AXA Mansard Insurance plc and Subsidiary Companies
Consolidated Financial Statements

for the period ended 30 September 2016

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 Management accounts for the period ended 30 September 2016 that:

We have reviewed the report;

(b) To the best of our knowledge, the report 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 as of, and for the year 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 present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

We have disclosed to the auditors of the company and audit committee:

(i) All significant deficiency 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 role 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. Rashidat Adebisi	**Mrs. Yetunde Ilori**
FRC/2012/ICAN/00000000497	FRC/2012/CIIN/00000000344
Chief Financial Officer	Chief Executive Officer

1 General information
For the period ended 30 September 2016

Reporting entity

AXA Mansard Insurance Plc ('the Company') and its subsidiaries (together 'the Group') underwrite life and non-life insurance contracts. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs as well as provide pension administration and management services to its customers. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria and employs over 200 people.

The Company is a public limited company incorporated and domiciled in Nigeria. The address of its registered office is:
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
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS. Additional information required by national regulations has been included where appropriate.

The consolidated financial statements comprises of the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statements of changes in equity, the consolidated statement of cash flows and the notes.

(a) Basis of measurement

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

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

(b) Use of estimates and judgements

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

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

2.1.1 Changes in accounting policy and disclosures

(a) Changes in accounting policies/ material reclassifications

In line with the ultimate parent company's policy on financial assets, AXA Mansard Group reclassified all financial assets previously carried at fair value through profit or loss and held to maturity as available for sale instruments.

(b) New Standards and Amendments adopted by the Group

There are no new IFRSs and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that would be expected to have an impact on the Consolidated financial statements.

(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 after 1 January 2016 and earlier application permitted; however, the group has not early applied the following new or amended standards in preparing these consolidated financial statements:

New or amended standards	Summary of the requirements	Possible impact on Consolidated financial statements
IFRS 9 Financial instruments	IFRS 9 published in July 2014, replaces the existing guidance in IAS 39 Financial instruments :Recognition and measurement. IFRS 9 includes revised guidance on the reclassification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirments. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.
IFRS 15 Revenue on contracts with customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customers loyalty programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2015 with early adoption permitted.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.
Agriculture:Bearer plants (Amendments to IAS 16 and IAS 41)	These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 Property	IAS 39 has been amended to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a Central Counterparty (CCP) meets specified criteria. According to the amendments, there will be no expiration or termination of the hedging instrument if: (1) as a consequence of laws or regulations, the parties to the hedging instrument agree that a CCP, or an entity (or entities) acting as a counterparty in order to effect clearing by a CCP ("the clearing counterparty), replaces their original counterparty; and (2) other changes, if any, to the hedging instrument are limited to those that are necessary to effect such replacement of the counterparty. These changes include changes in the contractual collateral requirements, rights to offset receivables and payables balances and charges levied.

IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2018)

IFRS 9 introduces new requirements for the classification and measurement of financial assets, impairment methodology and hedge accounting.

IFRS 9 "financial instruments" addresses the classification, measurement and recognition of financial assets and liabilities. This standard replaces guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cashflow characteristics of the financial assets. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Comtempaneous documentation is still required but is different from that currently prepared under IAS 39.The group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2018)

This new standard replaces the exisiting IAS 18, 'Revenue' and establishes the principle that an entity shall; apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cashflows arising from a contract with a customer. The standard's principle considers a five-step model framework which entails (1) identifying the contract with a customer (2) identify the performance obligations of the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, (5) recognise revenue when (as the) the entity satisfies a performance obligation.

The group is considering the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

(d) New and amended standards and interpretations with no impact on the consolidated financial statements

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

- IFRS 14 Regulatory deferral Accounts
- Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38)
- Equity method in separate financial statements (Amendments to IAS 27)
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)
- Annual improvements to IFRSs 2012-2014
- Investments entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure initiative (Amendments to IAS 1)

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Significant accounting policies

Except for the effect of the changes explained in note 2 above, the group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Consolidation

The Group 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 the principle of control in 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.

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities and other structured entities) over which the group exercises control.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. Subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(ii) Business combinations

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

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

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.

(iii) Changes in ownership interests in subsidiaries without change in controls

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. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) 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.

(iv) Special Purpose Vehicle (SPVs)

Special purpose vehicle are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of specific borrowings or lending transactions or the provision of certain benefits to employee. The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

(b) Segment reporting

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.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in thousands of Naira (NGN) which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 (investment property) in a foreign currency that are measured at fair value are translated using the closing rate as at the reporting date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Foreign exchange gains and losses are presented in the income statement within 'Net losses/gains on financial instruments'.

In the case of changes in the fair value of monetary assets denominated in foreign currency 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 held at fair value through profit and loss are recognised in the income statement as part of net gain/loss on financial assets. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

(iii) Group companies

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

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

(d) Financial assets

The Group classifies its financial assets into the following categories: fair value through profit and loss, loans and receivables, held-to-maturity and available-for-sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. In line with the Insurance Act of 2003 Section 26 (1c), the financial assets of insurance and investment contracts have been kept separately to meet obligations as at when due.

1. Classification

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

(a) 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.

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

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

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and

- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

(ii) Loans and receivables

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

- those that the Group intends to sell in the short term which are declassified as fair value through profit or loss and those that the group upon initial recognition designates as at 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 are reported within trade receivables, reinsurance assets and other receivables (financial assets).

(a) 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.

(b) Reinsurance assets

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

(c) 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 material.

(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.

Interests on held-to-maturity investments are included in the consolidated income statement and are reported as 'Interest and similar 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 income statement 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.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Recognition and measurement

Regular-way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value, plus transaction costs 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 the income statement.

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.

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

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

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

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

3 Determination of fair value

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 company 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 vaue 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 note 4.5.

4 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.

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.

5 Impairment of 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 recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 the income statement. 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 the income statement.

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.

(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 income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

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 income statement.

6 Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets (held-for-trading, held to maturity or available for sale) to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. There were no pledged assets for the period under review.

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.

7 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.

(e) Investment property

Property held for long-term rental yields that is not occupied by the companies in the Group is classified as investment property.

Investment property comprises freehold land and buildings. 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. Investment property under construction that is being developed for continuing use as investment property are measured at cost.

Changes in fair values are recorded in the income statement. Property located on land that is held under an operating 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 property denominated in foreign currencies are translated to the reporting currency using the closing exchange rate at the reporting date.

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 the income statement. 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.

Properties could have dual purposes whereby part of the property is used for own use 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. The group considers 10% of the lettable space occupied by the owner as insignificant.

(f) Intangible assets

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

(i) Computer software

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

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

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

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.

Computer software development costs recognised as assets are amortised over their useful lives, which does not exceed five years.

(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 contigent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is montiored for internal management purposes. Goodwill is monitored at the operarting segement level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairement.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 impairements is recognised immediately as an expense and is not subsequently reversed.

(g) Property and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement 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 to the residual values over the estimated useful lives as follows.

-Buildings	50 years
-Vehicles	2-5 years
-Furniture and fittings and equipment	3-8 years
-Computer equipment	3-5 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included within other income in the income statement.

(h) Impairment of other non-financial assets

Assets that have an indefinite useful life – for example, land are not subject to amortisation and are tested annually for impairment. 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(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.

(a) Types of Insurance Contracts

The group classify 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 dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

(ii) Life insurance contracts

These contracts insure events associated with human life (for example, death or survival). These are divided into the individual life, group life and Annuity contracts.

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

-*Annuity contracts*

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

(b) 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. Non-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 dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

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

(ii) Life insurance contracts premium and claims

Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission. Annuity 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 income statement as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

(iv) Salvages

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

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

(v) Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized 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 recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss account in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the income statement of the group.

(l) Technical reserves

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

(a) General insurance contracts

Reserves for unearned premium

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

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 recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR).

(b) 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.

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

(a) *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. In this case, the fee is deferred until the draw-down 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 as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 month 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 takes 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 recognized as an expense in the period in which they are incurred.

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

(b) *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.

(c) *Financial guarantee contracts*

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

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

(n) Provisions

Provisions for restructuring costs and legal claims 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. Restructuring provisions comprise lease termination penalties and employee termination payments. 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 and deferred tax. Tax is recognised in the income statement, 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 taxes 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 re-measurement 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

(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) ***Repurchase and re-issue of ordinary shares (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.

(iii) ***Equity-linked compensation plans***

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 expcted to vest based on the non market and service conditions. It recognises the impact of the revision to initial estimates, if any, in the income statement 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.

(iv) **Contingency reserves**

(a) Non-life business

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

(b) Life business

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

(v) **Dividends**

Dividends 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 recognized as equity in the financial statements in the period in which the dividend is approved by the Company’s shareholders.

(q) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period 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. Refer to accounting policy on insurance contracts for details of premium revenue. Other revenue classes are recognised as follows:

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

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

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

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

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

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

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

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

(e) Net fair value gain on non financial assets

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

(s) Changes in life fund estimates

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

(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, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognized in the income statement 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 10.5% each of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2014. The Group pays contributions to pension fund administrator 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 base payment expense

(i) Equity-settled share based payments

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 recognized as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized in profit or loss.

Consolidated Statement of Financial Position

As at 30 September 2016

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 30-Sep-16	Group 31-Dec-15	Parent 30-Sep-16	Parent 31-Dec-15
ASSETS					
Cash and cash equivalents	4	2,161,942	6,461,385	1,485,587	5,648,247
Investment securities					
– Available-for-sale	5.1	20,646,872	16,333,844	17,350,092	13,973,365
– Financial assets designated at fair value	5.2	6,638,156	7,657,492	4,469,788	4,130,895
Trade receivables	6	1,558,640	686,163	732,871	315,359
Reinsurance assets	7	7,518,110	5,055,844	7,477,235	5,033,551
Other receivables	8	816,599	883,383	467,835	493,179
Deferred acquisition cost	9	615,752	578,744	607,678	570,875
Loans and receivables	14	193,565	183,484	1,563,749	1,520,068
Investment property	11	13,088,040	9,205,350	-	-
Investment in subsidiaries	12	-	-	3,919,573	3,919,573
Intangible assets	13	1,732,846	1,728,514	257,928	239,493
Property and equipment	14	1,769,936	1,932,823	1,472,424	1,575,469
Statutory deposit	15	500,000	500,000	500,000	500,000
TOTAL ASSETS		**57,240,458**	**51,207,026**	**40,304,760**	**37,920,074**
LIABILITIES					
Insurance liabilities	16	15,943,247	12,916,775	14,372,983	12,293,840
Investment contract liabilities:					
– At amortised cost	17.1	2,642,615	2,656,066	2,642,614	2,656,066
– Financial liabilities designated at fair value	17.2	6,638,156	7,657,492	4,469,788	4,130,895
Trade payables	18	2,513,058	1,641,070	2,498,155	1,639,272
Other liabilities	19	2,429,730	2,198,905	1,418,000	1,533,273
Current income tax liabilities	20	174,495	202,653	111,151	144,205
Borrowings	21	5,106,214	4,028,230	-	-
Deferred tax liability	22	771,789	286,941	91,381	125,362
TOTAL LIABILITIES		**36,219,304**	**31,588,132**	**25,604,072**	**22,522,913**
EQUITY					
Share capital	23.1	5,250,000	5,250,000	5,250,000	5,250,000
Share premium	23.2	4,443,453	4,443,453	4,443,453	4,443,453
Contingency reserve	23.3	3,091,144	2,722,013	3,091,144	2,722,013
Other reserves	23.4	2,580,920	2,547,607	2,557,614	2,532,978
Treasury shares	23.5	(304,924)	(304,924)	(304,924)	(304,924)
Fair value reserves	23.6	(529,295)	935,054	(554,593)	851,929
Retained earnings	23.7	3,406,325	1,820,069	217,994	(98,288)
SHAREHOLDERS' FUNDS		**17,937,623**	**17,413,272**	**14,700,688**	**15,397,161**
Total equity attributable to the owners of the parent		17,937,623	17,413,272	14,700,688	15,397,161
Non-controlling interest in equity	24	3,083,530	2,205,622	-	-
TOTAL EQUITY		**21,021,153**	**19,618,894**	**14,700,688**	**15,397,161**
TOTAL LIABILITIES AND EQUITY		**57,240,458**	**51,207,026**	**40,304,760**	**37,920,074**

