non life businesses.
The Group did not recognise this amount as it is of the view that it may not be probable to have taxable profits against which the tax assets can be utilised, due to the four-year tax lapse year for unrelieved losses for insurance companies in Nigeria.

13 Investment in subsidiaries

The Group is made up of four entities, as follows:

AIICO Insurance PLC	- Parent
AIICO Pension Managers Limited	- Associate
AIICO Multishield Limited	- Subsidiary
AIICO Capital Limited	- Subsidiary

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
AIICO Pension Managers Limited (see note (b) below)	-	-	-	-
AIICO Multishield Limited(see note (c) below)	-	-	587,317	587,317
AIICO Capital Limited see note (d) below)	-	-	500,000	500,000
Balance as at	-	-	1,087,317	1,087,317

(a) The movement in investment in subsidiaries is as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Balance at 1 January	-	-	1,087,317	2,452,359
Assets classified as held for sale	-	-	-	(1,365,042)
Balance as at	-	-	1,087,317	1,087,317

(b) AIICO Pension Managers Limited

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Balance at 1 January	-	-	1,365,042	1,365,042
Classified to assets held for sale	-	-	(1,365,042)	(1,365,042)
Balance as at	-	-	-	-

AIICO Pension Managers Limited is involved in Pension Administration Services to private and public sector contributors. It was incorporated as a Limited Liability Company on February 1, 2005 under the Companies and Allied Matters Act of Nigeria 2020 and licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006. It is domiciled in Nigeria and its registered office is at Plot 2 Oba Akran Avenue, Ikeja Lagos.

During the period, AIICO Insurance sold part of its investments in AIICO Pensions, thereby reducing its holdings from 70.2% to 36.29% by the sales of 33.91%. This effectively reduced AIICO Pensions from a subsidiary to an associated company. (See Note 18 for further details and Notes (e), (g), (h) below for the gain on part disposal and reduction of the holdings to an associated Company)

(c) AIICO Multishield Limited

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Balance at 1 January	-	-	587,317	587,317
Balance as at	-	-	587,317	587,317

(ii) The Company has 76.10% interest in AIICO Multishield Limited (2018: 76.10%). AIICO Multishield Limited is involved in health management insurance.

(d) AIICO Capital Limited

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Balance at 1 January	-	-	500,000	500,000
Balance as at	-	-	500,000	500,000

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This represents the Company's 90% (2018: 90%) investment in AIICO Capital Limited. AIICO Capital is involved in providing portfolio and fund management services.

(e) Non-controlling interests

In thousands of naira	NCI Percentage Holding	Sep-21	NCI Percentage Holding	Dec-20
AIICO Pension Managers Limited	29.8%	627,971	29.8%	592,484
AIICO Multishield HMO	23.9%	177,127	23.9%	160,401
AIICO Capital	10.0%	202,376	10.0%	204,357
Transfer to sale of discontinued operation	-29.8%	(627,971)	0.0%	-
		379,504		957,241

(i) The movement in the NCI account during the year is as follows:

In thousands of naira	Sep-21	Dec-20
Balance at 1 January	957,243	995,599
Share of profit	75,931	188,707
Realized gain/ (loss) on equities	(1,028)	7,986
Fair value reserves	(60,157)	(123,910)
Dividend paid	-	(111,140)
Transfer to sale of discontinued operation	(627,971)	-
Balance as at	344,018	957,243

(f) Asset held for sale

AIICO Pension Managers Limited	Group		Company	
In thousands of naira	Sep-21	Dec-20	Sep-21	Dec-20
Balance at 1 January	-	-	1,365,042	1,365,042
Part disposal	-	-	(659,351)	-
Reclassified to investment in associate			(705,691)	-
Balance as at	-	-	-	1,365,042

(g) Profit from disposal of investmnet in subsidiary

	Group		Company	
In thousands of naira	Sep-21	Dec-20	Sep-21	Dec-20
Consideration	3,831,714		3,831,714	
Less:				
Cost to sell	(158,988)		(158,988)	
Carrying value of amount disposed (see note 18.1(b))	(691,831)		(659,351)	-
NCI share of discontinued operation (see note 18.1(b))	(608,040)		-	-
Profit from sale of discontinued operation	2,372,854		3,013,374	

(h) Investment in associate

AIICO Pension Managers Limited	Group		Company	
In thousands of naira	Sep-21	Dec-20	Sep-21	Dec-20
Balance at 1 January	-	-	-	-
Reclassifed from assets held for sale (see note 18.1(b))	740,532	-	705,691	-
Share of associate profit	41,376	-		-
Balance as at	781,908	-	705,691	-

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14 Investment properties

(a) The balance in this account can be analysed as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Balance at 1 January	758,000	772,000	758,000	772,000
Additions	0	-	0	-
Changes in fair value (Note 30)	-	(14,000)	-	(14,000)
Balance as at	**758,000**	**758,000**	**758,000**	**758,000**
Current	-	-	-	-
Non Current	758,000	758,000	758,000	758,000
Balance as at	**758,000**	**758,000**	**758,000**	**758,000**

Investment properties comprise a number of commercial properties that are leased to third parties.
Changes in fair values are recognised as gains in profit or loss and included in 'other operating income'. All gains are unrealised.

The items of investment property are valued as shown below:

Investment properties, principally residential buildings, are held for long term rental yields and are not occupied by the group. They are carried at fair value. Property interest held under operating leases are not classified as investment properties

(b) Measurement of fair values

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as at 31 December 2020.

None of the Group's assets had been pledged as collateral during the year.

(ii) Valuation technique

The following table shows the valuation technique used in measuring the fair value of investment property.

Valuation technique
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.

Amounts recognised in profit or loss for investment properties

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Rental income from operating leases	-	-	-	-
Direct operating expenses from property that generated rental income	-	-	-	-
Direct operating expenses from property that did not generate rental income	-	-	-	-
Fair value loss recognised in other income	-	(14,000)	-	(14,000)
	-	**(14,000)**	**-**	**(14,000)**

15 Goodwill and other intangible assets

(a) Reconciliation of carrying amount

GROUP

	Goodwill	Computer Software	Total
Balance at 1 January 2021	800,863	591,870	1,392,733
Acquisitions	-	2,000	2,000
Balance at 30 September 2021	800,863	593,870	1,394,733
Accumulated amortization			
Balance at 1 January 2021	-	503,651	503,651
Amortization	-	22,411	22,411
Balance at 30 September 2021	-	526,062	526,062
Carrying amounts			
Balance at 30 September 2021	800,863	67,808	868,671
Cost			
Balance at 1 January 2020	800,863	788,944	1,589,807
Acquisitions	-	44,812	44,812
Transfer from property and equipment (see note 16)		(241,886)	(241,886)
Balance at 31 December 2020	800,863	591,870	1,392,733

Goodwill and other intangible assets (Continued)

	Goodwill	Computer Software	Total
Accumulated amortization			
Balance at 1 January 2020	-	603,944	603,944
Amortization	-	98,115	98,115
Transfer to disposal group	-	(198,590)	(198,590)
Balance at 31 December 2020	-	503,469	503,469
Carrying amounts			
Balance at 31 December 2020	800,863	88,400	889,263

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COMPANY

In thousands of naira	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2020	800,863	537,778	1,338,641
Acquisitions	-	-	-
Balance at 30 September 2021	800,863	537,778	1,338,641
Accumulated amortization			
Balance at 1 January 2020	-	476,262	476,262
Amortization	-	18,743	18,743
Adjustments	-	-	-
Balance at 30 September 2021	-	495,005	495,005
Carrying amounts			
Balance at 30 September 2021	800,863	42,773	843,636
Cost			
Balance at 1 January 2020	800,863	514,317	1,292,431
Acquisitions	-	23,461	-
Balance at 31 December 2020	800,863	537,778	1,292,431
Accumulated amortization			
Balance at 1 January 2020	-	408,500	326,526
Amortization	-	67,580	81,974
Adjustments	-	182	182
Balance at 31 December 2020	-	476,262	408,681
Carrying amounts			
Balance at 31 December 2020	800,863	61,516	862,379

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts. The recoverable amount was calculated using the free cashflow method (FCFF) with the the assumption that managemnet would continue to pay out 40% of PAT as dividend over the next five years at a long term growth rate of 10%. These variabes are discounted using the prevailing average FGN Bond rate as at each review date having considered inflation and tax. The recoverable amount is viewed from three scenarios, which are the best case, base case and the worse case.

