AXA Mansard Insurance Plc and Subsidiary Companies

Annual Report

31 December 2022

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 2022. The consolidated and separate financial statements have been prepared in accordance with the IFRS Standards.

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Business Review

Corporate information

Chairman	Mr. Olusola Adeeyo	Chairman	Nigerian	
Directors	Mr. Kunle Ahmed	Chief Executive Officer	Nigerian	
	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. Thomas Hude	Non Executive Director	French	
	Ms. Latifa Said	Non Executive Director	French	
	Ms. Abiola Bada	Independent Director	Nigerian	
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	Nikhil Dodhia		FRC No: FRC/2021/004/00000024023
	QED Actuaries & Cons. (Pty) Ltd	C Van Heerden		FRC No: FRC/2018/NAS/00000018470
	AXA Mansard	Ganiu Shefiu		FRC No: FRC/2017/NAS00000017548
Valuers	Osas & Oseji Est. Surv. & Valuers	Osas & Oseji		FRC No: FRC/2012/000000000052
	Osas & Oseji Est. Surv. & Valuers	Hyacinth Oseji		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
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ABUJA
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Area 11 Garki, Abuja
Tel: (081) 50490161

PORT HARCOURT
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G.R.A. Phase IV
Port Harcourt
Rivers State, Nigeria.
Tel: (081) 13936051

MINNA
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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 WELCOME CENTERS
ABUJA
Plot 1568 Muhammadu Buhari Way
Area 11,Garki, Abuja

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

YABA
176, Herbert Macaulay,
Adekunle, Yaba, Lagos.

FESTAC
Olivia Mall, Suites B2 & B4
Plot 334, Rafiu Babatunde Tinubu Road
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

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

BONNY ISLAND
First Floor, Omma Mall, Moore Jackson Street
Bonny, Rivers State

OPEBI
15/17 Opebi Road
Opebi, Ikeja, Lagos.

ONIKAN
2 McCarthy Street, Onikan
Lagos State

NNEWI
First Floor, No 8 OraifiteRoad,
Uruagu Nnewi
Anambra 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

AXA MANSARD FRANCHISE OFFICES
ABUJA
Suite B2, Berger Paint Plaza,
6 Alexandria Crescent,
Wuse 2
Abuja

LEKKI
5, Emma Abimbola Street
Viva Mall, Lekki Phase 1
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

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

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

WARRI
78, Airport Road, Warri,
Delta State

EBUTE METTA
Ground Florr, 87 Apapa Road
Ebute Metta
Lagos State

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

ILORIN
30 Ibrahim Taiwo Road Ilorin
Kwara State

OGBA ROAD
Ground Floor, 126, Ogba Road, Agege
Lagos State

GBAGADA
First Floor, 32 Diya Street
Ifako Gbagada
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 State

CALABAR
First Floor, Shop 8, Pearly Gate Plaza
Ndidem Usand Iso Road, Calabar
Cross River 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.

2022 Corporate social 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 2022, AXA Mansard's CSR efforts were directed towards improving the skills of Heath 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 (PIUTA)
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, 2022 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 2022 International Women's Day, AXA Mansard donated the sum of (N1,500,000) to SME 100 Africa to hold a webinar and a buisness 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 pandemic impacted world.

DONATION TO BREAST CANCER AWARENESS & HEALTH INITIATIVE ROUNDTABLE DIALOGUE
In July 2022, AXA Mansard donated (N250,000) to Wellness Africa Foundation for the breat cancer awareness outreach in schools and also to hold a health initiative roundtable dialogue in Abeokuta. This Conversation was centered around building pathways to a sustainable approach which ensure the inclusion of farmers in the conversation towards Universal Health Coverage through health insurance.

SUPPORT FOR ENVIRONMENTAL SUSTAINABILITY

AXA ROOT MOVEMENT
In recognition of the benefits of trees to the climate and to overall environmental sustainability and as part of 2022 AXA Week for Good activities, AXA Mansard launched a tree-planting movement, tagged "AXA Roots Movement" in June 2022. AXA Mansard collaborated with the Lagos State Parks and Gardens Agency (LASPARK)to plant One hundred (100) Queen Palm trees at Eko Atlantic, VI, Lagos. The total cost of executing the initiative was about N4.6m.

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

2022 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.

2022 Corporate social responsibility report
COMPLAINT ANALYSIS
Report of complaints received and resolved by the company between January - December 2022

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.

2022 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 managment 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 players in the industry.

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 necssary 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 endurable 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 nine (9) members, including the Independent Chairman, five (5) 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

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 no changes in the Board during the financial year that ended 31 December 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, 2022.

Name of Director	Composition	Meetings attended	17-Feb-22	12-May-22	27-Jul-22	26-Oct-22
Mr. Olusola Adeeyo	Director	4	X	X	X	X
Mr. Kunle Ahmed	Director	4	X	X	X	X
Ms. Abiola Bada	Director	4	X	X	X	X
Shabrawishi	Director	3	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	-
Ms Latifa Said	Director	4	X	X	X	X
Mr Thomas Hude	Director	3	X	X	X	-

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:

a) Statutory Audit Committee,
b) Board Investment & Finance Committee,
c) Board Risk Management and Technical Committee and
d) 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. Ms Abiola Bada	Independent Non-Executive Director	– Chairman
2. Mr Thomas Hude	Non-Executive Director	– Member
3. Mr. Akingbola Akinola*	Shareholder's Representative	– Acting Chairman
4. Mrs. Ayodeji Oloye*	Shareholder's Representative	– Member
5. Alh. Sadiq Bello**	Shareholder's Representative	– Member
6. Mrs Adebisi Bakare	Shareholder's Representative	– Member
7. Mr Olusegun Adeusi**	Shareholder's Representative	– Member

Corporate governance report

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

Name	Composition	Meetings attended	10-Feb-22	28-Apr-22	21-Jul-22	20-Oct-22
Ms Abiola Bada	Chairperson	4	X	X	X	X
Mr. Akingbola Akinola	Shareholder Representative	2	X	X	N/A	N/A
Alh. Sadiq Bello	Shareholder Representative	2	N/A	N/A	X	X
Mrs. Ayodeji Oloye	Shareholder Representative	2	X	X	N/A	N/A
Mr. Olusegun Adeusi	Shareholder Representative	2	N/A	N/A	X	X
Mr. Thomas Hude	Non-Executive Director	2	X	0	X	0
Mrs Adebisi Bakare	Shareholder Representative	4	X	X	X	X

**Not re-elected at the Annual General Meeting held on 14th July 2022*
*** Elected at the Annual General Meeting held on 14th July 2022*

(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
4. Mr. Thomas Hude	Non Executive Director	Member

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

Name	Composition	Meetings attended	16-Feb-22	09-May-22	26-Jul-22	26-Oct-22
Mrs. Rashidat Adebisi	Chairman	4	X	X	X	X
Mr. Thomas Hude	Member	1	0	X	0	0
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

Corporate governance report

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

Name	Composition	Meetings attended	15-Feb-22	10-May-22	25-Jul-22	24-Oct-22
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	-	-

(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. Abiola Bada	Independent Non Executive Director	Chairman
2. Mr. Thomas Hude	Non Executive Director	Member
3. Ms. Latifa Said	Non Executive Director	Member

The Committee met four times during the period under review:

Name	Composition	Meetings attended	15-Feb-22	10-May-22	25-Jul-22	24-Oct-22
Ms. Abiola Bada	Chairman	4	X	X	X	X
Mr. Thomas Hude	Member	3	X	0	X	X
Ms. Latifa Said	Member	4	X	X	X	X

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 environmentultural 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) provises advice and guidance on proposed technology initiatives for the Company that embodies the overall objectives of the company. Audit, Risk and Complaince Committee (ARCC) is a committee Committee tasked with the purpose of reviewing all material risks faced by the Company and ensuring alignment amongst AXA Mansard control functions and Management on transversal topics. Whilst the Management Underwriting and Investment Committee (MUIC) was initiated to analyze the risks the Company is underwriting at any given period.

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 2022, 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
2022	-	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 and an increase in shares outstanding from 10.5 billion to 36.0 billion shares. Following this, the company received shareholder and regulatory approval to effct 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.

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 endurable 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, two (2) Executive Directors 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.

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.

Corporate governance report

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

Name of Director	Composition	Meetings attended	12-Feb-21	07-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	N/A	N/A	N/A
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	X

**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:
a) Statutory Audit Committee,
b) Board Investment & Finance Committee,
c) Board Risk Management and Technical Committee and
d) 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	04-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	N/A	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	05-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 environmentultural 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) provises advice and guidance on proposed technology initiatives for the Company that embodies the overall objectives of the company. Audit, Risk and Complaince Committee (ARCC) is a committee Committee tasked with the purpose of reviewing all material risks faced
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 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

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

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
Statutory Audit Committee	- 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
Board Risk Management and Technical Committee	- 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
Board Investment and Finance Committee	- 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
Board Governance, Remuneration, Establishment and General Purpose Committee	- 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 Managment 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 occuring 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 reimbursment for the damages suffered as a result of road accidents, the rising levels of inflation and its corresponding effect on claims cost. 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 Incured 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 additonal 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 12 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

Where 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 continous availability of processess 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.

The Information Risk (IR) Framework and its methodology are fully embedded within the Operational Risk (OR) Framework.

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

We the undersigned hereby certify the following with regards to our audited financial statements for the year ended 31 December 2021 that:

(a) We have reviewed the financial statement;

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

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

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

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

(d) We:

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

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

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

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

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

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

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

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

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

Management's Discussion and Analysis

This "Management discussion and analysis" (MD&A) has been prepared as at 31 December 2022 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-2022	**31-Dec-2021**	**%Chg**	**31-Dec-2022**	**31-Dec-2021**	**%Chg**
Gross written premium	68,980,045	60,197,851	15%	41,232,119	37,546,391	10%
Net premium income	46,135,122	37,142,182	24%	20,514,312	15,736,790	30%
Total underwriting profit	8,144,041	9,229,916	-12%	6,911,807	5,419,493	28%
Total investment income	6,533,144	6,251,251	5%	6,966,640	5,107,387	36%
Profit before tax	3,376,863	5,784,971	-42%	5,141,137	3,114,551	65%
Profit after tax	2,434,740	3,735,164	-35%	4,584,107	2,490,693	84%
Earnings per share - basic (kobo); entire operations	29	35	-16%	51	28	84%
Earnings per share - basic (kobo); continuing operations	-	-	0%	51	28	84%

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, 2022.

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: AXA Mansard Investments Limited and AXA Mansard Health Limited.

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.

Operating results

The following is a summary of the Group and Company's operating results:
(in thousands of Nigerian Naira)

	Note	**Group 31-Dec-2022**	**Group 31-Dec-2021**	**Parent 31-Dec-2022**	**Parent 31-Dec-2021**
Profit before tax		3,376,863	5,784,971	5,141,137	3,114,551
Taxation	42	(942,123)	(2,049,807)	(557,030)	(623,858)
Profit after tax		2,434,740	3,735,164	4,584,107	2,490,693
Non Controlling Interest	28	(213,942)	570,306	-	-
Transfer to contingency reserve	27.3	(302,153)	(471,591)	(302,153)	(471,591)
Dividend paid		2,250,000	1,980,000	2,250,000	1,980,000
Earnings per share – Basic (in kobo)	43	29	35	51	28
Earnings per share – Basic (in kobo); continued operation	43	-	-	51	28
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-2022	Direct / Indirect Holdings 31-Dec-2021
Mr. Olusola Adeeyo	Chairman	Nil	Nil
Mr. Kunle Ahmed	Chief Executive Officer	26,656,627	26,656,627
Mr. Hassan El-Shabrawishi	Non Executive Director	Nil	Nil
Mr. Tope Adeniyi	Non Executive Director	Nil	Nil
Mrs. Rashidat Adebisi	Executive Director	6,144,052	6,144,052
Mr. John Dickson	Non Executive Director	26,955,815	26,955,815
Mr. Thomas Hude	Non Executive Director	Nil	Nil
Ms. Latifa Said	Non Executive Director	Nil	Nil
Ms. Abiola Bada	Independent Director	Nil	Nil

Directors' Report

Change In directorship

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 2022:

	31-Dec-22		31-Dec-21	
	No. of shareholding	**% shareholding**	**No. of shareholding**	**% shareholding**
Assur Africa Holdings Limited	6,883,328,897	76.48%	6,883,328,897	76.48%
**Stanbic Nominees Nigeria Limited	695,371,139	7.73%	695,371,139	7.73%

** 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, 2022 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%

Directors' Report

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Share Range	No. of Shareholders	% Shareholders	No. of Holdings	% of Holdings
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10,001 - 50,000	962	17.15%	23,789,942	0.26%
50,001 - 100,000	338	6.03%	25,269,089	0.28%
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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%

Property and equipment

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

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:

31 December 2022	Male Number	Female Number	Male %	Female %
Employees	143	119	55%	45%
Gender analysis of Board and top management is as follows:	17	11		
Board	6	3	67%	33%
Top Management	11	8	58%	42%

Detailed analysis of the Board and top management is as foll

	Male Number	Female Number	Male %	Female %
Non-Executive Director	5	2	167%	67%
Chief Executive Officer	1	0	33%	0%
Executive Director	0	1	0%	33%
Executive Committee	1	2	33%	67%
Senior Executives	9	6	300%	200%

Directors' Report

31 December 2021	**Male Number**	**Female Number**	**Male %**	**Female %**
Employees	143	128	55%	49%
Gender analysis of Board and top management is as follows:	9	5		
Board	8	3	89%	33%
Top Management	1	2	5%	11%

Detailed analysis of the Board and top management is as foll

	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%

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-Feb-23

Statement of directors' responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2022

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)
- 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-Feb-23

Mr. Olusola Adeeyo
FRC/2013/NIM/00000001919
17-Feb-23

Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2022

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 2022 as follows:

a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2022.

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 2022.

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 2022.

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	**Chief Financial Officer**
FRC/2017/CIIN/00000017019	**FRC/2017/ANAN/00000017349**
17-Feb-23	**17-Feb-23**

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 2022 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.

Ms. Abiola Bada
FRC/2012/ICAN/00000000399

17 February 2023

Members of the Statutory Audit Committee are:

1. Ms Abiola Bada	Chairman
2. Mr Thomas Hude	Member
3. Alh. Sadiq Bello	Member
4. Mrs Adebisi Bakare	Member
5. Mr Olusegun Adeusi	Member

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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234 (1) 271 8599
Internet home.kpmg/ng

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 2022;
- 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 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 and ultimate loss ratio, 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 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 20 (insurance liabilities).

Other Information

The Directors are responsible for the other information. The other information comprises the 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 auditor's report thereon.

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.

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 IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020,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 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 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 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 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 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.

KPMG

- 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 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 identify 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 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 (CAMA), 2020.

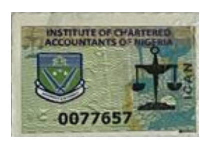
i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and proper returns adequate 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 did not incure any fine or penalty during the year.

A. A. Oyelami

Oyelami Adegoke
FRC/2012/ICAN/00000444
For: KPMG Professional Services
Chartered Accountants
30 March 2023
Lagos, Nigeria



AXA Mansard Insurance Plc and Subsidiary Companies

Consolidated and Separate Financial Statements

31 December 2022

Consolidated and Separate Statement of Financial Position
as at 31 December 2022
(All amounts in thousands of Naira)

	Notes	Group 31-Dec-22	Group 31-Dec-21	Parent 31-Dec-22	Parent 31-Dec-21
ASSETS					
Cash and cash equivalents	8	13,469,877	17,343,344	11,107,664	14,227,012
Investment securities:					
– Fair value through profit or loss	9.1	3,386,475	3,653,526	3,386,475	3,653,526
– Available-for-sale assets	9.2	40,078,903	35,107,536	37,940,243	30,864,575
Financial assets designated at fair value	9.3	2,505,441	4,374,805	2,505,441	4,374,805
Trade receivables	10	7,791,783	7,013,359	454,081	1,196,453
Reinsurance assets	11	12,010,140	11,172,348	11,833,731	10,870,972
Deferred acquisition cost	12	862,218	752,954	514,011	620,749
Other receivables	13	3,507,639	3,929,886	2,945,247	2,981,536
Loans and receivables	14	3,773,985	1,655,085	4,229,583	2,666,458
Investment property	15	14,009,209	14,560,934	-	-
Investment in subsidiaries	16	-	-	1,652,000	1,652,000
Intangible assets	17	445,595	400,647	391,201	354,896
Property and equipment	18	3,099,565	2,802,458	2,717,465	2,404,365
Right-of-use asset	18c	783,504	797,757	672,176	654,074
Statutory deposit	19	500,000	500,000	500,000	500,000
TOTAL ASSETS		**106,224,334**	**104,064,639**	**80,849,318**	**77,021,421**
LIABILITIES					
Insurance liabilities	20	44,816,609	36,928,441	30,806,643	25,594,713
Investment contract liabilities:					
– At amortised cost	21.1	4,211,201	6,868,168	4,211,201	6,868,168
– Liabilities designated at fair value	21.2	2,505,441	4,374,805	2,505,441	4,374,805
Trade payables	22	13,818,487	11,638,229	13,743,301	11,286,130
Other liabilities	23	3,604,878	4,513,072	2,740,547	3,141,233
Current income tax liabilities	24	1,129,928	1,962,020	674,215	645,958
Borrowings	25	2,180,878	2,454,143	-	-
Deferred tax liability	26	855,631	932,573	-	-
TOTAL LIABILITIES		**73,123,053**	**69,671,451**	**54,681,348**	**51,911,007**
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	78,255	78,255
Contingency reserve	27.3	5,118,869	4,816,716	5,118,869	4,816,716
Treasury shares	27.5	(111,476)	(111,476)	(111,476)	(111,476)
Fair value reserves	27.6	(998,976)	(62,329)	(745,315)	(8,764)
Retained earnings	27.7	6,907,660	7,351,131	3,827,637	2,335,683
SHAREHOLDERS' FUNDS		**28,994,332**	**30,072,297**	**26,167,970**	**25,110,414**
Total equity attributable to the owners of the parent		28,994,332	30,072,297	26,167,970	25,110,414
Non-controlling interest in equity	28	4,106,949	4,320,891	-	-
TOTAL EQUITY		**33,101,281**	**34,393,188**	**26,167,970**	**25,110,414**
TOTAL LIABILITIES AND EQUITY		**106,224,334**	**104,064,639**	**80,849,318**	**77,021,421**

Signed on behalf of the Board of Directors on 17 February 2023

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

The accompanying notes are an integral part of these financial statements

Consolidated and Separate Statement of Comprehensive Income

for the year ended 31 December 2022

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group	Group	Parent	Parent
		31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Continuing operations					
Gross written premium	30	68,980,045	60,197,851	41,232,119	37,546,391
Gross premium income	30	69,445,472	55,722,892	43,555,438	34,054,988
Reinsurance expenses	30	(23,310,350)	(18,580,710)	(23,041,126)	(18,318,198)
Net premium income	30	46,135,122	37,142,182	20,514,312	15,736,790
Fee and commission on insurance contracts	31	2,397,298	1,860,567	2,397,298	1,860,567
Net underwriting income		48,532,420	39,002,749	22,911,610	17,597,357
Claims:					
Claims expenses (gross)	32	(38,123,101)	(28,927,967)	(14,628,406)	(11,930,407)
Claims expenses recovered from reinsurers	32	4,943,058	4,610,999	4,784,095	4,436,812
Underwriting expenses	33	(5,554,587)	(4,774,332)	(4,501,742)	(4,002,736)
Changes in individual life reserves	20.3	(1,823,911)	(1,580,635)	(1,823,911)	(1,580,635)
Changes in annuity reserves	20.4	170,162	899,102	170,161	899,102
Net underwriting expenses		(40,388,379)	(29,772,833)	(15,999,803)	(12,177,864)
Total underwriting profit		8,144,041	9,229,916	6,911,807	5,419,493
Investment income	34	6,593,760	5,080,874	6,473,629	5,439,214
Net (losses)/gains on financial instruments	35	646,992	(48,271)	64,881	(905,070)
Fair value (loss)/gain on investment properties	15	(1,356,155)	39,981	-	-
Profit on investment contracts	36	401,556	230,156	401,556	230,156
Other income	37	246,991	948,511	26,574	343,087
Total investment income		6,533,144	6,251,251	6,966,640	5,107,387
Expenses for marketing and administration	38	(1,656,757)	(1,527,477)	(1,896,204)	(1,722,175)
Employee benefit expense	39	(4,899,730)	(3,730,129)	(2,573,635)	(1,968,362)
Other operating expenses	40	(4,203,650)	(4,067,203)	(3,979,604)	(3,661,885)
Writeback/(Impairment) of other assets	13	(7,027)	2,370	-	2,370
(Impairment)/writeback of premium receivables	10.1	(257,850)	(86,050)	(155,750)	11,950
Results of operating activities		3,652,171	6,072,678	5,273,254	3,188,778
Finance cost	41	(275,308)	(287,707)	(132,117)	(74,227)
Profit before tax		3,376,863	5,784,971	5,141,137	3,114,551
Income tax expense	42	(942,123)	(2,049,807)	(557,030)	(623,858)
Profit for the year		2,434,740	3,735,164	4,584,107	2,490,693
Profit attributable to:					
Owners of the parent		2,648,682	3,164,858	4,584,107	2,490,693
Non-controlling interest	28	(213,942)	570,306	-	-
		2,434,740	3,735,164	4,584,107	2,490,693
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in available-for-sale financial assets (net of taxes)	27.6	(936,647)	(5,327,135)	(736,551)	(5,041,306)
Other comprehensive (loss)/income for the year		(936,647)	(5,327,135)	(736,551)	(5,041,306)
Total comprehensive (loss)/income for the year		1,498,093	(1,591,971)	3,847,556	(2,550,613)
Attributable to:					
Owners of the parent		1,712,035	(2,162,277)	3,847,556	(2,550,613)
Non-controlling interests	28	(213,942)	570,306	-	-
Total comprehensive (loss)/income for the year		1,498,093	(1,591,971)	3,847,556	(2,550,613)
Earnings per share:					
Basic (kobo)	43	29	35	51	28
Diluted (kobo)	43	29	35	51	28

