AXA Mansard Insurance plc and Subsidiary Companies
Consolidated Financial Statements

for the period ended 31 March 2017

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 31 March 2017 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 31 March 2017

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.

2 Summary of significant accounting policies

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 have been included where appropriate.
The consolidated financial statements comprises 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 standards
- investment contract liabilities at fair value.

(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.

2.1.1 Changes in accounting policy and disclosures

(a) 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 2017 and earlier application is permitted; however, the group has not early adopted 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, released in July 2014, replaces the existing guidance in IAS 39 Financial instruments: Recognition and measurement. IFRS 9 includes revised guidance on the reclassification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting 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.	Having assessed the impact of the new standard, the adoption of the new standard will not have material impact on the Group's consolidated financial statements.

IAS 1 Presentation of Fianancial Statements	In January 2015, the IASB issued an exposure draft of amendments to IAS 1 on classification of liabilities. IAS 1 amendments designed to improve presentation in financial statements by clarifying the criteria for the classification of a liability as either current or non-current: clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period and making clear the link between the settlement of the liability and the outflow of resources from the entity.	The Group is currently in compliance with the requirements of this new standard.
IAS 27 Separate Fianancial Statements	The IASB introduced an amendment to IAS 27 in August 2014. It allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. IAS 27, 'Separate financial statements', deals with the accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate financial statements. Each category of investments should be accounted for either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in the separate financial statements.s effective for annual periods beginning on or after 1 January 2016 and should be applied retrospectively. Earlier application is permitted.	The Group has assessed the impact of the requirement and has decided to use the cost method in accounting for investment in subsidiaries.
IFRS 10 Consolidated Financial statements & IAS 28 Equity Accounting	In September 2014 the IASB released amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The IASB has decided to postpone the effective date of this amendment pending the outcome of the research project on the equity method of accounting.	The group will continue to monitor developments regarding the new effective date for the amendment
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 2017 with early adoption permitted.	The adoption of the new standard does not have any impact on the financial results of the Group.

2.2 Significant accounting policies

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

(a) Consolidation

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 by 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.

(b) Consolidated structured entities

(i) Subsidiaries

Subsidiaries are all entities over which the group exercises control.

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

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 between retained earnings and Non controlling interests. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) 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.

(c) 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.

(d) Foreign currency translation

(i) Functional and presentation currency

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

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 Statement of Comprehensive income.

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.

(e) Financial assets

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

Classification of financial assets

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

Held for trading

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

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

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

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

(ii) Loans and receivables

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

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

Trade receivables

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

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

Reinsurance assets

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

Other receivables

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

(iii) Held-to-maturity financial assets

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

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

Interests on held-to-maturity investments are included in the consolidated income statement and are reported as interest income. In the case of an impairment, it is reported as a deduction from the carrying value of the investment and recognised in the consolidated 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.

During the year, in order to align with the Parent company's investment classification policy, all held for trading and held to maturity financial assets were reclassified to available for sale.

Recognition and measurement of financial assets

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.

Determination of fair value of financial assets

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

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

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

For more complex instruments the 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 value unlisted debt securities for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions. The impact of financial instruments valuation reflecting non-market observable inputs (Level 3 valuations) is disclosed in the note to the financial statements.

Reclassification of financial assets

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

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

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

Impairment of financial assets

(a) Financial assets carried at amortised cost

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

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

The 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.

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).

(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.

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.

Derecognition of financial assets

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

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

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

Offsetting financial instruments

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

(f) Investment property

Property held for 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.

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. Currently, the group occupies less than 10% of the lettable space (264sqm out of 7,406sqm). The portion of the investment property occupied by the owner is considered immaterial to the total lettable space and to the value of the investment property.

(g) Intangible assets

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. Goodwill is monitored at the operating segment level.

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

(iii) License fee

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

(h) 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.

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

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

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

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

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

The group leases some welcome centers and branches under the operating lease arrangement. The lease payments are recognised as an expense in the income statement over the lease term.

(i) Statutory deposit

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

(j) Insurance contracts

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

(1) Types of Insurance Contracts

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

(ii) Life insurance contracts

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

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

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long 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.

(2) Recognition and measurement

(i) Non-life insurance contracts premium and claims

These contracts are accident, casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. Life insurance contracts protects the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

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

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 recognised in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

(vi) Deferred policy acquisition costs (DAC)

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

(vii) Deferred income

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

(viii) Receivables and payables related to insurance contracts

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

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

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

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

- Reinsurance and coinsurance contracts held

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

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

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

(k) Investment contracts

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

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

(l) Technical reserves

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

(i) General insurance contracts

Reserves for unearned premium

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

Reserves for outstanding claims

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

Reserves for unexpired risk

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

(ii) Life business

Life fund

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

Liability adequacy test

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

(m) Financial liabilities

(i) *Borrowings*

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

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

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

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily 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 recognised as an expense in the period in which they are incurred.

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

(ii) *Trade and other payables*

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

(iii) *Financial guarantee contracts*

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

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

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

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

(o) Current and deferred income tax

The tax expense for the period comprises current 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

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

(p) Equity

(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 expected 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% 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**

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

(q) Earnings per share

The Group presents basic 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. 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-for-sale investment.

(e) Net fair value gain on non financial assets

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

(s) Changes in life fund estimates

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to 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 for contract staff, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognised 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 7.5% and 10.5% respectively each 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 based payment

(i) Equity-settled share based payment

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.

(ii) Cash-settled share based payment

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

Consolidated Statement of Financial Position

As at 31 March 2017

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Mar-17	Group 31-Dec-16	Parent 31-Mar-17	Parent 31-Dec-16
ASSETS					
Cash and cash equivalents	4	2,670,399	3,523,136	2,222,365	2,878,081
Investment securities					
– Available-for-sale	5.1	19,119,006	17,539,370	15,217,090	14,234,470
– Financial assets designated at fair value	5.2	3,699,728	3,325,455	3,567,958	3,194,131
Trade receivables	6	3,384,763	854,923	2,146,031	315,806
Reinsurance assets	7	11,329,053	9,184,177	11,247,045	9,134,825
Other receivables	8	1,382,734	840,036	917,897	555,287
Deferred acquisition cost	9	1,061,358	593,862	1,037,027	574,413
Loans and receivables	10	3,092,377	3,177,293	5,335,455	5,098,392
Investment property	11	12,072,160	12,017,000	-	-
Investment in subsidiaries	12	-	-	3,919,573	3,919,573
Intangible assets	13	1,717,165	1,688,902	221,810	229,332
Property and equipment	14	1,616,652	1,714,019	1,368,152	1,442,216
Statutory deposit	15	500,000	500,000	500,000	500,000
TOTAL ASSETS		**61,645,395**	**54,958,173**	**47,700,404**	**42,076,526**
LIABILITIES					
Insurance liabilities	16	22,034,405	14,433,322	19,547,162	13,033,944
Investment contract liabilities:					
– At amortised cost	17.1	2,611,361	2,734,268	2,611,361	2,734,268
– Financial liabilities designated at fair value	17.2	3,290,540	2,916,273	3,290,546	2,916,719
Trade payables	18	4,991,158	7,423,560	4,948,284	7,406,965
Other liabilities	19	2,334,844	2,215,341	1,617,693	1,017,461
Current income tax liabilities	20	409,849	256,067	293,691	202,157
Borrowings	21	4,324,753	4,225,811	-	-
Deferred tax liability	22	578,979	567,529	175,849	183,220
TOTAL LIABILITIES		**40,575,889**	**34,772,171**	**32,484,586**	**27,494,734**
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	3,468,684	3,173,900	3,468,684	3,173,900
Other reserves	23.4	2,644,691	2,612,567	2,626,023	2,593,900
Treasury shares	23.5	(304,924)	(304,924)	(304,924)	(304,924)
Fair value reserves	23.6	(873,513)	(986,947)	(746,060)	(857,930)
Retained earnings	23.7	3,605,107	3,221,949	478,642	283,393
SHAREHOLDERS' FUNDS		**18,233,498**	**17,409,998**	**15,215,818**	**14,581,792**
Total equity attributable to the owners of the parent		18,233,498	17,409,998	15,215,818	14,581,792
Non-controlling interest in equity	24	2,836,008	2,776,004	-	-
TOTAL EQUITY		**21,069,506**	**20,186,002**	**15,215,818**	**14,581,792**
TOTAL LIABILITIES AND EQUITY		**61,645,395**	**54,958,173**	**47,700,404**	**42,076,526**

Approved by the Board of Directors on 28 April 2017 and signed on its behalf by:

Mrs. Rashidat Adebisi	**Mrs. Yetunde Ilori**	**Mr. Olusola Adeeyo**
FRC/2012/ICAN/00000000497	FRC/2012/CIIN/00000000344	FRC/2013/NIM/00000001919
Chief Financial Officer	Chief Executive Officer	Chairman