16 Property and equipment

(a) Group

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2021	1,715,000	4,094,891	88,209	2,701,544	1,486,850	10,086,495
Additions	-	-	-	237,841	203,355	441,196
Reclassification	-	-	(65,000)	-	65,000	-
Disposals	-	-	-	(8,932)	(65,103)	(74,035)
Transfer to disposal group (Note 18)	-	-	-	(35,098)	61,090	25,991
At 30 September 2021	**1,715,000**	**4,094,891**	**23,209**	**2,895,355**	**1,751,192**	**10,479,647**
Accumulated depreciation						
At 1 January 2021	-	122,709	-	2,153,912	800,471	3,077,091
Depreciation for the period	-	61,350	-	186,219	251,419	498,988
Disposals	-		-	(1,457)	(16,355)	(17,812)
Transfer to disposal group (Note 18)	-	-	-	(21,316)	35,404	14,088
At 30 September 2021	**-**	**184,059**	**-**	**2,317,359**	**1,070,938**	**3,572,355**
Net book value						
At 30 September 2021	**1,715,000**	**3,910,833**	**23,209**	**577,996**	**680,254**	**6,907,292**

i. The Group had no capital commitments as at the reporting date. (2020: Nill)
ii. There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.
iii. None of the Group's assets had been pledged as collateral during the period.

Location	Title	Status
Plot Pc 12 Churchgate street Victoria Island.	Certificate of Occupancy	Pefected
Plot 2 Oba Akran Avenue Ikeja.	Deed of Assignment	Perfected
12 Moshood Abiola Way, Liberty road Ibadan	Receipt of purchase	Acquired via acquisition
AIICO House, 36-38 Ilupeju Industrial Avenue, Ilupeju, Lagos State	Deed of Assignment	Perfected

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2020	1,715,000	4,090,000	563,209	2,867,617	1,494,782	10,730,609
Additions	-	4,891	-	255,824	421,942	682,657
Disposals	-	475,000	(475,000)	-	-	-
Reclassifications	-	(320,000)	-	-	(112,570)	(432,570)
Reclassification to Intangibles (see note iv below)	-	-	-	-	-	-
Revaluation	-	(155,000)	-	-	-	(155,000)
Transfer to disposal group (Note 18)	-	-	-	(421,896)	(317,304)	(739,200)
At 31 December 2020	**1,715,000**	**4,094,891**	**88,209**	**2,701,544**	**1,486,850**	**10,086,495**
Accumulated depreciation						
At 1 January 2020	-	40,901	-	2,181,719	910,147	3,132,766
Depreciation for the year	-	81,808	-	303,111	251,342	636,261
Disposals	-		-	-	(99,961)	(99,961)
Revaluation	-	-	-	-	-	-
Transfer to disposal group (Note 18)	-	-	-	(330,918)	(261,057)	(591,975)
At 31 December 2020	**-**	**122,709**	**-**	**2,153,912**	**800,471**	**3,077,091**
Net book value						
At 31 December 2020	**1,715,000**	**3,972,183**	**88,209**	**547,633**	**686,379**	**7,009,404**

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iv. Reclaissifcations are items of major repairs on buildings and purchase of equipments that have been put to full use.

(b) Company

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2021	1,715,000	4,094,891	14,929	2,566,657	1,152,711	9,544,188
Additions	-	-	-	227,112	81,204	308,315
Disposals	-	-	-	-	-	-
Reclasifications *	-	-	(5,070)	-	-	(5,070)
Revaluation	-	-	-	-	-	-
At 30 September 2021	**1,715,000**	**4,094,891**	**9,858**	**2,793,769**	**1,233,914**	**9,847,433**
Accumulated depreciation						
At 1 January 2021	-	122,708	-	2,040,855	675,055	2,838,618
Depreciation for the year	-	61,350	-	174,865	145,269	381,484
Disposals	-	-	-	-	-	-
Adjustments					-	-
At 30 September 2021	**-**	**184,058**	**-**	**2,215,720**	**820,324**	**3,220,102**
Net book value						
At 30 September 2021	**1,715,000**	**3,910,833**	**9,858**	**578,049**	**413,590**	**6,627,331**

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2020	1,715,000	4,090,000	489,929	2,352,704	796,309	9,443,942
Additions	-	4,891	-	213,953	413,767	632,611
Disposals	-	475,000	(475,000)	-	-	-
Reclasifications	-	(320,000)	-	-	(57,365)	(377,365)
Reclassification to Intangibles *	-	-	-	-	-	-
Revaluation	-	(155,000)	-	-	-	(155,000)
At 31 December 2020	**1,715,000**	**4,094,891**	**14,929**	**2,566,657**	**1,152,711**	**9,544,188**
Accumulated depreciation						
At 1 January 2020	-	40,900	-	1,801,137	565,692	2,407,730
Depreciation for the year	-	81,808	-	239,718	161,221	482,747
Disposals	-	-	-	-	(52,465)	(52,465)
Adjustments					606	606
At 31 December 2020	**-**	**122,708**	**-**	**2,040,855**	**675,055**	**2,838,618**
Net book value						
At 31 December 2020	**1,715,000**	**3,972,183**	**14,929**	**525,802**	**477,656**	**6,705,570**

17 Statutory deposits

This represents the amount deposited with the Central Bank of Nigeria as at 30 September 2021 in accordance with section 9(1) and section 10(3) of Insurance Act 2003 interest income earned on this deposit is included in the investment income.

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Non life business	300,000	300,000	300,000	300,000
Life business	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**

In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	500,000	500,000	500,000	500,000
Balance as at	**500,000**	**500,000**	**500,000**	**500,000**

18 Discontinued operations and disposal groups held for sale.

At the Board Meeting held on 30 April 2020, the Company decided to divest its interest in AIICO Pensions Managers Limited, a subsidiary. Hence, as at 31 December 2020, the subsidiary was classified as an asset held for sale at the Company and a discontinued operation at the Group. These segments in the future will no longer be presented in the segment notes. On 30 June 2021, the Group disposed of 33.91% of its holdings in the subsidiary out of its 70.20% holdings, leaving AIICO Insurance with 36.29%, effectively losing control and converting AIICO Pensions from a subsidiary to an associated company. Hence, AIICO Insurance accounted for the sales in this financial statements. It also accounted for the investment in the associated company using the equity method of accounting. See Notes 13(b), (e), (f), (g) and (h) for the accounting for the disposal and the associated company.

18.1 Assets and liabilities of disposal groups held for sale and discontinued operations

Assets and liabilities of disposal groups held for sale comprise the assets and liabilities of AIICO Pension Managers Limited as at 30 June 2021.