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 2022

Group

	Share Capital	Share Premium	Contingency reserve	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2022	18,000,000	78,255	4,816,716	-	(111,476)	(62,329)	7,351,131	30,072,296	4,320,891	34,393,187
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	2,648,682	2,648,682	(213,942)	2,434,740
Transfer to contingency reserves	-	-	302,153	-	-	-	(302,153)	-	-	-
Transfer from statutory reserves due to disposal	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-							-	-	-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(936,647)	-	(936,647)	-	(936,647)
Total comprehensive income for the year	-	-	302,153	-	-	(936,647)	2,346,529	1,712,035	(213,942)	1,498,092
Transactions with owners, recorded directly in equity	-									
2021 final dividends to equity holders	-	-	-	-	-	-	(2,250,000)	(2,250,000)	-	(2,250,000)
2022 interim dividends to equity holders	-	-	-	-	-	-	(540,000)	(540,000)	-	(540,000)
Total transactions with owners of equity	-	-	-	-	-	-	(2,790,000)	(2,790,000)	-	(2,790,000)
Balance at 31 December 2022	**18,000,000**	**78,255**	**5,118,869**	**-**	**(111,476)**	**(998,976)**	**6,907,660**	**28,994,331**	**4,106,949**	**33,101,279**

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	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2021	18,000,000	-	4,345,125	167,381	(304,924)	5,264,806	6,470,482	33,942,870	3,750,585	37,693,455
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	3,164,859	3,164,859	570,306	3,735,165
Transfer to contingency reserves	-	-	471,591	-	-	-	(471,591)	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-
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)
Changes in ownership interest										
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-
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**

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 2022

Parent

	Share Capital	**Share Premium**	**Contingency reserve**	**Share scheme reserve**	**Treasury shares**	**Fair value reserves**	**Retained earnings**	**Total**
Balance at 1 January 2022	18,000,000	78,255	4,816,716	-	(111,476)	(8,764)	2,335,683	25,110,414
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	4,584,107	4,584,107
Transfer to contingency reserves	-	-	302,153	-	-	-	(302,153)	-
Other comprehensive income								-
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(736,551)	-	(736,551)
Total comprehensive income for the year	**-**	**-**	**302,153**	**-**	**-**	**(736,551)**	**4,281,954**	**3,847,556**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
2021 final dividends to equity holders	-	-	-	-	-	-	(2,250,000)	(2,250,000)
2022 interim dividends to equity holders	-	-	-	-	-	-	(540,000)	(540,000)
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**(2,790,000)**	**(2,790,000)**
Balance at 31 December 2022	**18,000,000**	**78,255**	**5,118,869**	**-**	**(111,476)**	**(745,315)**	**3,827,637**	**26,167,970**

Consolidated 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	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2021	18,000,000	-	4,345,125	167,381	(304,924)	5,032,542	2,129,200	29,369,324
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	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								
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 of equity	**-**	**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**

The accompanying notes are an integral part of these financial statements

Consolidated and Separate Statement of Cashflows

for the year ended 31 December 2022
(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-2022	Group 31-Dec-2021	Parent 31-Dec-2022	Parent 31-Dec-2021
Cash flows from operating activities					
Cash premium received	47a	65,618,110	58,061,397	39,490,980	35,629,775
Cash paid as reinsurance premium	47b	(23,482,377)	(20,554,068)	(23,213,153)	(20,554,068)
Fee income received	47c	2,374,092	1,549,591	2,374,092	1,946,584
Cash received on investment contract liabilities	21.3	410,928	1,222,054	410,928	1,222,054
Cash paid to investment contract holders	21.3	(5,080,840)	(561,429)	(5,080,840)	(561,429)
Claims paid	32	(31,423,250)	(26,759,746)	(8,746,902)	(10,059,118)
Cash received from reinsurers on recoveries for claims paid	47g	5,205,437	4,003,938	4,996,174	3,937,134
Cash paid to/ received from coinsurers on recoveries and claims paid	10.2a	794,311	284,399	794,311	284,399
Underwriting expenses paid	47i	(5,445,323)	(3,724,141)	(4,608,480)	(3,203,052)
Employee benefits paid	47j	(4,950,053)	(3,772,684)	(2,518,203)	(2,028,820)
Rent received	47o	951,994	646,758	-	-
Lease payments made	23.1	(171,670)	(43,693)	(164,834)	(18,693)
Other operating expenses paid	47l	(5,216,603)	(3,324,628)	(4,169,201)	(3,486,209)
Premium received in advance	22	2,812,408	2,327,761	2,812,408	2,327,761
Changes in working capital		2,397,165	9,355,509	2,377,280	5,436,318
Income tax paid	24	(1,851,156)	(1,616,369)	(528,773)	(103,811)
Net cash (used in)/ from operating activities		546,009	7,739,140	1,848,507	5,332,507
Cash flows from investing activities					
Purchases of property, plant and equipment	18	(1,119,463)	(1,004,091)	(997,306)	(777,208)
Dividend received	47m	2,034,325	296,119	2,157,473	2,777,181
Investment income received	47n	3,856,336	2,604,040	3,809,532	2,147,315
Purchase of intangible assets	17	(149,137)	(159,135)	(126,458)	(159,135)
Proceeds from the disposal of property and equipment	37	57,366	33,961	45,341	32,227
Purchase of fair value through profit or loss financial assets	9.1(a)	(312,282)	(283,782)	(312,282)	(283,782)
Sale of fair value through profit or loss financial assets	9.1(a)	775,374	3,487,760	775,374	3,487,760
Sale of available-for-sale financial assets	9.2(c)	11,102,288	20,468,220	8,295,297	17,528,124
Purchase of available-for-sale financial assets	9.2(c)	(15,324,593)	(31,928,252)	(14,557,324)	(28,673,414)
Increase in loans and receivables to related parties	14c	(1,866,025)	(1,162,377)	(2,763,633)	(1,864,689)
Increase in staff loans and advances		(329,621)	(92,574)	(28,845)	(77,773)
Repayment of loans and receivables to related parties	14c	-	-	1,155,480	225,553
Repayment of staff loans and advances	14c	95,322	92,040	95,030	84,092
Net cash from investing activities		(1,180,111)	(7,648,071)	(2,452,319)	(5,553,748)
Cash flows from financing activities					
2021 final dividend paid	47p	(2,250,000)	(1,980,000)	(2,250,000)	(1,980,000)
2022 interim dividend paid	47p	(540,000)	-	(540,000)	-
Interest & principal repayment on borrowings	25(b)	(915,538)	(715,538)	-	-
Net cash (used in)/ from financing activities		(3,705,538)	(2,695,538)	(2,790,000)	(1,980,000)
Net increase/decrease in cash and cash equivalents		(4,339,638)	(2,604,468)	(3,393,813)	(2,201,241)
Cash and cash equivalent at beginning of year	8	17,343,344	20,251,719	14,227,012	16,575,948
Effect of exchange rate changes on cash and cash equivalent	35a	466,171	(303,907)	274,465	(147,695)
Cash and cash equivalent at end of year	8	**13,469,877**	**17,343,344**	**11,107,664**	**14,227,012**

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 343 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

In preparing these financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, 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, 2022. However, these standards have not been dislosed as they do not have significant effects on the Group's financial statements. They are:

- Annual Improvements to IFRS Standards 2018-2020 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture
- Reference to the Conceptual Framework - Amendments to IFRS 3 Business Combinations
- Property, Plant and Equipment - Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment.
- Onerous Contracts - Cost of Fulfilling a Contract: Amendments to AIS 37 Provisions, Contingent Liabilities and Contingent Assets

(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:

- Amendments to IAS 8 - Definition of Accounting Estimates
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Standards Practice Statement 2)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

Effective at the option of the entity (effective date has been deferred indefinitely)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS Standards 10 and IAS 28

(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 2023 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:

IFRS 17 - Insurance Contracts and IFRS 9 – Financial Instruments

The Group will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards are expected to bring significant changes to the accounting for insurance and reinsurance contracts" and financial instruments and are expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

Estimated impact of the adoption of IFRS 17 and IFRS 9

The assessment of the impact of IFRS 17 and IFRS 9 below is preliminary because not all of the transition work has been finalized. The actual impact of adopting IFRS 17 and IFRS 9 on 1 January 2023 and 2022 may change from the information presented below:

• the Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17 and IFRS 9;

• the dry and parallel runs have not been completed as at the end of 2022; also, the new systems and associated controls in place have not been operational for a more extended period;

• the Group has not finalized the testing and assessment of controls over its new IT systems and changes to its governance framework; and

• the new accounting policies, assumptions, judgments, and estimation techniques employed are subject to change until the Group finalizes its first financial statements that include the date of initial application.

A. IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

B. Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with DPF.

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

If a contract does not meet the definition of an insurance contract or the definition of an investment contract with discretionary participation features, then it falls outside the scope of IFRS17. For products that are outside the scope of IFRS17, the value of liabilities as determined by the applicable IFRS standard will be reported

C. Level of aggregation

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:

• any contracts that are onerous on initial recognition.

• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and

• any remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added, Groups of reinsurance contracts are established such that each group comprises a single contract. The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognised immediately (see (v) and (vi), on the measurement of the Life and Non-contracts), Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

D. Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17

i) Insurance Contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

• the Group has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

• the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Some term life and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. Currently, the Group accounts for these contracts as annual contracts. Under IFRS 17, the cash flows related to future renewals (i.e., the guaranteed renewable terms) of these contracts will be within the contract boundary, this is because the Group does not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level

Some universal life contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. Currently, the Group does not consider the cash flows related to the options when measuring the contracts until the option is exercised, The Group has assessed the contract boundary for the contracts, including the options, and concluded that, under IFRS 17, the cash flow s related to the guaranteed annuity options will fall within the boundary of the contracts, this is because the Group does not have the practical ability to reprice the contract on maturity of the stated term

ii) Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

• has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or

• has a substantive right to terminate the coverage.

E. Measurement- Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. For an explanation of how the Group will apply the PAA. The Group expects that it will apply the PAA to all contracts in the non-life segment because the following criteria are expected to be met at inception. • Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less. • Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above

Impracticability Test

IFRS17 requires a restatement of the company's results as if IFRS17 had always been applicable (the "fully retrospective approach" unless it is "impracticable" to do so). Where a fully retrospective approach is impracticable, a "modified retrospective" or "fair value" approach are available. We will follow a fair value approach where a fully retrospective approach is impracticable.
The principles applied to test for impracticability:
a) Risk adjustment
b) Actual historic premiums and charges
c) Actual historic expenses split between acquisition and maintenance expenses
d) Historic discount rates
e) Policy administration system change / past data
The likely examples of impracticability cut-off points in time will include policy administration system changes where past data was not captured or validated and valuation model/methodology changes e.g. transition from an NPV valuation methodology to a prospective calculation or transition to a more sophisticated valuation model requiring additional data fields.

F. Measurement-Life contracts
Insurance contracts and investment contracts with DPF

On initial recognition, the Group will measure a group of contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance risk.
•The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario will be discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group will use stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for variables such as interest rates and equity returns.
All cash flows will be discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items will be adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity. When the present value of future cash flows is estimated by stochastic modelling, the cash flows will be discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.
The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.
The CSM of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:
(a) the fulfilment cash flows;
(b) any cash flows arising at that date; and
(c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows; see below).
In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition. If the total is a net outflow, then the group is onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see (viii)) on presentation and disclosure. Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claim s. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.
• The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.
Changes relating to future services Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past servicesAdjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)
Effects of the time value of money, financial risk and Recognised as insurance finance income or expenses
changes therein on estimated future cash flows
•The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future service.

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.
The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises
(a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.
The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the insurance service result in profit or loss."
The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.
The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured such that no income or expense arises on initial recognition, except that the Group will:
•recognise any net cost on purchasing reinsurance coverage immediately in profit or loss as an expense if it relates to insured events that occurred before the purchase of the group; and
•recognise income when it recognises a loss on initial recognition of onerous underlying contracts if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. A loss-recovery component is created, which determines the amounts
that are subsequently disclosed as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.
The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

G. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under IFRS 17, for Life contracts, insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.
Insurance acquisition cash flows that are directly attributable to a group of contracts (e.g., non- refundable commissions paid on issuance of a contract) are allocated only to that group and to the groups that will include renewals of those contracts. The allocation to renewals will only apply to certain term life and critical illness contracts that have a one-year coverage period. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals will be based on the manner in which the Group expects to recover those cash flows.
Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts. The Group expects that most assets for insurance acquisition cash flows will relate to the renewals of term life and critical illness contracts, as described above. These assets will be presented in the same line item as the related portfolio of contracts and derecognised once the related group of contracts has been recognised. This differs from the Group’s current practice, under which all acquisition costs are recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs').
IFRS 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is impaired, then the Group will:
a. recognise an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
b. if the asset relates to future renewals, recognise an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).
The Group will reverse any impairment losses in profit or loss and increase the carrying amount of the asset to the extent that the impairment conditions have improved.

H. Measurement - Non-Life

On initial recognition of each group of Non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Group will elect to recognise insurance acquisition cash flows as expenses when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

I. Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

J. Insurance service result

For contracts not measured using the PAA, insurance revenue for each year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows.

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Group may choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

K. Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals). For Participating and Non-life contracts, the Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

Disclosure

An entity is required to present comparative financial information for the annual period immediately preceding the date of initial application i.e., the annual period starting from the transition date.

IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts, reinsurance contracts and investment contracts with DPF. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. However, the Group has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023, Consequently, the Group will apply IFRS 9 for the first time on 1 January 2023,

A. Financial assets - Classification

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, IFRS 9 includes three principal measurement categories for financial assets - measured at amortised cost, FVOCI and FVTPL- and eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets,

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

• it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise,

Nevertheless, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI, the election is made on an instrument-by-instrument basis,

B. Impact assessment

IFRS 9 will affect the classification and measurement of financial assets held at 1 January 2023 as follows.

• Most underlying items of Participating contracts and certain other financial investments are designated as at FVTPL under IAS 39. They will also be measured at FVTPL under IFRS 9.

• Derivative assets, which are generally classified as held-for-trading and measured at FVTPL under IAS 39, will also be measured at FVTPL under IFRS 9.

• Debt investments that are classified as available-for-sale under IAS 39 may, under IFRS 9, be measured at amortised cost, FVOCI or FVTPL, depending on the circumstances.

• Held-to-maturity investments and loans and receivables measured at amortised cost under IAS 39 will generally also be measured at amortised cost under IFRS 9.

The Group's total equity is impacted only to the extent of any reclassifications between the amortised cost and fair value measurement categories.

C. Financial assets - Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. This will require considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.

The new impairment model will apply to the Group's financial assets measured at amortised cost, debt investments at FVOCI and lease receivables.

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECL or lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument; 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

D. Impact Assessment

The Group estimates that application of the IFRS 9 impairment requirements at 1 January 2023 and 2022 will result in additional loss allowances which is currently being evaluated. The Group's total equity is impacted by the IFRS 9 impairment requirements only to the extent of any loss allowances on financial assets measured at amortised cost and reinsurance receivables.

Fair value disclosures

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

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

Group	Loans and receivables	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2022				
Cash and cash equivalent	13,469,877	-	13,469,877	13,469,877
Loans and receivables	3,773,985	-	3,773,985	3,773,985
Trade receivables	7,791,783	-	7,791,783	7,791,783
Reinsurance assets (less prepaid reinsurance, IBNR &	7,119,243	-	7,119,243	7,119,243
Other receivables (less prepayment)	2,056,471	-	2,056,471	2,056,471
Statutory deposit	-	500,000	500,000	500,000
	34,211,359	500,000	65,044,454	65,044,454

Parent	Loan and receivables	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2022				
Cash and cash equivalent	11,107,664	-	11,107,664	11,107,664
Loans and receivables	4,211,201	-	4,211,201	4,211,201
Trade receivables	454,081	-	454,081	454,081
Reinsurance assets (less prepaid reinsurance, IBNR &	7,041,633	-	7,041,633	7,041,633
Other receivables (less prepayment)	2,198,457	-	2,198,457	2,198,457
Statutory deposit	-	500,000	500,000	500,000
	25,013,036	500,000	55,013,740	55,013,740

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:

(a) power over the investee entity;

(b) exposure, or rights, to variable returns from involvement with the investee entity; and

(c) the ability to use power over the investee to affect the amount of the investor’s returns.

(b) Consolidated entities

(i) Subsidiaries

Subsidiaries are all entities over which the Group exercises control.

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

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

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

(iii) Business combinations

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

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

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

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

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

Business combination under common control

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

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

(iv) Non- controlling interests

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

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

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

(vi) Disposal of subsidiaries

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

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 which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Underwriting and Investment Committee (MUIC) that makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

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

(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
- 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

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

(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

- 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

Other receivables

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

(iii) Held-to-maturity financial assets

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

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

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

(iv) Available-for-sale financial assets

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

Determination of fair value of financial assets

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

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

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

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

Reclassification of financial assets

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

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

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

Impairment of financial assets

(a) Financial assets carried at amortised cost

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

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

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

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

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

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

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

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

(b) Assets classified as available for sale

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

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

Derecognition of financial assets

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

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

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

Offsetting financial instruments

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

(f) Investment property

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

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

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

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

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

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

(g) Intangible assets

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

(i) Computer software

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

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

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

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- The expenditure attributable to the software product during its development can be reliably measured.

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

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

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

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

(ii) Goodwill

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

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

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

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

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

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

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

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

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

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

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

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

(i) Statutory deposit

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

(j) Insurance contracts

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

(1) Types of Insurance Contracts

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

(i) Non-life insurance contracts

These contracts are accident and casualty and property insurance contracts.

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

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

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

(ii) Life insurance contracts

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

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

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

(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

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

(v) Subrogation

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

(vi) Deferred policy acquisition costs (DAC)

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

(vii) Deferred income

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

(viii) Receivables and payables related to insurance contracts

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

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

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

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

- Reinsurance and coinsurance contracts held

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

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

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

(k) Investment contracts

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

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

(l) Technical reserves

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

(i) General insurance contracts

Reserves for unearned premium

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

Reserves for outstanding claims

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

Reserves for unexpired risk

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

(ii) Life business

Life fund

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

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

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

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

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

(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 beforethe 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 thecommencement 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 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.

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 2022 and an additional gross provision of N405 million (2021: N251 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 N50.5 million (2021: N121 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:1

- 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 2022.

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	170,000
General Accident	25,000
Marine Cargo	20,000
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.

IBNR = Ultimate claim amount (excl. extreme large losses)
minus paid claims to 31 December, 2022 (excl. extreme large losses)
minus claims outstanding (excl. extreme large losses)

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.

IBNR= Expected average ultimate annual loss ratio
multiplied by earned premium
minus experience to date

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 accident years.

Bornhuetter-Ferguson Method (BF Method)

For more recent loss halfs, 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 2022. The 75th percentile is a generally accepted level of prudency. 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 3,110 million and only a 10% chance that the IBNR reserves required will exceed NGN 3,760 million as at 31 December 2022.

Gross IBNR - Attritional Reserves

In thousands on naira	**Best Estimate**	**75th Percentile**	**90th Percentile**
Aviation	124,291	142,935	172,764
Energy	1,387,534	1,595,664	1,928,672
Engineering	88,227	101,461	122,636
Fire	529,465	608,885	735,956
General Accident	140,125	161,143	194,773
Marine Cargo	59,645	68,592	82,907
Marine Hull	41,536	47,767	57,735
Motor	334,075	384,187	464,365
	2,704,898	**3,110,634**	**3,759,808**

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 2022, 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 2021	400	290,647
New entrants	-	-
Additional Funds	-	-
Deaths	(2)	(940)
At 31 December 2022	**398**	**289,707**

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 2022, the average yield on 15 year FGN bonds was 14%. 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 2022) 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 N8,100 per policy per annum excluding AXA Instant Plan, for which an expense of N1,000 was used. Credit Life Expenses were reserved for at N1,000 per policy annum. All expenses were assumed to increase with inflation at 13% 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 N1,000 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 2022 maintenance expense incurred which was N8,100 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 Internationals plans. IBNR (Incurred But Not Reported) was calculated for products under each plan.

Reserving Methodology and Assumptions

For the Corporate plans, ulimate 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 prudency.

	Gross IBNR (N'000)		
	Best Estimate	**75th Percentile**	**90th Percentile**
Corporate Platinum	1,058,135	1,164,928	1,510,947
Corporate Gold	1,593,270	1,739,806	2,319,524
Corporate Silver	589,414	661,829	846,267
Corporate Bronze	477,087	533,466	715,328
Personal Platinum	35,220	38,840	51,080
Personal Gold	25,128	27,711	36,443
Personal Silver	8,881	9,794	12,881
Personal Bronze	4,308	4,751	6,248
IMED	40,284	44,425	58,424
Corporate Easy Care	17,693	19,512	25,660
CORPORATE BCHIP	8,612	9,497	12,490
Total	**3,858,032**	**4,254,559**	**5,595,292**

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 N18,583,019 whilst a -1% change in VIR will increase Life liability to N18,943,615.

The sensitivity analysis also indicates that an increase of mortality rates by 5% will increase the Life liability to N18,800,147 whilst a reduction of mortality rate by 5% will decrease the Life fund liability to N18,698,594.

A movement of expenses by +10% will result in an increase the Life fund liability to N18,790,014 whilst a -10% change will reduce the Life fund liability to N18,832,293. Expense inflation moving by +2% will increase the life fund to N18,832,293 whilst a -2% will produce a reduced Life fund liability of N18,695,091.

A 5% increase in the Lapse rate will also reduce the Life fund liability to N18,747,680 whilst a 5% decrease in the Lapse rate will increase the Liability to N18,750,590.

