



AXA MANSARD

AXA Mansard Insurance Plc and Subsidiary Companies

**Annual Report
31 December 2021**

Introduction

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

AXA Mansard Insurance Plc's Financial Statements comply with the applicable legal requirements of the Companies and Allied Matters Act (CAMA), 2020 regarding financial statements and comprises Consolidated and Separate Financial Statements of the group for the year ended 31 December 2021. The consolidated and separate financial statements have been prepared in accordance with the IFRS Standards.

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AXA MANSARD

AXA Mansard Insurance Plc and Subsidiary Companies

Business Review

Corporate information

Chairman	Mr. Olusola Adeeyo	Chairman	Nigerian	
Directors	Mr. Kunle Ahmed	Chief Executive Officer	Nigerian	
	Mr. Ohis Ohiwerei	Independent Director	Nigerian	<i>*Resigned from the Board effective from April 19, 2021</i>
	Mr. Hassan El-Shabrawishi	Non Executive Director	Egyptian	
	Mr. Tope Adeniyi	Non Executive Director	Nigerian	
	Mrs. Rashidat Adebisi	Executive Director	Nigerian	
	Mr. John Dickson	Non Executive Director	British	
	Mr. Kuldeep Kaushik	Non Executive Director	Indian	<i>**Resigned from the Board effective November 17, 2021</i>
	Mr. Thomas Hude	Non Executive Director	French	<i>***Appointed effective January 6, 2022</i>
	Ms. Latifa Said	Non Executive Director	French	<i>****Appointed effective January 6, 2022</i>
	Ms. Abiola Bada	Independent Director	Nigerian	<i>*****Appointed effective January 6, 2022</i>
Registered Office	Santa Clara Court Plot 1412, Ahmadu Bello Way Victoria Island Lagos www.axamansard.com			
Company Secretary	Mrs. Omowunmi Mabel Adewusi			
RC No.	133276			
FRC Reg. No.	FRC/2012/0000000000228			
Auditors	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street, Victoria Island, Lagos Tel: (01) 2718955 www.kpmg.com/ng			
Bankers	Guaranty Trust Bank Plc Standard Chartered Bank Nigeria Limited First City Monument Bank Limited Stanbic IBTC Bank Plc Access Bank Plc Citibank Nigeria Limited Ecobank Nigeria Plc Fidelity Bank Plc Heritage Bank Limited Union Bank of Nigeria Plc United Bank of Africa Plc			
Re-insurers	African Reinsurance Corporation Continental Reinsurance Plc. Swiss Re Munich Reinsurance Company Limited			
Actuaries	Zamara Consulting Actuaries Nigeria Limited QED Actuaries & Cons. (Pty) Ltd AXA Mansard	Nikhil Dodhia C Van Heerden Jolaolu Fakoya	FRC No: FRC/2021/004/00000024023 FRC No: FRC/2018/NAS/00000018470 FRC No: FRC/2019/002/00000020016	
Valuers	Osas & Oseji Est. Surv. & Valuers Osas & Oseji Est. Surv. & Valuers	Osas & Oseji Hyacinth Oseji	FRC No: FRC/2012/000000000052 FRC No: FRC/2019/004/000000/20162	
Registrar	DataMax Registrars Limited			

Corporate Addresses

HEAD OFFICE

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

ABUJA

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

PORT HARCOURT

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

MINNA

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

KADUNA

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

AXA MANSARD FRANCHISE OFFICE

ABUJA

Suite B2, Berger Paint Plaza,
6 Alexandria Crescent,
Wuse 2

Abuja

LEKKI

5, Emma Abimbola Street
Viva Mall, Lekki Phase I
Lagos State

EGBEDA

24 Egbeda Akowonjo Road,
Egbeda
Lagos State

ANTHONY

8 Anthony Village
Ikeja
Lagos State

KANO

Ground Floor, Office No. 12A,
J.B.S Plaza, 375 Civic Centre,
Kano State

AXA MANSARD WELCOME CENTERS

ABUJA

Plot 1568 Muhammadu Buhari Way
Area 11, Garki, Abuja

ALAUZA

The Heritage Place
199B Obafemi Awolowo Way
Alausa-Ikeja, Lagos.

YABA

176, Herbert Macaulay,
Adekunle, Yaba, Lagos.

FESTAC

Shop 1, festival mall
Janet Fajemegbesin Street
Amuwo-Odofin
Lagos State

IKOTA

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

EPE

First floor, Oando Service Station
71/73 Lagos road
Epe

APAPA

12/14 wharf road Apapa
Lagos State

OGBA

18 Ijaiye Road Ogba, Ikeja
Lagos State

ENUGU

Bethel Plaza (Suite A5),

Plot 6, Garden Avenue, Opp. Diamond Bank,
Enugu, Enugu State

BENIN

15 Sapele Road Benin City
Edo State

UYO

140 Olusegun Obasanjo Road
(Formerly Abak Road)
Akwa Ibom State

ILORIN

30 Ibrahim Taiwo Road Ilorin
Kwara State

WARRI

78, Airport Road, Warri,
Delta State

ABEOKUTA

Office N0 A002, Block A,
Providence Centre Shopping Mall & Offices
MKO Abiola Way, Abeokuta
Ogun State

AHMADU BELLO WAY-V/I

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

OPEBI

15/17 Opebi Road
Opebi, Ikeja, Lagos.

ONIKAN

2 McCarthy Street, Onikan
Lagos State

PORT HARCOURT

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

IBADAN I

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

IBADAN II

Diamond World House, Beside Sewa House,
Along Orita-Challenge Road, Ibadan

SURULERE

82 Adeniran Ogunsanya Street, Surulere
Lagos State

KADUNA

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

VICTORIA ISLAND

84 Ozumba Mbadiwe Street
Victoria Island
Lagos State

LEKKI

Ground Floor, B0, Wing B, Plot 1A (3)
Block 12E Lekki Peninsula, Scheme 1
Admiralty Way Lekki Phase 1, Lagos State

FADEYI

97, Ikorodu Road, Fadeyi, Lagos
Lagos State

Purpose, Vision and Values

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

Our Purpose

We act for human progress by protecting what matters.

Our Vision

To transform our value proposition "from payer to partner", we will deliver new services complementing the traditional insurance coverage and build models to increase the protection of our customers

Our corporate values

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

Customer first

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

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

Courage

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

One AXA

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

Integrity

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

2021 Corporate responsibility report

Background

AXA Mansard's overall CSR strategy is geared towards impacting the society as a whole while maximizing the creation of shared value for members of staff, shareholders and stakeholders.

As the pandemic gradually eases off going into 2021, AXA Mansard's CSR efforts were directed towards improving the skills of Health care workers in Nigeria as well as empowering women who are most vulnerable as a result of the impact of the pandemic. We also undertook environmental sustainability initiatives.

SUPPORT FOR NON-GOVERNMENTAL ORGANIZATIONS

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

In our quest towards improving the skills of medical Doctors in Nigeria, AXA Mansard donated the sum of Two Million Naira (N2,000,000) in March, 2021 to the Postgraduate Training Fellowships in general urology at the Pan-African Urological Surgeons Association's Initiative for Urological Training in Africa (PIUTA), Ibadan Centre, University of Ibadan and University College Hospital, Ibadan.

SUPPORT FOR WOMEN

In celebration of 2021 International Women's Day, AXA Mansard donated the sum of (N1,500,000) to SME 100 Africa to hold a webinar and a business pitch competition for Women that own SMEs. This was aimed to bring together women who are in particularly challenging industries for women and have significantly thrived despite the pandemic, to gain strategies and draw knowledge from them on how best to navigate a business in a Covid-19 world.

DONATION TO BREAST CANCER AWARENESS

In May 2021, AXA Mansard donated (N150,000) to Wellness Africa Foundation for the breast cancer awareness outreach in schools

DONATION TO HEALTH INITIATIVE ROUNDTABLE DIALOGUE

In November 2021, AXA Mansard donated (N200,000) to Wellness Africa Foundation for the health initiative roundtable dialogue in Abeokuta. This event was geared towards improving the uptake of health insurance among residents of Egbealand

SUPPORT FOR ENVIRONMENTAL SUSTAINABILITY

BEACH CLEAN UP EXERCISE & FREE WEBINAR ON WASTE

On September 25, 2021 AXA Mansard members of staff converged at the Elegushi beach in Lagos for a Beach clean up exercise which is in line with our commitment to protect the environment and promote a more sustainable lifestyle. To further support this initiative, AXA Mansard organized a free Webinar on zero waste and the importance of recycling to the general public

Complaints and feedback

Introduction

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

Complaints channels

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

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

2021 Corporate responsibility report

2021 Corporate social responsibility report

Customers can also pay a visit to any of our welcome centres nationwide to interact with our staff, make enquiries and provide feedback on our services. The addresses for these centres can be found on our website at <https://corporate.axamansard.com/contact/#locations>.

Resolution structure

We have adopted a standard process flow for complaint resolution within stipulated timelines, as well as steps to mitigate future occurrence, while taking advantage of opportunity for continuous innovation. For this purpose, we have two dedicated teams within our Customer Engagement function – the Contact Centre, which is responsible for both phone, email and online engagements, and the Branch Operations team that caters for those who prefer to physically visit any of our offices or welcome centres.

Our customer service agents within these teams liaise with other units within the company to ensure that all customers' complaints raised are satisfactorily resolved. The process flow for complaint resolution is as follows:

- * The officer at the receiving point of a customer's complaint acknowledges and records the complaint.
- * Complaint is reviewed and addressed at the first level (i.e. at the receiving point) and feedback is immediately provided to the customer
- * If complaint requires a second level involvement, it is immediately forwarded to the team responsible for resolution and the customer is provided with updates on the progress of the resolution effort.
- * Upon resolution, the customer is contacted, and the resolution is explained the customer.
- * Thereafter, the complaint is closed, marked as resolved and logged for future review.

FEEDBACK PROCESS

We paid attention to various keep-in-touch activities aimed at gaining valuable insights on customers' perspectives of our products and services. This was geared towards enriching our customers' experience by the continuous improvement of our processes. Specifically, we gathered the customer feedback via the following channels:

- * One-on-one conversations with select customers
- * Focus group discussions with customers
- * Surveys / questionnaires administered to customer
- * Daily Keep-in-Touch call exercise

Consequent upon receipt of feedback, initiatives were set up internally and championed by the management team, with relevant units and groups within the business called upon to ensure that areas needing improvement were adequately addressed.

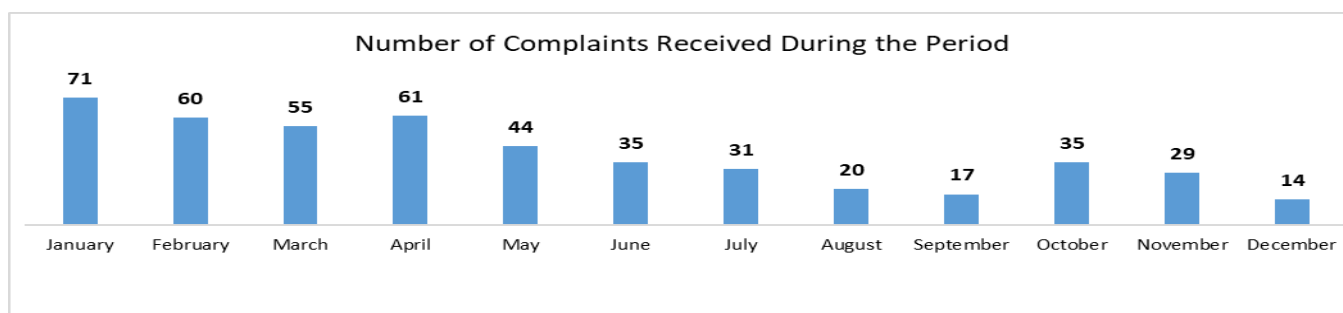
2021 Corporate responsibility report

2021 Corporate social responsibility report

COMPLAINT ANALYSIS

Report of complaints received and resolved by the company between January - December 2021

Month	Number of Complaints received during the period	Number of complaints resolved	Number of complaints unresolved	Number of complaints unresolved within SLA
January	71	71	Nil	3
February	60	60	Nil	2
March	55	55	Nil	Nil
April	61	61	Nil	2
May	44	44	Nil	Nil
June	35	35	Nil	Nil
July	31	31	Nil	Nil
August	20	20	Nil	Nil
September	17	17	Nil	Nil
October	35	35	Nil	Nil
November	29	29	Nil	Nil
December	14	14	Nil	Nil
Total	472	472	Nil	7



We received a total of 472 complaints during the year and these were all duly resolved. As can be seen in the chart, the trend was generally optimistic, with complaints declining through the year down to a minimum number recorded in December. The particular characteristics of the complaints trend as observed for each quarter and the actions taken are nonetheless highlighted below.

In the first quarter of the year, we further optimized our transactional website with improvements made to online self-service channels. This led to an increase in the number of users who opted to use these self-service channels to access their policy statements, initiate liquidations, make claims and top-up their premiums online. Many users were new to the online platform and were unfamiliar with some functionalities, such as getting registered for self-service. They reached out to our customer service team, which promptly provided the necessary support. A self-service guide which incorporate learnings from these engagements was developed and sent customers to address common concerns. Overall, the interventions proved effective.

Majority of the complaints that were received in Q2 were about delayed claim settlement. The delays experienced with these settlements were as a result of factors such as non-provision of required documents, need for investigation and other due diligence requirements. We have since introduced a new platform called Fast Track Claim, which has greatly sped up turnaround time for claims settlement as claims lodged through this platform are settled promptly as a result of automation of the process for such settlements.

By the third quarter, most of the underlying root causes of the issues highlighted in prior quarters had been addressed and key improvement had been made to the related process. As a result, this quarter accounted for the fewest number of complaints on record. There were a few complaints though, mainly involving incidents where direct debit instructions were still in effect on some customers' accounts despite their requesting cancellation of such standing instructions. In such cases, we were able to leverage our relationship with the banks involved to get the issue resolved.

2021 Corporate responsibility report

2021 Corporate social responsibility report

The spike in number of complaints observed at the beginning of Q4 was the result of protracted account reconciliations after payments, which in turn led to delays in updating some customers' account statements with the payment amounts. A number of these were due to delayed payment remission by payment gateway providers and such situations were eventually addressed through active engagement with these providers. At other times, this was as a result of payments made into customer accounts with multiple policies, without any description of the specific policy to apply the payment. These customers were contacted, and the appropriate actions were taken to reconcile their accounts. Customers have also been advised to utilize the online payment channel available on our website, as this provides immediate statement update.

Overall, we are pleased to report that all complaints received during the year were acknowledged and addressed accordingly.

SUSTAINABILITY REPORT

The Environmental and Social Management System- Our approach

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

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

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

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

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

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

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

Continuous awareness

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

Our commitment

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



AXA Mansard Insurance Plc and Subsidiary Companies

Corporate Governance

Corporate governance report

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

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

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

Governance structure

The Board

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

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

The Board membership comprises of eight (8) members, including the Independent Chairman, four (4) Non-Executive Directors, One (1) Chief Executive Officer, One (1) Executive Director (Client Services & Technical) and one (1) Independent Director appointed based on the criteria laid down by NAICOM for the appointment of Independent Director(s) .The Independent Director does not have any significant shareholding interest or any special business relationship with the Company. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Company’s Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

Responsibilities of the Board

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

The powers reserved for the Board include the following:

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

Roles of key members of the Board

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

The Chairman

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

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

The Chief Executive Officer

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

Corporate governance report

The Independent Director

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

Company's Secretary

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

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

Director nomination process

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

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

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

The following are considered critical in nominating a new director;

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

Induction and continuous training of Board members

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

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

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

Changes on the Board

There were changes in the composition of the Board in the course of the year. Mr. Ohis Ohiwerei and Mr. Kuldeep Kaushik resigned from the Board during the year under review. Mr. Thomas Hude, Ms. Latifa Said and Ms. Abiola Bada who were appointed in 2021 were all approved by NAICOM on January 6, 2022.

Mr. Thomas Hude- Non-Executive Director

Mr. Hude has over 10 years' experience in corporate & business strategy, Personal & Commercial Lines, Finance as well as Investor Relations. He is currently the Deputy Strategy Development Officer of AXA Africa. Prior to this, he worked at AXA Group as the Deputy Head of the Group Strategy Team responsible for steering the leadership team strategic discussions and strategic reviews of subsidiaries.

Ms. Latifa Said- Non-Executive Director

Ms. Said has over 18 years' experience in Human Resources (HRIS, Recruitment and Learning & Development). She is currently responsible for overseeing the Human Resources for AXA entities in Africa and is also the Global Talent Lead. Prior to this, she worked at AXA Group Solutions in various capacities from Head of Change Management to Head of Transformation. Her track record combines experience in HR, Communications and Transformation in complex international environments, constantly driven by a focus on value creation and results.

Ms. Abiola Bada- Independent Non-Executive Director

Mrs. Bada is a Chartered Accountant with work experience spanning 35 years in the professional services, financial sector, and regulatory environment in the areas of auditing, inspection, organization & methods, marketing, and general administration. She was Director of Finance at KPMG Professional Services for over 14 years and during this period she was at the forefront of compilation, monitoring, evaluation and reporting of the results of Profit Centres in KPMG, Nigeria, thereby aiding decision making on growth and profit sustenance initiatives. She has extensive experience in the areas of Financial Management, Human Capital, Operations and General Management.

Corporate governance report

Non-Executive Directors (NEDs) Remuneration

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

Board Meetings

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

The Board met four (4) times during the period ended December 31, 2021.

Name of Director	Composition	Meetings attended	12-Feb-21	7-May-21	28-Jul-21	27-Oct-21
Mr. Olusola Adeeyo	Director	4	X	X	X	X
Mr. Kunle Ahmed	Director	4	X	X	X	X
Mr. Ohis Ohiwerei*	Director	1	X	N/A	N/A	N/A
Mr. Hassan El-Shabrawishi	Director	4	X	X	X	X
Mr. Tope Adeniyi	Director	4	X	X	X	X
Mrs. Rashidat Adebisi	Director	4	X	X	X	X
Mr. John Dickson	Director	4	X	X	X	X
Mr. Kuldeep Kaushik**	Director	3	X	X	X	0

*Resigned from the Board effective from April 19, 2021

**Resigned from the Board effective from November 17, 2021

Board Committees

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

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

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

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

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

(i) Statutory Audit Committee

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

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

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

The Committee is made up of the following members:

1. Mr. Ohis Ohiwerei*	Non-Executive (Independent) Director	– Chairman
2. Mr. Akingbola Akinola	Shareholder's Representative	– Acting Chairman
3. Mrs. Ayodeji Oloye	Shareholder's Representative	– Member
4. Mrs. Adebisi Bakare	Shareholder's Representative	– Member

Corporate governance report

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

Name	Composition	Meetings attended	10-Feb-21	22-Apr-21	22-Jul-21	20-Oct-21
Mr. Ohis Ohiwerei*	Chairman	1	X	N/A	N/A	N/A
Mr. Akingbola Akinola	Acting Chairman	4	X	X	X	X
Mrs. Ayodeji Oloye	Independent shareholder	4	X	X	X	X
Mrs Adebisi Bakare	Independent shareholder	2	N/A	N/A	X	X

*Resigned from the Board effective from April 19, 2021

(ii) Board Investment and Finance Committee

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

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

The Committee is made up of the following members:

- | | | |
|--------------------------|--------------------------------------|----------|
| 1. Mrs. Rashidat Adebisi | Executive Director (Client Services) | Chairman |
| 2. Mr. Tope Adeniyi | Non Executive Director | Member |
| 3. Mr. Kunle Ahmed | Chief Executive Officer | Member |

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

Name	Composition	Meetings attended	11-Feb-21	4-May-21	27-Jul-21	26-Oct-21
Mrs. Rashidat Adebisi	Chairman	4	X	X	X	X
Mr. Tope Adeniyi	Member	4	X	X	X	X
Mr. Kunle Ahmed	Member	4	X	X	X	X

(iii) Board Risk Management and Technical Committee

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

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

The Committee is made up of the following members:

- | | | |
|--------------------------|---|----------|
| 1. Mr. John Dickson | Non Executive Director | Chairman |
| 2. Mr. Kunle Ahmed | Chief Executive Officer | Member |
| 3. Mrs. Rashidat Adebisi | Executive Director (Client Services) | Member |
| 4. Mr. Kuldeep Kaushik** | Executive Director (Actuarial Services) | Member |

Corporate governance report

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

Name	Composition	Meetings attended	11-Feb-21	5-May-21	27-Jul-21	26-Oct-21
Mr. John Dickson	Chairman	4	X	X	X	X
Mr. Kunle Ahmed	Member	4	X	X	X	X
Mrs. Rashidat Adebisi	Member	4	X	X	X	X
Mr. Kuldeep Kaushik**	Member	2	X	X	-	-

***Resigned from the Board effective from November 17, 2021*

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

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

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

The Committee is made up of the following members:

1. Mr. Ohis Ohiwerei Non Executive Director Chairman

The Committee met once during the period under review:

Name	Composition	Meetings attended	12-Feb-21			
Mr. Ohis Ohiwerei	Chairman	1	X			

** Resigned from the Board effective from April 19, 2021*

Annual Board Appraisal

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

Shareholders

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

Protection of Shareholders' Rights

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

Communication policy

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

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

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

Corporate governance report

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

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

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

Independent advice

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

Insider trading and price sensitive information

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

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

Securities Trading Policy

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

Management committees

The Company has 4 Committees which comprises of management staff.

The Management Committee (MC) is the Committee set up to identify and make recommendations on strategies that will aid the long term objectives of the Company. The IT Steering committee (IT Steerco) provides advice and guidance on proposed technology initiatives for the Company that embodies the overall objectives of the company. Audit, Risk and Compliance Committee (ARCC) is a committee tasked with the purpose of reviewing all material risks faced by the Company and The MUIC also ensures that risk investment limits as contained in the Board Investment and Finance manual are complied with at all times. They provide inputs from the Board Committee and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. Both Committees meet frequently as necessary to immediately take action and decisions within the confines of their powers.

The Secretary to the Committees is the Company Secretary.

Monitoring compliance with corporate governance

i) Chief Compliance Officer

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

ii) Whistle blowing procedures

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

Code of professional conduct for employees

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

Corporate governance report

Complaints Management Policy

In accordance with the rules and regulations of The Securities & Exchange Commission, the Company adopted and implemented a Complaints Management Policy

which is a platform that addresses complaints arising out of issues that are covered under the Investments and Securities Act, 2007 (ISA) by the Company's shareholders. The Complaints Management policy was designed to handle and resolve complaints from all shareholders of the Company. The policy was endorsed by the Company's senior management, who would also be responsible for its implementation and monitoring of compliance.

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

Internal management structure

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

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

Share capital history

As at 31 December 2021, the Company's Authorized capital and Issued capital was N18,000,000,000 divided into 9,000,000,000 Ordinary shares of N2.00k each. The initial share capital upon incorporation and subsequent changes therein are as follows:

Date	Authorized increase	Cumulative	Issued (N) Increase	Cumulative (N)
1989	-	34,300,000	-	17,150,000
1998	6,346,000	40,646,000	3,173,000	20,323,000
1999	5,978,000	46,624,000	2,989,000	23,312,000
2000	706,000	47,330,000	353,000	23,665,000
2002	152,798,000	200,128,000	76,399,000	100,064,000
2004	799,872,000	1,000,000,000	399,936,000	500,000,000
2006	4,746,440,954	5,746,440,954	2,373,220,477	2,873,220,477
2006	3,938,744,509	9,685,185,463	1,969,372,254	4,842,592,731
2007	314,814,537	10,000,000,000	157,407,269	5,000,000,000
*2007	(5,000,000,000)	5,000,000,000	(2,500,000,000)	2,500,000,000
2008	3,750,000,000	8,750,000,000	1,875,000,000	4,375,000,000
2009	1,250,000,000	10,000,000,000	625,000,000	5,000,000,000
2010	-	10,000,000,000	-	5,000,000,000
2011	-	10,000,000,000	-	5,000,000,000
2012	-	10,000,000,000	-	5,000,000,000
2013	500,000,000	10,500,000,000	-	5,000,000,000
2014	-	10,500,000,000	250,000,000	5,250,000,000
2015	-	10,500,000,000	-	5,250,000,000
2016	-	10,500,000,000	-	5,250,000,000
2017	-	10,500,000,000	-	5,250,000,000
2018	-	10,000,000,000	-	5,250,000,000
2019	-	10,500,000,000	-	5,250,000,000
2020	25,500,000,000	36,000,000,000	12,750,000,000	18,000,000,000
2021	-	18,000,000,000	-	9,000,000,000

The Company's issued and fully paid share capital was reconstructed by a special resolution of the Board at its meeting on the 18th of October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid share capital will stand at N2,500,000,000 divided into 5,000,000,000 Ordinary shares at 50k each with the surplus nominal value arising from the reconstruction being transferred to the Company's capital reserve account. The reconstruction was sanctioned by the Federal High Court of Nigeria, Lagos on 31st October 2007 and registered by the Corporate Affairs Commission on the 18th of December 2007. Pursuant to an Extra Ordinary General Meeting held on the 7th of December 2020, a resolution was passed to increase the Share Capital of the Company from N5,250,000,000 to N18,000,000,000 and accordingly an increase in shares outstanding from 10.5 billion to 36.0 billion shares. Following this, the company received shareholder and regulatory approval to effect a redenomination of the nominal value of its shares from N0.50 to N2.00. This redenomination reconstructs the shares outstanding from 36.0bn shares to 9.0bn shares without altering the shareholding structure of the company.

Disclosure: Securities Trading Policy

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

Risk Management

Our Guiding Principles

We have incorporated an approach aimed at creating and maximizing sustainable /superior value to our stakeholders that strategically balances the risk and reward in our business.

AXA Mansard's Risk philosophy is guided by the following principles:

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

Risk Management Framework

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

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

1st line – Risk Owners

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

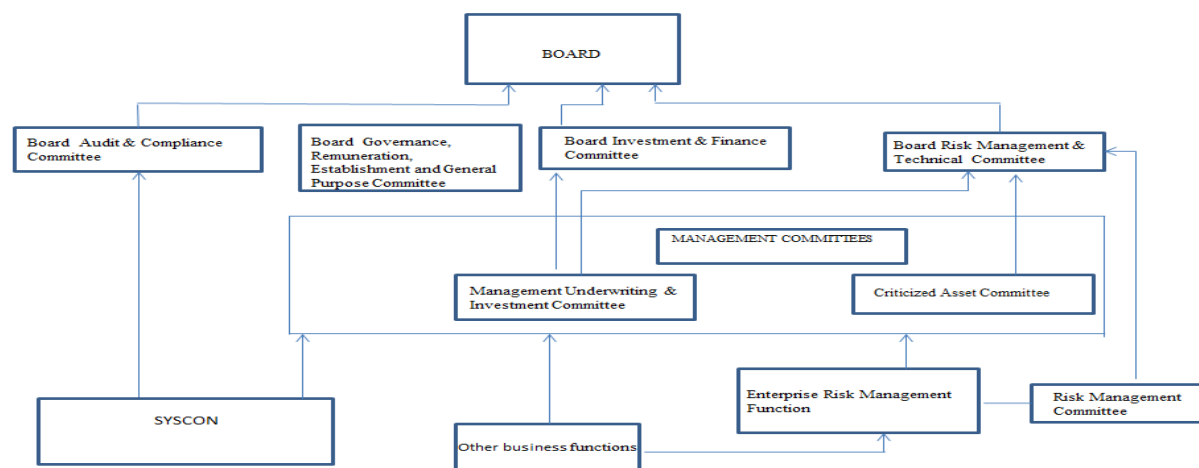
2nd line – Risk Control

The Company's risk management function provides oversight and independent reporting to executive management, implements the Group's risks management policy in the business units, approve risk specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defense. Other internal stakeholders in the role include our legal services, Compliance and Quality Assurance (AML/CFT policy, Data Privacy Policy, Sanctions Policy, Anti – Bribery & Corruption Policy and Cross Border Policy), Financial Control, Internal Financial Control, Internal Control and Security.

3rd line – Risk assurance

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

Risk Management Governance Structure



Risk Management

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

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

Integration of Risk Management Functions: Our Approach

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

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

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

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

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

Risk appetite

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

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

Risk Management

The Risk Management policies and procedures instituted are strategically aimed at managing potential, inherent and residual risk categories inherent in our operations.

The Board recognizes that the practice of risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, primed risk-taking and acceptance of risk as inherent in all our activities, whilst reducing barriers to successful implementation.

Our structured approach to managing risks is evident in the integration of the risk management function; which is charged with the responsibility of undertaking risk-based audit on all business units using outputs of the annual company-wide risk assessment to guide its annual audit program. A quarterly assessment exercise is conducted by this unit and a rated score expressed in percentage is applied to measure the level of compliance.

Risk categorization

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

Insurance Risk

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

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

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

Underwriting risk

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

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

Underwriting risks may arise through the following ways:

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

Non life business

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

Risk Management

a) Frequency and severity of claims

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

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

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

c) Process used to decide on assumptions

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

Basic Chain Ladder method (BCL)

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

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

I.e. IBNR =

Ultimate claim amount (excl. extreme large losses)
minus paid claims to date (excl. extreme large losses)
minus claims outstanding (excl. extreme large losses)

Loss Ratio method

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

The IBNR is then calculated as:

Expected average ultimate annual loss ratio
Multiplied by earned premium for the past 12 months
Minus experience to date over the past 12 accident months

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

Life & Savings

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

(a) Frequency and severity of claims

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

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

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

Risk Management

(c) Valuation methods

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

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

Reinsurance Agreements

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

Market Risk

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

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

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

Credit risk

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

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

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

Liquidity risk

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

- 1) *Funding (Cash-flow) Liquidity Risk*: These risks arise from investment-linked products especially in circumstances where there are liquidity constraints to meet financial obligations to customers.
- 2) *Market (Asset) Liquidity Risk*: risk of loss which is occasioned by the incapacity to sell assets at or near their carrying value at the time needed.

Operational risk

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

Health and Safety Management

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

Reputational risk

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

Risk Management

Reputational Risk Management

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

Operational Resilience:

The Operational Resilience Framework covers Business Continuity Management (BCM), Crisis Management (CM) and IT Service Continuity Management (ITSCM) frameworks.

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

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

The IT Service Continuity Management ensures the availability of IT resources needed to sustain critical services to customers at acceptable predefined levels during disruptive incidents.

The Operational Resilience policy's objective is to protect our people, customers and brand by sustaining critical customer services at acceptable levels while responding to expected and unexpected disruptions and adapting to changes in our operation environment.

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

Emerging Risks are newly developing or changing risks that are generally characterized by major uncertainty. This includes but is not limited to Pandemic and infectious diseases, Climate change, Cybersecurity risks and Geopolitical Instability. We appreciate the considerable uncertainty posed by these risks and we are fully committed to identifying, monitoring and continually implementing mitigating actions to address the risks.

Information Risk is the likelihood that an unauthorized user will negatively impact the confidentiality, integrity, and availability of data that has been collected, transmitted, or stored. It also includes hardware and software failure, human error, spam, viruses, and malicious attacks, as well as natural disasters such as fires, cyclones, or floods.

The purpose of information risk management is to identify, access, report and manage information risk, to support the achievement of AXA Mansard's planned objectives and to align with the overall risk management framework and approach.

Management's Discussion and Analysis

This "Management discussion and analysis" (MD&A) has been prepared as at 31 December 2021 and should be read in conjunction with the consolidated financial statements of AXA Mansard Insurance Plc and subsidiary companies.

Forward looking statements

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

Business strategy of the Company and overall performance

The Company is registered and incorporated in Nigeria and is engaged in providing insurance and investment solutions to both the corporate and retail sectors of Nigeria. It also aims to establish itself as the apex insurance company in Nigeria and the West African region.

The Company's strategy is to use technology and international best practice to provide it's customers with tailored solutions, superior services and specially designed programs to assist its patrons through a network of regional and agency offices spread over Nigeria.