Consolidated Statement of Comprehensive Income

for the period ended 31 March 2017

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Mar-17	Group 31-Mar-16	Parent 31-Mar-17	Parent 31-Mar-16
Gross written premium	25	**12,873,532**	8,831,923	**10,827,536**	7,430,900
Gross earned premium	25	**6,210,851**	4,880,084	**5,130,192**	4,328,948
Re-insurance expenses		**(2,899,233)**	(2,122,024)	**(2,881,179)**	(2,089,336)
Net premium income	25	**3,311,618**	2,758,060	**2,249,013**	2,239,612
Fee and commission on insurance contracts	26	**485,832**	262,297	**485,832**	262,297
Net underwriting income		**3,797,450**	3,020,357	**2,734,845**	2,501,909
Claims expenses (Gross)	27	**(3,170,053)**	(2,550,420)	**(2,328,331)**	(2,133,388)
Claims expenses recovered from reinsurers	27	**1,179,959**	796,846	**1,178,434**	796,846
Net claims		**(1,990,094)**	(1,753,574)	**(1,149,897)**	(1,336,542)
Underwriting expenses	28	**(625,119)**	(497,976)	**(588,584)**	(479,111)
(Increase)/decrease in individual life	16.3	**59,629**	(36,884)	**59,629**	(36,884)
(Increase)/decrease in annuity reserves	16.4	**14,591**	(46,439)	**14,591**	(46,439)
Net underwriting expenses		**(2,540,993)**	(2,334,873)	**(1,664,261)**	(1,898,976)
Total underwriting profit		**1,256,457**	685,483	**1,070,584**	602,933
Investment income	29	**1,118,914**	941,368	**562,408**	429,067
Net gains /(losses) on financial instruments	30	**75,533**	438,011	**32,595**	409,362
Profit on investment contracts	31	**45,228**	27,656	**45,228**	27,657
Other income	32	**43,034**	4,427	**74,777**	29,284
Total investment income		**1,282,709**	1,411,462	**715,008**	895,370
Expenses for marketing and administration	33	**(351,671)**	(268,616)	**(283,571)**	(205,838)
Employee benefit expense	34	**(633,030)**	(532,454)	**(490,216)**	(402,360)
Other operating expenses	35	**(534,238)**	(444,678)	**(430,238)**	(372,843)
Total expenses		**(1,518,939)**	(1,245,748)	**(1,204,025)**	(981,041)
Results of operating activities		**1,020,227**	851,197	**581,567**	517,262
Finance cost	36	**(108,409)**	(100,152)	**-**	-
Profit before tax		**911,818**	751,045	**581,567**	517,262
Income tax expense	37	**(173,872)**	(50,938)	**(91,534)**	(50,069)
Profit after tax		**737,946**	700,107	**490,033**	467,193
Profit for the period		**737,946**	700,107	**490,033**	467,193
Profit attributable to:					
Owners of the parent		**677,942**	621,070	**490,033**	467,193
Non-controlling interest	24	**60,004**	79,037	**-**	-
		737,946	700,107	**490,033**	467,193
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	**(113,434)**	(909,181)	**(111,870)**	(855,218)
Other comprehensive income/(loss) for the period		**(113,434)**	(909,181)	**(111,870)**	(855,218)
Total comprehensive income/(loss) for the period		**624,512**	(209,074)	**378,163**	(388,025)
Attributable to:					
Owners of the parent		**564,508**	(288,111)	**378,163**	(388,025)
Non-controlling interests	24	**60,004**	79,037	**-**	-
Total comprehensive income/(loss) for the period		**624,512**	(209,074)	**378,163**	(388,025)
Earnings per share:					
Basic (kobo)	38	**6.57**	6.02	**4.75**	4.53
Diluted (kobo)	38	**6.46**	5.97	**4.67**	4.49

Statement of Comprehensive Income

For the period ended 31 October 2016

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group	Group	Parent	Parent
		Q1 2017 Only	Q1 2016 Only	Q1 2017 Only	Q1 2016 Only
Gross premium written		12,873,532	8,831,923	10,827,536	7,430,900
Gross premium income		6,210,851	4,880,084	5,130,192	4,328,948
Re-insurance expenses		(2,899,233)	(2,122,024)	(2,881,179)	(2,089,336)
Net premium income		3,311,618	2,758,060	2,249,013	2,239,612
Fee and commission income:					
Insurance contracts		485,832	262,297	485,832	262,297
Net underwriting income		3,797,450	3,020,357	2,734,845	2,501,909
Claims expenses (Gross)		(3,170,053)	(2,550,420)	(2,328,331)	(2,133,388)
Claims expenses recovered from reinsurers		1,179,959	796,846	1,178,434	796,846
Net claims		(1,990,094)	(1,753,574)	(1,149,897)	(1,336,542)
Underwriting expenses		(625,119)	(497,976)	(588,584)	(479,111)
Increase in annuity reserves		59,629	(36,884)	59,629	(36,884)
Increase in individual life fund during the period		14,591	(46,439)	14,591	(46,439)
Net underwriting expenses		(2,540,993)	(2,334,873)	(1,664,261)	(1,898,976)
Total underwriting profit		1,256,457	685,483	1,070,584	602,933
Investment income		1,118,914	941,368	562,408	429,067
Net gains/(losses) on financial assets		75,533	438,011	32,595	409,362
Profit on investment contracts		45,228	27,656	45,228	27,657
Other income /(losses)		43,034	4,427	74,777	29,284
Total investment income		1,282,709	1,411,462	(1,514,050)	895,370
Expenses for marketing and administration		(351,671)	(268,616)	(283,571)	(205,838)
Employee benefit expense		(633,030)	(532,454)	(490,216)	(402,360)
Other operating expenses		(534,238)	(444,678)	(430,238)	(372,843)
Total expense		(1,518,939)	(1,245,748)	2,100,496	(981,041)
Results of operating activities		1,020,227	851,197	(419,179)	517,262
				-	
Finance cost		(108,409)	(100,152)	-	-
Profit before tax		911,818	751,045	(419,179)	517,262
Income tax expense		(173,872)	(50,938)	(91,534)	(50,069)
Profit for the period		737,946	700,107	(402,189)	467,193
				-	
Profit attributable to:				-	
Owners of the parent		677,942	621,070	490,033	467,193
Non-controlling interest		60,004	79,037	-	-
		737,946	700,107	490,033	467,193
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		(113,434)	(909,181)	(111,870)	(855,218)
Other comprehensive income for the period		(113,434)	(909,181)	(111,870)	(855,218)
Total comprehensive income for the period		624,512	(209,074)	378,163	(388,025)
Attributable to:					
Owners of the parent		564,508	(288,111)	378,163	(388,025)
Non-controlling interests		60,004	79,037	-	-
Total comprehensive income for the period		624,512	(209,074)	378,163	(388,025)
Earnings per share					
Basic (kobo)		6.57	6.02	4.75	4.53
Diluted (kobo)		6.46	5.97	4.67	4.49

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 31 March 2017

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 2017	5,250,000	4,443,453	2,518,667	(304,924)	93,900	(986,947)	3,173,900	3,221,949	17,409,998	2,776,004	20,186,002
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	677,942	677,942	60,004	737,946
Transfer to contingency reserves	-	-	-	-	-	-	294,784	(294,784)	-	-	-
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-		-	113,434	-	-	113,434	-	113,434
Total comprehensive income for the period	-	-	-	-	-	113,434	294,784	383,158	791,376	60,004	851,380
Transactions with owners, recorded directly in equity											
Contributions and distributions											
Equity- settled share-based payments	-	-	-	-	32,123	-	-	-	32,123	-	32,123
Total transactions with owners of equity	-	-	-	-	32,123	-	-	-	32,123	-	32,123
Balance at 31 March 2017	5,250,000	4,443,453	2,518,667	(304,924)	126,023	(873,513)	3,468,684	3,605,107	18,233,498	2,836,008	21,069,506

Period ended 31 March 2016

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 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 year	-	-	-	-	-	-	-	621,070	621,070	79,037	700,107
Transfer to contingency reserves	-	-	-	-	-	-	195,441	(195,441)	-	-	-
Transfer to statutory reserves	-	-	75	-	-	-	-	(75)	-	-	-
Other comprehensive income											-
Changes in fair value of available-for-sale financial assets	-	-	-		-	(909,181)	-	-	(909,181)	-	(909,181)
Total comprehensive income for the period	-	-	75	-	-	(909,181)	195,441	425,554	(288,111)	79,037	(209,074)
Transactions with owners, recorded directly in equity											
Contributions and distributions											
Equity- settled share-based payments	-	-	-	-	8,187	-	-	-	8,187	-	8,187
Total transactions with owners of equity	-	-	-	-	8,187	-	-	-	8,187	-	8,187
Balance at 31 March 2016	5,250,000	4,443,453	2,514,704	(304,924)	41,165	25,873	2,917,454	2,245,623	17,133,348	2,284,659	19,418,007

Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 31 March 2017

Parent

	Share Capital	Share premium	Treasury shares	Capital reserves	Share scheme reserve	Fair value reserves	Contingency reserve	Retained earnings	Total
Balance at 1 January 2017	5,250,000	4,443,453	(304,924)	2,500,000	93,900	(857,930)	3,173,900	283,393	14,581,792
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	490,033	490,033
Transfer to contingency reserves	-	-	-	-	-	-	294,784	(294,784)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	111,870	-	-	111,870
Total comprehensive income for the period	-	-	-	-	-	111,870	294,784	195,249	601,903
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Equity- settled share-based transactions	-	-	-	-	32,123	-	-	-	32,123
Total transactions with owners	-	-	-	-	32,123	-	-	-	32,123
Balance at 31 March 2017	5,250,000	4,443,453	(304,924)	2,500,000	126,024	(746,060)	3,468,684	478,642	15,215,819