SENSITIVITY OF LIABILITIES TO CHANGES IN LONG TERM VALUATION ASSUMPTIONS FOR THE 31 DECEMBER 2022 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	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436	6,716,436
Individual DA - Risk Reserve	115,588	104,670	129,269	123,434	107,799	132,777	104,274	115,326	115,853	117,745	113,484
Individual Traditional Life Insurance	5,594,382	5,535,403	5,668,539	5,621,819	5,567,569	5,647,558	5,561,217	5,593,198	5,595,582	5,629,627	5,559,213
Annuities	1,984,932	1,888,723	2,091,584	1,990,537	1,979,326	1,997,734	1,975,367	1,984,932	1,984,932	1,998,551	1,971,674
Group Life - UPR	884,326	884,326	884,326	884,326	884,326	884,326	884,326	884,326	884,326	884,326	884,326
Group Life - IBNR	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281	2,148,281
Outstanding Claims	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752	2,019,752
Gross liability	**19,463,697**	**19,297,591**	**19,658,187**	**19,504,585**	**19,423,489**	**19,546,864**	**19,409,653**	**19,462,251**	**19,465,162**	**19,514,718**	**19,413,166**
Reinsurance	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)	(714,572)
Net liability	**18,749,125**	**18,583,019**	**18,943,615**	**18,790,013**	**18,708,917**	**18,832,292**	**18,695,081**	**18,747,679**	**18,750,590**	**18,800,146**	**18,698,594**
% Change in net liability	**0.00%**	**-0.89%**	**1.04%**	**0.22%**	**-0.21%**	**0.44%**	**-0.29%**	**-0.01%**	**0.01%**	**0.27%**	**-0.27%**

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	14,411,338	14,245,232	14,605,828	14,452,226	14,371,130	14,494,505	14,357,294	14,409,892	14,412,803	14,462,359	14,360,807
Group	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787	4,337,787
Net liability	**18,749,125**	**18,583,019**	**18,943,615**	**18,790,013**	**18,708,917**	**18,832,292**	**18,695,081**	**18,747,679**	**18,750,590**	**18,800,146**	**18,698,594**
% change in liability	**0.00%**	**-0.89%**	**1.04%**	**0.22%**	**-0.21%**	**0.44%**	**-0.29%**	**-0.01%**	**0.01%**	**0.27%**	**-0.27%**

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%**

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	CHARATERISTICS
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 2022

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	134,625	145,395	A	39%	25%	NO
Building materials	32,306	38,317	A	18%	25%	NO
Consumer goods	44,350	38,990	C	30%	20%	NO
Insurance	4,191	6,235	A	34%	25%	NO
Oil and gas	27,584	20,275	C	-28%	20%	NO
Real estate	19,628	19,527	C	-31%	20%	NO
Telecommunications	19,980	21,534				
Total	**282,665**	**290,272**				

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	75,288	74,397	A	-1%	25%	NO
Building materials	32,306	38,317	A	19%	25%	NO
Consumer goods	44,350	38,990	C	-12%	20%	NO
Insurance	4,191	6,235	A	49%	25%	NO
Oil and gas	27,584	20,275	C	-26%	20%	NO
Real estate	19,628	19,527	C	-1%	20%	NO
Telecommunications	19,980	21,534		8%		NO
Total	**223,328**	**219,274**				

December 2021

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	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**				

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 2022	DEC 2022	DEC 2021	DEC 2021
		GROUP	**GROUP**	**GROUP**	**GROUP**
SECTOR OF STOCK		**MARKET PRICE**	**% of Total**	**MARKET PRICE**	**% of Total**
Banking and other financial institutions		145,395	50%	135,679	47%
Building materials		38,317	13%	20,401	7%
Consumer goods		38,990	13%	22,188	8%
Insurance		6,235	2%	5,630	2%
Oil and gas		20,275	7%	13,597	5%
Real estate		19,527	7%	6,099	2%
Telecommunications		21,534	7%	-	0%
Total		**290,272**		**203,594**	

STOCK TO TOTAL LIMIT ON COMPANY'S INVESTMENT EQUITY SECURITY

		DEC 2022	DEC 2022	DEC 2021	DEC 2021
		PARENT	**PARENT**	**PARENT**	**PARENT**
SECTOR OF STOCK		**MARKET PRICE**	**%**	**MARKET PRICE**	**%**
Banking and other financial institutions		74,397	34%	61,194	37%
Building materials		38,317	17%	23,795	19%
Consumer goods		38,990	18%	22,188	21%
Insurance		6,235	3%	4,378	5%
Oil and gas		20,275	9%	13,597	13%
Real estate		19,527	9%	6,099	6%
Telecommunications		21,534	10%	-	0%
Total		**219,274**		**131,251**	

31 December 2022

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		3,386,475	457,174	677,295	(457,174)	(677,295)
Government & corporate bonds		25,464,645	3,437,727	5,092,929	(3,437,727)	(5,092,929)
Treasury bills		1,481,975	200,067	296,395	(200,067)	(296,395)
Equity securities		355,711	48,021	71,142	(48,021)	(71,142)
Investment funds		8,344,682	1,126,532	1,668,936	(1,126,532)	(1,668,936)
Financial assets designated at fair value		2,505,441	338,235	501,088	(338,235)	(501,088)
Impact on profit after tax			**3,925,429**	**5,815,450**	**(3,925,429)**	**(5,815,450)**

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	3,386,475	457,174	677,295	(457,174)	(677,295)
Government & corporate bonds	24,632,254	3,325,354	4,926,451	(3,325,354)	(4,926,451)
Treasury bills	1,481,975	200,067	296,395	(200,067)	(296,395)
Equity securities	275,240	37,157	55,048	(37,157)	(55,048)
Investment funds	7,118,884	961,049	1,423,777	(961,049)	(1,423,777)
Financial assets designated at fair value	2,505,441	338,235	501,088	(338,235)	(501,088)
Impact on profit before tax		**4,861,862**	**7,202,759**	**(4,861,862)**	**(7,202,759)**

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)
Tenored deposits with maturity above 90 days	-	-	-	-	-
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)
Tenored deposits with maturity above 90 days	-	-	-	-	-
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)**

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 2022**			**31 December 2021**		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	1,602,533	157,959	39,819	2,662,342	261,543	116,949
Investment securities -Available-for-sale	1,662,437	-	-	1,662,437	-	-
Borrowings	2,180,878	-	-	2,454,143	-	-

Parent						
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,201,807	157,959	407	2,201,807	261,543	407
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 2022:

31 December 2022

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	270,047	180,031	(180,031)	(270,047)
Investment securities				
Available-for-sale	249,365	166,244	(166,244)	(249,365)
Financial liabilities exposed to foreign exchange risk				
Borrowings	(327,132)	(218,088)	218,088	327,132
Effect on profit before tax	(57,085)	(38,057)	38,057	57,085
Taxation @ 30%	(17,126)	(11,417)	11,417	17,126
Effect on profit after tax	(39,960)	(26,640)	26,640	39,960
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	354,026	236,017	(236,017)	(354,026)
Investment securities				
Available-for-sale	224,242	149,495	(149,495)	(224,242)
Effect on profit before tax	354,026	236,017	(236,017)	(354,026)
Taxation @ 30%	106,208	70,805	(70,805)	(106,208)
Effect on profit after tax	247,818	165,212	(165,212)	(247,818)
Effect on other components of equity -OCI	67,273	44,848	(44,848)	(67,273)

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)

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 2022, 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 2022

GROUP	Non interest bearing	1-3 months	3-6 months	6-12 months	> 12 months	Total
			Interest earning assets			
Cash and cash equivalents	9,446,506	4,023,371	-	-	-	13,469,877
Financial assets fair valued through profit or	-	-	-	720,930	2,665,545	3,386,475
Bonds	-	-	-	6,209,002	19,255,643	25,464,645
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	520,938	961,037	1,481,975
Equity securities	355,711	-	-	-	-	355,711
Investment funds	-	-	-	1,209,930	7,134,752	8,344,682
Financial assets designated at fair value	-	-	-	-	2,505,441	2,505,441
Loans and receivables	3,773,985	-	-	-	-	3,773,985
Statutory deposit	-	-	-	-	500,000	500,000
	13,576,202	**4,023,371**	**-**	**8,660,800**	**33,022,418**	**59,282,791**
Interest bearing liabilities						
Investment contract liabilities						
– At amortised cost	-	860,800	830,921	1,209,032	1,310,448	4,211,201
– Liabilities designated at fair value	-	-	-	-	2,505,441	2,505,441
Borrowings	-	-	-	-	2,180,878	2,180,878
	-	**860,800**	**830,921**	**1,209,032**	**5,996,767**	**8,897,520**
Gap		3,162,571	(830,921)	7,451,768	27,025,651	50,385,271
Cumulative gap - Sensitivity analysis		3,162,571	(830,921)	6,620,847	33,646,498	
Increase by 100bp		31,626	(8,309)	74,518	270,257	503,853
Increase by 500bp		158,129	(41,546)	372,588	1,351,283	2,519,264
Decrease by 100bp		(31,626)	8,309	(74,518)	(270,257)	(503,853)
Decrease by 500bp		(158,129)	41,546	(372,588)	(1,351,283)	(2,519,264)

PARENT	Non interest bearing	1-3 Months	3-6 Months	6-12 months	> 12 months	Total
			Interest earning assets			
Cash and cash equivalents	7,713,896	3,393,768	-	-	-	11,107,664
Financial assets fair valued through profit or	-	-	-	720,930	2,665,545	3,386,475
Bonds	-	-	-	4,009,278	20,622,976	24,632,254
Tenored deposits with initial maturity of 90 days and above	-	-	-	-	-	-
Treasury bills	-	-	-	1,481,975	-	1,481,975
Equity securities	275,240	-	-	-	275,240	275,240
Investment funds	-	-	-	-	7,118,884	7,118,884
Financial assets designated at fair value	-	-	-	-	2,505,441	2,505,441
Loans and receivables	4,229,583.00	-	-	-	-	4,229,583
Lease Receivables	-	-	-	-	-	-
Statutory deposit	-	-	-	-	500,000	500,000
	12,218,719.00	**3,393,768**	**-**	**6,212,183**	**33,688,086**	**55,237,516**
Interest bearing liabilities						
Investment contract liabilities						
– At amortised cost	-	860,800	830,921	1,209,032	1,310,448	4,211,201
– liabilities designated at fair value	-	-	-	-	2,505,441	2,505,441
	-	860,800	830,921	1,209,032	3,815,889	6,716,642
Gap		2,532,968	(830,921)	5,003,151	29,872,197	48,520,874
Cumulative gap - Sensitivity analysis		2,532,968	(830,921)	4,172,230	34,044,427	
Increase by 100bp		25,330	(8,309)	50,032	298,722	485,209
Increase by 500bp		126,648	(41,546)	250,158	1,493,610	2,426,044
Decrease by 100bp		(25,330)	8,309	(50,032)	(298,722)	(485,209)
Decrease by 500bp		(126,648)	41,546	(250,158)	(1,493,610)	(2,426,044)

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	-	-	-	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
Total interest earning assets	**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
Total interest bearing liabilities		**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	**Non interest**	**1-3 Months**	**3-6 months**	**6-12 months**	**> 12 months**	**Total**
Interest earning assets	**bearing**		**Interest earning assets**			
Cash and cash equivalents	6,612,288	7,614,724	-	-	-	14,227,012
Financial assets fair valued through profit or	-	-	-	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	-	-	-	-	2,666,458
Lease Receivables	-	-	-	-	-	-
Statutory deposit	-	-	-	-	500,000	500,000
Total interest earning assets	**9,471,699**	**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
Total interest bearing liabilities	-	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)

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		14,009,209	20.22%
Interest Generating Assets		55,259,420	79.78%
		69,268,629	

COMPANY'S EXPOSURE TO PROPERTY PRICE RISK			
Instrument		**Amount**	**% Exposure**
Property		-	0%
Interest Generating Assets		51,843,748	100%
		51,843,748	

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 2022.

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**	**Group Carrying amount**	**Parent Carrying amount**	**Parent Carrying amount**
In thousands of Naira		**Dec 2022**	**Dec 2021**	**Dec 2022**	**Dec 2021**
Cash and cash equivalents	8	13,469,877	17,343,344	11,107,664	14,227,012
Financial assets fair valued through profit or loss	9.1	3,386,475	3,653,526	3,386,475	3,653,526
Available-for-sale (less equity security)	9.2	39,723,192	34,813,964	37,665,003	30,671,622
Financial assets designated at fair value (less equity security)	9.3	2,505,129	4,361,214	2,505,129	4,361,214
Loans and receivable	14	3,773,985	1,655,085	4,229,583	2,666,458
Trade receivable	10	7,791,783	7,013,359	454,081	1,196,453
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	11	7,119,243	3,629,102	7,041,633	3,501,192
Other receivable (less prepayment)	13	2,056,471	2,941,737	2,198,457	2,458,698
Statutory deposit	19	500,000	500,000	500,000	500,000
		80,326,155	**75,911,331**	**69,088,025**	**63,236,175**

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% (2021: 30%) of the investment as at 31 December 2022.

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 2022

In thousands of Nigerian Naira	**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	8,454,098	2,293,423	-	17,701,161
Financial assets fair valued through profit or loss	-	-	-	3,386,475	-	-	3,386,475
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	3,773,985	-	-	-	-	-	3,773,985
Trade receivable	7,791,783	-	-	-	-	-	7,791,783
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	7,119,243	-	-	-	-	-	7,119,243
Other receivable (less prepayment)	2,056,471	-	-	-	-	-	2,056,471
Statutory deposit	-	-	-	500,000	-	-	500,000
	22,395,835	**7,757,086**	**3,657,146**	**45,057,527**	**2,837,725**	**-**	**81,705,320**

31 December 2021

In thousands of Nigerian Naira	**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**

Parent

31 December 2022

In thousands of Nigeria Naira	**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	8,721,228	693,733	-	15,328,621
Financial assets fair valued through profit or loss	-	-	-	3,386,475	-	-	3,386,475
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	4,229,583	-	-	-	-	-	4,229,583
Trade receivables	454,081	-	-	-	-	-	454,081
Reinsurance assets (less prepaid reinsurance and IBNR)	7,041,633	-	-	-	-	-	7,041,633
Other receivables (less prepayment)	2,198,457	-	-	-	-	-	2,198,457
Statutory deposit	-	-	-	500,000	-	-	500,000
	15,252,655	**6,673,645**	**3,105,701**	**42,031,935**	**1,106,792**	**-**	**68,170,728**

Parent
31 December 2022

In thousands of Nigeria Naira	**Unrated**	**A/A-**	**Aa**	**B/B+**	**BB-**	**BBB**	TOTAL
	High credit quality	Strong financial security	Very strong	Substantive	Doubtful	Doubtful	
Cash and cash equivalents	-	3,102,832	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**

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	
Amounts in thousands of Naira	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
Gross premium receivable	7,900,649	6,127,502	320,210	167,861
Co-insurance receivable	318,738	1,057,709	318,738	1,057,709
Reinsurers' share of outstanding claims	5,871,833	2,119,313	5,871,833	2,119,313
Recoverables from reinsurers on claims paid	1,247,410	1,509,789	1,169,800	1,381,879
Total	**15,338,630**	**10,814,313**	**7,680,581**	**4,726,762**
Neither due nor impaired	14,911,026	10,642,459	7,495,714	4,697,645
Individually impaired	427,604	171,854	184,867	29,117
Gross total	**15,338,630**	**10,814,313**	**7,680,581**	**4,726,762**
Impairment allowance	(427,604)	(171,854)	(184,867)	(29,117)
Carrying amount	**14,911,026**	**10,642,459**	**7,495,714**	**4,697,645**

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

Neither due nor impaired	Group		Parent	
Amounts in thousands of Naira	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
Other receivable (less prepayment)	2,056,471	2,941,737	2,198,457	2,458,698
Loans and receivable	3,773,985	1,655,085	4,229,583	2,666,458
Total	**5,830,456**	**4,596,822**	**6,428,040**	**5,125,156**
Total receivables neither due nor impaired	5,972,638	4,731,977	6,563,195	5,260,311
Individually impaired	142,182	135,155	135,155	135,155
Gross total	**6,114,820**	**4,867,132**	**6,698,350**	**5,395,466**
Impairment allowance	(142,182)	(135,155)	(135,155)	(135,155)
Carrying amount	**5,972,638**	**4,731,977**	**6,563,195**	**5,260,311**
Individually impaired	142,182	135,155	135,155	135,155
Over 365 days	142,182	135,155	135,155	135,155

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 2022 is as follows:

	Group		Parent	
	31 Dec 2022	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
Trade receivable	7,791,783	7,013,359	454,081	1,196,453
Reinsurance receivable	7,119,243	3,629,102	7,041,633	3,501,192
Total	14,911,026	10,642,461	7,495,714	4,697,645

Group

31 December 2022

Category	**A**	**B**	**C**	**D**	**TOTAL**
Insurance brokers	89,937	-	27,155	78,409	195,501
Insurance companies	318,738	-	-	-	318,738
Reinsurance companies	7,119,243	-	-	-	7,119,243
Policy holders	-	5,959,641	-	-	5,959,641
	7,527,918	5,959,641	27,155	78,409	13,593,123
Impairment	-	-	-	(427,604)	(427,604)
Collective impairment	-	-	-	-	-
Net carrying amount	**7,527,918**	**5,959,641**	**27,155**	**(349,195)**	**13,165,519**

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**

Parent

31 December 2022					
Category	**A**	**B**	**C**	**D**	**TOTAL**
Insurance brokers	89,937	-	27,155	78,409	195,501
Insurance companies	318,738	-	-	-	318,738
Reinsurance companies	7,041,633	-	-	-	7,041,633
Policy holders	-	-	-	-	-
	7,450,308	-	27,155	78,409	7,555,872
Impairment	-	-	-	(184,867)	(184,867)
Collective impairment	-	-	-	-	-
Net carrying amount	**7,450,308**	**-**	**27,155**	**(106,458)**	**7,371,005**

31 December 2020					
Category	**A**	**B**	**C**	**D**	**TOTAL**
Insurance brokers	89,937.00	-	27,155.00	78,409.00	195,501.00
Insurance companies	1,057,709.00	-	-	-	1,057,709.00
Reinsurance companies	3,501,192.00	-	-	-	3,501,192.00
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**

4.3.2 Concentration of credit risk

The Group monitors concentration of credit risk by sector.

31 December 2022
GROUP

Concentration of credit risk	**Financial institutions**	**Real estate**	**Public sector**	**Whole-sale and retail trade**	**Individuals**	**Total**
Cash and cash equivalents	13,469,877	-	-	-	-	13,469,877
Financial assets fair valued through profit or loss	-	-	3,386,475	-	-	3,386,475
Available-for-sale	8,700,393	-	26,946,620	-	-	35,647,013
Financial assets designated at fair value	2,070,467	-	2,304,338	-	-	4,374,805
Loans and receivables	3,773,985	-	-	-	-	3,773,985
Trade receivables	-	-	-	7,791,783	-	7,791,783
Reinsurance assets	-	-	-	12,010,140	-	12,010,140
Other receivables	-	-	-	3,507,639	-	3,507,639
Statutory deposit	-	-	500,000	-	-	500,000
Total	**28,014,722**	**-**	**33,137,433**	**23,309,562**	**-**	**84,461,717**

PARENT

Concentration of credit risk	**Financial institutions**	**Real estate**	**Public sector**	**Whole-sale and retail trade**	**Individual**	**Total**
Cash and cash equivalents	11,107,664	-	-	-	-	11,107,664
Financial assets fair valued through profit or loss	-	-	3,386,475	-	-	3,386,475
Available-for-sale	7,394,124	-	30,546,119	-	-	37,940,243
Financial assets designated at fair value	2,070,467	-	2,304,338	-	-	4,374,805
Loans and receivables	4,229,583	-		-	-	4,229,583
Trade receivables	454,081	-	-	-	-	454,081
Reinsurance assets		-	-	11,833,731	-	11,833,731
Other receivables	-	-	-	2,945,247	-	2,945,247
Statutory deposit	-	-	500,000	-	-	500,000
Total	**25,255,919**	**-**	**36,736,932**	**14,778,978**	**-**	**76,771,829**

GROUP

31 December 2021

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
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**

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 2022

				Related amounts not offset in the statement of financial position		
In thousands of Nigerian Naira	**Gross amount of recognised financial asset**	**Gross amount of financial liabilities offset in the statement of financial position**	**Net amounts of financial assets presented in the statement financial of position**	**Financial instruments not offset in the statement of financial position**	**Cash collateral received**	**Net amount**
Trade receivables	7,791,783	-	7,791,783	-	-	7,791,783
Reinsurance assets	7,119,243	-	7,119,243	-	-	7,119,243
Total	**14,911,026**	**-**	**14,911,026**	**-**	**-**	**14,911,026**

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

				Related amounts not offset in the statement of financial position		
In thousands of Nigerian Naira	**Gross amount of recognised financial liability**	**Gross amount of financial assets offset in the statement of financial position**	**Net amounts of financial liabilities presented in the statement financial of position**	**Financial instruments not offset in the statement of financial position**	**Cash collateral received**	**Net amount**
Trade payables	9,429,715	-	9,429,715	-	-	9,429,715
Reinsurance payables	1,583,222	-	1,583,222	-	-	1,583,222
Total	**11,012,937**	**-**	**11,012,937**	**-**	**-**	**11,012,937**

Parent
31 December 2022

In thousands of Nigerian Naira	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
Trade receivables	454,081	-	454,081	-	-	454,081
Reinsurance assets	7,041,633	-	7,041,633	-	-	7,041,633
Total	**7,495,714**	**-**	**7,495,714**	**-**	**-**	**7,495,714**

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

In thousands of Nigerian Naira	Gross amount of recognised financial liability	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
Trade payables	9,354,529	-	9,354,529	-	-	9,354,529
Reinsurance and coinsurance payables	1,583,222	-	1,583,222	-	-	1,583,222
Total	**10,937,751**	**-**	**10,937,751**	**-**	**-**	**10,937,751**

Group
31 December 2021

In thousands of Nigerian Naira	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
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

In thousands of Nigerian Naira	Gross amount of recognised financial liability	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
Trade payables	9,209,887	-	9,209,887	-	-	9,209,887
Reinsurance payables	478,315	-	478,315	-	-	478,315
Total	**9,688,202**	**-**	**9,688,202**	**-**	**-**	**9,688,202**

Parent
31 December 2021

In thousands of Nigerian Naira	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
Trade receivables	1,196,453	-	1,196,453	-	-	1,043,004
Reinsurance assets	3,501,192	-	3,501,192	-	-	2,384,292
Total	**4,697,645**	**-**	**4,697,645**	**-**	**-**	**3,427,296**

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

In thousands of Nigerian Naira	Gross amount of recognised financial liability	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Related amounts not offset in the statement of financial position: Financial instruments (including non cash collateral	Cash collateral received	Net amount
Trade payables	8,857,788	-	8,857,788	-	-	8,857,788
Reinsurance payables	478,315	-	478,315	-	-	478,315
Total	**9,336,103**	**-**	**9,336,103**	**-**	**-**	**9,336,103**