Consolidated Statement of Comprehensive Income

for the period ended 30 September 2016

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 30-Sep-16	Group 30-Sep-15	Parent 30-Sep-16	Parent 30-Sep-15
Gross written premium	25	16,942,722	13,502,020	14,247,829	12,308,835
Gross premium income	25	15,233,621	12,482,790	13,295,964	11,626,471
Re-insurance expenses		(6,780,451)	(5,172,385)	(6,729,979)	(5,150,982)
Net premium income	25	8,453,170	7,310,405	6,565,985	6,475,489
Fee and commission on insurance contracts	26	728,663	742,585	728,663	742,585
Net underwriting income		9,181,833	8,052,990	7,294,648	7,218,074
Claims expenses (Gross)	27	(7,109,048)	(5,550,838)	(5,482,440)	(4,889,441)
Claims expenses recovered from reinsurers	27	1,804,176	1,360,856	1,800,375	1,360,856
Net claims		(5,304,872)	(4,189,982)	(3,682,065)	(3,528,585)
Underwriting expenses	28	(1,541,218)	(1,375,284)	(1,477,489)	(1,343,763)
(Increase)/decrease in individual life	16.3	(83,195)	58,841	(83,195)	58,841
(Increase)/decrease in annuity reserves	16.4	24,310	(235,740)	24,310	(235,740)
Net underwriting expenses		(6,904,975)	(5,742,165)	(5,218,439)	(5,049,247)
Total underwriting profit		2,276,858	2,310,825	2,076,209	2,168,827
Investment income	29	2,650,072	2,905,200	1,138,400	1,647,621
Net gains /(losses) on financial instruments	30	2,953,294	(166,953)	788,829	97,810
Net fair value gains/(losses) on non financial assets		-	686,700	-	-
Profit on investment contracts	31	151,586	132,989	151,586	132,989
Other income	32	120,145	36,580	150,243	83,975
Total investment income		5,875,097	3,594,516	2,229,058	1,962,395
Expenses for marketing and administration	33	(1,012,518)	(1,049,012)	(801,921)	(887,020)
Employee benefit expense	34	(1,620,599)	(1,190,498)	(1,325,499)	(920,098)
Other operating expenses	35	(1,466,912)	(1,359,175)	(1,177,101)	(1,172,676)
Total expenses		(4,100,029)	(3,598,685)	(3,304,521)	(2,979,794)
Results of operating activities		4,051,926	2,306,656	1,000,746	1,151,428
Finance cost	36	(337,915)	(319,958)	-	-
Profit before tax		3,714,011	1,986,698	1,000,746	1,151,428
Income tax expense	37	(673,907)	(209,301)	(108,524)	(153,274)
Profit after tax		3,040,104	1,777,397	892,222	998,154
Profit for the period		3,040,104	1,777,397	892,222	998,154
Profit attributable to:					
Owners of the parent		2,162,196	1,452,832	892,222	998,154
Non-controlling interest	24	877,908	324,565	-	-
		3,040,104	1,777,397	892,222	998,154
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)	23.6	(1,464,349)	32,102	(1,406,522)	8,103
Other comprehensive income/(loss) for the period		(1,464,349)	32,102	(1,406,522)	8,103
Total comprehensive income/(loss) for the period		1,575,755	1,809,499	(514,300)	1,006,257
Attributable to:					
Owners of the parent		697,847	1,484,934	(514,300)	1,006,257
Non-controlling interests	24	877,908	324,565	-	-
Total comprehensive income/(loss) for the period		1,575,755	1,809,499	(514,300)	1,006,257
Earnings per share:					
Basic (kobo)	38	20.95	14.07	8.64	9.67
Diluted (kobo)	38	20.78	13.97	8.57	9.60

Statement of Comprehensive Income

For the period ended 30 September 2016

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group	Group	Parent	Parent
		Q3 2016 Only	Q3 2015 Only	Q3 2016 Only	Q3 2015 Only
Continuing operations					
Gross premium written	25	3,723,878	2,932,995	3,241,235	2,720,685
Gross premium income	25	5,589,287	4,192,941	4,867,411	3,828,014
Re-insurance expenses		(2,615,243)	(1,655,324)	(2,594,270)	(1,647,675)
Net premium income	25	2,974,044	2,537,617	2,273,140	2,180,339
Fee and commission income:					
Insurance contracts	26	260,160	224,852	260,160	224,852
Net underwriting income		3,234,204	2,762,469	2,533,300	2,405,191
Claims expenses (Gross)	27	(1,670,816)	(1,900,528)	(971,657)	(1,626,912)
Claims expenses recovered from reinsurers	27	15,480	509,650	11,678	509,650
Net claims		(1,655,336)	(1,390,878)	(959,979)	(1,117,262)
Underwriting expenses	28	(575,546)	(455,559)	(549,266)	(446,636)
Increase in annuity reserves	16.4	(117,815)	(17,516)	(117,815)	(17,516)
Increase in individual life fund during the period	16.3	42,992	(38,648)	42,992	(38,648)
Net underwriting expenses		(2,305,705)	(1,902,601)	(1,584,068)	(1,620,062)
Total underwriting profit		928,498	859,868	949,232	785,129
Investment income	29	940,562	1,281,021	423,888	844,606
Net gains/(losses) on financial assets	30	705,815	70,394	(6,705)	60,118
Profit on investment contracts	31	58,051	38,002	58,051	38,002
Other income /(losses)	32	45,009	25,510	68,020	32,096
Total investment income		1,749,437	1,414,927	543,254	974,822
Expenses for marketing and administration	33	(353,181)	(366,535)	(282,559)	(290,357)
Employee benefit expense	34	(442,638)	(516,255)	(417,293)	(381,780)
Other operating expenses	35	(479,340)	(463,547)	(385,236)	(384,932)
Total expense		(1,275,159)	(1,346,337)	(1,085,088)	(1,057,069)
Results of operating activities		1,402,776	928,458	407,398	702,882
Finance cost	36	(128,860)	(115,549)	-	-
Profit before tax		1,273,917	812,909	407,398	702,882
Income tax expense	37	(497,668)	(109,406)	(43,455)	(94,500)
Profit from continuing operations		776,249	703,503	363,943	608,382
Discontinued operations					
Loss from discontinued operations		-	-	-	-
Profit for the period		776,249	703,503	363,943	608,382
Profit attributable to:					
Owners of the parent		384,066	666,909	363,943	608,382
Non-controlling interest	24	392,183	36,594	-	-
		776,249	703,503	363,943	608,382
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		(907,350)	20,375	(876,055)	20,975
Other comprehensive income for the period		(907,350)	20,375	(876,055)	20,975
Total comprehensive income for the period		(131,101)	723,878	(512,112)	629,357
Attributable to:					
Owners of the parent		(523,284)	687,284	(512,112)	629,357
Non-controlling interests	24	392,183	36,594	-	-
Total comprehensive income for the period		(131,101)	723,878	(512,112)	629,357
Earnings per share					
Basic (kobo)	38	3.72	6.46	3.53	5.89
Diluted (kobo)	38	3.69	6.41	3.50	5.85

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 30 September 2016

Group

	Attributable to owners of parent										
	Share Capital	**Share premium**	**Capital and other statutory reserves**	**Treasury shares**	**Share scheme reserves**	**Fair value reserves**	**Contingency reserve**	**Retained earnings**	**Total**	**Non Controlling interest**	**Total equity**
Balance at 1 January 2016	5,250,000	4,443,453	2,514,629	(304,924)	32,978	935,054	2,722,013	1,820,069	17,413,272	2,205,622	19,618,894
Total comprehensive income for the period									-		-
Profit for the period	-	-	-	-	-	-	-	2,162,196	2,162,196	877,908	3,040,104
Transfer to contingency reserves	-	-	-	-	-	-	369,131	(369,131)	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-		-	(1,464,349)	-	-	(1,464,349)	-	(1,464,349)
Total comprehensive income for the period	-	-	-	-	-	(1,464,349)	369,131	1,793,065	697,847	877,908	1,575,755
Transactions with owners, recorded directly in equity											
Contributions and distributions											
Dividends to equity holders	-	-	-	-	-	-	-	(206,809)	(206,809)	-	(206,809)
Equity- settled share-based payments	-	-	-	-	24,636	-	-	-	24,636	-	24,636
Gain on disposal of Treasury shares during the period	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	24,636	-	-	(206,809)	(182,173)	-	(182,173)
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2016	5,250,000	4,443,453	2,514,629	(304,924)	57,614	(529,295)	3,091,144	3,406,325	17,928,946	3,083,530	21,012,476

Period ended 30 September 2015

Group

	Attributable to owners of parent										
	Share Capital	**Share premium**	**Other reserves**	**Treasury shares**	**Share scheme reserve**	**Fair value reserves**	**Contingency reserve**	**Retained earnings**	**Total**	**Non controlling interest**	**Total equity**
Balance at 1 January 2015	5,250,000	4,443,453	2,500,000	(840,220)	157,907	365,733	2,344,505	982,218	15,203,596	1,123,546	16,327,142
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,188,324	1,188,324	324,565	1,512,889
Transfer to contingency reserves	-	-	-	-	-	-	311,938	(311,938)	-	-	-
									-		
Other comprehensive income									-		
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	13,541	-	-	13,541	-	13,541
Realised fair value (gains) / losses						(59,516)	-	-	(59,516)	-	(59,516)
Exchange difference						78,077	-	-	78,077	-	78,077
Total comprehensive income for the period	-	-	-	-	-	32,102	311,938	876,386	1,220,426	324,565	1,544,991
Transactions with owners, recorded directly in equity											
Contributions and distributions											
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	535,296	(157,907)	-	-	157,907	535,296	-	535,296
Issue of new ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Impact of vested portion of equity settled share based payment during the period	-	-	-	-	-	-	-	125,690	125,690		125,690
Share issue costs	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of Treasury shares during the period	-	-	-	-	-	-	-	32,447	32,447	-	32,447
Total transactions with owners of equity	-	-	-	535,296	(157,907)	-	-	316,044	693,433	-	693,433
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	487,912	487,912
Balance at 30 September 2015	5,250,000	4,443,453	2,500,000	(304,924)	-	397,835	2,656,443	2,174,648	17,117,455	1,936,023	19,053,477

Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 30 September 2016

Parent

	Share Capital	Share premium	Treasury shares	Capital reserves	Share scheme reserve	Fair value reserves	Contingency reserve	Retained earnings	Total
Balance at 1 January 2016	5,250,000	4,443,453	(304,924)	2,500,000	32,978	851,929	2,722,013	(98,288)	15,397,160
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	892,222	892,222
Transfer to contingency reserves	-	-	-	-	-	-	369,131	(369,131)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(1,406,522)	-	-	(1,406,522)
Realised fair value (gains)/ losses	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(1,406,522)	369,131	523,090	(514,300)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	-	-	-	-	-	-	-	(206,809)	(206,809)
Equity- settled share-based transactions	-	-	-	-	24,636	-	-	-	24,636
Total transactions with owners	-	-	-	-	24,636	-	-	(206,809)	(182,173)
Balance at 30 September 2016	5,250,000	4,443,453	(304,924)	2,500,000	57,614	(554,593)	3,091,144	217,994	14,700,686