Period ended 31 March 2016

Parent

	Share Capital	Share premium	Treasury shares	Other 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)	15,397,162
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	467,193	467,193
Transfer to contingency reserves	-	-	-	-	-	-	195,441	(195,441)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	(855,218)	-	-	(855,218)
Total comprehensive income for the period	-	-	-	-	-	(855,218)	195,441	271,752	(388,025)
Transactions with owners, recorded directly in equity									
Equity- settled share-based transactions	-	-	-	-	8,187	-	-	-	8,187
Total transactions with owners	-	-	-	-	8,187	-	-	-	8,187
Balance at 31 March 2016	5,250,000	4,443,453	(304,924)	2,500,000	41,165	(3,289)	2,917,455	173,465	15,017,324

Cashflow Statement

for the year ended 31 March 2017

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Mar-2017	Group 31-Mar-2016	Parent 31-Mar-2017	Parent 31-Mar-2016
Cash flows from operating activities					
Cash premium received		10,390,832	7,471,787	9,044,451	6,687,409
Cash paid as reinsurance premium		(2,899,004)	(2,023,542)	(2,880,950)	(1,990,854)
Fee income received		243,213	114,319	243,213	114,319
Cash received on investment contract liabilities		1,608,640	2,244,341	1,404,635	2,122,449
Cash paid to investment contract holders		(1,744,974)	(3,492,189)	(1,744,974)	(2,060,025)
Claims paid		(2,037,566)	(2,024,034)	(1,318,370)	(1,634,874)
Cash received from reinsurers on recoveries for outstanding claims and claims paid		1,183,027	457,658	1,181,502	457,658
Underwriting expenses paid		(625,119)	(497,976)	(588,584)	(479,111)
Employee benefits paid		(480,064)	(516,132)	(336,543)	(376,484)
Other operating expenses paid		(640,234)	(61,797)	(336,067)	(229,571)
Changes in working capital		4,998,750	1,672,435	4,668,313	2,610,916
Income tax paid		-	(37,843)	-	
Net cash from operating activities		4,998,750	1,634,592	4,668,313	2,610,916
Cash flows from investing activities					
Purchases of property, plant and equipment		(16,045)	(32,928)	(15,932)	(24,219)
Dividend received		23,376	73,041	23,376	73,006
Investment income received		698,038	463,619	575,959	389,375
Purchase of intangible assets		(4,927)	(11,714)	(4,927)	(11,716)
Proceeds from the disposal of property and equipment		727	364	727	364
Proceeds from sale/redemption of financial assets		19,957,551	2,973,321	17,658,031	1,456,729
Purchase of AFS assets		(26,547,477)	(8,687,149)	(23,563,252)	(8,439,975)
Net cash used in investing activities		(5,888,757)	(5,221,446)	(5,326,018)	(6,556,436)
Cash flows from financing activities					
Interest payment on borrowings		(99,252)	(79,063)	-	-
Net cash used in financing activities		(99,252)	(79,063)	-	-
Net increase/decrease in cash and cash equivalents		(989,259)	(3,665,917)	(657,704)	(3,945,520)
Cash and cash equivalent at beginning of year	8(b)	3,382,800	6,461,385	2,872,288	5,648,247
Effect of exchange rate changes on cash and cash equivalent		7,781	-	7,781	
Cash and cash equivalent at end of year	8(b)	2,401,322	2,795,468	2,222,365	1,702,727

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**		**31-Mar-17**
	Non-life	Life	AXA Mansard Fund	LS/LIP	Non-life	Life		**Others**	Total
ASSETS									
Cash and cash equivalents	1,256,602	728,744	-	168,482	(33,950)	86,185	16,302	448,034	2,670,399
Investment securities									-
– Available-for-sale	3,935,231	1,356,652	-	2,798,156	3,401,332	1,293,260	2,432,458	3,901,906	19,118,996
– Financial assets designated at fair value	-	-	3,567,958	-	-	-	-	131,770	3,699,728
– Held-to-maturity	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	1,632,460	513,571	-	1,238,732	3,384,763
Reinsurance assets	10,177,711	1,069,334	-	-	-	-	-	82,007	11,329,052
Other receivables	-	-	-	-	894,530	23,368	-	464,836	1,382,734
Deferred acquisition cost	1,037,026	-	-	-	-	-	-	24,331	1,061,357
Loans and receivables	-	-	-	-	5,335,455	-	-	(2,243,078)	3,092,377
Investment properties	-	-	-	-	-	-	-	12,072,160	12,072,160
Intangible assets	-	-	-	-	221,810	-	-	1,495,354	1,717,164
Property and equipment	-	-	-	-	1,357,815	10,337	-	248,500	1,616,652
Statutory deposit	-	-	-	-	300,000	200,000	-	-	500,000
Deferred tax asset									
TOTAL ASSETS	16,406,569	3,154,730	3,567,958	2,966,638	13,109,451	2,126,721	2,448,760	17,864,553	61,645,382
LIABILITIES									
Insurance liabilities	14,667,310	3,127,873	-	-	-	-	1,751,979	2,487,242	22,034,404
Investment contract liabilities:							-		-
– At amortised cost	-	-	-	2,611,361	-	-	-	-	2,611,361
– Financial liabilities designated at fair value	-	-	3,290,546	-	-	-	-	(6)	3,290,540
Trade payables	-	-	-	-	4,212,911	735,373	-	42,874	4,991,158
Other liabilities	-	-	-	-	1,442,846	180,745	-	711,252	2,334,843
Current income tax liabilities	-	-	-	-	164,314	129,377	-	116,147	409,838
Borrowings	-	-	-	-	-	-	-	4,324,753	4,324,753
Deferred tax liability	-	-	-	-	175,849	-	-	403,130	578,979
TOTAL LIABILITIES	14,667,310	3,127,873	3,290,546	2,611,361	5,995,920	1,045,495	1,751,979	8,085,392	40,575,876
SURPLUS	1,739,259	26,857	277,412	355,277	7,113,532	1,081,226	696,781	9,779,161	21,069,506

Parent

	Insurance fund		**Investment contract**		**Shareholders funds**		**Annuity**	**31-Mar-17**
	Non-life	Iife	AXA Mansard fund	LS/LIP	Non-life	Iife		Total
ASSETS								
Cash and cash equivalents	1,256,602	728,744	-	168,482	(33,950)	86,185	16,302	2,222,365
Investment securities								
– Available-for-sale	3,935,231	1,356,652	-	2,798,156	3,401,332	1,293,260	2,432,458	15,217,090
– Financial assets designated at fair value	-	-	3,567,958	-	-	-		3,567,958
– Held-to-maturity	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	1,632,460	513,571	-	2,146,031
Reinsurance assets	10,177,711	1,069,334	-	-	-	-	-	11,247,045
Other receivables	-	-	-	-	894,530	23,368	-	917,898
Deferred acquisition cost	1,037,026	-	-	-	-	-	-	1,037,026
Loans and receivables	-	-	-	-	5,335,455	-	-	5,335,455
Investment in subsidiaries	-	-	-	-	2,719,573	1,200,000	-	3,919,573
Intangible assets	-	-	-	-	221,810	-	-	221,810
Property and equipment	-	-	-	-	1,357,815	10,337	-	1,368,152
Statutory deposit	-	-	-	-	300,000	200,000	-	500,000
TOTAL ASSETS	16,406,570	3,154,730	3,567,958	2,966,638	15,829,025	3,326,721	2,448,760	47,700,403
LIABILITIES								
Insurance liabilities	14,667,311	3,127,873	-	-	-	-	1,751,979	19,547,163
Investment contract liabilities:								
– At amortised cost	-	-	-	2,611,361	-	-	-	2,611,361
– Financial liabilities designated at fair value	-	-	3,290,546	-	-	-	-	3,290,546
Trade payables	-	-	-	-	4,212,911	735,373	-	4,948,284
Other liabilities	-	-	-	-	1,436,947	180,745	-	1,617,692
Current income tax liabilities	-	-	-	-	164,314	129,377	-	293,691
Deferred income tax	-	-	-	-	175,849	-	-	175,849
TOTAL LIABILITIES	14,667,311	3,127,873	3,290,546	2,611,361	5,990,021	1,045,495	1,751,979	32,484,586
SURPLUS	1,739,259	26,857	277,412	355,277	9,839,004	2,281,226	696,781	15,215,817