Operating results

(in thousands of Nigerian Naira)

	Group			Parent		
	31-Dec-2021	31-Dec-2020	% Chg	31-Dec-2021	31-Dec-2020	% Chg
Gross written premium	60,197,851	47,583,434	27%	37,546,391	27,547,903	36%
Net premium income	37,142,182	31,716,484	17%	15,736,790	13,482,798	17%
Total underwriting profit	9,229,916	7,437,132	24%	5,419,493	2,364,623	129%
Total investment income	6,251,251	7,089,381	-12%	5,107,387	6,205,116	-18%
Profit before tax	5,784,972	6,038,755	-4%	3,114,551	2,553,366	22%
Profit after tax	3,735,165	4,540,337	-18%	2,490,693	2,473,255	1%
Earnings per share - basic (kobo); entire operations	35	53	-34%	28	27	1%
Earnings per share - basic (kobo); continuing operations	0	0	0%	28	27	1%

Directors' Report

The Directors have pleasure in presenting their Annual Report on the affairs of AXA Mansard Insurance Plc ("the Company") and its subsidiaries (together, "the Group"), together with the Group audited financial statements and the auditor's report for the year ended December 31, 2021.

Legal form and principal activity

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

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

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

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

AXA Mansard Investments Limited was incorporated as a private limited liability company on 9 January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients. AXA Mansard Health Limited was incorporated as a private limited liability company on the 7th of August 2003 and its principal activities is to manage the provision of health care services through health care providers and for that purpose accredited with the National Health Insurance Scheme. APD Limited was incorporated on 2 September 2010 for the purpose of leasing, holding and developing the Company's commercial property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure.

Operating results

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

(in thousands of Nigerian Naira)

	Note	Group 31-Dec-2021	Group 31-Dec-2020	Parent 31-Dec-2021	Parent 31-Dec-2020
Profit before tax		5,784,972	6,038,755	3,114,551	2,553,366
Taxation	42	(2,049,807)	(1,537,671)	(623,858)	(80,111)
Profit after tax		3,735,165	4,501,084	2,490,693	2,473,255
Non Controlling Interest	28	(570,306)	269,016	-	-
Transfer to contingency reserve	27.3	(471,591)	(74,667)	(471,591)	(74,667)
Dividend paid		-	-	1,980,000	-
Earnings per share – Basic (in kobo)	43	35	53	28	27
Earnings per share – Basic (in kobo); continued operation	43	-	-	28	27
Dividend per share - (in kobo)	43	-	-	-	-

Directors and their interests

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act (CAMA), 2020 and the listing requirements of the Nigerian Stock Exchange are noted below:

		Direct / Indirect Holdings 31-Dec-2021	Direct / Indirect Holdings 31-Dec-2020
Mr. Olusola Adeeyo	Chairman	Nil	Nil
Mr. Kunle Ahmed	Chief Executive Officer	26,656,627	68,846,986
Mr. Ohis Ohiwerei*	Independent Director	Nil	Nil
Mr. Hassan El-Shabrawishi	Non Executive Director	Nil	Nil
Mr. Tope Adeniyi	Non Executive Director	6,144,052	4,427,129
Mrs. Rashidat Adebisi	Executive Director	26,955,815	53,534,499
Mr. John Dickson	Non Executive Director	Nil	Nil
Mr. Kuldeep Kaushik**	Independent Director	Nil	Nil

*Resigned from the Board effective from April 19, 2021

**Resigned from the Board effective November 17, 2021

Subsequent to year end, Mr Thomas Hude, Ms Latifa Said (Non-executive Directors) and Ms Abiola Bada (Independent Director) joined the board effective 6 January, 2022.

Directors' Report

Change In directorship

Mr. Ohis Ohiwerei and Mr. Kuldeep Kauchik resigned from the Board of the Company during the year under review.

Mr. Thomas Hude, Ms. Latifa Said and Ms. Abiola Bada were appointed to the Board of the Company during the year under review.

Directors' remuneration

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

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

Directors' interests in contracts

In compliance with Section 303 of the Companies and Allied Matters Act of Nigeria (CAMA) 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

Major shareholdings

According to the Register of Members, no shareholder other than the undermentioned held more than 5% of the issued share capital of the Company as at 31 December 2021:

	31-Dec-21		31-Dec-20	
	No. of shareholding	% shareholding	No. of shareholding	% shareholding
Assur Africa Holdings Limited	6,883,328,897	76.48%	27,533,315,588	76.48%
**Stanbic Nominees Nigeria Limited	695,371,139	7.73%	2,268,078,730	6.30%

** Stanbic Nominees held the cumulative total of 7.73% of the Company's shares largely in trading accounts on behalf of various investors.

Analysis of shareholding

The analysis of the distribution of the shares of the Company as at 31 December, 2021 is as follows:

Share Range	No. of Shareholders	% Shareholders	No. of Holdings	% of Holdings
1 - 1,000	1,852	33.02%	755,470	0.01%
1001 - 5,000	1,049	18.70%	2,798,276	0.03%
5,001 - 10,000	491	8.75%	3,776,102	0.04%
10,001 - 50,000	962	17.15%	23,789,942	0.26%
50,001 - 100,000	338	6.03%	25,269,089	0.28%
100,001 - 500,000	524	9.34%	119,698,423	1.33%
500,001 - 1,000,000	157	2.80%	115,694,216	1.29%
1,000,001 - 9,000,000,000	236	4.21%	8,708,218,482	96.76%
9,000,000,001 - 30,000,000,000				
Total	5,609	100%	9,000,000,000	100%

The analysis of the distribution of the shares of the Company as at 31 December, 2020 is as follows:

Share Range	No. of Shareholders	% Shareholders	No. of Holdings	% of Holdings
1 - 1,000	680	14.44%	248,925	0.01%
1001 - 5,000	976	20.73%	2,735,941	0.01%
5,001 - 10,000	372	7.90%	2,622,108	0.01%
10,001 - 50,000	1,004	21.32%	24,966,576	0.07%
50,001 - 100,000	347	7.37%	24,882,319	0.07%
100,001 - 500,000	661	14.04%	159,846,573	0.44%
500,001 - 1,000,000	194	4.12%	139,190,236	0.39%
1,000,001 - 9,000,000,000	474	10.07%	8,112,191,734	22.53%
9,000,000,001 - 30,000,000,000	1	0.02%	27,533,315,588	76.48%
Total	4,709	100%	36,000,000,000	100%

Directors' Report

Property and equipment

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

Donations and charitable gifts

In order to contribute our quota in fighting against COVID-19 and identifying with the aspirations of the community and the environment within which the Group operates, a total sum of N26,745,650 (2020: N26,745,650) was given out as donations and charitable contributions during the year. Details of the donations and charitable contributions are as follows:

Organizations:	31-Dec-2021
Government Hospitals	6,082,350
Industry Donation to the Fight Against COVID (NIA)	20,000,000
Donation to Red Cross	500,000
Donate A Book Initiative	163,300
	26,582,350

Human resources

Employment of disabled persons

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

Health, safety and welfare of employees

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

Employee involvement and training

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

Gender analysis

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

	Male Number	Female Number	Male %	Female %
Employees	143	128	53%	47%
Gender analysis of Board and top management is as follows:	9	5		
Board	8	3	89%	33%
Top Management	1	2	33%	67%

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

	Male Number	Female Number	Male %	Female %
Non-Executive Director	7	2	71%	29%
Chief Executive Officer	1	0	100%	0%
Executive Director	0	1	0%	100%
Executive Committee	1	2	33%	67%
Senior Executives	6	4	60%	40%

31 December 2020

	Male Number	Female Number	Male %	Female %
Employees	162	124	57%	43%
Gender analysis of Board and top management is as follows:				
Board	7	1	88%	12%
Top Management	12	5	71%	29%

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

	Male Number	Female Number	Male %	Female %
Non-Executive Director	6	0	100%	0%
Chief Executive Officer	1	0	100%	0%
Executive Director	0	1	0%	100%
Executive Committee	3	3	50%	50%
Senior Executives	9	2	82%	18%

Directors' Report

Acquisition of own shares

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

Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria (CAMA) 2020 therefore, the auditor will be re-appointed at the next annual general meeting of the Company.

BY ORDER OF THE BOARD



Mrs. Omowunmi Mabel Adewusi

Company Secretary

FRC/2013/NBA/00000000967

Plot 1412, Ahmadu Bello Way,

Victoria Island, Lagos.

17 February 2022

Statement of directors' responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2021

The directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the statement of financial position of the Group and Company at the reporting date and of its comprehensive income in the manner required by the Companies and Allied Matters Act (CAMA) 2020 of Nigeria and the Nigerian Insurance Act. The responsibilities include ensuring that the Company and the Group:

- i. keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and the Group and with the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Insurance Act;
- ii. establish adequate internal controls to safeguard assets and to prevent and detect fraud and other irregularities; and
- iii. prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

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

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Nigerian Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM);
- the requirements of the Companies and Allied Matters Act (CAMA), 2020; and
- Financial Reporting Council of Nigeria Act

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Adekunle Ahmed

FRC/2017/CIIN/00000017019

17 February 2022



Mr. Olusola Adeeyo

FRC/2013/NIM/00000001919

17 February 2022

Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and Chief Financial Officer, hereby certify the financial statements of the AXA Mansard Insurance Plc for the year ended 31 December 2021 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2021.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2021.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to the officer by other officers of the companies, during the period end 31 December 2021.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Company's internal controls are effective as of that date
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control



Chief Executive Officer
FRC/2017/CIIN/00000017019
17 February 2022



Chief Financial Officer
FRC/2017/ANAN/00000017349
17 February 2022

Report of the Statutory Audit Committee

To the members of AXA Mansard Insurance Plc:

In compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria (CAMA) 2020, the members of the Audit Committee of AXA Mansard Insurance Plc hereby report as follows:

We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act of Nigeria (CAMA) 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Group are in compliance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the Group's internal control systems.

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



Mr. Akingbola Akinola

FRC/2014/NBA/00000008627

Acting Chairman, Statutory Audit Committee

17 February 2022

Members of the Statutory Audit Committee are:

- | | | |
|---|-----------------------|-----------------|
| 1 | Mr. Ohiwerei* | Chairman |
| 2 | Mr. Akingbola Akinola | Acting Chairman |
| 3 | Mrs. Ayodeji Oloye | Member |
| 4 | Mrs Adebisi Bakare | |

In attendance:

Mrs. Tolulope Oke	Secretary
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**Resigned from the Board effective from April 19, 2021*



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AXA Mansard Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of AXA Mansard Insurance Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2021 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

Key Audit Matters

A key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Insurance Contract Liabilities

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

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

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, expenses, and discount rates.



The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design, implementation, and operating effectiveness of key controls instituted by the Group which includes management review of data used for the valuation of insurance contract liabilities.
- We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting data.
- We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Group's external actuary in calculating the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account industry practice and specific product features of the Group.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group's actuaries and performed liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate by comparing them to company specific data and to reflect market conditions.
- We considered the Group's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias. We were also assisted by our actuarial specialists in this regard.

The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.13 and 2.14 (accounting policy), note 4(a) (critical accounting estimates and judgments) and note 21 (insurance contract liabilities).

Other information

The Directors are responsible for the other information which comprises corporate information, corporate addresses, purpose, vision and values, corporate responsibility report, corporate governance report, risk management report, management discussion and analysis, directors' report, statement of directors' responsibilities, statement of corporate responsibility, report of the audit committee and other national disclosures which we obtained prior to date of the auditor's report, but does not include the consolidated and separate financial statements and our audit report thereon. Other information also include chairman's statement and CEO's statement, together "the outstanding reports", which are expected to be made available to us after that date.

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

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

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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



We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act, 2020.

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contraventions and penalties

The Company incurred a fine in respect of late submission of minimum rate report during the year. This has been disclosed in note 47 to the financial statement.

Signed:

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
29 March 2022
Lagos, Nigeria





AXA Mansard Insurance Plc and Subsidiary Companies

Consolidated and Separate Financial Statements

31 December 2021


Consolidated and Separate Statements of Financial Position

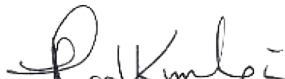
as at 31 December 2021


(All amounts in thousands of Naira)

	Notes	Group 31-Dec-21	Group 31-Dec-20	Parent 31-Dec-21	Parent 31-Dec-20
ASSETS					
Cash and cash equivalents	8	17,343,344	20,251,719	14,227,012	16,575,948
<i>Investment securities:</i>					
– Fair value through profit or loss	9.1	3,653,526	5,407,073	3,653,526	5,407,073
– Available-for-sale assets	9.2	35,107,536	31,102,632	30,864,575	27,764,440
Financial assets designated at fair value	9.3	4,374,805	4,485,246	4,374,805	4,485,246
Trade receivables	10	7,013,359	6,668,899	1,196,453	1,043,004
Reinsurance assets	11	11,172,348	6,499,653	10,870,972	6,327,265
Deferred acquisition cost	12	752,954	415,717	620,749	346,212
Other receivables	13	3,929,886	1,286,603	2,981,536	726,911
Loans and receivables	14	1,655,085	470,272	2,666,458	1,014,377
Investment property	15	14,560,934	13,694,760	-	-
Investment in subsidiaries	16	-	-	1,652,000	1,652,000
Intangible assets	17	400,647	330,017	354,896	305,443
Property and equipment	18	2,802,458	2,428,288	2,404,365	2,154,801
Right of use	18c	797,757	898,841	654,074	722,803
Statutory deposit	19	500,000	500,000	500,000	500,000
TOTAL ASSETS		104,064,639	94,439,720	77,021,421	69,025,523
LIABILITIES					
Insurance liabilities	20	36,928,441	29,597,844	25,594,713	19,550,486
<i>Investment contract liabilities:</i>					
– At amortised cost	21.1	6,868,168	5,153,521	6,868,168	5,153,521
– Liabilities designated at fair value	21.2	4,374,805	4,485,246	4,374,805	4,485,246
Trade payables	22	11,638,229	9,111,737	11,286,130	8,947,445
Other liabilities	23	4,513,072	2,936,095	3,141,233	1,393,590
Current income tax liabilities	24	1,962,020	1,648,795	645,958	125,911
Borrowings	25	2,454,143	2,994,361	-	-
Deferred tax liability	26	932,573	818,666	-	-
TOTAL LIABILITIES		69,671,451	56,746,265	51,911,007	39,656,199
EQUITY					
Share capital	27.1	18,000,000	18,000,000	18,000,000	18,000,000
Share premium	27.2	78,255	-	78,255	-
Contingency reserve	27.3	4,816,716	4,345,125	4,816,716	4,345,125
Other reserves	27.4	-	167,381	-	167,381
Treasury shares	27.5	(111,476)	(304,924)	(111,476)	(304,924)
Fair value reserves	27.6	(62,329)	5,264,806	(8,764)	5,032,542
Retained earnings	27.7	7,351,131	6,470,482	2,335,683	2,129,200
SHAREHOLDERS' FUNDS		30,072,297	33,942,870	25,110,414	29,369,324
Total equity attributable to the owners of the parent		30,072,297	33,942,870	25,110,414	29,369,324
Non-controlling interest in equity	28	4,320,891	3,750,585	-	-
TOTAL EQUITY		34,393,188	37,693,455	25,110,414	29,369,324
TOTAL LIABILITIES AND EQUITY		104,064,639	94,439,720	77,021,421	69,025,523

Signed on behalf of the Board of Directors on 17 February 2022


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


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


Mr. Olusola Adeyoye
FRC/2013/NIM/00000001919
Chairman

The accompanying notes are an integral part of these financial statements

Consolidated and Separate Statements of Comprehensive Income

for the year ended 31 December 2021

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-21	Group 31-Dec-20	Parent 31-Dec-21	Parent 31-Dec-20
Continuing operations					
Gross written premium	30	60,197,851	47,583,434	37,546,391	27,547,903
Gross premium income	30	55,722,892	45,519,867	34,054,988	27,069,133
Reinsurance expenses	30	(18,580,710)	(13,803,383)	(18,318,198)	(13,586,335)
Net premium income	30	37,142,182	31,716,484	15,736,790	13,482,798
Fee and commission on insurance contracts	31	1,860,567	1,657,816	1,860,567	1,657,816
Net underwriting income		39,002,749	33,374,300	17,597,357	15,140,614
<i>Claims:</i>					
Claims expenses (gross)	32	(28,927,967)	(21,182,710)	(11,930,407)	(8,569,687)
Claims expenses recovered from reinsurers	32	4,610,999	910,496	4,436,812	821,006
Underwriting expenses	33	(4,774,332)	(3,797,462)	(4,002,736)	(3,159,818)
Changes in individual life reserves	20.3	(1,580,635)	(991,113)	(1,580,635)	(991,113)
Changes in annuity reserves	20.4	899,102	(876,379)	899,102	(876,379)
Net underwriting expenses		(29,772,833)	(25,937,168)	(12,177,864)	(12,775,991)
Total underwriting profit		9,229,916	7,437,132	5,419,493	2,364,623
Investment income	34	5,080,874	4,850,958	5,439,214	2,653,181
Net (losses)/gains on financial instruments	35	(48,271)	3,280,770	(905,070)	2,095,493
Net gain/(loss) on investment in property	15	39,981	(2,279,051)	-	-
Net gains on sale of investment in subsidiary	35	-	845,219	-	1,093,922
Profit on investment contracts	36	230,156	217,410	230,156	235,271
Other income	37	948,511	174,075	343,087	127,249
Total investment income		6,251,251	7,089,381	5,107,387	6,205,116
Expenses for marketing and administration	38	(1,527,477)	(1,216,273)	(1,722,175)	(1,308,034)
Employee benefit expense	39	(3,730,129)	(2,910,149)	(1,968,362)	(1,509,815)
Other operating expenses	40	(4,067,202)	(3,434,555)	(3,661,885)	(3,084,827)
Writeback/(Impairment) of other assets	13	2,370	(22,673)	2,370	(22,673)
(Impairment)/writeback of premium receivables	10.1	(86,050)	(121,953)	11,950	(10,000)
Results of operating activities		6,072,679	6,820,910	3,188,778	2,634,390
Finance cost	41	(287,707)	(782,155)	(74,227)	(81,024)
Profit before tax		5,784,972	6,038,755	3,114,551	2,553,366
Income tax expense	42	(2,049,807)	(1,537,671)	(623,858)	(80,111)
Profit from continuing operations		3,735,165	4,501,084	2,490,693	2,473,255
Profit from discontinued operations (net of tax)	48		39,253	-	-
Profit for the year		3,735,165	4,540,337	2,490,693	2,473,255
Profit attributable to:					
Owners of the parent		3,164,859	4,809,353	2,490,693	2,473,255
Non-controlling interest	28	570,306	(269,016)	-	-
		3,735,165	4,540,337	2,490,693	2,473,255
<i>Other comprehensive income:</i>					
<i>Items that may be subsequently reclassified to the profit or loss account:</i>					
Changes in available-for-sale financial assets (net of taxes)	27.6	(5,327,135)	4,184,088	(5,041,306)	4,108,980
Other comprehensive (loss)/income for the year		(5,327,135)	4,184,088	(5,041,306)	4,108,980
Total comprehensive (loss)/income for the year		(1,591,970)	8,724,425	(2,550,613)	6,582,235
Attributable to:					
Owners of the parent		(2,162,276)	8,993,441	(2,550,613)	6,582,235
Non-controlling interests	28	570,306	(269,016)	-	-
Total comprehensive (loss)/income for the year		(1,591,970)	8,724,425	(2,550,613)	6,582,235
Earnings per share:					
Basic (kobo)	43	35	53	28	27
Diluted (kobo)	43	35	53	28	27

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Year ended 31 December 2021

Group

	Share Capital	Share Premium	Contingency reserve	Capital and other statutory reserves	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2021	18,000,000	-	4,345,125	-	167,381	(304,924)	5,264,806	6,470,482	33,942,870	3,750,585	37,693,455
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	3,164,859	3,164,859	570,306	3,735,165
Transfer to contingency reserves	-	-	471,591	-	-	-	-	(471,591)	-	-	-
Transfer from statutory reserves due to disposal	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(5,327,135)	-	(5,327,135)	-	(5,327,135)
Total comprehensive income for the year	-	-	471,591	-	-	-	(5,327,135)	2,693,268	(2,162,276)	570,306	(1,591,970)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	(1,980,000)	(1,980,000)	-	(1,980,000)
Impact of vesting of shares in the equity settled share based payment	-	78,255	-	-	(167,381)	193,448	-	167,381	271,703	-	271,703
Total transactions with owners of equity	-	78,255	-	-	(167,381)	193,448	-	(1,812,619)	(1,708,297)	-	(1,708,297)
Balance at 31 December 2021	18,000,000	78,255	4,816,716	-	-	(111,476)	(62,329)	7,351,131	30,072,297	4,320,891	34,393,188

Year ended 31 December 2020

Group

	Share Capital	Share premium	Contingency reserve	Capital and other statutory reserves	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,535,406	152,077	(304,924)	1,080,718	7,832,957	25,260,145	4,818,822	30,078,967
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	4,809,353	4,809,353	(269,016)	4,540,337
Transfer to contingency reserves	-	-	74,667	-	-	-	-	(74,667)	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	4,184,088	-	4,184,088	-	4,184,088
Total comprehensive income for the year	-	-	74,667	-	-	-	4,184,088	4,734,686	8,993,441	(269,016)	8,724,425
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Bonus issue expense	-	(326,020)	-	-	-	-	-	-	(326,020)	-	(326,020)
Bonus issue to shareholders	12,750,000	(4,117,433)	-	(2,500,000)	-	-	-	(6,132,567)	-	-	-
Equity-settled share-based payments expense	-	-	-	-	15,304	-	-	-	15,304	-	15,304
Total transactions with owners of equity	12,750,000	(4,443,453)	-	(2,500,000)	15,304	-	-	(6,132,567)	(310,716)	-	(310,716)
Balance at 31 December 2020	18,000,000	-	4,345,125	-	167,381	(304,924)	5,264,806	6,470,482	33,942,870	3,750,585	37,693,455
Changes in ownership interest											
Disposal of subsidiary	-	-	-	(35,406)	-	-	-	35,406	-	(799,221)	(799,221)
Total changes in ownership interests	-	-	-	(35,406)	-	-	-	35,406	-	(799,221)	(799,221)

The accompanying notes are an integral part of these financial statements

Separate Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Year ended 31 December 2021

Parent

	Share Capital	Share Premium	Contingency reserve	Capital reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2021	18,000,000	-	4,345,125	-	167,381	(304,924)	5,032,542	2,129,200	29,369,324
<i>Total comprehensive income for the year</i>									
Profit for the year	-	-	-	-	-	-	-	2,490,693	2,490,693
Transfer to contingency reserves	-	-	471,591	-	-	-	-	(471,591)	-
Other comprehensive income									-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(5,041,306)	-	(5,041,306)
Total comprehensive income for the year	-	-	471,591	-	-	-	(5,041,306)	2,019,102	(2,550,613)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	-	-	-	-	-	-	-	(1,980,000)	(1,980,000)
Impact of vesting of shares in the equity settled share based payment	-	78,255	-	-	(167,381)	193,448	-	167,381	271,703
Total transactions with owners		78,255	-	-	(167,381)	193,448	-	(1,812,619)	(1,708,297)
Balance at 31 December 2021	18,000,000	78,255	4,816,716	-	-	(111,476)	(8,764)	2,335,683	25,110,414

Year ended 31 December 2020

Parent

	Share Capital	Share premium	Contingency reserve	Other reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,500,000	152,077	(304,924)	923,562	5,863,179	23,097,805
<i>Total comprehensive income for the year</i>									
Profit for the year	-	-	-	-	-	-	-	2,473,255	2,473,255
Transfer to contingency reserves	-	-	74,667	-	-	-	-	(74,667)	-
Other comprehensive income									-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	4,108,980	-	4,108,980
Total comprehensive income for the year	-	-	74,667	-	-	-	4,108,980	2,398,588	6,582,235
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Bonus issue expense	-	(326,020)	-	-	-	-	-	-	(326,020)
Issue of additional shares due to recapitalisation	12,750,000	(4,117,433)	-	(2,500,000)	-	-	-	(6,132,567)	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Equity-settled share-based expense for the year	-	-	-	-	15,304	-	-	-	15,304
Total transactions with owners	12,750,000	(4,443,453)	-	(2,500,000)	15,304	-	-	(6,132,567)	(310,716)
Balance at 31 December 2020	18,000,000	-	4,345,125	-	167,381	(304,924)	5,032,542	2,129,200	29,369,324

The accompanying notes are an integral part of these financial statements

Consolidated and Separate Statements of Cashflows

for the year ended 31 December 2021

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-2021	Group 31-Dec-2020	Parent 31-Dec-2021	Parent 31-Dec-2020
Cash flows from operating activities					
Cash premium received		58,061,397	39,959,626	35,629,775	21,243,986
Cash paid as reinsurance premium		(20,554,068)	(15,613,694)	(20,554,068)	(15,396,646)
Fee income received		1,549,591	1,766,002	1,946,584	1,634,382
Cash received on investment contract liabilities	21.1 & 21.2	1,222,054	2,531,835	1,222,054	2,531,835
Cash paid to investment contract holders	21.1 & 21.2	(561,429)	(2,117,495)	(561,429)	(2,117,495)
Claims paid	32	(26,759,746)	(20,678,867)	(10,059,118)	(8,857,209)
Cash received from reinsurers on recoveries for claims paid		4,003,938	1,745,441	3,937,134	1,676,478
Cash paid to/ received from coinsurers on recoveries and claims paid	10.2a	284,399	460,273	284,399	460,273
Underwriting expenses paid		(3,724,141)	(3,712,792)	(3,203,052)	(3,159,818)
Employee benefits paid		(3,772,684)	(3,042,218)	(2,028,820)	(1,389,618)
Rent received		646,758	1,402,966	-	-
Lease payments made		(43,693)	(47,850)	(18,693)	(47,850)
Other operating expenses paid		(3,324,628)	(5,761,698)	(3,486,209)	(5,591,228)
Premium received in advance	22	2,327,761	1,909,064	2,327,761	1,909,064
Changes in working capital		9,355,509	(1,199,407)	5,436,318	(7,103,845)
Income tax paid	24	(1,616,369)	(845,714)	(103,811)	(157,850)
Net cash (used in)/ from operating activities		7,739,140	(2,045,121)	5,332,507	(7,261,695)
Cash flows from investing activities					
Purchases of property, plant and equipment	18	(1,004,091)	(1,061,121)	(777,208)	(822,664)
Dividend received		296,119	601,901	2,777,181	395,911
Investment income received		2,604,040	2,574,906	2,147,315	2,596,158
Purchase of intangible assets	17	(159,135)	(159,629)	(159,135)	(150,868)
Proceeds from the disposal of property and equipment		33,961	51,958	32,227	65,167
Proceeds from the disposal of investment property	15	-	1,350,000	-	1,350,000
Proceeds from the disposal of investment in subsidiary	48	-	2,767,255	-	2,979,170
Purchase of fair value through profit or loss financial assets	9.1(a)	(283,782)	(990,036)	(283,782)	(990,036)
Sale of fair value through profit or loss financial assets	9.1(a)	3,487,760	2,437,936	3,487,760	2,437,936
Sale of available-for-sale financial assets	9.2(c)	20,468,220	20,719,314	17,528,124	16,298,290
Purchase of available-for-sale financial assets	9.2(c)	(31,928,252)	(19,132,363)	(28,673,414)	(16,207,784)
Increase in loans and receivables	14a & 14d	(1,254,951)	(123,224)	(1,942,462)	(658,912)
Repayment of loans and receivables	14a & 14d	92,040	74,812	309,645	603,184
Net cash from investing activities		(7,648,071)	9,111,709	(5,553,749)	7,895,552
Cash flows from financing activities					
Expenses on Bonus issue		-	(326,020)	-	(326,020)
Dividend paid		(1,980,000)	-	(1,980,000)	-
Interest & principal repayment on borrowings	25(b)	(715,538)	(4,709,500)	-	-
Net cash (used in)/ from financing activities		(2,695,538)	(5,035,520)	(1,980,000)	(326,020)
Net increase/decrease in cash and cash equivalents		(2,604,468)	2,031,068	(2,201,241)	307,838
Cash and cash equivalent at beginning of year	8	20,251,719	17,911,416	16,575,948	16,133,274
Effect of exchange rate changes on cash and cash equivalent		(303,907)	309,235	(147,695)	134,836
Cash and cash equivalent at end of year	8	17,343,344	20,251,719	14,227,012	16,575,948

The accompanying notes are an integral part of these financial statements

1 General information**Reporting entity**

AXA Mansard Insurance Plc ('the Company' or 'the parent') and its subsidiaries (together 'the Group') underwrite life and non-life insurance contracts. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria and employs about 363 people.

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

2 Summary of significant accounting policies**2.1 Basis of presentation and compliance with IFRS**

These financial statements have been prepared in accordance with IFRS Standards. These financial statements are also in compliance with the Financial Reporting Council of Nigeria Act 2011, the Companies and Allied Matters Act (CAMA) 2020, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

(a) Basis of measurement

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

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

(b) Use of estimates and judgements

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

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

(c) Functional and presentation currency

These consolidated and separate financial statements are presented in naira, which is the Group's functional currency. All numbers have been rounded to the nearest thousand, unless otherwise indicated.

2.1.1 Changes in accounting policy and disclosures**(a) Standards and interpretations effective during the reporting year**

Amendments to the following standard became effective in the annual period starting from 1st January, 2021. However, these standards have not been disclosed as they do not have significant effects on the Group's financial statements. They are:

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

(b) Standards not yet effective

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Classification of Liabilities as Current or Noncurrent - Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
- Onerous Contract - Cost of fulfilling a Contract (Amendment to IAS 37)
- Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendment to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a single transaction - IAS 12 Amendment.

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

A number of standards, interpretations and amendments are effective for annual period beginning on or after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates:

New or amended standards	Summary of the requirements	Possible impact on Consolidated financial statements
IFRS 9: Financial instruments	IFRS 9, released in July 2014, replaces the existing guidance in IAS 39 Financial instruments: Recognition and measurement. IFRS 9 includes revised guidance on the reclassification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.	<p>The Group will adopt IFRS 9 - Financial Instruments from 1 January 2023. The estimated impact of the adoption of the standard on the Group's equity as at 1 January 2023 is based on the assessments summarised below. The actual impact of adopting the standard at 1 January 2023 are subject to change until the Group presents its first financial statement that includes the date of initial application.</p> <p><i>Classification and measurement</i></p> <p>The Group currently categorizes the majority of its financial assets as available for sale with the fair value changes recognised in other comprehensive income. Under IFRS 9, the Group has designated these investments as measured at fair value through OCI. Consequently, all fair value gains and losses will be reported in OCI, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.</p> <p>Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for Trade receivables, loans, investment in debt securities and investments in equity securities that are managed on a fair value basis.</p> <p>The above intended classification may change due to the continuous assessment of the requirement of the standard and review of business practices until the first set of financial statement under IFRS 9 is issued.</p> <p><i>Impairment:</i></p> <p>The Group believes that impairment losses are likely to increase for assets in the scope of IFRS 9 impairment model, although they are not expected to be highly volatile.</p> <p>The approach to impairment assessment under IFRS 9 will be determined by the final classification adopted in 2023.</p>
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	<p>This amendment was published to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification.</p> <p>The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i. e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so.</p>	<p>The Group will adopt the amendment along with the effective date of IFRS 9 (2023) at the earliest.</p> <p>The impact of the adoption of this amendment on the Group is being assessed.</p>

IFRS 17: Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period.</p> <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p>	<p>The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2023.</p>
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Amendments to IFRS 4: Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

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

IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

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

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

Score = (B/A)% **82.6%** **97.7%**

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

The Group has elected to apply the temporary exemption of IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

- Its activities are predominantly connected with insurance contracts;
- As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was N26.09b (Parent: N21.88b) which was 82.6% (Parent: 97.7%) of the total carrying amount of all its liabilities as at that date.
- The company's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related

Fair value disclosures

- Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

The Group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

amount outstanding are as follows.				
	Other financial			
Group	Loans and instruments at		Carrying amount	Fair value
31 Dec 2021				
Cash and cash equivalent	17,343,344	-	17,343,344	17,343,344
Loans and receivables	1,655,085	-	1,655,085	1,655,085
Trade receivables	7,013,359	-	7,013,359	7,013,359
Reinsurance assets (less prepaid reinsurance, IBNR & Reserve	3,629,102	-	3,629,102	3,629,102
Other receivables (less prepayment)	2,941,737	-	2,941,737	2,941,737
Statutory deposit	-	500,000	500,000	500,000
	32,582,627	500,000	62,901,174	62,901,174

Parent	Other financial		Carrying amount	Fair value
	Loan and instruments at receivables	amortised cost		
31 Dec 2021				
Cash and cash equivalent	14,227,012	-	14,227,012	14,227,012
Loans and receivables	6,868,168	-	6,868,168	6,868,168
Trade receivables	1,196,453	-	1,196,453	1,196,453
Reinsurance assets (less prepaid reinsurance, IBNR & Reserve	3,501,192	-	3,501,192	3,501,192
Other receivables (less prepayment)	2,458,698	-	2,458,698	2,458,698
Statutory deposit	-	500,000	500,000	500,000
	28,251,523	500,000	56,825,087	56,825,087

The carrying amount of the assets above are a fair reflection of the fair values as at year end.