Period ended 30 September 2015

Parent

	Share Capital	Share premium	Treasury shares	Other reserves	Share scheme reserve	Fair value reserves	Contingency reserve	Retained earnings	Total
Balance at 1 January 2015	5,250,000	4,443,453	(840,220)	2,500,000	157,907	389,567	2,344,505	(197,617)	14,047,594
Total comprehensive income for the period									
Profit or loss for the period	-	-	-	-	-	-	-	700,610	700,610
Transfer to contingency reserves	-	-	-	-	-	-	311,938	(311,938)	-
Other comprehensive income	-	-	-	-		-	311,938	388,672	700,610
Change in fair value of available-for-sale financial assets	-	-	-	-	-	(10,458)	-	-	(10,458)
Realised fair value (gains)/ losses	-	-		-		(59,516)	-	-	(59,516)
Foreign currency translation difference	-	-		-		78,077	-	-	78,077
Total comprehensive income for the period	-	-	-	-	-	8,103	311,938	388,672	708,713
Transactions with owners, recorded directly in equity									
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	535,296	-	(157,907)	-	-	157,907	535,296
Impact of vested portion of equity settled share based payment during the period	-	-	-	-	-	-	-	125,690	125,690
Gain on disposal of Treasury shares during the period	-	-	-	-	-	-	-	33,983	33,983
Transfer to contingency reserves	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	535,296	-	(157,907)	-	-	317,580	694,969
Balance at 30 September 2015	5,250,000	4,443,453	(304,924)	2,500,000	-	397,670	2,656,443	508,634	15,451,276

Consolidated Statement of Cash Flows

for the period ended 30 September 2016
In thousands of Nigerian Naira

	Note	Group 30-Sep-2016	Group 30-Sep-2015	Parent 30-Sep-2016	Parent 30-Sep-2015
Cash flows from operating activities					
Operating profit before changes in working capital		397,307	508,293	(472,305)	(98,166)
Net changes in working capital					
Trade receivables		(852,751)	(613,938)	(397,786)	(305,588)
Loans and other receivables		203,949	(1,294,874)	(32,542)	(1,330,561)
Net changes in held for trading assets		-	(1,857,390)	-	(155,312)
Deferred acquisition cost		(37,008)	15,266	(36,803)	13,562
Reinsurance assets		(2,481,993)	(967,401)	(2,443,684)	(954,874)
Claims reported		688,713	721,849	706,836	652,244
Investment contracts liabilities		50,649	2,499,617	50,649	913,058
Trade payables		871,988	625,152	858,883	613,009
Other liabilities		(133,584)	(2,257,573)	(284,422)	(1,547,200)
Unearned premium		1,709,102	1,019,230	951,865	682,364
Change in annuity reserves during the year		(24,310)	82,069	(24,310)	82,069
Change in individual life reserves during the year		83,195	94,830	83,195	94,830
Changes in IBNR during the year		569,772	461,787	361,557	381,314
Changes in working capital		647,722	(1,471,376)	(206,562)	(861,084)
Income tax paid		(148,954)	(120,692)	(107,597)	(71,965)
Net cash from operating activities		896,075	(1,083,775)	(786,464)	(1,031,215)
Cash flows from investing activities					
Additional investment in subsidiary		-	-	-	(1,885,247)
Purchases of property, plant and equipment		(140,794)	(82,795)	(132,916)	102,289
Dividend received		72,953	63,251	69,860	63,251
Interest received		1,075,840	1,106,753	1,005,419	942,489
Interest paid		(64,100)	-	(64,100)	-
Purchase of intangible assets		(19,418)	(1,188,790)	(11,242)	(20,490)
Proceeds from the disposal of property and equipment		1,095	10,595	(3,345)	7,855
Net changes in available for sale assets		(5,367,681)	(3,509,896)	(4,292,941)	(2,696,440)
Purchase of HTM financial assets		-	(1,486,568)	-	(456,720)
Redemption of HTM financial assets		-	1,583,725	-	1,399,399
Net cash received/(used) in investing activities		(4,442,105)	(3,503,725)	(3,429,265)	(2,543,614)
Cash flows from financing activities					
Dividend paid		(206,809)	-	(206,809)	-
Interest payment on borrowings		(153,475)	(136,148)	-	-
Principal repayment on borrowings		(625,259)	(374,183)	-	-
Proceeds from the disposal of treasury shares		-	535,296	-	535,296
Net cash used in financing activities		(985,543)	24,965	(206,809)	535,296
Net decrease in cash and cash equivalents		(4,531,572)	(4,562,536)	(4,422,537)	(3,039,533)
Cash and cash equivalent at beginning of the period		6,461,385	8,113,281	5,648,247	6,924,485
Cash and cash equivalent at end of the period	8	2,074,891	3,946,556	1,485,587	3,884,952
Effect of exchange rate changes on cash and cash equivalents		145,078	395,811	259,877	212,901
Net decrease in cash and cash equivalents		(4,531,572)	(4,562,536)	(4,422,537)	(3,252,434)

1. Asset and Liability Management

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 following tables reconcile the consolidated statement of financial position to the classes and portfolios used in the Group's ALM framework.

Group

	Insurance fund		Investment contract		Shareholders funds		Annuity		30-Sep-16
	Non-life	Life	AXA Mansard Fund	LS/LIP	Non-life	Life		Others	Total
ASSETS									
Cash and cash equivalents	1,251,384	26,590	-	36,885	105,208	56,512	9,008	676,355	2,161,942
Investment securities									-
– Available-for-sale	2,579,379	1,812,259	-	2,747,373	5,577,932	2,250,641	2,382,507	3,296,780	20,646,872
– Financial assets designated at fair value	-	-	4,469,788	-	-	-	-	2,168,368	6,638,156
– Held-to-maturity	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	506,419	226,452	-	825,769	1,558,640
Reinsurance assets	6,791,970	685,264	-	-	-	-	-	40,875	7,518,109
Other receivables	-	-	-	-	428,958	38,877	-	348,764	816,599
Deferred acquisition cost	607,678	-	-	-	-	-	-	8,074	615,752
Loans and receivables	-	-	-	-	1,563,749	-	-	(1,370,184)	193,565
Investment properties	-	-	-	-	-	-	-	13,088,040	13,088,040
Intangible assets	-	-	-	-	257,928	-	-	1,474,919	1,732,847
Property and equipment	-	-	-	-	1,460,218	12,206	-	297,513	1,769,937
Statutory deposit	-	-	-	-	300,000	200,000	-	-	500,000
Deferred tax asset									
TOTAL ASSETS	11,230,410	2,524,113	4,469,788	2,784,258	10,200,411	2,784,688	2,391,515	20,855,274	57,240,459
LIABILITIES									
Insurance liabilities	10,045,915	2,486,709	-	-	-	-	1,840,358	1,570,264	15,943,246
Investment contract liabilities:							-		-
– At amortised cost	-	-	-	2,642,615	-	-	-	-	2,642,615
– Financial liabilities designated at fair value	-	-	4,469,788	-	-	-	-	2,168,368	6,638,156
Trade payables	-	-	-	-	2,169,860	328,295	-	14,903	2,513,058
Other liabilities	-	-	-	-	1,296,667	121,333	-	1,011,730	2,429,730
Current income tax liabilities	-	-	-	-	57,172	53,979	-	63,345	174,496
Borrowings	-	-	-	-	-	-	-	5,106,214	5,106,214
Deferred tax liability	-	-	-	-	91,381	-	-	680,408	771,789
TOTAL LIABILITIES	10,045,915	2,486,709	4,469,788	2,642,615	3,615,080	503,607	1,840,358	10,615,232	36,219,304
SURPLUS	1,184,495	37,404	-	141,643	6,585,332	2,281,081	551,157	10,240,042	21,021,155

Parent

	Insurance fund		Investment contract		Shareholders funds		Annuity	30-Sep-16
	Non-life	Iife	AXA Mansard fund	LS/LIP	Non-life	Iife		Total
ASSETS								
Cash and cash equivalents	1,251,384	26,590	-	36,885	105,208	56,512	9,008	1,485,587
Investment securities								
– Available-for-sale	2,579,379	1,812,259	-	2,747,373	5,577,932	2,250,641	2,382,507	17,350,092
– Financial assets designated at fair value	-	-	4,469,788	-	-	-		4,469,788
– Held-to-maturity	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	506,419	226,452	-	732,871
Reinsurance assets	6,791,970	685,264	-	-	-	-	-	7,477,234
Other receivables	-	-	-	-	428,958	38,877	-	467,835
Deferred acquisition cost	607,678	-	-	-	-	-	-	607,678
Loans and receivables	-	-	-	-	1,563,749	-	-	1,563,749
Investment in subsidiaries	-	-	-	-	3,519,573	400,000	-	3,919,573
Intangible assets	-	-	-	-	257,928	-	-	257,928
Property and equipment	-	-	-	-	1,460,218	12,206	-	1,472,424
Statutory deposit	-	-	-	-	300,000	200,000	-	500,000
TOTAL ASSETS	11,230,411	2,524,113	4,469,788	2,784,258	13,719,985	3,184,688	2,391,515	40,304,759
LIABILITIES								
Insurance liabilities	10,045,916	2,486,709	-	-	-	-	1,840,358	14,372,983
Investment contract liabilities:								
– At amortised cost	-	-	-	2,642,615	-	-	-	2,642,615
– Financial liabilities designated at fair value	-	-	4,469,788	-	-	-	-	4,469,788
Trade payables	-	-	-	-	2,169,861	328,295	-	2,498,156
Other liabilities	-	-	-	-	1,296,667	121,333	-	1,418,000
Current income tax liabilities	-	-	-	-	57,172	53,979	-	111,151
Deferred income tax	-	-	-	-	91,381	-	-	91,381
TOTAL LIABILITIES	10,045,916	2,486,709	4,469,788	2,642,615	3,615,081	503,607	1,840,358	25,604,074
SURPLUS	1,184,495	37,405	-	141,643	10,104,904	2,681,081	551,157	14,700,685