Notes to the financial statements

For the period ended 31 March 2017

2 The segment information provided for the reporting segments for the period ended 31 March 2017 is as follows:

In thousands of Nigerian Naira	Property & Casualty	P & C micro insurance	Life Business	AXA Mansard Insurance	Asset Management	Property Development	Pension Management	Health Maintenance	Elimination adjustments	Total
Cash and cash equivalents	1,451,921	-	770,444	2,222,365	26,406	18,205	41,798	361,625	-	2,670,399
Investment securities										
– Available for sale	7,751,966	-	7,657,639	15,409,605	517,029	50,000	1,131,299	2,011,073	-	19,119,006
– Financial assets designated at fair value	-	-	3,567,958	3,567,958	131,764	-	-	-	-	3,699,722
Trade receivables	1,632,460	-	513,571	2,146,031	-	-		1,237,598	-	3,383,629
Reinsurance assets	10,177,711	-	1,069,334	11,247,045	-	-		82,007	-	11,329,052
Other receivables	894,530	-	23,368	659,576	368,267	36,709	219,891	99,425	-	1,383,868
Deferred acquisition cost	1,037,026	-	-	1,037,026	-	-		24,331	-	1,061,357
Loans and receivables	5,171,917	43,792	(10,613)	5,411,771	212,478	-	1,720	19,939	(2,553,531)	3,092,377
Investment properties	-	-	-	-	-	12,072,160		-	-	12,072,160
Investment in subsidiaries	2,719,573	-	1,200,000	3,919,573	-	-	-	-	(3,919,573)	-
Intangible assets	162,296	-	59,514	221,810	43,662	(28)	5,600	7,589	1,438,531	1,717,164
Property, plant and equipment	1,357,815	-	10,337	1,368,152	32,633	72,276	105,392	38,199	-	1,616,652
Statutory deposit	300,000	-	200,000	500,000	-	-		-	-	500,000
TOTAL ASSETS	32,657,215	43,792	15,061,552	47,710,912	1,332,239	12,249,322	1,505,700	3,881,787	(5,034,573)	61,645,386
Insurance liabilities	14,667,310	-	4,879,852	19,547,162	-	-	-	2,487,242	-	22,034,404
Investment contract liabilities:										
– At amortised cost	-	-	2,611,361	2,611,361	-	-	-	-	-	2,611,361
– Financial liabilities designated at fair value	-	-	3,290,546	3,290,546	(6)	-	-	-	-	3,290,540
Borrowings	-	-	-	-	-	6,282,431	-	-	(1,957,678)	4,324,753
Trade payables	4,212,911	-	735,373	4,948,284	-	-	-	42,874	-	4,991,158
Other payables	1,306,589	-	383,728	1,638,671	373,936	534,869	213,314	155,648	(566,515)	2,349,923
Current income tax liabilities	164,314	-	129,377	293,691	21,329	-	21,875	72,943	-	409,838
Deferred income tax	175,849	-	-	175,849	(31,928)	410,221	14,311	10,526	-	578,979
TOTAL LIABILITIES	20,526,973	-	12,030,237	32,505,564	363,331	7,227,521	249,500	2,769,233	(2,524,193)	40,590,956
EQUITY										
Share capital	4,250,000	-	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	4,443,453	790,000	379,958		-	(1,169,958)	4,443,453
Contingency reserve	3,104,269	58	364,357	3,468,684	-	-		-	-	3,468,684
Other reserves	1,626,023		1,000,000	2,626,023	-	-	18,667	-	-	2,644,690
Treasury shares	(304,924)	-	-	(304,924)	-	-		-	-	(304,924)
Retained earnings	432,266	43,734	(7,828)	468,172	105,237	2,414,812	(231,909)	451,703	384,258	3,592,273
Fair value reserves	(620,845)	-	(125,215)	(746,060)	(76,329)	-	(11,976)	(39,148)	-	(873,513)
	12,130,242	43,792	3,031,314	15,205,348	968,908	2,797,138	808,618	1,112,555	(2,671,903)	18,220,663
Non-controlling interests in equity	-	-	-	-	-	2,224,653	447,582	-	161,523	2,833,758
TOTAL EQUITY	12,130,242	43,792	3,031,314	15,205,348	968,908	5,021,791	1,256,200	1,112,555	(2,510,380)	21,054,421
TOTAL LIABILITIES AND EQUITY	32,657,215	43,792	15,061,551	47,710,912	1,332,239	12,249,312	1,505,700	3,881,787	(5,034,573)	61,645,381

Notes to the financial statements

For the period ended 31 March 2017

3 The consolidated financial data for the reporting segments for the period ended 31 March 2017 is as follows:

March 2017	Property & Casualty	P & C micro insurance	Life Only	Micro insurance	Life business	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Revenue:											
Derived from external customers:											
Gross written premium	9,323,490	1,940	1,488,189	13,918	1,502,107	-	-	2,045,996	-	-	12,873,533
Gross earned premium	4,209,684	1,940	904,650	13,918	918,568	-	-	1,080,659	-	-	6,210,851
Reinsurance expenses	(2,648,272)	-	(232,907)	-	(232,907)	-	-	(18,053)	-	-	(2,899,232)
Net premium income	1,561,412	1,940	671,743	13,918	685,661	-	-	1,062,606	-	-	3,311,619
Fee and commission income	372,898	-	112,934	-	112,934	-	-	-	-	-	485,832
Profits on investment contracts	-	-	45,228	-	45,228	-	-	-	-	-	45,228
Investment income	361,974	-	178,942	21,491	200,433	83,938	34,709	59,971	119,980	-	861,005
Net fair value gains on financial assets	32,099	-	497	-	497	2,024	-	(2,676)	8,905	-	40,849
Other operating income	64,188	-	10,589	-	10,589	11,863	-	4,477	-	(49,568)	41,549
Gains on investment property	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	292,592	-	-	-	292,592
Net income	2,392,571	1,940	1,019,933	35,409	1,055,342	97,825	327,301	1,124,378	128,884	(49,568)	5,078,673
Insurance benefits and claims	1,811,737	-	516,594	-	516,594	-	-	841,722	-	-	3,170,053
Insurance claims recovered from re-insurer	(1,102,566)	-	(75,869)	-	(75,869)	-	-	(1,525)	-	-	(1,179,960)
Net insurance benefits and claims	709,171		440,725	-	440,725	-	-	840,197	-	-	1,990,093
Commission expenses	467,950	-	115,902	-	115,902	-	-	-	-	-	583,852
Other acquisition expenses	(1,201)	-	5,933	-	5,933	-	-	36,535	-	-	41,267
Transfer to life reserves	-	-	(74,219)	-	(74,219)	-	-	-	-	-	(74,219)
Expenses for marketing and administration	224,781	-	58,790	-	58,790	23,802	-	13,011	31,286	-	351,671
Employee benefit expense	417,222	-	104,037	-	104,037	46,268	-	47,714	52,347	-	667,588
Depreciation and amortisation	84,042	-	4,653	-	4,653	7,966	7,376	5,006	10,952	-	119,995
Impairment loss /(writeback) on trade receivables	-	-	-	-	-	-	-	(7,955)	-	-	(7,955)
Other expenses	256,042	-	54,418	41	54,459	10,511	15,199	41,903	8,042	-	386,156
Net expenses	2,158,007	-	710,239	41	710,280	88,547	22,575	976,412	102,628	-	4,058,448
Reportable segment profit	234,564	1,940	309,694	35,368	345,062	9,278	304,726	147,967	26,257	(49,568)	1,020,226
Finance cost	-		-			-	(157,827)	-	(151)	49,568	(108,410)
Profit before income tax from reportable segments	**234,564**	**1,940**	**309,694**	**35,368**	**345,062**	**9,278**	**146,899**	**147,967**	**26,106**	**-**	**911,816**
Income tax expenses	(65,757)	-	(25,776)	-	(25,776)	(15,445)	(30,496)	(31,383)	(5,012)	-	(173,870)
Profit after income tax	**168,807**	**1,940**	**283,918**	**35,368**	**319,286**	**(6,167)**	**116,403**	**116,584**	**21,094**	**-**	**737,946**

Notes to the financial statements

For the period ended 31 March 2017

March 2017	Non-Life	P&C Micro insurance	Life	Micro insurance	Life business	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Inter- segment reporting											
In thousands of Naira											
External revenue											
Net premium earned	1,561,412		671,743	13,918	685,661	-	-	1,062,606	-	-	3,309,679
Net interest income	361,974		224,170	21,491	245,661	83,938	34,709	59,971	119,980	-	906,233
Net fees and commission	372,898		112,934	-	112,934	-	-	-	-	-	485,832
Net trading income	32,099		497	-	-	2,024	34,709	(2,676)	8,905	-	75,060
Other income	64,188		10,589	-	-	11,863	292,592	4,477	-	-	373,120
Inter segment revenue	-		-			-	49,568	-	-	(49,568)	-
Total segment revenue	2,392,571	-	1,019,933	35,409	1,044,256	97,825	411,577	1,124,378	128,884	(49,568)	5,149,924
											-
											-

In thousands of Nigerian Naira

4 Cash and cash equivalents

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Cash at bank and in hand	1,616,281	1,710,501	1,383,061	1,261,280
Tenored deposits	919,579	1,633,179	839,304	1,571,888
Tenored deposit - Debt service reserve account (see note (a) below)	134,539	134,543	-	-
Treasury bills with original maturity < 90 days	-	44,913	-	44,913
	2,670,399	3,523,136	2,222,365	2,878,081

(a) This represents the balance on the debt service reserve account 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 been excluded for cashflow purposes.

