AIICO INSURANCE PLC AND SUBSIDIARIES

INTERIM REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2020

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Corporate Information

Directors	Mr. Kundan Sainani (Indian)	Chairman
	Mr. Babatunde Fajemirokun *	Group MD / CEO
	Mr. Edwin Igbiti**	Director
	Mr. Olusola Ajayi***	Executive Director
	Mr. Adewale Kadri	Executive Director
	Mr. Samaila Zubairu	Director/Independent
	Mr. Sobandele David Ayodele Sobanjo	Director
	Mr. Ademola Adebise	Director
	Ms. Oluwafolakemi Fajemirokun	Director
	Mr. Olalekan Akinyanmi***	Director

Key		
*	Appointed with effect from	14 August 2019
**	Retired with effect from	11 March 2019
***	Appointed with effect from	4 September 2019

Company Secretary
Mr. Donald Kanu
AIICO Insurance Plc AIICO Plaza
Plot PC 12, Churchgate Street
Victoria Island, Lagos

Registered Office
AIICO Plaza
Plot PC 12, Churchgate Street
Victoria Island
Lagos

RC No. 7340

TIN 00401332-0001

Corporate Head Office
AIICO Plaza
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Tel: +234 01 2792930-59
0700AIIContact (0700 2442 6682 28)
Fax: +234 01 2799800
Website: //**www.aiicoplc.com**
E-mail: aiicontact@aiicoplc.com

Registrar
United Securities Limited
10, Amodu Ojikutu Street Off
Bishop Oluwole Street Victoria Island
P.M.B. 12753
Lagos

Corporate Information (Cont'd)

Independent Auditors	**Ernst & Young** 10th & 13th Floors, UBA House 57, Marina Road Lagos Island Lagos website: ***www.ey.com/ng***
Bankers	First City Monument Bank Limited First Bank of Nigeria Limited Guaranty Trust Bank Plc Union Bank of Nigeria Plc United Bank of Africa Plc Ecobank Plc Standard Chartered Bank Nigeria Limited
Actuary	Zamara Consulting Actuaries Nigeria Limited FRC/2017/NAS/00000016912
Reinsurers	Africa Reinsurance Corporation Continental Reinsurance Plc Swiss Reinsurance WAICA Reinsurance Nigerian Reinsurance Trust Reinsurance Zep Reinsurance Arig Reinsurance Aveni Reinsurance NCA Reinsurance
Estate Valuer	Niyi Fatokun & Co. (Chartered Surveyors & Valuer) FRC/2013/NIESV/70000000/1217
Regulatory Authority	National Insurance Commission (NAICOM)

Branch Networks

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Rivers State
Tel: +234 808 313 4875
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2. Kaduna
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Corporate Information (Cont'd)

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15. Ibadan
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Results at a Glance - The Group

Profit or Loss and Other Comprehensive Income *In thousands of naira*	**Jun 2020**	**Jun 2019**	**Increase/ (decrease) Changes**	**Increase/ (decrease) %**
Gross premium written	31,923,129	25,422,023	6,501,106	26
Gross premium income	29,071,849	23,385,827	5,686,022	24
Net premium income	25,787,618	20,603,407	5,184,211	25
Claim expenses (net)	(14,454,643)	(12,318,107)	(2,136,537)	(17)
Underwriting (loss)/profit	(10,858,557)	(5,647,632)	(5,210,925)	92
Investment and other income	19,527,817	12,910,909	6,616,908	51
Overhead expenses	(6,497,063)	(4,247,506)	(2,249,556)	(53)
Profit before income tax expense	2,172,197	3,015,772	(843,575)	(28)
Profit for the year	2,788,842	2,851,092	(62,250)	(2)
Total other comprehensive profit/(loss)	(224,961)	(261,462)	36,501	14
Total comprehensive income for the year	2,636,103	2,682,360	(46,256)	(2)
Basic earnings per share (kobo)	40	44		
Diluted earnings per share (kobo)	40	34		

Financial Position *In thousands of naira*	**30-Jun-20**	**31-Dec-19**	**Changes**	**%**
Cash and cash equivalents	12,866,565	10,080,164	2,786,401	28
Financial assets	183,078,735	126,827,073	56,251,662	44
Trade receivables	919,044	386,749	532,295	138
Reinsurance assets	8,476,801	5,460,569	3,016,232	55
Deferred acquisition costs	721,222	488,884	232,338	48
Other receivables and prepayments	1,654,187	6,227,700	(4,573,513)	(73)
Deferred tax assets	154,862	149,379	5,483	4
Investment properties	772,000	772,000	-	-
Goodwill and other intangible assets	907,408	985,862	(78,454)	(8)
Property and equipment	7,451,831	7,597,843	(146,011)	(2)
Statutory deposits	500,000	500,000	-	-
Assets classified as held for sale	2,176,544	-	2,176,544	100
Total assets	**219,679,198**	**159,476,222**	**60,202,978**	**38**
Insurance contract liabilities	106,913,311	84,986,351	(21,926,960)	(26)
Investment contract liabilities	19,307,445	16,201,367	(3,106,078)	(19)
Trade payables	1,381,024	1,839,238	458,214	25
Other payables and accruals	11,467,712	3,650,286	(7,817,426)	(214)
Fixed income liabilities	46,859,180	20,143,047	(26,716,133)	(133)
Current income tax payable	119,365	487,112	367,746	75
Deferred tax liabilities	155,866	629,281	473,415	75
Borrowing	1,504,329	2,629,477	1,125,148	43
Liabilities attributable to assets held for sale	348,474	-	(348,474)	(100)
Total liabilities	**188,056,707**	**130,566,159**	**(57,490,548)**	**(44)**
Issued share capital	5,665,102	3,465,102	2,200,000	63
Share premium	5,826,193	2,824,389	3,001,804	106
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	1,890,223	1,995,336	(105,113)	(5)
Foreign exchange reserve	175,599	159,677	15,922	10
Statutory reserve	-	167,874	(167,874)	(100)
Contingency reserve	6,703,272	6,320,410	382,862	6
Retained earnings	8,293,662	5,888,970	2,404,693	41
Deposit for shares	-	5,280,000	(5,280,000)	(100)
Statutory reserves of disposal assets	167,874	-	167,874	100
Shareholders' funds	**30,534,632**	**27,914,465**	**2,620,168**	**121**
Non-controlling interests	1,087,859	995,599	92,260	100
Total equity	**31,622,491**	**28,910,063**	**2,712,429**	**9**
Total liabilities and equity	**219,679,198**	**159,476,222**	**60,202,977**	**38**

Results at a Glance - The Company

Profit or loss and other comprehensive income			**Increase/ (Decrease)**	**Increase/ (Decrease)**
In thousands of naira	**Jun 2020**	**Jun 2019**	**Changes**	**%**
Gross premium written	31,466,681	25,045,201	6,421,480	26
Gross premium income	28,756,471	23,015,423	5,741,048	25
Net premium income	25,472,240	20,233,004	5,239,236	26
Claim expenses (net)	(14,293,447)	(12,161,216)	(2,132,231)	(18)
Underwriting (loss)/profit	(11,279,308)	(5,958,287)	(5,321,021)	(89)
Investment and other income	16,831,283	12,369,019	4,462,264	36
Overhead expenses	(3,792,303)	(3,786,266)	(6,037)	(0)
Profit before income tax expense	1,759,671	2,624,465	(864,794)	33
Profit for the year	2,386,162	2,477,790	(91,627)	4
Other comprehensive income/(loss)	(397,537)	(394,020)	(3,517)	(1)
Total comprehensive income for the year	1,988,625	2,083,769	(95,145)	5
Basic earnings per share (kobo)	34	36		
Diluted earnings per share (kobo)	34	29		

Financial Position				
In thousands of naira	**30-Jun-20**	**31-Dec-19**	**Changes**	**%**
Cash and cash equivalents	9,863,285	8,166,352	1,696,933	21
Financial assets	127,266,856	103,414,529	23,852,327	23
Trade receivables	609,576	303,106	306,470	101
Reinsurance assets	8,476,801	5,460,569	3,016,232	55
Deferred acquisition costs	721,222	488,884	232,338	48
Other receivables and prepayments	1,444,833	5,762,765	(4,317,931)	(75)
Investment in subsidiaries	1,087,317	2,452,359	(1,365,043)	(56)
Investment properties	772,000	772,000	-	-
Goodwill and other intangible assets	866,763	906,680	(39,916)	(4)
Property and equipment	7,220,226	7,036,211	184,015	3
Statutory deposits	500,000	500,000	-	-
Assets classified as held for sale	1,365,042	-	1,365,042	100
Total assets	**160,193,919**	**135,263,455**	**24,930,464**	**18**
Insurance contract liabilities	106,646,853	84,766,122	(21,880,731)	(26)
Investment contract liabilities	19,307,445	16,201,367	(3,106,078)	(19)
Trade payables	1,349,660	1,512,394	162,734	11
Other payables and accruals	3,460,782	3,406,751	(54,031)	(2)
Current income tax payable	69,999	361,505	291,506	81
Deferred tax liability	-	441,416	441,416	100
Long term borrowing	1,504,329	2,629,477	(1,125,148)	(43)
Total liabilities	**132,339,069**	**109,319,032**	**(25,270,332)**	**(23)**
Issued share capital	5,665,102	3,465,102	2,200,000	63
Share premium	5,826,193	2,824,389	3,001,804	106
Revaluation reserve	1,812,707	1,812,707	-	-
Fair value reserve	414,719	828,179	(413,460)	(50)
Foreign exchange reserve	175,599	159,677	-	-
Contingency reserve	6,703,272	6,320,410	382,861	6
Retained earnings	7,257,258	5,253,959	2,003,299	38
Deposit for shares	-	5,280,000	(5,280,000)	(100)
Shareholders' funds	**27,854,850**	**25,944,424**	**1,894,504**	**64**
Total equity	**27,854,850**	**25,944,424**	**1,894,504**	**64**
Total liabilities and equity	**160,193,919**	**135,263,455**	**24,930,464**	**18**

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

We the undersigned, hereby certify the following with regards to our unaudited financial statements for the period ended 30 June 2020 that:

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

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the years presented in the report.

(ii) We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the group's internal controls as of date of the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

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

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

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

Mr. Babatunde Fajemirokun
MD/CEO
FRC /2015/MULTI/00000019973

30 July 2020
Date

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

30 July 2020
Date

Statement of Significant Accounting Policies
For the period ended 30 June 2020

1 Reporting entity

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

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

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

2 Basis of accounting

2.1 *Statement of compliance*

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act No. 6, 204, the Insurance Act of Nigeria 2003, the Pension Reform Act 2014 and relevant National Insurance Commission (NAICOM) policy guidelines and circulars.

These consolidated and separate financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.

2.2 Going concern

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

2.3 *Functional and presentation currency*

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

2.4 *Basis of measurement*

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

Items	Measurement Bases
Derivative financial liabilities	Fair value
Non-derivative Financial asset at fair value through other comprehensive income	Fair value
Non-derivative Financial asset at fair value through profit or loss	Fair value
Investment properties	Fair value
Insurance contract liabilities	Fair value

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

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

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

2.6 Changes in accounting policies

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

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

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

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

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

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

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

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

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

2.7 Segment reporting

For management purposes, the Group is organized into business units based on their products and services.

Segment performance is evaluated based on profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to individual operating segments.

Inter-segment transactions which occurred in 2019 as shown in Note 5.1 Segment statement of profit or loss and other comprehensive income and 5.2 Segment statement of financial position and results will include those transfers between business segments.

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3 Significant accounting policies

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

3.1 Basis of Consolidation

(a) Business combination and goodwill

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

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

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

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

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

(b) Subsidiaries

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.1 Basis of Consolidation (Cont'd)

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

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

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

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

Acquisition-related costs are expensed as incurred

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

Disposal of subsidiaries

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

(c) Non-Controlling Interest

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

(d) Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

-Represents a separate major line of business or geographical area of operations

-Is part of a single co-ordinated plan to dispose of a separate major line of business OR geographical AREA of operations

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

or
-Is a subsidiary acquired exclusively with a view to resale
Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. And disclosed in Note 18
All other notes to the financial statements include amounts for continuing operations, unless otherwise

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined.
Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or
However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- financial asset at fair value through other comprehensive income (OCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- qualifying cash flow hedges to the extent that the hedges are effective.

3.3 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash and cash equivalents are carried at amortized cost in the consolidated and separate statements of financial position.

3.4 Financial instruments

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
Financial instruments (Cont'd)

3.4.1 Recognition and initial measurement

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

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

3.4.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

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

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

(i) Business model assessment

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

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

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

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

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

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For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)
3.4.2 Classification of financial instruments (Cont'd)

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

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

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

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

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

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

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

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

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

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

(iii) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets
- A transfer of financial assets between parts of the entity with different business models.

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)

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

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

3.4.3 Subsequent measurements

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

(i) Debt instuments

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

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

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

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

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

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss.

3.4.4 Impairment of financial assets

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

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

• Financial assets that are debt instruments measured at amortized cost and FVOCI

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS 9.

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

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

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

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

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

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

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

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For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)
3.4.4 Impairment of financial assets (Cont'd)

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

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

The Group considers a financial asset to be in default when the following occurs;

- The counterparty is unlikely to pay its credit obligations e.g market information
- Failure by the counterparty to meet obligation 90days past due.

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

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

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

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

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

(b) **The calculation of ECLs**

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective interest rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

• PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

• EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

• LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)

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

• Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
• Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

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

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

(d) **Collateral valuation**

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on periodic basis as deemed necessary.