Notes to the financial statements

For the period ended 30 September 2016

2 The segment information provided for the reporting segments for the period ended 30 September 2016 is as follows:

In thousands of Nigerian Naira	Non-life	Non life micro insurance	Life Only	Micro Insurance	Life Business	Mansard Insurance	Asset Management	Property Development	Pension Management	Health Maintenance	Elimination adjustments	Total
Cash and cash equivalents	1,556,592	-	(74,342)	3,337	(71,005)	1,485,587	67,072	287,535	10,364	311,384	-	2,161,942
Investment securities												
– Available for sale	9,049,782	-	7,836,908	463,408	8,300,316	17,350,098	807,236	-	1,107,372	1,382,169	-	20,646,875
– Financial assets designated at fair value	-	-	4,469,788	-	4,469,788	4,469,788	2,168,368	-	-	-	-	6,638,156
– Held to maturity	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	506,419	-	226,452	-	226,452	732,871	-	-		825,769	-	1,558,640
Reinsurance assets	6,791,970	-	685,264	-	685,264	7,477,234	-	-		40,875	-	7,518,109
Other receivables	418,489	-	38,877	-	38,877	457,366	103,712	23,145	211,495	71,213	-	866,931
Deferred acquisition cost	607,678	-	-	-	-	607,678	-	-		8,074	-	615,752
Loans and receivables	1,260,539	39,416	23,599	124,386	147,985	1,574,217	19,981	-	4,369	-	(1,456,172)	142,366
Investment properties	-	-	-	-	-	-	-	13,088,040		-	-	13,088,040
Investment in subsidiaries	3,519,573	-	400,000	-	400,000	3,919,573	-	-	-	-	(3,919,573)	-
Intangible assets	190,975	-	66,953	-	66,953	257,928	48,950	28	7,652	9,758	1,408,531	1,732,847
Property, plant and equipment	1,460,218	-	12,206	-	12,206	1,472,424	43,072	86,769	123,624	44,048	-	1,769,937
Statutory deposit	300,000	-	200,000	-	200,000	500,000	-	-		-	-	500,000
TOTAL ASSETS	25,662,235	39,416	13,885,705	591,131	14,476,836	40,304,764	3,258,391	13,485,517	1,464,875	2,693,291	(3,967,214)	57,239,595
Insurance liabilities	10,045,915	-	4,327,067	-	4,327,067	14,372,982	-	-	-	1,570,264	-	15,943,246
Investment contract liabilities:												
– At amortised cost	-	-	2,642,615	-	2,642,615	2,642,615	-	-	-	-	-	2,642,615
– Financial liabilities designated at fair value	-	-	4,469,788	-	4,469,788	4,469,788	2,168,368	-	-	-	-	6,638,156
Borrowings	-	-	-	-	-	-	-	6,261,602	-	-	(1,155,388)	5,106,214
Trade payables	2,169,860	-	328,295	-	328,295	2,498,155	-	-	-	14,903	-	2,513,058
Other payables	1,296,667	-	(42,981)	39,548	(3,433)	1,419,354	108,934	922,418	196,271	94,131	(310,786)	2,430,322
Current income tax liabilities	57,172	-	53,979	-	53,979	111,151	4,723	-	22,092	36,529	-	174,496
Deferred income tax	91,381	-	-	-	-	91,381	(34,427)	685,877	20,430	8,527	-	771,788
TOTAL LIABILITIES	13,660,995	-	11,778,763	39,548	11,818,311	25,605,426	2,247,598	7,869,897	238,793	1,724,355	(1,466,174)	36,219,895
EQUITY												
Share capital	4,250,000	-	1,000,000	-	1,000,000	5,250,000	150,000	2,367	1,033,836	700,000	(1,886,203)	5,250,000
Share premium	3,643,453	-	800,000	-	800,000	4,443,453	790,000	379,958		-	(1,169,958)	4,443,453
Contingency reserve	2,744,707	1,182	340,519	4,804	345,323	3,091,212	-	-		-	-	3,091,212
Other reserves	1,557,614		1,000,000	-	1,000,000	2,557,614	-	-	23,305	-	-	2,580,919
Treasury shares	(304,924)	-	-	-	-	(304,924)	-	-		-	-	(304,924)
Retained earnings	394,750	38,233	(756,729)	540,164	(216,565)	216,575	67,472	2,745,573	(268,964)	242,813	375,120	3,378,565
Fair value reserves	(284,360)	-	(276,848)	6,615	(270,233)	(554,593)	3,319	-	(4,143)	26,122	-	(529,295)
	12,001,240	39,415	2,106,942	551,583	2,658,525	14,699,337	1,010,791	3,127,899	784,035	968,935	(2,681,041)	17,909,930
Non-controlling interests in equity	-	-	-	-	-	-	-	2,487,719	442,047	-	180,000	3,109,766
TOTAL EQUITY	12,001,240	39,415	2,106,942	551,583	2,658,525	14,699,337	1,010,791	5,615,618	1,226,082	968,935	(2,501,041)	21,019,696
TOTAL LIABILITIES AND EQUITY	25,662,235	39,415	13,885,705	591,131	14,476,836	40,304,763	3,258,391	13,485,516	1,464,875	2,693,290	(3,967,215)	57,239,595

Notes to the financial statements

For the period ended 30 September 2016

3 The consolidated financial data for the reporting segments for the period ended 30 September 2016 is as follows:

September 2016	Non-Life	Non life Micro insurance	Life Only	Micro insurance	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Revenue:												
Derived from external customers:												
Gross premium	11,319,775	12,866	2,822,180	93,008	2,915,188	14,247,829	-	-	2,811,241	-	(116,348)	16,942,722
												-
Gross premium income	10,389,181	12,866	2,800,909	93,008	2,893,917	13,295,964	-	-	2,054,005	-	(116,348)	15,233,621
Reinsurance expenses	(5,958,531)	-	(771,447)	-	(771,447)	(6,729,978)	-	-	(50,473)	-	-	(6,780,451)
Net premium income	4,430,650	12,866	2,029,462	93,008	2,122,470	6,565,986	-	-	2,003,532	-	(116,348)	8,453,170
Fee and commission income	591,248	-	137,415	-	137,415	728,663	-	-	-	-	-	728,663
Profits on investment contracts	-	-	151,586	-	151,586	151,586	-	-	-	-	-	151,586
Investment income	669,513	-	440,754	28,134	468,888	1,138,401	219,435	2,118,316	94,750	334,398	-	3,905,300
Net fair value gains on financial assets	555,969	-	232,860	-	232,860	788,829	46,149	-	-	-	-	834,978
Other operating income	129,940	-	20,303	-	20,303	150,243	20,732	-	43,360	16	(94,466)	119,885
Gains on investment property	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	863,088	-	-	-	863,088
Net income	6,377,320	12,866	3,012,380	121,142	3,133,522	9,523,708	286,316	2,981,404	2,141,642	334,414	(210,814)	15,056,670
Insurance benefits and claims	3,872,314	-	1,610,092	35	1,610,127	5,482,441	-	-	1,626,608	-	-	7,109,049
Insurance claims recovered from re-insurer	(1,519,105)	-	(281,270)	-	(281,270)	(1,800,375)	-	-	(3,801)	-	-	(1,804,176)
Net insurance benefits and claims	2,353,209		1,328,822	35	1,328,857	3,682,066	-	-	1,622,807	-	-	5,304,873
Commission expenses	1,112,878	-	206,507	-	206,507	1,319,385	-	-	-	-	-	1,319,385
Other acquisition expenses	104,285	-	53,819	-	53,819	158,104	-	-	63,730	-	-	221,834
Transfer to life reserves	-	-	58,885	-	58,885	58,885	-	-	-	-	-	58,885
Expenses for marketing and administration	515,066	-	286,855	-	286,855	801,921	79,157	-	43,018	88,422	-	1,012,518
Employee benefit expense	856,372	-	469,128	-	469,128	1,325,500	124,960	7,066	108,497	170,925	(116,348)	1,620,600
Depreciation and amortisation	267,716	-	11,457	-	11,457	279,173	24,746	22,068	14,209	35,076	10,000	385,272
Impairment loss /(writeback) on trade receivables	6,781	-	1,976	-	1,976	8,757	-	-	4,742	-	-	13,499
Other expenses	479,752	-	408,430	991	409,421	889,173	14,730	46,846	96,532	20,601	-	1,067,882
												-
Net expenses	5,696,059	-	2,825,879	1,026	2,826,905	8,522,964	243,593	75,980	1,953,534	315,024	(106,348)	11,004,747
												-
Reportable segment profit	681,261	12,866	186,501	120,116	306,617	1,000,744	42,723	2,905,424	188,109	19,389	(104,466)	4,051,923
												-
Finance cost	-		-			-	-	(432,381)	-	-	94,466	(337,915)
												-
												-
Profit before income tax from reportable segments	**681,261**	**12,866**	**186,501**	**120,116**	**306,617**	**1,000,744**	**42,723**	**2,473,043**	**188,109**	**19,389**	**(10,000)**	**3,714,008**
												-
Income tax expenses	(69,706)	-	(38,819)	-	(38,819)	(108,524)	(2,810)	(504,414)	(53,543)	(4,617)	-	(673,908)
Profit after income tax	**611,555**	**12,866**	**147,682**	**120,116**	**267,798**	**892,220**	**39,913**	**1,968,629**	**134,567**	**14,772**	**(10,000)**	**3,040,100**
												-
Assets and liabilities												-
Total assets	25,662,235	39,416	13,885,705	591,131	14,476,836	39,547,940	3,258,391	13,485,517	2,693,291	1,464,875	(3,967,214)	56,482,800
Total liabilities	13,660,995		11,778,763	39,548	11,818,311	25,439,758	2,247,598	7,869,897	1,724,355	238,793	(1,466,174)	36,054,227
Net assets/(liabilities)	**12,001,240**	**39,416**	**2,106,942**	**551,583**	**2,658,525**	**14,108,182**	**1,010,793**	**5,615,620**	**968,936**	**1,226,082**	**(2,501,040)**	**20,980,156**

Notes to the financial statements

For the period ended 30 September 2016

30 September 2016	Non-Life	Non life Micro	Life	Micro insurance	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Inter- segment reporting												
In thousands of Naira												
External revenue												
Net premium earned	4,430,650		2,029,462	93,008	2,122,470	6,565,986	-	-	2,003,532	-	-	8,556,652
Net interest income	669,513		592,340	28,134	620,474	1,289,987	219,435	2,118,316	94,750	334,398	-	4,056,886
Net fees and commission	591,248		137,415	-	137,415	728,663	-	-	-	-	-	728,663
Net trading income	555,969		232,860	-		788,829	46,149	2,118,316	-	-	-	2,720,434
Other income	129,940		20,303	-		150,242	20,732	863,088	43,360	16	-	1,057,136
Inter segment revenue	116,348		-			-	-	94,466	-	-	(210,814)	-
Total segment revenue	6,493,668		3,012,380	121,142	2,880,359	9,523,708	286,316	5,194,186	2,141,642	334,414	(210,814)	17,119,771
												-
Reportable segment profit before tax	681,261		186,501	121,142		9,523,708	42,723	2,473,043	188,109	334,414	(10,000)	3,709,550
												-
Reportable segment assets	25,662,235	39,416	13,885,705	591,131	14,476,836	39,547,940	3,258,391	13,485,517	2,693,291	1,464,875	(3,967,214)	57,073,931
Reportable segment liabilities	13,660,995	-	11,778,763	39,548	11,818,311	25,439,758	2,247,598	7,869,897	1,724,355	238,793	(1,466,174)	36,093,775
												-

In thousands of Nigerian Naira

4 Cash and cash equivalents

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Cash at bank and in hand	1,333,144	1,402,835	805,277	977,260
Tenored deposits (see note (a) below)	828,798	4,635,483	680,310	4,247,920
Treasury bills with original maturity < 90 days	-	423,067	-	423,067
	2,161,942	6,461,385	1,485,587	5,648,247

Included in the tenored deposits for the group is a debt reserve account of N87.1 million (2015: N87.1 million) held with Guaranty Trust Bank Plc as a pre-condition for the dollar denominated loan for APD Limited. The tenored deposit will be available for future operating activities when all obligations relating to the loan have been met. Due to the current restrictions, the balance is not available for use by the group. This balance has not been included for cashflow purposes.

(a) For the purpose of the cashflow statement, cash and cash equivalents comprise the following balances with less than 3 months maturity from the date of acquisition.