Carrying values of:

(a) **Assets**

In thousands of naira	**Sep-21**	**Dec-20**
Cash and cash equivalents (see note 18.10)	1,760,622	1,749,941
Financial assets (see note 18.4)	202,389	97,097
Trade receivables (see note 18.5)	139,097	173,459
Other receivables and prepayments (see note 18.6)	70,554	18,271
Goodwill and other intangible assets (see note 18.7)	35,523	43,295
Property and equipment (see note 18.3)	135,322	147,225
Deferred tax assets	8,491	8,491
	2,351,998	**2,237,780**

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(b) **Liabilities**

In thousands of naira	Sep-21	Total
Trade payables	31,592	59,954
Other payables and accruals (see note 18.8)	240,589	92,942
Current income tax payable (see note 12)	6,931	131,083
Deferred tax liability	32,484	32,484
	311,595	**316,462**
Net assets/(liabilities) directly associated with disposal group	**2,040,403**	**1,921,318**
Transfer to profit on discontinued Operation (33.91% of Net assets)	**(691,831)**	**(651,453)**
NCI Share of discontinued Operation (29.8% of net assets	**(608,040)**	**(572,553)**
Transfer to investment in associate (36.29% of net assets)	**740,532**	**697,311**

18.2. **Results of discontinued operations**

In thousands of naira	Sep-21	Jun-20
Revenue	783,001	706,899
Direct cost	-	(13,750)
Gross profit	783,001	693,149
Investment and other income	55,759	118,118
Employee Benefits expense	(347,260)	(549,976)
Other operating expense	(372,416)	(471,052)
Operating profit	119,084	(209,761)
Impairment loss on Investments		-
Finance costs	-	(1,616)
Profit before tax from discontinued operations	119,084	(211,378)
Income tax	-	-
Profit after tax from discontinued operations as @ date of disposal (a)	**119,084**	**(211,378)**
Profit as at September 2021 (b)	**244,848**	
Profit after disposal (b-a)	**125,764**	
Share of Associate profit	**41,376**	

18.3. **Property plant and equipment of subsidiary classified as disposal group**

In thousands of naira	Furniture & equipment	Motor vehicles	Total
Cost			
At 1 January 2021	395,973	330,429	726,402
Additions	25,924	10,000	35,924
Disposals		(23,125)	(23,125)
At 30 September 2021	**421,896**	**317,304**	**739,200**
Accumulated depreciation			
At 1 January 2021	275,598	227,089	502,688
Depreciation for the year	55,320	50,217	105,538
Disposals		(16,250)	(16,250)
At 30 September 2021	**330,919**	**261,057**	**591,975**
Net book value			
At 30 September 2021	**90,978**	**56,247**	**147,225**

18.4. **Financial assets of subsidiary classified as disposal group**

In thousands of naira	Total
Financial assets at amortized cost	202,495
Impairment on financial assets at amortized cost	(106)
	202,389

18.5. **Trade receivables of subsidiary classified as disposal group**

In thousands of naira	Total
Receivable fees	154,771
Impairment on receivable fees	(15,673)
	139,097

18.6. **Other receivables and prepayment of subsidiary classified as disposal group**

In thousands of naira	Total
Prepayment	31,648
Other receivables	38,906
Impairment on other receivables and prepayment	-
	70,554

18.7. **Intangible assets of disposal group**

In thousands of naira	Software	Total
Cost		
Balance at 1 January 2021	224,291	224,291
Acquisitions	17,594	17,594
At 30 September 2021	**241,886**	**241,886**
Accumulated amortization		
Balance at 1 January 2020	169,087	169,087
Amortization for the year	29,503	29,503
At 30 September 2021	**198,590**	**198,590**
Carrying value		
At 30 September 2021	**43,296**	**43,296**

18.8. **Other payables of attributable to subsidiary classified as held for sale.**

In thousands of naira	30-Sep-21	Total
Accrued Expenses	**69,167**	**69,167**
Other Payables	**23,775**	**23,775**
	92,942	**92,942**

18.9. **Cash and cash equivalent classifed as held for sale**

In thousands of naira	30-Sep-21	Total
Amortized cost	**1,764,924**	**1,764,924**
Impairment loss	**(4,303)**	**(4,303)**
	1,760,622	**1,760,622**

19 **Insurance contract liabilities**

	Group		Company	
In thousands of naira	Sep-21	Dec-20	Sep-21	Dec-20
Outstanding claims (see note (a) below)	11,167,423	9,547,751	11,074,196	9,366,445
Claims incurred but not reported (see note (b) below)	3,866,786	3,445,017	3,866,786	3,445,017
Unearned premium (see note (c) below)	8,221,599	5,030,111	8,104,419	4,990,001
Life fund (see (note (d) below)	54,642,960	62,276,724	54,642,960	62,276,724
Annuity fund (see note (e) below)	40,514,813	55,778,785	40,514,813	55,778,785
	118,413,581	**136,078,388**	**118,203,174**	**135,856,973**

(a) Outstanding claims per business segment is as follows;

Group Company

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	Sep-21	Dec-20	Sep-21	Dec-20
Non life	7,385,531	6,504,785	7,385,531	6,504,785
Life	3,688,665	2,861,660	3,688,665	2,861,660
Health	93,227	181,306	-	-
	11,167,423	**9,547,751**	**11,074,196**	**9,366,445**

(a)(i) The movement in outstanding claims is as follows;

	Group		Company	
	Sep-21	**Dec-20**	**Sep-21**	**Dec-20**
Balance at 1 January	9,547,751	6,822,626	9,366,445	6,668,137
Claims incurred during the year	36,143,729	39,010,646	35,856,044	38,565,752
Claims paid during the year (see note 27)	(34,524,057)	(36,285,521)	(34,148,293)	(35,867,444)
	11,167,423	**9,547,751**	**11,074,196**	**9,366,445**

(b) Claims incurred but not reported

	Group		Company	
	Sep-21	**Dec-20**	**Sep-21**	**Dec-20**
Non life	2,756,752	2,127,653	2,756,752	2,127,653
Life	1,110,034	1,317,364	1,110,034	1,317,364
	3,866,786	**3,445,017**	**3,866,786**	**3,445,017**

(c) Unearned premium

Non life	6,232,785	3,832,732	6,232,785	3,832,732
Life	1,871,634	1,157,269	1,871,634	1,157,269
Health	117,180	40,110	-	-
	8,221,599	**5,030,111**	**8,104,419**	**4,990,001**

(i) Movement in unearned premium is as follows;

Balance at 1 January	5,030,111	3,777,808	4,990,001	3,712,068
Changes during the year	3,231,659	1,298,866	4,393,903	1,279,485
Balance as at	**8,215,206**	**5,030,111**	**9,382,352**	**4,990,001**

(d) The movement in individual life fund is as follows;

Balance at 1 January	62,276,724	32,634,748	62,276,724	32,634,748
Changes during the year	(7,633,764)	29,641,976	(7,633,764)	29,641,976
Balance as at	**54,642,960**	**62,276,724**	**54,642,960**	**62,276,724**

(e) The movement in annuity fund is as follows;

	Group		Company	
	Sep-21	**Dec-20**	**Sep-21**	**Dec-20**
Balance at 1 January	55,778,785	39,042,017	55,778,785	39,042,017
Changes during the year	(15,263,972)	16,736,768	(15,263,972)	16,736,768
Change as at 31 December	**40,514,813**	**55,778,785**	**40,514,813**	**55,778,785**

18 Insurance contract liabilities

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Life insurance contract (see (a) below)	99,956,472	75,459,684	99,956,472	75,459,684
Non–life insurance contract (see (b) below)	16,492,248	9,014,415	16,375,068	8,794,186
Total insurance contract liabilities	**116,448,720**	**84,474,099**	**116,331,540**	**84,253,870**

(a) Life insurance contract liabilities

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Provision for reported claims(see note (i) below)	4,798,699	3,782,919	4,798,699	3,782,919
Incurred but not reported (IBNR)	1,110,034	1,017,245	1,110,034	1,017,245
Total life contract outstanding claims provision	**5,908,733**	**4,800,164**	**5,908,733**	**4,800,164**
Liability on long term insurance contract (see note (iii) below)	94,047,739	70,659,520	94,047,739	70,659,520
	99,956,472	**75,459,684**	**99,956,472**	**75,459,684**

(a)(i) Movement in life contract outstanding claims provision can be analyzed as follows:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	3,782,919	1,688,041	3,782,919	1,688,041
Claims incurred during the year (see note 27(i))	28,991,658	23,008,014	28,703,973	22,550,944
Claims paid during the year	(27,975,878)	(20,913,136)	(27,688,193)	(20,456,066)
At 31 December	**4,798,699**	**3,782,919**	**4,798,699**	**3,782,919**