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 2022							
GROUP	**Carrying amount**	**Gross total**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5years**
Cash and cash equivalents	13,469,877	13,955,262	13,955,262	-	-	-	-
Financial assets fair valued through profit or loss	3,386,475	3,386,475	-	720,930	2,665,545	-	-
Available-for-sale (less equity investments)	39,723,192	46,745,965	189,028	2,082,671	581,982	21,782,992	22,109,292
Financial assets designated at fair value	2,505,441	2,505,441	2,505,441	-	-	-	-
Loans and receivables	3,773,985	3,773,985	3,773,985	-	-	-	-
Trade receivables	7,791,783	7,791,783	7,791,783	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	7,119,243	7,119,243	-	-	7,119,243	-	-
Other receivables (less prepayment)	2,056,471	2,056,471	2,056,471	-	-	-	-
Total financial assets	**79,826,467**	**87,334,625**	**30,271,970**	**2,803,601**	**10,366,770**	**21,782,992**	**22,109,292**
	Carrying amount	**Gross total**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5years**
Investment contract liabilities:							
– At amortised cost	4,211,201	4,211,201	3,569,250	-	641,951	-	-
– Liabilities designated at fair value	2,505,441	2,505,441	2,505,441	-	-	-	-
Borrowings	2,180,878	2,238,947	572,480	775,936	775,936	114,594	-
Trade payables (less premium received in advance)	11,006,079	11,006,079	11,006,079	-	-	-	-
Other liabilities (less deferred income)	2,803,611	2,803,611	2,803,611	-	-	-	-
Total financial liabilities	**22,707,210**	**22,765,279**	**20,456,861**	**775,936**	**1,417,888**	**114,594**	**-**
Net financial assets/ (liabilities)	**57,119,257**	**64,569,346**	**9,815,109**	**2,027,665**	**8,948,882**	**21,668,398**	**22,109,292**
Insurance contract liabilities	44,816,609	44,816,609	19,250,867	10,223,799	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	**12,302,648**	**19,752,737**	**(9,435,758)**	**(8,196,135)**	**6,320,250**	**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 2022							
PARENT	**Carrying amount**	**Gross total**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5years**
Cash and cash equivalents	11,107,664	11,309,843	11,309,843	-	-	-	-
Financial assets fair valued through profit or loss	3,386,475	3,211,218	-	720,930			2,490,288
Available-for-sale (less equity investments)	37,665,003	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)	2,505,129	2,505,129	2,505,129	-	-	-	-
Loans and receivables	4,229,583	350,238	350,238	-	-	-	-
Trade receivables	454,081	454,081	454,081	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR and reserves)	7,041,633	7,041,633	-	-	7,041,633	-	-
Other receivables (less prepayment)	2,198,457	1,399,774	1,399,774	-	-	-	-
Total financial assets	**68,588,025**	**69,723,329**	**16,208,093**	**2,803,601**	**7,623,615**	**20,588,440**	**22,499,580**
Insurance contract liabilities							
Investment contract liabilities:							
– At amortised cost	4,211,201	4,211,201	3,569,250	-	641,951	-	-
– Liabilities designated at fair value	2,505,441	2,505,441	2,505,441	-	-	-	-
Trade payables (less premium received in	10,930,893	10,930,893	10,930,893	-	-	-	-
Other liabilities (less deferred income)	2,467,858	2,467,858	2,467,858	-	-	-	-
Total financial liabilities	**20,115,393**	**20,115,393**	**19,473,442**	**-**	**641,951**	**-**	**-**
Net financial assets/ (liabilities)	**48,472,632**	**49,607,936**	**(3,265,348)**	**2,803,601**	**6,981,664**	**20,588,440**	**22,499,580**
Insurance contract liabilities	30,806,643	30,806,643	14,250,867	1,213,833	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	**17,665,989**	**18,801,293**	**(17,516,215)**	**1,589,768**	**4,353,032**	**15,306,329**	**15,068,380**

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**
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	-	-	-	-
Borrowings	2,454,143	2,454,144	644,213	847,669	847,669	114,594	-
advance)	11,010,468	11,010,468	11,010,468	-	-	-	-
Other liabilities (less deferred income)	3,582,011	3,582,011	3,582,011	-	-	-	-
Total financial liabilities	**28,289,595**	**28,289,596**	**25,432,688**	**847,669**	**1,894,645**	**114,594**	**-**
Net financial assets/ (liabilities)	**47,135,327**	**59,423,563**	**8,440,906**	**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)	**10,206,886**	**22,495,122**	**(5,598,031)**	**(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	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**
Insurance contract liabilities							
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	10,658,369	10,658,369	10,658,369	-	-	-	-
Other liabilities (less deferred income)	2,845,338	2,845,338	2,845,338	-	-	-	-
Total financial liabilities	**24,746,680**	**24,746,680**	**23,699,703**	**-**	**1,046,977**	**-**	**-**
Net financial assets/ (liabilities)	**37,989,495**	**46,147,194**	**(2,780,624)**	**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)	**12,394,782**	**20,552,481**	**(11,819,561)**	**1,589,768**	**407,565**	**15,306,329**	**15,068,380**

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 shareholders funds now, following Finance Act 2021. 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-2022	**31 Dec-2021**	**31 Dec-2022**	**31 Dec-2021**
Regulatory capital held	28,994,332	21,489,258	26,167,970	15,937,323
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 2022 as indicated below:

In thousands of Naira	**Health maintenance organisation**	**Life insurance business**	**Non life insurance business**	**Asset management business**
	31 Dec-2022	**31 Dec-2022**	**31 Dec-2022**	**31 Dec-2022**
Regulatory capital held	2,254,895	8,630,177	17,537,792	1,441,467
Minimum regulatory capital	400,000	2,000,000	3,000,000	150,000

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 2022 is as follows:

	31-Dec-22			31-Dec-21		
	TOTAL	**ADMISSIBLE**	**INADMISSIBLE**	**TOTAL**	**ADMISSIBLE**	**INADMISSIBLE**
ASSETS						
Cash and cash equivalents	11,107,664	10,869,772	237,892	14,227,012	12,172,261	2,054,751
Investment securities:						
– Fair value through profit or loss	3,386,475	3,386,475	-	3,653,526	3,653,526	-
– Available-for-sale assets	37,940,243	37,940,243	-	30,864,575	30,864,575	-
Financial assets designated at fair value	2,505,441	2,505,441	-	4,374,805	4,374,805	-
Trade receivables	454,081	135,344	318,738	1,196,453	138,745	1,057,709
Reinsurance assets	11,833,731	11,833,731	-	10,870,972	10,870,972	-
Deferred acquisition cost	514,011	514,011	-	620,749	620,749	-
Other receivables	2,945,247	-	2,945,247	2,981,536	-	2,981,536
Loans and receivables	4,229,583	193,325	4,036,258	2,666,458	241,436	2,425,022
Investment property	-	-	-	-	-	-
Investment in subsidiaries	1,652,000	1,652,000	-	1,652,000	1,652,000	-
Intangible assets	391,201	391,201	-	354,896	354,896	-
Property and equipment	2,717,465	2,717,465	-	2,404,365	2,404,365	-
Right-of-use asset	672,176	-	672,176	654,074	-	654,074
Statutory deposit	500,000	500,000	-	500,000	500,000	-
TOTAL ASSETS	**80,849,318**	**72,639,008**	**8,210,311**	**77,021,421**	**67,848,330**	**9,173,092**
LIABILITIES						
Insurance liabilities	30,806,643	30,806,643	-	25,594,713	25,594,713	-
Investment contract liabilities:						
– At amortised cost	4,211,201	4,211,201	-	6,868,168	6,868,168	-
– Liabilities designated at fair value	2,505,441	2,505,441	-	4,374,805	4,374,805	-
Trade payables	13,743,301	13,743,301	-	11,286,130	11,286,130	-
Current income tax liabilities	674,215	674,215	-	645,958	645,958	-
Other liabilities	2,740,547	2,740,547	-	3,141,233	3,141,233	-
Borrowings	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
TOTAL LIABILITIES	**54,681,348**	**54,681,348**	**-**	**51,911,007**	**51,911,007**	**-**

	31-Dec-22	31-Dec-21
Excess of admissible assets over liabilities	***17,957,660***	***15,937,323***
The higher of 15% of Net premium income and minimum paid up capital	***5,000,000***	***5,000,000***
Solvency Ratio	359%	319%

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 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-22

	Level 1	Level 2	Level 3	Total
Available for sale	27,246,365	8,380,995	19,500	35,646,860
Other financial assets designated at fair value	2,281,049	224,392	-	2,505,441
Total	29,527,414	8,605,387	-	38,152,301
Liability type				
Other financial liabilities designated at fair value	2,281,049	224,392	-	2,505,441

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	-	39,482,188
Liability type				
Other financial liabilities designated at fair value	3,591,376	783,429	-	4,374,805

Parent
31-Dec-22

	Level 1	Level 2	Level 3	Total
Available for sale	24,407,579	6,437,496	19,500	30,864,575
Other financial assets designated at fair value	2,281,049	224,392	-	2,505,441
Total	26,688,628	6,661,888	-	33,370,016
Other financial liabilities designated at fair value	2,281,049	-		2,281,049

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	19,500	32,139,245
Other financial liabilities designated at fair value	3,591,376	-	-	3,591,376

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-22	Dec-21
Balance at 1 January	19,500	19,500
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	-
Balance end of year	19,500	19,500

Impact of changes in fair value of available for sale assets

OCI	-	-

Parent	Dec-22	Dec-21
Balance at 1 January	19,500	19,500
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	-
Balance end of year	19,500	19,500

Impact of changes in fair value of available for sale assets

	Dec-22	Dec-21
OCI	-	-

(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-22	FAIR VALUE				
	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	13,469,877	-	13,469,877	13,469,877
Trade receivables	-	7,791,783	-	7,791,783	7,791,783
Loan and receivables	-	3,773,985	-	3,773,985	3,773,985
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	7,119,243	-	7,119,243	7,119,243
Other receivables (less prepayment)	-	2,056,471	-	2,056,471	2,056,471
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	34,711,359	-	34,711,359	34,711,359
Investment contracts at amortised cost	-	4,211,201	-	4,211,201	4,211,201
Borrowings	-	2,180,878	-	2,180,878	2,180,878
Trade payables	-	13,818,487	-	13,818,487	13,818,487
Other liabilities (excluding deferred income)	-	2,803,611	-	2,803,611	2,803,611
Total	-	23,014,177	-	23,014,177	23,014,177

Parent

31-Dec-22	FAIR VALUE				
	Level 1	Level 2	Level 3	Total	Carrying amount
Cash and cash equivalents	-	11,107,664	-	11,107,664	11,107,664
Trade receivables	-	454,081	-	454,081	454,081
Loans and receivables	-	4,229,583	-	4,229,583	4,229,583
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	7,041,633	-	7,041,633	7,041,633
Other receivables (less prepayment)	-	2,198,457	-	2,198,457	2,198,457
Statutory deposit	-	500,000	-	500,000	500,000
Total	-	25,531,418	-	25,531,418	25,531,418
Investment contracts at amortised cost	-	4,211,201	-	4,211,201	4,211,201
Trade payables	-	13,743,301	-	13,743,301	13,743,301
Other liabilities	-	2,467,858	-	2,467,858	2,467,858
Total	-	20,422,360	-	20,422,360	20,422,360

Group

31-Dec-21

	FAIR VALUE				
	Level 1	Level 2	Level 3	Total	Carrying amount
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 IBNF	-	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

Liability type					
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				
	Level 1	Level 2	Level 3	Total	Carrying Amount
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 IBNF	-	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	24,049,813

Liability type					
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

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 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 2022	Unobservable inputs	Range of unobservable inputs (probability weighted average)
Discounted Income Capitalisation Cashflow approach	14,009,209	Forecast price per square metre	$500
		Capitalisation rate	6%

Landed property

Valuation technique	Fair value as at 31 December 2022	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 2022	*Notes*							
Cash and cash equivalents	8	-	-	13,469,877	-	-	13,469,877	13,469,877
Investment securities:								
- Fair value through profit or loss	9.1	3,386,475	-	-	-	-	3,386,475	3,386,475
- Available-for-sale assets	9.2	-	-	-	40,078,903	-	40,078,903	40,078,903
Financial assets designated at fair value	9.3	-	2,505,441	-	-	-	2,505,441	2,505,441
Loans and receivables	14						-	-
Trade receivables	10	-	-	7,791,783	-	-	7,791,783	7,791,783
Loans and receivables	14	-	-	3,773,985	-	-	3,773,985	3,773,985
Reinsurance receivables (excluding prepaid re-insurance, IBNR & Reserves)	11	-	-	7,119,243	-	-	7,119,243	7,119,243
Other receivables (excl. prepayment)	13	-	-	2,056,471	-	-	2,056,471	2,056,471
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,386,475	**2,505,441**	**34,211,359**	**40,078,903**	**500,000**	**80,682,178**	**80,682,178**
Investment contracts:								
– Designated at fair value	21.2	-	2,505,441	-	-	-	2,505,441	2,505,441
– At amortised cost	21.1	-	-	-	-	4,211,201	4,211,201	4,211,201
Borrowing	25	-	-	-	-	2,180,878	2,180,878	2,180,878
Trade payables	22	-	-	-	-	13,818,487	13,818,487	13,818,487
Other liabilities (excluding deferred income)	23	-	-	-	-	2,803,611	2,803,611	2,803,611
		-	**2,505,441**	**-**	**-**	**23,014,177**	**25,519,618**	**25,519,618**

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 2022	*Notes*							
Cash and cash equivalents	8	-	-	11,107,664	-	-	11,107,664	11,107,664
Investment securities:								
- Fair value through profit or loss	9.1	3,386,475	-	-	-	-	3,386,475	3,386,475
- Available for sale	9.2	-	-	-	37,940,243	-	37,940,243	37,940,243
Loans and receivables	14		-		-	-	-	-
Financial assets designated at fair value	9.3	-	2,505,441	-	-	-	2,505,441	2,505,441
Loans and receivables	14		-		-	-	-	-
Trade receivables	10	-	-	454,081	-	-	454,081	454,081
Loans and receivables	14	-	-	4,229,583	-	-	4,229,583	4,229,583
Reinsurance receivables (excluding prepaid re-insurance)	11		-	7,041,633	-	-	7,041,633	7,041,633
Other receivables (excl. prepayment)	13	-	-	2,198,457	-	-	2,198,457	2,198,457
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,386,475	**2,505,441**	**25,031,418**	**37,940,243**	**500,000**	**69,363,577**	**69,363,577**
Investment contracts:								
– Designated at fair value	21.2	-	2,505,441	-	-	-	2,505,441	2,505,441
– At amortised cost	21.1	-	-	-	-	4,211,201	4,211,201	4,211,201
Trade payables	22		-	-	-	13,743,301	13,743,301	13,743,301

Other liabilities (excluding deferred income and advance premium)	23	-	-	-	-	2,467,858	2,467,858	2,467,858
		-	**2,505,441**	**-**	**-**	**20,422,360**	**22,927,801**	**22,927,801**

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	*Notes*							
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
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	*Notes*							
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
Financial assets designated at fair value	9.3	-	4,374,805	-	-	-	4,374,805	4,374,805
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**

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 2022 **In thousands of Naira**	**Non Life**	**Life Insurance Funds**	Investment Contracts Funds	Annuity funds	**Total Life**	**Total**
Total						**N'000**
Insurance Contract liabilities	18,059,094	10,762,617	-	1,984,932	12,747,549	30,806,643
Investment Contract liabilities	-	-	6,716,643	-	6,716,643	6,716,643
Gross Insurance Funds	**18,059,094**	**10,762,617**	**6,716,643**	**1,984,932**	**19,464,192**	**37,523,286**
Less:						
Reinsurance Receivables						
Reinsurance premium paid in advance for next year's policies	-	-	-	-	-	-
Reinsurance expenses prepaid	2,560,292	145,377	-	-	145,377	2,705,669
Reinsurers share of Claims expense paid	551,936	617,864	-	-	617,864	1,169,800
Reinsurers share of Claims expense outstanding	5,666,684	205,149	-	-	205,149	5,871,833
Reinsurers share of Incurred but not reported claims & Ind life reserves	1,727,087	359,341	-	-	359,341	2,086,428
Net Insurance Funds	**7,553,095**	**9,434,886**	**6,716,643**	**1,984,932**	**18,136,461**	**25,689,556**
Admissible Assets						
Cash and Cash Equivalents	4,289,800	156,426	1,653	32,173	190,252	4,480,052
Treasury bills and Government Bonds	2,738,039	7,103,720	8,056,082	3,561,035	18,720,837	21,458,876
Placement with Financial Insititutions	1,583,982	2,890,836	1,066,036	133,531	4,090,403	5,674,385
Corporate Bonds & Debenture	786,012	-	278,177	-	278,177	1,064,189
Ordinary & Preference Shares	-	-	-	73,639	73,639	73,639
Agency Loan	-	-	-	-	-	-
Loan to Policy holders	-	-	-	-	-	-
Other Loans & Investments	8,136	28,124		-	28,124	36,260
Investment in subsidiaries,	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-
Investment in jointly controlled entities	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Total Admissible Assets	**9,405,969**	**10,179,106**	**9,401,948**	**3,800,378**	**23,381,432**	**32,787,401**
SURPLUS(DEFICIT) IN ASSETS COVER	**1,852,874**	**744,220**	**2,685,305**	**1,815,446**	**5,244,971**	**7,097,845**

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 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 Insititutions	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**

7a The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the period ended 31 December 2022

December, 2022 *In thousands of Nigerian Naira*	Non life business	Life Business	**AXA Mansard Insurance**	Investment Management	Property Development	Health Maintenance	Elimination adjustments	**Total**
Cash and cash equivalents	7,114,480	3,993,184	**11,107,664**	296,111	276,966	1,789,136	-	**13,469,877**
Fair value through profit or loss	-	3,386,475	**3,386,475**		-	-	-	**3,386,475**
Available-for-sale assets	18,405,114	19,535,129	**37,940,243**	597,840	471,858	1,068,962	-	**40,078,903**
Financial assets designated at fair value	-	2,505,441	**2,505,441**	-	-	-		**2,505,441**
							-	
Trade receivables	158,181	295,900	**454,081**	-	-	7,337,703	-	**7,791,783**
Reinsurance assets	10,505,998	1,327,733	**11,833,731**	-	-	176,409	-	**12,010,140**
Deferred acquisition cost	514,011	-	**514,011**	-	-	348,207	-	**862,218**
Other receivables	1,675,419	1,269,828	**2,945,247**	525,975	27,808	1,437,008	(1,428,400)	**3,507,639**
Loans and receivables	5,838,616	3,662,179	**4,229,583**	297,621	-	1,950,196	(2,703,415)	**3,773,985**
Investment properties	-	-	**-**	-	14,009,209	-	-	**14,009,209**
Investment in subsidiaries	1,252,000	400,000	**1,652,000**	-	-	4,400,000	(6,052,000)	**-**
Intangible assets	391,201	-	**391,201**	21,044	140	21,210	12,000	**445,595**
Property, plant and equipment	2,717,057	406	**2,717,465**	59,908	69,084	253,108	-	**3,099,565**
Right of Use	612,155	60,021	**672,176**			111,328	-	**783,504**
Statutory deposit	300,000	200,000	**500,000**	-	-	-	-	**500,000**
TOTAL ASSETS	**49,484,232**	**36,636,296**	**80,849,318**	**1,798,499**	**14,855,065**	**18,893,267**	**(10,171,815)**	**106,224,334**
Insurance liabilities	18,059,093	12,747,548	**30,806,641**	-	-	14,009,969	-	**44,816,609**
Investment contract liabilities:								
– At amortised cost	-	4,211,201	**4,211,201**	-	-	-	-	**4,211,201**
– Financial liabilities designated at fair	-	2,505,441	**2,505,441**	-	-	-	-	**2,505,441**
Trade payables	10,745,899	2,997,252	**13,743,151**	-	-	75,337	-	**13,818,487**
Other Liabilities	2,506,626	234,072	**2,740,698**	212,050	402,689	2,437,960	(2,188,372)	**3,604,878**
Current income tax liabilities	363,759	310,457	**674,216**	131,081	211,827	112,803	-	**1,129,928**
Borrowings	-	-	**-**	-	4,131,074	-	(1,950,197)	**2,180,878**
Deferred tax liability	-	-	**-**	13,901	839,427	2,303	-	**855,631**
TOTAL LIABILITIES	**31,675,377**	**23,005,971**	**54,681,348**	**357,032**	**5,585,017**	**16,638,372**	**(4,138,569)**	**73,123,053**
EQUITY								
Share capital	10,000,000	8,000,000	**18,000,000**	150,000	5,152	700,000	(855,152)	**18,000,000**
Share premium	78,255	-	**78,255**	790,000	1,454,974	-	(2,244,974)	**78,255**
Contingency reserve	4,116,614	1,001,535	**5,118,149**	-	-	-	-	**5,118,149**
Other reserves	-	-	**-**	-	-	-	-	**-**
Treasury shares	(111,476)	-	**(111,476)**	-	-	-	-	**(111,476)**
Retained earnings	3,738,971	89,386	**3,828,357**	506,403	6,648,637	1,803,620	(5,878,466)	**6,908,682**
Fair value reserves	(284,572)	(460,744)	**(745,315)**	(4,936)	-	(248,725)	-	**(998,978)**
	17,537,792	**8,630,177**	**26,167,970**	**1,441,467**	**8,108,763**	**2,254,895**	**(8,978,584)**	**28,994,632**
Non-controlling interests in equity	-	-			1,161,285	-	2,945,339	4,106,649
		3,827,506						
TOTAL EQUITY	17,537,792	8,630,326	26,167,970	1,441,467	9,270,048	2,254,895	(6,033,245)	33,101,281
TOTAL LIABILITIES AND EQUITY	49,484,232	36,636,296	80,849,318	1,798,499	14,855,065	18,893,267	(10,171,815)	**106,224,334**

7b The consolidated financial data for the reporting segments for the period ended 31 December, 2022 is as follows:

31 December, 2022	Non life Business	Life Business	Insurance	Investment management	Property development	Health Maintenance	Elimination Adjustments	Total
Revenue:								
Derived from external customers:								
Gross written premium	27,428,630	13,803,489	41,232,119	-	-	28,129,808	(381,882)	68,980,045
Gross premium income	29,661,323	13,894,116	43,555,438	-	-	26,271,916	(381,882)	69,445,472
Reinsurance expenses	(21,428,095)	(1,613,031)	(23,041,126)	-	-	(269,223)	-	(23,310,350)
Net premium income	8,233,228	12,281,085	20,514,312	-	-	26,002,693	(381,882)	46,135,122
Fees and commission income	2,035,683	361,616	2,397,298	-	-	-	-	2,397,298
Net underwriting income	10,268,911	12,642,701	22,911,610	-	-	26,002,693	(381,882)	48,532,420
Claims:								
Claims expenses (gross)	7,133,167	7,495,238	14,628,404	-	-	23,494,697	-	38,123,101
Claims expenses recovered from reinsurers	(4,122,665)	(661,430)	(4,784,095)	-	-	(158,965)	-	(4,943,060)
Underwriting expenses	3,130,159	1,371,585	4,501,744	-	-	1,052,845	-	5,554,589
Changes in individual life reserves	-	1,823,912	1,823,912	-	-	-	-	1,823,912
Increase/(decrease) in annuity reserves	-	(170,162)	(170,162)	-	-	-	-	(170,162)
Net underwriting expenses	6,140,661	9,859,143	15,999,803	-	-	24,388,577	-	40,388,379
Total underwriting profit	4,128,250	2,783,558	6,911,807	-	-	1,614,116	(381,882)	8,144,041
Investment income	3,609,192	2,864,434	6,473,866	1,110,287	-	754,775	(2,659,238)	5,679,690
Net gains on fin. instruments/Inv. Property	454,601	(389,721)	64,882	37,463	(973,898)	221,337	-	(650,216)
Disposal of shares in subsidiary	-	-	-	-	-	-	-	-
Profits on investment contracts	-	401,317	401,317	-	-	-	-	401,317
Other income	23,905	2,669	26,574	13,292	9,012	180,918	-	229,796
Rental income	-	-	-	-	917,133	-	(44,504)	872,629
Total investment income	4,087,698	2,878,699	6,966,640	1,161,042	(47,753)	1,157,031	(2,703,742)	6,533,216
Expenses for marketing and administration	1,061,449	834,772	1,896,221	-	-	142,466	(381,882)	1,656,805
Employee benefit expense	1,889,928	1,666,095	2,573,635	399,394	-	1,548,478	-	4,521,507
Other operating expenses	1,624,091	1,373,141	3,979,620	345,682	36,632	622,819	(399,878)	4,591,044
Impairment of other assets	154,629	1,121.09	155,750.09	-	-	-	-	155,750
Impairment of premium receivables	-	-	-	-	-	100,000	-	100,000
Results of operating activities	3,485,851	1,787,128	5,273,221	415,966	(84,385)	357,383	(2,303,865)	3,652,171
Finance cost	(132,117)		(132,117)	-	(222,295)	(20,586)	99,690	(275,307)
Profit before tax	**3,353,734**	**1,787,128**	**5,141,104**	**415,966**	**(306,680)**	**336,796**	**(2,204,174)**	**3,376,863**
Income tax expenses	(327,858)	(229,171)	(557,029)	(109,572)	(177,007)	(98,514)	-	(942,123)
Profit for the year	**3,025,876**	**1,557,957**	**4,584,075**	**306,394**	**(483,686)**	**238,282**	**(2,204,174)**	**2,434,740**
Assets and liabilities								
Total assets	49,484,232	36,636,296	84,972,734	1,798,499	14,855,065	18,893,267	(15,443,027)	106,224,335
Total liabilities	31,946,441	28,005,971	59,903,783	357,032	5,585,017	16,638,372	(9,409,781)	73,123,053
Net assets/(liabilities)	**17,537,791**	**8,630,325**	**25,068,951**	**1,441,467**	**9,270,048**	**2,254,895**	**(6,033,246)**	**33,101,282**

(All amounts in thousands of Naira unless otherwise stated)

8 Cash and cash equivalents

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Cash at bank and in hand	9,446,506	9,088,688	7,713,896	6,612,288
Tenored deposits (see note (a) below)	4,023,371	8,254,656	3,393,768	7,614,724
	13,469,877	**17,343,344**	**11,107,664**	**14,227,012**

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

9 Investment securities

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Fair value through profit or loss (see note 9.1)	3,386,475	3,653,526	3,386,475	3,653,526
Available-for-sale (see note 9.2)	40,078,903	35,107,535	37,940,243	30,864,575
Financial assets designated at fair value (see note 9.3)	2,505,441	4,374,805	2,505,441	4,374,805
	45,970,819	**43,135,866**	**43,832,159**	**38,892,906**
Current	1,603,156	1,404,301	3,386,475	3,653,526
Non-current	44,367,663	41,731,565	40,445,684	35,239,380
	45,970,819	**43,135,866**	**43,832,159**	**38,892,906**

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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Government bonds	3,186,475	3,453,525	3,186,475	3,453,525
Treasury bills	200,000	200,001	200,000	200,001
	3,386,475	**3,653,526**	**3,386,475**	**3,653,526**

(a) Movement in fair value through profit or loss assets

2022

Group	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Government bonds	3,453,525	154,853	(603,114)	(393,417)	574,628	3,186,475
Treasury bills	200,001	157,429	(172,260)	10,726	4,104	200,000
	3,653,526	**312,282**	**(775,374)**	**(382,691)**	**578,732**	**3,386,475**

Parent	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Government bonds	3,453,525	154,853	(603,114)	(393,417)	574,628	3,186,475
Treasury bills	200,001	157,429	(172,260)	10,726	4,104	200,000
	3,653,526	**312,282**	**(775,374)**	**(382,691)**	**578,732**	**3,386,475**

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**

(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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Government bonds & corporate bonds	25,464,645	23,956,739	24,632,254	22,211,756
Treasury bills	1,481,975	2,208,282	1,481,975	2,058,836
Fixed deposits (above 90 days)	4,431,890	-	4,431,890	-
Equity securities (see table (a) below)	355,711	293,572	275,240	192,953
Investment funds (see table (b) below)	8,344,682	8,648,943	7,118,884	6,401,030
	40,078,903	**35,107,536**	**37,940,243**	**30,864,575**

(a) Analysis of equity securities is shown below:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Quoted securities	299,745	237,606	219,274	136,987
Unquoted securities				
Insurance Energy pool	36,466	36,466	36,466	36,466
Imperial Homes Limited	19,500	19,500	19,500	19,500
	355,711	**293,572**	**275,240**	**192,953**

(b) Analysis of investment funds is shown below:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
AXA Mansard Funds	406,857	263,135	406,857	263,135
Legacy Money Market Funds	19,765	17,204	19,765	17,204
Coral Growth Fund	4,291	3,860	4,291	3,860
AXA Mansard Money Market Fund & Income Growth Fund	6,983,868	7,586,570	5,758,070	5,338,658
IAML Money Market Investment	493,173	379,508	493,173	379,508
ARM Money Market Investment	436,728	398,666	436,728	398,666
	8,344,682	**8,648,943**	**7,118,884**	**6,401,030**

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

2022

Group	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Government & corporate bonds	23,956,739	4,223,836	(1,972,321)	(2,074,728)	1,331,118	25,464,644
Fixed deposits with maturity above 90 days	-	4,404,914	-	(21,984)	48,961	4,431,891
Treasury bills	2,208,282	635,055	(1,792,264)	335,371	95,531	1,481,975
Equity	293,572	135,157	(112,840)	39,822	-	355,711
Investment Funds	8,648,943	5,925,631	(7,224,863)	784,871	210,100	8,344,682
	35,107,536	**15,324,593**	**(11,102,288)**	**(936,648)**	**1,685,710**	**40,078,903**

Parent	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Government & corporate bonds	22,211,756	3,937,897	(379,302)	(1,668,465)	530,368	24,632,254
Fixed deposits with maturity above 90 days	-	4,404,914	-	(21,984)	48,961	4,431,891
Treasury bills	2,058,836	3,434,397	(4,418,580)	176,795	230,526	1,481,975
Equity	192,953	149,773	(94,767)	27,281	-	275,240
Investment Funds	6,401,030	2,630,343	(3,402,649)	749,821	740,339	7,118,884
	30,864,575	**14,557,324**	**(8,295,297)**	**(736,551)**	**1,550,194**	**37,940,243**

(All amounts in thousands of Naira unless otherwise stated)

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
Tenored deposits with maturity above 90 days	-	-	-	-	-	-
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
Tenored deposits with maturity above 90 days	-	-	-	-	-	-
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**

9.3 *Financial assets designated at fair value*

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Investment contracts designated at fair value (see note (i))	2,505,441	4,374,805	2,505,441	4,374,805
	2,505,441	**4,374,805**	**2,505,441**	**4,374,805**

(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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Bank balances	224,392	783,429	224,392	783,429
Short term deposit	143,032	646,489	143,032	646,489
Government treasury bills	-	547,015	-	547,015
Government and corporate bonds	2,137,705	2,384,281	2,137,705	2,384,281
Quoted equity securities	312	13,591	312	13,591
	2,505,441	**4,374,805**	**2,505,441**	**4,374,805**

(ii) **Movement in financial asset designated at fair value (excluding bank balances)**

Parent and Group	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Short term deposit	646,489	139,177	(646,488)		3,854	143,032
Government treasury bills	547,015	814,440	(1,361,455)		-	-
Government and corporate bonds	2,384,281	586,953	(614,895)	(596,070)	377,436	2,137,705
Quoted equity securities	13,591	11,802	(13,279)	(11,802)	-	312
	3,591,376	**1,552,372**	(2,636,117)	(607,872)	**381,290**	**2,281,049**

2021

Parent and Group	at 1 January 2022	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2022
Short term deposit	243,700	550,000	(493,370)	246,685	-	547,015
Government treasury bills	2,575,364	2,960,000	(2,965,056)	(217,472)	31,445	2,384,281
Government and corporate bonds	304,394	647,404	(33,424)	(342,095)	70,210	646,489
Quoted equity securities	17,378			(3,787)	-	13,591
	3,140,836	4,157,404	(3,491,850)	(316,669)	101,655	3,591,376

10 Trade receivables

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Premium receivable (see 10.1 below)	7,473,045	5,955,650	135,343	138,744
Coinsurance receivable (see 10.2 below)	318,738	1,057,709	318,738	1,057,709
	7,791,783	**7,013,359**	**454,081**	**1,196,453**

All trade receivables fall due within one year.

10.1 Premium receivables

		Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
(a)	Premium receivables	7,900,649	6,127,502	320,210	167,861
	Less specific provision for impairment	(427,604)	(171,854)	(184,867)	(29,117)
		7,473,045	**5,955,648**	**135,343**	**138,744**

Analysis of premium receivables:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Life contracts insurance receivable	296	25,325	296	25,325
Non-life contracts insurance receivable	135,047	113,418	135,047	113,419
AXA Mansard Health (HMO) receivable	7,337,702	5,816,906	-	-
	7,473,045	**5,955,648**	**135,343**	**138,744**

Counter party categorization of insurance receivable:

(All amounts in thousands of Naira unless otherwise stated)

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Brokers and agents	320,210	167,863	320,210	167,861
Contract holders	7,580,439	5,959,641	-	-
Total insurance receivables	**7,900,649**	**6,127,504**	**320,210**	**167,861**
Less impairment of receivables:				
– Brokers and agents	(184,867)	(29,117)	(184,867)	(29,117)
– Contract holders	(242,737)	(142,737)	-	-
Total impairment	**(427,604)**	**(171,854)**	**(184,867)**	**(29,117)**
	7,473,045	**5,955,650**	**135,343**	**138,744**

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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
0 – 30 days	3,792,846	3,792,846	116,592	116,592
31 – 90 days	765,900	765,900	23,385	23,385
91 – 180 days	171,581	171,581	3,107	3,107
Above 180 days	3,170,322	1,397,175	177,127	24,778
Total	**7,900,649**	**6,127,502**	**320,210**	**167,861**

The movement in impairment of insurance receivable is as follows:

(b) Impairment of premium receivable	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	171,854	154,977	29,117	41,067
Additional impairment/(write back) during the year	257,850	86,050	155,750	(11,950)
Balance, end of year	**427,604**	**171,854**	**184,867**	**29,117**

10.2 Co-insurance receivable	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Co-insurers' share of outstanding claims	318,738	1,057,709	318,738	1,057,709
	318,738	**1,057,709**	**318,738**	**1,057,709**

(a) The movement in co-insurance recoverable on claims paid	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	1,057,709	923,762	1,057,709	923,762
Additions in the year	55,340	418,346	55,340	418,346
Receipts during the year	(794,311)	(284,399)	(794,311)	(284,399)
	318,738	**1,057,709**	**318,738**	**1,057,709**

11 Reinsurance assets	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Total reinsurers' share of outstanding claims (see note (a) below)	5,871,833	2,119,313	5,871,833	2,119,313
Prepaid re-insurance- Non life & health (see note (b) below)	2,648,782	5,103,009	2,560,292	5,038,597
Prepaid re-insurance- group life reserves (see note (c) below)	145,378	127,154	145,378	127,154
Reinsurance share of individual life reserves (see note (d) below)	33,923	43,155	33,923	43,155
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	2,062,814	2,269,928	2,052,505	2,160,874
Recoverables from reinsurers on claims paid (see note (f) below)	1,247,410	1,509,789	1,169,800	1,381,879
	12,010,140	**11,172,348**	**11,833,731**	**10,870,972**

(a) The movement in reinsurers' share of outstanding claims is as follows:	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	2,119,313	1,502,091	2,119,313	1,502,091
Movement during the year	3,752,520	617,222	3,752,520	617,222
	5,871,833	2,119,313	5,871,833	2,119,313

Reinsurance share of outstanding claims can be analysed as follows:	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Non-life	5,666,684	2,033,096	5,666,684	2,033,096
Life	205,149	86,217	205,149	86,217
AXA Mansard Health (HMO)	-	-	-	-
Balance, end of year	5,871,833	2,119,313	5,871,833	2,119,313

(All amounts in thousands of Naira unless otherwise stated)

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	5,103,009	2,289,064	5,038,597	2,222,808
Movement during the year (see note 30)	(2,454,227)	2,813,945	(2,478,306)	2,815,789
	2,648,782	5,103,009	2,560,292	5,038,597

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	127,154	127,480	127,154	127,480
Movement during the year (see note 30)	18,224	(326)	18,224	(326)
	145,378	127,154	145,378	127,154

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	43,155	50,908	43,155	50,908
Movement during the year (see note 30)	(9,232)	(7,753)	(9,232)	(7,753)
	33,923	43,155	33,923	43,155

Reinsurance Expense for the year:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Prepaid re-insurance at the beginning of the year (see note 11(b), (c) & (d) above)	5,273,318	2,467,452	5,208,907	2,401,196
Reinsurance cost (see note 30)	20,865,115	21,386,577	20,571,812	21,125,909
Total	26,138,433	23,854,028	25,780,719	23,527,104
Prepaid re-insurance at the end of the year (see note 11(a), (b) & (c) above)	(2,828,083)	(5,273,318)	(2,739,593)	(5,208,906)
Reinsurance expense for the year (see note 30)	23,310,350	18,580,710	23,041,126	18,318,198

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Non-life	1,727,087	1,957,428	1,727,087	1,957,428
Life	325,418	203,446	325,418	203,446
Health	10,309	109,054	-	-
Balance, end of year	2,062,814	2,269,928	2,052,505	2,160,874

The movement in reinsurance IBNR:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	2,269,928	1,627,382	2,160,874	1,541,777
Movement during the year (See note 32)	(207,114)	642,546	(108,369)	619,097
	2,062,814	2,269,928	2,052,505	2,160,874

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	1,509,789	902,728	1,381,879	882,201
Additions in the year	4,943,058	3,243,847	4,784,095	2,782,146
Recoveries on claims paid	(5,205,437)	(2,636,786)	(4,996,174)	(2,282,468)
	1,247,410	1,509,789	1,169,800	1,381,879

(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 Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Deferred acquisition cost- Fire	150,237	158,990	150,237	158,990
Deferred acquisition cost- Gen. Accident	82,250	62,174	82,250	62,174
Deferred acquisition cost- Motor	73,803	74,136	73,803	74,136
Deferred acquisition cost- Marine	28,909	43,451	28,909	43,451
Deferred acquisition cost- Engineering	67,319	174,406	67,319	174,406
Deferred acquisition cost- Oil & Gas	105,591	99,769	105,591	99,769
Deferred acquisition cost- Aviation	5,902	7,823	5,902	7,823
Deferred acquisition cost- HMO	348,207	132,205	-	-
Total	**862,218**	**752,954**	**514,011**	**620,749**

The movement in deferred acquisition cost is as follows:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	752,954	415,717	620,749	346,212
Movement in deferred acquisition cost (see note 33a)	109,264	337,237	(106,738)	274,537
Balance, end of year	**862,218**	**752,954**	**514,011**	**620,749**

13 Other receivables

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Prepayment (see note (i) below)	1,451,168	988,149	746,790	522,838
Accrued income (see note (ii) below)	11,393	420,375	1,399,775	227,428
Other account receivables (see note (iii) below)	2,187,260	2,656,517	933,837	2,366,425
Gross	3,649,821	4,065,041	3,080,402	3,116,691
Less: Specific impairment of other receivables (see (a) below)	(142,182)	(135,155)	(135,155)	(135,155)
Net receivables	3,507,639	3,929,886	2,945,247	2,981,536

(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. The increase in 2022 for the Company relates to dividends from AXA Mansard Health accrued but not fully paid as at year end

(iii) Other account receivables relate to amounts due from various third parties and also includes cash advanced to staff in respect of various operating expenses.

(a) The movement in provision for impairment of other receivables:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	135,155	137,525	135,155	137,525
Charge/write back for the year	7,027	(2,370)	-	(2,370)
Balance end of year	142,182	135,155	135,155	135,155
Current	2,118,739	2,205,479	2,426,716	1,460,182
Non-current	1,531,082	1,859,562	653,686	1,656,498
	3,649,821	4,065,041	3,080,402	3,116,691

(b) The movement in other receivables is as follows:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	2,656,517	769,960	2,366,425	446,753
Additional receivables during the year	911,764.00	2,605,930	608,766	2,503,930
Receipts during the year	(2,273,018)	(719,373)	(2,038,218)	(584,258)
Balance end of year	1,295,263	2,656,517	936,973	2,366,425

(All amounts in thousands of Naira unless otherwise stated)

14 Loans and receivables

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Loans and advances to related party	3,254,656	1,388,631	4,036,258	2,425,274
Staff loans and advances	519,329	266,454	193,325	241,184
Gross	**3,773,985**	**1,655,085**	**4,229,583**	**2,666,458**
Less:				
Specific impairment of staff loans and advances	-	-	-	-
	-	-	-	-
Net loans and receivables	**3,773,985**	**1,655,085**	**4,229,583**	**2,666,458**

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	1,388,631	226,254	2,425,274	786,138
Additions during the year	1,866,025	1,162,377	2,763,633	1,864,689
Payments during the year	-	-	(1,155,480)	(225,553)
Balance end of year	**3,254,656**	**1,388,631**	**4,036,258**	**2,425,274**

Loans and receivables from related parties relate to receivables from the subsidiaries usually settled within a year. Increase during the year relates to intercompany receivables from the Subsidiaries.

(b) Movement in staff loans and advances:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	266,454	244,018	241,184	228,239
Additions during the year	329,621	92,574	28,845	77,773
Accrued Interest during the year	18,576	21,902	18,326	19,264
Payments during the year	(95,322)	(92,040)	(95,030)	(84,092)
Balance end of year	**519,329**	**266,454**	**193,325**	**241,184**

	223749	266454	193325	241184

(c) Movement in loans and receivables:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	1,655,085	470,272	2,666,458	1,014,377
Additions during the year	2,195,646	1,254,951	2,792,478	1,942,462
Accrued Interest during the year	18,576	21,902	18,326	19,264
Payments during the year	(95,322)	(92,040)	(1,250,510)	(309,645)
Balance end of year	**3,773,985**	**1,655,085**	**4,226,752**	**2,666,458**
Current	3,773,985	1,655,085	4,229,583	1,257,268
Non-current	-	-	-	-

15 Investment property

(a)	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	14,009,209	14,560,934	-	-
Balance, end of year	14,009,209	14,560,934	-	-
Non-current	14,009,209	14,560,934	-	-
	14,009,209	14,560,934	-	-

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/2012/000000000052) 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 N917million (2021: N1.22 billion). See note 34.

(All amounts in thousands of Naira unless otherwise stated)

The movement in investment property is analysed as follows:

	Group Dec-2022	Group Dec-2021	Parent Dec-2021	Parent Dec-2020
Balance, beginning of year	14,560,934	13,694,760	-	-
Additionals during the year	-	-	-	-
Investment property disposed during the year	-	-	-	-
Foreign exchange gain/(loss)	804,429	826,193	-	-
Change in fair value	(1,356,155)	39,981	-	-
Investment property at fair value	14,009,208	14,560,934	-	-

(All amounts in thousands of Naira unless otherwise stated)

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

Investment Properties	Valuation technique	Fair value at 31 December 2022 (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 Cashflow approach	14,009,209	Forecast price per square metre	$500 per metre square	The higher the price per square metre, the higher the fair value
			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-2022	Parent Dec-2021
AXA Mansard Investments Limited	940,000	940,000
AXA Mansard Health Limited	712,000	712,000
APD Limited (See note (c) below)	-	-
	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

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

2 AXA Mansard Health Limited was incorporated as a private limited liability company on 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.

3 APD Limited was incorporated on 2 September 2010 for the purpose of holding and developing a commercial office property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure.

(c) The movement in investment in subsidiaries during the year as follows:

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

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

(All amounts in thousands of Naira unless otherwise stated)

(d) The table below summarises the information relating to the Group's subsidiary that are financially significant before any intra-group eliminations.

(i) *APD Limited*

	Group Dec-2022	Group Dec-2021
NCI percentage	44.3%	44.3%
Cash and cash equivalents	276,965	844,532
Other receivables	27,815	82,346
Available-for-sale assets	471,858	78,784
Investment properties	14,009,208	14,560,934
Property and equipment	69,084	55,009
Intangible assets	140	245
Borrowings	(4,131,074)	(4,193,835)
Other liabilities	(1,453,966)	(1,674,311)
Net assets	9,270,030	9,753,704
Carrying amount of NCI	4,106,623	4,320,891

	Dec-2022	Dec-2021
Income	47,753	1,933,017
Expenses	(258,180)	(242,822)
Profit before tax	305,933	2,175,839
Profit/ (loss) after tax	(387,434)	1,287,372
Profit/ (loss) allocated to NCI (44.3%)	(213,942)	570,306

(ii) *AXA Mansard Health Limited*

	Group Dec-2022	Group Dec-2021
Cash and cash equivalents	1,789,137	1,975,880
Loans and other receivables	3,387,204	2,377,529
Available-for-sale assets	1,068,963	3,022,458
Property and equipment	364,428	406,319
Intangible assets	21,210	14,327
Other liabilities	(2,340,081)	(1,420,220)
Net assets	4,290,862	6,376,292

	Dec-2022	Dec-2021
Income	27,428,947	23,123,444
Expenses	(27,065,625)	(19,879,769)
Profit before tax	363,322	3,243,675
Profit/ (loss) after tax	(585,065)	2,285,451

(e) 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 asides those resulting from the regulatory frameworks within which the insurance business operates.