(b) 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 Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Cash at bank and hand	1,616,281	1,839,251	1,383,061	1,255,487
Tenored deposits	785,040	1,498,636	839,304	1,571,888
Treasury bills with original maturity < 90 days	-	44,913	-	44,913
Cash and cash equivalents	2,401,322	3,382,800	2,222,365	2,872,288

5 Investment securities

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

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Available-for-sale (see note 5.1)	19,119,006	17,587,279	15,217,090	14,240,277
Financial assets designated at fair value (see note 5.2)	3,290,546	3,529,019	3,290,546	3,120,283
	22,409,553	21,116,298	18,507,636	17,360,560

5.1 *Available-for-sale assets*

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Bonds	14,825,887	11,563,035	12,985,988	10,045,740
Treasury bills	3,071,980	4,032,050	1,204,872	2,523,446
Tenored deposits with maturity above 90 days	-	623,463	-	623,463
Equity securities (see table (a) below)	566,417	700,192	371,508	421,191
Investment funds (see table (b) below)	153,010	153,010	153,010	153,010
Diversified portfolio (see table (c) below)	501,712	467,620	501,712	467,621
	19,119,006	17,539,370	15,217,090	14,234,470

(a) Analysis of equity securities is shown below:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Quoted securities	474,594	471,232	279,685	348,618
Investment in Energy pool	69,000	49,750	69,000	49,750
Imperial Homes Limited	22,773	22,773	22,773	22,773
Investment in DML Nominees limited	50	50	50	50
	566,417	543,805	371,508	421,191

(b) Analysis of investment funds is shown below:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
AXA Mansard funds	140,670	140,670	140,670	140,670
Legacy Money market funds	10,140	10,140	10,140	10,140
Coral growth fund	2,200	2,200	2,200	2,200
	153,010	153,010	153,010	153,010

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

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
AXA Mansard Money market fund & Income growth fund	199,473	321,769	199,473	165,381
IAML Money Market investment	182,421	182,421	182,421	182,421
ARM Money Market investment	119,818	119,818	119,818	119,818
	501,712	624,008	501,712	467,621

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.

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Investment contracts designated at fair value (see note (i))	3,290,546	2,916,273	3,290,546	2,916,719
Convertible debt designated at fair value -(see note (ii))	409,182	409,182	277,412	277,412
	3,699,728	3,325,455	3,567,958	3,194,131

The category of financial assets held can be analysed as follows:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Bank balances	279,211	41,069	279,211	41,075
Short term deposit	163,568	212,969	163,568	213,002
Government treasury bills	818,432	1,165,659	818,432	1,165,837
Government and corporate bonds	2,017,157	1,482,428	2,017,157	1,482,655
Quoted equity securities	12,179	14,158	12,179	14,160
	3,290,546	2,916,273	3,290,546	2,916,719

6 Trade receivables

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Premium receivables (see note below)	3,110,217	627,517	1,871,485	88,400
Coinsurance receivables (see note below)	274,546	227,406	274,546	227,406
	3,384,763	854,923	2,146,031	315,806

6.1 Premium receivables

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Premium receivables	3,156,600	682,989	1,917,868	134,783
(a) Less specific provision for impairments	(46,383)	(55,472)	(46,383)	(46,384)
	3,110,217	627,517	1,871,485	88,399

Analysis of premium receivables:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Life contracts insurance receivables	328,074	3,243	328,074	3,243
Non-life contracts insurance receivables	1,543,411	85,156	1,543,411	85,156
AXA Mansard Health (HMO) receivables	1,238,732	539,118	-	-
	3,110,217	627,517	1,871,485	88,399

6.2 Coinsurance receivables

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Co insurers’ share of claims reported and loss adjustment expenses	274,546	227,406	274,546	227,406
	274,546	227,406	274,546	227,406

In thousands of Nigerian Naira

7 Reinsurance assets	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Total reinsurers’ share of outstanding claims (see note (a) below)	1,983,245	1,613,557	1,983,245	1,600,088
Prepaid re-insurance (see note (b) below)	6,926,753	2,870,769	6,844,745	2,834,886
Reinsurance premium paid in advance for 2017 policies	-	2,500,786	-	2,500,786
Reinsurance share of group life reserves	539,111	243,503	539,111	243,503
Reinsurance share of individual life reserves (see note (d) below)	30,517	18,131	30,517	18,131
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (c) below)	703,749	788,686	703,749	788,686
Recoverables from reinsurers on claims paid	1,145,677	1,148,745	1,145,677	1,148,745
	11,329,053	9,184,177	11,247,045	9,134,825

(a) The movement in reinsurers’ share of claims reported and loss adjustment expenses is as follows:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of the period	1,613,557	816,188	1,600,088	804,684
Additions in the period	956,978	2,496,613	956,978	2,486,619
Receipts during the year period	(585,325)	(1,699,243)	(573,821)	(1,691,215)
	1,983,245	1,613,557	1,983,245	1,600,088

(b) The movement in prepaid reinsurance is as follows:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of the year	788,686	3,088,978	788,686	3,078,190
Additions in the year	6,708,840	10,647,223	6,658,133	10,561,575
Released in the year	(570,773)	(8,645,126)	(6,743,070)	(8,584,573)
	6,926,753	788,686	703,749	788,686

Prepaid reinsurance balances relate only to the P&C business and AXA Mansard Health Limited.

(c) Reinsurance share of IBNR can be analysed as follows:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Non-life	375,884	425,881	375,884	425,881
Life	327,865	351,571	327,865	351,571
Balance, end of year	703,749	777,452	703,749	777,452

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

In thousands of Nigerian Naira

8 Other receivables

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Prepayment	1,095,913	644,451	787,269	423,266
Accrued income	243,340	153,773	111,203	111,203
Receivable from investment brokers	62	13,377	62	13,377
Other account receivables	67,549	52,565	43,493	31,571
Gross	1,406,864	864,166	942,027	579,417
Less: Impairment of other receivables (see (a) below)	(24,130)	(24,130)	(24,130)	(24,130)
Net receivables	1,382,734	840,036	917,897	555,287

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

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of the period	24,130	19,727	24,130	19,727
Additions, during the period	-	4,403	-	4,403
Balance end of period	24,130	24,130	24,130	24,130

9 Deferred acquisition cost

This relates to the commission paid on the unexpired premium income

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Deferred acquisition cost- Fire	343,621	97,384	343,621	97,384
Deferred acquisition cost- Gen. Accident	127,273	51,555	127,273	51,555
Deferred acquisition cost- Motor	98,371	83,293	98,371	83,293
Deferred acquisition cost- Marine	46,320	43,181	46,320	43,181
Deferred acquisition cost- Engineering	67,418	35,629	67,418	35,629
Deferred acquisition cost- Oil & Gas	344,249	251,511	344,249	251,511
Deferred acquisition cost- Aviation	9,775	11,860	9,775	11,860
Deferred acquisition cost- HMO	24,331	19,449	-	-
Total	1,061,358	593,862	1,037,027	574,413

The movement in deferred acquisition cost is as follows:

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	593,488	664,944	574,039	661,724
Additions in the period	955,268	(1,513,495)	930,938	(1,532,944)
Amortization in the period	(475,819)	1,442,039	(467,950)	1,445,259
Balance, end of period	1,061,358	593,488	1,037,027	574,039

10 Loans and receivables

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Loans and advances	2,934,659	3,043,246	5,215,135	5,007,009
Staff loans and advances	171,635	147,964	134,237	105,300
Gross	3,106,294	3,191,210	5,349,372	5,112,309
Less: Impairment of staff loans and receivables (see (a) below)	(13,917)	(13,917)	(13,917)	(13,917)
Net loans and receivables	3,092,377	3,177,293	5,335,455	5,098,392

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

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of the period	13,917	13,917	13,917	13,917
Additions, during the period	-	-	-	-
Balance end of period	13,917	13,917	13,917	13,917

As at period end, N13.9 million (2016:N13.9 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.

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In thousands of Nigerian Naira

11 Investment property

	Group Mar -2017	Group Dec-2016
Office property	12,072,160	12,017,000
Balance, end of period	12,072,160	12,017,000

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 2016. 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 Mar -2017	Group Dec-2016
Balance, beginning of period	12,017,000	9,205,350
Exchange gain on office property	55,160	2,811,650
Investment property at fair value	12,072,160	12,017,000

12 Investment in subsidiaries

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

	Parent Mar -2017	Parent Dec-2016
AXA Mansard Investments Limited	940,000	940,000
APD Limited 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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Computer software acquired (see note (a) below)	278,634	290,371	221,810	229,332
Goodwill (see note (b) below)	978,531	938,531	-	-
License	460,000	460,000	-	-
Total	1,717,165	1,688,902	221,810	229,332

(a) The movement in computer software is shown below:	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Cost:				
Balance, beginning of period	543,931	537,978	439,224	441,237
Additions	4,927	52,266	4,927	44,300
Write of fully amortised software	-	(46,313)	-	(46,313)
Balance, end of period	548,858	543,931	444,151	439,224
Amortization:				
Balance, beginning of period	253,560	227,995	209,892	201,743
Amortisation charge	16,664	71,878	12,449	54,461
Write of fully amortised software	-	(46,313)	-	(46,313)
Balance, end of period	270,224	253,560	222,341	209,892
Closing net book amount	278,634	290,371	221,810	229,332

(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 Mar -2017	Group Dec-2016
Balance, beginning of the period	938,531	938,531
Additions	-	-
Balance, end of period	978,531	938,531

In thousands of Nigerian Naira

(c) License

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 Mar -2017	Group Dec-2016
Balance, beginning of the period	500,000	500,000
Additions	-	
Balance, end of period	500,000	500,000

Accumulated amortisation	Group Mar -2017	Group Dec-2016
Balance, beginning of period	40,000	20,000
Amortisation during the period	-	20,000
Balance, end of period	40,000	40,000
Net carrying amount	460,000	460,000