The credit risk rating grades of these financial assets have been disclosed in note 4.3.1 of this financial statements.

2.2 Significant accounting policies

The group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Consolidation

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out by the principle of control in IFRS 10 when assessing control of an investee:

- power over the investee entity;
- exposure, or rights, to variable returns from involvement with the investee entity; and
- the ability to use power over the investee to affect the amount of the investor's returns.

(b) Consolidated entities

(i) Subsidiaries

Subsidiaries are all entities over which the Group exercises control.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

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

(ii) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation.

Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in subsidiaries in the separate financial statement of the parent entity is measured at cost less impairment.

(iii) Business combinations

The Group applies the acquisition method to account for Business Combinations and acquisition-related costs are expensed as incurred.

The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in compliance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

(iv) Non-controlling interests

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

(v) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity between retained earnings and Non controlling interests. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(vi) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity.

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

(c) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Chief Operating Decision Maker to make decisions about resources allocated to each segment and assess its performance, and for Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Underwriting and Investment Committee (MUIIC) that makes strategic decisions.

(d) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items (e.g. investment property) in a foreign currency that are measured at fair value are translated using the closing rate as at the date when the fair value was determined.

Foreign exchange gains and losses are presented in profit or loss within 'Net losses/gains on financial instruments'.

In the case of changes in the fair value of monetary assets denominated in foreign currency and classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences on non-monetary financial assets and liabilities such as equities measured at fair value through profit and loss are recognised in profit or loss as part of net gain/loss on financial assets. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of
- all resulting exchange differences are recognised in other comprehensive income.

(e) Financial assets

Recognition and measurement of financial assets

The Group initially recognises loans and receivables on the date on which they are originated. Regular-way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition or issue (for all financial assets not initially recognised at fair value through profit or loss). Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

Initial recognition of pledged assets is at fair value, whilst subsequent measurement is based on the classification and measurement of the financial asset in accordance with IAS 39.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. Interest and dividend on available for sale securities are included in the investment income line.

Classification of financial assets

Financial assets are classified into the following categories: held for trading, loans and receivables, held-to-maturity and available-for-sale. The classification by the Group is determined by management at initial recognition and depends on the intention for which the investments were

(i) Financial assets at fair value through profit or loss

Held for trading

A financial asset is classified into the held for trading category if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking.

Financial assets designated at fair value through profit or loss upon initial recognition

Other financial assets designated as at fair value through profit or loss at initial recognition are those that are:

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- those that the Group intends to sell in the short term which are declassified as fair value through profit or loss and those that the group upon initial recognition designates as fair value through profit or loss.
- those that the Group upon initial recognition designates as Available for Sale
- those for which the holder may not recover substantially all of its initial loans and receivables other than because of credit risk. Loans and receivables include trade receivables, reinsurance assets and other receivables (financial assets).

Trade receivables

These are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Discounting is omitted where the effect of discounting is immaterial. Trade receivables are made up of premium receivables and coinsurance receivables.

- Premium receivables relate to receivables from agents, brokers and insurance companies in respect of premium income.
- Coinsurance recoverables relate to only claims recoverables from coinsurers for claims settled to policy holders on behalf of coinsurers based on agreed terms.

Reinsurance assets

The Company cedes businesses to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Reinsurance assets are measured at amortised costs. Reinsurance assets relate to prepaid reinsurance, reinsurers' share of IBNR claims and claims recoverables.

Other receivables

Other receivables are made up of other amounts due from parties which are not directly linked to insurance or investment contracts. These are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial.

(iii) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Interest income on held-to-maturity investments are included in the consolidated profit or loss and are reported as interest income. In the case of an impairment, it is reported as a deduction from the carrying value of the investment and recognised in the consolidated profit or loss as 'Net gains/(losses) on financial assets'. Held-to-maturity investments are largely bonds.

(iv) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or fair value through profit or loss.

Determination of fair value of financial assets

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the market approach (transaction price paid for an identical or a similar instrument). This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the reporting date.

For more complex instruments the Group uses internally developed models which are usually based on valuation models and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted debt securities for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions. The impact of financial instruments valuation reflecting non-market observable inputs (Level 3 valuations) is disclosed in the note to the financial statements.

Reclassification of financial assets

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Financial assets classified as held to maturity can be reclassified as available for sale assets. In making this reclassification, the entire portfolio becomes tainted and the group cannot designate any instrument as held to maturity for the next two years after a sale or reclassification. Fair values changes upon tainting of the HTM portfolio are recognised in Other Comprehensive income prospectively.

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

Impairment of financial assets**(a) Financial assets carried at amortised cost**

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or

events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

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

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

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

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

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

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

(b) Assets classified as available for sale

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

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

Derecognition of financial assets

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

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

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

Offsetting financial instruments

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

(f) Investment property

Property held for rental yields and capital appreciation that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an

existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequently, it is carried at fair value, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert.

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

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Properties could have dual purposes whereby part of the property is used for own activities. The portion of a dual use property is classified as an investment property only if it could be sold or leased out separately under a finance lease or if the portion occupied by the owner is immaterial to the total lettable space. Currently, the group occupies less than 10% of the lettable space (264sqm out of 6,902sqm). The portion of the investment property occupied by the owner is considered immaterial to the total lettable space and to the value of the investment property.

(g) Intangible assets

Intangible assets represents cost associated with the acquisition of software and inherent goodwill on business combination.

(i) Computer software

Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs, capitalised borrowing costs and an appropriate portion of directly attributable overheads. Internally developed software is stated at capitalized cost less accumulated amortization and any accumulated impairment losses.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

Computer software development costs recognised as assets are amortised over their useful lives, which does not exceed five years. The residual values and useful lives are reviewed at the end of each reporting period and are adjusted as appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their useful lives, and is generally recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(ii) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGU)'s or groups of CGUs, that is expected to benefit from the synergies of the combination. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(iii) License fee

The Group applies the cost model in recognising intangible assets acquired in a business combination. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, they are carried at cost less accumulated amortisation and impairment losses. Licenses acquired in a business combination are amortised on a straight line basis over a period of 25 years.

(h) Property and equipment

Land and buildings comprise mainly outlets and offices occupied by the Group.

Land is carried at cost. All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment charges. Historical cost includes borrowing cost and all other expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on property and equipment is calculated using the straight-line method to allocate the cost less the residual values over the estimated useful lives as follows.

-Building	50 years
-Vehicles	5 years
-Branding, furniture and fittings and equipment	2-5 years
-Computer equipment	3 years

Leasehold improvements are depreciated over the lower of the useful life of the asset and the lease term.

The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Property and equipment are derecognised at the disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included within other income in the Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property any surplus previously recorded in equity is transferred to retained earnings net of associated tax; the transfer is not made through profit or loss.

(i) **Statutory deposit**

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

(j) **Insurance contracts**

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

(1) Types of Insurance Contracts

The group classifies insurance contract into life and non-life insurance contracts.

(i) Non-life insurance contracts

These contracts are accident and casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

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

(ii) Life insurance contracts

These contracts insure events associated with human life (such as death or disability). These are divided into the individual life, group life and Annuity contracts.

-Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long term government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(2) Recognition and measurement

(i) Non-life insurance contracts premium and claims

These contracts are accident, casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-

contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

(ii) Life insurance contracts premium and claims

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

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

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

(iii) Claims on Non-Life and Life Insurance Contract

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

(ii) Life insurance contracts premium and claims

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

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

(iii) Annuity premium and claims

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

(iv) Salvages

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

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

(v) Subrogation

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

(vi) Deferred policy acquisition costs (DAC)

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

(vii) Deferred income

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

(viii) Receivables and payables related to insurance contracts

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

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

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

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

- Reinsurance and coinsurance contracts held

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

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

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

(k) Investment contracts

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

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

(l) Technical reserves

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

(i) General insurance contracts

Reserves for unearned premium

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

Reserves for outstanding claims

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

Reserves for unexpired risk

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

(ii) Life business

Life fund

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

Liability adequacy test

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

(m) Financial liabilities

(i) Borrowings

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

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

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

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

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

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

(ii) Trade and other payables

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

(iii) Financial guarantee contracts

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

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

(n) Provisions

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

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

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

(o) Current and deferred income tax

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

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

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

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

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

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

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

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

(p) Equity and Reserves**(i) Share capital**

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

Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is reported as a separate component of equity attributable to the Company's equity holders.

Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

(ii) Share premium

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

(iii) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets classified as Available for sale.

(iv) Treasury shares

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

(v) Contingency reserves**(a) Non-life business**

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

(b) Life business

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

(vi) Statutory reserves

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

(vii) Capital reserves

This refers to reserves arising from business restructuring. In 2007 the Group restructured and changed the nominal share price from N1 to 50k per share. The surplus nominal value from this reconstruction was transferred to this account.

(viii) Retained earnings

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

(ix) Dividends

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

(q) Earnings per share

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

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

(r) Revenue recognition

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

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

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

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

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

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

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

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

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

(e) Net fair value gain on non financial assets

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

(s) Changes in life fund estimates

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

(t) Investment income

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

(u) Operating expenditure

(i) Reinsurance expenses

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

(ii) Underwriting expenses

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

(iii) Other operating expenses

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

(iv) Employee benefits

(a) Defined contribution plans

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

(b) Short-term benefits

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

(c) Share based payment

(i) Equity-settled share based payment

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

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

(ii) Cash-settled share based payment

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

(d) Termination benefits

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

(v) Leases**Group acting as a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price.

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 commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. 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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities shown separately in the statement of financial position.

Group acting 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 stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the 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.

The Group applies the derecognition and impairment requirements in IAS 39 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(w) Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operations meet the criteria to be classified as held-for-sale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

2.3 Critical accounting estimates and judgments

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

(a) Fair value of financial assets**(i) Impairment of available-for-sale equity financial assets**

The Group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period longer than 12 months is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

(ii) Fair value of unquoted equity financial instruments

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

(b) Liabilities arising from insurance contracts**(i) Claims arising from non-life insurance contracts**

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to the best estimate figures included in the reserve reviews as at 31 December 2021 and an additional gross provision of N251 million (2020: N246 million) would have been reported.

(ii) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts. However if the group should change its basis for mortality by -5%, the group would have recognised an actuarial valuation surplus of N121 million (2020: N103 million) in the Statement of Comprehensive Income.

(c) Impairment for receivables

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

(d) Intangibles (goodwill)

Goodwill represents the cost of acquisition less the aggregate of the fair value of the purchased entity's identifiable net assets and liabilities. Goodwill has been recognised by the group at the acquisition of AXA Mansard Health Limited in 2013. Additional judgments and assumptions are as disclosed in note 17(c).

(e) Investment property

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

(f) Share based payments

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

(g) Current income tax**General Business:****Income tax**

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

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

(a) Current tax

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

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

- Company income tax is computed on taxable profits
 - Tertiary education tax is computed on assessable profits
 - National Information Technology Development Agency levy is computed on profit before tax
 - Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)
- Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

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

For Life business: 0.5% of gross income and;

For General business: 0.5% of gross premium

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

(b) Deferred tax

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

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

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

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

Non life Business and Life Actuarial Valuation**Non life business Reserving**

AXA Mansard Insurance Plc ("AXA Mansard") commissioned QED Actuaries & Consultants to calculate non life business reserves as at 31 December 2021.

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

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

Reserving methodology

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

Class	Large Claim Definition (N'000)
Aviation	25,000
Energy	420,000
Engineering	53,000
Fire	140,000
General Acciden t	31,000
Marine Cargo	18,000
Marine Hull	40,000
Motor	19,000

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

The methodologies governing the attritional claim reserve calculations are described below:**Basic Chain Ladder Method (BCL)**

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

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

$$\begin{aligned} \text{IBNR} = & \text{Ultimate claim amount (excl. extreme large losses)} \\ & \text{minus paid claims to 31 December, 2021 (excl. extreme large losses)} \\ & \text{minus claims outstanding (excl. extreme large losses)} \end{aligned}$$

Assumptions underlying the BCL

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

Loss Ratio method

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

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

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

Assumptions underlying the Loss Ratio Method

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

Bornhuetter-Ferguson Method (BF Method)

For more recent loss halves, initial development of each origin period is typically subject to volatility as the cumulative data are sparse. This volatility may cause the estimates of ultimate claims produced by the CL method to be misleading. For this reason, an alternative estimate of the ultimate claims using a technique known as the BF method.

Assumptions underlying the BF Method

This method requires estimates of the ultimate loss ratio for each origin period and the accompanying earned premium.

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

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

Sensitivity Analysis

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile and 90th percentile as opposed to our best estimate figures (which would represent the 50th percentile) included in reserve reviews as at 31 December 2021. The 75th percentile is a generally accepted level of prudence. Overall, there is 15% increase from the gross best estimate reserves to the gross reserves calculated at the 75th percentile and a 39% increase from the gross best estimate reserves to the gross reserves calculated on the 90th percentile. In conclusion, there is only a 25% chance that the IBNR reserves required will exceed NGN 1,870 million and only a 10% chance that the IBNR reserves required will exceed NGN 2,253 million as at 31 December 2021.

Gross IBNR - Attritional Reserves

<i>In thousands on naira</i>	Best Estimate	75th Percentile	90th Percentile
Aviation	107,614	96,821	116,333
Energy	1,252,120	1,132,964	1,441,378
Engineering	49,944	19,544	20,511
Fire	278,875	183,301	191,412
General Accident	174,832	100,302	105,426
Marine Cargo	38,657	38,835	35,220
Marine Hull	24,351	29,263	46,763
Motor	296,963	269,398	296,732
	2,223,356	1,870,428	2,253,774

Life & Savings Reserving**Valuation methods****Individual Life**

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

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

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

Annuity

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

As at 31 December 2021, the Company did not underwrite any new annuity policies.

The movement in the annuity portfolio is analysed below:

	Number of annuity policies	Annual Annuity (N'000)
At 31 December 2020	400	290,647
New entrants	-	-
Additional Funds	-	-
Deaths	-	-
At 31 December 2021	400	290,647

Group Life

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

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

Assumptions used

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

Valuation interest rate

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

We adopted net valuation interest rates of 7.55% for all short term and credit life businesses, 6.96% pa for all long term business and 7.39% pa for Annuity business. as at 31 December 2021, the average yield on 15 year FGN bonds was 7.06%. The VIR is calculated based on the weighted average of Gross Redemption Yield (GRY) on FGN Bond (reference: FMDQ Daily Quotations List as at 31st December 2021) using the book value of Axa Mansard's holdings of each bond as weightings. This is to ensure that the weightings are not influenced by market volatility of medium and short-term bond prices. We considered a margin of 0.12% for reinvestment risks were deducted from the gross yield for the annuity business. This made some allowance for the duration mismatch between available bonds and the liabilities.

Expense

Expense for Individual Life (including annuity) and individual deposit-based business were reserved explicitly at N7,168 per policy per annum excluding AIP, for which an expense of N840 was used. Credit Life Expenses were reserved for at N840 per policy annum. All expenses were assumed to increase with inflation at 12% pa.

Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations. Some expense lines were removed from the reported Individual Life operating expenses which were identified as being directly attributable to new business, e.g. advertising, sales promotion and merchandising. 35% of the remaining reported operating expenses was allocated to new business. We allowed for a notional expense per policy of N840 pa for Credit Life business. This is predominantly short term retail business from our financial institution partners which requires less policy administration compared to other Individual Life business. The remaining expenses were apportioned over the remaining Individual Life policies to estimate the 2021 maintenance expense incurred which was N7,168 per policy per annum.

Commission

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

Mortality and Future Improvements

The Mortality Table used in the valuation is the UK's Mortality of Assured Lives A6770 (1967-70) table. The exception is the annuity business for which the UK's Pension Annuitants table, PA90 (rated -5) was used.

Withdrawals

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

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

Reinsurance Agreements

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

Health Reserving

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

Reserving Methodology and Assumptions

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

Basic Chain Ladder Method

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

Bornhuetter-Ferguson Method

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

Loss Ratio Method

LR method is appropriate where there is limited data available as we see in the Personal plans and International plans. An ultimate loss ratio is assumed from previous years' experience and the reserve is calculated as:
(Ultimate Loss Ratio x Earned Premiums) - Paid Claims - Outstanding Claims

Sensitivity Analysis

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile and 90th percentile as opposed to our best estimate figures (which would represent the 50th percentile) included in reserve reviews as at 31 December 2021. The 75th percentile is a generally accepted level of prudence.

	Best Estimate	Gross IBNR (N'000)	
		75th Percentile	90th Percentile
Corporate Platinum	179,296	200,216	265,001
Corporate Gold	481,431	531,470	673,190
Corporate Silver	117,722	130,350	169,248
Corporate Bronze	131,637	146,948	199,875
Personal Platinum	2,107	2,236	2,897
Personal Gold	4,927	5,463	7,078
Personal Silver	39	43	57
Personal Bronze	7,392	8,195	10,619
AXA Mansard International -AMIHP	17,866	19,808	25,665
IMED	254,767	282,452	365,966
Total	1,197,184	1,327,181	1,719,596

Sensitivity analysis

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

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

The sensitivity analysis of the life business indicates that a +1% change in Valuation Interest Rate (VIR) will result in a reduction of the Life fund liability to N19,843,910 whilst a -1% change in VIR will increase Life liability to N20,093,959.

The sensitivity analysis also indicates that an increase of mortality rates by 5% will decrease the Life liability to N19,942,799 whilst a reduction of mortality rate by 5% will increase the Life fund liability to N19,982,438.

A movement of expenses by +10% will result in an increase the Life fund liability to N20,008,059 whilst a -10% change will reduce the Life fund liability to N19,917,811. Expense inflation moving by +2% will increase the life fund to N20,061,956 whilst a -2% will produce a reduced Life fund liability of N19,899,703.

A 5% increase in the Lapse rate will also reduce the Life fund liability to N19,961,084 whilst a 5% decrease in the Lapse rate will increase the Liability to N19,963,955.

SENSITIVITY OF LIABILITIES TO CHANGES IN LONG TERM VALUATION ASSUMPTIONS FOR THE 31 DECEMBER 2021 VALUATION

N'000	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual DA - Fund Balance	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973	11,242,973
Individual DA - Risk Reserve	236,700	233,014	240,530	253,104	220,513	278,022	210,834	236,071	237,336	236,071	237,336
Individual Traditional Life Insurance	3,746,841	3,739,615	3,754,331	3,770,893	3,723,417	3,792,727	3,718,941	3,746,042	3,747,648	3,742,468	3,750,979
Annuities	2,090,042	1,982,352	2,210,170	2,095,132	2,084,952	2,102,278	2,080,999	2,090,042	2,090,042	2,075,331	2,105,194
Group Life - UPR	964,162	964,162	964,162	964,162	964,162	964,162	964,162	964,162	964,162	964,162	964,162
Group Life - IBNR	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004	1,507,004
Outstanding Claims	466,620	466,620	466,620	466,620	466,620	466,620	466,620	466,620	466,620	466,620	466,620
Additional reserves	124,987	124,987	124,987	124,987	124,987	124,987	124,987	124,987	124,987	124,987	124,987
Gross liability	20,379,329	20,260,727	20,510,777	20,424,876	20,334,628	20,478,773	20,316,520	20,377,901	20,380,773	20,359,617	20,399,255
Reinsurance	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817	-416,817
Net liability	19,962,512	19,843,910	20,093,959	20,008,059	19,917,811	20,061,956	19,899,703	19,961,084	19,963,955	19,942,799	19,982,438
% Change in net liability	0.00%	-0.59%	0.66%	0.23%	-0.22%	0.50%	-0.31%	-0.01%	0.01%	-0.10%	0.10%
Summary	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual	17,441,543	17,322,941	17,572,991	17,487,090	17,396,842	17,540,988	17,378,735	17,440,115	17,442,987	17,421,831	17,461,469
Group	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969	2,520,969
Net liability	19,962,512	19,843,910	20,093,959	20,008,059	19,917,811	20,061,956	19,899,703	19,961,084	19,963,955	19,942,799	19,982,438
% change in liability	0.00%	-0.59%	0.66%	0.23%	-0.22%	0.50%	-0.31%	-0.01%	0.01%	-0.10%	0.10%

SENSITIVITY OF LIABILITIES TO CHANGES IN LONG TERM VALUATION ASSUMPTIONS FOR THE 31 DECEMBER 2020 VALUATION

N'000	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual DA - Fund Balance	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767	9,638,767
Individual DA - Risk Reserve	551,160	442,242	699,875	586,703	515,746	709,698	461,649	560,026	543,344	549,643	552,685
Individual Traditional Life Insurance	1,908,287	1,733,086	2,150,077	1,940,492	1,876,171	2,068,501	1,819,226	1,983,596	1,833,110	1,901,480	1,915,281
Annuities	2,942,709	2,824,036	3,321,904	3,063,290	3,045,102	3,087,981	3,031,587	3,116,077	2,997,104	3,054,196	3,054,196
Annuities - Additonal Reserves	111,487	111,487	111,487	111,487	111,487	111,487	111,487	111,487	111,487	111,487	111,487
Group Life - UPR	723,861	723,861	723,861	723,861	723,861	723,861	723,861	723,861	723,861	723,861	723,861
Group Life - IBNR	929,162	929,162	929,162	929,162	929,162	929,162	929,162	929,162	929,162	929,162	929,162
Outstanding Claims	425,263	425,263	425,263	425,263	425,263	425,263	425,263	425,263	425,263	425,263	425,263
Additional reserves	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Gross liability	17,280,695	16,877,904	18,050,396	17,469,024	17,315,559	17,744,720	17,191,002	17,538,239	17,252,099	17,383,859	17,400,701
Reinsurance	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)	(330,209)
Net liability	16,950,486	16,547,695	17,720,187	17,138,815	16,985,350	17,414,511	16,860,793	17,208,030	16,921,890	17,053,650	17,070,492
% Change in net liability	-	-2.38%	4.54%	1.11%	0.21%	2.74%	-0.53%	1.52%	-0.17%	0.61%	0.71%
Summary	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual	15,202,410	14,799,619	15,972,110	15,390,739	15,237,274	15,666,434	15,112,716	15,459,953	15,173,813	15,305,573	15,322,416
Group	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077	1,748,077
Net liability	16,950,486	16,547,695	17,720,187	17,138,815	16,985,350	17,414,511	16,860,793	17,208,030	16,921,890	17,053,650	17,070,492
% change in liability	-	-2.38%	4.54%	1.11%	0.21%	2.74%	-0.53%	1.52%	-0.17%	0.61%	0.71%

3 Financial Risk Management**(a) Introduction and overview**

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

- Market risk
- Credit risk
- Liquidity risk

3.1 Market risk

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

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

3.1.1 Price risk

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

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

Investment quality and limit analysis

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

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

Stop loss limit analysis

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

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

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

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

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

December 2021

Amounts in thousands of Naira

STOP LOSS LIMIT ANALYSIS ON GROUP'S QUOTED SECURITY PORTFOLIO

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	97,291	135,679	A	39%	25%	NO
Building materials	17,318	20,401	A	18%	25%	NO
Consumer goods	17,041	22,188	C	30%	20%	NO
Insurance	4,191	5,630	A	34%	25%	NO
Oil and gas	18,784	13,597	C	-28%	20%	NO
Real estate	8,800	6,099	C	-31%	20%	NO
Total	163,425	203,594				

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	37,954	61,194	A	61%	25%	NO
Building materials	17,318	23,795	A	37%	25%	NO
Consumer goods	17,041	22,188	C	30%	20%	NO
Insurance	4,191	4,378	A	4%	25%	NO
Oil and gas	18,784	13,597	C	-28%	20%	NO
Real estate	8,800	6,099	C	-31%	20%	NO
Total	104,088	131,251				

December 2020

Amounts in thousands of Naira

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	94,785	119,796	A	26%	25%	NO
Building materials	17,318	20,401	A	18%	25%	NO
Consumer goods	24,672	22,188	C	-10%	20%	NO
Insurance	4,191	5,630	A	34%	25%	NO
Oil and gas	18,784	13,597	C	-28%	20%	NO
Real estate	8,800.00	6,099	C	-31%	20%	NO
Total	168,550	187,711				

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	31,333	39,750	A	27%	25%	NO
Building materials	17,318	20,401	A	18%	25%	NO
Consumer goods	24,672	22,188	C	-10%	20%	NO
Insurance	4,191	5,630	A	34%	25%	NO
Oil and gas	18,784	13,597	C	-28%	20%	NO
Real estate	8,800.00	6,099	C	-31%	20%	NO
Total	105,098	107,665				

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

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

Stock to Total Limit Analysis

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

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

STOCK TO TOTAL LIMIT ON GROUP'S INVESTMENT EQUITY SECURITY				
	DEC 2021	DEC 2021	DEC 2020	DEC 2020
	GROUP	GROUP	GROUP	GROUP
SECTOR OF STOCK	MARKET PRICE	% of Total	MARKET PRICE	% of Total
Banking and other financial institutions	135,679	67%	119,796	64%
Building materials	20,401	10%	20,401	11%
Consumer goods	22,188	11%	22,188	12%
Insurance	5,630	3%	5,630	3%
Oil and Gas	13,597	7%	13,597	7%
Real estate	6,099	3%	6,099	3%
Telecommunication	-	0%	-	0%
Total	203,594		187,711	

STOCK TO TOTAL LIMIT ON COMPANY'S INVESTMENT EQUITY SECURITY

	DEC 2021	DEC 2021	DEC 2020	DEC 2020
	PARENT	PARENT	PARENT	PARENT
SECTOR OF STOCK	MARKET PRICE	%	MARKET PRICE	%
Banking and other financial institutions	61,194	47%	39,750	37%
Building materials	23,795	18%	20,401	19%
Consumer goods	22,188	17%	22,188	21%
Insurance	4,378	3%	5,630	5%
Oil and Gas	13,597	10%	13,597	13%
Real estate	6,099	5%	6,099	6%
Telecommunication	-	0%	-	0%
Total	131,251		107,665	

31 December 2021

PRICE RISK SENSITIVITY

Group	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	3,653,526	493,226	730,705	(493,226)	(730,705)
Government & corporate bonds	23,956,739	3,234,160	4,791,348	(3,234,160)	(4,791,348)
Treasury bills	2,208,282	298,118	441,656	(298,118)	(441,656)
Equity securities	293,572	39,632	58,714	(39,632)	(58,714)
Investment funds	8,648,943	1,167,607	1,729,789	(1,167,607)	(1,729,789)
Financial assets designated at fair value	4,374,805	590,599	874,961	(590,599)	(874,961)
Impact on profit after tax		4,076,339	6,039,021	(4,076,339)	(6,039,021)

Parent	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	3,653,526	493,226	730,705	(493,226)	(730,705)
Government & corporate bonds	22,211,756	2,998,587	4,442,351	(2,998,587)	(4,442,351)
Treasury bills	2,058,836	277,943	411,767	(277,943)	(411,767)
Equity securities	192,953	26,049	38,591	(26,049)	(38,591)
Investment funds	6,401,030	864,139	1,280,206	(864,139)	(1,280,206)
Financial assets designated at fair value	4,374,805	590,599	874,961	(590,599)	(874,961)
Impact on profit before tax		4,757,316	7,047,876	(4,757,316)	(7,047,876)

31 December 2020

PRICE RISK SENSITIVITY

Group	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	5,407,073	729,955	1,081,415	(729,955)	(1,081,415)
Government & corporate bonds	21,585,177	2,913,999	4,317,035	(2,913,999)	(4,317,035)
Tenored deposits with maturity above 90 days	-	-	-	-	-
Treasury bills	627,993	84,779	125,599	(84,779)	(125,599)
Equity securities	243,677	32,896	48,735	(32,896)	(48,735)
Investment funds	8,645,785	1,167,181	1,729,157	(1,167,181)	(1,729,157)
Financial assets designated at fair value	4,485,246	605,508	897,049	(605,508)	(897,049)
Impact on profit after tax		3,874,023	5,739,293	(3,874,023)	(5,739,293)

Parent	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	5,407,073	729,955	1,081,415	(729,955)	(1,081,415)
Government & corporate bonds	20,276,149	2,737,280	4,055,230	(2,737,280)	(4,055,230)
Tenored deposits with maturity above 90 days	-	-	-	-	-
Treasury bills	378,637	51,116	75,727	(51,116)	(75,727)
Equity securities	163,631	22,090	32,726	(22,090)	(32,726)
Investment funds	6,946,023	937,713	1,389,205	(937,713)	(1,389,205)
Financial assets designated at fair value	4,485,246	605,508	897,049	(605,508)	(897,049)
Impact on profit before tax		4,353,708	6,449,937	(4,353,708)	(6,449,937)

4.1.2 Foreign Exchange Risk

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

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

Group	31 December 2021			31 December 2020		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,662,342	261,543	116,949	1,954,300	47,235	142,027
Investment securities -Available-for-sale	1,662,437	-	-	1,662,437	-	-
Borrowings	2,454,143	-	-	2,994,361	-	-

Parent	31 December 2021			31 December 2020		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,201,807	261,543	407	1,840,178	47,235	472
Investment securities -Available-for-sale	1,494,948	-	-	1,494,948	-	-

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

The following table details the effect of foreign exchange risk on the profit as at 31 December 2021:

31 December 2021

FOREIGN EXCHANGE SENSITIVITY

Group	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	456,125	304,083	(304,083)	(456,125)
Investment securities				
Available-for-sale	249,365	166,244	(166,244)	(249,365)
Financial liabilities exposed to foreign exchange risk				
Borrowings	(368,122)	(245,414)	245,414	368,122
Effect on profit before tax	88,004	58,669	(58,669)	(88,004)
Taxation @ 30%	26,401	17,601	(17,601)	(26,401)
Effect on profit after tax	61,603	41,068	(41,068)	(61,603)
Effect on other components of equity -OCI	74,810	49,873	(49,873)	(74,810)
Parent				
	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	369,564	246,376	(246,376)	(369,564)
Investment securities				
Available-for-sale	224,242	149,495	(149,495)	(224,242)
Effect on profit before tax	369,564	246,376	(246,376)	(369,564)
Taxation @ 30%	110,869	73,913	(73,913)	(110,869)
Effect on profit after tax	258,694	172,463	(172,463)	(258,694)
Effect on other components of equity -OCI	67,273	44,848	(44,848)	(67,273)

31 December 2020

FOREIGN EXCHANGE SENSITIVITY

Group	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	321,534	214,356	(214,356)	(321,534)
Investment securities				
Available-for-sale	249,365	166,244	(166,244)	(249,365)
Financial liabilities exposed to foreign exchange risk				
Borrowings	(449,154)	(299,436)	299,436	449,154
Effect on profit before tax	(127,620)	(85,080)	85,080	127,620
Taxation @ 30%	(38,286)	(25,524)	25,524	38,286
Effect on profit after tax	(89,334)	(59,556)	59,556	89,334
Effect on other components of equity -OCI	74,810	49,873	(49,873)	(74,810)
Parent				
	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	283,183	188,789	(188,789)	(283,183)
Investment securities				
Available-for-sale	224,242	149,495	(149,495)	(224,242)
Effect on profit before tax	283,183	188,789	(188,789)	(283,183)
Taxation @ 30%	84,955	56,637	(56,637)	(84,955)
Effect on profit after tax	198,228	132,152	(132,152)	(198,228)
Effect on other components of equity -OCI	67,273	44,848	(44,848)	(67,273)

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

4.1.3 Interest-rate risk

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

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

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

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

The table below, however, details the maturity profile of the interest rate sensitivity analysis of AXA Mansard Insurance Plc. as at 31 December 2021, holding all other variables constant and assuming that all interest rates are floating and move in line with prevailing interest rates. Based on historical data, 100 and 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