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

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

(f) **Forward looking information**

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:
• GDP growth
• Unemployment rates
• Inflation rates
• Crude oil price
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 43 (d) in the financial statements.

3.4.5 Fair value measurement

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.4 Financial instruments (Cont'd)

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

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

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

3.4.6 Derecognition of financial assets

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

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

3.4.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

3.4.8 Write off

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

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Statement of Significant Accounting Policies (Cont'd)
For the year ended 30 June 2020

3.5 Trade receivables

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

3.6 Reinsurance assets

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

3.7 Trade payables

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

3.8 Other payables and accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss. Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

3.9 Deferred expenses

(a) Deferred acquisition costs (DAC)

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

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

(b) Deferred expenses -Reinsurance commissions

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

3.10 Other receivables and prepayment

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

Statement of Significant Accounting Policies (Cont'd)
For the year ended 30 June 2020

3.11 Income tax

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

(a) ***Current tax***

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

(b) ***NITDA Levy***

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

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

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

Deferred tax is not recognised for:

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

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

Unrecognised deferred tax asset are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.12 Investment properties

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

3.13 Intangible assets and goodwill

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses

(b) Intangible assets

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

The useful lives of intangible assets are assessed to be finite.

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

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

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

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

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

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

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

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses. The intangible asset is amortized over the useful life of the acquired in-force policy during which future premiums are expected, which typically varies between five and fifty years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and they are treated as a change

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3.13 Intangible assets and goodwill (Cont'd)

in an accounting estimate. An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit and loss. PVIF is also considered in the liability adequacy test for each reporting period.

PVIF is derecognized when the related contracts are settled or disposed of.

(d) Subsequent expenditure

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

(e) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and generally recognised in profit or loss. Goodwill is not amortised.

(f) Imapairment on goodwill

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

3.14 Property and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent expenditure

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

Statement of Significant Accounting Policies (Cont'd)

For the period ended 30 June 2020

3.13 Intangible assets and goodwill (Cont'd)

(c) Depreciation

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

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

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit or loss account for the year.

(d) De-recognition

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

(e) Reclassification to investment property

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

3.15 Statutory deposit

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

3.16 Insurance contract liabilities

(a) Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is calculated adopting current financial and decrement assumptions. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for claims outstanding.

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.16 Insurance contract liabilities

(a) Life insurance contract liabilities

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

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

(b) Guaranteed annuity

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

(c) Non-life insurance contract liabilities

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.16.2 Investment contract liabilities

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

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated profit or loss account.

The liability is derecognized when the contract expires, is discharged or is cancelled.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

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

3.17 Portfolio under Management

(i) Fiduciary activities

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

(ii) Fixed income liability

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

3.18 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.18 Leases (Cont'd)

Policy applicable from 1 January 2019
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which

is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

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

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.19 Provisions

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

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Share capital

(a) Ordinary shares

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

(b) Dividends on ordinary share capital

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

(c) Share premium

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

3.21 Deposit for shares

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

3.22 Revaluation reserve

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

3.23 Fair value reserve

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

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
3.20 Share capital (Cont'd)

3.24 Exchange gains reserve

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

3.25 Technical reserves

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

(a) General Insurance Contracts

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

(b) Reserves for Outstanding Claims

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

(c) Reserves for Unexpired Risk

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

(d) Life Business
General Reserve Fund

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

(e) 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 deferred acquisition cost (DAC) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately recognised in profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. Hence, the Group carries out actuarial valuation on both life and non-life insurance businesses.

3.26 Statutory reserve

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

3.27 Contingency reserves
(a) Non-life business

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

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit and accumulated until it reaches the amount of the minimum paid up capital – Insurance ACT 22 (1)(b).

3.28 Retained earnings

This account accumulates profits or losses from operations.

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.29 Revenue recognition

(a) Gross premium income

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

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

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

(b) Reinsurance premium

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

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

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

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

(c) Fees and commission income

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

(d) Change in life fund

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

(e) Investment income

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

(f) Realized gains and losses

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

(g) Investment property rental income

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

Rental Income from other property is recognised as other income.

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.30 Benefits, claims and expenses recognition

(a) Gross benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims. Changes in the gross valuation of insurance are also included.

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

(b) Reinsurance claims

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

(c) Reinsurance expenses

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.31 Underwriting expenses

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

3.32 Other operating income

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

3.33 Employee benefits

(a) Short term employee benefit

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

(b) Defined contribution plans

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

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

3.34 Other operating expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.
Other operating expenses are accounted for on accrual basis and recognized in the profit or loss upon utilization of the

3.35 Finance cost

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

3.36 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

3.37 Standards issued but not yet effective

(a) Amendments to References to the Conceptual Framework in IFRS Standards (Annual periods beginning on or

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

(b) Definition of a Business (Amendments to IFRS 3) (Acquisition date beginning on or after 1 January 2020)

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

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

(c) Definition of Material (Amendments to IAS 1 and IAS 8) (Annual periods beginning on or after 1 January 2020)

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

(d) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (Annual periods beginning on or after 1 January 2020)

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

(e) IFRS 17 Insurance Contracts

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

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020

4 Critical accounting estimates and judgements

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
4 Critical accounting estimates and judgements (Cont'd)

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

(b) Impairment of financial instrument

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

(c) Measurement of fair values

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

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

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

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

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

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

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

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

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

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
4 Critical accounting estimates and judgements (Cont'd)

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

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

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

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

(d) Fair value of unquoted equity financial instruments
Investments in unquoted equity financial instrument should be measured at fair value. The Group's investment in unquoted equity financial instrument are measured at fair value.

(e) Liabilities arising from life insurance contracts

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

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

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

(h) Impairment of goodwill

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

(i) Investment properties

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

Statement of Significant Accounting Policies (Cont'd)
For the period ended 30 June 2020
4 Critical accounting estimates and judgements (Cont'd)

(j) Current tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;

• an insurance company, whether proprietary or mutual, other than a life insurance company; or
• a Nigerian company whose profit accrued in part outside Nigeria,

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

An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

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

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

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

(k) Deferred tax asset and liabilities

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

(l) Determining control over investee entities

Management applies its judgement to determine whether the Group has control over subsidiaries or significant influence over an investee company as set out in Note 3.1(b).

The Group has determined that it exercises control and significant influence over certain investee companies due to its representation on the Board of such companies and its significant participation in the Companies' operating and financial policies

(m) Allowances for credit losses

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

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

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

The Company applied the impairment requirements under IFRS 9 from 1 January 2018 resulting in changes to the assumptions used for the calculation for allowance for impairment using the expected credit loss model. The comparative period has not been restated for IFRS 9. The key change under the IFRS 9 expected credit loss model is the use of forecast of future economic conditions including macroeconomic factors. These have been discussed in note 3 above – Changes in accounting policies

Consolidated and separate statements of financial position
As at 30 June 2020

In thousands of naira	**Notes**	**Group** **30-Jun-20**	**Group** **31-Dec-19**	**Company** **30-Jun-20**	**Company** **31-Dec-19**
Assets					
Cash and cash equivalents	6	12,866,565	10,080,164	9,863,285	8,166,352
Financial assets	7	183,078,735	126,827,073	127,266,856	103,414,529
Trade receivables	8	919,044	386,749	609,576	303,106
Reinsurance assets	9	8,476,801	5,460,569	8,476,801	5,460,569
Deferred acquisition costs	10	721,222	488,884	721,222	488,884
Other receivables and prepayments	11	1,654,187	6,227,700	1,444,833	5,762,765
Deferred tax assets	12(d)	154,862	149,379	-	-
Investment in subsidiaries	13	-	-	1,087,317	2,452,359
Investment properties	14	772,000	772,000	772,000	772,000
Goodwill and other intangible assets	15	907,408	985,862	866,763	906,680
Property and equipment	16	7,451,831	7,597,843	7,220,226	7,036,211
Statutory deposits	17	500,000	500,000	500,000	500,000
Assets classified as held for sale	18.1(a)	2,176,544	-	1,365,042	-
Total assets		**219,679,198**	**159,476,222**	**160,193,919**	**135,263,455**
Liabilities and equity					
Liabilities					
Insurance contract liabilities	19	106,913,311	84,986,351	106,646,853	84,766,122
Investment contract liabilities	20	19,307,445	16,201,367	19,307,445	16,201,367
Trade payables	21	1,381,024	1,839,238	1,349,660	1,512,394
Other payables and accruals	22(a)	11,467,712	3,650,286	3,460,782	3,406,751
Fixed income liabilities	22(b)	46,859,180	20,143,047	-	-
Current income tax payable	12(a)	119,365	487,112	69,999	361,505
Deferred tax liabilities	12(d)	155,866	629,281	-	441,416
Borrowings	23(a)	1,504,329	2,629,477	1,504,329	2,629,477
Liabilities attributable to assets held for sale	18.1(b)	348,474			
Total liabilities		**188,056,707**	**130,566,159**	**132,339,069**	**109,319,032**
Equity					
Issued share capital	24(a)(ii)	5,665,102	3,465,102	5,665,102	3,465,102
Share premium	24(b)	5,826,193	2,824,389	5,826,193	2,824,389
Revaluation reserves	24(c)	1,812,707	1,812,707	1,812,707	1,812,707
Fair value reserve	24(d)	1,890,223	1,995,336	414,719	828,179
Foreign exchange gains reserve	24(e)	175,599	159,677	175,599	159,677
Statutory reserves	24(f)	-	167,874	-	-
Contingency reserve	24(g)	6,703,272	6,320,410	6,703,272	6,320,410
Retained earnings	24(h)	8,293,662	5,888,970	7,257,258	5,253,959
Deposit for shares	24(k)	-	5,280,000	-	5,280,000
Statutory reserves of disposal assets classified as held for sale	24(f)	167,874	-	-	-
Shareholders' funds		**30,534,632**	**27,914,465**	**27,854,850**	**25,944,424**
Non-controlling interests	13(e)	**1,087,859**	**995,599**	-	-
Total equity		**31,622,491**	**28,910,063**	27,854,850	25,944,424
Total liabilities and equity		**219,679,198**	**159,476,222**	**160,193,919**	**135,263,455**

These consolidated and separate financial statements were approved by the Board of Directors on 30 July 2020. and signed on its behalf by:

Mr. Kundan Sainani	**Mr. Babatunde Fajemirokun**	**Mr. Oladeji Oluwatola**
Chairman	Managing Director/ Chief Executive Officer	Chief Financial Officer
FRC/2013/IODN/00000003622	FRC /2015/MULTI/00000019973	FRC/2013/ICAN/0000004910

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

Consolidated and separate statements of profit or loss and other comprehensive income
For the period ended 30 June 2020

		Group		Company	
In thousands of naira	**Notes**	**30-Jun-20**	**30-Jun-19**	**30-Jun-20**	**30-Jun-19**
Gross premium written	25(a)	**31,923,129**	**25,422,023**	**31,466,681**	**25,045,201**
Gross premium income	25(b)	29,071,849	23,385,827	28,756,471	23,015,423
Reinsurance expenses	25(c)	(3,284,231)	(2,782,419)	(3,284,231)	(2,782,419)
Net premium income		**25,787,618**	**20,603,407**	**25,472,240**	**20,233,004**
Fee/commission income					
Insurance contracts	26	777,920	654,793	777,920	654,793
Pension and other contracts	26	280,422	138,321	-	-
Net underwriting income		**26,845,959**	**21,396,521**	**26,250,160**	**20,887,797**
Claims expenses:					
Claims expenses (Gross)	27(a)	18,021,473	15,707,015	17,860,277	15,550,124
Claims expenses recovered from reinsurers	27(b)	(3,566,830)	(3,388,908)	(3,566,830)	(3,388,908)
Claims expenses (Net)		**14,454,643**	**12,318,107**	**14,293,447**	**12,161,216**
Underwriting expenses	28	3,434,428	3,141,304	3,420,577	3,100,127
Change in life fund	19(d)	10,053,011	5,880,859	10,053,011	5,880,859
Change in annuity fund	19(e)	6,835,801	4,209,798	6,835,802	4,209,798
Change in other investment contracts	20(b)	2,926,631	1,494,084	2,926,631	1,494,084
Total underwriting expenses		**37,704,515**	**27,044,152**	**37,529,468**	**26,846,084**
Underwriting (loss)/profit		**(10,858,557)**	**(5,647,632)**	**(11,279,308)**	**(5,958,287)**
Investment income	29(a)	7,577,081	5,228,481	5,006,886	4,687,631
Profit from deposit administration	29(b)	43,648	48,640	43,648	48,640
Net realised gains	30	264,717	1,215,823	264,717	1,214,943
Net fair value (gains / losses)	31	11,508,854	6,295,215	11,508,854	6,295,215
Other operating income	32	133,518	122,750	7,178	122,590
Personnel expenses	33	(1,739,903)	(1,809,207)	(1,374,947)	(1,488,514)
Other operating expenses	34	(2,646,341)	(2,245,944)	(2,320,614)	(2,105,493)
Finance cost	35	(2,110,819)	(181,614)	(96,743)	(181,614)
Impairment (loss)/reversal	36	-	(10,742)	-	(10,646)
Profit before income tax from continuing operations		**2,172,197**	**3,015,772**	**1,759,671**	**2,624,465**
Income tax expense	12(b)	616,646	(164,679)	626,491	(146,675)
Minimum tax	12(b)(i)	-	-	-	-
Profit after tax from continuing operations		**2,788,842**	**2,851,092**	**2,386,162**	**2,477,790**
Discontinued operations					
Profit after tax from discontinued operations	18.2.	72,222	92,729		
Profit for the period		**2,861,064**	**2,943,821**	**2,386,162**	**2,477,790**
Attributable to shareholders		2,787,555	2,836,385	2,386,162	2,477,790
Attributable to non-controlling interest holders	13(e) (i)	73,509	107,436	-	-
		2,861,064	**2,943,820**	**2,386,162**	**2,477,790**
Other comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss					
Net gain on financial assets	24(d)	(86,362)	518,775	(258,939)	297,613
Exchange gains on financial assets	24(e)	15,922	-	15,922	-
Items within OCI that will not be reclassified to profit or loss					
Fair value (loss)/gain on equity securities	24(h)	(154,520)	(789,810)	(154,520)	(701,207)
Revaluation gain on property and equipment	24(c)	-	9,573	-	9,573
Total other comprehensive profit/ (loss)		**(224,961)**	**(261,462)**	**(397,537)**	**(394,020)**
Total comprehensive profit for the period		**2,636,103**	**2,682,360**	**1,988,625**	**2,083,769**
Attributable to shareholders		2,562,594	2,596,214	1,988,625	2,083,769
Attributable to non-controlling interests		73,509	86,145	-	-
		2,636,103	**2,682,360**	**1,988,625**	**2,083,769**
Basic earnings per share (Kobo)	37	40	41	34	36
Diluted earnings per share (Kobo)	37	40	34	34	29