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For the period ended 31 March 2017
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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 2017	389,664	477,875	728,048	578,512	440,515	913,365	13,693	3,541,671
Additions	-	-	-	9,027	3,911	3,108	-	16,045
Balance, 31 March 2017	389,664	477,875	728,048	587,538	444,426	916,473	13,693	3,557,717
Accumulated depreciation								
Balance, 1 January 2017	-	49,219	469,191	451,203	256,375	601,665	-	1,827,653
Charge for the period	-	2,389	37,965	33,483	12,880	26,695	-	113,412
Balance, 31 March 2017	-	51,608	507,156	484,686	269,255	628,360	-	1,941,065
Net book value								
Balance, 1 January 2017	389,664	428,656	258,857	127,309	184,140	311,700	13,693	1,714,019
Balance, 31 March 2017	389,664	426,267	220,892	102,853	175,171	288,113	13,693	1,616,652

(b) Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2017	389,664	477,875	582,543	507,119	299,752	731,061	-	2,988,014
Additions	-	-	-	9,027	3,861	3,045	-	15,932
Disposals	-	-	-	-	-	-	-	-
Balance, 31 March 2017	389,664	477,875	582,543	516,146	303,613	734,106	-	3,003,946
Accumulated depreciation								
Balance, 1 January 2017	-	49,216	379,537	406,979	201,447	522,370	-	1,559,550
Charge for the period	-	2,389	20,637	17,727	10,610	24,881	-	76,245
Disposals	-	-	-	-	-	-	-	-
Balance, 31 March 2017	-	51,606	400,174	424,706	212,057	547,251	-	1,635,794
Net book value								
Balance, 1 January 2017	389,664	428,659	202,261	101,077	98,418	208,444	13,693	1,442,216
Balance, 31 March 2017	389,664	426,269	182,369	91,439	91,556	186,855	-	1,368,152

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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
– Claims reported and loss adjustment expenses (see note 20.1)	4,139,879	3,066,314	4,129,338	3,065,044
– Claims incurred but not reported (see note 20.1)	2,542,998	2,603,942	2,131,648	2,305,849
– Unearned premiums (see note 20.2)	13,127,909	6,465,227	11,062,557	5,365,212
– Individual life reserves (see note 20.3)	471,640	531,269	471,640	531,269
– Annuity reserves (see note 20.4)	1,751,979	1,766,570	1,751,979	1,766,570
Total insurance liabilities, gross	22,034,405	14,433,322	19,547,162	13,033,944

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16.1 – Claims reported and loss adjustment expenses

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Property & Casualty (Non life)	3,551,781	2,664,626	3,551,781	2,664,626
Group life	577,557	400,418	577,557	400,418
Health	10,541	1,270	-	-
	4,139,879	3,066,314	4,129,338	3,065,044

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of period	3,066,314	2,059,584	3,065,044	2,026,109
Additional claims incurred during the period	3,230,998	8,954,937	2,502,531	6,884,603
Claims paid during period	(2,037,566)	(8,282,150)	(1,318,370)	(6,179,612)
Foreign exchange impact of dollar denominated claims	(119,867)	355,077	(119,867)	355,077
Claims reclassified to other creditors- Group life endowment fund	-	(21,133)	-	(21,133)
Balance, end of period	4,139,879	3,066,314	4,129,338	3,065,044

– Claims incurred but not reported

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Property & Casualty (non life)	1,130,205	1,322,443	1,130,205	1,322,443
Group life	1,001,443	983,405	1,001,443	983,405
Health	411,350	298,094	-	-
	2,542,998	2,603,942	2,131,648	2,305,848
IBNR, beginning of the period	2,603,942	2,195,412	2,305,848	2,126,761
Increase in IBNR	(60,944)	408,530	(174,200)	179,087
Balance, end of period	2,542,998	2,603,942	2,131,648	2,305,848

16.2 Unearned premium

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Property & Casualty	9,985,325	4,871,518	9,985,325	4,871,518
Group life	1,077,233	493,694	1,077,233	493,694
Health	2,065,352	1,100,015	-	-
	13,127,910	6,465,227	11,062,558	5,365,212

The movement in unearned premium during the period is as follows:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of period	6,465,227	6,428,680	5,365,212	5,907,871
Increase in the period	12,873,532	20,713,293	10,827,536	17,330,382
Release of unearned premium	(6,210,850)	(20,676,746)	(5,130,191)	(17,873,041)
Balance, end of period	13,127,909	6,465,227	11,062,557	5,365,212

16.3 Individual life reserves can be analysed as follows:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Individual life	471,640	531,269	471,640	531,269
	471,640	531,269	471,640	531,269

Movement in individual life reserves:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of period	531,269	368,431	531,269	368,431
Transfer from profit or loss account	(59,629)	162,838	(59,629)	162,838
Balance, end of period	471,640	531,269	471,640	531,269

16.4 Annuity reserves can be analysed as follows:

	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Annuity	1,751,979	1,766,570	1,751,979	1,766,570
	1,751,979	1,766,570	1,751,979	1,766,570

Movement in Annuity reserves:	Group Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Balance, beginning of period	1,766,570	1,864,668	1,766,570	1,864,668
Transfer from profit or loss account	(14,591)	(98,098)	(14,591)	(98,098)
Balance, end of period period	1,751,979	1,766,570	1,751,979	1,766,570

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 Mar-2017	Group Dec-2016	Parent Mar-2017	Parent Dec-2016
Investment contract at amortised cost	2,611,361	2,734,268	2,611,361	2,734,268
Financial liability designated at fair value	3,290,540	3,119,837	3,290,546	2,916,719
	5,901,901	5,854,105	5,901,907	5,650,987

Movements in amounts payable under investment contracts liabilities during the period are as shown below. The liabilities are shown inclusive of interest accumulated to 31 March 2017

Notes to the financial statements

For the period ended 31 March 2017
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17.1 Investment contract at amortised cost - Movement in investment linked products:

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	2,734,268	2,656,066	2,734,268	2,656,066
Contributions	125,655	1,931,263	125,655	1,931,263
Withdrawal	(636,257)	(2,231,511)	(636,257)	(2,231,511)
Interest capitalised	387,695	378,450	387,695	378,450
Balance, end of period	2,611,361	2,734,268	2,611,361	2,734,268

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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	2,916,273	7,657,492	3,120,283	4,130,895
Contributions	1,482,984	4,417,881	1,278,980	1,526,671
Reclassification to registered funds	-	(4,321,787)	-	-
Withdrawals	(1,108,717)	(4,837,314)	(1,108,717)	(2,537,283)
Balance, end of period	3,290,540	2,916,273	3,290,546	3,120,283

18 Trade payables

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

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Reinsurance and co-insurance payable	1,629,803	1,515,823	1,629,803	1,515,823
Premium received in advance	580,033	4,412,769	580,033	4,412,769
Due to customers, agents and brokers	2,781,322	1,494,968	2,738,448	1,478,373
	4,991,158	7,423,560	4,948,284	7,406,965

The total trade payables are due within one period.

19 Other liabilities

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Deferred income	1,194,087	1,250,414	655,519	412,900
Due to investment brokers	7,265	70	7,069	-
Creditors and accruals	1,040,491	874,278	862,104	513,982
Unclaimed dividend	61,862	63,585	61,862	63,585
Cash settled share based payment liability	31,139	26,994	31,139	26,994
	2,334,844	2,215,341	1,617,693	1,017,461

20 Current income tax liabilities

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	256,067	202,654	202,157	144,206
Prior year under provision				
- AXA Mansard Pensions Limited	-	1,011	-	-
Current period charge				
- General	65,758	77,109	65,758	77,109
- Life	25,776	88,441	25,776	88,441
- AXA Mansard Investments Limited	16,555	6,470	-	-
- AXA Mansard Health Limited	40,681	32,262	-	-
- AXA Mansard Pensions Limited	5,012	6,772	-	-
Payments during the period	-	(158,652)	-	(107,599)
Balance, end of period	409,849	256,067	293,691	202,157

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21 Borrowings

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Bank borrowings (see note (a) below)	3,607,479	3,506,545	-	-
Loan note (see note (b) below)	717,274	719,266	-	-
Total borrowings	4,324,753	4,225,811	-	-

(a) **Bank borrowings**

Bank borrowings are made up of two dollar denominated loans.

(i) This represents the balance of USD 5,800,044 (2016: USD 5,800,044) represents facility granted to APD limited by GTBank Plc payable over 5 years 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%. An equitable mortgage on the Company's investment property (office building) was used to secure the borrowing.

(ii) The second part represents a USD 6,024,693 (2016: USD6,024,693) facility granted to APD limited by GTBank Plc payable in 5 years 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%.