(a)(iii) Analysis of liability on long term insurance contract fund is as follows:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Annuity	40,514,813	39,042,017	40,514,813	39,042,017
Group life	(1,110,034)	(1,017,245)	(1,110,034)	(1,017,245)
Ordinary life	54,642,960	32,634,748	54,642,960	32,634,748
	94,047,739	**70,659,520**	**94,047,739**	**70,659,520**

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(a)(iv) Movement in long term life insurance contract fund can be analyzed as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
At 1 January	70,659,520	53,695,885	70,659,520	53,695,885
Movement during the year	23,388,219	16,963,636	23,388,219	16,963,636
At 31 December	**94,047,739**	**70,659,520**	**94,047,739**	**70,659,520**

(b) Non-life insurance contract liabilities

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Provision for reported claims	7,385,531	3,902,463	7,385,531	3,902,463
Provision for claims incurred but not reported (IBNR)	2,756,752	1,691,907	2,756,752	1,691,907
Total non-life contract outstanding claims provision (see note (i) below)	**10,142,283**	**5,594,370**	**10,142,283**	**5,594,370**
Provision for unearned premium (see note (iii) below)	6,349,965	3,420,045	6,232,785	3,199,816
Total non-life insurance contract liabilities	**16,492,248**	**9,014,415**	**16,375,068**	**8,794,186**

(b)(i) Movement in non-life contract outstanding claims provision can be analyzed as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
At 1 January	5,594,370	4,319,212	5,594,370	4,319,212
Claims incurred in the current accident year (see note 27(ii))	7,573,840	7,600,591	7,573,840	7,600,591
Claims paid during the year	(3,025,927)	(6,325,433)	(3,025,927)	(6,325,433)
At 31 December	**10,142,283**	**5,594,370**	**10,142,283**	**5,594,370**

(b)(iii) Analysis of non-life contract unearned premium is as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Fire	1,764,301	643,440	1,764,301	643,440
Motor	1,033,679	727,856	1,033,679	727,856
Personal Accident	319,097	164,867	319,097	164,867
Casualty	1,095,510	840,195	1,095,510	840,195
Workmen Compensation	68,129	47,858	68,129	47,858
Marine	560,658	228,185	560,658	228,185
Special Oil	1,362,533	542,317	1,362,533	542,317
Agric	28,877	5,099	28,877	5,099
Health Management	117,180.14	220,229	-	-
	6,349,965	**3,420,045**	**6,232,785**	**3,199,816**

(b)(iv) Movement in non-life contract unearned premium can be analyzed as follows:

At 1 January	3,362,876	2,957,835	3,199,816	3,163,894
Changes in health insurance unearned premium	(103,049)	5,591	-	-
Premium written in the year	16,290,143	11,048,984	15,683,579	12,179,141
Premium earned during the year	(13,200,005)	(10,649,534)	(12,650,610)	(12,143,219)
At 31 December	**6,349,965**	**3,362,876**	**6,232,785**	**3,199,816**

20 Investment contract liabilities

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Deposit administration (see note (a) below)	2,668,491	2,906,733	2,668,491	2,906,733
Other investment contract liabilities (see note (b) below)	19,187,969	18,928,643	19,187,969	18,928,643
Total investment contract liabilities	**21,856,460**	**21,835,376**	**21,856,460**	**21,835,376**

(a) Movement in deposit administration is shown below:

At 1 January	2,906,733	2,477,145	2,906,733	2,477,145
Deposits	232,824	357,998	232,824	357,998
Withdrawals	(84,096)	(59,747)	(84,096)	(59,747)
Fees and other deductions	-	-	-	-
Credit of interest and other income	73,322	106,558	73,322	106,558
Impact of actuarial valuation	(424,334)	24,779	(424,334)	24,779
Balance as at	**2,668,491**	**2,906,733**	**2,668,491**	**2,906,733**

(b) Other investment contract liabilities are stated at amortised cost and the amount is analysed as follows:

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
At 1 January	18,928,643	13,724,222	18,928,643	13,724,222
Movement during the year	259,326	5,204,421	259,326	5,204,421
Balance as at	**19,187,969**	**18,928,643**	**19,187,969**	**18,928,643**

Other investment contract liabilities represent deposit-based policies for individual savings business wth insignificant risk element.

21 Trade payables

Trade payables represent amounts payable to reinsurers, co-insurers, agents and brokers at the end of the year. The carrying amounts disclosed below approximate the fair values at the reporting date

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Reinsurance and co-insurance payable	1,605,155	945,826	1,605,155	945,826
Premium paid in advance	253,038	159,403	253,038	159,403
Unallocated premium (see (a) below)	1,287,336	822,415	1,287,336	822,415
Refund to policyholders	29,855	24,256	29,855	24,256
Commission payable	- 306,540	11,993 -	306,540	11,993
Others	386,109	116,785	-	-
Transfer to held for sale	(31,592)	(59,954)	-	-
	3,223,362	**2,020,724**	**2,868,844**	**1,963,893**

(a) This relates to premiums yet to be matched to policies due to various reasons.

22 (a) Other payables and accruals

In thousands of naira	Group Sep-21	Group Dec-20	Company Sep-21	Company Dec-20
Accrued expenses (see note (iii) below)	674,240	1,622,217	498,098	1,552,366
NAICOM levy (see note 33(a))	540,679	613,184	540,679	613,184
Agent provident fund	251,121	196,663	251,121	196,663
Gratuity payable (see note (i) below)	31,916	36,824	31,917	36,824
Deferred income (fees & Commission)	776,453	535,758	776,453	535,758
Other payables (see note (iv) below)	2,168,175	1,284,928	368,987	145,957
Other credit balances (see note (ii) below)	919,677	577,976	919,677	577,976
Payable to subsidiaries	-	-	316,693	233,432
Transferred to disposal group (see note 18(b))	(240,589)	(92,942)	-	-
	5,121,672	**4,774,609**	**3,703,625**	**3,892,160**

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(i) The Company's retirement benefit obligation was terminated in 2014 and the liability as at the date of termination - April 30, 2014, was transferred to a payable account.

(ii) Other credit balances represent outstanding bank credits which have not been matched to the prospective policyholders.

(iii) Included in accrued expense is N178m (2019: N152.4m) which represents deferred incentive pay for executive management staff (from AGM to MD). This incentive pay is 30% of eligible employees annual bonus, which is deferred and shall vest after three years. It will also grow in line with the growth in Net Asset Value (NAV) of the Company.

(iv) The balance due to PTAD in 2019 on the re-acquisition of assets initially availed to PTAD for the settlement of the Company's liabilities has been paid. An agreement was reached with PTAD on the payment of N297,991,985.00 as full and final settlement.

(b) Fixed income liabilities

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Guaranteed income notes (see note (i))	27,195,416	43,046,848	-	-
	27,195,416	43,046,848	-	-

(i) AIICO Capital Limited, a subsidiary company, manages a guaranteed income product, held as fixed income liabilities.
The assets held under this arrangement are in the name of AIICO Capital Limited and the underlying risks are retained by the Company.