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Cash at bank and hand	1,333,144	1,397,793	805,277	977,260
Tenored deposits	741,747	4,548,432	680,310	4,247,920
Treasury bills with original maturity < 90 days	-	423,067	-	423,067
Cash and cash equivalents	2,074,891	6,369,292	1,485,587	5,648,247

5 Investment securities

The Group’s investment securities are summarized below by measurement category in the table below:

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Available-for-sale (see note 5.1)	20,646,872	16,333,843	17,350,092	13,973,365
Financial assets designated at fair value (see note 5.2)	6,638,156	7,657,492	4,469,788	4,130,895
	27,285,029	23,991,335	21,819,880	18,104,260
Current	20,646,872	16,461,369	17,350,092	14,152,081
Non-current	6,638,157	7,641,172	4,469,788	4,114,575

5.1 *Available-for-sale assets*

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Bonds	12,608,838	10,769,665	11,235,779	9,645,273
Treasury bills	5,919,783	4,184,099	4,032,985	2,957,824
Equity securities (see table (a) below)	662,947	782,815	626,024	773,003
Investment funds (see table (b) below)	136,758	135,604	136,758	135,604
Diversified portfolio (see table (c) below)	1,318,546	461,661	1,318,546	461,661
	20,646,872	16,333,844	17,350,092	13,973,365

At the reporting date, no held-to-maturity assets were past due or impaired.

(a) Analysis of equity securities is shown below:

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Quoted securities	306,627	142,487	269,704	132,675
MTN linked notes	304,834	600,562	304,834	600,562
Investment in Energy pool	31,624	19,903	31,624	19,903
Imperial Homes Limited (formerly GT Homes limited)	19,815	19,815	19,815	19,815
Investment in DML Nominees limited	48	48	48	48
	662,947	782,815	626,024	773,003

(b) Analysis of investment funds is shown below:

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
AXA Mansard funds	124,418	124,418	124,418	124,418
Legacy Money market funds	10,140	8,986	10,140	8,986
Coral growth fund	2,200	2,200	2,200	2,200
	136,758	135,604	136,758	135,604

(c) Analysis of Investment in diversified portfolio is shown below:

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
IAML Money market funds and other funds	1,183,223	163,351	1,183,223	163,351
ARM Money market investment	135,323	298,310	135,323	298,310
	1,318,546	461,661	1,318,546	461,661

In thousands of Nigerian Naira

5.2 ***Financial assets designated at fair value***

Financial assets designated at fair value represent the assets of the investment contracts. 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 Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Cash in hand and bank	262,502	216,374	76,261	54,530
Short term deposit	2,667,236	3,004,391	1,683,414	1,366,112
Government treasury bills	1,114,251	1,094,818	817,754	727,165
Government and corporate bonds	2,439,723	3,271,131	1,879,597	1,971,238
Quoted equity securities	97,160	70,778	12,762	11,850
	6,638,156	7,657,492	4,469,788	4,130,895

6 Trade receivables

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Premium receivables (see note below)	1,373,415	536,403	547,646	165,599
Coinsurance receivables (see note below)	185,225	149,760	185,225	149,760
	1,558,640	686,163	732,871	315,359

6.1 Premium receivables

		Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
	Premium receivables	1,391,360	545,592	565,591	174,788
(a)	Less specific provision for impairments	(17,945)	(9,189)	(17,945)	(9,189)
		1,373,415	536,403	547,646	165,599

Analysis of premium receivables:

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Life contracts insurance receivables	113,081	2,740	113,081	2,740
Non-life contracts insurance receivables	434,564	162,859	434,564	162,859
AXA Mansard Health (HMO) receivables	825,769	370,804	-	-
	1,373,414	536,403	547,645	165,599

6.2 Coinsurance receivables

	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Co insurers’ share of claims reported and loss adjustment expenses	185,225	149,760	185,225	149,760
	185,225	149,760	185,225	149,760

In thousands of Nigerian Naira

7 Reinsurance assets	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Total reinsurers' share of claims reported and loss adjustment expenses (see note (a) below)	1,172,056	816,188	1,172,056	804,684
Prepaid re-insurance (see note (b) below)	4,319,486	3,436,888	4,278,611	3,426,099
Reinsurance share of Incurred But Not Reported (IBNR) (see note (c) below)	814,111	625,724	814,111	625,724
Recoverables from reinsurers on claims paid	1,212,457	177,044	1,212,457	177,044
	7,518,110	5,055,844	7,477,235	5,033,551

(a) The movement in reinsurers' share of claims reported and loss adjustment expenses is as follows:	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Balance, beginning of the period	816,188	530,941	804,684	530,941
Additions in the period	941,193	1,453,504	941,193	1,393,458
Receipts during the year period	(585,325)	(1,168,257)	(573,821)	(1,119,715)
	1,172,056	816,188	1,172,056	804,684

(b) The movement in prepaid reinsurance is as follows:	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Balance, beginning of the year	3,436,888	4,020,442	3,426,099	4,015,463
Additions in the year	6,933,547	6,402,753	6,864,493	6,363,150
Released in the year	(6,050,949)	(6,986,307)	(6,011,981)	(6,952,514)
	4,319,486	3,436,888	4,278,611	3,426,099

Prepaid reinsurance balances relate only to the non life business and AXA Mansard Health Limited.

(c) Reinsurance share of IBNR can be analysed as follows:	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Non-life	542,602	437,151	542,602	437,151
Life	271,510	188,573	271,510	188,573
Balance, end of year	814,112	625,724	814,112	625,724

Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from their fair value.

(d) The movement in provision for impairment of reinsurance assets:	Group Sept-2016	Group Dec-2015	Parent Sept-2016	Parent Dec-2015
Balance, beginning of the period	-	7,088	-	7,088
Additions in the period	-	-	-	-
write-back/write-off during the period	-	(7,088)	-	(7,088)
	-	-	-	-

In thousands of Nigerian Naira

8 Other receivables

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Prepayment	671,474	511,985	429,393	362,168
Accrued income	146,635	139,535	20,345	67,203
Receivable from investment brokers	64	36,009	62	36,009
Other account receivables	18,153	215,581	37,762	47,526
Gross	836,326	903,110	487,562	512,906
Less: Impairment of other receivables (see (a) below)	(19,727)	(19,727)	(19,727)	(19,727)
Net receivables	816,599	883,383	467,835	493,179

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

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of the period	19,727	19,727	19,727	19,727
Additions, during the period	-	-	-	-
Balance end of period	19,727	19,727	19,727	19,727

As at period end, N19.7 million (2015:N19.7 million) were past due and have been fully impaired. Other receivables balances are current

9 Deferred acquisition cost

This relates to the commission paid on the unexpired premium income

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Deferred acquisition cost- Fire	147,800	77,376	147,800	77,376
Deferred acquisition cost- Gen. Accident	77,118	36,068	77,118	36,068
Deferred acquisition cost- Motor	93,643	78,834	93,643	78,834
Deferred acquisition cost- Marine	25,950	39,595	25,950	39,595
Deferred acquisition cost- Engineering	36,254	36,182	36,254	36,182
Deferred acquisition cost- Oil & Gas	219,355	290,283	219,355	290,283
Deferred acquisition cost- Aviation	7,558	12,537	7,558	12,537
Deferred acquisition cost- HMO	8,074	7,869	-	-
Total	615,752	578,744	607,678	570,875

The movement in deferred acquisition cost is as follows:

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of period	578,744	664,944	570,875	661,724
Additions in the period	1,157,755	1,259,943	1,149,681	1,252,074
Amortization in the period	(1,120,747)	(1,346,143)	(1,112,878)	(1,342,923)
Balance, end of period	615,752	578,744	607,678	570,875

10 Loans and receivables

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Loans and advances to related party	-	-	1,414,111	1,390,844
Staff loans and advances	204,034	193,953	160,107	139,693
Gross	204,034	193,953	1,574,218	1,530,537
Less: Impairment of loans and receivables (see (a) below)	(10,469)	(10,469)	(10,469)	(10,469)
Net loans and receivables	193,565	183,484	1,563,749	1,520,068

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

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of the period	10,469	10,469	10,469	10,469
Additions, during the period	-	-	-	-
Balance end of period	10,469	10,469	10,469	10,469
Current	81,725	71,518	80,053	69,846
Non-current	122,309	122,435	1,494,164	1,460,691

As at period end, N10.5 million (2015:N6.5 million) were past due and have been fully impaired.

Included in loans and receivables is an unsecured facility of N760 million to a related party, APD Limited, with a tenor of 5 periods commencing from October 2014. Interest is accrued at an effective interest rate of 12.85% and the loan, with the accrued interest, is payable at maturity.

Notes to the financial statements
For the period ended 30 September 2016
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11 Investment property

	Group September -2016	Group Dec-2015
Landed property	-	-
Office property	13,088,040	9,205,350
Balance, end of period	13,088,040	9,205,350

Investment property comprises a commercial property held for the purpose of capital appreciation and rental income. Investment property is carried at fair value which is determined by independent professional valuers. Office property was valued by Broll Property Services Limited as at 31 December 2015. The property was valued using the income approach. The valuation was based on market data such as discount rates, rental risk and reversionary rates.

The movement in investment property is analysed as follows:

	Group September -2016	Group Dec-2015
Balance, beginning of period	9,205,350	9,205,350
Additional cost incurred during the period	-	-
Investment property disposed during the period	-	-
Exchange gain on office property	3,882,690	-
Investment property at fair value	13,088,040	9,205,350

12 Investment in subsidiaries

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

	Parent September -2016	Parent Dec-2015
AXA Mansard Investments Limited	940,000	940,000
APD Limited	382,326	382,326
AXA Mansard Health Limited	712,000	712,000
AXA Mansard Pensions Limited	1,885,247	1,885,247
	3,919,573	3,919,573

(b) *Principal subsidiary undertakings:*

The Group is controlled by AXA Mansard Insurance plc "the parent" (incorporated in Nigeria). The controlling interest of AXA Mansard Insurance Plc in the Group entities is disclosed in the table below:

Company name	*Nature of business*	*Country of origin*	*% of equity capital controlled*
AXA Mansard Investments Limited	Asset management services	Nigeria	100
APD Limited	Property development	Nigeria	56
AXA Mansard Health Limited	Health Maintenance Organisation	Nigeria	100
AXA Mansard Pensions Limited	Pension administration and management	Nigeria	60

13 Intangible assets

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Computer software acquired (see note (a) below)	324,315	309,983	257,928	239,493
Goodwill (see note (b) below)	938,531	938,531	-	-
License	470,000	480,000	-	-
Total	1,732,846	1,728,514	257,928	239,493

(a) The movement in computer software is shown below:

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Cost:				
Balance, beginning of period	537,980	311,634	441,237	253,496
Additions	67,853	226,346	57,555	187,741
Disposal	(48,435)	-	(46,313)	-
Balance, end of period	557,398	537,980	452,478	441,237
Amortization:				
Balance, beginning of period	227,996	180,898	201,743	173,448
Amortisation charge	53,239	47,098	39,119	28,295
Disposal	(48,152)	-	(46,313)	-
Balance, end of period	233,083	227,996	194,550	201,743
Closing net book amount	324,315	309,983	257,928	239,493

(b) Goodwill represents excess purchase consideration over the net asset value of AXA Mansard Health Limited purchased in 2013 and AXA Mansard Pensions Limited purchased in 2015.

	Group September -2016	Group Dec-2015
Balance, beginning of the period	938,531	12,000
Additions	-	926,531
Balance, end of period	938,531	938,531

In thousands of Nigerian Naira

(c) Licence

This represents the value of the identifiable license for a pension's business recognised at acquisition date of AXA Mansard Pensions Limited in 2015.