31 December 2021

GROUP	Non interest bearing	1-3 months	3-6 months	6-12 months	> 12 months	Total
			Interest earning assets			
Cash and cash equivalents	9,088,688	8,254,656	-	-	-	17,343,344
Financial assets fair valued through profit or loss	-	-	-	720,930	2,932,596	3,653,526
Bonds	-	-	-	6,209,002	17,747,737	23,956,739
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	520,938	1,687,344	2,208,282
Equity securities	293,572	-	-	-	-	293,572
Investment funds	-	-	-	1,209,930	7,439,013	8,648,943
Financial assets designated at fair value	-	-	-	-	4,374,805	4,374,805
Loans and receivables	1,655,085	-	-	-	-	1,655,085
Statutory deposit	-	-	-	-	500,000	500,000
	11,037,344	8,254,656	-	8,660,800	34,681,495	62,634,295
Interest bearing liabilities						
Investment contract liabilities	-	-	-	-	-	-
- At amortised cost	-	860,800	830,921	1,209,032	3,967,415	6,868,168
- Liabilities designated at fair value	-	-	-	-	4,374,805	4,374,805
Borrowings	-	-	-	-	2,454,143	2,454,143
	-	860,800	830,921	1,209,032	10,796,363	13,697,116
Gap		7,393,856	(830,921)	7,451,768	23,885,132	48,937,179
Cumulative gap - Sensitivity analysis		7,393,856	(830,921)	6,620,847	30,505,979	
Increase by 100bp		73,939	(8,309)	74,518	238,851	489,372
Increase by 500bp		369,693	(41,546)	372,588	1,194,257	2,446,859
Decrease by 100bp		(73,939)	8,309	(74,518)	(238,851)	(489,372)
Decrease by 500bp		(369,693)	41,546	(372,588)	(1,194,257)	(2,446,859)
PARENT						
			Interest earning assets			
Cash and cash equivalents	6,612,288	7,614,724	-	-	-	14,227,012
Financial assets fair valued through profit or loss	-	-	-	720,930	2,932,596	3,653,526
Bonds	-	-	-	4,009,278	18,202,478	22,211,756
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	2,058,836	-	2,058,836
Equity securities	192,953	-	-	-	192,953	192,953
Investment funds	-	-	-	-	6,401,030	6,401,030
Financial assets designated at fair value	-	-	-	-	4,374,805	4,374,805
Loans and receivables	2,666,458.00	-	-	-	-	2,666,458
Lease Receivables	-	-	-	-	-	-
Statutory deposit	-	-	-	-	500,000	500,000
	9,471,699.00	7,614,724	-	6,789,044	32,603,862	56,286,376
Interest bearing liabilities						
Investment contract liabilities	-	-	-	-	-	-
- At amortised cost	-	860,800	830,921	1,209,032	3,967,415	6,868,168
- liabilities designated at fair value	-	-	-	-	4,374,805	4,374,805
	-	860,800	830,921	1,209,032	8,342,220	11,242,973
Gap		6,753,924	(830,921)	5,580,012	24,261,642	45,043,403
Cumulative gap - Sensitivity analysis		6,753,924	(830,921)	4,749,091	29,010,733	
Increase by 100bp		67,539	(8,309)	55,800	242,616	450,434
Increase by 500bp		337,696	(41,546)	279,001	1,213,082	2,252,170
Decrease by 100bp		(67,539)	8,309	(55,800)	(242,616)	(450,434)
Decrease by 500bp		(337,696)	41,546	(279,001)	(1,213,082)	(2,252,170)

31 December 2020

GROUP	Non interest bearing	1-3 months	3-6 months	6-12 months	> 12 months	Total
			Interest earning assets			
Cash and cash equivalents	11,134,053	9,117,666	-	-	-	20,251,719
Financial assets fair valued through profit or loss	-	-	-	1,029,839	4,377,234	5,407,073
Bonds	-	-	-	3,028,839	18,556,338	21,585,177
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	627,993	-	627,993
Equity securities	243,677	-	-	-	-	243,677
Investment funds	-	-	-	1,099,292	7,546,493	8,645,785
Financial assets designated at fair value	-	-	-	-	4,485,246	4,485,246
Loans and receivables	470,272	-	-	-	-	470,272
Statutory deposit	-	-	-	-	500,000	500,000
Total interest earning assets	11,848,002	9,117,666	-	5,785,963	35,465,311	62,216,942

Interest bearing liabilities						
Investment contract liabilities						
– At amortised cost	837,800	960,968	820,092	2,534,661	5,153,521	
– Liabilities designated at fair value	-	-	-	4,485,246	4,485,246	
Borrowings	-	-	-	2,994,361	2,994,361	
Total interest bearing liabilities	837,800	960,968	820,092	10,014,268	12,633,128	
Gap	8,279,866	(960,968)	4,965,871	30,416,914	49,583,814	
Cumulative gap - Sensitivity analysis	8,279,866	(960,968)	4,965,871	37,735,812		
Increase by 100bp	82,799	(9,610)	(49,659)	304,169	495,838	
Increase by 500bp	413,993	(48,048)	(248,294)	1,520,846	2,479,191	
Decrease by 100bp	(82,799)	9,610	49,659	(304,169)	(495,838)	
Decrease by 500bp	(413,993)	48,048	48,048	(1,520,846)	(2,479,191)	

PARENT	Non interest bearing	1-3 Months	3-6 months	6-12 months	> 12 months	Total
Interest earning assets			Interest earning assets			
Cash and cash equivalents	8,972,560	7,603,388	-	-	-	16,575,948
Financial assets fair valued through profit or loss	-	-	-	1,020,920	4,386,153	5,407,073
Bonds	-	-	-	3,090,190	17,185,959	20,276,149
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	378,637	-	378,637
Equity securities	163,631	-	-	-	-	163,631
Investment funds	-	-	-	-	6,946,023	6,946,023
Financial assets designated at fair value	-	-	-	-	4,485,246	4,485,246
Loans and receivables	1,014,377	-	-	-	-	1,014,377
Lease Receivables	-	-	-	134,278	-	134,278
Statutory deposit	-	-	-	-	500,000	500,000
Total interest earning assets	10,150,568	7,603,388	-	4,624,025	33,503,381	55,881,362

Interest bearing liabilities						
Investment contract liabilities						
– At amortised cost	-	837,800	960,968	820,092	2,534,661	5,153,521
– Liabilities designated at fair value	-	-	-	-	4,485,246	4,485,246
Total interest bearing liabilities	-	837,800	960,968	820,092	7,019,907	9,638,767
Gap	6,765,588	(960,968)	3,803,933	26,483,474	46,242,595	
Cumulative gap - Sensitivity analysis	6,765,588	5,804,620	6,624,712	13,644,619		
Increase by 100bp	67,656	(9,610)	38,039	264,835	462,426	
Increase by 500bp	338,279	(48,048)	190,197	1,324,174	2,312,130	
Decrease by 100bp	(67,656)	9,610	(38,039)	(264,835)	(462,426)	
Decrease by 500bp	(338,279)	48,048	(190,197)	(1,324,174)	(2,312,130)	

4.2 Non-financial asset exposed to price risk

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

GROUP'S EXPOSURE TO PROPERTY PRICE RISK			
Instrument		Amount	% Exposure
Property		14,560,934	21.12%
Interest Generating Assets		54,379,639	78.88%
		68,940,573	

COMPANY'S EXPOSURE TO PROPERTY PRICE RISK			
Instrument		Amount	% Exposure
Property		-	0%
Interest Generating Assets		48,671,652	100%
		48,671,652	

4.3 Credit risk

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

Collateral held and other credit enhancements, and their financial effect

The group does not hold collateral or any other enhancements against any of its receivables as at 31 December 2021.

Trade receivables

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

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

Sources of credit risk:

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

Management of credit risk due to trade receivables

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

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

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

Impairment model

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

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

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

Maximum exposure to credit risk	Notes	Group Carrying amount Dec 2021	Group Carrying amount Dec 2020	Parent Carrying amount Dec 2021	Parent Carrying amount Dec 2020
<i>In thousands of Naira</i>					
Cash and cash equivalents	8	17,343,344	20,251,719	14,227,012	16,575,948
Financial assets fair valued through profit or loss	9.1	3,653,526	5,407,073	3,653,526	5,407,073
Available-for-sale (less equity security)	9.2	34,813,964	30,858,955	30,671,622	27,600,809
Financial assets designated at fair value (less equity security)	9.3	4,361,214	4,467,868	4,361,214	4,467,868
Loans and receivable	14	1,655,085	470,272	2,666,458	1,014,377
Trade receivable	10	7,013,359	6,668,899	1,196,453	1,043,004
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	11	3,629,102	2,404,819	3,501,192	2,384,292
Other receivable (less prepayment)	13	2,941,737	819,323	2,458,698	478,179
Statutory deposit	19	500,000	500,000	500,000	500,000
		75,911,330	71,848,928	63,236,175	59,471,550

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

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

The Group's exposure to credit risk is low as Government sector (government bonds and treasury bills) accounted for largest part 30% (2020: 30%) of the investment as at 31 December 2021.

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

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

Disclosure of treasury bills of less than 90 days maturity

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

4.3.1 Credit quality

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

Group

31 December 2021

<i>In thousands of Nigerian Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
		High credit quality	Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	-	3,826,912	3,126,728	8,096,280	2,293,423	-	17,343,343
Financial assets fair valued through profit or loss	-	-	-	3,653,526	-	-	3,653,526
Available-for-sale assets	225,562	3,320,802	368,326	30,608,745	492,510	-	35,015,945
Financial assets designated at fair value	1,428,791	609,372	162,092	2,108,209	51,792	-	4,360,256
Loans and receivables	1,655,085	-	-	-	-	-	1,655,085
Trade receivable	7,013,359	-	-	-	-	-	7,013,359
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	3,629,102	-	-	-	-	-	3,629,102
Other receivable (less prepayment)	2,941,737	-	-	-	-	-	2,941,737
Statutory deposit	-	-	-	500,000	-	-	500,000
	16,893,636	7,757,086	3,657,146	44,966,760	2,837,725	-	76,112,353

31 December 2020

<i>In thousands of Nigerian Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
		High credit quality	Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	-	3,107,519	2,673,451	12,057,176	2,413,573	-	20,251,719
Financial assets fair valued through profit or loss	-	-	-	5,407,073	-	-	5,407,073
Available-for-sale assets	214,464	2,003,706	85,277	28,074,584	480,924	-	30,858,955
Financial assets designated at fair value	1,149,987	548,094	134,992	2,604,053	30,742	-	4,467,868
Loans and receivables	470,272	-	-	-	-	-	470,272
Trade receivable	6,668,899	-	-	-	-	-	6,668,899
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	2,404,819	-	-	-	-	-	2,404,819
Other receivable (less prepayment)	819,323	-	-	-	-	-	819,323
Statutory deposit	-	-	-	500,000	-	-	500,000
	11,727,764	5,659,319	2,893,720	48,642,886	2,925,239	-	71,848,928

Parent

31 December 2021

<i>In thousands of Nigeria Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
		High credit quality	Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	-	3,102,832	2,810,828	7,619,620	693,733	-	14,227,013
Financial assets fair valued through profit or loss	-	-	-	3,653,526	-	-	3,653,526
Available-for-sale	198,180	2,983,192	102,092	27,018,128	370,030	-	30,671,622
Financial assets designated at fair value	1,130,721	587,621	192,781	2,406,104	43,029	-	4,360,256
Loans and receivables	2,666,458	-	-	-	-	-	2,666,458
Trade receivables	1,196,453	-	-	-	-	-	1,196,453
Reinsurance assets (less prepaid reinsurance and IBNR)	3,501,192	-	-	-	-	-	3,501,192
Other receivables (less prepayment)	2,458,698	-	-	-	-	-	2,458,698
Statutory deposit	-	-	-	500,000	-	-	500,000
	11,151,702	6,673,645	3,105,701	41,197,378	1,106,792	-	63,235,218

Parent

31 December 2020

<i>In thousands of Nigeria Naira</i>	Unrated	A/A-	Aa	B/B+	BB-	BBB	TOTAL
	High credit quality	Strong financial security	Very strong	Substantive	Doubtful	Doubtful	
Cash and cash equivalents	-	3,090,467	2,673,451	9,895,683	916,347	-	16,575,948
Financial assets fair valued through profit or loss	-	-	-	5,407,073	-	-	5,407,073
Available-for-sale	149,315	1,981,404	85,277	25,090,605	294,208	-	27,600,809
Financial assets designated at fair value	1,149,987	548,094	134,992	2,604,053	30,742	-	4,467,868
Loans and receivables	1,014,377	-	-	-	-	-	1,014,377
Trade receivables	1,043,004	-	-	-	-	-	1,043,004
Reinsurance assets (less prepaid reinsurance and IBNR)	2,384,292	-	-	-	-	-	2,384,292
Other receivables (less prepayment)	478,179	-	-	-	-	-	478,179
Statutory deposit	-	-	-	500,000	-	-	500,000
	6,219,154	5,619,965	2,893,720	43,497,414	1,241,297	-	59,471,550

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

AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA	Has very strong financial security characteristics, differing only slightly from those rated higher.
A	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.

BB	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.
B	Possessing substantial risk that obligations will not be paid when due. Judged to be speculative to a high degree.

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

	Group		Parent	
<i>Amounts in thousands of Naira</i>	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Gross premium receivable	6,127,502	5,900,114	167,861	160,309
Co-insurance receivable	1,057,709	923,762	1,057,709	923,762
Reinsurers' share of outstanding claims	2,119,313	1,502,091	2,119,313	1,502,091
Recoverables from reinsurers on claims paid	1,509,789	902,728	1,381,879	882,201
Total	10,814,313	9,228,695	4,726,762	3,468,363
Neither due nor impaired	10,642,459	9,073,718	4,697,645	3,427,296
Individually impaired	171,854	154,977	29,117	41,067
Gross total	10,814,313	9,228,695	4,726,762	3,468,363
Impairment allowance	(171,854)	(154,977)	(29,117)	(41,067)
Carrying amount	10,642,459	9,073,718	4,697,645	3,427,296

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

	Group		Parent	
<i>Neither due nor impaired</i>	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
<i>Amounts in thousands of Naira</i>				
Other receivable (less prepayment)	2,941,737	819,323	2,458,698	478,179
Loans and receivable	1,655,085	470,272	2,666,458	1,014,377
Total	4,596,822	1,289,595	5,125,156	1,492,556
Total receivables neither due nor impaired	4,731,977	1,427,120	5,260,311	1,630,081
Individually impaired	135,155	137,524	135,155	137,525
Gross total	4,867,131	1,564,644	5,395,466	1,767,606
Impairment allowance	(135,155)	(137,524)	(135,155)	(137,525)
Carrying amount	4,731,977	1,427,120	5,260,311	1,630,081
Individually impaired	135,155	137,524	135,155	137,525
Over 365 days	135,155	137,524	135,155	137,525

Credit quality**Credit Rating**

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

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

CATEGORIZATION	CREDIT	CREDIT PERIOD
Grade A	No credit limit	Exposure of 20 million for a max. of 60 days
Grade B	Outstanding credit limit not exceeding N50 million	Exposure of 5 million for a max. of 60 days
Grade C	Outstanding credit limit not exceeding N25 million	Exposure of 2.5 million for a max. of 60 days
Grade C2	Outstanding credit limit not exceeding N10 million	Any exposure after 45 days
Grade D	Outstanding credit limit not exceeding N0.5 million	Any exposure after 45 days
Grade E	Zero Credit	Cash only

The Group's categorization of Trade and Reinsurance receivable (less prepaid reinsurance and IBNR) as at 31 December 2021 is as follows:

	Group		Parent	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Trade receivable	7,013,359	6,668,899	1,196,453	1,043,004
Reinsurance receivable	3,629,102	2,404,819	3,501,192	2,384,292
Total	10,642,461	9,073,718	4,697,645	3,427,296

Group**31 December 2021**

Category	A	B	C	D	TOTAL
Insurance brokers	89,937	-	27,155	78,409	195,501
Insurance companies	1,057,709	-	-	-	1,057,709
Reinsurance companies	3,629,102	-	-	-	3,629,102
Policy holders	-	5,959,641	-	-	5,959,641
	4,776,748	5,959,641	27,155	78,409	10,841,953
Impairment	-	-	-	(171,854)	(171,854)
Collective impairment	-	-	-	-	-
Net carrying amount	4,776,748	5,959,641	27,155	(93,445)	10,670,099

31 December 2020

Category	A	B	C	D	TOTAL
Insurance brokers	78,207	-	15,424	66,678	160,309
Insurance companies	923,762	-	-	-	923,762
Reinsurance companies	2,404,819	-	-	-	2,404,819
Policy holders	-	5,739,805	-	-	5,739,805
	3,406,788	5,739,805	15,424	66,678	9,228,695
Impairment	-	-	(697)	(154,280)	(154,977)
Collective impairment	-	-	-	-	-
Net carrying amount	3,406,788	5,739,805	14,727	(87,602)	9,073,718

Parent

31 December 2021					
Category	A	B	C	D	TOTAL
Insurance brokers	89,937	-	27,155	78,409	195,501
Insurance companies	1,057,709	-	-	-	1,057,709
Reinsurance companies	3,501,192	-	-	-	3,501,192
Policy holders	-	-	-	-	-
	4,648,838	-	27,155	78,409	4,754,402
Impairment	-	-	-	(29,117)	(29,117)
Collective impairment	-	-	-	-	-
Net carrying amount	4,648,838	-	27,155	49,292	4,725,285

31 December 2020					
Category	A	B	C	D	TOTAL
Insurance brokers	78,207.00	-	15,424.00	66,678.00	160,309.00
Insurance companies	923,762.00	-	-	-	923,762.00
Reinsurance companies	2,384,292.00	-	-	-	2,384,292.00
Policy holders	-	-	-	-	-
	3,386,261	-	15,424	66,678	3,468,363
Impairment	-	-	-	(41,067)	(41,067)
Collective impairment	-	-	-	-	-
Net carrying amount	3,386,261	-	15,424	25,611	3,427,296

4.3.2 Concentration of credit risk

The Group monitors concentration of credit risk by sector.

31 December 2021**GROUP**

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individuals	Total
Cash and cash equivalents	17,343,344	-	-	-	-	17,343,344
Financial assets fair valued through profit or loss	-	-	3,653,526	-	-	3,653,526
Available-for-sale	8,942,515	-	26,165,021	-	-	35,107,536
Financial assets designated at fair value	2,070,467	-	2,304,338	-	-	4,374,805
Loans and receivables	1,655,085	-	-	-	-	1,655,085
Trade receivables	-	-	-	7,013,359	-	7,013,359
Reinsurance assets	-	-	-	11,172,348	-	11,172,348
Other receivables	-	-	-	3,929,886	-	3,929,886
Statutory deposit	-	-	500,000	-	-	500,000
Total	30,011,411	-	32,622,885	22,115,593	-	84,749,889

PARENT

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individual	Total
Cash and cash equivalents	14,227,012	-	-	-	-	14,227,012
Financial assets fair valued through profit or loss	-	-	3,653,526	-	-	3,653,526
Available-for-sale	6,593,983	-	24,270,592	-	-	30,864,575
Financial assets designated at fair value	2,070,467	-	2,304,338	-	-	4,374,805
Loans and receivables	2,666,458	-	-	-	-	2,666,458
Trade receivables	1,196,453	-	-	-	-	1,196,453
Reinsurance assets	-	-	-	10,870,972	-	10,870,972
Other receivables	-	-	-	2,981,536	-	2,981,536
Statutory deposit	-	-	500,000	-	-	500,000
Total	26,754,373	-	30,728,456	13,852,508	-	71,335,337

GROUP**31 December 2020**

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individuals	Total
Cash and cash equivalents	20,251,719	-	-	-	-	20,251,719
Financial assets fair valued through profit or loss	-	-	5,407,073	-	-	5,407,073
Available-for-sale	8,889,462	-	22,213,170	-	-	31,102,632
Financial assets designated at fair value	2,258,811	-	2,226,435	-	-	4,485,246
Loans and receivables	470,272	-	-	-	-	470,272
Trade receivables	-	-	-	6,668,899	-	6,668,899
Reinsurance assets	-	-	-	6,499,653	-	6,499,653
Other receivables	-	-	-	1,286,603	-	1,286,603
Statutory deposit	-	-	500,000	-	-	500,000
Total	31,870,264	-	30,346,678	14,455,155	-	76,672,097

PARENT

	institutions	Real estate	Public sector	retail trade	Individual	Total
Concentration of credit risk						
Cash and cash equivalents	16,575,948	-	-	-	-	16,575,948
Financial assets fair valued through profit or loss	-	-	5,407,073	-	-	5,407,073
Available-for-sale	7,109,654	-	20,654,786	-	-	27,764,440
Financial assets designated at fair value	2,258,811	-	2,226,435	-	-	4,485,246
Loans and receivables	1,014,377	-	-	-	-	1,014,377
Trade receivables	1,043,004	-	-	-	-	1,043,004
Reinsurance assets	-	-	-	6,327,265	-	6,327,265
Other receivables	-	-	-	726,911	-	726,911
Statutory deposit	-	-	500,000	-	-	500,000
Total	28,001,794	-	28,788,294	7,054,176	-	63,844,264

4.3.3 Offsetting financial assets and financial liabilities

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

Similar financial assets and liabilities include trade receivables and payables.

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

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements**GROUP****31 December 2021****Related amounts not offset in the statement of financial position**

	Gross amount of financial assets recognised	Gross amount of liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	7,013,359	-	7,013,359	-	-	7,013,359
Reinsurance assets	3,629,102	-	3,629,102	-	-	3,629,102
Total	10,642,461	-	10,642,461	-	-	10,642,461

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements**Related amounts not offset in the statement of financial position**

	Gross amount of financial liabilities recognised	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade payables	7,963,891	-	7,963,891	-	-	7,963,891
Reinsurance payables	1,124,311	-	1,124,311	-	-	1,124,311
Total	9,088,202	-	9,088,202	-	-	9,088,202

Parent

31 December 2021

Related amounts not offset in the statement of financial position

	Gross amount of financial assets recognised	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	1,196,453	-	1,196,453	-	-	1,196,453
Reinsurance assets	3,501,192	-	3,501,192	-	-	3,501,192
Total	4,697,645	-	4,697,645	-	-	4,697,645

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

Related amounts not offset in the statement of financial position

	Gross amount of financial assets recognised	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade payables	7,611,792	-	7,611,792	-	-	7,611,792
Reinsurance and coinsurance payables	1,124,311	-	1,124,311	-	-	1,124,311
Total	8,736,103	-	8,736,103	-	-	8,736,103

Group

31 December 2020

Related amounts not offset in the statement of financial position

	Gross amount of financial assets recognised	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	6,668,899	-	6,668,899	-	-	6,668,899
Reinsurance assets	2,404,819	-	2,404,819	-	-	2,404,819
Total	9,073,718	-	9,073,718	-	-	9,073,718

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

Related amounts not offset in the statement of financial position

	Gross amount of financial assets recognised	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade payables	6,549,084	-	6,549,084	-	-	6,549,084
Reinsurance payables	835,626	-	835,626	-	-	835,626
Total	7,384,710	-	7,384,710	-	-	7,384,710

Parent

31 December 2020

Related amounts not offset in the statement of financial position

	Gross amount of financial assets recognised	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	1,043,004	-	1,043,004	-	-	1,043,004
Reinsurance assets	2,384,292	-	2,384,292	-	-	2,384,292
Total	3,427,296	-	3,427,296	-	-	3,427,296

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

	Gross amount of financial liability	Gross amount of financial assets offset in the statement of financial position	Related amounts not offset in the statement of financial position		
			Net amounts of financial liabilities presented in the statement of financial position	Financial instruments (including non cash collateral)	Cash collateral received
<i>In thousands of Nigerian Naira</i>					
Trade payables	6,384,792	-	6,384,792	-	-
Reinsurance payables	835,626	-	835,626	-	-
Total	7,220,418	-	7,220,418	-	-

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

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

4.4 Liquidity risk

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

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

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

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

31 December 2021							
GROUP	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	17,343,344	17,699,580	17,699,580	-	-	-	-
Financial assets fair valued through profit or loss	3,653,526	3,653,526	-	720,930	2,932,596	-	-
Available-for-sale (less equity investments)	34,813,964	46,745,965	189,028	2,082,671	581,982	21,782,992	22,109,292
Financial assets designated at fair value	4,374,805	4,374,805	4,374,805	-	-	-	-
Loans and receivables	1,655,085	1,655,085	1,655,085	-	-	-	-
Trade receivables	7,013,359	7,013,359	7,013,359	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	3,629,102	3,629,102	-	-	3,629,102	-	-
Other receivables (less prepayment)	2,941,737	2,941,737	2,941,737	-	-	-	-
Total financial assets	75,424,922	87,713,159	33,873,594	2,803,601	7,143,680	21,782,992	22,109,292
	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
<i>Investment contract liabilities:</i>							
- At amortised cost	6,868,168	6,868,168	5,821,191	-	1,046,977	-	-
- Liabilities designated at fair value	4,374,805	4,374,805	4,374,805	-	-	-	-
Borrowings	2,454,143	2,454,144	644,213	847,669	847,669	114,594	-
Trade payables (less premium received in advance)	9,310,468	9,310,468	9,310,468	-	-	-	-
Other liabilities (less deferred income)	3,582,011	3,582,011	3,582,011	-	-	-	-
Total financial liabilities	26,589,595	26,589,596	23,732,688	847,669	1,894,645	114,594	-
Net financial assets/ (liabilities)	48,835,327	61,123,563	10,140,906	1,955,932	5,249,035	21,668,398	22,109,292
Insurance contract liabilities	36,928,441	36,928,441	14,038,937	7,547,561	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	11,906,886	24,195,122	(3,898,031)	(5,591,629)	2,620,403	16,386,287	14,678,092

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

31 December 2021							
PARENT	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	14,227,012	14,429,191	14,429,191	-	-	-	-
Financial assets fair valued through profit or loss	3,653,526	3,211,218	-	720,930	-	-	2,490,288
Available-for-sale (less equity investments)	30,671,622	43,451,413	189,028	2,082,671	581,982	20,588,440	20,009,292
Financial assets designated at fair value (less equity security)	4,361,214	4,361,214	4,361,214	-	-	-	-
Loans and receivables	2,666,458	350,238	350,238	-	-	-	-
Trade receivables	1,196,453	1,196,453	1,196,453	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR and reserves)	3,501,192	3,501,192	-	-	3,501,192	-	-
Other receivables (less prepayment)	2,458,698	392,955	392,955	-	-	-	-
Total financial assets	62,736,175	70,893,874	20,919,079	2,803,601	4,083,174	20,588,440	22,499,580

<i>Insurance contract liabilities</i>							
Investment contract liabilities:							
– At amortised cost	6,868,168	6,868,168	5,821,191	-	1,046,977	-	-
– Liabilities designated at fair value	4,374,805	4,374,805	4,374,805	-	-	-	-
Trade payables (less premium received in advance)	8,958,369	8,958,369	8,958,369	-	-	-	-
Other liabilities (less deferred income)	2,845,338	2,845,338	2,845,338	-	-	-	-
Total financial liabilities	23,046,680	23,046,680	21,999,703	-	1,046,977	-	-
Net financial assets/ (liabilities)	39,689,495	47,847,194	(1,080,624)	2,803,601	3,036,197	20,588,440	22,499,580
Insurance contract liabilities	25,594,713	25,594,713	9,038,937	1,213,833	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	14,094,782	22,252,481	(10,119,561)	1,589,768	407,565	15,306,329	15,068,380

31 December 2020							
GROUP	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	20,251,719	20,688,312	20,688,312	-	-	-	-
Financial assets fair valued through profit or loss	5,407,073	5,407,073	-	-	5,407,073	-	-
Available-for-sale (less equity investments)	30,858,955	43,758,652	167,626	1,015,496	309,063	20,317,964	21,948,503
Financial assets designated at fair value	4,467,868	4,467,868	4,467,868	-	-	-	-
Loans and receivables	470,272	470,272	470,272	-	-	-	-
Trade receivables	6,668,899	6,668,899	6,668,899	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	2,404,819	2,404,819	-	-	2,404,819	-	-
Other receivables (less prepayment)	819,323	819,323	819,323	-	-	-	-
Total financial assets	71,348,928	84,685,218	33,282,300	1,015,496	8,120,955	20,317,964	21,948,503
	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
<i>Investment contract liabilities:</i>							
– At amortised cost	5,153,521	5,153,521	4,367,923	-	785,598	-	-
– Liabilities designated at fair value	4,485,246	4,485,246	4,485,246	-	-	-	-
Borrowings	2,994,361	3,593,916	786,020	889,476	889,476	1,028,945	-
Trade payables (less premium received in advance)	7,202,673	7,202,673	7,202,673	-	-	-	-
Other liabilities (less deferred income)	1,694,058	1,694,058	1,694,058	-	-	-	-
Total financial liabilities	21,529,859	22,129,414	18,535,920	889,476	1,675,073	1,028,945	-
Net financial assets/ (liabilities)	49,819,070	62,555,805	14,746,381	126,020	6,445,882	19,289,019	21,948,503
Insurance contract liabilities	29,597,844	29,597,844	7,994,710	6,261,191	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	20,221,226	32,957,961	6,751,671	(6,135,171)	3,817,250	14,006,908	14,517,303

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

31 December 2020							
PARENT	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	16,575,948	16,778,127	16,778,127	-	-	-	-
Financial assets fair valued through profit or loss	5,407,073	1,303,531	-	-	-	-	1,303,531
Available-for-sale (less equity investments)	27,600,809	40,464,100	167,626	1,015,496	309,063	19,123,412	19,848,503
Financial assets designated at fair value	4,467,868	4,467,868	4,467,868	-	-	-	-
Loans and receivables	1,014,377	350,238	350,238	-	-	-	-
Trade receivables	1,043,004	1,043,004	1,043,004	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR and reserves)	2,384,292	2,384,292	-	-	2,384,292	-	-
Other receivables (less prepayment)	478,179	392,955	392,955	-	-	-	-
Total financial assets	58,971,550	67,184,115	23,199,818	1,015,496	2,693,355	19,123,412	21,152,034
<i>Insurance contract liabilities</i>							
Investment contract liabilities:							
– At amortised cost	5,153,521	5,153,521	4,367,923	-	785,598	-	-
– Liabilities designated at fair value	4,485,246	4,485,246	4,485,246	-	-	-	-
Trade payables (less premium received in advance)	7,038,381	7,038,381	7,038,381	-	-	-	-
Other liabilities (less deferred income)	1,183,712	1,183,712	1,183,712	-	-	-	-
Total financial liabilities	17,860,860	17,860,860	17,075,262	-	785,598	-	-
Net financial assets/ (liabilities)	41,110,690	49,323,255	6,124,556	1,015,496	1,907,757	19,123,412	21,152,034
Insurance contract liabilities	19,550,486	19,550,486	2,994,710	1,213,833	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	21,560,204	29,772,769	3,129,846	(198,337)	(720,875)	13,841,301	13,720,834

4 Capital Management

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

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

In thousands

	Group		Company	
	31 Dec-2021	31 Dec-2020	31 Dec-2021	31 Dec-2020
Regulatory capital held	21,489,258	29,063,186	15,937,323	23,175,091
Minimum regulatory capital	5,550,000	5,550,000	5,000,000	5,000,000

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

The insurance business is divided into the life and non life business. The life business has a regulatory minimum capital of N2 billion while the Non life business has a regulatory minimum capital base of N3 billion. The asset management business has a minimum capital base of N500 million, as a fund manager. These three businesses met and exceeded these minimum requirements as at 31 December 2021 as indicated below:

	Health maintenance organisation	Life insurance business	Non life insurance business	Asset management business
	31 Dec-2021	31 Dec-2021	31 Dec-2021	31 Dec-2021
Regulatory capital held	4,240,120	3,127,257	12,810,066	1,311,815
Minimum regulatory capital	400,000	2,000,000	3,000,000	150,000

In thousands of Naira

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

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

The Solvency Margin for the parent as at 31 December 2021 is as follows:

	31-Dec-21			31-Dec-20		
	TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
ASSETS						
Cash and cash equivalents	14,227,012	12,172,261	2,054,751	16,575,948	13,541,329	3,034,619
Investment securities:						
– Fair value through profit or loss	3,653,526	3,653,526	-	5,407,073	5,407,073	-
– Available-for-sale assets	30,864,575	30,864,575	-	27,764,440	27,764,440	-
Financial assets designated at fair value	4,374,805	4,374,805	-	4,485,246	4,485,246	-
Trade receivables	1,196,453	138,745	1,057,709	1,043,004	119,242	923,762
Reinsurance assets	10,870,972	10,870,972	-	6,327,265	6,327,265	-
Deferred acquisition cost	620,749	620,749	-	346,212	346,212	-
Other receivables	2,981,536	-	2,981,536	726,911	-	726,911
Loans and receivables	2,666,458	241,436	2,425,022	1,014,377	228,239	786,138
Investment property	-	-	-	-	-	-
Investment in subsidiaries	1,652,000	1,652,000	-	1,652,000	1,652,000	-
Intangible assets	354,896	354,896	-	305,443	305,443	-
Property and equipment	2,404,365	2,404,365	-	2,154,801	2,154,801	-
Right of use	654,074	-	654,074	722,803	-	722,803
Statutory deposit	500,000	500,000	-	500,000	500,000	-
TOTAL ASSETS	77,021,421	67,848,330	9,173,092	69,025,523	62,831,290	6,194,233
LIABILITIES						
Insurance liabilities	25,594,713	25,594,713	-	19,550,486	19,550,486	-
Investment contract liabilities:						
– At amortised cost	6,868,168	6,868,168	-	5,153,521	5,153,521	-
– Liabilities designated at fair value	4,374,805	4,374,805	-	4,485,246	4,485,246	-
Trade payables	11,286,130	11,286,130	-	8,947,445	8,947,445	-
Current income tax liabilities	645,958	645,958	-	125,911	125,911	-
Other liabilities	3,141,233	3,141,233	-	1,393,590	1,393,590	-
Borrowings	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
TOTAL LIABILITIES	51,911,007	51,911,007	-	39,656,199	39,656,199	-
Excess of admissible assets over liabilities		15,937,323			23,175,091	
The higher of 15% of Net premium income and minimum paid up capital		5,000,000			5,000,000	
Solvency Ratio		319%			464%	

5.2 Fair value hierarchy

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

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

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

Valuation models

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

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

Financial assets and liabilities measured at fair value

(All figures are in thousands of naira)

Group

31-Dec-21

	Level 1	Level 2	Level 3	Total
Available for sale	26,402,627	8,685,256	19,500	35,107,383
Other financial assets designated at fair value	3,591,376	783,429	-	4,374,805
Total	29,994,003	9,468,685	-	39,462,688

Liability type

Other financial liabilities designated at fair value	3,591,376	783,429	-	4,374,805
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Group

31-Dec-20

	Level 1	Level 2	Level 3	Total
Available for sale	22,400,881	8,682,251	19,500	31,102,632
Other financial assets designated at fair value	3,140,836	1,344,410	-	4,485,246
Total	25,541,717	10,026,661	-	35,568,378

Liability type

Other financial liabilities designated at fair value	3,140,836	1,344,410	-	4,485,246
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Parent

31-Dec-21

	Level 1	Level 2	Level 3	Total
Available for sale	20,762,451	6,982,489	19,500	27,764,440
Other financial assets designated at fair value	3,591,376	783,429	-	4,374,805
Total	24,353,827	7,765,918	-	32,119,745

Other financial liabilities designated at fair value

	3,591,376	-		3,591,376
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Parent

31-Dec-20

	Level 1	Level 2	Level 3	Total
Available for sale	20,762,451	6,982,489	19,500	27,764,440
Other financial assets designated at fair value	3,140,836	1,344,410	-	4,485,246
Total	23,903,287	8,326,899	19,500	32,249,686

Other financial liabilities designated at fair value

	3,140,836	1,344,410	-	4,485,246
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Financial instruments in level 2

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

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

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

Financial instruments in level 3**(i) Reconciliation**

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

In thousands of Nigerian Naira

Group	Dec-21	Dec-20
Balance at 1 January	19,500	23,550
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	(4,050)
Balance end of year	19,500	19,500

Impact of changes in fair value of available for sale assets

OCI	-	(4,050)
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Parent	Dec-21	Dec-20
Balance at 1 January	19,500	23,550
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	(4,050)
Balance end of year	19,500	19,500

Impact of changes in fair value of available for sale assets

OCI	-	(4,050)
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(ii) Information about fair value measurement using significant unobservable inputs (Level 3)

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

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

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

Unobservable market inputs used in measuring the fair value.