(ii) These fixed income liabilities are invested as follows:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Cash and cash equivalents	642,217	1,016,546	-	-
Financial assets	26,553,200	42,030,302	-	-
	27,195,416	43,046,848	-	-

23 Capital and reserves

(a) Share capital

In thousands of naira				
(a)(i) Authorised:				
At 1 January 2020: 36,000,000,000 (2019: 15,000,000,000) shares of 50k each	18,800,000	18,000,000	18,800,000	18,000,000
Increase during the year: 1,600,000,000 (2019: 21,000,000,000) shares of 50k each	-	800,000	-	800,000
At 31 Dec 2020: 37,600,000,000 (2019: 36,000,000,000) shares of 50k each	**18,800,000**	**18,800,000**	**18,800,000**	**18,800,000**

(a)(ii) Ordinary shares issued and fully paid:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January 2020: 6,930,204,480 (2019: 6,930,204,480) shares of 50k each	7,843,988	3,465,102	7,843,988	3,465,102
Increase: 20 February 2020 from private placement: 4,400,000,000 shares of 50k each	-	2,200,000	-	2,200,000
Increase: 29 December 2020 from right issue: 4,357,770,954 shares of 50k each	-	2,178,886	-	2,178,886
At 31 Dec 2020: 15,687,975,434 (2019: 6,930,204,480) shares of 50k each	**7,843,988**	**7,843,988**	**7,843,988**	**7,843,988**

(a)(iii) Ordinary shares issued and fully paid can be further analysed as follows:

In thousands of naira				
General business -11,138,694,884.76 ordinary shares at 50 kobo each (2019: 3,252,479,682)	5,567,625	5,567,625	5,567,625	5,567,625
Life business - 4,549,278,989.26 ordinary shares at 50 kobo each	2,276,363	2,276,363	2,276,363	2,276,363
	7,843,988	**7,843,988**	**7,843,988**	**7,843,988**

(b) Share premium

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January 2020	7,037,181	2,824,389	7,037,181	2,824,389
Increase during the year	-	4,212,792	-	4,212,792
At 31 Dec 2020	**7,037,181**	**7,037,181**	**7,037,181**	**7,037,181**

The increase during the year represents the premium on the Private Placement and the Rights Issue minus less cost of issue.

(c) Revaluation reserve
(i) The balance in this account is analysed as follows:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	1,812,707	1,812,707	1,812,707	1,812,707
Revaluation (loss)/ gain	-	(155,000)	-	(155,000)
Transfer to retained earnings	-	155,000	-	155,000
Balance as at	**1,812,707**	**1,812,707**	**1,812,707**	**1,812,707**

(d) Fair value reserve

	Group		Company	
	Sep-21	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	(507,485)	1,995,336	(438,587)	828,179
Reclassification to/(from) fair value reserves	(91,517)	(64,392)	-	-
Net fair value gain/(loss)	(1,920,727)	(2,598,684)	(310,704)	(1,236,133)
Impairment adjustment	-	36,338	-	(30,632)
Transfer to NCI	60,157	123,917	-	-
Balance as at	**(2,459,574)**	**(507,485)**	**(749,291)**	**(438,587)**

The fair value reserves is further broken down below;

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
Revalued equities - Quoted	(497,330)	(563,212)	(481,865)	(547,748)
Revalued equities - Unquoted	515,292	819,355	515,292	819,355
Revaluation of bonds	(2,540,580)	(876,890)	(836,482)	(763,959)
Impairment reserve	96,230	96,230	35,957	35,957
Revaluation of treasury bills	17,031	17,031	17,807	17,807
Balance as at	**(2,409,356)**	**(507,485)**	**(749,290)**	**(438,586)**

(e) Foreign exchange gains reserve

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	175,600	159,677	175,600	159,677
Exchange gains on financial assets	(49,748)	15,923	(49,748)	15,923
Balance as at	**125,852**	**175,600**	**125,852**	**175,600**

(f) Statutory reserve

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	-	167,874	-	-
Transfer from retained earnings	-	34,168	-	-
Transfer to disposal group (see note 18.9)	-	(202,042)	-	-
Balance as at	**-**	**-**	**-**	**-**

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(g) Statutory reserve

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	202,042	-	-	-
Transfer from statutory reserve	-	202,042	-	-
Transfer to proceeds from sale of discontinued operation	(202,042)	-		
In accordance with the provision of section 81(2) of the Pension Reform Act 2014, the statutory reserve is credited with an amount equivalent to 12.5% of the net profit after	**-**	**202,042**	**-**	**-**

(h) Contingency reserve

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	7,213,595	6,320,410	7,213,595	6,320,410
Transfer from retained earnings	854,350	893,184	854,350	893,184
Balance as at	**8,067,945**	**7,213,595**	**8,067,945**	**7,213,595**

Contingency reserve is calculated, in the case of non-life business, at the rate of the higher of 3% of total premium income receivable during the year or 20% of the net profits in accordance with Section 21(2) of Insurance Act, 2003.

In respect of Life Insurance Business, at the rate of the higher of the higher of 1% of the gross premium and 10% of net profits, in accordance with Section 22(1)(b) of the Insurance Act 2003 until it reaches minimum capital. As at 30 September 2021, for the life business, additional transfer was made to the contingency reserve as it has not reached the minimum capital in line with the Insurance Act, 2003.

(i) Retained earnings
The movement in retained earnings can be analysed as follows:

	Group		Company	
In thousands of naira	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
At 1 January	9,924,143	5,888,969	8,834,100	5,253,959
Transfer from statement of profit or loss and other comprehensive income	2,349,652	5,061,120	2,362,656	4,764,596
Transfer from/(to) contingency reserve	(854,350)	(893,184)	(854,350)	(893,184)
Transfer from statutory reserve (see note (g) above)	-	(34,168)	-	-
Transfer to investment in associate	740,532			
Dividend paid to ordinary shareholders (see (a) below)	-	-	-	-
Realised (loss)/gain on equities	301,407	56,406	(81,232)	(136,269)
Transfer from revaluation reserve	-	(155,000)		(155,000)
Balance as at	**12,461,383**	**9,924,143**	**10,261,176**	**8,834,100**

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24 Gross premium

(a) Gross premium written

Gross premium written by business is as follows:

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Non-life	15,683,579	11,226,921	15,683,579	11,226,921
Life (individual and group)	36,765,718	30,204,950	36,765,718	30,204,950
Annuity	1,618,587	5,192,774	1,618,587	5,192,774
Health Management	606,564	569,614	-	-
	54,674,448	**47,194,259**	**54,067,884**	**46,624,645**

(b) Gross premium income

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Gross premium written	54,674,448	47,194,259	54,067,884	46,624,645
Unearned premium	(3,231,659)	(3,061,965)	(3,114,478)	(2,971,767)
	51,442,789	**44,132,294**	**50,953,406**	**43,652,878**

(c) Reinsurance expenses

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Reinsurance premium charge for the year	10,403,644	6,638,561	10,403,644	6,638,561
Unexpired reinsurance cost	(1,922,714)	(1,271,862)	(1,922,714)	(1,271,862)
Net reinsurance expense	**8,480,930**	**5,366,699**	**8,480,930**	**5,366,699**

25 Fees and commission income

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Insurance contract	1,723,710	777,920	1,723,710	777,920
Pension and other contracts (see note (a) below)	159,739	280,422	-	-
	1,883,449	**1,058,342**	**1,723,710**	**777,920**

(a) Pension and other other contracts relate to fee and income earned on pension fund and asset management by the subsidiary companies.

26 (a) Gross benefits and claims incurred

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Claims paid during the year (note 18(ai))	34,524,057	24,882,896	34,148,293	24,539,976
Change in outstanding claims	1,619,672	4,184,306	1,707,751	4,210,799
Change in incurred but not reported	421,769	563,148	421,769	563,148
	36,565,498	**29,630,350**	**36,277,812**	**29,313,923**
In thousands of naira	**Sep-21**	**Sep-20**	**Sep-21**	**Sep-20**
Life insurance contracts (see note (i) below)	28,991,658	20,371,573	28,703,973	20,055,146
Non-life insurance contracts (see note (ii) below)	7,573,840	9,258,776	7,573,840	9,258,775
	36,565,497	**29,630,349**	**36,277,813**	**29,313,921**

(i) Life insurance contract gross benefits and claims incurred can be analysed as follows:

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Gross benefits	18,590,421	12,956,529	18,590,421	12,956,529
Gross claims	10,643,457	6,920,888	10,355,772	6,604,461
Change in outstanding claims reserve	(242,220)	494,156	(242,220)	494,156
	28,991,658	**20,371,573**	**28,703,973**	**20,055,146**

(ii) Non-life insurance contract gross claims Incurred

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Gross claims incurred	6,944,741	9,038,298	6,944,741	9,038,298
Changes in outstanding claims reserve	629,099	220,478	629,099	220,478
	7,573,840	**9,258,776**	**7,573,840**	**9,258,775**