The regulatory frameworks require all insurance companies to maintain certain levels of regulatory capital and liquid assets and comply with other ratios such as the solvency margin.
The Company's investment in subsidiaries was assessed for impairment as at 31 December 2022 with no trigger of impairment identified. Consequently, no impairment charge was recognised.

17 Intangible assets

Analysis of intangible assets:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Computer software acquired (see note (a) below)	433,595	388,647	391,201	354,896
Goodwill	12,000	12,000	-	-
Total	445,595	400,647	391,201	354,896

(All amounts in thousands of Naira unless otherwise stated)

(a) **Group**

2022	**Computer software**	**License**	**Goodwill**	**Total**
Cost:				
Balance, beginning of year	988,605	-	12,000	1,000,605
Additions	149,137	-	-	149,137
Disposal	-	-	-	-
Balance, end of year	1,137,742	-	12,000	1,149,742
Amortization:				
Balance, beginning of year	599,958	-	-	599,958
Amortisation charge	104,190	-	-	104,190
Accumulated amortization on disposed assets	-	-	-	-
Balance, end of year	704,147	-	-	704,147
Closing net book value	433,595	-	12,000	445,595

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

Parent	**Parent Dec-2022**	**Parent Dec-2021**
Cost:		
Balance, beginning of year	876,123	716,988
Additions	126,458	159,135
Balance, end of year	1,002,581	876,123
Amortization:		
Balance, beginning of year	521,227	411,545
Amortisation charge	90,153	109,682
Balance, end of year	611,380	521,227
Closing net book value	391,201	354,896

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

(All amounts in thousands of Naira unless otherwise stated)

(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 2022 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 2022	389,664	657,165	1,462,305	1,535,783	635,789	1,574,591	100,687	6,355,985
Additions	-	-	265,613	460,099	128,129	199,155	66,467	1,119,463
Disposals	-	-	(89,127)	(3,608)	(611)	(16,095)	-	(109,441)
Balance, 31st December 2022	389,664	657,165	1,638,791	1,992,274	763,307	1,757,651	167,154	7,366,007
Accumulated depreciation								
Balance, 1 January 2022	-	109,852	771,078	1,116,872	461,307	1,094,416	-	3,553,526
Charge for the period	-	14,239	224,077	310,321	66,165	155,933	-	770,735
Disposals	-	-	(37,504)	(3,608)	(611)	(16,095)	-	(57,819)
Balance, 31st December 2022	-	124,091	957,651	1,423,585	526,861	1,234,254	-	4,266,442
Net book value								
Balance, 1 January 2022	389,664	547,313	691,227	418,911	174,482	480,175	100,687	2,802,459
At 31st December 2022	389,664	533,073	681,140	568,689	236,446	523,398	167,154	3,099,565

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2022	389,664	657,165	1,179,517	1,394,453	454,312	1,303,907	100,686	5,479,704
Additions	-	-	230,928	422,168	109,282	168,461	66,467	997,306
Disposals	-	-	(77,267)	(3,608)	(611)	(16,095)	-	(97,581)
Balance, 31st December 2022	389,664	657,165	1,333,179	1,813,013	562,983	1,456,273	167,153	6,379,429
Accumulated depreciation								
Balance, 1 January 2022	-	110,949	659,349	1,037,989	345,014	922,037	-	3,075,338
Charge for the period	-	14,239	176,576	271,691	46,485	135,453	-	644,444
Disposals			(37,504)	(3,608)	(611)	(16,095)		(57,819)
Balance, 31st December 2022	-	125,188	798,420	1,306,071	390,889	1,041,395	-	3,661,964
Net book value								
Balance, 1 January 2022	389,664	546,216	520,168	356,464	109,298	381,870	100,686	2,404,366
At 31st December 2022	389,664	531,977	534,759	506,942	172,094	414,878	167,153	2,717,465

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

(All amounts in thousands of Naira unless otherwise stated)

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 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	1,574,591	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	480,175	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)	-	(84,648)
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

(All amounts in thousands of Naira unless otherwise stated)

18 Right of Use Assets

(c)

	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Cost				
As at January 1	1,326,177	1,326,177	1,150,139	1,326,177
Additions	133,515	-	165,870	(176,038)
Disposals	-	-		-
As at December 31	**1,459,692**	**1,326,177**	**1,316,009**	**1,150,139**
Accumulated Depreciation				
As at January 1	(528,420)	(357,654)	(496,065)	(283,873)
Charge for the year	(147,768)	(170,766)	(147,768)	(212,192)
As at December 31	**(676,188)**	**(528,420)**	**(643,833)**	**(496,065)**
	783,504	**797,757**	**672,176**	**654,074**

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-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
– Outstanding claims (see note 20.1a)	12,114,633	7,237,052	10,938,500	5,431,070
– Claims incurred but not reported (see note 20.1b)	8,370,213	6,547,944	5,724,919	5,350,846
– Unearned premium (see note 20.2)	16,432,838	16,898,269	6,244,299	8,567,621
– Individual life reserve (see note 20.3)	5,913,993	4,090,082	5,913,993	4,090,082
– Annuity reserves (see note 20.4)	1,984,932	2,155,094	1,984,932	2,155,094
Total insurance liabilities, gross	44,816,609	36,928,441	30,806,643	25,594,713
Reinsurance receivables:				
Reinsurers' share of outstanding claims	5,871,833	2,119,313	5,871,833	2,119,313
Prepaid re-insurance- Non life & health	2,648,782	5,103,009	2,560,292	5,038,597
Reinsurance share of group life reserves	145,378	127,154	145,378	127,154
Reinsurance share of individual life reserves	33,923	43,155	33,923	43,155
Reinsurance share of Incurred But Not Reported (IBNR) claims	2,062,814	2,269,928	2,052,505	2,160,874
Recoverables from reinsurers on claims paid	1,247,410	1,509,789	1,169,800	1,381,879
Total reinsurers' share of insurance liabilities	12,010,140	11,172,348	11,833,731	10,870,972
Net insurance liability	32,806,469	25,756,093	18,972,912	14,723,741
Current	34,032,222	27,797,803	20,503,166	16,944,985
Non-current	10,784,387	9,130,638	10,303,477	8,649,728
Total	44,816,609	36,928,441	30,806,643	25,594,713

For our life business, the reserves calculated as at 31 December 2022 and the comparative periods were done by:
Zamara Consulting Actuaries Nigeria Limited (FRC No: FRC No: FRC/2017/NAS/00000016912)
Nikhil Dodhia (FRC/2021/004/00000024023)
For our Non-life business, the reserves calculated as at 31 December 2022 and the comparative periods were done by:
QED Actuaries & Consultants (Pty) Ltd (FRC No: FRC/2018/00000012293)
For our Health business, the reserves calculated as at 31 December 2022 and the comparative periods were done by:
Ganiu Shefiu (FRC No: FRC/2017/NAS00000017548)
AXA Mansard (FRC No: FRC/2012/0000000000228)

(All amounts in thousands of Naira unless otherwise stated)

20.1a – Outstanding claims

	Group Dec-2022	**Group Dec -2021**	**Parent Dec-2022**	**Parent Dec -2021**
Non-Life	8,918,748	4,964,450	8,918,748	4,964,450
Group life	2,019,752	466,620	2,019,752	466,620
Health	1,176,133	1,805,982	-	-
	12,114,633	7,237,052	10,938,500	5,431,070

	Group Dec-2022	**Group Dec -2021**	**Parent Dec-2022**	**Parent Dec -2021**
Balance, beginning of year	7,237,052	5,188,166	5,431,070	5,127,267
Additional claims expense during the year	35,598,367	28,345,615	13,551,868	9,899,904
Claims paid during year (See note 32)	(31,423,250)	(26,759,746)	(8,746,902)	(10,059,118)
Foreign exchange impact of dollar denominated claims	702,464	463,017	702,464	463,017
Balance, end of year	12,114,633	7,237,052	10,938,500	5,431,070

As at 31 December 2022 - Company & Group

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	12,745	3,254	13,086	53,746	82,831
250,001- 500,000	18,382	14,443	18,735	50,161	101,721
500,001 - 1,500,000	34,807	18,171	31,723	120,840	205,541
1,500,001 - 2,500,000	24,540	10,755	29,315	79,651	144,261
2,500,001 - 5,000,000	47,333	37,901	46,348	145,480	277,062
5,000,001 - Above	118,986	100,054	417,981	7,446,213	8,107,332
Total	**256,793**	**184,578**	**557,188**	**7,896,091**	**8,918,748**

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	-	34	-	13,041	13,075
250,001- 500,000	302	500	-	19,894	20,696
500,001 - 1,500,000	720	39,856	229,305	303,364	573,245
1,500,001 - 2,500,000	4,147	17,888	249,962	236,795	508,792
2,500,001 - 5,000,000	4,680	14,657	109,570	144,604	273,511
5,000,001 - Above	75,656	54,072	188,375	312,330	630,433
Total	**85,506**	**127,007**	**777,212**	**1,030,028**	**2,019,752**

The aging analysis of the outstanding claims for the Health business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	73,438	13,034	3,839	-	90,311
250,001- 500,000	76,287	1,954	1,256	-	79,497
500,001 - 1,500,000	235,806	3,107	1,589	-	240,502
1,500,001 - 2,500,000	106,165	9,364	-	-	115,529
2,500,001 - 5,000,000	202,848	2,535	-	-	205,384
5,000,001 - Above	444,911	-	-	-	444,911
Total	1,139,455	29,994	6,684	-	**1,176,133**

The Company opened the year 2022 with 1,798 outstanding claims from prior year, this figure rose to 2,809 as at 31 December 2022 thus representing a growth rate of 56%. Of the outstanding claims, 3% are within 90 days holding days period whilst 97% are above 90 days

(All amounts in thousands of Naira unless otherwise stated)

As at 31 December 2021 - Company & Group

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	**148,760**	**22,811**	**20,097**	**274,952**	**466,620**

The aging analysis of the outstanding claims for the Health business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	125,377	61,105	21,033	111	207,626
250,001- 500,000	97,372	4,685	3,086	-	105,143
500,001 - 1,500,000	247,994	8,357	3,470	-	259,821
1,500,001 - 2,500,000	207,861	10,000	2,250	-	220,111
2,500,001 - 5,000,000	252,848	13,253	-	-	266,101
5,000,001 - Above	644,911	102,270	-	-	747,180
Total	**1,576,362**	**199,670**	**29,840**	**111**	**1,805,983**

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.

20.1b – Claims incurred but not reported

	Group Dec-2022	**Group Dec -2021**	**Parent Dec-2022**	**Parent Dec -2021**
Non life business	3,769,580	3,843,842	3,769,580	3,843,842
Group life	1,955,339	1,507,004	1,955,339	1,507,004
Health	2,645,294	1,197,098	-	-
	8,370,213	6,547,944	5,724,919	5,350,846

(All amounts in thousands of Naira unless otherwise stated)

20.2 Unearned premium

	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Non life business	5,370,767	7,603,459	5,370,767	7,603,459
Group life	873,532	964,162	873,532	964,162
Health	10,188,539	8,330,648	-	-
	16,432,838	16,898,269	6,244,299	8,567,621
Current	13,547,376	14,012,807	3,839,747	6,163,069
Non-current	2,885,462	2,885,462	2,404,552	2,404,552

The movement in unearned premium during the year is as follows:	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Balance, beginning of year	16,898,269	12,423,308	8,567,621	5,076,216
Movement during the year (see note 30)	(465,431)	4,474,961	(2,323,322)	3,491,405
Balance, end of year	16,432,838	16,898,269	6,244,299	8,567,621

20.3 Individual life reserves can be analysed as follows:

	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Individual life	5,913,993	4,090,082	5,913,993	4,090,082
	5,913,993	4,090,082	5,913,993	4,090,082

Movement in individual life reserves:	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Balance, beginning of year	4,090,082	2,509,447	4,090,082	2,509,447
Changes in individual life reserves	1,823,911	1,580,635	1,823,911	1,580,635
Balance, end of year	5,913,993	4,090,082	5,913,993	4,090,082

20.4 Annuity reserves can be analysed as follows:

	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Annuity	1,984,932	2,155,094	1,984,932	2,155,094
	1,984,932	2,155,094	1,984,932	2,155,094

Movement in Annuity reserves:	Group Dec-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Balance, beginning of year	2,155,094	3,054,196	2,155,094	3,054,196
Annuity premium written during the year	-	-	-	-
Annuity payout during the year	(293,383)	(293,383)	(293,383)	(293,383)
Accretion to/(release from) annuity fund	123,221	(605,719)	123,222	(605,719)
Changes in annuity reserve during the year	(170,162)	(899,102)	(170,161)	(899,102)
Balance, end of year	1,984,932	2,155,094	1,984,932	2,155,094

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-2022	Group Dec -2021	Parent Dec-2022	Parent Dec -2021
Investment Contract Liabilities - At amortised cost:				
- Guaranteed investment (interest-linked)	3,512,487	5,646,114	3,512,487	5,646,114
- Bonus Life investible (interest-linked)	698,714	1,222,054	698,714	1,222,054
	4,211,201	6,868,168	4,211,201	6,868,168
Investment Contract Liabilities - Liabilities designated at fair value:				
- Unitized funds	2,505,441	4,374,805	2,505,441	4,374,805
	6,716,642	11,242,973	6,716,642	11,242,973

APPENDIX 2 (Statement of Value Added)

(All amounts in thousands of Naira)

	Group				Parent			
	Dec 2022	%	Dec 2021	%	Dec 2022	%	Dec 2021	%
Gross premium income	68,980,045		60,197,851		41,232,119		37,546,391	
Re-insurance, claims and commission & others	(66,108,695)		(55,262,838)		(39,749,389)		(36,954,624)	
	2,871,350		4,935,013		1,482,730		591,767	
Investment and other income	6,286,153		5,302,740		6,966,640		5,107,387	
Value added	9,157,503		10,237,753		8,449,370		5,699,154	
Applied to pay:								
Employee benefits	4,899,730	54%	3,730,129	36%	2,573,635	30%	1,968,362	33%
Government as tax	942,123	10%	2,049,807	20%	557,030	7%	623,858	2%
Shareholder as dividend	-	0%	-	0%	-	0%	-	0%
Retained in the business								
Contingency reserve	302,153	3%	471,591	5%	302,153	4%	471,591	2%
Depreciation and amortisation	880,910	10%	722,653	7%	734,598	9%	616,241	10%
Retained profit for the year	2,346,529	26%	2,693,267	26%	4,281,954	51%	2,019,102	53%
Non-controlling interest	(213,942)	-2%	570,306	6%	-	0%	-	0%
Value added	**9,157,503**	**100%**	**10,237,753**	**100%**	**8,449,370**	**100%**	**5,699,154**	**100%**

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

21.1 Movement in interest linked products:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	6,868,168	5,153,521	6,868,168	5,153,521
Contributions	410,928	1,222,054	410,928	1,222,054
Withdrawal	(3,211,476)	(450,988)	(3,211,476)	(450,988)
Interest accrued during the year	143,581	943,581	143,581	943,581
Balance, end of year	4,211,201	6,868,168	4,211,201	6,868,168

The N4.2 billion (2021: N6.8 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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	4,374,805	4,485,246	4,374,805	4,485,246
Contributions	-	1,178,203	-	-
Withdrawals	(1,869,364)	(110,441)	(1,869,364)	(110,441)
Balance, end of year	2,505,441	4,374,805	2,505,441	4,374,805
Currrent	2,505,441	4,374,805	2,505,441	4,374,805
Total Investment Contract Liabilities	6,716,642	11,242,973	6,716,642	11,242,973

21.3 The movement in investment contract liabilities during the year was

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	11,242,973	9,638,767	11,242,973	9,638,767
Contributions	410,928	2,400,257	410,928	1,222,054
Withdrawals	(5,080,840)	(561,429)	(5,080,840)	(561,429)
Interest accrued during the year	143,581	943,581	143,581	943,581
Balance, end of year	**6,716,642**	**11,242,973**	**6,716,642**	**11,242,973**

22 Trade payables

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Reinsurance payable	1,583,222	1,124,311	1,583,222	1,124,311
Co-insurance payable	431,131	1,062,069	431,131	1,062,069
Unallocated premium & refunds (see (a) below)	2,805,550	2,550,027	2,805,550	2,550,027
Due to agents & brokers	6,186,176	4,574,061	6,110,990	4,221,962
Premium received in advance	2,812,408	2,327,761	2,812,408	2,327,761
	13,818,487	**11,638,229**	**13,743,301**	**11,286,130**

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

23 Other liabilities

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Deferred income	801,267	931,061	272,689	295,895
Due to investment brokers	1,208	-	-	-
Accrued expenses (see a below)	**855,176**	**1,066,360**	**709,470**	**839,573**
Other creditors (see b below)	**351,147**	**783,971**	**298,707**	**489,846**
Other taxes, levies and duties	**451,510**	**654,316**	**412,973**	**576,037**
Unclaimed dividends	98,011	74,551	98,011	74,551
Cash settled share based payment liability (see note 45 (b))	194,773	114,248	194,773	114,248
Lease Liability (see 23.1 below)	851,786	888,565	753,924	751,083
	3,604,878	**4,513,072**	**2,740,547**	**3,141,233**
Current	267,089	310,354	90,896	98,632
Non-current	3,337,789	4,202,718	2,649,651	3,042,601

(All amounts in thousands of Naira unless otherwise stated)

(a) Accrued expenses include provision for staff performance pay, marketing, admin and maintenance agreement expenses incurred during the year but yet to be paid for

(b) Other creditors represent payments made for the purchase of assets in December 2022 where the bank debit was still pending at the end of the year

23.1 Lease Liability

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Opening Balance	888,565	653,864	751,083	653,864
Interest Expense	91,363	124,227	132,117	74,227
Lease Payments	(171,670)	(43,693)	(164,834)	(18,693)
Recognition of new leases	43,528	154,167	35,558	41,685
Balance	851,786	888,565	753,924	751,083

24 Current income tax liabilities

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	1,962,020	1,648,795	645,958	125,911
Current year charge				
- Non-Life	327,859	329,341	327,859	329,341
- Life & Savings	229,171	294,517	229,171	294,517
- AXA Mansard Investments Limited	112,235	49,573	-	-
- AXA Mansard Health Limited	134,994	941,074	-	-
- APD Limited	214,805	315,089	-	-
Cash Payments during the year	(1,851,156)	(1,616,369)	(528,773)	(103,811)
Balance, end of year	1,129,928	1,962,020	674,215	645,958

25 Borrowings

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Bank borrowings	2,161,791	2,435,870	-	-
Loan note	19,087	18,273	-	-
Total borrowings	**2,180,878**	**2,454,143**	-	-
Current	2,104,188	2,377,453	-	-
Non-current	76,690	76,690	-	-
	2,180,878	**2,454,143**	**-**	**-**

***(a)* Bank borrowings**

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%. A further 5-year extension of the loan is currently being finalised. The Investment property of the Company located at plot 927/928 Bishop Aboyade Cole, Victoria Island, Lagos has been used as collateral for this facility.

***(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. A further extension of the loan is currently being finalised.

The movement in borrowing during the year is as follows:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	2,454,143	2,994,361	-	-
Aditional loans	-	-	-	-
Impact of foreign exchange rate changes	519,667	(20,199)	-	-
Accrued interest	122,605	195,520	-	-
Payments during the year	(915,538)	(715,538)	-	-
	2,180,878	2,454,143	-	-

(All amounts in thousands of Naira unless otherwise stated)

26 Deferred income tax

(a) *Liabilities*

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	932,573	818,666	-	-
(Credit)/ Charge in income statement for the year	(76,942)	113,907	-	-
Balance, end of year	855,631	932,573	-	-
Deferred income tax liability/(assets) is attributable to the following:				
Property and equipment	12,219	51,362	-	-
Fair value gain on investment property	843,412	881,211	-	-
Balance, end of year	855,631	932,573	-	-

2022
Group

Movement in deferred tax liability/ (assets):	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	51,362	(39,143)	-	12,219
Fair value gains on Investment property	881,211	(37,799)	-	843,412
	932,573	(76,942)	-	855,631

2021
Group

Movement in deferred tax liability/ (assets):	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	25,187	26,175	-	51,362
Fair value gains on Investment property	793,479	87,732	-	881,211
	818,666	113,907	-	932,573

(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:

In thousands of Naira	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Property and equipment	401	122,066	401	122,066
Tax losses	5,264,475	3,871,479	5,264,475	3,871,479
Balance, end of year	5,264,876	3,993,545	5,264,876	3,993,545

Deferred tax assets relating to the Company's Non-life business have not been recognised in respect of the following items:

In thousands of Naira	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Property and equipment	371,487	330,087	371,487	330,087
Tax losses	1,087,372	365,742	1,087,372	365,742
Balance, end of year	1,458,859	695,829	1,458,859	695,829

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

(All amounts in thousands of Naira unless otherwise stated)

(b) Issued and fully paid

9,000,000,000 Ordinary shares of N2 each (Dec 2021: 9,000,000,000 ordinary shares of N2 each)	18,000,000	18,000,000	18,000,000	18,000,000

Movement in issued and fully paid shares

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

(i) Non-Life Business

Share capital comprises:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
5,000,000,000 Ordinary shares of N2 each (2021: 5,000,000,000 Ordinary shares of N2 each)	10,000,000	10,000,000	10,000,000	10,000,000

(ii) Life Business

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
4,000,000,000 Ordinary shares of N2 each (2021: 4,000,000,000 Ordinary shares of N2 each)	8,000,000	8,000,000	8,000,000	8,000,000

27.2 Share premium

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

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.