Cost	Group September -2016	Group Dec-2015
Balance, beginning of the period	500,000	-
Additions	-	500,000
Balance, end of period	500,000	500,000

Accumulated amortisation	Group September -2016	Group Dec-2015
Balance, beginning of period	20,000	-
Amortisation during the period	10,000	20,000
Balance, end of period	30,000	20,000
Net carrying amount	470,000	480,000

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14 Property and equipment

(a) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2016	389,664	477,875	692,362	525,210	388,392	864,379	35,500	3,373,382
Additions	-	-	26,187	40,480	49,917	32,769	-	149,354
Reclassifications	-	-	35,500	-	-	-	(35,500)	-
Disposals	-	-	(18,408)	(2,372)	(65)	(1,126)	-	(21,970)
Balance, 30 September 2016	389,664	477,875	735,642	563,318	438,244	896,022	-	3,500,766
Accumulated depreciation								
Balance, 1 January 2016	-	39,661	382,602	359,091	186,335	472,870	-	1,440,559
Charge for the period	-	7,166	70,120	73,175	54,606	106,212	-	311,278
Disposals	-	-	(17,487)	(2,394)	(65)	(1,062)	-	(21,008)
Balance, 30 September 2016	-	46,827	435,234	429,872	240,876	578,019	-	1,730,829
Net book value								
Balance, 1 January 2016	389,664	438,214	309,760	166,119	202,057	391,509	35,500	1,932,823
Balance, 30 September 2016	389,664	431,048	300,406	133,446	197,368	318,003	-	1,769,936

(b) Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2016	389,664	477,875	546,537	462,481	253,019	677,683	35,500	2,842,759
Additions	-	-	26,513	32,055	45,257	37,651	-	141,475
Reclassifications	-	-	35,500	-	-	-	(35,500)	-
Disposals	-	-	(18,408)	(2,432)	(65)	(1,126)	-	(22,030)
Balance, 30 September 2016	389,664	477,875	590,143	492,103	298,211	714,208	-	2,962,204
Accumulated depreciation								
Balance, 1 January 2016	-	39,659	315,422	334,493	158,995	418,721	-	1,267,290
Charge for the period	-	7,168	66,375	58,286	31,656	80,052	-	243,537
Disposals	-	-	(17,487)	(2,432)	(65)	(1,062)	-	(21,046)
Balance, 30 September 2016	-	46,827	364,310	390,348	190,586	497,711	-	1,489,781
Net book value								
Balance, 1 January 2016	389,664	438,216	231,115	127,988	94,024	258,962	35,500	1,575,469
Balance, 30 September 2016	389,664	431,048	225,833	101,756	107,625	216,498	-	1,472,424

In thousands of Nigerian Naira

15 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 the cash and cash equivalents. Interest earned on statutory deposits are included in other income.

16 Insurance liabilities

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
– Claims reported and loss adjustment expenses (see note 20.1)	2,748,297	2,059,584	2,732,945	2,026,109
– Claims incurred but not reported (see note 20.1)	2,765,184	2,195,412	2,488,318	2,126,761
– Unearned premiums (see note 20.2)	8,137,782	6,428,680	6,859,736	5,907,871
– Individual life reserves (see note 20.3)	451,626	368,431	451,626	368,431
– Annuity reserves (see note 20.4)	1,840,358	1,864,668	1,840,358	1,864,668
Total insurance liabilities, gross	15,943,247	12,916,775	14,372,983	12,293,840
Reinsurance receivables				
– Claims reported and loss adjustment expenses	2,384,513	1,341,970	2,384,513	1,330,466
– Claims incurred but not reported	814,111	625,724	814,111	625,724
Total reinsurers' share of insurance liabilities	3,198,624	1,967,694	3,198,624	1,956,190
Net insurance liability	12,744,623	10,949,081	11,174,359	10,337,650

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16.1 – Claims reported and loss adjustment expenses

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Non-Life	2,240,558	1,438,873	2,240,558	1,438,873
Group life	492,386	587,236	492,386	587,236
Health	15,352	33,475	-	-
	2,748,297	2,059,584	2,732,945	2,026,109

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of period	2,059,584	1,235,071	2,026,109	1,219,049
Additional claims incurred during the period	7,092,289	6,775,402	5,673,896	5,933,563
Claims paid during period	(6,403,576)	(5,929,503)	(4,967,061)	(5,105,116)
Claims reclassified to other creditors- Group life endowment fund	-	(21,387)	-	(21,387)
Balance, end of period	2,748,297	2,059,584	2,732,945	2,026,109

– Claims incurred but not reported

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Non-Life	1,594,874	1,478,507	1,594,874	1,478,507
Group life	893,444	648,254	893,444	648,254
Health	276,866	68,651	-	-
	2,765,184	2,195,412	2,488,318	2,126,761
IBNR, beginning of the period	2,195,412	1,719,404	2,126,761	1,707,208
Increase in IBNR	569,772	476,008	361,557	419,553
Balance, end of period	2,765,184	2,195,412	2,488,318	2,126,761

16.2 Unearned premium

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Non life	6,210,483	5,279,889	6,210,483	5,279,889
Group life	649,253	627,982	649,253	627,982
Health	1,278,046	520,809	-	-
	8,137,782	6,428,680	6,859,736	5,907,871
Current	5,733,230	4,024,128	4,455,184	3,503,319
Non-current	2,404,552	2,404,552	2,404,552	2,404,552

The movement in unearned premium during the period is as follows:	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of period	6,428,680	6,745,307	5,907,871	6,515,162
Increase in the period	16,942,722	16,574,614	14,247,829	15,009,324
Release of unearned premium	(15,233,620)	(16,891,241)	(13,295,964)	(15,616,615)
Balance, end of period	8,137,782	6,428,680	6,859,736	5,907,871

16.3 Individual life reserves can be analysed as follows:

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Individual life	451,626	368,431	451,626	368,431
	451,626	368,431	451,626	368,431

Movement in individual life reserves:	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of period	368,431	465,923	368,431	465,923
Transfer from profit or loss account	83,195	(97,492)	83,195	(97,492)
Balance, end of period	451,626	368,431	451,626	368,431

16.4 Annuity reserves can be analysed as follows:

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Annuity	1,840,358	1,864,668	1,840,358	1,864,668
	1,840,358	1,864,668	1,840,358	1,864,668

Movement in Annuity reserves:	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Balance, beginning of period	1,864,668	1,127,293	1,864,668	1,127,293
Transfer from profit or loss account	(24,310)	737,375	(24,310)	737,375
Balance, end of period period	1,840,358	1,864,668	1,840,358	1,864,668

In thousands of Nigerian Naira

17 Investment contract liabilities

The movement in deposit administration during the period can be divided into interest-linked and unitized fund. The movements in these two categories of investment contract liabilities during the period are as follows:

	Group September -2016	Group Dec-2015	Parent September -2016	Parent Dec-2015
Investment contract at amortised cost	2,642,615	2,656,066	2,642,615	2,656,066
Financial liability designated at fair value	6,638,156	7,657,492	4,469,788	4,130,895
	9,280,771	10,313,558	7,112,403	6,786,961

Movements in amounts payable under investment contracts liabilities during the period are as shown below. The liabilities are shown inclusive of interest accumulated to 30 September 2016.

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17.1 Investment contract at amortised cost - Movement in investment linked products:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	2,656,066	2,383,562	2,656,066	2,383,562
Contributions	1,526,671	2,341,263	1,526,671	2,341,263
Withdrawal	(1,882,092)	(2,392,974)	(1,882,092)	(2,392,974)
Interest capitalised	341,969	324,215	341,969	324,215
Balance, end of period	2,642,615	2,656,066	2,642,615	2,656,066

Financial liabilities are presented at amortised cost in the group financial statements. (The fair value of the financial liabilities is equal to the amortised cost as the reporting date). These products are deposit administration products namely LS and LIP where customers are paid interest based on rates linked to the CBN Monetary Policy Rates (MPR).

17.2 Financial liability designated at fair value. The movement in unitised funds during the period was as follows:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	7,657,492	4,799,920	4,130,895	2,451,020
Contributions	1,377,713	4,296,991	515,545	2,530,028
Withdrawals	(2,397,014)	(1,439,419)	(176,652)	(850,153)
Balance, end of period	6,638,156	7,657,492	4,469,788	4,130,895

18 Trade payables

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

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Reinsurance and co-insurance payable	1,741,546	650,651	1,741,546	650,651
Trade payables	771,512	990,419	756,609	988,621
	2,513,058	1,641,070	2,498,155	1,639,272

The total trade payables are due within one period.

19 Other liabilities

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Deferred income	1,367,843	970,349	473,085	453,696
Premium received in advance	285,092	559,165	285,092	559,165
Due to investment brokers	7,139	11,479	7,069	11,409
Creditors and accruals	669,639	570,138	552,737	421,229
Unclaimed dividend	63,954	65,049	63,954	65,049
Cash settled share based payment liability	36,063	22,725	36,063	22,725
	2,429,730	2,198,905	1,418,000	1,533,273

20 Current income tax liabilities

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	202,653	146,915	144,205	129,752
Current period charge				
- General	35,724	112,921	35,724	112,921
- Life	38,819	67,998	38,819	67,998
- AXA Mansard Investments Limited	2,708	32,537	-	-
- AXA Mansard Health Limited	36,529	-	-	-
- AXA Mansard Pensions Limited	4,617	8,427		-
Payments during the period	(148,954)	(96,832)	(107,597)	(97,153)
WHT credit notes utilised during the period	-	(69,313)	-	(69,313)
Balance, end of period	174,495	202,653	111,151	144,205

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21 Borrowings

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Bank borrowings (see note (a) below)	4,404,516	3,331,879	-	-
Loan note (see note (b) below)	701,698	696,351	-	-
Total borrowings	5,106,214	4,028,230	-	-

(a) **Bank borrowings**

Bank borrowings are made up of two dollar denominated loans.

(i) Balance of USD 8,905,879 (2015: $8,905,879) represents facility granted to APD limited by GTBank Plc payable in 5 periods commencing 30 June 2013. The principal and Interest is accrued and payable quarterly at an average rate of 90 days LIBOR less a spread of 200 basis point subject to a floor annual rate of 10% resulting in an effective interest rate of 10%. An equitable mortgage on the Company's investment property (office building) was used to secure the borrowing.

(ii) The second loan represents a USD10,000,000 facility granted to APD limited by GTBank Plc payable in 5 periods commencing from 23 September 2014. Interest is payable quarterly at an average rate of 90 days LIBOR less a spread of 200 basis point subject to a floor annual rate of 10% resulting to an effective interest rate of 9.99%.