(b) **Loan note**

Loan note represents an unsecured facility granted to APD by Karsang Limited payable in 7 years 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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of the period	4,225,811	4,028,230	-	-
Impact of foreign exchange rate changes	89,785	1,349,890	-	-
Accrued interest	108,409	444,224	-	-
Payments during the period	(99,252)	(1,596,533)	-	-
	4,324,753	4,225,811	-	-

22 Deferred income tax

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	567,529	286,941	183,218	125,362
Charge/(credit) in income statement for the period	11,450	279,577	(7,369)	57,856
Tax charge /(reversals) relating to components of other comprehensive income	-	1,011	-	-
Balance, end of period	578,979	567,529	175,849	183,218
Deferred income tax liability/(assets) is attributable to the following:				
Property and equipment	123,024	130,471	125,574	131,292
Unrealised gain on foreign currency translation	(419,277)	221,616	50,275	51,926
Fair value gain on investment property	894,386	96,389	-	-
Unrelieved tax losses	(19,154)	(19,154)	-	-
Balance, end of period	578,979	567,529	175,849	183,218

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2017
Group

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	130,473	(7,449)	-	123,024
Unrealised gain on foreign currency translation	(387,285)	(31,992)	-	(419,277)
Fair value gains on Investment property	843,495	50,891	-	894,386
Unrelieved tax losses	(19,154)	-	-	(19,154)
	567,529	11,450	-	578,979

Company

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	131,292	(5,718)	-	125,574
Unrealised gain on foreign currency translation	51,926	(1,651)	-	50,275
	183,218	(7,369)	-	175,849

2016
Group

Movement in deferred tax liability:	Opening Balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	70,110	60,363	-	130,473
Unrealised gain on foreign currency translation	16,922	(405,218)	1,011	(387,285)
Fair value gains on Investment property	219,782	623,713	-	843,495
Unrelieved tax losses	(19,873)	719	-	(19,154)
	286,941	279,577	1,011	567,529

Company

Movement in deferred tax liability:	Opening balance	Income statement	Other comprehensive income	Closing balance
Property and equipment	73,435	57,858	-	131,293
Unrealised gain on foreign currency translation	51,927	-	-	51,927
	125,362	57,858	-	183,220

(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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Property and equipment	15,628	19,061	15,628	19,061
Tax losses	878,892	851,938	878,892	851,938
Balance, end of period	894,520	870,999	894,520	870,999

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23 Share capital:

23.1 Share capital comprises:

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
(a) Authorized:				
10,500,000,000 Ordinary shares of 50k each (2016: 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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
8,500,000,000 Ordinary shares of 50k each	4,250,000	4,250,000	4,250,000	4,250

(ii) Life Business

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
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 Property & Casualty 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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of the period	3,173,900	2,722,013	3,173,900	2,722,013
Transfer from retained earnings	294,784	451,887	294,784	451,887
Balance, end of period	3,468,684	3,173,900	3,468,684	3,173,900

Analysis per business segment

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Property & Casualty Business	3,102,022	2,822,259	3,102,022	2,822,259
Life business	365,790	350,769	365,790	350,769
Balance, end of period	3,467,812	3,173,027	3,467,812	3,173,027

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(i) Property & Casualty (Non life) Business

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	2,822,259	2,405,692	2,822,259	2,405,692
Transfer from retained earnings	279,763	416,567	279,763	416,567
Balance, end of period	3,102,022	2,822,259	3,102,022	2,822,259

(ii) Life Business

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	350,769	316,321	350,769	316,321
Transfer from retained earnings	15,021	34,448	15,021	34,448
Balance, end of period	365,790	350,769	365,790	350,769

23.4 Other reserves

Other reserves comprise of the following:

	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Capital reserves (see note (a) below)	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserves	18,667	18,667	-	-
Share-based payment reserves (see note (b) below)	126,023	93,900	126,023	93,900
	2,644,691	2,612,567	2,626,023	2,593,900

(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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Life business segment	1,000,000	1,000,000	1,000,000	1,000,000
Property & casualty (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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	93,900	32,978	93,900	32,978
Additions, during the period	32,123	60,922	32,123	60,922
Balance, end of period	126,023	93,900	126,023	93,900

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 31 March 2017 are as analysed below:	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
Balance, beginning of period	(304,924)	(304,924)	(304,924)	(304,924)
Value of treasury shares created	-	-		
Value of vested portion of Treasury shares	-	-	-	-
Balance, end of period	(304,924)	(304,924)	(304,924)	(304,924)

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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 Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
At beginning of period	(906,844)	935,054	(852,122)	851,929
Changes in available-for-sale financial assets (net of taxes)	113,434	(1,841,898)	111,870	(1,704,051)
Balance, end of period	(793,410)	(906,844)	(740,252)	(852,122)

Changes in the valuation of AFS financial assets during period are as analysed below:	Group Mar -2017	Group Dec-2016	Parent Mar -2017	Parent Dec-2016
At beginning of period	(986,947)	935,054	(857,930)	851,929
Unrealised net changes in fair value of AFS assets	113,434	(1,848,000)	111,870	(1,635,858)
Realised (losses)/gains transferred to income statement	-	(74,001)	-	(74,001)
Balance, end of period	(873,513)	(986,947)	(746,060)	(857,930)

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)

	Group Mar -2017	Group Dec-2016
Opening balance	2,823,593	2,205,622
Transfer from the profit or loss account	60,004	617,971
Balance as at period end	2,883,597	2,823,593

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 (2016: nil).

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

APD Limited

Non controlling interest (44.3%)

	Group Mar -2017	Group Dec-2016
Opening balance	2,144,624	1,541,070
Transfer from the profit or loss account	51,566	603,554
Balance as at period end	2,196,190	2,144,624

AXA Mansard Pensions Limited

Non controlling interest (40%)

	Group Mar -2017	Group Dec-2016
Opening balance	678,969	664,552
Transfer from profit or loss account	8,438	14,417
Balance as at period end	687,407	678,969

25 Net premium income

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Gross written premium:	12,873,532	8,831,923	10,827,536	7,430,900
Non-life	9,325,430	6,056,609	9,325,430	6,056,609
Life (Group life and individual life)	1,502,107	1,280,658	1,502,107	1,280,658
Annuity	-	93,632	-	93,632
AXA Mansard Health (HMO)	2,045,996	1,401,022	-	-
Provision for unearned premium				
Non-life	(5,113,806)	(2,754,458)	(5,113,806)	(2,754,458)
Group life	(583,539)	(347,493)	(583,539)	(347,493)
AXAMansard Health (HMO)	(965,337)	(849,887)	-	-
Gross premium income	6,210,851	4,880,084	5,130,192	4,328,948
– Re-insurance cost	7,249,741	4,589,990	7,199,033	4,546,145
– Changes in prepaid re-insurance	(4,350,508)	(2,467,966)	(4,317,854)	(2,456,809)
Re-insurance expenses	2,899,233	2,122,024	2,881,179	2,089,336
Net premium income	3,311,618	2,758,060	2,249,013	2,239,612

Notes to the financial statements

For the period ended 31 March 2017
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 Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Policy administration and asset management services	485,832	262,297	485,832	262,297

27 Claims:

Claims expenses (gross)	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Current period claims paid	2,037,566	2,024,034	1,318,370	1,634,874
Outstanding claims	1,193,432	230,620	1,184,161	248,618
Claims incurred	3,230,998	2,254,654	2,502,531	1,883,492
Outstanding claims- IBNR	(60,945)	295,766	(174,200)	249,896
Total claims and loss adjustment expense	3,170,053	2,550,420	2,328,331	2,133,388
Recovered from re-insurers	(1,179,959)	(796,846)	(1,178,434)	(796,846)
Net claims and loss adjustment expense	1,990,094	1,753,574	1,149,897	1,336,542

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 Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Commission expenses	583,852	440,656	583,852	440,656
Other acquisition cost	41,267	57,320	4,732	38,455
	625,119	497,976	588,584	479,111

29 Investment income

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Dividend income	23,376	73,041	23,376	73,006
Interest income on investment securities	486,140	397,306	374,054	335,594
Interest income on cash and cash equivalents	211,898	66,313	201,905	53,781
Rental income	292,592	311,129	-	-
Asset management fees	104,908	93,579	(36,927)	(33,314)
	1,118,914	941,368	562,408	429,067

Notes to the financial statements
For the period ended 31 March 2017
In thousands of Nigerian Naira

30 Net (losses)/gains on financial instruments

	Group Mar-2017	Group Mar-2016	Parent Mar-2017	Parent Mar-2016
Fair value (losses)/ gains on financial assets	29,036	122,072	20,782	121,965
Foreign exchange gain/(loss)	46,497	315,939	11,813	287,397
	75,533	438,011	32,595	409,362

31 Profit from investment contracts

	Group Mar-2017	Group Mar-2016	Parent Mar-2017	Parent Mar-2016
Interest income	98,218	68,468	98,218	68,468
Gains from sale of investments	(17,720)	(152)	(17,720)	(152)
	80,498	68,316	80,498	68,316
Guaranteed interest	(33,903)	(35,823)	(33,903)	(35,823)
Other expenses	(1,366)	(4,837)	(1,366)	(4,837)
	45,228	27,656	45,228	27,657

32 Other income

	Group Mar-2017	Group Mar-2016	Parent Mar-2017	Parent Mar-2016
Profit/(loss) from sale of property and equipment	727	(364)	727	(364)
Sundry income	42,307	4,791	24,482	3,010
Interest income from loan to subsidiary	-	-	49,568	26,638
Total	43,034	4,427	74,777	29,284

33 Expenses for marketing and administration

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Direct selling costs	76,088	50,159	76,088	50,159
Marketing and administrative expenses	275,583	218,457	207,483	155,680
	351,671	268,616	283,571	205,838

34 Employee benefit expense

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Wages and salaries	457,809	464,090	324,332	340,582
Pension costs – defined contribution plans	13,042	11,113	9,661	9,337
Performance-based expenses	145,161	44,618	139,205	39,808
Share-based payments expense	17,018	12,633	17,018	12,633
	633,030	532,454	490,216	402,360

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 31 March 2017

In thousands of Nigerian Naira

35 Other operating expenses

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Depreciation and amortisation charges	119,995	119,844	88,694	90,546
Bad debt expense	(7,955)	-	-	-
Professional fees	28,362	19,886	18,747	18,479
Directors' emolument and expenses	14,655	13,903	11,726	10,750
Contract services cost	177,724	163,353	153,804	127,374
Auditor's remuneration	9,099	8,371	7,387	6,975
Bank charges	10,445	10,253	8,305	8,788
Stamp duty charge on bank transactions	1,406	-	1,385	-
Training expenses	21,731	32,933	20,146	31,097
Insurance related expenses	34,558	20,798	31,043	20,667
Information technology expenses	60,398	40,956	50,026	33,817
Other expenses	63,820	14,381	38,975	24,350
	534,238	444,678	430,238	372,843