Significant unobservable inputs are developed as follows:

Risk-Free rate

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

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

Beta

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

Market risk premium

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

Assumed terminal growth rate

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

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

Financial instruments not measured at fair value

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

Group

31-Dec-21	FAIR VALUE			Total	Carrying amount
	Level 1	Level 2	Level 3		
Cash and cash equivalents	-	17,343,344	-	17,343,344	17,343,344
Trade receivables	-	7,013,359	-	7,013,359	7,013,359
Loan and receivables	-	1,655,085	-	1,655,085	1,655,085
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	3,629,102	-	3,629,102	3,629,102
Other receivables (less prepayment)	-	2,941,737	-	2,941,737	2,941,737
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	33,082,627	-	33,082,627	33,082,627
Investment contracts at amortised cost	-	6,868,168	-	6,868,168	6,868,168
Borrowings	-	2,454,143	-	2,454,143	2,454,143
Trade payables	-	11,638,229	-	11,638,229	11,638,229
Other liabilities (excluding deferred income)	-	3,582,011	-	3,582,011	3,582,011
Total	-	24,542,551	-	24,542,551	24,542,551

Parent

31-Dec-21	FAIR VALUE			Total	Carrying amount
	Level 1	Level 2	Level 3		
Cash and cash equivalents	-	14,227,012	-	14,227,012	14,227,012
Trade receivables	-	1,196,453	-	1,196,453	1,196,453
Loans and receivables	-	2,666,458	-	2,666,458	2,666,458
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	3,501,192	-	3,501,192	3,501,192
Other receivables (less prepayment)	-	2,458,698	-	2,458,698	2,458,698
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	24,549,813	-	24,549,813	24,549,813
Investment contracts at amortised cost	-	6,868,168	-	6,868,168	6,868,168
Trade payables	-	11,286,130	-	11,286,130	11,286,130
Other liabilities	-	2,845,338	-	2,845,338	2,845,338
Total	-	20,999,636	-	20,999,636	20,999,636

Group

31-Dec-20	FAIR VALUE			Total	Carrying amount
	Level 1	Level 2	Level 3		
Cash and cash equivalents	-	20,251,719	-	20,251,719	20,251,719
Trade receivables	-	6,668,899	-	6,668,899	6,668,899
Loan and receivables	-	470,272	-	470,272	470,272
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	2,404,819	-	2,404,819	2,404,819
Other receivables (less prepayment)	-	819,323	-	819,323	819,323
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	31,115,032	-	31,115,032	31,115,032

Liability type					
Investment contracts at amortised cost	-	5,153,521	-	5,153,521	5,153,521
Borrowings	-	2,994,361	-	2,994,361	2,994,361
Trade payables	-	9,111,737	-	9,111,737	9,111,737
Other liabilities (excluding deferred income)	-	1,694,058	-	1,694,058	1,694,058
Total	-	18,953,677	-	18,953,677	18,953,677

Parent**31-Dec-20**

	FAIR VALUE			Total	Carrying Amount
	Level 1	Level 2	Level 3		
Cash and cash equivalents	-	16,575,948	-	16,575,948	16,575,948
Trade receivables	-	1,043,004	-	1,043,004	1,043,004
Loans and receivables	-	1,014,377	-	1,014,377	1,014,377
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	2,384,292	-	2,384,292	2,384,292
Other receivables (less prepayment)	-	478,179	-	478,179	478,179
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	21,495,800	-	21,995,800	21,495,800
Liability type					
Investment contracts at amortised cost	-	5,153,521	-	5,153,521	5,153,521
Trade payables	-	8,947,445	-	8,947,445	8,947,445
Other liabilities	-	1,183,712	-	1,183,712	1,183,712
Total	-	15,284,678	-	15,284,678	15,284,678

Determination of fair value

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

Cash and cash equivalent and borrowings

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

Quoted securities

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

Unquoted equity securities available for sale

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

Trade receivables and payables, reinsurance receivables and other liabilities

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

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

Non financial asset measured at fair value

Investment property is valued using the income approach. The rental income/prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size, beta, growth rates, discount rate, inflation rate, holding period and capitalisation rate. The adjusted rental income/prices forms the cashflows which is discounted using the relevant discount rate. A variation of +/-5% will result in N685 million fair value losses/gain respectively.

Office property

Valuation technique	Fair value as at 31 December 2021	Unobservable inputs	Range of unobservable inputs (probability weighted average)
Discounted Income Capitalisation Cashflow approach	14,560,934	Forecast price per square metre	\$500
		Capitalisation rate	6%

Landed property

Valuation technique	Fair value as at 31 December 2021	Unobservable inputs	Range of unobservable inputs (probability weighted average)
Market Valuation approach	-	NA	NA

5 Measurement of financial assets and liabilities

5.1 Accounting classification measurement basis and fair value

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

In thousands of Nigerian Naira

Group		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2021	<i>Notes</i>							
Cash and cash equivalents	8	-	-	17,343,344	-	-	17,343,344	17,343,344
Investment securities:								
- Fair value through profit or loss	9.1	3,653,526	-	-	-	-	3,653,526	3,653,526
- Available-for-sale assets	9.2	-	-	-	35,107,536	-	35,107,536	35,107,536
Financial assets designated at fair value	9.3	-	4,374,805	-	-	-	4,374,805	4,374,805
Loans and receivables	14	-	-	-	-	-	-	-
Trade receivables	10	-	-	7,013,359	-	-	7,013,359	7,013,359
Loans and receivables	14	-	-	1,655,085	-	-	1,655,085	1,655,085
Reinsurance receivables (excluding prepaid re-insurance, IBNR & Reserves)	11	-	-	3,629,102	-	-	3,629,102	3,629,102
Other receivables (excl. prepayment)	13	-	-	2,941,737	-	-	2,941,737	2,941,737
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,653,526	4,374,805	32,582,627	35,107,536	500,000	76,218,494	76,218,494
Investment contracts:								
- Designated at fair value	21.2	-	4,374,805	-	-	-	4,374,805	4,374,805
- At amortised cost	21.1	-	-	-	-	6,868,168	6,868,168	6,868,168
Borrowing	25	-	-	-	-	2,454,143	2,454,143	2,454,143
Trade payables	22	-	-	-	-	11,638,229	11,638,229	11,638,229
Other liabilities (excluding deferred income)	23	-	-	-	-	3,582,011	3,582,011	3,582,011
		-	4,374,805	-	-	24,542,551	28,917,356	28,917,356
Parent		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2021	<i>Notes</i>							
Cash and cash equivalents	8	-	-	14,227,012	-	-	14,227,012	14,227,012
Investment securities:								
- Fair value through profit or loss	9.1	3,653,526	-	-	-	-	3,653,526	3,653,526
- Available for sale	9.2	-	-	-	30,864,575	-	30,864,575	30,864,575
Loans and receivables	14	-	-	-	-	-	-	-
Financial assets designated at fair value	9.3	-	4,374,805	-	-	-	4,374,805	4,374,805
Loans and receivables	14	-	-	-	-	-	-	-
Trade receivables	10	-	-	1,196,453	-	-	1,196,453	1,196,453
Loans and receivables	14	-	-	2,666,458	-	-	2,666,458	2,666,458
Reinsurance receivables (excluding prepaid re-insurance)	11	-	-	3,501,192	-	-	3,501,192	3,501,192
Other receivables (excl. prepayment)	13	-	-	2,458,698	-	-	2,458,698	2,458,698
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,653,526	4,374,805	24,049,813	30,864,575	500,000	63,442,719	63,442,719
Investment contracts:								
- Designated at fair value	21.2	-	4,374,805	-	-	-	4,374,805	4,374,805
- At amortised cost	21.1	-	-	-	-	6,868,168	6,868,168	6,868,168
Trade payables	22	-	-	-	-	11,286,130	11,286,130	11,286,130
Other liabilities (excluding deferred income and advance premium)	23	-	-	-	-	2,845,338	2,845,338	2,845,338
		-	4,374,805	-	-	20,999,636	25,374,441	25,374,441

Group		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2020	<i>Notes</i>							
Cash and cash equivalents	8	-	-	20,251,719	-	-	20,251,719	20,251,719
Investment securities:								
- Fair value through profit or loss	9.1	5,407,073	-	-	-	-	5,407,073	5,407,073
- Available-for-sale assets	9.2	-	-	-	31,102,632	-	31,102,632	31,102,632
Financial assets designated at fair value	9.3	-	4,485,246	-	-	-	4,485,246	4,485,246
Trade receivables	10	-	-	6,668,899	-	-	6,668,899	6,668,899
Loans and receivables	14	-	-	470,272	-	-	470,272	470,272
Reinsurance receivables (excluding prepaid re-insurance, IBNR & Reserves)	11	-	-	2,404,819	-	-	2,404,819	2,404,819
Other receivables (excl. prepayment)	13	-	-	819,323	-	-	819,323	819,323
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		5,407,073	4,485,246	30,615,032	31,102,632	500,000	72,109,983	72,109,983
Investment contracts:								
- Designated at fair value	21.2	-	4,485,246	-	-	-	4,485,246	4,485,246
- At amortised cost	21.1	-	-	-	-	5,153,521	5,153,521	5,153,521
Borrowing	25	-	-	-	-	2,994,361	2,994,361	2,994,361
Trade payables	22	-	-	-	-	9,111,737	9,111,737	9,111,737
Other liabilities (excluding deferred income)	23	-	-	-	-	1,694,058	1,694,058	1,694,058
		-	4,485,246	-	-	18,953,677	23,438,923	23,438,923
Parent								
31 Dec 2020	<i>Notes</i>							
Cash and cash equivalents	8	-	-	16,575,948	-	-	16,575,948	16,575,948
Investment securities:								
- Fair value through profit or loss	9.1	5,407,073	-	-	-	-	5,407,073	5,407,073
- Available for sale	9.2	-	-	-	27,600,809	-	27,600,809	27,600,809
Financial assets designated at fair value	9.3	-	4,467,868	-	-	-	4,467,868	4,467,868
Trade receivables	10	-	-	1,043,004	-	-	1,043,004	1,043,004
Loans and receivables	14	-	-	1,014,377	-	-	1,014,377	1,014,377
Reinsurance receivables (excluding prepaid re-insurance)	11	-	-	2,384,292	-	-	2,384,292	2,384,292
Other receivables (excl. prepayment)	13	-	-	478,179	-	-	478,179	478,179
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		5,407,073	4,467,868	21,495,800	27,600,809	500,000	59,471,550	59,471,550
Investment contracts:								
- Designated at fair value	21.2	-	4,467,868	-	-	-	4,467,868	4,467,868
- At amortised cost	21.1	-	-	-	-	5,153,521	5,153,521	5,153,521
Trade payables	22	-	-	-	-	8,947,445	8,947,445	8,947,445
Other liabilities (excluding deferred income and advance premium)	23	-	-	-	-	1,183,712	1,183,712	1,183,712
		-	4,467,868	-	-	15,284,678	19,752,546	19,752,546

6. Asset and Liability Management (ALM)

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

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

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

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

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

31 December 2021 In thousands of Naira	Non Life	Life Insurance Funds	Investment Contracts Funds	Annuity funds	Total Life	Total
Total						N'000
Insurance Contract liabilities	16,411,751	7,027,868	-	2,155,094	9,182,962	25,594,713
Investment Contract liabilities	-	-	11,242,973	-	11,242,973	11,242,973
Gross Insurance Funds	16,411,751	7,027,868	11,242,973	2,155,094	20,425,935	36,837,686
Less:						
Reinsurance Receivables						
Reinsurance premium paid in advance for next year's policies	-	-	-	-	-	-
Reinsurance expenses prepaid	5,038,597	127,154	-	-	127,154	5,165,751
Reinsurers share of Claims expense paid	992,007	389,872	-	-	389,872	1,381,879
Reinsurers share of Claims expense outstanding	2,033,096	86,217	-	-	86,217	2,119,313
Reinsurers share of Incurred but not reported claims & Ind life reserves	1,957,428	246,601	-	-	246,601	2,204,029
Net Insurance Funds	6,390,623	6,178,024	11,242,973	2,155,094	19,576,091	25,966,714
Admissible Assets						
Cash and Cash Equivalents	7,994,050	2,132,779	1,544,822	60,756	3,738,357	11,732,407
Treasury bills and Government Bonds	4,469,753	2,650,049	8,179,008	3,685,186	14,514,242	18,983,995
Placement with Financial Institutions	3,180,007	1,304,651	1,435,586	-	2,740,237	5,920,244
Corporate Bonds & Debenture	3,716,297	-	202,386	-	202,386	3,918,683
Ordinary & Preference Shares	-	-	13,591	76,415	90,006	90,006
Agency Loan	-	-	-	-	-	-
Loan to Policy holders	-	-	-	-	-	-
Other Loans & Investments	-	204,122	-	-	204,122	204,122
Investment in subsidiaries,	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-
Investment in jointly controlled entities	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Total Admissible Assets	19,360,107	6,291,600	11,375,393	3,822,356	21,489,349	40,849,456
SURPLUS(DEFICIT) IN ASSETS COVER	12,969,484	113,576	132,420	1,667,262	1,913,258	14,882,742

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

31 December 2020 <i>In thousands of Naira</i>	Non Life	Life Insurance Funds	Investment Contracts Funds	Annuity funds	Total Life	Total
Total						N'000
Insurance Contract liabilities	11,102,754	4,211,175	-	2,177,817	6,388,992	17,491,746
Investment Contract liabilities	-	-	8,430,460	-	8,430,460	8,430,460
Gross Insurance Funds	11,102,754	4,211,175	8,430,460	2,177,817	14,819,452	25,922,206
Less:						
Reinsurance Receivables						
Reinsurance premium paid in advance for next year's policies	-	-	-	-	-	-
Reinsurance expenses prepaid	2,222,808	127,480	-	-	127,480	2,350,288
Reinsurers share of Claims expense paid	553,529	328,672	-	-	328,672	882,201
Reinsurers share of Claims expense outstanding	1,483,060	19,031	-	-	19,031	1,502,091
Reinsurers share of Incurred but not reported claims & Ind life reserves	1,541,777	50,908	-	-	50,908	1,592,685
Net Insurance Funds	6,107,384	4,061,641	9,638,767	3,054,196	16,754,604	22,861,988
Admissible Assets						
Cash and Cash Equivalents	3,036,957	902,240	1,113,603	81,319	2,097,162	5,134,120
Treasury bills and Government Bonds	4,077,976	1,297,313	7,404,903	4,973,133	13,675,349	17,753,326
Placement with Financial Institutions	2,451,572	1,700,965	1,128,845	120,595	2,950,405	5,401,978
Corporate Bonds & Debenture	2,144,379	-	556,872	-	556,872	2,701,251
Ordinary & Preference Shares	-	-	17,378	74,851	92,230	92,230
Agency Loan	-	-	-	-	-	-
Loan to Policy holders	-	-	-	-	-	-
Other Loans & Investments	7,063	721,699	-	-	721,699	728,762
Investment in subsidiaries,	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-
Investment in jointly controlled entities	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Total Admissible Assets	11,717,948	4,622,217	10,221,601	5,249,899	20,093,717	31,811,665
SURPLUS(DEFICIT) IN ASSETS COVER	5,610,564	560,576	582,834	2,195,703	3,339,113	8,949,677

Notes to the financial statements

7 (a) The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2021 is as follows:

December 2021 <i>In thousands of Nigerian Naira</i>	Non life business	Life Business	AXA Mansard Insurance	Investment Management	Property Development	Health Maintenance	Elimination adjustments	Total
Cash and cash equivalents	9,303,148	4,923,864	14,227,012	295,922	844,530	1,975,880	-	17,343,344
Fair value through profit or loss	-	3,653,526	3,653,526	-	-	-	-	3,653,526
Available-for-sale assets	20,006,257	10,858,318	30,864,575	1,141,871	78,784	3,022,459	(153)	35,107,536
Financial assets designated at fair value	-	4,374,805	4,374,805	-	-	-	-	4,374,805
Trade receivables	831,136	365,317	1,196,453	-	-	5,816,906	-	7,013,359
Reinsurance assets	10,021,126	849,846	10,870,972	-	-	301,376	-	11,172,348
Deferred acquisition cost	620,749	-	620,749	-	-	132,205	-	752,954
Other receivables	2,922,269	59,267	2,981,536	236,109	82,346	612,606	17,289	3,929,886
Loans and receivables	1,256,859	1,409,599	2,666,458	38	-	1,764,923	(2,776,334)	1,655,085
Investment properties	-	-	-	-	14,560,934	-	-	14,560,934
Investment in subsidiaries	1,252,000	400,000	1,652,000	-	-	4,400,000	(6,052,000)	-
Intangible assets	354,896	-	354,896	19,180	245	14,326	12,000	400,647
Property, plant and equipment	2,403,962	403	2,404,365	80,447	55,009	262,637	-	2,802,458
Right of Use	594,053	60,021	654,074	-	-	143,683	-	797,757
Statutory deposit	300,000	200,000	500,000	-	-	-	-	500,000
TOTAL ASSETS	49,866,455	27,154,966	77,021,421	1,773,567	15,621,848	18,447,001	(8,799,198)	104,064,639
Insurance liabilities	16,411,751	9,182,962	25,594,713	-	-	11,333,728	-	36,928,441
<i>Investment contract liabilities:</i>			-					-
– At amortised cost	-	6,868,168	6,868,168	-	-	-	-	6,868,168
– Financial liabilities designated at fair value	-	4,374,805	4,374,805	-	-	-	-	4,374,805
Trade payables	9,016,224	2,269,906	11,286,130	-	-	352,099	-	11,638,229
Other Liabilities	2,838,965	302,268	3,141,233	370,788	479,994	1,557,700	(1,036,643)	4,513,072
Current income tax liabilities	309,360	336,598	645,958	74,404	317,092	924,567	-	1,962,020
Borrowings	-	-	-	-	4,193,835	-	(1,739,691)	2,454,143
Deferred income tax	-	-	-	16,563	877,226	38,784	-	932,573
TOTAL LIABILITIES	28,576,300	23,334,707	51,911,007	461,755	5,868,147	14,206,878	(2,776,334)	69,671,451
EQUITY								
Share capital	10,000,000	8,000,000	18,000,000	150,000	9,250	700,000	(859,250)	18,000,000
Share premium	78,255	-	78,255	790,000	2,612,162	-	(3,402,162)	78,255
Contingency reserve	3,970,257	846,459	4,816,716	-	-	-	-	4,816,716
Other reserves	-	-	-	-	-	-	-	-
Treasury shares	(111,476)	-	(111,476)	-	-	-	-	(111,476)
Retained earnings	2,414,625	(78,942)	2,335,683	369,986	7,132,291	3,595,514	(6,082,343)	7,351,131
Fair value reserves	(408,051)	399,287	(8,764)	1,829	-	(55,394)	-	(62,329)
	15,943,610	9,166,804	25,110,414	1,311,815	9,753,703	4,240,120	(10,343,755)	30,072,297
Non-controlling interests in equity	-	-	-	-	-	-	4,320,891	4,320,891
TOTAL EQUITY	15,943,610	9,166,804	25,110,414	1,311,815	9,753,703	4,240,120	(6,022,864)	34,393,188
TOTAL LIABILITIES AND EQUITY	44,519,910	32,501,511	77,021,421	1,773,570	15,621,850	18,446,998	(8,799,198)	104,064,639

December 2020	Non life business	Life Business	AXA Mansard	Investment	Property	Health	Elimination	Total
<i>In thousands of Nigerian Naira</i>			Insurance	Management	Development	Maintenance	adjustments	
Cash and cash equivalents	10,626,208	5,949,740	16,575,948	291,555	600,765	2,783,451	-	20,251,719
Fair value through profit or loss	-	5,407,073	5,407,073	-	-	-	-	5,407,073
Available-for-sale assets	17,625,563	10,138,877	27,764,440	823,374	493	2,514,238	87	31,102,632
Financial assets designated at fair value	-	4,485,246	4,485,246	-	-	-	-	4,485,246
Trade receivables	708,552	334,452	1,043,004	-	-	5,625,895	-	6,668,899
Reinsurance assets	5,668,385	658,880	6,327,265	-	-	172,388	-	6,499,653
Deferred acquisition cost	346,212	-	346,212	-	-	69,505	-	415,717
Other receivables	682,851	44,060	726,911	100,415	125,125	391,939	(57,787)	1,286,603
Loans and receivables	558,962	455,415	1,014,377	7,404	-	1,545,671	(2,097,180)	470,272
Investment properties	-	-	-	-	13,694,760	-	-	13,694,760
Investment in subsidiaries	1,252,000	400,000	1,652,000	-	-	4,400,000	(6,052,000)	-
Intangible assets	298,003	7,440	305,443	9,672	350	2,552	12,000	330,017
Property, plant and equipment	2,154,393	408	2,154,801	66,327	50,189	156,971	-	2,428,288
Right of Use	662,782	60,021	722,803	-	-	176,038	-	898,841
Statutory deposit	300,000	200,000	500,000	-	-	-	-	500,000
TOTAL ASSETS	40,883,911	28,141,612	69,025,523	1,298,747	14,471,682	17,838,648	(8,194,880)	94,439,720
Insurance liabilities	11,908,557	7,641,929	19,550,486	-	-	10,047,358	-	29,597,844
<i>Investment contract liabilities:</i>								
– At amortised cost	-	5,153,521	5,153,521	-	-	-	-	5,153,521
– Financial liabilities designated at fair value	-	4,485,246	4,485,246	-	-	-	-	4,485,246
Trade payables	7,467,491	1,479,954	8,947,445	-	-	164,292	-	9,111,737
Other Liabilities	3,547,789	(2,154,199)	1,393,590	170,881	428,579	1,617,020	(673,974)	2,936,095
Current income tax liabilities	74,557	51,354	125,911	74,195	250,190	1,198,499	-	1,648,795
Borrowings	-	-	-	-	4,537,089	-	(1,542,728)	2,994,361
Deferred income tax	-	-	-	10,620	789,494	18,552	-	818,666
TOTAL LIABILITIES	22,998,394	16,657,805	39,656,199	255,696	6,005,351	13,045,721	(2,216,702)	56,746,265
EQUITY								
Share capital	10,000,000	8,000,000	18,000,000	150,000	9,250	700,000	(859,250)	18,000,000
Share premium	-	-	-	790,000	2,612,162	-	(3,402,162)	-
Contingency reserve	3,591,032	754,093	4,345,125	-	-	-	-	4,345,125
Other reserves	-	167,381	167,381	-	-	-	-	167,381
Treasury shares	(304,924)	-	(304,924)	-	-	-	-	(304,924)
Retained earnings	1,838,491	290,709	2,129,200	94,987	5,844,919	3,868,727	(5,467,351)	6,470,482
Fair value reserves	2,760,918	2,271,624	5,032,542	8,064	-	224,200	-	5,264,806
	17,885,517	11,483,807	29,369,324	1,043,051	8,466,331	4,792,927	(9,728,763)	33,942,870
Non-controlling interests in equity	-	-	-	-	-	-	3,750,585	3,750,585
TOTAL EQUITY	17,887,517	11,483,807	29,369,324	1,043,051	8,466,331	4,792,927	(5,978,178)	37,693,455
TOTAL LIABILITIES AND EQUITY	40,883,911	28,141,612	69,025,523	1,298,747	14,471,682	17,838,648	(8,194,880)	94,439,720

(b) The consolidated financial data for the reporting segments for the year ended 31 December 2021 is as follows:

31 December 2021	Non life Business	Life business	Insurance	Investment management	Property development	Health Maintenance	Elimination Adjustments	Total
Revenue (Continuing Operations):								
Derived from external customers:								
Gross written premium	28,309,828	9,236,563	37,546,391	-	-	23,007,140	(355,680)	60,197,851
Gross premium income	25,058,725	8,996,263	34,054,988	-	-	22,023,584	(355,680)	55,722,892
Reinsurance expenses	(17,118,214)	(1,199,984)	(18,318,198)	-	-	(262,512)	-	(18,580,710)
Net premium income	7,940,511	7,796,279	15,736,790	-	-	21,761,072	(355,680)	37,142,182
Fees and commission income	1,628,416	232,151	1,860,567	-	-	-	-	1,860,567
Net underwriting income	9,568,927	8,028,430	17,597,357	-	-	21,761,072	(355,680)	39,002,749
<i>Claims:</i>								
Claims expenses (gross)	7,866,562	4,063,845	11,930,407	-	-	16,997,560	-	28,927,967
Claims expenses recovered from reinsurers	(3,797,332)	(639,480)	(4,436,812)	-	-	(174,187)	-	(4,610,999)
Underwriting expenses	2,687,758	1,314,978	4,002,736	-	-	771,596	-	4,774,332
Changes in individual life reserves	-	1,580,635	1,580,635	-	-	-	-	1,580,635
Increase/(decrease) in annuity reserves	-	(899,102)	(899,102)	-	-	-	-	(899,102)
Net underwriting expenses	6,756,988	5,420,876	12,177,864	-	-	17,594,969	-	29,772,833
Total underwriting profit	2,811,939	2,607,554	5,419,493	-	-	4,166,103	(355,680)	9,229,916
Investment income	2,931,003	2,508,211	5,439,214	936,756	1,219,694	374,032	(2,888,822)	5,080,874
Net gains on financial instruments	396,284	(1,301,354)	(905,070)	18,241	662,848	175,710	-	(48,271)
Net gains/ Loss on investment property	-	-	-	-	39,981	-	-	39,981
Net gain on sale of investment in subsidiary	-	-	-	-	-	-	-	-
Profits on investment contracts	-	230,156	230,156	-	-	-	-	230,156
Other income	339,047	4,040	343,087	48,480	10,493	546,451	-	948,511
Rental income	-	-	-	-	-	-	-	-
Total investment income	3,666,334	1,441,053	5,107,387	1,003,477	1,933,017	1,096,193	(2,888,822)	6,251,251
Expenses for marketing and administration	866,704	855,471	1,722,175	-	17,998	142,984	(355,680)	1,527,477
Employee benefit expense	603,864	1,364,498	1,968,362	470,692	-	1,291,075	-	3,730,129
Other operating expenses	2,308,500	1,353,385	3,661,885	233,244	29,304	476,590	(333,821)	4,067,202
Impairment of other assets	(2,370)	-	(2,370)	(40,358)	-	-	40,358	(2,370)
Impairment of premium receivables	1,012	(12,962)	(11,950)	-	-	98,000	-	86,050
Results of operating activities	2,700,563	488,215	3,188,778	339,899	1,885,714	3,253,646	(2,595,358)	6,072,679
Finance cost	(74,227)	-	(74,227)	-	(195,520)	(17,960)	-	(287,707)
Profit before tax	2,626,336	488,215	3,114,551	339,899	1,690,194	3,235,686	(2,595,358)	5,784,972
Income tax expenses	(329,341)	(294,517)	(623,858)	(64,903)	(402,822)	(958,224)	-	(2,049,807)
Profit for the year from continuing operations	2,296,995	193,698	2,490,693	274,996	1,287,372	2,277,462	(2,595,358)	3,735,165

Profit for the year	3,735,165							
Assets and liabilities								
Total assets	49,866,455	27,154,966	77,021,421	1,773,567	15,621,848	18,447,001	(8,799,198)	104,064,639
Total liabilities	28,576,300	23,334,707	51,911,007	461,755	5,868,147	14,206,878	(2,776,334)	69,671,453
Net assets/(liabilities)	21,290,155	3,820,259	25,110,414	1,311,812	9,753,701	4,240,123	(6,022,864)	34,393,186