Consolidated and Separate Statements of Changes in Equity - Group
For the period ended 30 June 2020

		Attributable to owners of the Group											
In thousands of naira	**Note**	**Issued Share Capital**	**Share Premium**	**Retained Earnings**	**Contingency Reserve**	**Fair Value Reserve**	**Revaluation Reserve**	**Statutory Reserve**	**Foeign exchange gains reserve**	**Deposit for shares**	**Shareholders' Equity**	**Non Controlling Interests**	**Total equity**
Balance at 1 January 2020		3,465,102	2,824,389	5,888,969	6,320,410	1,995,336	1,812,707	167,874	159,677	5,280,000	27,914,463	995,599	28,910,062
Issue of shares													
Ord shares of 4,399,998,440 with nominal value od 50kobo each at market price of N1.20kobo		2,200,000	3,001,804	-		-				(5,201,804)	-	-	-
Direct cost attributable to capital raised										(78,196)	(78,196)		(78,196)
Balance as at 1 Jan 2020		5,665,102	5,826,193	5,888,969	6,320,410	1,995,336	1,812,707	167,874	159,677	(0)	27,836,268	995,599	28,831,866
Total comprehensive income for the year													
Profit for the year		-	-	2,787,555	-	-	-	-	-	-	2,787,555	73,509	2,861,065
											-		-
Other comprehensive income		-	-	-	-	(105,113)	-	-	15,922	-	(89,191)	18,750	(70,440)
Total other comprehensive income for the year		-	-	2,787,555	-	(105,113)	-	-	15,922	-	2,698,364	92,260	2,790,624
Transfers within equity													
Transfer to contingency reserve		-	-	(382,862)	382,862	-	-	-	-	-	-	-	-
Deposit for shares										-	-		-
Transfer to/(from) retained earnings		-	-	-	-	-	-		-	-	-	-	-
Total transfers		-	-	(382,862)	382,862	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity													
Transactions with NCI		-	-	-	-		-	-	-		-	-	-
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to equity holders		-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020		**5,665,102**	**5,826,193**	**8,293,662**	**6,703,272**	**1,890,223**	**1,812,707**	**167,874**	**175,599**	**(0)**	**30,534,632**	**1,087,859**	**31,622,491**
Balance at 1 January 2019	**24**	3,465,102	2,824,389	1,479,002	5,807,411	(1,143,847)	1,802,662	143,882	147,443	-	14,526,044	744,558	15,270,602
Total comprehensive income for the year													
Profit for the year		-	-	2,858,264	-	-	-	-	-	-	2,858,264	85,559	2,943,823
											-		-
Other comprehensive income		-	-	(780,954)	-	496,659	9,573	-	-	-	(274,722)	13,261	(261,461)
Total other comprehensive income for the year		-	-	2,077,310	-	496,659	9,573	-	-	-	2,583,542	98,820	2,682,362
Transfers within equity													
Transfer to contingency reserve		-	-	(472,288)	472,288	-	-	-	-	-	-	-	-
Deposit for shares										-	-		-
Transfer to/(from) retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Total transfers		-	-	(472,288)	472,288	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity													
Transactions with NCI		-	-	-	-		-	-	-		-	-	-
Dividend paid to ordinary shareholders		-	-	(415,812)	-	-	-	-	-	-	(415,812)	(28,932)	(444,744)
Total contributions by and distributions to equity holders		-	-	(415,812)	-	-	-	-	-	-	(415,812)	(28,932)	(444,744)
Balance at 30 June 2019		**3,465,102**	**2,824,389**	**2,668,211**	**6,279,699**	**(647,188)**	**1,812,235**	**143,882**	**147,443**	**0**	**16,693,774**	**814,448**	**17,508,221**

Consolidated and Separate Statements of Changes in Equity - Company
For the period ended 30 June 2020

		Attributable to owners of the Company								
In thousands of naira	**Note**	**Issued Share Capital**	**Share Premium**	**Retained Earnings**	**Contingency Reserve**	**Fair Value Reserve**	**Revaluation Reserve**	**Exchange gains reserve**	**Deposit for shares**	**Total shareholders' Equity**
Balance at 1 January 2020		3,465,102	2,824,389	5,253,958	6,320,410	828,179	1,812,707	159,677	5,280,000	25,944,421
Issue of shares										
Ord shares of 4,399,998,440 with nominal value of 50kobo each at market price of N1.20k		2,200,000	3,001,804	-	-	-	-		(5,201,804)	-
Direct cost attributable to capital raised									(78,196)	(78,196)
Balance at 1 Jan 2020		5,665,102	5,826,193	5,253,958	6,320,410	828,179	1,812,707	159,677 -	0	25,866,226
Total comprehensive income for the year										
Profit for the year		-	-	2,386,162	-		-	-		2,386,162
Other comprehensive income		-	-	-	-	(413,459)	-	15,922		(397,537)
Total other comprehensive income for the year		-	-	2,386,162	- -	413,459	-	15,922	-	1,988,625
Transfers within equity										
Transfer to contingency reserve		-	-	(382,862)	382,862	-	-	-		-
Transfer to statutory reserve		-	-	-	-	-	-	-		-
Transfer to retained earnings				-		-				
Deposit for shares									-	-
Total transfers within equity		-	- -	382,862	382,862	-	-	-	-	-
Transactions with owners, recorded directly in equity										
Dividend paid to ordinary shareholders		-	-	-	-	-	-	-		-
Total contributions by and distributions to equity holders		-	-	-	-		-	-		-
Balance at 30 June 2020		**5,665,102**	**5,826,193**	**7,257,258**	**6,703,272**	**414,719**	**1,812,707**	**175,599 -**	**0**	**27,854,850**
Balance at 1 January 2019	24	3,465,102	2,824,389	1,253,208	5,807,411	(952,902)	1,802,662	147,443	-	14,347,313
Restated balance at 1 Jan 2019		3,465,102	2,824,389	1,253,208	5,807,411	(952,902)	1,802,662	147,443		14,347,313
Total comprehensive income for the year										
Profit for the year		-	-	2,477,790	-		-	-		2,477,790
Other comprehensive income		-	-	(701,207)	-	297,613	9,573			(394,021)
Total other comprehensive income for the year		-	-	1,776,583	-	297,613	9,573	-	-	2,083,769
Transfers within equity										
Transfer to contingency reserve		-	-	(472,288)	472,288	-	-	-		-
Transfer to statutory reserve		-	-	-	-	-	-	-		-
Transfer to retained earnings				-		-				
Deposit for shares									-	-
Total transfers within equity		-	- -	472,288	472,288	-	-	-	-	-
Transactions with owners, recorded directly in equity										
Dividend paid to ordinary shareholders		-	-	(415,812)	-	-	-			(415,812)
Total contributions by and distributions to equity holders		-	-	(415,812)	-		-	-		(415,812)
Balance at 30 June 2019		**3,465,102**	**2,824,389**	**2,141,690**	**6,279,699**	**(655,289)**	**1,812,235**	**147,443**	**-**	**16,015,270**

Consolidated and Separate Statements of Cash Flows
For the period ended 30 June 2020
In thousands of naira

	Notes	Group 2020	Group 2019	Company 2020	Company 2019
Operating activities:					
Total premium received		31,576,026	14,049,026	31,345,403	14,028,022
Commission received		824,506	617,770	544,084	94,201
Commission paid		(3,288,880)	(1,454,127)	(3,275,028)	(1,440,876)
Premium paid in advance		338,328	77,133	338,328	77,133
Reinsurance premium paid		(5,055,229)	(1,598,925)	(5,055,229)	(1,598,925)
Gross benefits and claims paid	19(a)(i)	(15,768,778)	(7,313,216)	(15,578,480)	(7,224,862)
Claims recoveries		5,349,771	836,635	5,349,771	836,635
Receipt from deposit administration	20(a)	153,682	110,994	153,682	110,994
Withdrawal from deposit administration	20(a)	(31,240)	(25,757)	(31,240)	(25,757)
Other underwriting expenses paid		(610,225)	(281,482)	(610,225)	(281,482)
Payments to employees	33	(1,739,903)	(1,152,986)	(1,374,947)	(799,868)
Other operating cash payments		4,392,301	(1,696,311)	(3,332,750)	(1,367,564)
Other income received		268,799	205,329	142,459	71,900
Fixed income received		26,716,133	3,345,193	-	-
Income tax paid	12	(185,583)	-	(106,430)	-
Net cash flows from operating activities		42,939,708	5,719,275	8,509,397	2,479,550
Investing activities:					
Interest income received		4,048,253	1,450,525	1,797,133	252,267
Purchase of property and equipment	16	(432,564)	(1,062,943)	(414,868)	(61,226)
Purchase of intangibles	15	(34,585)	(51,073)	-	-
Purchase of Investment properties		-		-	
Proceeds from sale of property and equipment		8,282	28,633	1,407	15,268
Purchase of financial assets at amortized cost	7(a)(ii)	(13,312,342)	(6,948,219)	(9,383,189)	(7,168,299)
Purchase of financial assets at FVTOCI	7(b)(ii)	(58,604,987)	(11,044,505)	(8,739,670)	(8,373,077)
Purchase of financial assets at FVTPL	7(c)(i)	(107,358,470)	(29,585,825)	(107,358,470)	(29,585,825)
Proceed on disposal/ redemption of financial assets		138,078,283	44,945,456	118,492,866	44,930,003
Net cash flows (used in)/from investing activities		(37,608,130)	(2,267,950)	(5,604,791)	9,112
Financing activities:					
Convertible loan & interest payment	23(b)(ii)	(1,207,674)	(113,622)	(1,207,674)	(113,622)
Net cash flows from/(used in) financing activities		(1,207,674)	(113,622)	(1,207,674)	(113,622)
Net increase in cash and cash equivalents		4,123,904	3,337,703	1,696,933	2,375,041
Cash and cash equivalents at 1 January		10,080,164	5,324,739	8,166,352	4,519,953
Included in the assets of the disposal group		(1,337,503)	-	-	-
Cash and cash equivalents as at		12,866,565	8,662,443	9,863,285	6,894,994

Notes to the Consolidated and Separate Financial Statements (Cont'd)
For the period ended 30 June 2020

5 Segment Information

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

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

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

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

- Pension Manager Segment is licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006 provides pension administration services to private and public sector contributors.