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of the year	4,816,716	4,345,125	4,816,716	4,345,125
Transfer from retained earnings	302,153	471,591	302,153	471,591
Balance, end of year	5,118,869	4,816,716	5,118,869	4,816,716

Analysis per business segment

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Non-life business	4,116,614	3,970,257	4,116,614	3,970,257
Life business	1,002,255	846,459	1,002,255	846,459
Balance, end of year	5,118,869	4,816,716	5,118,869	4,816,716

(i) Non-Life Business

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	3,970,257	3,591,032	3,970,257	3,591,032
Transfer from retained earnings	146,357	379,225	146,357	379,225
Balance, end of year	4,116,614	3,970,257	4,116,614	3,970,257

(ii) Life Business

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	846,459	754,092	846,459	754,093
Transfer from retained earnings	155,796	92,367	155,796	92,366
Balance, end of year	1,002,255	846,459	1,002,255	846,459

(All amounts in thousands of Naira unless otherwise stated)

27.5 Treasury shares

Treasury shares represent the 55,738,227 (2021: 55,738,227 at N2 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 2022 are as analysed belo	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Balance, beginning of year	(111,476)	(304,924)	(111,476)	(304,924)
Value of vested portion of treasury shares	-	193,448		193,448
Balance, end of year	(111,476)	(111,476)	(111,476)	(111,476)

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

Movements in the fair value reserve:

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
At beginning of year	(62,329)	5,264,806	(8,764)	5,032,542
Changes in available-for-sale financial assets	(936,647)	(5,327,135)	(736,551)	(5,041,306)
Balance, end of year	(998,976)	(62,329)	(745,315)	(8,764)

Changes in the valuation of AFS financial assets during the year are as analysed below:	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
At beginning of year	(62,329)	5,264,806	(8,764)	5,032,542
Net unrealised changes in fair value of AFS assets	(936,647)	(5,327,135)	(736,551)	(4,971,020)
Realised (losses)/gains transferred to income statement	-	-	-	(70,286)
Balance, end of year	(998,976)	(62,329)	(745,315)	(8,764)

27.7 Retained earnings

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

28 Non-controlling interests in equity

	Group Dec-2022	Group Dec-2021
Opening balance	4,320,891	3,750,585
Transfer from the profit or loss account	(213,942)	570,306
Disposal of subsidiary with NCI	-	-
Balance as at year end	4,106,949	4,320,891

Non controlling interest represents 44.3% of the equity holding of the Company's subsidiary, APD Limited (2021: 44.3% of the equity holding of the Company's subsidiaries, APD Limited). The Group did not pay any dividend to Non-Controlling Interest during the year (2021: nil).

APD Limited

Non controlling interest (44.3%)	Group Dec-2022	Group Dec-2021
Opening balance	2,222,331	1,652,025
Transfer from the profit or loss account	(213,942)	570,306
Balance as at year end	2,008,389	2,222,331

29 Contingencies and commitments

(a) *Litigations and claims*

The Group is presently involved in eleven (11) legal proceedings (2021: fourteen (14)). These court cases arose in the normal course of business. In the directors' opinion, after taking appropriate legal advice from the Company's in-house legal counsel (Mrs. Omowunmi Mabel Adewusi - FRC/2013/NBA/00000000967), the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for in the outstanding claims balance at 31 December 2022.

(All amounts in thousands of Naira unless otherwise stated)

30 Net premium income

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Gross written premium	68,980,045	60,197,851	41,232,119	37,546,391
Gross premium income				
Non-life	27,428,630	28,309,828	27,428,630	28,309,828
Life (Group life and individual life)	13,803,487	9,236,563	13,803,487	9,236,563
AXA Mansard Health (HMO)	27,747,926	22,651,460	-	-
Provision for unearned premium				
Non life	2,232,692	(3,251,103)	2,232,692	(3,251,103)
Group life	90,629	(240,300)	90,629	(240,300)
AXA Mansard Health (HMO)	(1,857,892)	(983,556)	-	-
Gross premium income	**69,445,472**	**55,722,892**	**43,555,438**	**34,054,988**
Re-insurance cost				
-Non life	18,949,790	19,934,003	18,949,790	19,934,003
-Life	1,622,022	1,191,906	1,622,022	1,191,906
-AXA Mansard Health (HMO)	293,303	260,668	-	-
Changes in prepaid re-insurance				
-Non life	2,478,306	(2,815,789)	2,478,306	(2,815,789)
-Group life	(18,224)	325	(18,224)	325
-Individual life	9,232	7,753	9,232	7,753
-AXA Mansard Health (HMO)	(24,079)	1,844	-	-
Re-insurance expenses	**23,310,350**	**18,580,710**	**23,041,126**	**18,318,198**
Net premium income	**46,135,122**	**37,142,182**	**20,514,312**	**15,736,790**

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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Fees and commission income	2,397,298	1,860,567	2,397,298	1,860,567

32 Claims:

Claims expenses	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Claims paid during the year (see note (a) below)	31,423,250	26,759,746	8,746,902	10,059,118
Movement in outstanding claims (see note (b) below)	4,877,580	2,043,004	5,507,430	303,803
Claims incurred	36,300,830	28,802,750	14,254,332	10,362,921
Outstanding claims- IBNR	1,822,271	125,217	374,074	1,567,486
Total claims and loss adjustment expense	38,123,101	28,927,967	14,628,406	11,930,407
Recoverable on IBNR	207,115	(642,546)	108,369	(619,097)
Reinsurance share of outstanding claims	(3,807,560)	(619,872)	(3,752,520)	(617,222)
Recovered from re-insurers	(1,342,613)	(3,348,581)	(1,139,944)	(3,200,493)
Total claims expenses recovered from reinsurers	**(4,943,058)**	**(4,610,999)**	**(4,784,095)**	**(4,436,812)**
Net claims and loss adjustment expense	**33,180,043**	**24,316,968**	**9,844,311**	**7,493,595**

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

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Non life	3,253,131	6,614,472	3,253,131	6,614,472
Group life	1,751,988	2,051,018	1,751,988	2,051,018
Individual life	3,453,390	1,100,245	3,453,390	1,100,245
Annuity	288,393	293,383	288,393	293,383
HMO	22,676,348	16,700,628	-	-
	31,423,250	**26,759,746**	**8,746,902**	**10,059,118**

(All amounts in thousands of Naira unless otherwise stated)

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

	Group Dec-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Non life	3,954,297	262,446	3,954,297	262,446
Group life	1,553,133	41,357	1,553,133	41,357
HMO	(629,850)	1,739,201	-	-
	4,877,580	**2,043,004**	**5,507,430**	**303,803**

33 Underwriting expenses:

	Group Dec-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Acquisition cost	3,784,337	3,472,948	3,626,963	3,422,283
Maintenance cost	1,770,250	1,301,384	874,779	580,453
	5,554,587	**4,774,332**	**4,501,742**	**4,002,736**

(a) Analysis of acquisition cost is as shown below:

	Group Dec-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Acquisition cost paid during the year	3,675,073	3,135,711	3,733,701	3,147,746
Movement in deferred acquisition cost (See note 12)	109,264	337,237	(106,738)	274,537
	3,784,337	3,472,948	3,626,963	3,422,283

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

	Group Dec-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Non life	3,130,158	2,687,757	3,130,158	2,687,757
Life	496,805	734,526	496,805	734,526
Health	157,374	50,665	-	-
	3,784,337	3,472,948	3,626,963	3,422,283

34 Investment income

	Group Dec-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Dividend income	1,625,343	544,362	3,329,820	2,969,936
Interest income on investment securities	2,937,866	2,423,005	2,568,397	2,120,171
Interest income on cash and cash equivalents	485,385	356,236	575,412	349,107
Rental income	872,629	1,175,508	-	-
Asset management fees (see note (a) below)	672,537	581,763	-	-
	6,593,760	**5,080,874**	**6,473,629**	**5,439,214**

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

(All amounts in thousands of Naira unless otherwise stated)

35 Net (losses)/gains on financial instruments

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Gains on financial assets	56,395	(596,699)	(45,185)	(609,773)
Foreign exchange gain/loss	973,288	1,237,785	492,757	408,011
Fair value through Profit or Loss	(382,691)	(689,357)	(382,691)	(703,308)
	646,992	(48,271)	64,881	(905,070)
Fair value loss on investment property (see note 15)	1,356,155	39,981	-	-
	2,003,146	(8,290)	64,881	(905,070)

36 Profit on investment contracts

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Interest income	650,244	519,074	650,244	519,074
Gains/(losses) from sale of investments	(2,232)	-	(2,232)	-
Total interest income	**648,012**	**519,074**	**648,012**	**519,074**
Expenses				
Guaranteed interest	(212,436)	(253,836)	(212,436)	(253,836)
Other expenses	(34,020)	(35,082)	(34,020)	(35,082)
Net profit	**401,556**	**230,156**	**401,556**	**230,156**

37 Other income

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Profit from sale of property and equipment	5,744	11,396	5,579	11,334
Sundry income	241,248	937,115	20,995	331,753
Total	246,991	948,511	26,574	343,087

Sundry income relates to interest on staff loans and withholding tax credits previously unrecognised

38 Expenses for marketing and administration 224,051

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Marketing and administrative expenses	1,156,560	913,885	1,396,007	1,108,583
Direct selling cost	500,197	613,592	500,197	613,592
	1,656,757	1,527,477	1,896,204	1,722,175

39 Employee benefit expense

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Wages and salaries	4,000,586	2,891,562	1,804,653	1,437,131
Other employee costs	187,885	252,469	132,950	86,111
Pension costs – defined contribution plans	103,265	130,070	77,447	109,250
Performance-based expenses	527,470	351,688	478,061	231,530
Equity and Cash settled share-based payments	80,524	104,340	80,524	104,340
	4,899,730	3,730,129	2,573,635	1,968,362

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-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Depreciation and amortisation charges	880,910	722,653	734,598	616,241
Depreciation on ROU	180,123	244,547	147,768	212,192
Professional fees	215,133	201,984	143,918	180,344
Directors' emolument and expenses	60,355	40,398	36,460	31,364
Contract services cost**	1,265,168	1,295,203	1,230,884	1,101,437
Auditor's remuneration*	43,802	32,064	36,366	26,550
Bank charges	84,626	103,511	62,121	81,624
Stamp duty charge on bank transactions	2,167	1,783	2,167	1,783
Insurance related expenses	363,303	341,735	362,454	339,502
Training expenses	185,444	128,446	147,876	104,975
Asset management fees expense	308	-	277,819	220,936
Information technology and maintenance expenses	538,796	723,836	508,802	627,408
Rental Expense	-	44,186	-	-
Other transactional tax expenses	383,515	186,857	288,371	117,529
	4,203,650	4,067,203	3,979,604	3,661,885

* 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.

** Contract service costs relates to payments made to outsourced personnel (e.g.,transaction officers, technicians, cleaners, creche personnel, security men, and drivers)

41 Finance cost

The ₦132m finance cost in 2022 relates to interest expense on lease liability (2021: ₦74m) while the group figures for 2022 and 2021 primarily relate to interest expense on external Loans.

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Interest expense	275,308	287,707	132,117	74,227
	275,308	**287,707**	**132,117**	**74,227**

42 Income tax expense

	Group Dec-2022	Group Dec-2021	Parent Dec-2022	Parent Dec-2021
Minimum tax				
- Non life	294,455	302,940	294,455	302,940
- Life	209,780	291,060	209,780	291,060
Company income tax				
- AXA Mansard Investments Limited	108,035	46,672	-	-
- APD Limited	214,805	315,089	-	-
- AXA Mansard Health Limited	134,994	941,074	-	-
National Information Technology Development Agency (NITDA)				
- APD Limited	-	-	-	-
- AXA Mansard Health Limited	-	-	-	-
- AXA Mansard Investments limited	4,200	2,901	-	-
- General	33,404	26,401	33,404	26,401
- Life	19,391	3,457	19,391	3,457
	1,019,064	**1,929,594**	**557,030**	**623,858**
Deferred tax				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	(2,662)	15,330	-	-
- APD Limited	(37,798)	87,733	-	-
- AXA Mansard Health Limited	(36,481)	17,150	-	-
	(76,941)	**120,213**	**-**	**-**
Total tax charge for the year	**942,123**	**2,049,807**	**557,030**	**623,858**

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

Effective tax rate reconciliation analysis	**Group Dec-2022**	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Profit before income tax	3,376,863	5,784,971	5,141,137	3,114,551
Tax calculated at domestic rate applicable in Nigeria at 30% (2020:30%)	1,013,059	1,735,492	1,542,341	934,365
Effect of:				
Tax exempt income	(4,698,895)	(4,100,770)	(4,077,819)	(4,000,345)
Expenses not deducted for tax purposes	380,750	580,750	-	-
Effect of unrecognized tax losses	4,136,394	4,237,221	3,195,148	4,237,221
Impact of minimum tax	309,616	66,339	180,239	66,339
Impact of industry tax law	(992,334)	(947,007)	(968,134)	(947,007)
NITDA Levy	99,695	75,805	54,097	30,207
Police Trust Fund Levy	389	256	270	137
Previously recognized deferred tax liability	-	-	-	-
Impact of Dividend tax	594,887	302,940	594,887	302,940
Tertiary education tax	98,781	98,781	-	-
	942,123	2,049,807	557,030	623,858

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-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Profit attributable to equity holders	2,648,682	3,164,858	4,584,107	2,490,693
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)	29	35	51	28
Basic earnings per share (kobo per share); Continued operations	-	-	-	-

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

	Group Dec-2022	**Group Dec-2021**
Issued ordinary shares at 1 January	9,000,000	35,392,179
Effect of treasury shares held	-	(111,476)
Weighted effect of increase in nominal value of shares during the year	-	(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-2022	**Group Dec-2021**	**Parent Dec-2022**	**Parent Dec-2021**
Profit attributable to equity holders	2,648,682	3,164,858	4,584,107	2,490,693
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)	29	35	51	28
Basic earnings per share (kobo per share)	-	-	-	-

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

	Group Dec-2022	Group Dec-2021
Issued ordinary shares at 1 January	9,000,000	35,392,179
Effect of treasury shares held	-	(111,476)
Weighted effect of increase in nominal value of shares during the year	-	(26,280,703)
Weighted-average number of ordinary shares at 31 December	9,000,000	9,000,000

(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-2022	Group Dec 2021	Parent Dec-2022	Parent Dec 2021
	Number	Number	Number	Number
N1,400,001 – N2,050,000	-	-	-	-
N2,050,001 – N2,330,000	-	-	-	-
N3,000,001 – N4,500,000	100	86	51	62
N4,500,001 – N5,950,000	39	43	32	35
N5,950,001 – N6,800,000	18	10	15	5
N6,800,001 – N7,800,000	30	47	19	37
N7,800,001 – N8,600,000	21	39	20	30
N8,600,001 – N11,800,000	39	47	31	35
Above N11,800,000	111	81	87	65
	358	353	255	269

ii. The average number of full time persons employed by the Company during the year was as follow:

	Group Dec-2022	Group Dec 2021	Parent Dec-2022	Parent Dec 2021
	Number	Number	Number	Number
Executive directors	4	4	2	2
Management staff	28	42	22	32
Non management staff	311	311	238	237
	343	357	262	271

(b) Directors' remuneration:

i. Remuneration expensed in respect of the directors was as follows:

	Group Dec-2022	Group Dec 2021	Parent Dec-2022	Parent Dec 2021
Executive compensation	414,288	414,288	254,565	254,565
Directors' fees	671	671	536	536
Other directors expenses	39,728	39,728	30,828	30,828
Defined contribution	11,000	11,000	5,200	5,200
Equity-settled share-based scheme	-	50,901	-	50,901
Cash-settled share-based scheme	194,773	(31,341)	194,773	(31,341)
	660,460	485,247	485,902	310,689

ii. The directors' remuneration shown above (excluding pension contributions) includes:

	Group Dec-2022	Group Dec 2021	Parent Dec-2022	Parent Dec 2021
Chairman	6,782	6,782	6,782	6,782
Highest paid director:				
Executive compensation and pension contribution	71,282	71,282	71,282	71,282
Equity-settled share-based scheme	-	50,901	-	50,901
Cash-settled share-based scheme	-	-	-	-
	71,282	122,183	71,282	122,183

(All amounts in thousands of Naira unless otherwise stated)

iii. The emoluments of all other directors fell within the following range:

	Group Dec-2022	Group Dec 2021	Parent Dec-2022	Parent Dec 2021
	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

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)	2.18	2.07
Share price at grant date (Naira)	0.48	0.48
Exercise price (Naira)	6.00	6.00
Expected volatility (weighted average)	46%	46%
Expected dividends	10.42%	10.42%
Average attrition rate	14%	14%
Risk-free interest rate (based on government treasury bills)	13.09%	13.37%

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.

(All amounts in thousands of Naira unless otherwise stated)

(iii) Reconciliation of outstanding share options

The number and weighted-average prices of share options under the share options plans were as follows:

	Dec 2022		Dec 2021	
	No of options	Weighted-average price (N)	No of options	Weighted-average price (N)
	Numbers (000)		Numbers (000)	
Beginning of year	55,738	-	177,281	-
Options exercised	-		121,543	
Options outstanding at end of year	55,738	-	55,738	-

The weighted average share price for the AXA Mansard Insurance Plc's share as at 31 December 2022 was N2.04 (Dec 2021: N0.88)

(b) Cash settled share based payment- Share Appreciation Rights

(i) In 2015, 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.

(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-2022	Dec-2021
Fair value at grant date (Naira)	2.81	2.81
Share price at grant date (Naira)	0.72	0.72
Exercise price (Naira)	6.00	6.00
Expected volatility (weighted average)	53.79%	53.79%
Expected dividends	4.18%	3.37%
Average attrition rate	15%	13%
Risk-free interest rate (based on government treasury bills)	8.05%	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.

The weighted average share price for the AXA Mansard Insurance Plc's share as at 31 December 2022 was N2.04 (Dec 2021: N0.88)

(All amounts in thousands of Naira unless otherwise stated)

(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-2022	**Dec-2021**
Share price volatility (Historical three year average)	2.34%	1.22%
Threshold performance	0.81	0.81
Stretch performance	1.30	1.30
Total number of shares awarded	6,843	7,976
Exchange rate (EUR/NGN)	492.54	491.58

(d) The total expenses recognised in respect of the share option scheme are as follows:

	Dec-2022	Dec-2021
Equity-settled share-based scheme- Staff	41,497	16,994
Equity-settled share-based scheme- Directors	38,777	50,901
Cash-settled share-based scheme - Staff	110	(5,104)
Cash-settled share-based scheme- Directors	140	(31,341)

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 Meditteranean 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 Plc.

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*

In thousands of Nigerian Naira	Dec-2022	Dec 2021
Loans outstandings as at 1 January	56,872	26,654
Loans issued during the year	35,000	37,000
Loans repayment during the year	(10,462)	(6,782)
Loan outstanding, end of year	81,410	56,872

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 (2021: Nil).

(ii) *Loans and advances to subsidiaries*

In thousands of Nigerian Naira	Dec-2022	Dec 2021
Loans outstanding as at 1 January	-	-
Net loans and advances issued during the year	-	-
Loans repayment during the year	-	-
Balance, end of year	-	-

(b) ***Intercompany balances***

In thousands of Nigerian Naira	Dec-2022	Dec 2021
Intercompany (payables)/receivables	4,036,258	2,425,274

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

In thousands of Nigerian Naira	Dec-2022	Dec 2021
Interest income earned on intercompany loans	-	-
Asset management fees	(277,819)	(220,936)
Interest income on lease receivables	-	-
Key management personnel		
Directors' remuneration *(See note (44(b) for details)*	(660,460)	(485,247)

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 Cashflow workings

		Group Dec-22	Parent Dec-22
a	**Cash premium received**		
	Opening premium receivables -gross (note 10)	7,013,359	1,196,453
	Gross premium income for the year (note 30)	68,980,045	41,232,119
	Premium received in 2021 with respect to 2022 policies (note 22)	(2,327,761)	(2,327,761)
	Closing balance of premium receivables- gross (note 10)	(7,791,783)	(454,081)
		65,873,860	**39,646,730**
	Changes in impairment		
	Opening impairment	(171,854)	(29,117)
	Closing impairment	(427,604)	(184,867)
	Changes in impairment during the year	(255,750)	(155,750)
	Cash premiums received	**65,618,110**	**39,490,980**
b	**Cash paid as reinsurance premium**		
	Opening balance of reinsurance payables (note 22)	1,124,311	1,124,311
	Opening balance of coinsurance payable (note 22)	1,062,069	1,062,069
	Reinsurance expenses (see note 30)	23,310,350	23,041,126
	Closing balance of reinsurance payables (note 22)	(1,583,222)	(1,583,222)
	Closing balance of coinsurance payables (note 22)	(431,131)	(431,131)
	Cash paid to reinsurers during the year	**23,482,377**	**23,213,153**
c	**Fee income received**		
	Closing deferred commission income (note 23)	272,689	272,689
	Commission income during the year (note 31)	2,397,298	2,397,298
	Opening deferred commission income (note 23)	(295,895)	(295,895)
	Fee/commission income received during the year	**2,374,092**	**2,374,092**
g	**Cash received from reinsurers on recoveries for claims paid**		
	Opening re-insurers receivables on claims paid (note 11)	1,509,789	1,381,879
	Re insurers recoveries recognised during the year (see revenue account for non life business)	4,943,058	4,784,095
	Re insurers recoveries recognised during the year (see revenue account for Life businesses)	-	-
	Closing re-insurers receivables on claims paid (note 11)	(1,247,410)	(1,169,800)
	Cash received from re insurers on recoveries for claims paid	**5,205,437**	**4,996,174**
h	**Cash received from coinsurers on recoveries for claims paid**		
	Opening co-insurers receivables (note 10)	1,057,709	1,057,709
	Co insurers recoveries recognised during the year (see revenue account for non life business)	55,340	55,340
	Co insurers recoveries recognised during the year (see revenue account for life business)	-	-
	Closing co-insurers receivables (note 10)	(318,738)	(318,738)
	Cash received from/(paid to) co insurers on claims paid	**794,311**	**794,311**

i	**Underwriting expenses paid**		
	Opening balance due to agents and brokers (note 22)	4,574,061	4,221,962
	Additions to acquisition costs (refer to Note 33)	3,675,073	3,733,701
	Maintenance costs paid (refer to note 33)	1,770,250	874,779
	Closing balance due to agents and brokers (note 22)	(6,186,176)	(6,110,990)
	Underwriting expenses paid	**5,445,323**	**4,608,480**
j	**Employee benefits paid (refer to note 39)**		
	Wages and salaries paid	4,000,586	1,804,653
	Other employee costs paid	187,885	132,950
	Pension costs – defined contribution plans paid	103,265	77,447
	Performance-based expense paid (see k below)	658,318	503,153
		4,950,053	**2,518,203**
k	*Performance-based expense paid:*		
	Opening balance of accrued performance related expenses	552,709	450,454
	Performance pay accrued for during the year	527,470	478,061
	Closing balance of accrued performance related expenses	(421,861)	(425,362)
	Performance-based expense paid	**658,318**	**503,153**
l	**Other operating expenses paid**		
	Opening provision for accrued expenses excluding accrued performance related expenses	2,959,942	1,246,223
	Opening Prepayment (Prepayment in note 13)	988,149	522,838
	Total other operating expenses less depreciation (note 40)	3,142,617	3,097,238
	Expenses for marketing and admin (note 38)	1,656,757	1,896,204
	Closing provision for accrued expenses excl perf pay(Creditors and accruals in note 23)	(2,079,694)	(1,846,512)
	Closing Prepayment (Prepayment in note 13)	(1,451,168)	(746,790)
	Total cash paid	**5,216,603**	**4,169,201**
m	**Dividend received**		
	Opening Balance of Accrued income (note 13)	420,375	227,428
	Dividend recognised during the year (note 34)	1,625,343	3,329,820
	Closing Balance of Accrued income (note 13)	(11,393)	(1,399,775)
		2,034,325	**2,157,473**
n	**Investment Income Received**		
	Opening Balance (Accrued interest income)	751,649	843,067
	Inv Income recognised during the year (note 34)	3,423,251	3,143,809
	Closing Balance (Accrued interest income)	(318,564)	(177,344)
		3,856,336	**3,809,532**
o	**Rent Received**		
	Opening deferred income	278,841	
	Rental income (note 34)	872,629	
	Closing Deferred income	(199,476)	
		951,994	
p	**Dividend Paid**		
	2021 final dividend paid	(2,250,000)	(2,250,000)
	2022 interim dividend paid	(540,000)	(540,000)
		(2,250,000)	**(2,250,000)**

48 Contraventions

There were no contraventions leading to a penalty payment during the year.