31 December 2021	Non life	Life business	Insurance	Investment management	Property development	Health Maintenance	Elimination Adjustments	Total
Segment reporting								
<i>In thousands of Naira</i>								
External revenue								
Net premium earned	7,940,511	7,796,279	15,736,790	-	-	21,761,072	(355,680)	37,142,182
Net interest income	2,931,003	2,738,367	5,669,370	936,756	1,219,694	374,032	(2,888,822)	5,311,030
Net fees and commission	1,628,416	232,151	1,860,567	-	-	-	-	1,860,567
Net trading income/(expense)	396,284	(1,301,354)	(905,070)	18,241	662,848	175,710	-	(48,271)
Other income	339,047	4,040	343,087	48,480	50,475	546,451	-	988,492
Inter segment revenue	-	-	(355,680)	-	(2,888,822)	-	-	(3,244,501)
Total segment revenue	13,235,261	9,469,483	22,349,065	1,003,477	(955,805)	22,857,265	(3,244,501)	42,009,499
Reportable segment profit before tax	2,626,336	488,215	3,114,551	339,899	1,690,194	3,235,686	(2,595,358)	5,784,972
Reportable segment assets	49,866,455	27,154,966	77,021,421	1,773,567	15,621,848	18,447,001	(8,799,198)	104,064,639
Reportable segment liabilities	28,576,300	23,334,707	51,911,007	461,755	5,868,147	14,206,878	(2,776,334)	69,671,453

31 December 2020	Non life	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Segment reporting									
<i>In thousands of Naira</i>									
External revenue									
Net premium earned	7,105,088	6,377,710	13,482,798	-	-	18,413,218	-	(179,532)	31,716,484
Net interest income	1,596,343	1,292,109	2,888,452	806,272	1,277,538	400,062	357,926	(303,955)	5,426,294
Net fees and commission	1,490,489	167,327	1,657,816	-	-	-	-	-	1,657,816
Net trading income/(expense)	364,718	1,730,776	2,095,493	(83,533)	1,035,674	233,136	9,064	-	3,289,835
Other income	1,221,079	92	1,221,171	561	(2,279,051)	40,509	132	(242,947)	(1,259,625)
Inter segment revenue	-	-	(422,479)	-	(303,955)	-	-	-	(726,434)
Total segment revenue	11,777,717	9,568,014	20,923,252	723,300	(269,795)	19,086,925	367,122	(726,434)	40,104,370
Reportable segment profit before tax	1,904,387	648,981	2,553,366	102,242	(457,030)	4,073,036	40,791	(232,859)	6,079,549
Reportable segment assets	40,883,911	28,141,612	69,025,523	1,298,746	14,471,682	17,838,648	-	(8,194,880)	94,439,719
Reportable segment liabilities	22,998,394	16,657,805	39,656,199	255,696	6,005,351	13,045,721	-	(2,216,702)	56,746,265

(All amounts in thousands of Naira unless otherwise stated)

8 Cash and cash equivalents

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Cash at bank and in hand	9,088,688	11,134,053	6,612,288	8,972,560
Tenored deposits (see note (a) below)	8,254,656	9,117,666	7,614,724	7,603,388
	17,343,344	20,251,719	14,227,012	16,575,948

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

9 Investment securities

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Fair value through profit or loss (see note 9.1)	3,653,526	5,407,073	3,653,526	5,407,073
Available-for-sale (see note 9.2)	35,107,535	31,102,632	30,864,575	27,764,440
Financial assets designated at fair value (see note 9.3)	4,374,805	4,485,246	4,374,805	4,485,246
	43,135,866	40,994,951	38,892,906	37,656,759
Current	1,404,301	1,244,105	3,653,526	5,407,073
Non-current	41,731,565	39,750,846	35,239,380	32,249,686
	43,135,866	40,994,951	38,892,906	37,656,759

9.1 Fair value through profit or loss

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Government bonds	3,453,525	5,407,073	3,453,525	5,407,073
Treasury bills	200,001	-	200,001	-
	3,653,526	5,407,073	3,653,526	5,407,073

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

2021

Group	at 1 January 2021	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2021
Government bonds	5,407,073	97,853	(3,474,135)	1,160,896	261,838	3,453,525
Treasury bills	-	185,929	(13,625)	23,593	4,104	200,001
	5,407,073	283,782	(3,487,760)	1,184,489	265,942	3,653,526

Parent	at 1 January 2021	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2021
Government bonds	5,407,073	97,853	(3,474,135)	1,160,896	261,838	3,453,525
Treasury bills	-	185,929	(13,625)	23,593	4,104	200,001
	5,407,073	283,782	(3,487,760)	1,184,489	265,942	3,653,526

2020

Group	at 1 January 2020	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2020
Government bonds	3,184,336	978,538	(306,642)	1,189,003	361,838	5,407,073
Treasury bills	2,117,669	11,498	(2,131,294)	257	1,870	-
	5,302,005	990,036	(2,437,936)	1,189,260	363,708	5,407,073

Parent	at 1 January 2020	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2020
Government bonds	3,184,336	978,538	(306,642)	1,189,003	361,838	5,407,073
Treasury bills	2,117,669	11,498	(2,131,294)	257	1,870	-
	5,302,005	990,036	(2,437,936)	1,189,260	363,708	5,407,073

(All amounts in thousands of Naira unless otherwise stated)

9.2 Available-for-sale assets

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Government & corporate bonds	23,956,739	21,585,177	22,211,756	20,276,149
Treasury bills	2,208,282	627,993	2,058,836	378,637
Equity securities (see table (a) below)	293,572	243,677	192,953	163,631
Investment funds (see table (b) below)	8,648,943	8,645,785	6,401,030	6,946,023
	35,107,536	31,102,632	30,864,575	27,764,440

(a) Analysis of equity securities is shown below:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Quoted securities	237,606	187,711	136,987	107,665
Unquoted securities				
Insurance Energy pool	36,466	36,466	36,466	36,466
Imperial Homes Limited	19,500	19,500	19,500	19,500
	293,572	243,677	192,953	163,631

(b) Analysis of investment funds is shown below:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
AXA Mansard Funds	263,135	164,379	263,135	164,379
Legacy Money Market Funds	17,204	11,228	17,204	11,228
Coral Growth Fund	3,860	3,068	3,860	3,068
AXA Mansard Money Market Fund & Income Growth Fund	7,586,570	5,964,753	5,338,658	4,264,991
IAML Money Market Investment	379,508	289,736	379,508	289,736
ARM Money Market Investment	398,666	2,212,621	398,666	2,212,621
	8,648,943	8,645,785	6,401,030	6,946,023

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

(c) Movement in Available-for-sale assets

2021

Group	at 1 January 2021	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2021
Government & corporate bonds	21,585,177	26,069,852	(13,889,262)	(10,510,234)	701,206	23,956,739
Treasury bills	627,993	1,635,055	(2,266,578)	2,116,281	95,531	2,208,282
Equity	243,677	185,157	(89,665)	(45,596)	-	293,572
Investment Funds	8,645,785	4,038,188	(4,222,715)	(22,415)	210,100	8,648,943
	31,102,632	31,928,252	(20,468,220)	(8,461,964)	1,006,837	35,107,536

Parent	at 1 January 2021	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2021
Government & corporate bonds	20,276,149	17,969,608	(6,950,566)	(10,024,232)	940,797	22,211,756
Treasury bills	378,637	8,222,096	(7,114,580)	176,795	395,888	2,058,836
Equity	163,631	151,367	(94,766)	(27,279)	-	192,953
Investment Funds	6,946,023	2,330,343	(3,368,212)	(64,983)	557,859	6,401,030
	27,764,440	28,673,414	(17,528,124)	(9,939,699)	1,894,544	30,864,575

2020

Group	at 1 January 2020	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2020
Government & corporate bonds	12,820,184	14,169,852	(9,652,415)	4,052,918	194,638	21,585,177
Tenored deposits with maturity above 90 days	1,077,894	-	(1,077,894)	-	-	-
Treasury bills	4,846,197	810,018	(5,308,534)	197,452	82,860	627,993
Equity	182,602	187,176	(91,766)	(34,335)	-	243,677
Investment Funds	8,909,948	3,965,317	(4,317,633)	(31,947)	120,100	8,645,785
	27,836,825	19,132,363	(20,448,242)	4,184,088	397,598	31,102,632

Parent	at 1 January 2020	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2020
Government & corporate bonds	11,498,908	12,122,368	(8,273,289)	4,046,256	881,906	20,276,149
Tenored deposits with maturity above 90 days	1,077,895	-	(1,077,895)	-	-	-
Treasury bills	1,546,058	839,616	(2,266,580)	172,415	87,128	378,637
Equity	124,349	183,757	(91,766)	(52,709)	-	163,631
Investment Funds	7,785,436	3,062,043	(4,317,633)	(56,982)	473,159	6,946,023
	22,032,646	16,207,784	(16,027,163)	4,108,980	1,442,193	27,764,440

(All amounts in thousands of Naira unless otherwise stated)

9.3 Financial assets designated at fair value

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Investment contracts designated at fair value (see note (i))	4,374,805	4,485,246	4,374,805	4,485,246
	4,374,805	4,485,246	4,374,805	4,485,246

(i) Investment contracts designated at fair value

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

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Bank balances	783,429	1,344,410	783,429	1,344,410
Short term deposit	646,489	304,394	646,489	304,394
Government treasury bills	547,015	243,700	547,015	243,700
Government and corporate bonds	2,384,281	2,544,622	2,384,281	2,544,622
Quoted equity securities	13,591	17,378	13,591	17,378
	4,374,805	4,485,246	4,374,805	4,485,246

10 Trade receivables

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Premium receivable (see 10.1 below)	5,955,650	5,745,137	138,744	119,242
Coinurance receivable (see 10.2 below)	1,057,709	923,762	1,057,709	923,762
	7,013,359	6,668,899	1,196,453	1,043,004

All trade receivables fall due within one year.

10.1 Premium receivables

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
(a) Premium receivables	6,127,502	5,900,114	167,861	160,309
Less specific provision for impairment	(171,854)	(154,977)	(29,117)	(41,067)
	5,955,648	5,745,137	138,744	119,242

Analysis of premium receivables:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Life contracts insurance receivable	25,325	26,160	25,325	26,160
Non-life contracts insurance receivable	113,418	93,082	113,418	93,082
AXA Mansard Health (HMO) receivable	5,816,906	5,625,895	-	-
	5,955,649	5,745,137	138,743	119,242

Counter party categorization of insurance receivable:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Brokers and agents	167,861	160,309	167,861	160,309
Contract holders	5,959,641	5,739,806	-	-
Total insurance receivables	6,127,502	5,900,115	167,861	160,309
Less impairment of receivables:				
– Brokers and agents	(29,117)	(41,067)	(29,117)	(41,067)
– Contract holders	(142,737)	(113,910)	-	-
Total impairment	(171,854)	(154,977)	(29,117)	(41,067)
	5,955,648	5,745,137	138,744	119,242

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

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
0 – 30 days	3,792,846	4,792,846	116,592	93,367
31 – 90 days	765,900	835,900	23,385	22,732
91 – 180 days	171,581	168,581	3,107	13,659
Above 180 days	1,397,175	102,787	24,778	30,551
Total	6,127,502	5,900,114	167,861	160,309

The movement in impairment of insurance receivable is as follows:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
(b) Impairment of premium receivable				
Balance, beginning of the year	154,977	33,024	41,067	31,067
Additional impairment/(write back) during the year	86,050	121,953	(11,950)	10,000
Balance, end of year	171,854	154,977	29,117	41,067

10.2 Co-insurance receivable

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Co-insurers' share of outstanding claims	1,057,709	923,762	1,057,709	923,762
	1,057,709	923,762	1,057,709	923,762

(All amounts in thousands of Naira unless otherwise stated)

(a) The movement in co-insurance recoverable on claims paid	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	923,762	1,034,697	923,762	1,034,697
Additions in the year	418,346	349,338	418,346	349,338
Receipts during the year	(284,399)	(460,273)	(284,399)	(460,273)
	1,057,709	923,762	1,057,709	923,762
11 Reinsurance assets	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Total reinsurers' share of outstanding claims (see note (a) below)	2,119,313	1,502,091	2,119,313	1,502,091
Prepaid re-insurance- Non life & health (see note (b) below)	5,103,009	2,289,064	5,038,597	2,222,808
Prepaid re-insurance- group life reserves (see note (c) below)	127,154	127,480	127,154	127,480
Reinsurance share of individual life reserves (see note (d) below)	43,155	50,908	43,155	50,908
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	2,269,928	1,627,382	2,160,874	1,541,777
Recoverables from reinsurers on claims paid (see note (f) below)	1,509,789	902,728	1,381,879	882,201
	11,172,348	6,499,653	10,870,972	6,327,265
(a) The movement in reinsurers' share of outstanding claims is as follows:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	1,502,091	3,418,524	1,502,091	3,405,168
Movement during the year	617,222	(1,916,433)	617,222	(1,903,077)
	2,119,313	1,502,091	2,119,313	1,502,091
Reinsurance share of outstanding claims can be analysed as follows:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non-life	2,033,096	1,483,060	2,033,096	1,483,060
Life	86,217	19,031	86,217	19,031
AXA Mansard Health (HMO)	-	-	-	-
Balance, end of year	2,119,313	1,502,091	2,119,313	1,502,091
(b) The movement in prepaid reinsurance - Non life & health is as follows:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	2,289,064	2,075,397	2,222,808	2,029,410
Movement during the year (see note 30)	2,813,945	213,667	2,815,789	193,398
	5,103,009	2,289,064	5,038,597	2,222,808
(c) The movement in prepaid re-insurance- group life reserves:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	127,480	253,769	127,480	253,769
Movement during the year (see note 30)	(326)	(126,289)	(326)	(126,289)
	127,154	127,480	127,154	127,480
(d) The movement in reinsurance share of individual life reserves:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	50,908	26,634	50,908	26,634
Movement during the year (see note 30)	(7,753)	24,274	(7,753)	24,274
	43,155	50,908	43,155	50,908
Reinsurance Expense for the year:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Prepaid re-insurance at the beginning of the year (see note 11(b), (c) & (d) above)	2,467,452	2,355,800	2,401,196	2,309,813
Reinsurance cost (see note 30)	21,386,577	13,915,035	21,125,909	13,677,718
Total	23,854,029	16,270,835	23,527,105	15,987,531
Prepaid re-insurance at the end of the year (see note 11(a), (b) & (c) above)	(5,273,318)	(2,467,452)	(5,208,906)	(2,401,196)
Reinsurance expense for the year (see note 30)	18,580,711	13,803,383	18,318,199	13,586,335
(e) Reinsurance share of IBNR can be analysed as follows:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non-life	1,957,428	1,408,988	1,957,428	1,408,988
Life	203,446	132,789	203,446	132,789
Health	109,054	85,605	-	-
Balance, end of year	2,269,928	1,627,382	2,160,874	1,541,777
The movement in reinsurance IBNR:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	1,627,382	1,462,249	1,541,777	1,442,958
Movement during the year (See note 32)	642,546	165,133	619,097	98,819
	2,269,928	1,627,382	2,160,874	1,541,777
(f) The movement in recoverables from reinsurers on claims paid	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	902,728	1,737,673	882,201	1,737,673
Additions in the year	3,243,847	2,668,968	2,782,146	2,275,927
Receipts during the year	(2,636,786)	(3,503,913)	(2,282,468)	(3,131,399)
	1,509,789	902,728	1,381,879	882,201

(All amounts in thousands of Naira unless otherwise stated)

12 Deferred acquisition cost

This relates to the commission paid on the unexpired premium reserve

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Deferred acquisition cost- Fire	158,990	118,977	158,990	118,977
Deferred acquisition cost- Gen. Accident	62,174	50,308	62,174	50,308
Deferred acquisition cost- Motor	74,136	58,599	74,136	58,599
Deferred acquisition cost- Marine	43,451	17,631	43,451	17,631
Deferred acquisition cost- Engineering	174,406	29,754	174,406	29,754
Deferred acquisition cost- Oil & Gas	99,769	60,678	99,769	60,678
Deferred acquisition cost- Aviation	7,823	10,265	7,823	10,265
Deferred acquisition cost- HMO	132,205	69,505	-	-
Total	752,954	415,717	620,749	346,212

The movement in deferred acquisition cost is as follows:

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Balance, beginning of year	415,717	331,047	346,212	321,055
Movement in deferred acquisition cost (see note 33a)	337,237	84,670	274,537	25,157
Balance, end of year	752,954	415,717	620,749	346,212

13 Other receivables

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Prepayment (see note (i) below)	988,149	467,280	522,838	248,732
Accrued income (see note (ii) below)	420,375	172,132	227,428	34,673
Lease receivables (see note (iv) below)	-	14,756	-	134,278
Other account receivables (see note (iii) below)	2,656,517	769,960	2,366,425	446,753
Gross	4,065,041	1,424,127	3,116,691	864,436
Less: Specific impairment of other receivables (see (a) below)	(135,155)	(137,524)	(135,155)	(137,525)
Net receivables	3,929,886	1,286,603	2,981,536	726,911

- (i) Prepayment includes prepaid expenses such as maintenance agreements. The average amortization period for these expenses is 24 months.
- (ii) Accrued income relates to dividend income earned but not yet received as at year end.
- (iii) Other account receivables relate to amounts due from various third parties and also includes cash advanced to staff in respect of various operating expenses. The key driver for the increase in 2021 is due to a bank transfer executed on 31 December 2021 which remained unsettled as at year end (see note (b) below for movement during the year).
- (iv) Lease receivables represents receivables for the sublease of a building.

- (a) The movement in provision for impairment of other receivables:

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Balance, beginning of the year	137,524	114,852	137,525	114,852
Charge/write back for the year	(2,370)	22,672	(2,370)	22,673
Balance end of year	135,154	137,524	135,155	137,525
Current	2,205,479	885,156	1,460,194	551,709
Non-current	1,859,562	538,972	1,656,498	312,727
	4,065,041	1,424,127	3,116,691	864,436

- (b) The movement in other account receivables is as follows:

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Balance, beginning of the year	769,960	813,068	446,753	426,761
Additional Receivables during the year	2,605,930	3,578,978	2,503,930	3,578,978
Receipts during the year	(719,373)	(3,622,086)	(584,258)	(3,558,986)
Closing, balance of the year	2,656,517	769,960	2,366,425	446,753

14 Loans and receivables

	Group	Group	Parent	Parent
	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Loans and advances to related party	1,388,631	226,254	2,425,274	786,138
Staff loans and advances	266,454	244,018	241,184	228,239
Gross	1,655,085	470,272	2,666,458	1,014,377
Less:				
Specific impairment of staff loans and advances	-	-	-	-
Net loans and receivables	1,655,085	470,272	2,666,458	1,014,377

(All amounts in thousands of Naira unless otherwise stated)

(a) Movement in loans and advances to related party:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	226,254	175,647	786,138	677,082
Additions during the year	1,162,377	50,607	1,864,689	578,927
Accrued Interest during the year	-	-	-	58,501
Payments during the year	-	-	(225,553)	(528,372)
Balance end of year	1,388,631	226,254	2,425,274	786,138
Loans and receivables from related parties relate to receivables from the subsidiaries usually settled within a year				

(b) Movement in staff loans and advances:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	244,018	227,901	228,239	205,086
Additions during the year	92,574	72,617	77,773	79,985
Accrued Interest during the year	21,902	18,312	19,264	17,980
Payments during the year	(92,040)	(74,812)	(84,092)	(74,812)
Balance end of year	266,454	244,018	241,184	228,239

Current	1,655,085	470,272	2,666,458	1,014,377
Non-current	-	-	-	-

15 Investment property

(a)	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	14,560,934	13,694,760	-	-
Balance, end of year	14,560,934	13,694,760	-	-
Non-current	14,560,934	13,694,760	-	-
	14,560,934	13,694,760	-	-

Investment properties comprise landed and office properties held for the purpose of capital appreciation and rental income. Investment property is carried at fair value which is determined by independent professional valuers; Osas & Oseji Estate Surveyors & Valuers (FRC/2012/0000000000522) revalued the office property using the discounted income capitalisation cashflow approach and direct comparison approach. Valuation report was signed by Hyacinth Oseji(FRC/2019/004/000000/20162).

Rental income on investment property included in the statement of comprehensive income for the year was N1.22 billion (2020: N1.24 billion). See note 34.

The movement in investment property is analysed as follows:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	13,694,760	15,801,949	-	1,350,000
Additional during the year	-	-	-	-
Investment property disposed during the year	-	(1,350,000)	-	(1,350,000)
Foreign exchange gain/(loss)	826,193	1,521,862	-	-
Change in fair value	39,981	(2,279,051)	-	-
Investment property at fair value	14,560,934	13,694,760	-	-

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

(All amounts in thousands of Naira unless otherwise stated)

Investment Properties	Valuation technique	Fair value at 31 December 2021 (in thousands)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Landed Property	Market Valuation approach	-	NA	NA	NA
Office Property	Discounted Income Capitalisation	14,560,934	Forecast price per square metre	\$500 per metre square	The higher the price per square metre, the higher the fair value
	Cashflow approach		Capitalisation rate	6%	The higher the capitalisation rate, the lower the fair value

16 Investment in subsidiaries

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

	Parent Dec-2021	Parent Dec-2020
AXA Mansard Investments Limited	940,000	940,000
AXA Mansard Health Limited	712,000	712,000
	1,652,000	1,652,000

(b) Principal subsidiary undertakings:

The Parent of the Group is AXA Mansard Insurance Plc "the parent" (incorporated in Nigeria). The controlling interest of AXA Mansard Insurance Plc in the Group entities is disclosed in the table below:

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

- AXA Mansard Investments Limited was incorporated in January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients.
- AXA Mansard Health Limited was incorporated as a private limited liability company on 7 of August 2003 and its principal activity is to manage the provision of health care services through health care providers and for that purpose was accredited with the National Health Insurance Scheme.
- APD Limited was incorporated on 2 September 2010 for the purpose of holding and developing a commercial office property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure.

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

	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	1,652,000	3,537,247
Additions, during the year	-	-
Disposal, during the year	-	(1,885,247)
Balance, end of year	1,652,000	1,652,000

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

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

(i) APD Limited

	Group Dec-2021	Group Dec-2020
NCI percentage	44.3%	44.3%
Cash and cash equivalents	844,532	600,765
Other receivables	82,346	125,125
Available-for-sale assets	78,784	493
Investment properties	14,560,934	13,694,760
Property and equipment	55,009	50,189
Intangible assets	245	350
Borrowings	(4,193,835)	(4,537,089)
Other liabilities	(1,674,311)	(1,468,262)
Net assets	9,753,704	8,466,331
Carrying amount of NCI	4,320,891	3,750,585

(All amounts in thousands of Naira unless otherwise stated)

	Dec-2021	Dec-2020
Income	1,933,017	1,277,538
Expenses	(242,822)	1,734,568
Profit before tax	2,175,839	(457,030)
Profit after tax	1,287,372	(642,702)
Profit allocated to NCI (44.3%)	570,306	(284,717)

(d) Significant restrictions and impairment

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

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

The Company's investment in subsidiaries was assessed for impairment as at 31 December 2021 with no trigger of impairment identified. Consequently, no impairment charge was recognised.

17 Intangible assets

Analysis of intangible assets:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Computer software acquired (see note (a) below)	388,647	318,017	354,896	305,443
Goodwill	12,000	12,000	-	-
Total	400,647	330,017	354,896	305,443

(a) Group

2021	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	799,991	-	12,000	811,991
Additions	159,135	-	-	159,135
Disposal	(16,183)	-	-	(16,183)
Balance, end of year	942,943	-	12,000	954,943
Amortization:				
Balance, beginning of year	481,974	-	-	481,974
Amortisation charge	117,985	-	-	117,985
Accumulated amortization on disposed assets	(45,663)	-	-	(45,663)
Balance, end of year	554,296	-	-	554,296
Closing net book value	388,647	-	12,000	400,647
2020	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	680,172	500,000	938,532	2,118,704
Additions	159,629	-	-	159,629
Disposal	(39,810)	(500,000)	(926,532)	(1,466,342)
Balance, end of year	799,991	-	12,000	811,991
Amortization:				
Balance, beginning of year	438,407	100,000	-	538,407
Amortisation charge	74,860	11,667	-	86,527
Accumulated amortization on disposed assets	(31,293)	(111,667)	-	(142,960)
Balance, end of year	481,974	-	-	481,974
Closing net book value	318,017	-	12,000	330,017
Parent			Parent Dec-2021	Parent Dec-2020
Cost:				
Balance, beginning of year			716,988	566,120
Additions			159,135	150,868
Balance, end of year			876,123	716,988

(All amounts in thousands of Naira unless otherwise stated)

Amortization:

Balance, beginning of year	411,545	350,670
Amortisation charge	109,682	60,875
Balance, end of year	521,227	411,545

Closing net book value	354,896	305,443
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The licence fee represents the value of identifiable license at the acquisition of AXA Mansard Pensions Limited at the acquisition date in 2015

- (b) with a useful life of 25 years. The amount has been recognised at cost less accumulated amortisation. This was derecognised as part of the sale of the pension subsidiary in 2020 (See note 35(b)).

(c) Goodwill

(i) AXA Mansard Health Limited

On 1 May 2013, AXA Mansard Insurance Plc acquired 99.9% of the share capital of AXA Mansard Health Limited for N12 million. The principal activity of AXA Mansard Health Limited is the provision of health care services through health care providers and for that purpose is accredited with the National Health Insurance Scheme.

As a result of this acquisition, the Group has access to the local health insurance market thereby growing the Group's insurance network. The goodwill of N12m arising represents the fair value of the consideration transferred as AXA Mansard Health Limited had a zero carrying value of its net assets at acquisition date. Cash was paid as consideration and there was no contingent consideration. None of the goodwill recognised is expected to be deductible for income tax purposes.

Annual impairment testing of goodwill

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

No impairment test was done in 2021 as the remaining goodwill is immaterial to the Group's financial statements

Notes to the financial statements

(All amounts in thousands of Naira unless otherwise stated)

18 Property and equipment
(a) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2021	389,664	657,165	1,166,343	1,288,449	592,680	1,260,797	91,646	5,446,743
Additions	-	-	368,775	250,439	59,179	316,657	9,041	1,004,091
Disposals	-	-	(72,813)	(3,105)	(16,070)	(2,862)	-	(94,851)
Balance, 31st December 2021	389,664	657,165	1,462,305	1,535,783	635,789	1,574,592	100,687	6,355,983
Accumulated depreciation								
Balance, 1 January 2021	-	96,709	627,003	894,021	434,765	965,958	-	3,018,456
Charge for the period	-	13,143	194,883	225,957	42,611	130,761	-	607,355
Disposals	-	-	(50,808)	(3,105)	(16,070)	(2,303)	-	(72,286)
Balance, 31st December 2021	-	109,852	771,078	1,116,872	461,307	1,094,416	-	3,553,525
Net book value								
Balance, 1 January 2021	389,664	560,456	539,340	394,429	157,915	294,839	91,646	2,428,287
At 31st December 2021	389,664	547,313	691,227	418,911	174,482	480,176	100,687	2,802,458
Parent								
	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2021	389,664	657,165	979,590	1,205,461	415,510	1,048,110	91,645	4,787,145
Additions	-	-	264,558	192,097	54,872	256,640	9,041	777,208
Disposals	-	-	(64,631)	(3,105)	(16,070)	(843)	-	(84,649)
Balance, 31st December 2021	389,664	657,165	1,179,517	1,394,453	454,312	1,303,907	100,686	5,479,704
Accumulated depreciation								
Balance, 1 January 2021	-	97,805	548,619	839,524	325,831	820,564	-	2,632,343
Charge for the period	-	13,144	154,482	201,570	35,253	102,302	-	506,751
Disposals	-	-	(43,752)	(3,105)	(16,070)	(829)	-	(63,756)
Balance, 31st December 2021	-	110,949	659,349	1,037,989	345,014	922,037	-	3,075,338
Net book value								
Balance, 1 January 2021	389,664	559,360	430,971	365,937	89,679	227,546	91,645	2,154,802
At 31st December 2021	389,664	546,216	520,168	356,464	109,298	381,870	100,686	2,404,365

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

(ii) There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (December 2020: nil)

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

(iv) There was no leased asset included in property and equipment (December 2020: nil)

(v) The company had no capital commitment (December 2020: nil)

(vi) The company had no items pledged for borrowings included in property and equipment (December 2020: nil)

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

(All amounts in thousands of Naira unless otherwise stated)

18 Property and equipment**(b) Group**

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	1,071,977	1,037,222	536,537	1,162,736	61,551	4,916,851
Additions	-	-	379,258	361,348	110,781	179,639	30,094	1,061,121
Disposals	-	-	(172,078)	(14,016)	(13,624)	(23,376)	-	(223,094)
Disposal (AMPL)	-	-	(112,814)	(96,104)	(41,015)	(58,203)	-	(308,135)
Balance, 31st December 2020	389,664	657,165	1,166,343	1,288,449	592,680	1,260,797	91,646	5,446,743
Accumulated depreciation								
Balance, 1 January 2020	-	83,566	657,815	790,787	443,524	951,377	-	2,927,069
Charge for the period	-	13,143	177,708	181,576	37,490	86,147	-	496,063
Disposals	-	-	(129,093)	(12,746)	(12,982)	(21,556)	-	(176,378)
Disposal (AMPL)	-	-	(79,427)	(65,596)	(33,267)	(50,009)	-	(228,299)
Balance, 31st December 2020	-	96,709	627,003	894,021	434,765	965,958	-	3,018,456
Net book value								
Balance, 1 January 2020	389,664	573,598	414,161	246,435	93,013	211,359	61,551	1,989,781
At 31st December 2020	389,664	560,455	539,340	394,429	157,914	294,839	91,646	2,428,287
Parent								
	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	848,539	893,653	354,435	935,314	61,551	4,140,321
Additions	-	-	278,585	323,283	67,417	123,284	30,094	822,664
Disposals	-	-	(147,535)	(11,475)	(6,343)	(10,488)	-	(175,841)
Balance, 31st December 2020	389,664	657,165	979,590	1,205,461	415,510	1,048,110	91,645	4,787,144
Accumulated depreciation								
Balance, 1 January 2020	-	83,567	507,202	693,621	304,212	767,178	-	2,355,779
Charge for the period	-	14,238	129,823	157,379	27,962	63,812	-	393,214
Disposals	-	-	(88,406)	(11,475)	(6,343)	(10,426)	-	(116,650)
Balance, 31st December 2020	-	97,805	548,619	839,524	325,831	820,564	-	2,632,343
Net book value								
Balance, 1 January 2020	389,664	573,598	341,337	200,032	50,223	168,136	61,551	1,784,542
At 31st December 2020	389,664	559,360	430,971	365,937	89,679	227,546	91,645	2,154,801

(All amounts in thousands of Naira unless otherwise stated)

18 Right of Use Assets

(c)

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
As at January 1	898,841	535,863	722,803	462,082
Additions	427,336	720,632	427,336	544,594
Accumulated Depreciation	(528,420)	(357,654)	(496,065)	(283,873)
As at December 31	797,757	898,841	654,074	722,803

The Right of Use assets relate to leased properties and are measured in line with IFRS 16

19 Statutory deposit

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

20 Insurance liabilities

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
– Outstanding claims (see note 20.1a)	7,237,052	5,188,166	5,431,070	5,127,267
– Claims incurred but not reported (see note 20.1b)	6,547,944	6,422,727	5,350,846	3,783,360
– Unearned premium (see note 20.2)	16,898,269	12,423,308	8,567,621	5,076,216
– Individual life reserve (see note 20.3)	4,090,082	2,509,447	4,090,082	2,509,447
– Annuity reserves (see note 20.4)	2,155,094	3,054,196	2,155,094	3,054,196
Total insurance liabilities, gross	36,928,441	29,597,844	25,594,713	19,550,486
Reinsurance receivables:				
Reinsurers' share of outstanding claims	2,119,313	1,502,091	2,119,313	1,502,091
Prepaid re-insurance- Non life & health	5,103,009	2,289,064	5,038,597	2,222,808
Reinsurance share of group life reserves	127,154	127,480	127,154	127,480
Reinsurance share of individual life reserves	43,155	50,908	43,155	50,908
Reinsurance share of Incurred But Not Reported (IBNR) claims	2,269,928	1,627,382	2,160,874	1,541,777
Recoverables from reinsurers on claims paid	1,509,789	902,728	1,381,879	882,201
Total reinsurers' share of insurance liabilities	11,172,348	6,499,653	10,870,972	6,327,265
Net insurance liability	25,756,093	23,098,191	14,723,741	13,223,221
Current	27,797,803	21,064,739	16,944,985	11,512,291
Non-current	9,130,638	8,533,105	8,649,728	8,038,195

For our life business, the reserves calculated as at 31 December 2021 and the comparative periods were done by:

Nikhil Dodhia (FRC/2021/004/00000024023)

Zamara Consulting Actuaries Nigeria Limited (FRC No: FRC/2017/NAS/00000016912)

For our Non-life business, the reserves calculated as at 31 December 2021 and the comparative periods were done by:

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

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

For our Health business, the reserves calculated as at 31 December 2021 and the comparative periods were done by:

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

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

(All amounts in thousands of Naira unless otherwise stated)

20.1a – Outstanding claims

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Non-Life	4,964,450	4,702,004	4,964,450	4,702,004
Group life	466,620	425,263	466,620	425,263
Health	1,805,982	60,899	-	-
	7,237,052	5,188,166	5,431,070	5,127,267
	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Balance, beginning of year	5,188,166	6,070,304	5,127,267	5,980,088
Additional claims expense during the year	28,345,615	19,475,220	9,899,904	7,682,879
Claims paid during year (See note 32)	(26,759,746)	(20,678,867)	(10,059,118)	(8,857,209)
Foreign exchange impact of dollar denominated claims	463,017	321,509	463,017	321,509
Balance, end of year	7,237,052	5,188,166	5,431,070	5,127,267

As at 31 December 2021

The aging analysis of the outstanding claims for the non life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	18,052	3,259	5,025	45,865	72,201
250,001 - 500,000	24,967	10,277	12,366	41,131	88,741
500,001 - 1,500,000	46,103	16,051	29,560	75,455	167,169
1,500,001 - 2,500,000	41,870	5,854	7,681	63,993	119,398
2,500,001 - 5,000,000	84,861	19,024	26,190	164,634	294,709
5,000,001 - Above	681,717	325,268	407,496	2,807,751	4,222,232
Total	897,570	379,733	488,318	3,198,829	4,964,450

The aging analysis of the outstanding claims for the life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	-	100	409	15,624	16,133
250,001 - 500,000	471	903	256	27,343	28,973
500,001 - 1,500,000	4,984	2,909	984	75,639	84,516
1,500,001 - 2,500,000	-	-	1,826	11,268	13,094
2,500,001 - 5,000,000	6,305	-	10,829	23,065	40,199
5,000,001 - Above	137,000	18,899	5,793	122,013	283,705
Total	148,761	22,811	20,097	274,952	466,620

The Company opened the year 2021 with 1,651 outstanding claims from prior year, this figure rose to 1,798 as at 31 December 2021 thus representing a growth rate of 9%. Of the outstanding claims, 24% are within 90 days holding days period whilst 76% are above 90 days holding period.