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

Notes to the Consolidated and Separate Financial Statements (Cont'd)
For the period ended 30 June 2020

5.1 Segment statement of profit or loss and other comprehensive income

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Discontinued operation	30 June 2020
Gross premium written	**23,855,304**	**7,611,377**	**-**	**31,466,681**	**456,448**	**-**	**-**	**31,923,129**	**-**	**31,923,129**
Gross premium income from external customers	22,544,327	6,212,144	-	28,756,471	315,378	-	-	29,071,849	-	29,071,849
Premiums ceded to reinsurers	(359,034)	(2,925,197)	-	(3,284,231)	-	-	-	(3,284,231)	-	(3,284,231)
Net premium Income	**22,185,293**	**3,286,947**	**-**	**25,472,240**	**315,378**	**-**	**-**	**25,787,618**	**-**	**25,787,618**
Fees and Commission Income										
Insurance contract	176,706	601,215	-	777,920	-	-	-	777,920		777,920
Pension and other contracts	-	-	-	-	137,099	142,550	773	280,422	706,899	987,321
Net underwriting income	**22,361,999**	**3,888,162**	**-**	**26,250,160**	**452,476**	**142,550**	**773**	**26,845,959**	**706,899**	**27,552,857**
Claims expenses:										
Claims expenses (Gross)	12,821,412	5,038,865	-	17,860,277	161,196	-	-	18,021,473		18,021,473
Claims expenses recovered from reinsurer	(20,627)	(3,546,203)	-	(3,566,830)	-	-	-	(3,566,830)		(3,566,830)
Claims expenses (Net)	**12,800,785**	**1,492,662**	**-**	**14,293,447**	**161,196**	**-**	**-**	**14,454,643**		**14,454,643**
Underwriting expenses	2,197,780	1,222,797	-	3,420,577	13,851	-	-	3,434,428	13,750	3,448,178
Change in life fund	10,053,011	-	-	10,053,011	-	-	-	10,053,011		10,053,011
Change in annuity fund	6,835,802	-	-	6,835,802	-	-	-	6,835,802		6,835,802
Change in other investment contract	2,926,631			2,926,631				2,926,631		2,926,631
Total underwriting expenses	**34,814,009**	**2,715,459**	**-**	**37,529,468**	**175,047**	**-**	**-**	**37,704,515**	**13,750**	**37,718,265**
Underwriting (loss)/profit	**(12,452,011)**	**1,172,702**	**-**	**(11,279,308)**	**277,429**	**142,550**	**773**	**(10,858,557)**	**693,149**	**(10,165,408)**
Investment income	4,604,961	401,925	-	5,006,886	47,776	2,522,419	-	7,577,081	57,956	7,635,038
Profit from deposit administration	43,648	-	-	43,648	-	-	-	43,648		43,648
Net realised gains and losses	63,867	200,850	-	264,717	-	-	-	264,717		264,717
Fair value losses	11,508,854	-	-	11,508,854	-	-	-	11,508,854		11,508,854
Other operating revenue	70,278	(63,099)	-	7,179	1,729	124,611	-	133,518		133,518
Employee Benefits expense	(797,469)	(577,478)	-	(1,374,947)	(146,739)	(218,217)	-	(1,739,903)	(363,366.84)	(2,103,270)
Other operating expense	(1,483,083)	(837,532)	-	(2,320,614)	(95,824)	(229,130)	(773)	(2,646,341)	(313,900)	(2,960,241)
Finance costs	(56,110)	(40,632)	-	(96,743)	-	(2,014,076)	-	(2,110,819)	(1,616.42)	(2,112,435)
Other material non-cash items:										
- Impairment expense	-	-	-	-	-	-		-		-
Profit before tax	**1,502,935**	**256,736**	**-**	**1,759,671**	**84,370**	**328,158**	**-**	**2,172,197**	**72,222**	**2,244,420**
Income tax expense	42,269	584,222	-	626,491	-	(9,845)		616,646	-	616,646
Minimum tax	-	-	-	-		-		-		-
Profit for the period	**1,545,204**	**840,958**	**-**	**2,386,162**	**84,370**	**318,313**	**-**	**2,788,842**	**72,222**	**2,861,064**
Attributable to Shareholders of the Company	1,545,204	840,958	-	2,386,162	64,215	286,482	-	2,736,859	50,700	2,787,555
Attributable to Non-Controlling Interest	-	-	-	-	20,155	31,831	-	51,987	21,522	73,509
Other Comprehensive Income										
Net gain/(loss) on fair value financial asset	(201,870)	(57,070)	-	(258,940)	-	164,289	-	(109,576)		(109,576)
Exchange gain on unquoted investments	15,922	-	-	15,922	-	-	-	15,922		15,922
Fair value gains on equity						23,213	-	23,213		23,213
loss on equities	(154,520)	-	-	(154,520)	-	-	-	(154,520)		(154,520)
Revaluation gain/loss on property and equipment	-	-	-	-	-	-	-	-		-
Other comprehensive income for the year, net of tax	**(340,468)**	**(57,070)**	**-**	**(397,538)**	**-**	**187,502**	**-**	**(224,961)**		**(224,961)**
Total comprehensive income for the year, net of tax	**1,204,736**	**783,888**	**-**	**1,988,623**	**84,370**	**505,814**		**2,563,881**	**72,222**	**2,636,103**

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For the period ended 30 June 2020

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

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Discontinued operation	30 June 2019
Gross premium written	**17,941,513**	**7,103,688**	-	**25,045,201**	**376,822**	-	-	**25,422,023**		**25,422,023**
Gross premium income from external customers	17,287,925	5,727,498	-	23,015,423	370,404	-	-	23,385,827		23,385,827
Prem -1	(358,219)	(2,424,200)	-	(2,782,419)	-	-	-	(2,782,419)		(2,782,419)
Net premium Income	**16,929,706**	**3,303,298**	-	**20,233,004**	**370,404**	-	-	**20,603,407**		**20,603,408**
Fees and Commission Income										
Insurance contract	69,034	585,759	-	654,793	-	-	-	654,793		654,793
Pension and other contracts	-	-	-	-	112,451	148,361	(122,491)	138,321	664,261	802,582
Net underwriting income	**16,998,740**	**3,889,057**	-	**20,887,797**	**482,855**	**148,361**	**(122,491)**	**21,396,521**	**664,261**	**22,060,783**
Claims expenses:										
Claims expenses (Gross)	11,248,293	4,301,831	-	15,550,124	156,891	-	-	15,707,015		15,707,015
Claims expenses recovered from reinsurer	(658,545)	(2,730,363)	-	(3,388,908)	-	-	-	(3,388,908)		(3,388,908)
Claims expenses (Net)	**10,589,748**	**1,571,468**	-	**12,161,215**	**156,891**	-	-	**12,318,107**	-	**12,318,107**
Underwriting expenses	2,114,029	986,098	-	3,100,127	41,177	-	-	3,141,304	9,133	3,150,437
Change in life fund	5,880,859	-	-	5,880,859	-	-	-	5,880,859		5,880,859
Change in annuity fund	4,209,798	-	-	4,209,798	-	-	-	4,209,798		4,209,798
Change in other investment contract	1,494,084	-		1,494,084				1,494,084		1,494,084
Total underwriting expenses	**24,288,518**	**2,557,566**	-	**26,846,084**	**198,067**	-	-	**27,044,152**	**9,133**	**27,053,285**
Underwriting (loss)/profit	**(7,289,778)**	**1,331,491**	-	**(5,958,287)**	**284,788**	**148,361**	**(122,491)**	**(5,647,632)**	**655,128**	**(4,992,502)**
Investment income	4,315,715	371,916	-	4,687,631	49,760	559,250	(68,160)	5,228,481	98,303	5,326,784
Profit from deposit administration	48,640	-	-	48,640	-	-	-	48,640	-	48,640
Net realised gains and losses	1,156,735	58,208	-	1,214,943	403	477	-	1,215,823	5,627	1,221,450
Fair value gains/(losses)	6,314,215	(19,000)	-	6,295,215	-	-	-	6,295,215	-	6,295,215
Other operating revenue	33,996	88,594	-	122,590	160	-	-	122,750	11,446	134,196
Employee Benefits expense	(729,372)	(759,142)	-	(1,488,514)	(128,435)	(192,258)	-	(1,809,207)	(366,621)	(2,175,828)
Other operating expense	(1,046,970)	(1,058,523)	-	(2,105,494)	(96,349)	(166,592)	122,491	(2,245,944)	(300,851)	(2,546,795)
Finance costs	(88,991)	(92,623)	-	(181,614)	-	-	-	(181,614)	-	(181,614)
Other material non-cash items:				-				-		-
- Impairment loss on investments	(9,633)	(1,013)	-	(10,646)	(96)	-		(10,742)		(10,742)
Profit before tax	**2,704,557**	**(80,092)**	-	**2,624,465**	**110,229**	**349,239**	**(68,160)**	**3,015,772**	**103,032**	**3,118,804**
Income tax expense	(112,780)	(33,895)	-	(146,675)	(11,023)	(6,981)		(164,679)	(10,303)	(174,982)
Minimum tax	-	-	-	-		-				-
Profit for the year	**2,591,777**	**(113,987)**	-	**2,477,790**	**99,206**	**342,258**	**(68,160)**	**2,851,092**	**92,729**	**2,943,822**
Attributable to Shareholders of the Company	2,591,777	(113,987)	-	2,477,790	75,505	308,031	(68,160)	2,793,166	65,096	2,858,262
Attributable to Non-Controlling Interest	-	-	-	-	23,701	34,226	-	57,927	27,633	85,560
Other Comprehensive Income										
Net gain on fair value financial asset	152,542	145,071	-	297,613	-	221,163	-	518,776	-	518,776
Exchange gain on unquoted investments	-		-	-	-	-	-	-	-	-
(Loss)/Gains on equities	(499,759)	(201,448)	-	(701,207)	-	(88,603)	-	(789,810)	-	(789,810)
Revaluation gain on property and equipment	(47,601)	57,174	-	9,573	-	-	-	9,573	-	9,573
Income tax relating to other comprehensive income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year, net of tax	**(394,818)**	**798**	-	**(394,020)**	-	**132,560**	-	**(261,461)**	-	**(261,461)**
Total comprehensive income for the year, net of tax	**2,196,959**	**(113,188)**	-	**2,083,771**	**99,206**	**474,818**	**(68,160)**	**2,589,631**	**92,729**	**2,682,361**

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

Notes to the Consolidated and Separate Financial Statements (Cont'd)
For the period ended 30 June 2020

5.2 Segment Statement of Financial Position

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	30 June 2020
Assets										
Cash and cash equivalents	6,704,700	3,158,585	-	9,863,285	72,068	2,931,212	-	12,866,565	1,337,503	14,204,068
Trade receivable	-	609,576	-	609,576	86,698	552,994	(330,224)	919,044	302,660	1,221,704
Reinsurance assets	1,058,960	7,417,841	-	8,476,801	-	-	-	8,476,801		8,476,801
Deferred acquisition cost	-	721,222	-	721,222	-	-	-	721,222		721,222
Financial assets:								-		-
Amortized cost	40,568,896	8,233,587		48,802,483	858,626	336,427	-	49,997,536	261,346	50,258,882
Fair value through OCI	5,328,203	4,222,295		9,550,498	-	55,413,743	(796,917)	64,167,324		64,167,324
Fair value through profit or loss	68,913,875	-		68,913,875	-	-	-	68,913,875		68,913,875
Deferred tax asset	-	-	-	-	6,315	148,547	-	154,862		154,862
Investment in subsidiary	1,650,627	801,732	(1,365,042)	1,087,317	-	-	(1,087,317)	-		-
Investment property	466,000	306,000	-	772,000	-	-	-	772,000		772,000
Property, plant and equipment	5,315,246	1,904,980	-	7,220,226	14,541	217,065	-	7,451,833	167,100	7,618,932
Other receivables and prepayments	3,120,742	293,339	(1,969,248)	1,444,833	17,835	191,519	-	1,654,187	55,826	1,710,013
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Goodwill and other intangible assets	59,224	807,539	-	866,763	5,725	34,920	-	907,408	52,108	959,516
Assets classified as held for sale			1,365,042	1,365,042	-	-	(1,365,042)	-		-
Total Assets	**133,386,473**	**28,776,696**	**(3,334,290)**	**160,193,919**	**1,061,808**	**59,826,427**	**(3,579,501)**	**217,502,656**	**2,176,544**	**219,679,198**
										1
Liabilities and Equity										
Liabilities										
Trade payables	888,136	461,524	-	1,349,660	31,364	-		1,381,024	-	1,381,024
Other payables and accrual	1,886,785	3,543,245	(1,969,248)	3,460,782	41,649	8,446,361	(481,081)	11,467,712	309,059	11,776,771
Fixed income liability	-	-	-	-	-	47,656,097	(796,917)	46,859,180	-	46,859,180
Current tax payable	32,275	37,725	-	69,999	20,456	28,910	-	119,365	6,931	126,296
Deferred tax liability	-	-	-	-	3,501	152,365	-	155,866	32,484	188,350
Investment contract liabilities	19,307,445	-	-	19,307,445	-	-	-	19,307,445	-	19,307,445
Insurance contract liabilities	94,197,364	12,449,489	-	106,646,853	266,458	-	-	106,913,311	-	106,913,311
Borrowings	1,504,329	-	-	1,504,329	-	-	-	1,504,329	-	1,504,329
Derivative liabilities		-	-	-						-
Total liabilities	**117,816,334**	**16,491,982**	**(1,969,248)**	**132,339,069**	**363,429**	**56,283,733**	**(1,277,997)**	**187,708,233**	**348,474**	**188,056,707**
Equity										
Issued share capital	1,838,863	3,826,239	-	5,665,102	600,000	750,000	(2,428,777)	4,586,325	1,078,777	5,665,102
Share premium	2,046,072	3,780,121	-	5,826,193	47,494	41,346	(129,205)	5,785,828	40,365	5,826,193
Statutory reserve	-	-	-	-	-	-		-	167,874	167,874
Revaluation reserves	1,199,618	613,089	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserves	127,744	47,855	-	175,599				175,599		175,599
Fair value reserve	(197,980)	612,698	-	414,719	-	1,494,255	(18,750)	1,890,224		1,890,223
Contingency reserve	3,148,881	3,554,391	-	6,703,272	-	-		6,703,272		6,703,272
Retained earnings	7,406,941	(149,683)	-	7,257,258	50,890	1,257,097	(812,628)	7,752,617	541,046	8,293,662
Deposit for shares				-						-
Shareholders funds	**15,570,139**	**12,284,710**	**-**	**27,854,849**	**698,384**	**3,542,698**	**(3,389,360)**	**28,706,572**	**1,828,062**	**30,534,632**
Non- controlling interest	-	-	-	-	-	-	1,087,859	1,087,859		1,087,859
Total equity	**15,570,139**	**12,284,710**	**-**	**27,854,849**	**698,384**	**3,542,698**	**(2,301,501)**	**29,794,431**	**1,828,062**	**31,622,491**
Total liabilities and equity	**133,386,472**	**28,776,692**	**(1,969,248)**	**160,193,919**	**1,061,808**	**59,826,427**	**(3,579,500)**	**217,502,664**	**2,176,544**	**219,679,198**

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For the period ended 30 June 2020