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
(b) Claim recoveries				
Claims recovered from reinsurance	4,184,866	3,394,037	8,613,114	10,313,013
Changes in outstanding claims	2,214,124	3,459,488	(2,214,124)	(3,459,488)
	6,398,990	**6,853,525**	**6,398,990**	**6,853,525**
(i) Claims recoveries can be futher analysed as follows:				
Life	2,239,342	251,496	2,239,342	251,496
Non-life (see note (ii) below)	4,159,648	6,602,029	4,159,648	6,602,029
	6,398,990	**6,853,525**	**6,398,990**	**6,853,525**
(ii) Non-life business claims recoveries can be analysed as follows:				
Recoveries - reinsurance	4,130,148	6,506,009	4,130,148	6,506,009
Recoveries - salvage	29,500	96,020	29,500	96,020
	4,159,648	**6,602,029**	**4,159,648**	**6,602,029**

27 Underwriting expenses

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Acquisition costs (see note (a) below)	5,232,370	4,531,524	5,189,208	4,498,142
Maintenance expenses (see note (c) below)	2,342,176	1,122,800	2,342,176	1,122,800
	7,574,546	**5,654,324**	**7,531,384**	**5,620,942**

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(a) Acquisition costs by business is as follows:

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Life	3,087,960	2,955,728	3,087,960	2,955,728
Non-life	2,101,248	1,542,414	2,101,248	1,542,414
Multishield HMO	43,162	33,382	-	-
	5,232,370	**4,531,524**	**5,189,208**	**4,498,142**

(b) Acquisition costs is analysed as follows:

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Acquisition cost during the year	5,651,173	4,796,847	5,651,173	4,796,847
Net movement in deferred acquisition cost	(461,965)	(298,705)	(461,965)	(298,705)
Commission incurred	5,189,208	4,498,142	5,189,208	4,498,142
Providers' capitation fee and other direct expenses	43,162	33,382	-	-
	5,232,370	**4,531,524**	**5,189,208**	**4,498,142**

(c) Maintenance expenses can be analysed as follows:

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Policy administration expenses	1,589,903	887,748	1,589,903	887,748
Tracking expenses	13,543	11,857	13,543	11,857
Service charges	738,730	223,195	738,730	223,195
	2,342,176	**1,122,800**	**2,342,176**	**1,122,800**

28 (a) Investment income

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Policyholders' funds (see note (i) below)	4,678,988	4,596,664	4,678,988	4,671,841
Annuity funds (see note (ii) below)	3,392,560	2,376,018	3,392,551	1,949,201
Shareholders' funds (see note (iii) below)	1,461,793	3,652,805	1,014,251	682,594
	9,533,341	**10,625,487**	**9,085,790**	**7,303,637**

(i) Investment income attributable to policyholders' funds

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Interest income on financial assets	4,417,578	4,315,854	4,417,578	4,315,854
Interest income on cash and cash equivalents	83,142	39,823	83,142	39,823
Income on policy loan	150,454	132,029	150,454	132,029
Dividend income	27,813	108,957	27,813	184,135
	4,678,988	**4,596,664**	**4,678,988**	**4,671,841**

(ii) Investment income attributable to annuity funds

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Interest income on financial assets	3,392,551	2,376,018	3,392,551	2,376,018
Interest expense on cash and cash equivalents	-	-	-	-
	3,392,560	**2,376,018**	**3,392,560**	**2,376,018**

(iii) Investment income attributable to shareholders' funds

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Interest income on financial assets	845,095	3,276,787	441,905	373,342
Interest income on cash and cash equivalents	526,561	316,920	482,208	250,154
Dividend income	90,138	59,098	90,138	59,098
	1,461,793	**3,652,950**	**1,014,251**	**682,594**

(b) Profit on deposit administration

Investment income on deposit administration can be analysed as follows:

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Investment income on deposit	185,156	100,863	185,156	100,863
Guaranteed interest to policyholders	(73,322)	(61,491)	(73,322)	(61,491)
Acquisition expense	(417)	(211)	(417)	(211)
Impact of actuarial valuation	335,333	4,486	335,333	4,486
Profit from deposit administration	**446,751**	**43,648**	**446,751**	**43,648**

29 (a) Net realised gains

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Net realised gains are attributable to the following:				
Property and equipment	5,683	2,781	5,683	2,781
Fair value financial instruments (see (b) below)	1,180,414	1,502,364	1,180,414	1,502,364
	1,186,097	**1,505,145**	**1,186,097**	**1,505,146**

(b) Net realised gains on fair value financial instrument can be analysed as follows:

	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Gain on treasury bills	-	-	-	-
Gain on FGN Bonds	1,180,414	1,502,364	1,180,414	1,502,364
	1,180,415	**1,502,364**	**1,180,415**	**1,502,364**

30 Net fair value gains/(losses)

In thousands of naira	Group Sep-21	Group Sep-20	Company Sep-21	Company Sep-20
Financial assets	(33,831,322)	21,044,467	(33,831,322)	21,044,467
Investment properties	-	-	-	-
	(33,831,322)	**21,044,467**	**(33,831,322)**	**21,044,467**

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31 Other operating income

	Group		Company	
In thousands of naira	Sep-21	Sep-20	Sep-21	Sep-20
Sundry income	807,662	800,047	303,238	643,689
Interest income on deposit shares	-	-	-	-
Exchange (loss)	(25,891)	434,536	(25,891)	434,536
	781,771	**1,234,583**	**277,347**	**1,078,225**

32 Personnel expenses

	Group		Company	
In thousands of naira	Sep-21	Sep-20	Sep-21	Sep-20
Salaries	1,134,379	1,172,045	801,253	824,781
Allowances and other benefits	1,479,915	1,697,487	1,277,848	1,240,449
	2,614,294	**2,869,532**	**2,079,101**	**2,065,230**

33 Other operating expenses

	Group		Company	
In thousands of naira	Sep-21	Sep-20	Sep-21	Sep-20
Travel and representation	257,363	172,425	231,117	152,373
Marketing and administration	722,142	851,884	694,509	450,374
Occupancy	470,462	377,474	423,122	328,643
Amortization of Right of Use Assets	77,106	65,756	77,106	65,756
Communication and postages	574,549	438,616	528,493	389,928
Dues and subscriptions	84,755	89,635	70,562	84,841
Office supply and stationery	98,122	68,593	96,500	68,498
Fees and assessments	2,043,283	1,389,207	2,289,137	1,401,301
Consulting fees (External actuary, tax consultancy)	7,430	-	-	
Depreciation and amortisation	481,908	481,944	400,227	409,332
Miscellaneous expenses (see note (a) below)	443,887	199,323	384,145	120,321
Foreign exchange loss	-	266,410	-	266,410
	5,261,007	**4,401,267**	**5,194,918**	**3,737,777**

(a) Miscellaneous expenses relate to local taxes including tenement rates, land use charges, parking fees, etc payable to local tax authorities.

34 Impairment losses

	Group		Company	
In thousands of naira	Sep-21	Sep-20	Sep-21	Sep-20
Impairment loss on financial instruments and others	(2,413)	10,742	-	-
	(2,413)	**10,742**	**-**	**-**

35 Earnings per share

(a) Earnings per share from continued operation

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the

	Group		Company	
In thousands of naira	Sep-21	Sep-20	Sep-21	Sep-20
Net profit attributable to ordinary shareholders from continued operation	52,729	5,225,901	(650,719)	4,764,596
Net profit attributable to ordinary shareholders from discontinued operation	2,296,924	(90,027)	3,013,374	-
	2,349,652	**5,135,874**	**2,362,656**	**4,764,596**
Number of shares in issue	**15,687,975**	**6,930,204**	**15,687,975**	**6,930,204**
Weighted average of ordinary shares in issue	15,687,975	11,330,204	15,687,975	11,330,204
Basic and diluted earnings per share from continued operation (kobo)	0	45	(4)	42
Basic and diluted earnings per share from discontinued operation (kobo)	15	(1)	19	-
	15	**45**	**15**	**42**

36 Related party disclosures

(a) Parent and ultimate controlling party

The ultimate controlling party of the Group is AIICO Insurance PLC.