(b) **Loan note**

Loan note represents N676,767,293 (2015: N676,767,293) unsecured facility granted to APD by Karsang Limited payable in 7 periods commencing October 2014. Interest is accrued at an effective interest rate of 10.41% and the loan is payable at maturity

(c) The movement in borrowing during the period is as follows:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of the period	4,028,230	4,578,268	-	-
Impact of foreign exchange rate changes	1,653,458	238,757	-	-
Accrued interest	337,915	415,996	-	-
Payments during the period	(913,389)	(1,204,790)	-	-
	5,106,214	4,028,230	-	-

22 Deferred income tax

(a) ***Liabilities***

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Deferred income tax liabilities	771,789	286,941	91,381	125,362
	771,789	286,941	91,381	125,362
Current	600,590	107,907	91,381	120,330
Non-current	171,199	191,978	-	11,278

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	286,941	279,106	125,362	120,330
Charge/(credit) in income statement for the period	497,749	45,018	(33,981)	42,215
Tax charge /(reversals) relating to components of other comprehensive income	(12,901)	(37,183)	(12,901)	(37,183)
Balance, end of period	771,789	286,941	91,381	125,362
Deferred income tax liability/(assets) is attributable to the following:				
Property and equipment	68,319	70,110	32,667	73,435
Unrealised gain on foreign currency translation	543,600	16,922	58,714	51,927
Fair value gain on investment property	171,199	219,782	-	-
Unrelieved tax losses	(11,328)	(19,873)	-	-
Balance, end of period	771,789	286,941	91,381	125,362

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Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	70,110	(1,791)	-	68,319
Unrealised gain on foreign currency translation	16,922	539,579	(12,901)	543,600
Fair value gains on Investment property	219,782	(48,583)	-	171,199
Unrelieved tax losses	(19,873)	8,545	-	(11,328)
	286,941	497,749	(12,901)	771,789

Company

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	73,435	(40,768)	-	32,667
Unrealised gain on foreign currency translation	51,927	34,120	(27,333)	58,714
Unrelieved tax losses	-	-	-	-
	125,362	(6,648)	(27,333)	91,381

2015
Group

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	43,845	26,265	-	70,110
Unrealised gain on foreign currency translation	212,123	(158,018)	(37,183)	16,922
Fair value gains on Investment property	171,199	48,583	-	219,782
Unrelieved tax losses	(148,061)	128,188	-	(19,873)
	279,106	45,018	(37,183)	286,941

Company

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	62,719	10,716	-	73,435
Unrealised gain on foreign currency translation	68,933	20,177	(37,183)	51,927
Unrelieved tax losses	(11,322)	11,322	-	-
	120,330	42,215	(37,183)	125,362

(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 because it is not probable that future taxable profit will be available against which the life business can use the benefits therefrom.

In thousands of Naira	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Property and equipment	19,061	19,061	19,061	19,061
Tax losses	851,938	851,938	851,938	851,938
Balance, end of period	870,999	870,999	870,999	870,999

Notes to the financial statements

For the period ended 30 September 2016

In thousands of Nigerian Naira

23 Share capital:

23.1 Share capital comprises:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
(a) ***Authorized:***				
10,500,000,000 Ordinary shares of 50k each (Dec 2015: 10,500,000,000 ordinary shares)	5,250,000	5,250,000	5,250,000	5,250,000
(b) ***Issued and fully paid***				
10,500,000,000 Ordinary shares of 50k each	5,250,000	5,250,000	5,250,000	5,250,000

Movement in issued and fully paid shares

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	5,250,000	5,000,000	5,250,000	5,000,000
Additional shares during the period	-	250,000	-	250,000
Balance, end of period	5,250,000	5,250,000	5,250,000	5,250,000

The additions to the issued share capital during the period represent the nominal value of the 500,000,000 ordinary shares issued in respect of the AXA Mansard Share Option Plan (MSOP) treasury shares. See note 27.4 (b) and note 44 for additional disclosures on the treasury shares and share scheme.

(i) ***Non-Life Business***

Share capital comprises:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
8,500,000,000 Ordinary shares of 50k each	4,250,000	4,250,000	4,250,000	4,250

(ii) ***Life Business***

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
2,000,000,000 Ordinary shares of 50k each	1,000,000	1,000,000	1,000,000	1,000,000

23.2 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

23.3 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 the amount of 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 reached the amount of minimum paid up capital.

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

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of the period	2,722,013	2,344,406	2,722,013	2,344,406
Transfer from retained earnings	369,131	377,607	369,131	377,607
Balance, end of period	3,091,144	2,722,013	3,091,144	2,722,013

Analysis per business segment

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Non-life business	2,744,495	2,404,515	2,744,495	2,404,515
Life business	345,547	316,395	345,547	316,395
Balance, end of period	3,090,042	2,720,909	3,090,042	2,720,909

Notes to the financial statements

For the period ended 30 September 2016
In thousands of Nigerian Naira

(i) Non-Life Business

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	2,404,515	2,064,571	2,404,515	2,064,571
Transfer from retained earnings	339,979	339,944	339,979	339,944
Balance, end of period	2,744,495	2,404,515	2,744,495	2,404,515

(ii) Life Business

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	316,396	279,936	316,396	279,936
Transfer from retained earnings	29,152	36,460	29,152	36,460
Balance, end of period	345,548	316,396	345,548	316,396

23.4 Other reserves

Other reserves comprise of the following:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Capital reserves (see note (a) below)	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserves	23,305	14,629	-	-
Share-based payment reserves (see note (b) below)	57,614	32,978	57,614	32,978
	2,580,920	2,547,607	2,557,614	2,532,978

(a) Capital reserve

The Company's issued and fully paid capital was reconstructed by a special resolution at its Board meeting on 18th October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid 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 18th December 2007. The balance on the capital reserve was allocated between the non-life business and life business segments in the proportion of their share capital, as follows:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Life business segment	1,000,000	1,000,000	1,000,000	1,000,000
Non-life business segment	1,500,000	1,500,000	1,500,000	1,500,000
	2,500,000	2,500,000	2,500,000	2,500,000

(b) Share-based payment reserves

Share-based payment reserves represent the impact of the share option granted to the employees of the Company under the Mansard Share Option Plan (MSOP). The movement in the account is as stated below:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	32,978	157,907	32,978	157,907
Additions, during the period	24,636	32,978	24,636	32,978
Additions during the period from vested tranches 1 and 2	-	125,697	-	125,697
Vested portion transferred to retained earnings, during the period	-	(283,604)	-	(283,604)
Balance, end of period	57,614	32,978	57,614	32,978

23.5 Treasury shares

Treasury shares represent the 500,000,000 50 kobo ordinary shares issued by the Company at N1.72 per share under the Mansard Share Option Plan (MSOP).

Treasury shares' balances as at 30 September 2016 are as analysed below:	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
Balance, beginning of period	(304,924)	(840,220)	(304,924)	(840,220)
Value of treasury shares created	-	-		
Value of vested portion of Treasury shares	-	535,296	-	535,296
Balance, end of period	(304,924)	(304,924)	(304,924)	(304,924)

Notes to the financial statements

For the period ended 30 September 2016
In thousands of Nigerian Naira

23.6 Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired.

Movements in the fair value reserve:

	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
At beginning of period	703,664	365,733	646,387	389,567
Changes in available-for-sale financial assets (net of taxes)	(1,464,349)	337,931	(1,406,522)	256,820
Balance, end of period	(760,685)	703,664	(760,135)	646,387

Changes in the valuation of AFS financial assets during period	Group Sept -2016	Group Dec-2015	Parent Sept -2016	Parent Dec-2015
At beginning of period	935,054	365,733	851,929	389,567
Unrealised net changes in fair value of AFS assets	(1,464,349)	664,944	(1,406,522)	557,985
Realised (losses)/gains transferred to income statement	-	(95,623)	-	(95,623)
Balance, end of period	(529,295)	935,054	(554,593)	851,929

23.7 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.

24 Non-controlling interests in equity

(i) ***APD Limited***

	Group Sept -2016	Group Dec-2015
Opening balance	1,932,002	1,123,546
Business combination (NCI interest at acquisition date)	-	487,912
Transfer from the profit or loss account	877,908	491,474
Balance as at period end	2,809,910	2,102,933

Non controlling interest represents 44.3% (1,882,725 ordinary shares) of the equity holding of the Company's Subsidiary, Assur Property Development Limited. The Group did not pay any dividend to Non-Controlling Interest during the period (2015: nil).

The entities accounting for non-controlling interest are shown below:

APD Limited

Non controlling interest (44.3%)

	Group Sept -2016	Group Dec-2015
Opening balance	1,418,892	1,123,546
Transfer from the profit or loss account	875,005	295,346
Balance as at period end	2,293,898	1,418,892

AXA Mansard Pensions Limited

Non controlling interest (40%)

	Group Sept -2016	Group Dec-2015
Opening balance	513,109	-
NCI interest at acquisition date	-	487,912
Transfer from profit or loss account	2,903	25,197
Balance as at period end	442,047	513,109

25 Net premium income

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Gross written premium:	16,942,722	13,502,020	14,247,829	12,308,835
Non-life	11,332,641	9,442,474	11,332,641	9,442,474
Life (Group life and individual life)	2,637,809	2,481,568	2,637,809	2,481,568
Annuity	277,379	384,794	277,379	384,794
AXA Mansard Health (HMO)	2,694,893	1,193,185	-	-
Provision for unearned premium				
Non-life	(930,594)	(259,064)	(930,594)	(259,064)
Group life	(21,272)	(423,300)	(21,272)	(423,300)
AXAMansard Health (HMO)	(757,236)	(336,866)	-	-
Gross premium income	15,233,621	12,482,790	13,295,964	11,626,471
– Re-insurance cost	7,684,573	5,205,950	7,615,519	5,172,022
– Changes in prepaid re-insurance	(904,122)	(33,565)	(885,540)	(21,040)
Re-insurance expenses	6,780,451	5,172,385	6,729,979	5,150,982
Net premium income	8,453,170	7,310,405	6,565,985	6,475,489

In thousands of Nigerian Naira

26 Fee and commission on Insurance Contracts

Fee income represents commission received on direct business and transactions ceded to re-insurance companies during the period under review.

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Policy administration and asset management services	728,663	742,585	728,663	742,585

27 Claims:

Claims expenses (gross)	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Current period claims paid	6,403,576	4,367,202	4,967,061	3,855,883
Outstanding claims	135,700	721,849	153,822	652,244
Claims incurred	6,539,276	5,089,052	5,120,883	4,508,127
Outstanding claims- IBNR	569,772	461,786	361,557	381,314
Total claims and loss adjustment expense	7,109,048	5,550,838	5,482,440	4,889,441
Recovered from re-insurers	(1,804,176)	(1,360,856)	(1,800,375)	(1,360,856)
Net claims and loss adjustment expense	5,304,872	4,189,982	3,682,065	3,528,585

28 Underwriting expenses:

Underwriting expenses can be sub-divided into commission expenses and other acquisition expenses. Commission expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and indirect expenses such as salaries of underwriting staff. Other acquisition expenses are those incurred in servicing existing policies/contracts. These include processing costs, preparation of statistics and reports, and other incidental costs attributable to maintenance.

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Commission expenses	1,319,385	1,221,672	1,319,385	1,221,672
Other acquisition cost	221,833	153,612	158,104	122,092
	1,541,218	1,375,284	1,477,489	1,343,763

29 Investment income

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Dividend income	95,071	48,582	91,977	138,582
Interest income on investment securities	1,252,137	1,634,575	1,007,721	1,428,294
Interest income on cash and cash equivalents	175,289	255,135	148,526	175,165
Rental income	863,088	693,784	-	-
Asset management fees	264,487	273,123	(109,824)	(94,421)
	2,650,072	2,905,200	1,138,400	1,647,621

In thousands of Nigerian Naira

30 Net (losses)/gains on financial instruments

	Group Sept-2016	Group Sept-2015	Parent Sept-2016	Parent Sept-2015
Fair value (losses)/ gains on financial assets	402,223	35,974	384,222	20,892
Foreign exchange gain/(loss)	2,551,071	(202,927)	404,607	76,918
	2,953,294	(166,953)	788,829	97,810

31 Profit from investment contracts

	Group Sept-2016	Group Sept-2015	Parent Sept-2016	Parent Sept-2015
Interest income	219,979	202,657	219,979	202,657
Gains from sale of investments	13,461	59,149	13,461	59,149
	233,440	261,806	233,440	261,806
Guaranteed interest	(74,750)	(111,477)	(74,750)	(111,477)
Other expenses	(7,104)	(17,341)	(7,104)	(17,341)
	151,586	132,989	151,586	132,989

32 Other income

	Group Sept-2016	Group Sept-2015	Parent Sept-2016	Parent Sept-2015
Profit/(loss) from sale of property and equipment	2,101	6,167	2,361	4,427
Sundry income	118,044	30,413	53,416	79,548
Interest income from loan to subsidiary	-	-	94,466	-
Total	120,145	36,580	150,243	83,975

33 Expenses for marketing and administration

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Direct selling costs	157,681	186,905	157,681	186,905
Marketing and administrative expenses	854,837	862,107	644,240	700,115
	1,012,518	1,049,012	801,921	887,020

34 Employee benefit expense

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Wages and salaries	1,349,034	1,089,923	1,075,303	842,609
Pension costs – defined contribution plans	34,338	36,066	28,942	23,080
Performance-based expenses	199,253	41,784	183,280	31,684
Share-based payments expense	37,974	22,725	37,974	22,725
	1,620,599	1,190,498	1,325,499	920,098

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.