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Pensions	Asset management	Elimination of inter-segment transactions	31 December 2019
Assets									
Cash and cash equivalents	5,427,569	2,738,783	-	8,166,352	338,637	1,238,478	336,697	-	10,080,164
Trade receivable	-	303,106	-	303,106	8,416	212,590	88,039	(225,402)	386,749
Reinsurance assets	703,017	4,757,552	-	5,460,569	-	-	-	-	5,460,569
Deferred acquisition cost	-	488,884	-	488,884	-	-	-	-	488,884
Financial assets:			-	-					-
Amortized cost	39,497,573	2,729,354	-	42,226,927	834,973	160,106	348,961	-	43,570,967
Fair value through OCI	5,648,701	4,049,650	-	9,698,351	-	-	22,811,300	(796,917)	31,712,734
Fair value through profit or loss	51,489,251	-		51,489,251	-	54,121	-	-	51,543,372
Deferred tax asset	-	-	-	-	828	-	148,548	-	149,379
Investment in subsidiary	1,650,627	801,732	-	2,452,359	-	-	-	(2,452,359)	(0)
Investment property	466,000	306,000	-	772,000	-	-	-	-	772,000
Property, plant and equipment	5,202,926	1,833,285	-	7,036,211	9,913	223,714	328,004	-	7,597,843
Other receivables and prepayments	1,815,418	5,503,210	(1,555,863)	5,762,765	39,986	29,564	395,425	-	6,227,700
Statutory deposit	200,000	300,000	-	500,000	-	-	-	-	500,000
Goodwill and other intangible assets	94,826	811,854	-	906,680	6,180	55,204	17,797	-	985,861
Total Assets	**112,195,908**	**24,623,410**	**(1,555,863)**	**135,263,455**	**1,238,933**	**1,973,777**	**24,474,771**	**(3,474,678)**	**159,476,221**
Liabilities and Equity									
Liabilities									
Trade payables	1,232,442	279,952	-	1,512,394	326,844	-	-		1,839,238
Other payables and accrual	1,882,125	3,080,489	(1,555,863)	3,406,751	47,325	108,320	313,291	(225,401)	3,650,286
Fixed income liability	-	-	-	-	-	-	20,939,964	(796,917)	20,143,047
Current tax payable	74,544	286,961	-	361,505	27,509	77,126	20,971	-	487,112
Deferred tax liability	-	441,416	-	441,416	3,018	32,484	152,364	-	629,281
Investment contract liabilities	16,201,367	-	-	16,201,367	-	-	-	-	16,201,367
Insurance contract liabilities	75,971,936	8,794,186	-	84,766,122	220,229	-	-	-	84,986,351
Borrowings	2,629,477	-	-	2,629,477	-	-	-	-	2,629,477
Total liabilities	**97,991,891**	**12,883,004**	**(1,555,863)**	**109,319,032**	**624,925**	**217,930**	**21,426,590**	**(1,022,318)**	**130,566,159**
Equity									
Issued share capital	1,838,863	1,626,239	-	3,465,102	600,000	1,078,777	750,000	(2,428,777)	3,465,102
Share premium	2,046,072	778,317	-	2,824,389	47,494	40,365	41,346	(129,205)	2,824,389
Statutory reserve	-	-	-	-	-	143,882	-	23,993	167,874
Revaluation reserves	1,199,618	613,089	-	1,812,707	-	-	-		1,812,707
Exchange gains reserves	111,822	47,855	-	159,677		-			159,677
Available-for-sale reserve	158,411	669,768	-	828,179	-	-	1,318,056	(150,900)	1,995,336
Contingency reserve	2,994,360	3,326,050	-	6,320,410	-	-	-		6,320,410
Retained earnings	5,854,869	(600,910)	-	5,253,959	(33,486)	492,825	938,779	(763,069)	5,888,970
Deposit for shares		5,280,000		5,280,000					5,280,000
Shareholders funds	**14,204,015**	**11,740,408**	**-**	**25,944,424**	**614,008**	**1,755,850**	**3,048,180**	**(3,447,959)**	**27,914,465**
Non- controlling interest	-	-	-	-	-	-	-	995,599	995,599
Total equity	**14,204,015**	**11,740,408**	**-**	**25,944,424**	**614,008**	**1,755,850**	**3,048,180**	**(2,452,360)**	**28,910,063**
Total liabilities and equity	**112,195,906**	**24,623,412**	**(1,555,863)**	**135,263,455**	**1,238,933**	**1,973,780**	**24,474,770**	**(3,246,171)**	**159,476,222**

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6 Cash and cash equivalents

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Cash on hand	22,792	17,203	21,806	1,058
Cash in banks	10,030,899	6,082,719	6,955,564	5,375,494
Short-term deposits	4,155,502	3,983,828	2,889,502	2,793,386
Treasury bills	-	-	-	-
Cash at bank and short term deposits attributable to discontinued operations (see note 18)	(1,339,042)	-	-	-
	12,870,152	10,083,751	9,866,872	8,169,938
Impairment on short term deposits	(5,125)	(3,586)	(3,586)	(3,586)
Impairment on short term deposits transferred to disposal group (see note 18	1,539	-	-	-
	12,866,565	10,080,164	9,863,285	8,166,352
Current	12,866,565	10,080,164	9,863,285	8,166,352
Non Current	-	-	-	-
	12,866,565	10,080,164	9,863,285	8,166,352

(a) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and Company. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and the average interest rate on the short-term deposits as at the reporting date was 4%.

7 Financial assets

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Financial assets at amortized Cost (see note (a) below)	50,258,882	43,570,967	48,802,483	42,226,927
Fair value through other comprehensive income (see note (b) below)	64,167,324	31,712,734	9,550,498	9,698,351
Fair value through profit or loss (see note (c) below)	68,913,875	51,543,372	68,913,875	51,489,251
Amortised cost financial assets transferred to disposal group	(261,346)	-	-	-
	183,078,735	126,827,073	127,266,856	103,414,529
Current	133,081,199	83,256,106	78,464,373	61,187,602
Non Current	49,997,536	43,570,967	48,802,483	42,226,927
	183,078,735	126,827,073	127,266,856	103,414,529

(a) Financial assets at amortized cost

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Federal government bonds	40,825,406	37,879,376	40,788,814	37,839,935
Federal government bonds transferred to diposal group (see note	(36,592)	-	-	-
Treasury bills	6,759,799	3,035,444	5,538,127	1,902,097
Treasury bills transferred to diposal group (see note 18)	(224,960)	-	-	-
	47,323,654	40,914,820	46,326,941	39,742,032
Allowance for Impairment of bonds and treasury bills	(31,282)	(31,282)	(30,249)	(30,249)
Impairment on FGN Bond and treasury bills transferred to disposal group (see note 18)	205	-	-	-
	47,292,577	40,883,538	46,296,692	39,711,783
Loans to policyholders (see note (d)(i))	1,982,758	2,020,402	1,982,758	2,020,402
Staff loans	547,520	524,289	348,352	352,006
Agent loans	49,882	85,524	49,882	85,524
Other loans	130,704	63,117	130,704	63,117
Allowance for Impairment of loans (see (i) below)	(5,905)	(5,905)	(5,905)	(5,905)
	49,997,536	43,570,967	48,802,483	42,226,927
Federal government bonds	40,825,406	37,879,376	40,788,814	37,839,935
Treasury bills	6,759,799	3,035,444	5,538,127	1,902,097
Loans to policyholders (see note (d)(i))	1,982,758	2,020,402	1,982,758	2,020,402
Staff loans	547,520	524,291	348,352	352,006
Agent loans	49,882	85,524	49,882	85,524
Other loans	130,704	63,117	130,704	63,117
Transfer to disposal group	(261,551)			
	50,034,517	43,608,154	48,838,637	42,263,081
Allowance for Impairment of other loans (see (i) below)	(5,905)	(5,905)	(5,905)	(5,905)
Allowance for Impairment of treasury bills (see (i) below)	(1,629)	(1,629)	(596)	(596)
Allowance for Impairment of bonds (see (i) below)	(29,653)	(29,653)	(29,653)	(29,653)

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Allowance for impairment transferred to disposal group	205			
	49,997,536	43,570,967	48,802,483	42,226,927

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

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	37,187	14,593	36,154	13,560
Charge for the period bonds	-	15,060	-	16,092.63
Charge for the period treasury bills	-	1,629		596.37
Charge for the period other loans	-	5,905		5,905.00
Recoveries	-	-	-	-
Transferred to disposal group	(205)	-	-	-
Balance as at	36,982	37,187	36,154	36,154

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	43,608,155	26,477,218	42,263,082	24,556,918
Additions during the year	13,312,342	21,410,477	9,383,189	18,806,064
Disposals/Repayments	(8,633,951)	(5,429,443)	(4,584,233)	(2,091,233)
Accrued interest	2,009,523	1,149,903	1,776,598	991,332
Transferred to disposal group (see note 18)	(261,551)	-	-	-
	50,034,517	43,608,155	48,838,636	42,263,082
Allowance for impairment (ECL)	(37,187)	(37,187)	(36,154)	(36,154)
Allowance for impairment transferred to disposal group	205	-	-	-
	49,997,536	43,570,968	48,802,483	42,226,928

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Federal Government bonds	52,910,547	23,924,565	3,697,395	2,405,857
Corporate bonds	5,293,043	355,325	385,043	355,325
Treasury bills	328,341	942,747	87,399	701,805
Equities (see note (i) below)	5,635,393	6,490,097	5,380,661	6,235,365
	64,167,324	31,712,734	9,550,496	9,698,352

(i) Financial assets designated at fair value through other comprehensive income

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Quoted equities	2,416,932	2,726,696	2,162,200	2,471,964
Unquoted equities	3,218,461	3,763,401	3,218,461	3,763,401
	5,635,393	6,490,097	5,380,661	6,235,365

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	31,712,734	19,539,290	9,698,352	8,975,760
Additions during the year	58,604,987	34,154,640	8,739,670	12,397,883
Disposals	(26,428,588)	(25,497,378)	(10,947,010)	(13,747,010)
Exchange gain/(loss)	-	12,234	-	12,234
Accrued interest	364,554	364,554	278,404	278,404
Fair value gain/(loss) during the year	(86,362)	3,139,394	1,781,081	1,781,081
Balance as at	64,167,324	31,712,734	9,550,497	9,698,352

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Federal Government bonds	66,334,123	48,472,705	66,334,123	48,418,584
State Government bonds	703,039	475,698	703,039	475,698
Corporate bonds	841,790	934,011	841,790	934,011
Treasury bills	1,034,924	1,660,958	1,034,924	1,660,958
	68,913,876	51,543,372	68,913,876	51,489,251

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For the perod ended 30 June 2020

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	51,543,372	43,238,517	51,489,251	43,238,516
Additions during the year	107,358,470	298,804,792	107,358,470	298,750,672
Disposals during the year	(102,752,434)	(296,099,913)	(102,698,313)	(296,099,913)
Accrued interest	1,255,614	3,825,968	1,255,614	3,825,968
Fair value gain/(loss) during the year	11,508,854	1,774,007	11,508,854	1,774,007
Balance as at	68,913,876	51,543,372	68,913,876	51,489,251

(d)(i) Policy loans

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

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

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

(iii) Fair value hierarchy

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

Group

Fair value measurements At 30 June 2020

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	66,334,123	-	-	66,334,123
-State Government bonds	703,039	-	-	703,039
-Corporate bonds	841,790	-	-	841,790
-Treasury bills	1,034,924	-	-	1,034,924
Group Financial Assets at FVTPL as at 30 June 2020	68,913,876	-	-	68,913,876
Financial assets at fair value through other comprehensive income				
-Quoted equities	2,416,932	-	-	2,416,932
-Unquoted equities	-	-	3,218,461	3,218,461
Group Financial Assets at FVOCI as at 30 June 2020	2,416,932	-	3,218,461	5,635,393

Fair value measurements At 31 December 2019

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	48,472,705	-	-	48,472,705
-State Government bonds	475,698	-	-	475,698
-Corporate bonds	934,011	-	-	934,011
-Treasury bills	1,660,958	-	-	1,660,958
Group Financial Assets at Fair value as at 31 December 2019	51,543,372	-	-	51,543,372
Financial assets at fair value through other comprehensive income				
-Quoted equities	2,726,696	-	-	2,726,696
-Unquoted equities	-	-	3,763,401	3,763,401
Group Financial Assets at Fair value as at 31 December 2019	2,726,696	-	3,763,401	6,490,097

Fair value measurements At 30 June 2020

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Company

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	66,334,123	-	-	66,334,123
-State Government bonds	703,039	-	-	703,039
-Corporate bonds	841,790	-	-	841,790
-Treasury bills	1,034,924	-	-	1,034,924
Company Financial Assets at Fair value as at 30 June 2020	68,913,876	-	-	68,913,876
Financial assets at fair value through other comprehensive income				
-Quoted equities	2,162,200	-	-	2,162,200
-Unquoted equities	-	-	3,218,461	3,218,461
Company Financial Assets at Fair value as at 30 June 2020	2,162,200	-	3,218,461	5,380,661

Fair value measurements At 31 December 2019
Company

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	48,418,584	-	-	48,418,584
-State Government bonds	475,698	-	-	475,698
-Corporate bonds	934,011	-	-	934,011
-Treasury bills	1,660,958	-	-	1,660,958
Company Financial Assets at Fair value as at 31 December 2019	51,489,251	-	-	51,489,251
Financial assets at fair value through other comprehensive income				
-Quoted equities	2,471,964	-	-	2,471,964
-Unquoted equities	-	-	3,763,401	3,763,401
Company Financial Assets at Fair value as at 31 December 2019	2,471,964	-	3,763,401	6,235,365