As at 31 December 2020

The aging analysis of the outstanding claims for the non life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	13,817	3,216	5,253	36,539	58,825
250,001 - 500,000	20,523	6,369	11,955	34,378	73,226
500,001 - 1,500,000	44,757	21,811	13,138	72,483	152,189
1,500,001 - 2,500,000	11,182	3,553	14,020	66,284	95,039
2,500,001 - 5,000,000	65,886	15,333	11,300	116,383	208,902
5,000,001 - Above	963,644	124,194	356,183	2,669,802	4,113,823
Total	1,119,810	174,476	411,849	2,995,870	4,702,004

The aging analysis of the outstanding claims for the life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	382	362	1,334	14,449	16,527
250,001 - 500,000	700	274	900	28,832	30,706
500,001 - 1,500,000	5,989	2,528	10,922	69,783	89,222
1,500,001 - 2,500,000	1,827	5,941	1,956	12,699	22,422
2,500,001 - 5,000,000	2,913	2,586	5,924	27,278	38,701
5,000,001 - Above	56,397	26,458	32,340	112,490	227,684
Total	68,207	38,148	53,377	265,530	425,263

The Company opened the year 2020 with 1,603 outstanding claims from prior year, this figure rose to 1,651 as at 31 December 2020 thus representing a growth rate of 3%. Of the outstanding claims, 23% are within 90 days holding days period whilst 77% are above 90 days holding period.

(All amounts in thousands of Naira unless otherwise stated)

20.1b – Claims incurred but not reported

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Non life business	3,843,842	2,854,198	3,843,842	2,854,198
Group life	1,507,004	929,162	1,507,004	929,162
Health	1,197,098	2,639,367	-	-
	6,547,944	6,422,727	5,350,846	3,783,360

20.2 Unearned premium

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Non life business	7,603,459	4,352,355	7,603,459	4,352,355
Group life	964,162	723,861	964,162	723,861
Health	8,330,648	7,347,092	-	-
	16,898,269	12,423,308	8,567,621	5,076,216
Current	14,012,807	9,453,846	6,163,069	2,601,664
Non-current	2,885,462	2,969,462	2,404,552	2,474,552

The movement in unearned premium during the year is as follows:

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Balance, beginning of year	12,423,308	10,359,740	5,076,216	4,597,446
Movement during the year (see note 30)	4,474,961	2,063,568	3,491,405	478,770
Balance, end of year	16,898,269	12,423,308	8,567,621	5,076,216

20.3 Individual life reserves can be analysed as follows:

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Individual life	4,090,082	2,509,447	4,090,082	2,509,447
	4,090,082	2,509,447	4,090,082	2,509,447

Movement in individual life reserves:

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Balance, beginning of year	2,509,447	1,518,334	2,509,447	1,518,334
Changes in individual life reserves	1,580,635	991,113	1,580,635	991,113
Balance, end of year	4,090,082	2,509,447	4,090,082	2,509,447

20.4 Annuity reserves can be analysed as follows:

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Annuity	2,155,094	3,054,196	2,155,094	3,054,196
	2,155,094	3,054,196	2,155,094	3,054,196

Movement in Annuity reserves:

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
Balance, beginning of year	3,054,196	2,177,817	3,054,196	2,177,817
Annuity premium written during the year	-	-	-	-
Annuity payout during the year	(293,383)	(4,058)	(293,383)	(4,058)
Accretion to/(release from) annuity fund	(605,719)	880,437	(605,719)	880,437
Balance, end of year	2,155,094	3,054,196	2,155,094	3,054,196

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

21 Investment contract liabilities

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

	Group Dec-2021	Group Dec -2020	Parent Dec-2021	Parent Dec -2020
<i>Investment Contract Liabilities - At amortised cost:</i>				
- Guaranteed investment (interest-linked)	5,646,114	4,042,004	5,646,114	4,042,004
- Bonus Life investible (interest-linked)	1,222,054	1,111,517	1,222,054	1,111,517
	6,868,168	5,153,521	6,868,168	5,153,521
<i>Investment Contract Liabilities - Liabilities designated at fair value:</i>				
- Unitized funds	4,374,805	4,485,246	4,374,805	4,485,246
	11,242,973	9,638,767	11,242,973	9,638,767

(All amounts in thousands of Naira unless otherwise stated)

Movements in amounts payable under investment contracts liabilities during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 31 December 2021. The movement in interest-linked funds during the year was as follows:

21.1 Movement in interest linked products:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	5,153,521	4,275,765	5,153,521	4,275,765
Contributions	1,222,054	1,353,632	1,222,054	1,353,632
Withdrawal	(450,988)	(1,269,843)	(450,988)	(1,269,843)
Interest accrued during the year	943,581	793,903	943,581	793,903
Balance, end of year	6,868,168	5,153,521	6,868,168	5,153,521

The N6.87 billion (2020: N5.15 billion) for Parent and Group refer to the Guaranteed investment (interest-linked) and Bonus life investible (interest linked) contracts shown in note 21. These are the financial liabilities presented at amortised cost in the Group financial statements (the fair value of the financial liabilities being equal to the amortised cost at the reporting date).

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	4,485,246	4,154,695	4,485,246	4,154,695
Contributions	-	1,178,203	-	1,178,203
Withdrawals	(110,441)	(847,652)	(110,441)	(847,652)
Balance, end of year	4,374,805	4,485,246	4,374,805	4,485,246
Current	4,374,805	4,485,246	4,374,805	4,485,246
Total Investment Contract Liabilities	11,242,973	9,638,767	11,242,973	9,638,767

22 Trade payables

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Reinsurance payable	1,124,311	835,626	1,124,311	835,626
Co-insurance payable	1,062,069	778,913	1,062,069	778,913
Unallocated premium & refunds (see (a) below)	2,550,027	1,727,027	2,550,027	1,727,027
Due to agents & brokers	4,574,061	3,861,107	4,221,962	3,696,815
Premium received in advance	2,327,761	1,909,064	2,327,761	1,909,064
	11,638,229	9,111,737	11,286,130	8,947,445

(a) This relates to payments yet to be matched to policies and other credit balances such as unpaid refunds due to various policyholders.

The total trade payables are due within one year.

23 Other liabilities

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Deferred income	931,061	1,242,038	295,895	209,878
Due to investment brokers	-	-	-	-
Creditors and accruals (see (i) below)	2,504,647	946,053	1,905,456	435,707
Unclaimed dividend	74,551	63,808	74,551	63,808
Cash settled share based payment liability (see note 45 (b))	114,248	30,333	114,248	30,333
Lease Liability (see 23.1 below)	888,565	653,864	751,083	653,864
	4,513,072	2,936,095	3,141,233	1,393,590
Current	2,815,001	1,360,065	2,004,088	505,666
Non-current	1,698,071	1,576,030	1,137,145	887,924

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

23.1 Lease Liability

The movement in Lease Liability during the year was as follows:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Opening Balance	653,864	194,104	653,864	194,104
Interest Expense	124,227	81,024	74,227	81,024
Lease Payment	(43,693)	(47,850)	(18,693)	(47,850)
Recognition of new leases	154,167	426,585	41,685	426,585
Closing Balance	888,565	653,864	751,083	653,864

(All amounts in thousands of Naira unless otherwise stated)

24 Current income tax liabilities

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	1,648,795	935,546	125,911	203,650
Current year charge				
- Non-Life	329,341	65,894	329,341	65,894
- Life & Savings	294,517	14,217	294,517	14,217
- AXA Mansard Investments Limited	49,573	61,606	-	-
- AXA Mansard Health Limited	941,074	1,170,079	-	-
- AXA Mansard Pensions Limited	-	(1,538)	-	-
- APD Limited	315,089	248,705	-	-
Tax settlement with withholding tax credit notes				
Cash Payments during the year	(1,616,369)	(845,714)	(103,811)	(157,850)
WHT credit notes utilised during the year	-	-	-	-

25 borrowings

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Bank borrowings	2,435,870	2,978,106	-	-
Loan note	18,273	16,255	-	-
Short term borrowings	-	-	-	-
Current	2,511,455	2,944,681	-	-
Non-current	76,690	49,680	-	-

(a) Bank borrowings

Bank borrowings are as described below:

The bank borrowing represents a USD 9,748,365 facility granted to APD limited by Rand Merchant Bank. The original facility agreement is dated 30 August 2018 (as amended on 13 May 2020). In 2021, the loan initial repayment date of 1 July 2021 was amended to 1 February 2022 per a duly signed amendment agreement. Interest payment date is now 31 March, 30 June, 30 September and 31 December in each year of the subsistence of the amendment agreement at a rate of 10%. The Investment property of the Company located at plot 927/928 Bishop Aboyade Cole, Victoria Island, Lagos has been used as collateral for the loan.

(b) Loan note

Loan note were granted by Karsang Ltd to APD Ltd payable in 7.5 years commencing September 2014. Interest is accrued at a rate of 10.41% and payable at maturity with the principal.

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	2,994,361	6,965,804	-	-
Additional loans	-	-	-	-
Impact of foreign exchange rate changes	(20,199)	155,902	-	-
Accrued interest	195,520	582,155	-	-
Payments during the year	(715,538)	(4,709,500)	-	-
Balance, end of year	2,454,143	2,994,361	-	-

26 Deferred income tax**(a) Liabilities**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	818,666	841,496	-	-
(Credit)/ Charge in income statement for the year	113,907	(22,830)	-	-
Tax charge/(reversals) relating to components of other comprehensive income	-	-	-	-
Balance, end of year	932,573	818,666	-	-
Deferred income tax liability (movable) attributable to the government				
Property and equipment	51,362	25,187	-	-
Unrealised gain on foreign currency translation	-	-	-	-
Fair value gain on investment property	881,211	793,479	-	-
Unrelieved tax losses	-	-	-	-
Balance, end of year	932,573	818,666	-	-

(All amounts in thousands of Naira unless otherwise stated)

2021**Group**

<i>Movement in deferred tax liability/ (assets):</i>	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	25,187	26,175	-	51,362
Unrealised gain/(losses) on foreign currency translation	-	-	-	-
Fair value gains on Investment property	793,479	87,732	-	881,211
Unrelieved tax losses	-	-	-	-
	818,666	113,907	-	932,573

Parent**Group**

<i>Movement in deferred tax liability/ (assets):</i>	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	(11,029)	36,216	-	25,187
Unrealised gain/(losses) on foreign currency translation	-	-	-	-
Fair value gains on Investment property	852,525	(59,046)	-	793,479
Unrelieved tax losses	-	-	-	-
	841,496	(22,830)	-	818,666

Parent**(b) Unrecognised deferred tax assets**

Deferred tax assets relating to the Company's life business have not been recognised in respect of the following items:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
<i>In thousands of Naira</i>				
Property and equipment	122,066	28,269	122,066	28,269
Tax losses	3,871,479	5,497,598	3,871,479	5,497,598
Balance, end of year	3,993,545	5,525,867	3,993,545	5,525,867

Deferred tax assets relating to the Company's Non-life business have not been recognised in respect of the following items:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
<i>In thousands of Naira</i>				
Property and equipment	330,087	454,017	330,087	454,017
Tax losses	365,742	3,607,061	365,742	3,607,061
Balance, end of year	695,829	4,061,078	695,829	4,061,078

Tax losses for which no deferred tax assets are recognised will never expire. In line with IAS 12 on recognition of deferred tax asset, a Company may recognise deferred tax asset to the extent that taxable profit will be available in future against which the assets will crystallise. AXA Mansard Insurance Plc is of the opinion that the unrecognized deferred tax assets may not be utilised soon, given the assessable loss position of the Company.

27 Share capital:**27.1** Share capital comprises:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
(a) Authorized:				
9,000,000,000 Ordinary shares of N2 each (Dec 2020: 36,000,000,000 ordinary shares of 50k each)	18,000,000	18,000,000	18,000,000	18,000,000
During the course of the year, the Company increased the nominal value of the shares from 50k to N2 after getting all necessary regulatory approvals, and				
(b) Issued and fully paid				
9,000,000,000 Ordinary shares of N2 each (Dec 2020: 36,000,000,000 ordinary shares of 50k each)	18,000,000	18,000,000	18,000,000	18,000,000
<i>Movement in issued and fully paid shares</i>				
	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	18,000,000	5,250,000	18,000,000	5,250,000
Additional shares during the year	-	12,750,000	-	12,750,000
Balance, end of year	18,000,000	18,000,000	18,000,000	18,000,000

(All amounts in thousands of Naira unless otherwise stated)

(i) **Non-Life Business**

Share capital comprises:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
5,000,000,000 Ordinary shares of N2 each (2020: 20,000,000,000 Ordinary shares of 50k each)	10,000,000	10,000,000	10,000,000	10,000,000

(ii) **Life Business**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
4,000,000,000 Ordinary shares of N2 each (2020: 16,000,000,000 Ordinary shares of 50k each)	8,000,000	8,000,000	8,000,000	8,000,000

27.2 Share premium

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Share Premium	78,255	-	78,255	-
During the course of the year, there was a vesting of the shares within the equity settled share based payment scheme subscribed to by employees under the Mansard Share Option Plan (MSOP). The share premium recognised during the year represents the excess over the nominal value of the shares from the payments received from the employees.				

27.3 Contingency reserves

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

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

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of the year	4,345,125	4,270,458	4,345,125	4,270,458
Transfer from retained earnings	471,591	74,667	471,591	74,667
Balance, end of year	4,816,716	4,345,125	4,816,716	4,345,125
Analysis per business segment				
	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non-life business	3,970,257	3,591,032	3,970,257	3,591,032
Life business	846,459	754,093	846,459	754,093
Balance, end of year	4,816,716	4,345,125	4,816,716	4,345,125

(i) **Non-Life Business**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	3,591,032	3,591,032	3,591,032	3,591,032
Transfer from retained earnings	379,225	-	379,225	-
Balance, end of year	3,970,257	3,591,032	3,970,257	3,591,032

(ii) **Life Business**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	754,092	679,426	754,093	679,426
Transfer from retained earnings	92,366	74,667	92,366	74,667
Balance, end of year	846,458	754,092	846,459	754,093

27.4 Other reserves

Other reserves comprise of the following:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Capital reserves (see note (a) below)	-	-	-	-
	-	167,381	-	167,381

(All amounts in thousands of Naira unless otherwise stated)

(a) Share-based payment reserves

Share-based payment reserves represent the impact of the share option granted to the employees of the Company under the Mansard Share Option Plan (MSOP). The movement in the account is as stated below:

The average cost of the shares purchases as at the comparative reporting date was deducted from shareholders' equity. The shares were held as treasury shares.

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	167,381	152,077	167,381	152,077
Additions, during the year-Tranche 3	-	15,304	-	15,304
Additions during the year from vested tranches 1 and 2	-	-	-	-
Balance, end of year	-	167,381	-	167,381

27.5 Treasury shares

Treasury shares represent the 55,738,227 (2020: 177,281,000 at 50k each) N2 ordinary shares held by the Company under the AXA Mansard Share Option Plan (MSOP). Details of the Share Option Plan are as disclosed in note 45.

Treasury shares' balances as at 31 December 2021 are as analysed below:	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	(304,924)	(304,924)	(304,924)	(304,924)
Value of vested portion of treasury shares	193,448	-	193,448	-
Value of forfeited portion of the Treasury shares	-	-	-	-

27.6 Fair value reserves

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

Movements in the fair value reserve:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
At beginning of year	5,264,806	1,080,718	5,032,542	923,562
Changes in available-for-sale financial assets (net of taxes)	(5,327,136)	4,184,088	(5,041,306)	4,108,980
Balance, end of year	(62,329)	5,264,806	(8,764)	5,032,542

<i>Changes in the valuation of AFS financial assets during the year are as analysed</i>	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
At beginning of year	5,264,806	1,080,718	5,032,542	923,562
Net unrealised changes in fair value of AFS assets	(5,327,135)	4,184,088	(4,971,020)	4,108,980
Realised (losses)/gains transferred to income statement	-	-	(70,286)	-
Balance, end of year	(62,329)	5,264,806	(8,764)	5,032,542

(a) The net unrealised changes in the fair value of AFS assets is as stated below:

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

28 Non-controlling interests in equity**(i) APD Limited**

	Dec-2021	Dec-2020
Opening balance	3,750,585	4,818,822
Transfer from the profit or loss account	570,306	(269,016)
Disposal of subsidiary with NCI	-	(799,221)
Transfer from Statutory reserves	-	-

Non controlling interest represents 44.3% of the equity holding of the Company's subsidiary, APD Limited (2020: 44.3% of the equity holding of the Company's subsidiaries, APD Limited). The Group did not pay any dividend to Non-Controlling Interest during the year (2020: nil).

APD Limited

Non controlling interest (44.3%)	Group Dec-2021	Group Dec-2020
Opening balance	1,652,025	1,936,742
Transfer from the profit or loss account	570,306	(284,717)
Balance as at year end	2,222,331	1,652,025

(All amounts in thousands of Naira unless otherwise stated)

AXA Mansard Pensions Limited

Non controlling interest (40%)

	Group Dec-2021	Group Dec-2020
Opening balance	-	721,676
Transfer from profit or loss account	-	15,701
Disposal of subsidiary during the year	-	(737,377)
Balance as at year end	-	-

29 Contingencies and commitments**(a) Litigations and claims**

The Group is presently involved in fourteen (14) legal proceedings (2020: fourteen (14)). These court cases arose in the normal course of business. In the

(b) Bonds and guarantees**30 Net premium income**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Gross written premium	60,197,851	47,583,434	37,546,391	27,547,903
Gross premium income				
Non-life	28,309,828	20,081,175	28,309,828	20,081,175
Life (Group life and individual life)	9,236,563	7,466,728	9,236,563	7,466,728
Annuity	-	-	-	-
Provision for unearned premium				
Non life	(3,251,103)	(368,340)	(3,251,103)	(368,340)
Group life	(240,300)	(110,430)	(240,300)	(110,430)
AXA Mansard Health (HMO)	(983,556)	(1,584,797)	-	-
Gross premium income	55,722,892	45,519,867	34,054,988	27,069,133
Re-insurance cost				
-Non life	19,934,003	12,801,145	19,934,003	12,801,145
-Life	1,191,906	876,573	1,191,906	876,573
-AXA Mansard Health (HMO)	260,668	237,317	-	-
Changes in prepaid re-insurance				
-Non life	(2,815,789)	(193,398)	(2,815,789)	(193,398)
-Group life	325	126,289	325	126,289
-Individual life	7,753	(24,274)	7,753	(24,274)
-AXA Mansard Health (HMO)	1,844	(20,269)	-	-
Re-insurance expenses	18,580,710	13,803,383	18,318,198	13,586,335
Net premium income	37,142,182	31,716,484	15,736,790	13,482,798

31 Fee and commission income on insurance contracts

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Fees and commission income	1,860,567	1,657,816	1,860,567	1,657,816

32 Claims:**Claims expenses**

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Claims paid during the year (see note (a) below)	26,759,746	20,678,867	10,059,118	8,857,209
Movement in outstanding claims	2,043,004	(882,138)	303,803	(852,821)
Claims incurred	28,802,750	19,796,729	10,362,921	8,004,388
Outstanding claims- IBNR	125,217	1,385,981	1,567,486	565,299
Total claims and loss adjustment expense	28,927,967	21,182,710	11,930,407	8,569,687
Recoverable on IBNR	(642,546)	(165,132)	(619,097)	(98,819)
Reinsurance share of outstanding claims	(619,872)	1,916,433	(617,222)	1,903,077
Recovered from re-insurers	(3,348,581)	(2,661,797)	(3,200,493)	(2,625,264)
Total claims expenses recovered from reinsurers	(4,610,999)	(910,496)	(4,436,812)	(821,006)
Net claims and loss adjustment expense	24,316,968	20,272,214	7,493,595	7,748,681

(All amounts in thousands of Naira unless otherwise stated)

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non life	6,614,472	4,948,745	6,614,472	4,948,745
Group life	2,051,018	2,725,716	2,051,018	2,725,716
Individual life	1,100,245	892,771	1,100,245	892,771
Annuity	293,383	289,977	293,383	289,977
HMO	16,700,628	11,821,658	-	-
	26,759,746	20,678,867	10,059,118	8,857,209

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

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non life	262,446	(375,005)	262,446	(375,005)
Group life	41,357	(477,814)	41,357	(477,814)
HMO	1,739,201	(29,317)	-	-
	2,043,004	(882,136)	303,803	(852,819)

33 Underwriting expenses:

Underwriting expenses can be sub-divided into commission expenses and other acquisition expenses. Commission expenses are those incurred in obtaining

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Acquisition cost	3,472,948	2,648,088	3,422,283	2,661,567
Maintenance cost	1,301,384	1,149,374	580,453	498,251
	4,774,332	3,797,462	4,002,736	3,159,818

(a) Analysis of acquisition cost is as shown below:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Acquisition cost paid during the year	3,135,711	2,563,418	3,147,746	2,636,410
Movement in deferred acquisition cost (See note 12)	337,237	84,670	274,537	25,157
Increase and decrease in life fund	-	-	-	-
Acquisition cost is further analysed into the life and non life business as stated below	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Non life	2,687,758	2,108,471	2,687,758	2,108,471
Life	734,525	553,096	734,525	553,096
Health	50,665	(13,479)	-	-
	3,472,948	2,648,088	3,422,283	2,661,567

34 Investment income

Investment income comprises the following:

	Dec-2021	Dec-2020	Dec-2021	Dec-2020
Dividend income	544,362	498,101	2,969,936	395,211
Interest income on investment securities	2,423,005	2,193,657	2,120,171	1,822,933
Interest income on cash and cash equivalents	356,236	436,593	349,107	435,037
Rental income	1,175,508	1,235,389	-	-
Asset management fees (see note (a) below)	581,763	487,218	-	-
Interest income from related parties	-	-	-	-

(a) The asset management fees represent the net of gross management fees earned by the Group after eliminating the asset management fees expenses charged

(All amounts in thousands of Naira unless otherwise stated)

35 Net (losses)/gains on financial instruments

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
(a) Gains on financial assets	(596,699)	271,072	(609,773)	271,127
Foreign exchange gain/loss	1,237,785	1,724,217	408,011	459,888
Fair value through Profit or Loss	(689,357)	1,285,481	(703,308)	1,364,478
	(48,271)	3,280,770	(905,070)	2,095,493
Fair value loss on investment property (see note 15)	39,981	(2,279,051)	-	-
	(8,290)	1,001,719	(905,070)	2,095,493

(b) Net gains on sale of investment in subsidiary

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Purchase Consideration	-	3,000,000	-	3,000,000
Investment in subsidiaries	-	-	-	(1,885,248)
Net asset as at date of disposal	-	(1,618,306)	-	-
Disposal cost	-	(20,830)	-	(20,830)
NCI	-	799,221	-	-
License	-	(388,333)	-	-
Goodwill	-	(926,532)	-	-
	-	845,219	-	1,093,922

None of the Group's subsidiaries was disposed during the year. (2020: Eustacia Ltd purchased 60% of the issued and paid-up share capital of AXA Mansard Pension Ltd held by the Company (AXA Mansard Insurance Plc) for ₦3,000,000,000.00 (Three Billion Naira). The share sale agreement was executed on the 31 July 2020.

36 Profit on investment contracts

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Interest income	519,074	451,669	519,074	451,595
Gains/(losses) from sale of investments	-	24,542	-	24,542
Total interest income	519,074	476,211	519,074	476,137
Expenses				
Guaranteed interest	(253,836)	(207,690)	(253,836)	(207,690)
Other expenses	(35,082)	(51,111)	(35,082)	(33,176)
Net profit	230,156	217,410	230,156	235,271

37 Other income

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Profit from sale of property and equipment	11,396	5,242	11,334	5,976
Sundry income	937,115	168,833	331,753	106,502
Interest income on lease receivable	-	-	-	14,771
Total	948,511	174,075	343,087	127,249

Sundry income relates to interest on staff loans and withholding tax credits previously unrecognised

38 Expenses for marketing and administration

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Marketing and administrative expenses	913,885	768,681	1,108,583	860,442
Direct selling cost	613,592	447,592	613,592	447,592
	1,527,477	1,216,273	1,722,175	1,308,034

39 Employee benefit expense

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Wages and salaries	2,891,562	1,425,883	1,437,131	992,290
Other employee costs	252,469	925,299	86,111	72,530
Pension costs – defined contribution plans	130,070	58,301	109,250	46,584
Performance-based expenses	351,688	525,941	231,530	423,686
Equity and Cash settled share-based payments	104,340	(25,275)	104,340	(25,275)
	3,730,129	2,910,149	1,968,362	1,509,815

In accordance with Pension Reform Act 2014, the Group contributes 10.0% each of the qualifying staff's salary (Basic, transport, and housing). The contributions are recognised as employee benefits expense when they are due.

40 Other operating expenses

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Depreciation and amortisation charges	722,653	560,924	616,241	457,822
Depreciation on ROU	244,547	224,318	212,192	193,696
Professional fees	201,984	139,017	180,344	122,434
Directors' emolument and expenses	40,398	47,158	31,364	38,157
Contract services cost	1,295,203	1,081,993	1,101,437	908,706
Auditor's remuneration*	32,064	30,112	26,550	24,550
Bank charges	103,511	100,760	81,624	83,422
Stamp duty charge on bank transactions	1,783	2,112	1,783	2,112
Insurance related expenses	341,735	285,728	339,502	283,490
Training expenses	128,446	125,165	104,975	108,573
Asset management fees expense	-	-	220,936	191,596
Information technology and maintenance expenses	723,836	608,308	627,408	540,096
Rental Expense	44,186	73,510	-	-
Other expenses	186,857	155,449	117,529	130,173
	4,067,202	3,434,555	3,661,885	3,084,827

* The external auditors, KPMG Professional Services did not perform any other engagement other than statutory audit services for the Group. No non-audit fees were paid to the external auditor.

41 Finance cost

The N74m finance cost in 2021 relates to capitalized lease liability while the group figures for 2021 and 2020 primarily relate to interest expense on external Loans

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Interest expense	287,707	782,155	74,227	81,024
	287,707	782,155	74,227	81,024

42 Income tax expense

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
<i>Minimum tax</i>				
- Non life	302,940	49,158	302,940	49,158
- Life	291,060	7,762	291,060	7,762
<i>Company income tax</i>				
- AXA Mansard Investments Limited	46,672	58,993	-	-
- APD Limited	315,089	248,705	-	-
- AXA Mansard Health Limited	941,074	1,129,349	-	-
<i>National Information Technology Development Agency (NITDA)</i>				
- APD Limited	-	-	-	-
- AXA Mansard Health Limited	-	40,730	-	-
- AXA Mansard Investments limited	2,901	2,613	-	-
- General	26,401	16,736	26,401	16,736
- Life	3,457	6,455	3,457	6,455
	1,929,594	1,560,501	623,858	80,111
<i>Deferred tax</i>				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	15,330	31,959	-	-
- APD Limited	87,733	(63,031)	-	-
- AXA Mansard Health Limited	17,150	8,243	-	-
	120,213	(22,830)	-	-
Total tax charge for the year	2,049,807	1,537,671	623,858	80,111

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
<i>Effective tax rate reconciliation analysis</i>				
Profit before income tax	5,784,972	6,038,755	3,114,551	2,553,366
Tax calculated at domestic rate applicable in Nigeria at 30% (2020:30%)	1,735,492	1,811,627	934,365	766,010
Effect of:				
Tax exempt income	(4,100,770)	(2,392,499)	(4,000,345)	(1,910,421)
Expenses not deducted for tax purposes	580,750	764,194	-	-
Effect of unrecognized tax losses	4,237,221	2,208,776	4,237,221	2,208,776
Impact of minimum tax	66,339	55,089	66,339	55,089
Impact of industry tax law	(947,007)	(1,063,989)	(947,007)	(1,063,989)
NITDA Levy	75,805	65,861	30,207	24,522
Police Trust Fund Levy	256	-	137	124
Previously recognized deferred tax liability	-	-	-	-
Impact of Dividend tax	302,940	-	302,940	-
Tertiary education tax	98,781	88,380	-	-
	2,049,807	1,537,671	623,858	80,111

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

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

	Group Dec-2021	*Restated Group Dec-2020	Parent Dec-2021	*Restated Parent Dec-2020
Profit attributable to equity holders	3,164,859	4,809,353	2,490,693	2,473,255
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	9,000,000	9,000,000	9,000,000	9,000,000
Basic earnings per share (kobo per share)	35	53	28	27
Basic earnings per share (kobo per share); Continued operations	-	-	-	-

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

	Group Dec-2021	*Restated Group Dec-2020
Issued ordinary shares at 1 January	35,392,179	35,392,179
Effect of treasury shares held	(111,476)	(111,476)
Weighted effect of increase in nominal value of shares during the year	(26,280,703)	(26,280,703)
Weighted-average number of ordinary shares at 31 December	9,000,000	9,000,000

In 2020, the Company issued bonus shares of seventeen shares for every seven held. In line with the requirements of IAS 33, the bonus shares issued have been treated like they were issued before the beginning of the earliest period presented.