(b) Transactions with key management personnel

(b)(i) Loan to directors

In 2020, no loan was advanced to directors (2019: nil).

(b)(ii) Key management personnel transactions

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.
A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

Company			**Transaction values ('000)**		**Balance outstanding ('000)**	
Name of related party	**Relationship**	**Nature of transaction**	**Sep-21**	**Dec-20**	**Sep-21**	**Dec-20**
AIICO Pension Managers Limited	Associate	Insurance Premium	-	7,965	-	-
		Rent	-	12,529	103	103
AIICO Multishield Limited	Subsidiary	Health Premium	37,331	34,528	-	-
		Insurance Premium	6,730	6,730	-	-
AIICO Capital Limited*	Subsidiary	Portfolio Management	442,543	366,084	316,693	233,432
		Insurance Premium	7,592	7,592	-	-
		Rent	30,003	30,003	-	-
Magnartis Finance and Investment Limited**	Common Director	Stockbrokers	8,787	8,787	186,707	186,707
			532,985	474,217	503,503	420,242

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* AIICO Insurance Plc employs the services of AIICO Capital Limited to manage its financial assets. In return, AIICO Capital charges a percentage on the income generated as management fees.

**Magnartis Finance and Investment Limited are stockbrokers that trades the Company's equity portfolio. The balance reflected above are the unsettled balances on stock transactions as at reporting date.

The terms and conditions of the finance lease transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 3 months of the reporting date. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

No guarantees have been given or received.

(c) Key management personnel compensation for the period

	Group		Company	
In thousands of naira	**2021**	**2020**	**2021**	**2020**
Wages and salaries	441,296	441,296	268,111	268,111
Post employment benefits	36,217	36,217	26,509	26,509
	477,513	477,513	294,620	294,620

(d) Directors remuneration

Directors remuneration excluding pension contributions and certain benefits was provided as follows:

	Group		Company	
In thousands of naira	**2021**	**2020**	**2021**	**2020**
Fees as Directors	5,838	5,838	1,710	855
Other allowances	28,108	20,059	32,236	22,042
	33,946	25,897	33,946	22,897
Executive compensation	127,365	127,365	63,858	63,858
	161,311	153,262	97,804	86,755
Chairman	30,000	30,000	11,522	11,522
Highest paid director	48,581	48,581	48,581	48,581

The number of directors, including the Chairman, whose emoluments were within the following range were:

	Group		Company	
	2021	**2020**	**2021**	**2020**
1,000,001 - 2,000,000	-	-	-	-
2,000,001 and above	19	19	6	6
	19	19	6	6

37 Contingencies and commitments

(a)(i) Legal proceedings and obligations

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. The Directors through legal counsel have assessed the obligations that such proceedings (including litigation) will not have any material effect on its results and financial position, hence, no provisions have been made in the financial statements.

(ii) The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies related to such regulations.

(b) Funds under management

This represents investments held on behalf of clients and are stated at amortised cost.
An analysis of funds under management is shown below:

	Group		Company	
In thousands of naira	**2021**	**2020**	**2021**	**2020**
AIICO Money Market Fund (AMMF) (see note (i) below)	665,904	905,688	-	-
AIICO Balance Mutual Fund (ABF)	153,060	171,601		
High Networth Individuals Fund (HNI) (see note (ii) below)	1,522,865	7,545,096	-	-
Non-pension funds	2,341,829	8,622,385	-	-
Pension Funds (see note (iii) below)	146,205,929	146,205,929		
Total funds	148,547,758	154,828,314	-	-

These funds do not form part of the assets and liabilities of the Group as the risks and rewards of these investments belong to the customers.

Fees earned from the management of these funds are as follows:

	Group		Company	
In thousands of naira	**2021**	**2020**	**2021**	**2020**
AMMF	4,552	14,351	-	-
ABF	650	2,903		
HNI Fund	6,861	27,127	-	-
Non-pension funds	12,063	44,381	-	-
Pension Funds	604,573	1,511,432	-	-
Total funds	616,636	1,555,813	-	-

(i) AIICO Money Market Fund (AMMF)

This represents customers' investment in the AIICO Money Market Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company.
This fund is regulated by the Nigerian Securities and Exchange Commission (SEC) and it started on 10 March 2014.
It currently trades at ₦100 per unit as at 30 September 2021 (2020: ₦100)

(c) High Networth Individuals Fund (HNI)

This represents customers' investment in High Networth Individuals Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund started in August 2015.

Returns on this fund are discretionary, however, when the Group exceeds the returns agreed with the customer, they earn a 20% performance fee on the excess. The Group also charges management fees on this Fund.

(d) Pension Funds

This comprise the AIICO Pensions Retirement Savings Account (RSA) Fund, Retiree Fund, Institutional Fund and Transitional Contribution Fund which is managed by AIICO Pension Managers Limited.

AIICO Pensions Retirement Savings Account and Retiree Funds are open pension funds, while the remaining funds are closed.

(e) Unclaimed dividend

The Company has unclaimed dividend of ₦737.2million as at 30 September 2021, 2020 (N737.2million). As required by section 16(d) of the Nigerian Securities and Exchange Commission (SEC) guidelines the assets representing these unclaimed dividend do not form part of the assets of the Company. These funds were returned to AIICO insurance and is domiciled with the custodian.

Notes to the Consolidated and Separate Financial Statements (Continued)
For the period ended 30 September 2021

38 Contraventions and penalties

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
The following payments were made relating to contraventions and penalties during the year:				
Penalty to National Insurance Commission (NAICOM) (see note (i) below)	-	250	-	250
Penalty to National Insurance Commission (NAICOM) (see note (ii) below)	-	-	-	-
	-	**250**	**-**	**250**

39 Personnel

The average number of persons employed at the end of the year was:

Number	Group 2021	Group 2020	Company 2021	Company 2020
Managerial	77	68	52	43
Senior staff	356	347	255	246
Junior staff	149	150	6	7
	582	565	313	296

(a) The personnel expenses for the above persons were:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Wages and salaries	1,134,379	1,172,045	801,253	824,781
Other staff costs	1,479,915	1,697,487	1,277,848	1,240,449
	2,614,294	2,869,532	2,079,101	2,065,230

(b) The number of employees paid emoluments, excluding pension and allowances, above ₦100,000 for the year were:

Number	Group 2021	Group 2020	Company 2021	Company 2020
100,000 - 600,000	275	275	195	195
600,001 - 1,200,000	119	119	56	56
1,200,001 - 2,400,000	67	67	12	12
2,400,001 and above	121	104	50	33
	582	565	313	296

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For the period ended 30 September 2021

40 Hypothecation of assets

2021

	Policyholder's fund						
	Life Fund	**Annuity**	**Investment Contract Liabilities**	**Non-life Insurance Contract Liabilities**	**Total Policyholders fund**	**Shareholders' fund**	**Total**
Cash and cash equivalents	2,562,811	-	621,162	241,265	3,425,239	4,475,136	7,900,375
Financial assets:							
Bonds and treasury bills	48,002,599	40,748,430	21,043,494	6,067,980	115,862,503	19,846,570	135,709,074
Quoted equities	1,411,839	91,751	211,749	782,755	2,498,094	52,937	2,551,031
Unquoted equities	2,081,420	-	155,830	-	2,237,250	1,624,492	3,861,742
Loans & receivables	2,516,401	-	-	-	2,516,401	1,017,429	3,533,830
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment in associate						705,691	705,691
Investment properties	47,500	-	-	-	47,500	710,500	758,000
Property and equipment	2,658,306	-	-	-	2,658,306	3,969,025	6,627,331
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	2,395,670	-	-	10,024,056	12,419,726	5,650,917	18,070,643
Total assets (a)	61,676,547	40,840,181	22,032,234	17,116,056	141,665,019	39,640,014	181,305,032
Policyholders liabilities (b)	61,313,293	40,514,813	21,856,460	16,375,068	140,059,634	41,245,398	181,305,032
Excess/ (shortfall) of assets over liabilities (a-b)	**363,254**	**325,368**	**175,774**	**740,988**	**1,605,385**	**(1,605,384)**	**-**
(a) Other Assets							
Trade receivables	-	-	-	786,493	786,493	-	786,493
Reinsurance assets	2,395,670	-	-	9,237,563	11,633,233	-	11,633,233
Deferred acquisition costs	-	-	-	-	-	1,044,230	1,044,230
Other receivables and prepayments	-	-	-	-	-	3,763,051	3,763,051
Deferred tax assets	-	-	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-	843,636	843,636
	2,395,670	-	-	10,024,056	12,419,726	5,650,917	18,070,643