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

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

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

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

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

8 Trade receivables

(a) Trade receivables comprise:

	Group		**Company**	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Due from brokers	609,576	303,106	609,576	303,106
Due from direct clients (see note (i) below)	485,130	279,616	-	-
	1,094,706	582,722	609,576	303,106
Impairment on trade receivables (see note (ii) below)	(175,662)	(195,973)	-	-
	919,044	386,749	609,576	303,106
Current	919,044	386,749	609,576	303,106
Non Current	-	-	-	-
Balance as at	919,044	386,749	609,576	303,106

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

	Group		**Company**	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	195,973	42,387	-	-
ECL assessment at 1 January	-	-		
Charge for the period	(20,311)	153,586	-	-
Recoveries	-	-	-	-
	175,662	195,973	-	-

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9 Reinsurance assets

Reinsurance assets is analyzed as follows:

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Prepaid reinsurance (see note (a) below)	2,675,534	1,442,243	2,675,534	1,442,243
Recoverable on outstanding claims (see note (b) below	5,393,250	3,694,393	5,393,250	3,694,393
Recoveries on Claims paid (see note (c) below)	408,017	323,933	408,017	323,933
	8,476,801	5,460,569	8,476,801	5,460,569
Current	8,476,801	5,460,569	8,476,801	5,460,569
Non Current	-	-	-	-
Balance at 31 December	8,476,801	5,460,569	8,476,801	5,460,569

Reinsurance assets by business segment is analysed as follows;

(i) Life reinsurance assets

	Group		Company	
in thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Prepaid reinsurance	521,747	96,868	521,747	96,868
Recoverable on outstanding claims	421,478	524,347	421,478	524,347
Recoveries on Claims paid	115,736	81,802	115,736	81,802
	1,058,961	703,017	1,058,961	703,017

(ii) Non life reinsurance assets;

	Group		Company	
in thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Prepaid reinsurance	2,153,787	1,345,375	2,153,787	1,345,375
Recoverable on outstanding claims	4,971,773	3,170,046	4,971,773	3,170,046
Recoveries on Claims paid	292,281	242,131	292,281	242,131
	7,417,841	4,757,552	7,417,841	4,757,552

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	1,442,243	1,327,775	1,442,243	1,327,775
Additions during the year	4,517,522	6,347,278	4,517,522	6,347,278
Reinsurance expense in the year (see note 25c)	(3,284,231)	(6,232,810)	(3,284,231)	(6,232,810)
Balance as at	2,675,534	1,442,243	2,675,534	1,442,243

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	3,694,393	2,809,196	3,694,393	2,809,196
Changes during the year	1,698,857	885,197	1,698,857	885,197
Balance as at	5,393,250	3,694,393	5,393,250	3,694,393

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	323,933	549,058	323,933	549,058
Changes during the year	84,084	(225,125)	84,084	(225,125)
Balance as at	408,017	323,933	408,017	323,933

10 Deferred acqusition cost

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Fire	180,305	122,221	180,305	122,221
Motor	245,215	166,221	245,215	166,221
Workmen Compensation	28,849	19,555	28,849	19,555
Marine	108,183	73,333	108,183	73,333
Personal accident	50,486	34,222	50,486	34,222
Casualty accident	72,122	48,888	72,122	48,888
Oil and Gas	36,061	24,444	36,061	24,444
	721,222	488,884	721,222	488,884

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The movement in deferred acquisition costs is as follows:				
Balance at 1 January	488,884	465,991	488,884	465,991
Acquisition during the year	3,056,541	5,146,494	3,042,690	5,074,980
Amortization for the year	(2,824,203)	(5,123,601)	(2,810,352)	(5,052,087)
Balance as at	721,222	488,884	721,222	488,884
Current	721,222	488,884	721,222	488,884
Non Current	-	-	-	-
Balance as at	721,222	488,884	721,222	488,884

11 Other receivables and prepayments

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Prepaid expenses (see note (i) below)	1,160,440	322,938	1,084,966	214,906
Short term lease payment	46,232	46,232	46,232	46,232
Right-of-use Assets (see note (ii) below)	21,638	21,638	21,638	21,638
Prepaid minimum deposit	-	65,341	-	65,341
Receivable from agents	33,508	32,132	33,508	32,132
Other receivables	446,842	449,664	312,962	92,760
Doubtful receivables	-	68,588		68,588
Deposit for shares receivable (iii)	14,115	5,289,756	14,115	5,289,756
	1,722,775	6,296,288	1,513,421	5,831,353
Less allowance for impairment (iv)	(68,588)	(68,588)	(68,588)	(68,588)
	1,654,187	6,227,700	1,444,833	5,762,765
Current	1,654,187	6,227,700	1,444,833	5,762,765
Non Current	-	-	-	-
Balance as at	1,654,187	6,227,700	1,444,833	5,762,765

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

(ii) The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows,

(iii) Deposit for shares represents amounts received by the company from its recent private placement, in which Leap Frog Investment Limited and AIICO Bahamas Limited invested a combined amount of N5.28 b into the company on 20 December 2019. Amount received is kept in dedicated account by the issuing house, Stanbic IBTC Capital pending the receipt of the final approval by the Securities and Exchange Commission (SEC). However, the Company received 'No Objection' from both SEC and NAICOM on the transaction before the receipt of the funds on 20 Dec 2019. In addition, the two investors have no intention of asking for a refund of their funds. Hence, the Company have recognised these funds in equity as Deposit for Shares pending the receipt of the final approval and allocation of the shares (see note 23 below). The final approval was received in Febuary 2020 and the shares were allocated on February 20, 2020.

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Right of Use Assets	**21,638**	**21,638**	**21,638**	**21,638**
Prepayments	**(21,638)**	**(21,638)**	**(21,638)**	**(21,638)**
	-	-	-	-

The Company has lease contracts for various offices. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either an operating lease.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

(iv) This represents receivable amount under reconciliation.

12 Income taxes

(a) Current income tax payable

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	487,112	590,976	361,505	507,241
Back duty (see note (b)(iii) below)	-	-	-	-
Charge for the year	(175,231)	369,933	(185,076)	113,115
Payments made during the year	(185,583)	(473,798)	(106,430)	(258,851)
Transferred to disposal group (see note 18(b))	(6,931)			
Balance as at	119,365	487,112	69,999	361,505

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For the perod ended 30 June 2020

(b) Amounts recognised in profit or loss

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Minimum tax (see note (iii) below)	-	-	-	-
	-	-	-	-

(i) Income tax expense

	Group Jun-20	Group Dec-19	Company Jun-20	Company Dec-19
Current income tax expense	(175,231)	164,679	(185,076)	62,852
Tertiary tax	-	-	-	-
NITDA levy	-	-	-	50,264
Current Income tax expense	(175,231)	164,679	(185,076)	113,115
	(175,231)	164,679	(185,076)	113,114
Deferred tax expense				
Origination of temporary differences	(441,415)	-	(441,415)	(46,420)
Changes in recognised deductible temporary differences	-	-	-	-
Total deferred income tax expense	(441,415)	-	(441,415)	(46,420)
Total income taxes	**(616,646)**	**164,679**	**(626,491)**	**66,695**

(ii) Income tax expense

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Minimum tax (see note (i) above)	-	-	-	-
Corporate tax (see note (ii) above)	(175,231)	164,679	(185,076)	113,115
Income tax expense	**(175,231)**	**164,679**	**(185,076)**	**113,115**

(c) Amounts recognised in OCI

Group — **Jun-20**

In thousands of naira	**Before tax**	**Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	15,922	-	-
Fair value gain on fair value financial assets (see note 23 d)	20,834	(107,196)	(139,680)
Balance as at	36,756	(107,196)	(139,680)

Company — **Jun-20**

In thousands of naira	**Before tax**	**Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	15,922	-	15,922
Fair value gain on fair value financial assets (see note 23 d)	(413,459)	-	(413,459)
Balance as at	(397,537)	-	(397,537)

Group — **Dec-19**

In thousands of naira	**Before tax**	**Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	12,234	-	12,234
Fair value loss on fair value financial assets	3,279,074	(139,680)	3,139,394
Balance as at	3,291,308	(139,680)	3,151,628

Company — **Dec-19**

In thousands of naira	**Before tax**	**Tax (expense)**	**Net of tax**
Exchange gains on fair value financial assets	-	-	-
Fair value loss on fair value financial assets	1,781,081	-	1,781,081
Balance as at	1,781,081	-	1,781,081

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For the perod ended 30 June 2020

(d) Movement in deferred tax balances

2020
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 30 June: Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	142,757	13,517	-	(34,749)	11,194	(45,944)
Unrelieved losses	-	-	-	142,757	145,483	(2,726)
Investment property	(1,815)	-	-	-	-	-
Unrealised exchange gain on financial assets		-	-	(1,815)	(1,815)	-
Increase in liability	(107,196)				-	(107,196)
	(447,419)	**13,517**	**-**	**106,193**	**154,862**	**(155,866)**

2020
Company

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 30 June: Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	(441,415)	46,420	-	(394,995)	-	(394,995)
Unrelieved losses	-	-	-	-	-	-
Investment property	-	-	-	-	-	-
	(441,415)	**46,420**	**-**	**(394,995)**	**-**	**(1)**

2019
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(526,392)	45,228	-	(481,164)	5,711	(486,875)
Unrelieved losses	144,944	-	-	142,757	145,483	(2,726)
Investment property	(1,193)	1,193	-	-	-	-
Unrealised exchange gain on financial assets	(1,815)	-	-	(1,815)	(1,815)	-
Increase in liability				(139,680)	-	(139,680)
	(384,456)	**46,420**	**-**	**(479,902)**	**149,379**	**(629,282)**

2019
Company

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	(486,643)	45,228	-	(441,415)	-	(441,415)
Investment property	(1,193)	1,193	-	-	-	-
	(487,836)	**46,420**	**-**	**(441,415)**	**-**	**(441,415)**

(f) Unrecognised deferred tax on unrelieved losses

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Unrecognised deferred tax	8,537,883	8,537,883	8,537,883	8,537,883
	8,537,883	8,537,883	8,537,883	8,537,883

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

13 Investment in subsidiaries

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

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
AIICO Pension Managers Limited (see note (b) below)	-	-	1,365,042	1,365,042
AIICO Multishield Limited(see note (c) below)	-	-	587,317	587,317
AIICO Capital Limited see note (d) below)	-	-	500,000	500,000
Balance as at	-	-	1,087,317	2,452,359

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For the perod ended 30 June 2020

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	-	-	2,452,359	2,452,359
Additions during the year	-	-	-	-
Transfer to disposal group	-	-	(1,365,042)	-
Balance as at	-	-	1,087,317	2,452,359

(b) AIICO Pension Managers Limited

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	-	-	1,365,042	1,365,042
Balance as at	-	-	1,365,042	1,365,042

AIICO Pension Managers Limited is involved in Pension Administration Services to private and public sector contributors. AIICO Pension was incorporated as a Limited Liability Company on February 1, 2005 under the Companies and Allied Matters Act, CAP C20, Laws of the federation of NIgeria 2004 and licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006. AIICO Pension Managers is domiciled in Nigeria and its registered office is at Plot 2 Oba Akran Avenue, Ikeja Lagos. During the year, the board decided to divest its investment in AIICO Pensions as disclosed in Note 18
The Company has 70.20% (2019: 70.20%) interest in AIICO Pension Managers Limited.

(c) AIICO Multishield Limited

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	-	-	587,317	587,317
Additions	-	-	-	-
Balance as at	-	-	587,317	587,317

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

(d) AIICO Capital Limited

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	-	-	500,000	500,000
Additions	-	-	-	-
Balance as at	-	-	500,000	500,000

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

(e) Non-controlling interests

In thousands of naira	**NCI Percentage Holding**	**Jun-20**	**NCI Percentage Holding**	**Dec-19**
AIICO Pension Managers Limited	29.8%	564,838	29.8%	543,316
AIICO Multishield HMO	23.9%	167,640	23.9%	147,485
AIICO Capital	10.0%	355,379	10.0%	304,798
		1,087,858		995,599

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

In thousands of naira	**Jun-20**	**Dec-19**
Balance at 1 January	995,599	744,559
Share of profit	73,509	125,895
Realized (loss)/gain on equities	-	(13,699)
Fair value reserves	18,750	150,900
Restatement of share of net asset	-	-
NCI share of opening ECL	-	-
Dividend paid	-	(12,056)
Gain on dilution of shareholding	-	-
Balance as at	1,087,859	995,599

(f) Asset held for sale

AIICO Pension Managers Limited	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 31 December	-	-	1,365,042	1,365,042
Balance as at	-	-	1,365,042	1,365,042

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14 Investment properties

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

In thousands of naira	Group Jun-20	Group Dec-19	Company Jun-20	Company Dec-19
Balance at 1 January	772,000	555,000	772,000	555,000
Additions	-	338,200	-	338,200
Changes in fair value (Note 30)	-	(121,200)	-	(121,200)
Balance as at	**772,000**	**772,000**	**772,000**	**772,000**
Current	-	-	-	-
Non Current	772,000	772,000	772,000	772,000
Balance as at	**772,000**	**772,000**	**772,000**	**772,000**

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

The items of investment property are valued as shown below:
Investment properties, principally residential buildings, are held for long term rental yields and are not occupied by the group. They are carried at fair value. Changes in fair value are presented in profit or loss as part of other income. Property interest held under operating leases are not classified as investment properties

Company

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Title
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	252,000	-	-	-	**252,000**	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	270,000	-	-	-	**270,000**	Deed of Assigment
1 Unit Terrace Houses GRA	90,000	-		-	**90,000**	Deed of Assigment
Awolowo Towers	160,000	-		-	**160,000**	Deed of Assigment
	772,000	-	-	-	**772,000**	

(b) Measurement of fair values

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as at 31 December 2019.