(b) Earnings per share- Diluted

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Group Dec-2021	Restated* Group Dec-2020	Parent Dec-2021	Restated* Parent Dec-2020
Profit attributable to equity holders	3,164,859	4,809,353	2,490,693	2,473,255
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	9,000,000	9,000,000	9,000,000	9,000,000
Diluted earnings per share (kobo per share)	35	53	28	27
Basic earnings per share (kobo per share)	-	-	-	-

(i) Average number of ordinary shares (diluted)

	Group Dec-2021	Group Dec-2020
Issued ordinary shares at 1 January	35,392,179	10,500,000
Effect of treasury shares held	(111,476)	(607,821)
Weighted effect of increase in nominal value of shares during the year	(26,280,703)	25,500,000
Weighted-average number of ordinary shares at 31 December	9,000,000	35,392,179

(All amounts in thousands of Naira unless otherwise stated)

44 Supplementary income statement information:

- (a) i. Employees, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group Dec-2021	Group Dec 2020	Parent Dec-2021	Parent Dec 2020
	Number	Number	Number	Number
N1,400,001 – N2,050,000	-	-	-	-
N2,050,001 – N2,330,000	-	-	-	-
N3,000,001 – N4,500,000	86	117	62	93
N4,500,001 – N5,950,000	43	51	35	35
N5,950,001 – N6,800,000	10	11	5	9
N6,800,001 – N7,800,000	47	33	37	28
N7,800,001 – N8,600,000	39	3	30	3
N8,600,001 – N11,800,000	47	25	35	22
Above N11,800,000	81	42	65	35
	353	282	269	225

- ii. The average number of full time persons employed by the Company during the year was as follow:

	Group Dec-2021	Group Dec 2020	Parent Dec-2021	Parent Dec 2020
	Number	Number	Number	Number
Executive directors	4	4	2	2
Management staff	42	32	32	28
Non management staff	311	250	237	197
	357	286	271	227

(b) Directors' remuneration:

- i. Remuneration expensed in respect of the directors was as follows:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Executive compensation	414,288	296,464	254,565	151,255
Directors' fees	671	2,107	536	900
Other directors expenses	39,728	45,983	30,828	32,042
Defined contribution	11,000	11,771	5,200	6,678
Equity-settled share-based scheme	50,901	10,261	50,901	10,261
Cash-settled share-based scheme	(31,341)	(40,353)	(31,341)	(40,353)
	485,247	326,233	310,689	160,783

- ii. The directors' remuneration shown above (excluding pension contributions) includes:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
Chairman	6,782	7,867	6,782	7,867
Highest paid director:				
Executive compensation and pension contribution	71,282	61,704	71,282	61,704
Equity-settled share-based scheme	50,901	25,274	50,901	25,274
Cash-settled share-based scheme	-	-	-	-
	122,183	86,978	122,183	86,978

- iii. The emoluments of all other directors fell within the following range:

	Group Dec-2021	Group Dec-2020	Parent Dec-2021	Parent Dec-2020
	Number	Number	Number	Number
N300,001 - N350,000	-	-	-	-
N500,001 - N1,000,000	-	-	-	-
N1,000,001- N1,500,000	6	6	6	6
N1,500,001 and above	2	2	2	2
	8	8	8	8

(All amounts in thousands of Naira unless otherwise stated)

45 Share-based payment arrangements

(a) Equity-settled share based payment : Mansard Staff Share Option Plan (MSOP)

- (i) The Group operates an equity settled share-based payment arrangement under which the entity receives services from employees as a consideration for equity instrument of the Company. The eventual value of the right is settled by receipt of value of shares equivalent to the full value of the options.

The Scheme is granted to senior management staff (employees from Managers to Executive Directors) and middle management staff (employees from Senior Executive Officers to Deputy Managers).

The scheme has a number of grant cycles as illustrated by the table below:

Grant cycle	Grant cycle	Expiry date	Vesting Period	Shares per grant ('000)
1	2013- 2015	2017	3 yrs	237,500
2	2014- 2017	2020	4 yrs	79,167
3	2015- 2018	2021	4 yrs	79,167
4	2017- 2020	2023	4 yrs	79,167

The price at which the options are granted to eligible employees, determined on the grant date, is the six-month average market price of AXA Mansard's shares prior to the grant Date.

All the cycles have a one year restriction period and 1.1/2 years exercise period

(ii) Measurement of fair values

The fair value of the Mansard Share Option Plan has been measured using the Black-Scholes model. The requirement that employees have to be in the Company's employment over the vesting period under the share option scheme has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the staff attrition rate over the period.

The inputs used in the measurement of the fair values at grant dates for the third cycle and the fourth cycle of the equity-settled share option plan were as follows:

	4th Cycle	3rd Cycle
Fair value at grant date (Naira)	2.07	1.95
Share price at grant date (Naira)	0.72	0.72
Exercise price (Naira)	6.00	6.00
Expected volatility (weighted average)	54%	54%
Expected dividends	3.37%	3.37%
Average attrition rate	14%	14%
Risk-free interest rate (based on government treasury bills)	7.43%	7.43%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with expected term.

(iii) Reconciliation of outstanding share options

The number and weighted-average prices of share options under the share options plans were as follows:

	Dec 2021		Dec 2020	
	No of options	average price (N)	No of options	Weighted-average price (N)
	Numbers (000)		Numbers (000)	
Beginning of year	177,281	-	177,281	-
Options exercised	121,543	-	-	-
Options outstanding at end of year	55,738	-	177,281	-

The weighted average share price for the AXA Mansard Insurance Plc's share as at 31 December 2021 was N0.88 (Dec 2020: N0.57)

(b) Cash settled share based payment- Share Appreciation Rights

- (i) In 2020, the Group granted Share Appreciation Rights to certain senior management staff members that entitle the employees to a cash payment. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

The rights are granted to senior management staff (employees from Deputy General Managers to Executive Directors).

The scheme has a number of grant cycles as illustrated by the table below:

Grant cycles	Grant cycle	Expiry date	Vesting Period
1	2015-2017	2018	3 yrs
2	2016-2019	2020	4 yrs
3	2017-2020	2021	4 yrs
4	2018-2021	2022	4 yrs

The price at which the rights are granted to eligible employees, determined on the grant date, is the six-month average market price of AXA Mansard's shares prior to the Grant Date.

All the cycles have a one year restriction period and a maximum of six years exercise period.

(All amounts in thousands of Naira unless otherwise stated)

(ii) Measurement of fair values

The fair value of the Share Appreciation Rights has been measured using the Black-Scholes model. The requirement that employees have to be in the Company's employment over the vesting period under the share option scheme has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the attrition rate of staff over the period.

The inputs used in the measurement of the fair values at grant dates for the first grant cycle of the Share Appreciation Rights were as follows:

	Dec-2021	Dec-2020
Fair value at grant date (Naira)	2.81	0.61
Share price at grant date (Naira)	0.72	1.63
Exercise price (Naira)	6.00	0.57
Expected volatility (weighted average)	53.79%	53.79%
Expected dividends	3.37%	3.04%
Average attrition rate	13%	13%
Risk-free interest rate (based on government treasury bills)	7.43%	1.89%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with expected term.

The weighted average share price for the AXA Mansard Insurance Plc's share as at 31 December 2021 was N0.88 (Dec 2020: N0.57)

(c) Equity settled share based payment- Long Term Incentives

During the year, AXA S.A. (the ultimate parent) issued incentives to obtain share options settled on the Group's (AXA Group's) shares. The performance conditions over which the Group's performance was to be assessed included the AXA Group Performance, the AXA Mansard Group performance and the Corporate Social Responsibility over the three year period.

The inputs used in the measurement of the fair values at reporting date for the long term incentives are as shown below;

	Dec-2021
Share price volatility (Historical three year average)	1.22%
Threshold performance	0.81
Stretch performance	1.30
Total number of shares awarded	7,976
Exchange rate (EUR/NGN)	491.58

(d) The total expenses recognised in respect of the share option scheme are as follows:

	Dec-2021	Dec-2020
Equity-settled share-based scheme- Staff	16,994	18,321
Equity-settled share-based scheme- Directors	50,901	10,261
Cash-settled share-based scheme - Staff	(5,104)	(13,504)
Cash-settled share-based scheme- Directors	(31,341)	(40,353)

46 Related parties*Parent*

The ultimate beneficial of the Company, which is also the ultimate parent company, is Societe Beaujon AXA which owns 76.48% (through Assur Africa Holdings) of the Company's shares. The ultimate parent company is Societe Beaujon AXA under the Latin America and Mediterranean operations. The remaining 23.52% of the shares are widely held.

Subsidiaries

Transactions between AXA Mansard Insurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them are considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with AXA Mansard Insurance. The volume of related party transactions, outstanding balances at year end, and related expense and income for the year are as follows:

*Statement of financial position***(a) Loans and advances****(i) Loans and advances to key management personnel**

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Loans outstanding as at 1 January	26,654	35,586
Loans issued during the year	37,000	-
Loans repayment during the year	(6,782)	(8,932)
Loan outstanding, end of year	56,872	26,654

These are mortgage loans granted to two Directors of AXA Mansard Investments Limited. No impairment has been recognised in respect of loans given to key management personnel (2020: Nil).

(ii) Loans and advances to subsidiaries

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Loans outstanding as at 1 January	-	-
Net loans and advances issued during the year	-	1,220,000
Loans repayment during the year	-	(1,220,000)
Balance, end of year	-	-

No impairment has been recognised in respect of loans and advances to subsidiaries (2020: Nil).

(b) Intercompany balances

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Intercompany (payables)/receivables	1,388,631	226,254

These balances arise from transactions between the parent Company and other subsidiaries within the Group and related entities in the normal course of business.

(c) Income statement**Intercompany transactions**

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Interest income earned on intercompany loans	-	-
Asset management fees	(220,936)	(191,596)
Interest income on lease receivables	-	14,771

Key management personnel

Directors' remuneration (See note (44(b)) for details)	(485,247)	(326,233)
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Interest income earned on intercompany loans represents interest charged by the parent Company on loans advanced to its subsidiary; APD Limited. The asset management fees are earned by AXA Mansard Investments Limited in respect of funds managed on behalf of the Group.

47 Contraventions

<i>In thousands of Nigerian Naira</i>	Group Dec-2021	Group Dec 2020	Parent Dec-2021	Parent Dec 2020
Penalty to National Insurance Commission (NAICOM)	250	-	250	-

48 Discontinued Operation

See accounting policy in note 2.2(w)

- (a) The Group did not discontinue any of its operations during the year. (2020: Eustacia Ltd purchased 60% of the issued and paid-up share capital of AXA Mansard Pension Ltd held by the Company (AXA Mansard Insurance Plc) for ₦3,000,000,000.00 (Three Billion Naira)).

The sale represents a sale of the Group's pension management segment. This sale was done to enable the Group deepen its reserves for the insurance (life and general) segments. The pensions segment was not previously classified as held-for-sale or as a discontinued operation as the criteria were not met in previous years. The comparative consolidated statement of profit or loss and OCI has been represented to show the discontinued operations separately from continuing operations.

(b) Results of discontinued operations

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Management and administration fees	-	278,640
Investment income	-	79,286
Net realised gains on financial assets	-	9,064
Other income	-	132
Total operating income	-	367,122
Employee benefit expense	-	(209,741)
Other operating expenses	-	(51,009)
Expenses for marketing and administration	-	(65,581)
Total operating expenses	-	(326,331)
Operating profit	-	40,791
Tax expenses	-	(1,538)
Profit for the year	-	39,253
Attributable to:		
Owners of the parent	-	23,552
Non-controlling interests	28	15,701
Total comprehensive income for the year	-	39,253
Basic earnings per share (basic) - Naira	-	0.00
Basic earnings per share (diluted) - Naira	-	0.00

(c) Cash flows from (used in) discontinued operations

<i>In thousands of Nigerian Naira</i>	Dec-2021	Dec 2020
Net cash used in operating activities	-	(326,331)
Net cash generated from operating activities	-	150,634
	-	(175,697)

(d) Effect of disposal on the financial position of the Group

<i>In thousands of Nigerian Naira</i>	2020
Cash and bank balance	211,915
Investment securities: Available for sale	1,013,851
Right of use asset	82,793
Other receivables	280,112
Prepayments	56,065
Intangible assets	8,518
Property and equipment	79,836
Other liabilities	(41,559)
Right of use liability	(62,808)
Current income tax liabilities	(10,416)
Net assets and liabilities (See note 35b)	1,618,306
Consideration received, satisfied in cash	3,000,000
Cash and cash equivalents disposed of	(211,915)
Cost incurred on disposal	-
Net cash inflows	2,788,085

49 COVID-19 Disclosures

(i) Assessment of impact

a. Impact of COVID-19 on Impairment of Financial Assets

Following the onset of the COVID-19 pandemic, the economic environment continues to remain uncertain and future impairment charges may be subject to further volatility (including from changes to macroeconomic variable forecasts) depending on the longevity of the COVID -19 pandemic and related containment measures, as well as the longer-term effectiveness of support measures. The Group continues to assess the impact of COVID-19 on various economic scenarios based on latest economic forecasts available in the market. The Group's financial assets are predominantly fixed income and sovereign (treasury bills and FGN bonds) in nature. The Group operates the incurred loss model of IAS 39, consequently assets are impaired when a loss has been incurred. Due to the nature of the Group's assets, impairment triggers noted, and subsequent impairment figures were not determined to be significant.

b. Going concern assessment

The outbreak of coronavirus pandemic COVID-19 and the measures adopted by several governments in countries around the world continue to have a significant impact on the global economy. However, the Group continues to have reasonable expectations about its adequate resources to continue operations in the next 12 months. Hence, the going concern basis of accounting remains appropriate.

c. Outlook

Management is confident that with the structured crisis management and operational resilience processes in place, we can continue with business operations uninterrupted.

Notwithstanding, we take note that the pandemic is still running its course and so we would continue to assess the material impact on the Group's financial position, results of operations, and cash flows in 2021 and beyond. We would then regularly make appropriate disclosures thereon to all stakeholders.



AXA Mansard Insurance Plc and Subsidiary Companies

Other National Disclosures

APPENDIX 1 A (FIVE YEAR FINANCIAL SUMMARY)

(All amounts in thousands of Naira unless otherwise stated)

Group

STATEMENT OF FINANCIAL POSITION					
	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17
	N' 000	N' 000	N' 000	N' 000	N' 000
ASSETS					
Cash and cash equivalents	17,343,344	20,251,719	17,911,416	5,238,705	5,333,318
<i>Investment securities</i>					
– At fair value through profit or loss	3,653,526	5,407,073	5,302,005	3,266,048	-
– Available-for-sale	35,107,536	31,102,632	27,836,825	22,313,670	22,691,784
– Held-to-maturity	-	-	-	-	-
Financial assets designated at fair value	4,374,805	4,485,246	4,154,695	3,073,457	3,272,242
Pledged assets	-	-	-	-	-
Trade receivables	7,013,359	6,668,899	5,418,424	3,615,646	1,961,018
Reinsurance assets	11,172,348	6,499,653	8,974,246	12,549,017	10,165,983
Other receivables	3,929,886	1,286,603	1,548,652	1,507,844	909,097
Deferred acquisition cost	752,954	415,717	331,047	436,772	494,584
Loans and receivables	1,655,085	470,272	403,548	311,449	3,843,254
Investment property	14,560,934	13,694,760	15,801,949	17,525,962	14,072,384
Intangible assets	400,647	330,017	1,580,297	1,588,175	1,648,896
Property and equipment	2,802,458	2,428,288	1,989,781	1,843,362	1,672,516
Right of use	797,757	898,841	535,863		
Statutory deposit	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	104,064,639	94,439,720	92,288,748	73,770,107	66,565,076
LIABILITIES					
Insurance liabilities	36,928,441	29,597,844	25,162,941	22,538,993	21,167,952
<i>Investment contract liabilities:</i>					
– At amortised cost	6,868,168	5,153,521	4,275,765	3,691,424	3,108,070
Financial liabilities designated at fair value	4,374,805	4,485,246	4,154,695	3,073,457	3,272,242
Borrowing	2,454,143	2,994,361	6,965,804	3,493,234	3,295,031
Trade payables	11,638,229	9,111,737	16,567,712	11,180,754	8,524,336
Other payables	4,513,072	2,936,095	3,305,822	2,658,787	2,333,758
Current income tax liabilities	1,962,020	1,648,795	935,546	773,819	444,688
Deferred income tax	932,573	818,666	841,496	837,061	656,407
TOTAL LIABILITIES	69,671,451	56,746,265	62,209,781	48,247,529	42,802,484
EQUITY					
Paid up share capital	18,000,000	18,000,000	5,250,000	5,250,000	5,250,000
Share premium	78,255	-	4,443,453	4,443,453	4,443,453
Contingency reserve	4,816,716	4,345,125	4,270,458	4,139,090	3,615,451
Other reserves	-	167,381	2,687,483	2,663,582	2,625,479
Treasury shares	(111,476)	(304,924)	(304,924)	(304,924)	(304,924)
Retained earnings	7,351,131	6,470,482	7,832,957	5,262,379	4,229,226
Fair value reserves	(62,329)	5,264,806	1,080,718	(550,226)	426,131
SHAREHOLDERS' FUNDS	30,072,297	33,942,870	25,260,145	20,903,354	20,284,816
Total equity attributable to the owners of the parent	30,072,297	33,942,870	25,260,145	20,903,354	20,284,816
Non-controlling interests in equity	4,320,891	3,750,585	4,818,822	4,619,224	3,477,776
TOTAL EQUITY	34,393,188	37,693,455	30,078,967	25,522,578	23,762,592
TOTAL LIABILITIES AND EQUITY	104,064,639	94,439,720	92,288,748	73,770,107	66,565,076
STATEMENT OF COMPREHENSIVE INCOME					
	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17
	N' 000	N' 000	N' 000	N' 000	N' 000
Gross premium written	60,197,851	47,583,434	43,620,265	33,923,949	26,824,830
Gross premium earned	55,722,892	45,519,867	41,609,412	32,701,781	26,198,134
Profit before taxation	5,784,972	6,038,755	5,054,865	3,380,073	3,232,099
Taxation	(2,049,807)	(1,537,671)	(1,019,228)	(897,791)	(556,991)
Profit after taxation	3,735,165	4,540,337	4,035,637	2,482,282	2,675,108
Transfer to contingency reserve	471,591	74,667	131,368	523,639	441,551
Earnings per share- Basic (kobo)	35.17	13.59	37.16	21.35	19.16
Earnings per share- Diluted (kobo)	35.17	13.59	36.53	21.02	18.86

APPENDIX 1 B (FIVE YEAR FINANCIAL SUMMARY)

(All amounts in thousands of Naira unless otherwise stated)

Parent

	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17
	N' 000	N' 000	N' 000	N' 000	N' 000
ASSETS					
Cash and cash equivalents	14,227,012	16,575,948	16,133,274	4,218,348	4,779,865
<i>Financial assets</i>					
– At fair value through profit or loss	3,653,526	5,407,073	5,302,005	3,266,048	-
– Available-for-sale	30,864,575	27,764,440	22,032,646	17,888,088	17,677,702
– Financial assets designated at fair value	4,374,805	4,485,246	4,154,695	3,073,457	3,272,242
– Held-to-maturity	-	-	-	-	-
Loans and receivables	2,666,458	1,014,377	882,168	323,287	7,562,215
Pledged assets	-	-	-	-	-
Trade receivables	1,196,453	1,043,004	1,224,373	572,586	251,383
Reinsurance assets	10,870,972	6,327,265	8,895,612	12,504,524	10,115,242
Other receivables	2,981,536	726,911	801,891	779,072	649,146
Deferred acquisition cost	620,749	346,212	321,055	415,213	481,077
Investment in subsidiaries	1,652,000	1,652,000	3,537,247	4,997,374	3,919,573
Intangible assets	354,896	305,443	215,450	190,086	218,772
Property and equipment	2,404,365	2,154,801	1,784,543	1,667,654	1,437,960
Investment Property	-	-	1,350,000	3,040,000	-
Right of Use	654,074	722,803	462,082	-	-
Statutory deposit	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	77,021,421	69,025,523	67,597,041	53,435,737	50,865,177
LIABILITIES					
Insurance liabilities	25,594,713	19,550,486	17,491,746	16,964,677	17,824,172
<i>Investment contract liabilities:</i>					
– At amortised cost	6,868,168	5,153,521	4,275,765	3,691,424	3,108,070
Financial liabilities designated at fair value	4,374,805	4,485,246	4,154,695	3,073,457	3,272,242
Trade payables	11,286,130	8,947,445	16,478,545	11,108,223	8,511,603
Other liabilities	3,141,233	1,393,590	1,894,835	1,572,156	1,358,567
Current income tax liabilities	645,958	125,911	203,650	257,967	234,959
TOTAL LIABILITIES	51,911,007	39,656,199	44,499,236	36,667,904	34,309,613
EQUITY					
Paid up share capital	18,000,000	18,000,000	5,250,000	5,250,000	5,250,000
Share premium	78,255	-	4,443,453	4,443,453	4,443,453
Contingency reserve	4,816,716	4,345,125	4,270,458	4,139,090	3,615,451
Other reserves	-	167,381	2,652,077	2,634,904	2,595,103
Treasury shares	(111,476)	(304,924)	(304,924)	(304,924)	(304,924)
Retained earnings	2,335,683	2,129,200	5,863,179	1,155,216	687,639
Fair value reserves	(8,764)	5,032,542	923,562	(549,906)	268,842
SHAREHOLDERS' FUNDS	25,110,414	29,369,324	23,097,805	16,767,833	16,555,564
Total equity attributable to the owners of the parent	25,110,414	29,369,324	23,097,805	16,767,833	16,555,564
TOTAL EQUITY	25,110,414	29,369,324	23,097,805	16,767,833	16,555,564
TOTAL LIABILITIES AND EQUITY	77,021,420	69,025,523	67,597,041	53,435,737	50,865,177

STATEMENT OF COMPREHENSIVE INCOME

	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17
	N' 000	N' 000	N' 000	N' 000	N' 000
Gross premium written	37,546,391	27,547,903	28,014,854	23,026,817	20,602,218
Gross premium earned	34,054,988	27,069,133	27,867,055	23,296,043	21,248,558
Profit before taxation	3,114,551	2,553,366	4,978,919	1,828,263	1,446,155
Taxation	(623,858)	(80,111)	(139,589)	(207,047)	(78,334)
Profit after taxation	2,490,693	2,473,255	4,839,330	1,621,216	1,367,821
Transfer to contingency reserve	471,591	74,667	131,368	523,639	1,289,487
Earnings per share (kobo)	27.67	6.99	16.69	15.71	13.25

APPENDIX 2 (Statement of Value Added)

(All amounts in thousands of Naira)

	Group				Parent			
	Dec 2021	%	Dec 2020	%	Dec 2021	%	Dec 2020	%
Gross premium income	60,197,851		47,583,434		37,546,391		27,547,903	
Re-insurance, claims and commission & others	(55,262,837)		(44,949,659)		(36,954,624)		(29,232,016)	
	4,935,014		2,633,775		591,767		(1,684,113)	
Investment and other income	5,302,740		6,915,306		5,107,387		6,205,116	
Value added	10,237,754		9,549,081		5,699,154		4,521,003	
Applied to pay:								
Employee benefits	3,730,129	36%	2,910,149	30%	1,968,362	35%	1,509,815	33%
Government as tax	2,049,807	20%	1,537,671	16%	623,858	11%	80,111	2%
Shareholder as dividend	-	0%	-	0%	-	0%	-	0%
Retained in the business								
Contingency reserve	471,591	5%	74,667	1%	471,591	8%	74,667	2%
Depreciation and amortisation	722,653	7%	560,924	6%	616,241	11%	457,822	10%
Retained profit for the year	2,693,268	26%	4,734,686	50%	2,019,102	35%	2,398,588	53%
Non-controlling interest	570,306	6%	(269,016)	-3%	-	0%	-	0%
Value added	10,237,754	100%	9,549,081	93%	5,699,154	100%	4,521,003	100%

AXA MANSARD INSURANCE PLC
APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))
for the year ended 31 December 2021

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	BOND =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	December 2021 =N=000	December 2020 =N=000
REVENUE										
Gross written premium	3,979,697	1,974,360	2,802,035	802,232	365	1,937,648	14,748,902	2,049,878	28,295,117	20,060,596
Add Reinsurance Inward Premium	7,337	996	-	3,941	-	-	1,002	1,435	14,711	20,572
	3,987,034	1,975,356	2,802,035	806,173	365	1,937,648	14,749,904	2,051,313	28,309,828	20,081,168
Less Unexpired Risks Provision	(262,946)	(123,211)	(150,706)	(130,289)	-	(725,532)	(1,830,532)	(27,886)	(3,251,102)	(368,342)
Gross Premium Earned	3,724,088	1,852,145	2,651,329	675,884	-	1,212,116	12,919,372	2,023,427	25,058,726	19,712,826
Less Reinsurance Cost										
Local Facultative Premium	(1,786,025)	(135,287)	(923)	(186,634)	-	(1,496,688)	(11,748,480)	(1,625,941)	(16,979,978)	(10,197,916)
Prepaid Reinsurance	138,973	2,511	498	122,613	-	765,131	1,745,572	40,492	2,815,790	193,398
Reinsurance Treaty Premium	(743,633)	(55,105)	(41,977)	(262,079)	-	(196,164)	(1,561,272)	(93,794)	(2,954,024)	(2,600,669)
Net Premium	(2,390,685)	(187,881)	(42,402)	(326,100)	-	(927,721)	(11,564,180)	(1,679,243)	(17,118,212)	(12,605,187)
Net Earned Premium	1,333,403	1,664,264	2,608,927	349,784	-	284,395	1,355,192	344,183	7,940,513	7,107,640
Add Commission Received										
Direct Business Commission	69,694	-	-	1,073	-	389	398,449	95,080	564,685	469,272
Local Facultative Comm	283,956	(2,361)	153	14,878	-	45,718	194,214	13,774	550,332	435,994
Reinsurance Treaty Comm	216,567	-	-	74,719	-	51,556	256,573	-	599,415	561,410
Deferred Comm. Income	(5,455)	3,207	(82)	(13,979)	-	(23,128)	(44,837)	(1,742)	(86,016)	23,811
Investment income	92,891	115,940	181,750	24,368	-	19,812	94,409	23,977	553,172	506,100
	657,653	116,786	181,821	101,059	-	94,347	898,808	131,090	2,181,589	1,996,587
Total Income	1,991,056	1,781,050	2,790,748	450,843	-	378,742	2,254,000	475,273	10,122,102	9,104,227
Expenses										
Claims Paid	1,549,456	364,034	1,315,538	128,913	-	230,724	2,998,011	27,795	6,614,472	4,952,327
Outstanding Claims	409,553	(43,379)	47,563	85,209	-	(80,764)	(362,860)	65,615	120,937	(376,438)
IBNR OS	100,718	94,861	(1,470)	27,012	-	69,126	662,409	36,988	989,644	812,469
Gross Claims	2,059,727	415,516	1,361,631	241,134	-	219,087	3,297,559	130,398	7,725,052	5,388,358
Treaty Claims Recovered	413,630	15,018	36,906	55,594	-	85,237	2,408	-	608,793	575,926
Facultative Claims Recovered	98,767	1,409	-	6,850	-	4,648	1,910,435	1,234	2,023,343	1,592,725
Co-insurers Claims Recovered	62,374	-	-	3,998	-	-	-	349	66,720	-
Ri Claim Recoverable	582,819	(48,383)	(18,704)	64,981	-	(21,535)	(85,241)	3,389	477,326	(1,820,207)
IBNR Recoverable	28,844	6,697	1,790	25,058	-	48,263	434,829	2,961	548,441	386,381
Total Claims Recovered/Recoverable	1,186,434	(25,259)	19,992	156,480	-	116,613	2,262,431	7,933	3,724,623	734,825
Net claims Incurred	873,293	440,775	1,341,639	84,654	-	102,474	1,035,128	122,465	4,000,429	4,653,533
Underwriting Expenses (commission expenses)	725,473	299,499	206,133	136,715	-	381,709	344,926	155,460	2,249,915	1,634,836
Deferred Acquisition Cost (Comm)	(40,013)	(11,866)	(15,537)	(25,820)	-	(144,652)	(39,091)	2,442	(274,537)	(25,158)
Other acquisition Cost	120,617	7,955	117,020	24,718	-	15,409	25,932	-	311,651	194,427
Maintenance Costs	110,617	55,872	58,226	20,798	-	28,709	100,710	25,795	400,727	303,500
Total underwriting expenses	916,694	351,460	365,843	156,411	-	281,175	432,477	183,697	2,687,756	2,107,605
Underwriting Profit	201,069	988,815	1,083,266	209,779	-	(4,907)	786,395	169,110	3,433,917	2,343,089

AXA MANSARD INSURANCE PLC
APPENDIX 4 (SUMMARISED REVENUE ACCOUNTS (LIFE BUSINESS))
for the year ended 31 December 2021

				December 2021	December 2020
	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	TOTAL	TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	6,077,932	3,158,631	-	9,236,563	7,466,733
Less Unexpired Risks Provision	(240,301)	-	-	(240,301)	(110,430)
	5,837,631	3,158,631	-	8,996,262	7,356,303
Less Reinsurance Premium					
Local Facultative Premium	(995,102)	(17,080)	-	(1,012,183)	(694,632)
Ri share of Insurance Liabilities	(326)	(7,753)	-	(8,078)	(102,014)
Reinsurance Treaty Premium	(163,476)	(16,247)	-	(179,723)	(181,941)
Net Premium	4,678,727	3,117,551	-	7,796,278	6,377,716
Add commission received					
Direct business commission	555	106	-	661	11,251
Local Facultative	176,948	87	-	177,035	114,636
Reinsurance treaty	46,173	8,283	-	54,456	41,440
Investment Income	243,444	162,213	393,208	798,865	884,069
	467,121	170,688	393,208	1,031,016	1,051,396
Total income	5,145,847	3,288,239	393,208	8,827,294	7,429,112
Expenses					
Claims paid	2,051,018	651,052	293,383	2,995,453	3,650,511
Surrenders	-	449,193	-	449,193	254,702
Outstanding Claims	41,357	-	-	41,357	(477,814)
IBNR OS	577,842	-	-	577,842	(247,171)
Gross claims incurred	2,670,217	1,100,245	293,383	4,063,845	3,180,228
Reinsurance claims recovered	(16,959)	-	-	(16,959)	-
Co insurance claims recovered	(414,000)	(70,677)	-	(484,678)	(456,614)
RI Claims Recoverable	(67,186)	-	-	(67,186)	84,397
RI Share of IBNR	(70,657)	-	-	(70,657)	287,560
Net claims incurred	2,101,414	1,029,568	293,383	3,424,365	3,095,571
Acquisition expenses (commission expenses)	501,183	220,420	-	721,603	597,536
Other acquisition costs	78,759	225,867	-	304,626	152,424
Maintenance cost	102,540	186,194	-	288,734	301,228
Transfer to life fund	-	1,580,635	(899,102)	681,533	1,867,491
Total expenses	2,783,896	3,242,684	(605,719)	5,420,861	6,014,250
Underwriting profit	2,361,951	45,556	998,927	3,406,433	1,414,862

APPENDIX 5 (ANNUITY DISCLOSURES)
STATEMENT OF ASSETS AND LIABILITIES

ASSETS				N'000	N'000
Cash balances	Counterparty				Carrying amount
	GTBank Plc	Bank balance			60,756
Short term deposits	Counterparties	Interest rate	Maturity date		Carrying amount
	Money Market Fund				-
					-
Equity	Issuer			Purchase Cost	Market Value
	ZENITHBA NL Equity			7,582	7,545
	UPDC NL Equity			99	27
	UBA NL Equity			12,983	11,636
	UACN NL Equity			1,851	950
	TOTAL NL Equity			3,602	4,420
	STANBICIBTC NL EQUITY			704	2,160
	STANBIC NL Equity			1,439	4,320
	GUARANTY NL Equity			3,429	3,900
	FLOURMIL NL Equity			11,149	9,923
	DANGSUGA NL Equity			2,847	7,740
	DANGCEM NL Equity			17,318	23,795
				63,002	76,415
Bonds	Description	Coupon rate	Maturity date	Amortised cost	Fair value
	16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037	16.24%	4/18/2037	305,818	374,318
	12.98% NGN FEDERAL BANK OF NIGERIA BOND 27-03-2050	12.98%	3/27/2050	198,000	202,600
	12.50% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 27-03-2035	12.50%	3/27/2035	103,300	100,879
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	17,500	20,744
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	26,250	30,210
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	8,465	9,063
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	-	54,780
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	76,450	100,699
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	7/18/2034	580,613	592,597
	9.800% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 24-07-2045	9.80%	7/24/2045	74,970	85,444
	16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037	16.25%	4/18/2037	120,100	124,773
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	4/26/2049	204,147	235,707
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	4/26/2049	-	235,707
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	4/26/2049	-	589,267
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	4/26/2049	103,580	117,853
	12.50% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 27-03-2035	12.50%	3/27/2035	351,115	302,636
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	19,210	20,744
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	48,646	52,364
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	2,476	3,021
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	25,113	27,189
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	3/18/2036	88,850	100,699
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	7/18/2034	92,050	101,299
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	7/18/2034	92,050	101,299
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	7/18/2034	91,000	101,299
				2,629,701	3,685,186
TOTAL ASSETS					3,822,356
LIABILITIES					
Annuity Reserves					2,155,094