2020

	Policyholder's fund						
	Life Fund	**Annuity**	**-**	**Non-life Insurance Contract Liabilities**	**Total Policyholders fund**	**Shareholders' fund**	**41,376.21**
Cash and cash equivalents	2,312,811	-	175,774	2,089,941	4,873,915	4,405,470	36,182,665
Financial assets:							
Bonds and treasury bills	57,428,725	58,671,328	21,252,054	2,067,980	139,420,087	17,726,395	157,146,482
Quoted equities	1,411,839	91,751	211,749	782,755	2,498,094	52,937	2,551,031
Unquoted equities	2,081,420	-	155,830	-	2,237,250	1,624,492	3,861,742
Money market placements	-	-	-	-	-	-	-
Loans & receivables	2,020,403	-	-	-	2,020,403	494,741	2,515,143
Investment in subsidiaries	-	-	-	-	-	2,452,359	2,452,359
Investment properties	47,500	-	-	-	47,500	710,500	758,000
Property and equipment	1,974,554	-	-	-	1,974,554	4,731,016	6,705,570
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	725,700	-	-	7,668,291	8,393,991	2,170,905	10,564,896
Total assets (a)	68,002,953	58,763,079	22,090,794	12,608,967	161,465,793	34,868,816	196,334,608
Policyholders liabilities (b)	67,613,017	55,778,785	21,835,376	12,465,170	157,692,348	38,642,260	196,334,608
Excess/ (shortfall) of assets over liabilities (a-b)	**389,936**	**2,984,294**	**255,418**	**143,797**	**3,773,445**	**(3,773,444)**	**-**
Other Assets							
Trade receivables	-	-	-	897,596	897,596	-	897,596
Reinsurance assets	725,700	-	-	6,770,695	7,496,395	-	7,496,395
Deferred acquisition costs	-	-	-	-	-	582,265	582,265
Other receivables and prepayments	-	-	-	-	-	726,262	726,262
Deferred tax assets	-	-	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-	862,378	862,378
	725,700	-	-	7,668,291	8,393,991	2,170,905	10,564,896

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43 Disclosure on the impact of COVID 19

The World Health Organization (WHO), following the widespread of the virus over the globe declared the coronavirus (COVID-19) a global pandemic. The spread and its impact has generated a degree of uncertainty and anxiety, as governments and health experts attempt to curtail the proliferation of the virus. Consequently, the Company has put in place measures to mitigate the risk on its operations and services to its stakeholders.

Prior to the advent of COVID-19, the Company has consistently tested and evaluated its Business Continuity Management System (BCMS) with the support and guidance of the British Standard Institutions (BSI), having granted the Company certification of the system under ISO 22301 standard since 2012. The BSI conducts annual and three-year continuous assessment visit and recertification audit respectively of the ISO 22301 standard certification maintenance.

At the advent of the pandemic and upon the continued COVID-19 scourge, in order to manage its impact on the business operations, the Company adapted and evoked the BCMS to proactively manage, the possible impact of the COVID -19 incident on the Company's business continuity. Within this framework, the Company swiftly reviewed its organizational–wide and departmental COVID 19 Incident Management Plan (IMP) and Business Continuity Plan (BCPs) respectively , which details a systematic approach to responding to and managing exigencies that may bring about business interruptions or cause a complete or partial system shut down.

In line with Nigeria and the World Health Organization (WHO) protocols, the Company rolled out precautionary measures to protect our employees, customers and other stakeholders as well as ensure business operations continued with minimal interruption. These include:

• Enforced basic infection prevention measures, as advised by the World Health Organization (WHO) and government agencies.
• Continuous employees enlightenment and education on COVID-19 precautionary measures
• Communication with customers and partners (brokers, agents, etc.) on the continuation of service delivery via e-business solutions.
• Sustained factual and effective communications to stakeholders
• Continuous assessment of the COVID-19 risks. In particular, as it affects employees, workplace facilities, customers, business operations, and community.
• A continued to monitor compliance to all COVID-19 strategies implemented to forestall any eventualities.
• Establishment of a cross-functional COVID-19 response team that reports to the Incident Management Team, and headed by one of the Executive Directors.
• Entrenchment of extant remote working strategy. This include including advising employees to temporarily work remotely and providing required resources for both onsite and offsite employees to facilitate optimal operations and customer satisfaction.

Impact of the pandemic on the business

The Company assessed the financial and capital impact on its business across its Life and Non-Life businesses with varying scenarios ranging from two-month year to a six-month of lockdown. We have assessed the impact of COVID-19 on the Company's operations, cash flow, liquidity, capital resources, strategic and brand as well as risks and uncertainties about the impact on future years. The outcome of the assessment does not suggest any significant adverse impact on the Company's survival and sustainability. Our core businesses, however, were affected as the pandemic hindered business development, disrupted plans for effective product mix, with consequent impact on our overall profit position.

Specifically, our Retail Life business saw a decline in uptake of multiyear and large case size policies across the board. Endowment, travel and Deferred Annuity product lines, which were positioned for growth at beginning of the year, were particularly impacted by the pandemic. Key trigger points were a slowed economic environment, increased business uncertainty and job disruption of targeted customers. Summarily, customers were simply unwilling to commit to longer term, higher premium risk-based policies.

Additionally, the general downward movement and volatility in financial market, particularly bond and currency markets have impacted our investment earnings by increasing the fair value gains on our investment portfolios with a corresponding increase in the fair valuation of our actuarial liabilities, while reducing the interest income attainable on our new investments. These developments have also necessitated a review of our projected earnings/Budget for FY2020 to reflect current market realities.

Within our Corporate Business unit, there was also considerable impact on the Oil and Gas product lines as oil prices crashed due to lower expected demand and a potential flooding of supply. Locally, this led to a stall in several major energy projects and streamline of larger sized energy projects. New business was constrained by movement restrictions, which affected the team's ability to carry out on-site risk inspections and evaluations.

To effectively navigate these challenges brought about by COVID -19, we will continue to work closely with our agents and brokers to define and deliver unique, simplified, cost-effective value propositions to our teeming customers across markets. We are also prioritising the adoption of digital tools and new tech to adequately surmount the constraints imposed on offline sales by COVID -19.

Impact of the pandemic on the business (Cont'd)

To effectively navigate these challenges brought about by COVID -19, we will be working closely with our agents and brokers to define and deliver unique, simplified, cost-effective value propositions to our teeming customers across markets. We are also prioritising the adoption of digital tools and new tech to adequately surmount the constraints imposed on offline sales by COVID -19.

As the economy gradually reopens, our strategy will be to propel our performance for enhanced profitability through customer led innovation and deep market partnerships amongst other business recovery strategies.

As a socially responsible organization, we supported the Federal Government and Lagos State Government in the fight against the pandemic by providing life insurance to over 5,000 frontline Healthcare workers. In addition, we provided hygiene kits to pregnant women and established a feeding program, targeted at less privileged in vulnerable communities within Lagos State.

The Company will continue to make adequate mitigations and continuously ensure it proactively manages the impact of COVID-19 on its corporate existence and objectives. The Company will continue to monitor all the business risks and effectively mitigate these risks as they unfold. The management of AIICO Insurance PLC remains committed to meeting stakeholders' interests whilst taking the Company above and beyond

44 Securities trading policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) AIICO Insurance Plc maintains a 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 undergoes yearly reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.