The Safecourt apartment (Off Lekki Expressway) had a fair value loss of N18million, the Terrace houses(GRA Ikeja) had a fair value loss of N30million,while Awolowo Towers had a fair value loss of N73million, hence a net fair value loss of N121million as shown in (a) above.
The fair value measurement for the investment properties of ₦772million (2019: ₦772million) has been categorised as a Level 2 fair value based on the inputs into the valuation technique used.
None of the Group's assets had been pledged as collateral during the year.

(ii) Valuation technique

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

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

Amounts recognised in profit or loss for investment properties

In thousands of naira	Group Jun-20	Group Dec-19	Company Jun-20	Company Dec-19
Rental income from operating leases	-	-	-	-
Direct operating expenses from property that generated rental income	-	-	-	-
Direct operating expenses from property that did not generate rental income	-	-	-	-
Fair value gain/(loss) recognised in other income	-	(121,200)	-	(121,200)
	-	**(121,200)**	**-**	**(121,200)**

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For the period ended 30 June 2020

15 Goodwill and other intangible assets
(a) Reconciliation of carrying amount

GROUP

	Goodwill	Computer Software	Total
Balance at 1 January 2020	800,863	788,944	1,589,807
Acquisitions	-	34,585	34,585
Reclassification from PPE (see note 16 a below)	-	-	-
Disposals	-	-	-
Transfer to disposal group		(236,949)	(236,949)
Balance at 30 June 2020	800,863	586,580	1,387,443
Accumulated amortization			
Balance at 1 January 2020	-	603,944	603,944
Amortization	-	60,931	60,931
Transfer to disposal group		(184,841)	(184,841)
Balance at 30 June 2020	-	480,035	480,035
Carrying amounts			
Balance at 30 June 2020	800,863	106,545	907,408
Cost			
Balance at 1 January 2019	800,863	708,108	1,508,971
Acquisitions	-	58,087	58,087
Transfer from property and equipment	-	22,749	22,749
Balance at 31 December 2019	800,863	788,944	1,589,807
Accumulated amortization			
Balance at 1 January 2019	-	494,886	494,886
Amortization	-	109,058	109,058
Balance at 31 December 2019	-	603,944	603,944
Carrying amounts			
Balance at 31 December 2019	800,863	184,999	985,862

COMPANY

In thousands of naira	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2020	800,863	514,317	1,315,180
Reclassification from WIP (see note 16 a below)	-	-	-
Transfer from property and equipment (see note 17)	-	-	-
Disposals	-	-	-
Balance at 30 June 2020	800,863	514,317	1,315,180
Accumulated amortization			
Balance at 1 January 2020	-	408,500	408,500
Amortization	-	39,917	39,917
Balance at 30 June 2020	-	448,417	448,417
Carrying amounts			
Balance at 30 June 2020	800,863	65,900	866,763
Cost			
Balance at 1 January 2019	800,863	491,568	1,292,431
Acquisitions	-	-	-
Transfer from property and equipment	-	22,749	22,749
Balance at 31 December 2019	800,863	514,317	1,315,180
Accumulated amortization			
Balance at 1 January 2019	-	326,526	326,526
Amortization	-	81,974	81,974
Balance at 31 December 2019	-	408,500	408,500
Carrying amounts			
Balance at 31 December 2019	800,863	105,817	906,680

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

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For the period ended 30 June 2020

16 Property and equipment

(a) Group

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Leased motor vehicles	Total
Cost							
At 1 January 2020	1,715,000	4,090,000	563,209	2,867,617	1,494,782	-	10,730,609
Additions	-	-	-	109,844	322,720	-	432,564
Disposals	-	-	-	-	(15,080)	-	(15,080)
Reclassifications	-	-	(73,280)	-	-	-	(73,280)
Revaluation	-	-	-	-	-	-	-
Transfer to disposal group (Note 18)	-	-	-	(406,195)	(320,429)		(726,624)
At 30 June 2020	**1,715,000**	**4,090,000**	**489,929**	**2,571,266**	**1,481,993**	**-**	**10,348,188**
Accumulated depreciation							
At 1 January 2020	-	40,901	-	2,181,719	910,147	-	3,132,766
Depreciation for the year	-	40,900	-	156,466	133,955	-	331,321
Disposals	-		-	-	(8,205)	-	(8,205)
Reclasssification	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfer to disposal group (Note 18)	-	-	-	(305,111)	(254,413)		(559,525)
At 30 June 2020	**-**	**81,801**	**-**	**2,033,073**	**781,483**	**-**	**2,896,357**
Net book value							
At 30 June 2020	**1,715,000**	**4,008,199**	**489,929**	**538,193**	**700,510**	**-**	**7,451,831**

i. The Group had no capital commitments as at the reporting date. (2019: Nill)
ii. There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.
iii. Reclaissifcations are items of major repairs on buildings and purchase of equipments that have been put to full use.
iv None of the Group's assets had been pledged as collateral during the year.
v The land and building was revalued by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as At 30 June 2020.
vi The carrying value of land would have remained at N1.52billion as against N1.72billion, while carrying value of buildings would have been N4.16billion as against N4.05billion recognized in the account
vii The status of the properties of land and building is as follows;
viii The balance of N22.7m in reclassification is relating in capital work in progress to software which has been reclassifed to intangible assets (see note 15 above)

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

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Leased motor vehicles	Total
Cost							
At 1 January 2019	1,519,000	3,916,268	597,710	2,577,049	1,238,526	-	9,848,553
Additions	-	-	601,779	163,055	393,652	-	1,158,487
Disposals	-	-	-	(9,219)	(137,396)	-	(146,615)
Reclassifications	149,067.00	327,733	(613,532)	136,732	-	-	0
Reclassification to Intangibles (see note 16)	-	-	(22,749)	-	-	-	(22,749)
Write off	-	-	-	-	-	-	-
At 31 December 2019	**1,715,000**	**4,090,000**	**563,209**	**2,867,617**	**1,494,782**	**-**	**10,730,609**
Accumulated depreciation							
At 1 January 2019	-	77,950	-	1,896,995	848,411	-	2,823,356
Depreciation for the year	-	80,063	-	289,265	170,569	-	539,897
Disposals	-		-	(4,541)	(108,833)	-	(113,375)
Reclasssification	-	-	-	-	-	-	-
Revaluation	-	(117,113)	-	-	-	-	(117,113)
At 31 December 2019	**-**	**40,901**	**-**	**2,181,719**	**910,147**	**-**	**3,132,766**
Net book value							
At 31 December 2019	**1,715,000**	**4,049,099**	**563,209**	**685,898**	**584,635**	**-**	**7,597,843**

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(b) Company

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Leased motor vehicles	Total
Cost							
At 1 January 2020	1,715,000	4,090,000	489,928	2,352,705	796,309	-	9,443,942
Additions	-	-	-	98,748	316,120	-	414,868
Disposals	-	-	-	-	-	-	-
Reclasifications *	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 30 June 2020	**1,715,000**	**4,090,000**	**489,928**	**2,451,453**	**1,112,429**	**-**	**9,858,810**
Accumulated depreciation							
At 1 January 2020	-	40,900	-	1,801,137	565,692	-	2,407,730
Depreciation for the year	-	40,900	-	116,989	72,965	-	230,855
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 30 June 2020	**-**	**81,800**	**-**	**1,918,126**	**638,658**	**-**	**2,638,584**
Net book value							**-**
At 30 June 2020	**1,715,000**	**4,008,200**	**489,928**	**533,327**	**473,771**	**-**	**7,220,226**

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Leased motor vehicles	Total
Cost							
At 1 January 2019	1,519,000	3,916,268	597,710	2,121,572	780,377	-	8,934,927
Additions	-	-	528,499	98,994	114,618	-	742,111
Disposals	-	-	-	(4,594)	(98,686)	-	(103,280)
Reclasifications	149,067	327,733	(613,532)	136,732	-	-	(149,067)
Reclassification to Intangibles *	-	-	(22,749)	-	-	-	(22,749)
Write off	-	-	-				-
Revaluation	46,933	(154,001)	-	-	-	-	(107,068)
At 31 December 2019	**1,715,000**	**4,090,000**	**489,928**	**2,352,705**	**796,309**	**-**	**9,443,942**
Accumulated depreciation							
At 1 January 2019	-	77,950	-	1,586,773	573,096	-	2,237,819
Depreciation for the year	-	80,063	-	215,625	86,219	-	381,908
Disposals	-	-	-	(1,260)	(93,623)	-	(94,883)
Reclasifications	-	-		-	-	-	-
Revaluation	-	(117,113)	-	-	-	-	(117,113)
At 31 December 2019	**-**	**40,900**	**-**	**1,801,137**	**565,692**	**-**	**2,407,731**
Net book value							
At 31 December 2019	**1,715,000**	**4,049,100**	**489,928**	**551,567**	**230,617**	**-**	**7,036,211**

* Reclassified to Intangibles assets

17 Statutory deposits

This represents the amount deposited with the Central Bank of Nigeria as At 30 June, 2020 in accordance with section 9(1) and section 10(3) of Insurance Act 2003 interest income earned on this deposit is included in the investment income.

	Group		**Company**	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Non life business	300,000	300,000	300,000	300,000
Life business	200,000	230,000	200,000	200,000
	500,000	**530,000**	**500,000**	**500,000**

In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	500,000	500,000	500,000	530,000
Additions	-	-	-	-
Writed-off (i)		-		(30,000)
Balance as at	**500,000**	**500,000**	**500,000**	**500,000**

(i) Write-off

In year 2019, a reconciliation exercise was carried out with the Central Bank of Nigeria (CBN) which resulted to a writedown of N30 million that was earlier brought into the books in 2014 based on CBN's confirmation.

18 Discontinued operations and disposal groups held for sale.

Following the approval by the Board at the Board Meeting held on April 30th, 2020, the company has decided to divest its interest in AIICO Pensions Managers Limited. At 30 June 2020, the subsidiary was classified as disposal group held for sale and as discontinued operations. The subsidiary represents the Pension Administration arm of the Group, with their classification as discontinued operations, these segments going forward will no longer be presented in the segment notes. While efforts to dispose off the groups are ongoing, a sale is expected to be completed within a year from the reporting date.

This subsidiary was not previously classfied as held for sale or as discontinued operations. The comparative statement of profit or loss and OCI has been restated to show the discontinued operations seperately from continuing operations. Analysis of the results of the entity classified as discontinued operations and held for sale is detailed below:

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

Assets and liabilities of disposal groups held for sale comprise the assets and liabilities of AIICO Pension Limited as at 30 June 2020.

Carrying values of:

(a) **Assets**

In thousands of naira	Jun-20	Total
Cash and cash equivalents (see note 18.9)	1,337,503	1,337,503
Financial assets (see note 18.4)	261,346	261,346
Trade receivables (see note 18.5)	302,660	302,660
Other receivables and prepayments (see note 18.6)	55,826	55,826
Goodwill and other intangible assets (see note 18.7)	52,108	52,108
Property and equipment (see note 18.3)	167,100	167,100
	2,176,544	**2,176,544**

(b) **Liabilities**

In thousands of naira	Jun-20	Total
Other payables and accruals (see note 18.8)	309,059	309,059
Current income tax payable (see note 12)	6,931	6,931
Deferred tax liability	32,484	32,484
	348,474	**348,474**
Net Assets/(Liabilities) directly associated with disposal group	**1,828,070**	**1,828,070**

18.2. Results of discontinued operations

In thousands of naira	Jun-20	Jun-19
Revenue	706,899	664,261
Cost of sales	(13,750)	(9,133)
Gross profit	693,149	655,128
Investment and other income	57,956	115,376
Employee Benefits expense	(363,367)	(366,621)
Other operating expense	(313,900)	(300,851)
Operating profit	73,839	103,032
Finance costs	(1,616)	-
Profit before tax from discontinued operations	72,222	103,032
Income tax	-	(10,303)
Profit after tax from discontinued operations	**72,222**	**92,729**

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

In thousands of naira	Furniture & equipment	Motor vehicles	Total
Cost			
At 1 January 2020	395,973	330,429	726,402
Additions	10,222		10,222
Disposals		(10,000)	(10,000)
At 30 June 2020	**406,195**	**320,429**	**726,624**
Accumulated depreciation			
At 1 January 2020	275,598	227,089	502,688
Depreciation for the year	29,513	30,449	59,962
Disposals		(3,125)	(3,125)
At 30 June 2020	**305,111**	**254,413**	**559,525**
Net book value			
At 30 June 2020	**101,084**	**66,016**	**167,100**

18.4. Financial assets of subsidiary classified as disposal group

In thousands of naira	Total
Financial assets at amortized Cost	261,551
Impairment on financial assets at amortozed cost	(205)
	261,346

18.5. Trade receivables of subsidiary classified as disposal group

In thousands of naira	Total
Receivable fees	315,632
Other receivables and prepayment	64,363
Impairment on receivable fees	(12,972)
	367,024

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

In thousands of naira	Total
Prepayment	31,496
Other receivables	32,868
Impairment on other receivables and prepayment	(8,537)
	55,826

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18.7. Intangible assets of disposal group