36 Finance cost

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

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Interest expense	108,409	100,152	-	-
	108,409	100,152	-	-

37 Income tax expense

	Group Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Company income tax				
-General	(65,758)	(50,069)	(65,758)	(50,069)
- Life	(25,776)	-	(25,776)	-
- AXA Mansard Investments Limited	(16,555)	-	-	-
- AXA Mansard Health Limited	(40,681)	-	-	-
- AXA Mansard Pensions Limited	(5,012)	-	-	-
Education tax	-	-		
- AXA Mansard Health Limited	-	(95)	-	-
	(153,782)	(50,164)	(91,534)	(50,069)
Deferred tax				
- AXA Mansard Investments limited	1,109	-	-	-
- APD Limited	(30,496)	-	-	-
- AXA Mansard Health Limited	9,298	(775)	-	-
	(20,089)	(775)	-	-
Total tax charge for the period	(173,872)	(50,938)	(91,534)	(50,069)

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 Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Profit attributable to equity holders	677,942	621,070	490,033	467,193
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)	6.57	6.02	4.75	4.53

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

	Group Mar -2017	Group Mar-2016
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of treasury shares held	-	-
Effect of share options exercised	-	-
Weighted-average number of ordinary shares at 31 March	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 Mar -2017	Group Mar-2016	Parent Mar -2017	Parent Mar-2016
Profit attributable to equity holders	677,942	621,070	490,033	467,193
Weighted average number of ordinary shares in issue (thousands) (see note (i) below)	10,486,533	10,407,334	10,486,533	10,407,334
Diluted earnings per share (kobo per share)	6.46	5.97	4.67	4.49

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

	Group Mar -2017	Group Mar-2016
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares granted under the employee share option	163,814	84,615
Effect of share options exercised	-	-
Average number of ordinary shares at 31 March with dilutive effect	10,486,533	10,407,334

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

	Group Mar -2017	Group Mar-2016
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares granted under the employee share option *	163,814	84,615
Effect of share options exercised*	-	-
Weighted average number of ordinary shares at 31 March	10,486,533	10,407,334

AXA MANSARD INSURANCE PLC

APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (NON-LIFE))
FOR THE PERIOD 31 December 2016

AXA MANSARD INSURANCE PLC

APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (P &C))
FOR THE YEAR ENDED 31 March 2017

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	AGRICULTURE =N=000	March 2017 =N=000	March 2016 =N=000
REVENUE										
Gross Written Premium	1,960,932	903,136	899,313	178,267	576,563	4,676,912	85,690	16,879	9,297,692	6,049,432
Add Reinsurance Inward Premium	2,251	23,178	579	1,730	-	-	-	-	27,737	7,177
	1,963,183	926,313	899,892	179,998	576,563	4,676,912	85,690	16,879	9,325,430	6,056,609
Less Unexpired Risks Provision	(1,243,950)	(488,953)	(146,321)	11,156	(53,186)	(3,190,969)	(1,583)	-	(5,113,806)	(2,754,458)
Gross Earned Premium	719,233	437,360	753,571	191,154	523,377	1,485,943	84,107	16,879	4,211,624	3,302,151
Less Reinsurance Cost										
Local Facultative Premium	(1,624,752)	(286,481)	(36,640)	(36,154)	(390,311)	(3,548,486)	(30,562)	-	(5,953,386)	(3,900,431)
Prepaid Reinsurance	1,153,309	169,276	6,612	(24,299)	7,595	2,709,246	(11,879)	-	4,009,859	2,336,631
Reinsurance Treaty Premium	(145,179)	(2,813)	(1,816)	(65,118)	(101,704)	(382,997)	(5,119)	-	(704,746)	(291,392)
Total RI Cost	(616,623)	(120,017)	(31,844)	(125,571)	(484,420)	(1,222,238)	(47,560)	-	(2,648,273)	(1,855,192)
Net Earned Premium	102,610	317,343	721,728	65,582	38,957	263,705	36,547	16,879	1,563,351	1,446,959
Add Commission Received										
Direct Business Commission	774	4,354	388	(681)	2,530	79,704	-	-	87,069	20,247
Local Facultative Comm	250,045	48,899	5,487	7,523	23,009	20,551	97	-	355,611	249,301
Reinsurance Treaty Comm	37,776	-	-	18,776	34,590	81,695	-	-	172,837	73,616
Deferred Comm. Income	(204,157)	(32,069)	(911)	5,949	(22,794)	16,289	267	-	(237,427)	(147,978)
Investment income	9,335	28,870	65,659	5,966	3,544	23,991	3,325	1,536	142,226	73,844
	93,773	50,054	70,624	37,532	40,878	222,230	3,689	1,536	520,316	269,029
Total Income	**196,383**	**367,397**	**792,351**	**103,114**	**79,836**	**485,936**	**40,236**	**18,414**	**2,083,667**	**1,715,989**
Expenses										
Claims Paid	216,574	145,893	559,584	21,225	27,504	19,083	7,090	-	996,953	1,068,306
Outstanding Claims	507,970	29,923	(56,993)	171,733	91,245	71,577	(671)	-	814,784	461,253
Gross Claims	724,544	175,816	502,592	192,958	118,748	90,660	6,419	-	1,811,737	1,529,559
Treaty Claims Recovered	33,457	30,569	3,700	11,861	6,381	8,153	-	-	94,121	276,146
Facultative Claims Recovered	152,140	15,388	13,341	-	2,219	-	-	-	183,087	42,538
Coinsurance Claims Recovered	-	2	23,686	-	-	-	-	-	23,688	-
Ri Claim Recoverable	454,607	10,917	12,047	74,578	124,243	122,757	2,520	-	801,669	311,002
Total Claims Recovered/Recoverable	640,204	56,875	52,774	86,440	132,843	130,910	2,520	-	1,102,566	629,687
Net claims Incurred	**84,341**	**118,941**	**449,817**	**106,518**	**(14,095)**	**(40,250)**	**3,899**	**-**	**709,171**	**899,873**
Underwriting Expenses (commission expenses)	355,807	142,707	69,805	31,727	62,619	197,148	9,904	2,771	872,488	504,690
Deferred Acquisition Cost (Comm)	(246,236)	(75,719)	(15,077)	(3,139)	(31,789)	(92,737)	2,085	-	(462,611)	(203,205)
Other acquisition Cost	21,097	50	20,074	14,412	-	1,627	-	-	57,260	35,264
Maintenance Costs	3,389	3,753	10,441	1,667	1,404	(22,621)	765	-	(1,201)	28,028
Total underwriting expenses	**134,057**	**70,791**	**85,243**	**44,667**	**32,234**	**83,417**	**12,753**	**2,771**	**465,935**	**364,777**
Underwriting Profit	**(22,015)**	**177,665**	**257,291**	**(48,071)**	**61,696**	**442,768**	**23,583**	**15,643**	**908,561**	**451,339**

APPENDIX 4 (SUMMARISED REVENUE ACCOUNTS (LIFE))
FOR THE PERIOD 31 March 2017

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	March 2017 TOTAL	March 2016 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross Written Premium	1,302,644	199,462	-	1,502,107	1,374,290
Less Unexpired Risks Provision	(583,539)	-	-	(583,539)	(347,493)
	719,106	199,462	-	918,568	1,026,797
Less Reinsurance Premium					
Local Facultative Premium	(399,257)	(23,801)	-	(423,058)	(174,610)
Ri share of Insurance Liabilities	295,608	12,386	-	307,994	120,178
Reinsurance Treaty Premium	(111,421)	(6,422)	-	(117,844)	(179,712)
Net Premium	**504,036**	**181,625**	**-**	**685,661**	**792,654**
Add commission received					
Direct business commission	2,068	161	-	2,229	1,495
Local Facultative	71,025	3,859	-	74,884	24,751
Reinsurance treaty	33,426	2,396	-	35,822	40,866
Investment Income	110,238	39,723	74,706	224,668	329,986
	216,757	46,139	74,706	337,602	397,098
Total income	**720,793**	**227,764**	**74,706**	**1,023,263**	**1,189,751**
Expenses					
Claims paid	162,550	93,564	65,303	321,417	563,569
Surrenders	-	-	-	-	2,998
Increase/decrease outstanding claims	195,177	-	-	195,177	37,261
Gross claims incurred	357,728	93,564	65,303	516,594	603,828
Reinsurance recovered	(34,539)	(12,186)	-	(46,724)	(130,900)
Claims Recoverable	(29,144)	-	-	(29,144)	(36,259)
Net claims incurred	**294,045**	**81,378**	**65,303**	**440,725**	**436,670**
Acquisition expenses (commission expenses)	80,689	34,090	-	114,779	100,581
Other acquisition costs	5,317	1,466	-	6,784	9,200
Maintenance cost	273	-	-	273	4,519
Transfer to life fund	-	(59,629)	(14,591)	(74,219)	83,323
Total expenses	380,324	57,306	50,712	488,342	634,293
Underwriting profit	340,470	170,458	23,994	534,921	555,459