Notes to the financial statements

For the period ended 30 September 2016
In thousands of Nigerian Naira

35 Other operating expenses

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Depreciation and amortisation charges	385,272	356,629	279,173	275,442
Write off of premium receivables	13,498	(121)	8,757	(121)
Professional fees	74,034	103,819	61,239	91,191
Directors' emolument and expenses	47,726	53,358	36,781	43,905
Contract services cost	494,786	530,584	451,919	505,052
Auditor's remuneration	26,476	21,823	21,449	18,039
Bank charges	45,950	31,971	29,062	25,886
Stamp duty charge on bank transactions	948	-	936	-
Training expenses	68,655	73,890	64,506	63,701
Information technology expenses	159,308	136,237	140,960	117,645
Other expenses	150,258	50,986	82,318	31,936
	1,466,912	1,359,175	1,177,101	1,172,676

36 Finance cost

Interest expense represents finance cost recognized on APD Limited's loans during the period under review.

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Interest expense	337,915	319,958	-	-
	337,915	319,958	-	-

37 Income tax expense

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Company income tax				
-General	(35,724)	(108,043)	(35,724)	(108,043)
- Life	(38,819)	(45,231)	(38,819)	(45,231)
- AXA Mansard Investments Limited	(2,810)	(30,321)	-	-
- AXA Mansard Health	(36,529)	-	-	-
- AXA Mansard Pensions	(4,617)	(7,217)	-	-
	(118,499)	(190,812)	(74,543)	(153,274)
Deferred tax				
- General	(33,981)	-	(33,981)	-
- Life	-	-	-	-
- AXA Mansard Investments limited	-	-	-	-
- APD Limited	(504,414)	-	-	-
- AXA Mansard Health Limited	(17,013)	(18,490)	-	-
	(555,409)	(18,490)	(33,981)	-
Total tax charge for the period	(673,907)	(209,301)	(108,524)	(153,274)

In thousands of Nigerian Naira

38 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 period, excluding ordinary shares purchased by the Company and held as treasury shares.

	Group Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Profit attributable to equity holders	2,162,196	1,452,832	892,222	998,154
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	10,322,719	10,322,719	10,322,719	10,322,719
Basic earnings per share (kobo per share)	20.95	14.07	8.64	9.67

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

	Group Sept -2016	Group Sept-2015
Issued ordinary shares at 1 January	10,322,719	10,000,000
Effect of treasury shares held	-	-
Effect of share options exercised	-	322,719
Weighted-average number of ordinary shares at 30 September	10,322,719	10,322,719

(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 Sept -2016	Group Sept-2015	Parent Sept -2016	Parent Sept-2015
Profit attributable to equity holders	2,162,196	1,452,832	892,222	998,154
Weighted average number of ordinary shares in issue (thousands) (see note (i) below)	10,407,334	10,401,886	10,407,334	10,401,886
Diluted earnings per share (kobo per share)	20.78	13.97	8.57	9.60

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

	Group Sept -2016	Group Sept-2015
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares granted under the employee share option	84,615	79,167
Effect of share options exercised	-	-
Average number of ordinary shares at 30 September with dilutive effect	10,407,334	10,401,886

(ii) **Weighted average number of ordinary shares (diluted)**

	Group Sept -2016	Group Sept-2015
Issued ordinary shares at 1 January	10,322,719	10,000,000
Effect of ordinary shares granted under the employee share option *	84,615	79,167
Effect of share options exercised*	-	322,719
Weighted average number of ordinary shares at 30 September	10,407,334	10,401,886

AXA MANSARD INSURANCE PLC

APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (NON-LIFE))
FOR THE PERIOD 30 September 2016

	FIRE	GENERAL ACCIDENT	MOTOR	MARINE	ENGINEERING	OIL & ENERGY	AVIATION	AGRICULTURE	September 2016	September 2015
	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE										
Gross Premium Written	2,315,926	1,255,870	2,224,532	473,499	1,490,304	3,315,137	226,089	10,182	11,311,539	9,404,087
Add Reinsurance Inward Premium	2,417	8,240	5,533	2,477	994	-	1,441	-	21,102	38,387
	2,318,343	1,264,110	2,230,065	475,976	1,491,298	3,315,137	227,530	10,182	11,332,641	9,442,474
Less Unexpired Risks Provision	(425,644)	(197,733)	(105,470)	75,481	(154,243)	(131,279)	4,994	3,301	(930,594)	(259,064)
Gross Premium Earned	1,892,698	1,066,377	2,124,595	551,457	1,337,055	3,183,858	232,524	13,482	10,402,047	9,183,409
Less Reinsurance Cost										
Local Facultative Premium	(1,543,603)	(198,556)	(82,051)	(119,502)	(1,243,328)	(2,799,419)	(96,738)	-	(6,083,197)	(3,866,213)
Prepaid Reinsurance	416,570	17,597	38,809	(67,566)	169,029	345,584	(13,014)	(1,048)	905,961	21,040
Reinsurance Treaty Premium	(334,244)	(10,725)	(7,950)	(159,194)	(108,389)	(145,781)	(15,013)	-	(781,295)	(804,351)
Net Premium	(1,461,277)	(191,684)	(51,192)	(346,262)	(1,182,688)	(2,599,616)	(124,765)	(1,048)	(5,958,531)	(4,649,525)
Net Earned Premium	431,421	874,693	2,073,403	205,195	154,367	584,242	107,758	12,435	4,443,516	4,533,884
Add Commission Received										
Direct Business Commission	14,526	4,532	132	2,929	1,521	9,781	181	-	33,602	109,769
Local Facultative Comm	231,663	22,735	12,329	5,832	64,746	47,135	2,046	-	386,485	275,279
Reinsurance Treaty Comm	77,722	-	-	42,378	33,858	36,438	154	-	190,550	183,130
Deferred Comm. Income	(73,366)	(2,907)	(6,364)	14,189	2,289	46,080	403	288	(19,389)	48,756
Investment income	23,648	47,945	113,650	11,247	8,461	32,024	5,907	682	243,563	233,974
	274,192	72,305	119,747	76,575	110,875	171,457	8,690	970	834,811	850,908
Total Income	**705,613**	**946,998**	**2,193,150**	**281,770**	**265,242**	**755,699**	**116,449**	**13,404**	**5,278,327**	**5,384,793**
Expenses										
Claims Paid	580,568	453,707	1,419,546	371,085	393,921	263,710	24,737	-	3,507,274	2,710,842
Outstanding Claims	378,597	98,213	(62,706)	(88,771)	161,313	(120,426)	(1,181)	-	365,040	976,940
Gross Claims	959,165	551,920	1,356,840	282,314	555,234	143,284	23,556	-	3,872,314	3,687,782
Treaty Claims Recovered	344,872	147,796	29,456	162,211	37,970	59,666	-	-	781,971	606,947
Facultative Claims Recovered	273	8,507	705	94,466	162,916	153,667	-	-	420,534	33,341
Coinsurance Claims Recovered	262	38,643	16,079	-	-	-	-	-	54,985	
Ri Claim Recoverable	238,384	30,879	(10,761)	(39,905)	85,553	(40,117)	(2,419)	-	261,615	459,253
Total Claims Recovered/Recoverable	583,792	225,824	35,480	216,772	286,439	173,216	(2,419)	-	1,519,105	1,099,541
Net claims Incurred	**375,373**	**326,096**	**1,321,361**	**65,542**	**268,795**	**(29,932)**	**25,975**	**-**	**2,353,209**	**2,588,241**
Underwriting Expenses (commission expenses)	377,120	185,309	163,651	62,864	77,069	107,278	27,006	1,648	1,001,945	873,066
Deferred Acquisition Cost (Comm)	(70,424)	(41,049)	(14,809)	13,645	(402)	70,928	4,979	330	(36,802)	13,563
Other acquisition Cost	28,663	462	72,193	13,105	174	33,140	-	-	147,735	117,252
Maintenance Costs	27,083	17,018	30,322	4,623	2,056	19,573	3,610	-	104,285	81,402
Total underwriting expenses	**362,442**	**161,740**	**251,356**	**94,236**	**78,897**	**230,918**	**35,595**	**1,978**	**1,217,163**	**1,085,284**
Underwriting Profit	**(32,202)**	**459,162**	**620,433**	**121,992**	**(82,450)**	**554,713**	**54,879**	**11,426**	**1,707,955**	**1,711,268**

APPENDIX 4 (SUMMARISED REVENUE ACCOUNTS (LIFE))
FOR THE PERIOD 30 September 2016

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	September 2016 TOTAL	September 2015 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross Premium Written	1,918,437	719,372	277,379	**2,915,188**	**2,866,362**
Less Unexpired Risks Provision	(21,272)	-	-	**(21,272)**	**(423,300)**
	1,897,165	719,372	277,379	2,893,916	2,443,062
Less Reinsurance Premium					
Local Facultative Premium	(325,450)	(5,974)	-	(331,424)	(384,285)
Ri share of Insurance Liabilities	(53,448)	33,027	-	(20,421)	161,871
Reinsurance Treaty Premium	(354,074)	(65,529)	-	(419,602)	(279,043)
Net Premium	**1,164,193**	**680,897**	**277,379**	**2,122,469**	**1,941,605**
Add commission received					
Direct business commission	3,297	-	-	3,297	7,059
Local Facultative	41,556	1,114	-	42,669	38,763
Reinsurance treaty	80,239	11,210	-	91,448	79,829
Investment Income	406,091	237,509	181,600	825,200	482,025
	531,182	249,832	181,600	962,614	607,676
Total income	**1,695,375**	**930,729**	**458,979**	**3,085,083**	**2,549,280**
Expenses					
Claims paid	995,419	267,397	187,812	1,450,628	1,139,954
Surrenders	-	9,159	-	9,159	3,986
Increase/decrease outstanding claims	150,340	-	-	150,340	56,618
Gross claims incurred	1,145,759	276,556	187,812	1,610,127	1,200,558
Reinsurance recovered	(255,788)	(25,552)	-	(281,339)	(190,809)
Claims Recovered	69	-	-	69	(70,506)
Net claims incurred	**890,041**	**251,004**	**187,812**	**1,328,856**	**939,244**
Acquisition expenses (commission expenses)	124,523	71,198	5,676	201,397	210,544
Other acquisition costs	16,194	2,622	-	18,816	22,912
Maintenance cost	28,000	12,079	-	40,079	33,974
Transfer to life fund	-	83,195	(24,310)	58,885	176,899
Total expenses	1,058,758	420,098	169,177	1,648,033	1,383,573
Underwriting profit	636,617	510,632	289,801	1,437,050	1,165,707