AXA Mansard Insurance Plc and Subsidiary Companies

Other National Disclosures

APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (LIFE))

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	December 2020 TOTAL	December 2019 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	4,809,434	2,657,199	-	**7,466,633**	**7,935,590**
Less Unexpired Risks Provision	(110,430)	-	-	**(110,430)**	**21,926**
	4,699,004	2,657,199	-	7,356,203	7,957,516
Less Reinsurance Premium					
Local Facultative Premium	(672,347)	(22,285)	-	(694,632)	(1,716,313)
Ri share of Insurance Liabilities	(126,288)	24,273	-	(102,015)	(74,078)
Reinsurance Treaty Premium	(157,522)	(24,419)	-	(181,941)	(448,538)
Net Premium	**3,742,847**	**2,634,768**	**-**	**6,377,615**	**5,718,587**
Add commission received					
Direct business commission	11,274	(23)	-	11,251	15,116
Local Facultative	111,856	2,780	-	114,636	233,949
Reinsurance treaty	35,906	5,534	-	41,440	129,509
Investment Income	460,793	199,633	396,411	1,056,838	1,316,411
	619,829	207,925	396,411	1,224,165	1,694,985
Total income	**4,362,676**	**2,842,693**	**396,411**	**7,601,780**	**7,413,572**
Expenses					
Claims paid	1,751,988	3,453,390	288,393	5,493,771	2,469,305
Surrenders	-	254,702	-	254,702	211,576
Outstanding Claims	1,553,133	-	-	1,553,133	258,049
IBNR OS	(70,657)	-	-	(70,657)	380,958
Gross claims incurred	3,234,464	3,708,092	288,393	7,230,949	3,319,888
Reinsurance claims recovered	-	-	-	-	(28,621)
Co insurance claims recovered	(349,338)	(107,276)	-	(456,614)	(390,722)
RI Claims Recoverable	84,397	-	-	84,397	131,938
RI Share of IBNR	70,657	-	-	70,657	(82,416)
Net claims incurred	**3,040,180**	**3,600,816**	**288,393**	**6,929,389**	**2,950,067**
Acquisition expenses (commission expenses)	374,495	223,041	-	597,536	703,314
Other acquisition costs	69,990	82,434	-	152,424	105,619
Maintenance cost	103,149	198,079	-	301,228	46,289
Transfer to life fund	-	991,112	876,379	1,867,491	1,066,007
Total expenses	3,587,814	5,095,482	1,164,772	9,848,068	4,871,296
Underwriting profit	**774,862**	**(2,252,789)**	**(768,361)**	**(2,246,288)**	**2,542,276**

APPENDIX 1 A (FIVE YEAR FINANCIAL SUMMARY)
(All amounts in thousands of Naira unless otherwise stated)
Group

STATEMENT OF FINANCIAL POSITION	**Dec-22 N' 000**	**Dec-21 N' 000**	**Dec-20 N' 000**
ASSETS			
Cash and cash equivalents	13,469,877	17,343,344	20,251,719
Investment securities			
– At fair value through profit or loss	3,386,475	3,653,526	5,407,073
– Available-for-sale	40,078,903	35,107,536	31,102,632
– Held-to-maturity	-	-	-
Financial assets designated at fair value	2,505,441	4,374,805	4,485,246
Pledged assets	-	-	-
Trade receivables	7,791,783	7,013,359	6,668,899
Reinsurance assets	12,010,140	11,172,348	6,499,653
Other receivables	3,507,639	3,929,886	1,286,603
Deferred acquisition cost	862,218	752,954	415,717
Loans and receivables	3,773,985	1,655,085	470,272
Investment property	14,009,209	14,560,934	13,694,760
Intangible assets	445,595	400,647	330,017
Property and equipment	3,099,565	2,802,458	2,428,288
Right of use	783,504	797,757	898,841
Statutory deposit	500,000	500,000	500,000
TOTAL ASSETS	**106,224,334**	**104,064,639**	**94,439,720**
LIABILITIES			
Insurance liabilities	44,816,609	36,928,441	29,597,844
Investment contract liabilities:			
– At amortised cost	4,211,201	6,868,168	5,153,521
Financial liabilities designated at fair value	2,505,441	4,374,805	4,485,246
Borrowing	2,180,878	2,454,143	2,994,361
Trade payables	13,818,487	11,638,229	9,111,737
Other payables	3,604,878	4,513,072	2,936,095
Current income tax liabilities	1,129,928	1,962,020	1,648,795
Deferred income tax	855,631	932,573	818,666
TOTAL LIABILITIES	**73,123,053**	**69,671,451**	**56,746,265**
EQUITY			
Paid up share capital	18,000,000	18,000,000	18,000,000
Share premium	78,255	78,255	-
Contingency reserve	5,118,869	4,816,716	4,345,125
Other reserves	-	-	167,381
Treasury shares	(111,476)	(111,476)	(304,924)
Retained earnings	6,907,660	7,351,131	6,470,482
Fair value reserves	(998,976)	(62,329)	5,264,806
SHAREHOLDERS' FUNDS	**28,994,332**	**30,072,297**	**33,942,870**
Total equity attributable to the owners of the parent	28,994,332	30,072,297	33,942,870
Non-controlling interests in equity	4,106,949	4,320,891	3,750,585
TOTAL EQUITY	**33,101,281**	**34,393,188**	**37,693,455**
TOTAL LIABILITIES AND EQUITY	**106,224,334**	**104,064,639**	**94,439,720**

STATEMENT OF COMPREHENSIVE INCOME

	Dec-22 N' 000	**Dec-21 N' 000**	**Dec-20 N' 000**
Gross premium written	68,980,045	60,197,851	47,583,434
Gross premium earned	69,445,472	55,722,892	45,519,867
Profit before taxation	3,376,863	5,784,971	6,038,755
Taxation	(942,123)	(2,049,807)	(1,537,671)
Profit after taxation	2,434,740	3,735,164	4,540,337
Transfer to contingency reserve	302,153	471,591	74,667
Earnings per share- Basic (kobo)	29.43	35.17	13.59
Earnings per share- Diluted (kobo)	29.43	35.17	13.59

APPENDIX 1 B (FIVE YEAR FINANCIAL SUMMARY)
(All amounts in thousands of Naira unless otherwise stated)

Parent

	Dec-22 N' 000	Dec-21 N' 000	Dec-20 N' 000	Dec-19 N' 000	Dec-18 N' 000
ASSETS					
Cash and cash equivalents	11,107,664	14,227,012	16,575,948	16,133,274	4,218,348
Financial assets					
– At fair value through profit or loss	3,386,475	3,653,526	5,407,073	5,302,005	3,266,048
– Available-for-sale	37,940,243	30,864,575	27,764,440	22,032,646	17,888,088
– Financial assets designated at fair value	2,505,441	4,374,805	4,485,246	4,154,695	3,073,457
– Held-to-maturity	-	-	-	-	-
Loans and receivables	4,229,583	2,666,458	1,014,377	882,168	323,287
Pledged assets	-	-	-	-	-
Trade receivables	454,081	1,196,453	1,043,004	1,224,373	572,586
Reinsurance assets	11,833,731	10,870,972	6,327,265	8,895,612	12,504,524
Other receivables	2,945,247	2,981,536	726,911	801,891	779,072
Deferred acquisition cost	514,011	620,749	346,212	321,055	415,213
Investment in subsidiaries	1,652,000	1,652,000	1,652,000	3,537,247	4,997,374
Intangible assets	391,201	354,896	305,443	215,450	190,086
Property and equipment	2,717,465	2,404,365	2,154,801	1,784,543	1,667,654
Investment Property	-	-	-	1,350,000	3,040,000
Right of Use	672,176	654,074	722,803	462,082	
Statutory deposit	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	**80,849,318**	**77,021,421**	**69,025,523**	**67,597,041**	**53,435,737**
LIABILITIES					
Insurance liabilities	30,806,643	25,594,713	19,550,486	17,491,746	16,964,677
Investment contract liabilities:					
– At amortised cost	4,211,201	6,868,168	5,153,521	4,275,765	3,691,424
Financial liabilities designated at fair value	2,505,441	4,374,805	4,485,246	4,154,695	3,073,457
Trade payables	13,743,301	11,286,130	8,947,445	16,478,545	11,108,223
Other liabilities	2,740,547	3,141,233	1,393,590	1,894,835	1,572,156
Current income tax liabilities	674,215	645,958	125,911	203,650	257,967
TOTAL LIABILITIES	**54,681,348**	**51,911,007**	**39,656,199**	**44,499,236**	**36,667,904**
EQUITY					
Paid up share capital	18,000,000	18,000,000	18,000,000	5,250,000	5,250,000
Share premium	78,255	78,255	-	4,443,453	4,443,453
Contingency reserve	5,118,869	4,816,716	4,345,125	4,270,458	4,139,090
Other reserves	-	-	167,381	2,652,077	2,634,904
Treasury shares	(111,476)	(111,476)	(304,924)	(304,924)	(304,924)
Retained earnings	3,827,637	2,335,683	2,129,200	5,863,179	1,155,216
Fair value reserves	(745,315)	(8,764)	5,032,542	923,562	(549,906)
SHAREHOLDERS' FUNDS	**26,167,970**	**25,110,414**	**29,369,324**	**23,097,805**	**16,767,833**
Total equity attributable to the owners of the parent	26,167,970	25,110,414	29,369,324	23,097,805	16,767,833
TOTAL EQUITY	**26,167,970**	**25,110,414**	**29,369,324**	**23,097,805**	**16,767,833**
TOTAL LIABILITIES AND EQUITY	**80,849,318**	**77,021,421**	**69,025,523**	**67,597,041**	**53,435,737**

STATEMENT OF COMPREHENSIVE INCOME

	Dec-22 N' 000	Dec-21 N' 000	Dec-20 N' 000	Dec-19 N' 000	Dec-18 N' 000
Gross premium written	41,232,119	37,546,391	27,547,903	28,014,854	23,026,817
Gross premium earned	43,555,438	34,054,988	27,069,133	27,867,055	23,296,043
Profit before taxation	5,141,137	3,114,551	2,553,366	4,978,919	1,828,263
Taxation	(557,030)	(623,858)	(80,111)	(139,589)	(207,047)
Profit after taxation	4,584,107	2,490,693	2,473,255	4,839,330	1,621,216
Transfer to contingency reserve	302,153	471,591	74,667	131,368	523,639
Earnings per share (kobo)	50.93	27.67	6.99	16.69	15.71

AXA MANSARD INSURANCE PLC
APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))

for the year ended 31 December 2022

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	December 2022 =N=000	December 2021 =N=000
REVENUE									
Gross written premium	4,080,208	2,372,034	2,820,814	733,398	608,903	14,722,859	2,066,439	27,404,655	28,295,117
Add Reinsurance Inward Premium	16,583	1,488	1,229	3,630	-	-	1,045	23,975	14,711
	4,096,791	2,373,522	2,822,043	737,028	608,903	14,722,859	2,067,484	27,428,630	28,309,828
Less Unexpired Risks Provision	1,739	(143,196)	8,092	80,953	528,348	1,716,815	39,941	2,232,692	(3,251,102)
Gross Premium Earned	4,098,530	2,230,326	2,830,135	817,981	1,137,251	16,439,674	2,107,425	29,661,322	25,058,726
Less Reinsurance Cost									
Local Facultative Premium	(1,755,110)	(197,230)	(3,965)	(75,270)	(42,859)	(12,131,664)	(1,651,698)	(15,857,796)	(16,979,978)
Prepaid Reinsurance	(132,489)	16,286	(273)	(86,747)	(551,063)	(1,681,611)	(42,407)	(2,478,304)	2,815,790
Reinsurance Treaty Premium	(897,289)	(46,427)	(62,670)	(235,347)	(310,676)	(1,392,094)	(147,491)	(3,091,994)	(2,954,024)
Net Premium	**(2,784,888)**	**(227,371)**	**(66,908)**	**(397,364)**	**(904,598)**	**(15,205,369)**	**(1,841,597)**	**(21,428,095)**	**(17,118,212)**
Net Earned Premium	**1,313,642**	**2,002,955**	**2,763,227**	**420,617**	**232,653**	**1,234,305**	**265,829**	**8,233,228**	**7,940,513**
Add Commission Received									
Direct Business Commission	20,641	-	-	506	117	586,140	50,081	657,485	564,685
Local Facultative Comm	342,305	7,783	631	14,976	11,064	296,433	18,879	692,071	550,332
Reinsurance Treaty Comm	250,175	-	-	98,619	93,069	221,058	-	662,921	599,415
Deferred Comm. Income	(10,650)	(4,057)	43	6,953	(11,733)	41,602	1,049	23,207	(86,016)
Investment income	107,488	163,890	226,099	34,417	19,037	100,996	21,751	673,678	553,172
	709,959	167,616	226,773	155,471	111,554	1,246,229	91,760	2,709,362	2,181,589
Total Income	**2,023,601**	**2,170,571**	**2,990,000**	**576,088**	**344,207**	**2,480,534**	**357,588**	**10,942,589**	**10,122,102**
Expenses									
Claims Paid	1,242,210	330,330	1,188,650	23,461	342,401	101,972	24,108	3,253,132	6,614,472
Outstanding Claims	(1,035,756)	161,888	42,962	294,886	(15,333)	4,395,380	110,270	3,954,297	120,937
IBNR OS	1,070,762	(61,899)	(50,211)	64,310	87,294	(1,191,764)	7,246	(74,262)	989,644
Gross Claims	1,277,216	430,319	1,181,402	382,657	414,361	3,305,589	141,625	7,133,167	7,725,052
Treaty Claims Recovered	322,944	-	15,382	3,144	137,381	3,719	-	482,570	608,793
Facultative Claims Recovered	121,654	23,978	848	3,199	-	31,828	-	181,507	2,023,343
Co-insurers Claims Recovered	55,261	-	-	79	-	-	-	55,340	66,720
Ri Claim Recoverable	(747,351)	3,118	55,717	135,783	(15,393)	4,208,186	(6,471)	3,633,589	477,326
IBNR Recoverable	273,560	(18,066)	(4,557)	20,457	33,246	(535,190)	208	(230,342)	548,441
Total Claims Recovered/Recoverable	26,068	9,030	67,390	162,662	155,234	3,708,543	(6,263)	4,122,664	3,724,623
Net claims Incurred	**1,251,147**	**421,289**	**1,114,012**	**219,995**	**259,127**	**(402,955)**	**147,887**	**3,010,503**	**4,000,429**
Underwriting Expenses (commission expenses)	708,477	339,925	216,282	128,450	113,128	446,110	174,511	2,126,883	2,249,915
Deferred Acquisition Cost (Comm)	8,753	(20,076)	333	14,543	107,087	(5,822)	1,921	106,739	(274,537)
Other acquisition Cost	66,256	13,541	130,800	61,614	1,656	164	-	274,031	311,651
Maintenance Costs	192,156	88,951	80,132	24,379	60,285	154,462	22,140	622,505	400,727
Total underwriting expenses	**975,642**	**422,341**	**427,548**	**228,986**	**282,156**	**594,914**	**198,572**	**3,130,159**	**2,687,756**
Underwriting Profit	**(203,188)**	**1,326,942**	**1,448,440**	**127,107**	**(197,076)**	**2,288,575**	**11,129**	**4,801,928**	**3,433,917**

AXA MANSARD INSURANCE PLC

APPENDIX 4 (SUMMARISED REVENUE ACCOUNTS (LIFE BUSINESS))

for the year ended 31 December 2022

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	December 2022 TOTAL	December 2021 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	7,267,130	6,536,358	-	13,803,488	9,236,563
Less Unexpired Risks Provision	90,629	-	-	90,629	(240,301)
	7,357,759	6,536,358	-	13,894,117	8,996,262
Less Reinsurance Premium					
Local Facultative Premium	(1,104,343)	(13,209)	-	(1,117,552)	(1,012,183)
Ri share of Insurance Liabilities	18,224	(9,233)	-	8,991	(8,078)
Reinsurance Treaty Premium	(471,622)	(32,848)	-	(504,470)	(179,723)
Net Premium	**5,800,018**	**6,481,068**	**-**	**12,281,086**	**7,796,278**
Add commission received					
Direct business commission	14	36	-	50	661
Local Facultative	197,606	1,919	-	199,525	177,035
Reinsurance treaty	154,938	7,103	-	162,041	54,456
Investment Income	291,021	325,193	488,532	1,104,747	798,865
	643,579	334,251	488,532	1,466,362	1,031,016
Total income	**6,443,597**	**6,815,319**	**488,532**	**13,747,448**	**8,827,294**
Expenses					
Claims paid	1,751,988	3,239,944	288,393	5,280,325	2,995,453
Surrenders	-	213,445	-	213,445	449,193
Outstanding Claims	1,553,132	-	-	1,553,132	41,357
IBNR OS	448,335	-	-	448,335	577,842
Gross claims incurred	3,753,456	3,453,390	288,393	7,495,238	4,063,845
Reinsurance claims recovered	(277)	-	-	(277)	(16,959)
Co insurance claims recovered	(410,249)	(10,000)	-	(420,249)	(484,678)
RI Claims Recoverable	(118,932)	-	-	(118,932)	(67,186)
RI Share of IBNR	(121,973)	-	-	(121,973)	(70,657)
Net claims incurred	**3,102,025**	**3,443,390**	**288,393**	**6,833,808**	**3,424,365**
Acquisition expenses (commission expenses)	602,777	188,720	-	791,497	721,603
Other acquisition costs	183,446	158,402	-	341,848	304,626
Maintenance cost	121,386	116,855	-	238,241	288,734
Transfer to life fund	-	1,823,910	(170,162)	1,653,749	681,533
Total expenses	4,009,634	5,731,277	118,231	9,859,143	5,420,861
Underwriting profit	**2,433,963**	**1,084,042**	**370,301**	**3,888,305**	**3,406,433**

APPENDIX 5 (ANNUITY DISCLOSURES)
STATEMENT OF ASSETS AND LIABILITIES

ASSETS				**N'000**	**N'000**
Cash balances	**Counterparty**				**Carrying amount**
	GTBank Plc	**Bank balance**			32,172.87
Short term deposits	**Counterparties**	**Interest rate**	**Maturity date**		**Carrying amount**
	Access Bank		09/05/2023		133,531
					133,531
Equity	**Issuer**			**Purchase Cost**	**Market Value**
	ZENITHBA NL Equity			7,582	7,200
	UPDC NL Equity			99	21
	UBA NL Equity			12,983	10,985
	UACN NL Equity			1,851	1,025
	TOTAL NL Equity			3,602	3,860
	STANBICIBTC NL EQUITY			646	1,840
	STANBIC NL Equity			1,439	4,014
	GUARANTY NL Equity			3,429	3,450
	FLOURMIL NL Equity			11,149	9,940
	DANGSUGA NL Equity			2,847	7,139
	DANGCEM NL Equity			17,318	24,165
				62,944	**73,639**
Bonds	**Description**	**Coupon rate**	**Maturity date**	**Amortised cost**	**Fair value**
	16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037	16.25%	18/04/2037	305,818	338,817
	16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037	16.25%	18/04/2037	102,415	112,939
	12.98% NGN FEDERAL BANK OF NIGERIA BOND 27-03-2050	12.98%	27/03/2050	198,000	192,564
	12.50% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 27-03-2035	12.50%	27/03/2035	103,300	97,355
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	26,250	29,096
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	8,465	8,729
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	54,400	52,761
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	76,450	96,987
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	17,500	19,979
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	18/07/2034	580,613	579,845
	9.800% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 24-07-2045	9.80%	24/07/2045	74,970	73,790
	16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037	16.25%	18/04/2037	120,100	112,939
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	26/04/2049	204,147	211,863
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	26/04/2049	200,000	211,863
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	26/04/2049	500,000	529,659
	14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049	14.80%	26/04/2049	103,580	105,932
	12.50% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 27-03-2035	12.50%	27/03/2035	351,115	292,065
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	19,210	19,979
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	48,646	50,433
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	2,476	2,910
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	25,113	26,187
	12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036	12.40%	18/03/2036	88,850	96,987
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	18/07/2034	92,050	99,119
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	18/07/2034	91,000	99,119
	12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034	12.15%	18/07/2034	92,050	99,119
				3,486,516	**3,561,035**
TOTAL ASSETS					**3,800,378**
LIABILITIES					
Annuity Reserves					**1,984,932**