In thousands of naira	Software	Total
Cost		
Balance at 1 January 2020	224,291	224,291
Acquisitions	12,658	12,658
At 30 June 2020	**236,949**	**236,949**
Accumulated amortization		
Balance at 1 January 2020	169,087	169,087
Amprtization for the year	15,754	15,754
At 30 June 2020	**184,841**	**184,841**
Carrying value		
At 30 June 2020	**52,109**	**52,109**

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

In thousands of naira	30-Jun-20	Total
Accrued Expenses	**274,211**	**274,211**
Other Payables	**34,847**	**34,847**
	309,059	**309,059**

18.9 Statutory reserve of assets transferred to disposal group

In thousands of naira	30-Jun-20	Total
As at January	-	-
Transferred from statutory reserve	**167,874**	**167,874**
	167,874	**167,874**

18.10 Cash and cash equivalent classifed as held for sale

In thousands of naira	30-Jun-20	Total
Amortized cost	**1,339,042**	**1,339,042**
Impairment loss	**(1,539)**	**(1,539)**
	1,337,503	**1,337,503**

19 Insurance contract liabilities

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Outstanding claims (see note (a) below)	8,698,065	6,822,626	8,572,676	6,668,137
Claims incurred but not reported (see note (b) below)	3,086,410	2,709,152	3,086,410	2,709,152
Unearned premium (see note (c) below)	6,563,258	3,777,808	6,422,188	3,712,068
Life fund (see (note (d) below)	42,687,759	32,634,748	42,687,759	32,634,748
Annuity fund (see note (e) below)	45,877,819	39,042,017	45,877,819	39,042,017
	106,913,311	**84,986,351**	**106,646,853**	**84,766,122**

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

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Non life	5,977,352	3,902,463	5,977,352	3,902,463
Life	2,595,324	2,765,674	2,595,324	2,765,674
Health	125,389	154,489	-	-
	8,698,065	**6,822,626**	**8,572,676**	**6,668,137**

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

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	6,822,626	5,972,487	6,668,137	5,831,496
Claims incurred during the year	17,644,217	30,549,728	17,483,019	30,092,658
Claims paid during the year (see note 26)	(15,768,778)	(29,699,588)	(15,578,480)	(29,256,018)
	8,698,065	**6,822,626**	**8,572,676**	**6,668,137**

(b) Claims incurred but not reported

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Non life	1,873,178	1,691,907	1,873,178	1,691,907
Life	1,213,232	1,017,245	1,213,232	1,017,245
	3,086,410	**2,709,152**	**3,086,410**	**2,709,152**

(c) Unearned premium

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Non life	4,598,959	3,199,816	4,598,959	3,199,816
Life	1,823,229	512,252	1,823,229	512,252
Health	141,070	65,740	-	-
	6,563,258	**3,777,808**	**6,422,188**	**3,712,068**

(i) Movement in unearned premium is as follows;

Balance at 1 January	3,777,808	3,706,626	3,712,068	3,648,635
Premium written in the year	31,923,129	50,138,467	31,466,681	49,440,231
Premium earned during the year	(29,071,849)	(50,067,285)	(28,756,561)	(49,376,798)
Balance as at	**6,563,258**	**3,777,808**	**6,422,188**	**3,712,068**

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

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	32,634,748	22,557,159	32,634,748	22,557,159
Changes during the year	10,053,011	5,880,859	10,053,011	5,880,859
Balance as at	**42,687,759**	**28,438,018**	**42,687,759**	**28,438,018**

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

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
Balance at 1 January	39,042,017	30,653,985	39,042,017	30,653,985
Premium written during the year	3,810,904	6,977,811	3,810,904	3,109,625
Payouts during the year	2,943,799	5,188,623	2,943,799	2,502,331
Change in actuarial valuation	81,099	(3,778,402)	81,099	(1,402,158)
Balance as at	**45,877,819**	**39,042,017**	**45,877,819**	**39,042,017**

20 Investment contract liabilities

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Deposit administration (see note (a) below)	2,656,592	2,477,145	2,656,592	2,477,145
Other investment contract liabilities (see note (b) below)	16,650,853	13,724,222	16,650,853	13,724,222
Total investment contract liabilities	**19,307,445**	**16,201,367**	**19,307,445**	**16,201,367**

(a) Movement in deposit administration is shown below:

At 1 January	2,477,145	1,862,197	2,477,145	1,862,197
Deposits	153,682	539,074	153,682	539,074
Withdrawals	(31,240)	(108,480)	(31,240)	(108,480)
Credit of interest and other income	61,491	105,438	61,491	105,438
Impact of actuarial valuation	(4,486)	78,917	(4,486)	78,917
Balance as at	**2,656,592**	**2,477,145**	**2,656,592**	**2,477,145**

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	13,724,222	10,457,420	13,724,222	10,457,420
Increase during the year	2,926,631	3,266,802	2,926,631	3,266,802
Balance as at	**16,650,853**	**13,724,222**	**16,650,853**	**13,724,222**

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

21 Trade payables

reinsurers, co-insurers, agents and brokers at
the end of the year. The carrying amounts

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Reinsurance and co-insurance payable	438,144	167,439	438,144	167,439
Premium paid in advance	249,740	588,068	249,740	588,068
Unallocated premium (see (a) below)	506,534	321,343	506,534	321,343
Refund to policyholders	15,691	9,626	15,691	9,626
Commission payable	139,551	425,921	139,551	425,921
Others	31,364	326,844	-	-
	1,381,024	**1,839,238**	**1,349,660**	**1,512,394**

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

22 (a) Other payables and accruals

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Accrued expenses	1,315,328	1,584,148	1,039,682	1,490,411
Long term employee bonus	150,624	150,624	150,624	150,624
Agent provident fund	175,478	203,563	175,478	203,563
Gratuity payable (see note (i) below)	40,016	64,752	40,016	64,752
Deferred income (fees & Commission)	643,929	410,093	643,929	410,093
Other payables	8,770,928	706,807	400,360	331,607
Other credit balances (see note (ii) below)	680,469	530,299	680,469	530,299
Payable to subsidiaries	-	-	330,224	225,402
Transferred to disposal group (see note 18(b))	(309,059)			
	11,467,712	**3,650,286**	**3,460,782**	**3,406,751**

(i) The Company’s retirement benefit obligation

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

(b) Fixed income liabilities

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Guaranteed income notes (see note (i))	46,859,180	20,143,047	-	-
	46,859,180	20,143,047	-	-

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

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

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
Cash and cash equivalents	1,106,574	475,676	-	-
Financial assets	45,752,606	19,667,371	-	-
	46,859,180	20,143,047	-	-

23 (a) Borrowings

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
IFC Loan	1,504,329	2,629,477	1,504,329	2,629,477
	1,504,329	**2,629,477**	**1,504,329**	**2,629,477**

The Company obtained a loan of US$7million (N1.39billion) from the International Finance Corporation (IFC) on 30 June 2015 at an interest rate of 6.5% plus 6-month LIBOR for a period of 7 years with moratorium period of 4 years on the principal. The loan had an embedded derivative (a conversion option) whereby IFC has the right to convert all or a portion of the outstanding principal amount into the equivalent number of shares of the Company. The loan is due for repayment effective March 2020 in 6 equal installments to end September 2022. This option however expired in December 2019 without the IFC exercising its options. Hence, the loan is now a straight loan.
The first installment was paid in march 2020 after which the company decided to prepay the loan before its maturity date. As at june 2020 a total od N1.2billion has been paid leaving a balance of N1.5billion as shown below:

(b) The movement in borrowings is as follows:

(i)

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
At 1 January	2,442,929	2,134,334	2,442,929	2,134,334
Foreign exchange loss	-	138,684	-	138,684
Convertible option	-	-	-	-
Repayment	(1,207,674)		(1,207,674)	
Expired rights of conversion	-	169,911	-	169,911
	1,235,255	2,442,929	1,235,255	2,442,929
Accrued interest (see (ii) below)	269,074	186,548	269,074	186,548
	1,504,329	**2,629,478**	**1,504,329**	**2,629,477**

The loan which is carried at amortised cost was remeasured at the reporting date using the closing market rate of N387/$1 (2019: 364.51/$1)

(ii) The movement in accrued interest is as follows:

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
At 1 January	186,548	190,399	186,548	190,399
Accrued Interest	82,526	399,274	82,526	399,274
Interest repayment	0.00	(403,124)	0.00	(403,124)
Balance as at	**269,074**	**186,548**	**269,074**	**186,548**

(c) The loan, which is a hybrid financial instrument, was split into debt and derivative liability components at inception. Current carrying values is as follows:

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
Long term debt measured at amortised cost	1,504,329	2,324,733	1,504,329	2,324,733
Derivative liability measured at fair value (d)	-	-	-	-
	1,504,329	**2,324,733**	**1,504,329**	**2,324,733**

24 Capital and reserves

(a) Share capital

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
(a)(i) Authorised:				
36,000,000,000 ordinary shares of 50 kobo	18,000,000	18,000,000	18,000,000	18,000,000
Balance as at	**18,000,000**	**18,000,000**	**18,000,000**	**18,000,000**
(a)(ii) Ordinary shares issued and fully paid:				
6,930,204,480 ordinary shares at 50 kobo each	5,665,102	3,465,102	5,665,102	3,465,102
	5,665,102	**3,465,102**	**5,665,102**	**3,465,102**
(a)(iii) Ordinary shares issued and fully paid can be further analysed as follows:				
General business -7,652,478,122 ordinary	3,826,238	1,626,239	3,826,238	1,626,239
Life business - 3,677,724,798 ordinary shares at 50 kobo each	1,838,864	1,838,863	1,838,864	1,838,863
	5,665,102	**3,465,102**	**5,665,102**	**3,465,102**

(b) Share premium

	Group		Company	
In thousands of naira	Jun-20	Dec-19	Jun-20	Dec-19
Share premium	5,826,193	2,824,389	5,826,193	2,824,389
	5,826,193	**2,824,389**	**5,826,193**	**2,824,389**

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(c) Revaluation reserve

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

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	1,812,707	1,802,662	1,812,707	1,812,707
Revaluation gain	-	10,045	-	-
Balance as at	**1,812,707**	**1,812,707**	**1,812,707**	**1,812,707**

(d) Fair value reserve

	Group		Company	
	Jun-20	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	1,995,336	**(1,143,847)**	828,179	**(952,901)**
Reclassification to/(from) fair value reserves (see note (d) above)	-	150,689	-	-
Net fair value gain/(loss)	(86,362)	3,139,395	(413,459)	1,781,081
Transfer to NCI	(18,750)	(150,900)	-	-
Balance as at	**1,890,223**	**1,995,336**	**414,719**	**828,179**

The fair value reserves is further broken down below;

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Revalued equities - Quoted	(609,440)	(943,260)	(1,116,032)	(806,270)
Revalued equities - Unquoted	901,598	1,462,461	901,598	1,462,461
Revaluation of bonds	1,586,526	1,573,267	574,359	130,569
Impairment reserve	35,955	47,699	35,957	35,957
Revaluation of treasury bills	(24,418)	(144,832)	18,836	5,461
Balance as at	**1,890,222**	**1,995,335**	**414,719**	**828,180**

(e) Foreign exchange gains reserve

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	159,677	147,443	159,678	147,443
Exchange gains on financial assets	15,922	12,234	15,922	12,234
Balance as at	**175,599**	**159,677**	**175,599**	**159,678**

(f) Statutory reserve

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	167,874	143,882	-	-
Transfer from retained earnings	-	23,992	-	-
Transfer to disposal group (see note 18.9)	(167,874)	-	-	-
Balance as at	**-**	**167,874**	**-**	**-**

(g) Contingency reserve

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	6,320,410	5,807,411	6,320,410	5,807,411
Transfer from retained earnings	382,862	512,999	382,862	512,999
Balance as at	**6,703,272**	**6,320,410**	**6,703,272**	**6,320,410**

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

In respect of Life Insurance Business, at the rate of the higher of the higher of 1% of the gross premium and 10% of net profits, in accordance with Section 22(1)(b) of the Insurance Act 2003 until it reaches minimum capital. As at 30 June 2020, for the life business, additional transfer was made to the contingency reserve as it has not reached the minimum capital in line with the Insurance Act, 2003.

(h) Retained earnings

The movement in retained earnings can be analysed as follows:

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
At 1 January	5,888,970	1,479,002	5,253,959	1,253,208
Transfer from statement of profit or loss and other comprehensive income	2,787,555	5,784,443	2,386,162	5,157,259
Transfer from/(to) contingency reserve	(382,862)	(512,999)	(382,862)	(512,999)
Transfer from statutory reserve (see note (g) above)	-	(147,282)	-	-
Dividend paid to ordinary shareholders (see (a) below)	-	(415,812)	-	(415,812)
Realised (loss)/gain on equities	-	(298,382)	-	(227,697)
Balance as at	**8,293,662**	**5,888,970**	**7,257,258**	**5,253,959**

(k) Deposit for shares

	Group		Company	
In thousands of naira	**Jun-20**	**Dec-19**	**Jun-20**	**Dec-19**
Deposit for shares (i)	5,280,000	-	5,280,000	-
Additions in the period	-	5,280,000	-	5,280,000
Ord shares of 4,399,998,440 with nominal value of 50kobo each at market price of N1.20kobo	(5,201,804)	-	(5,201,804)	
Direct cost attributable to capital raised	(78,196)	-	(78,196)	
	-	**5,280,000**	**-**	**5,280,000**

k(i) This represents deposit for shares from the two investors in the company's private placement, pending allotment of the shares. See note 11(iii) above.

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For the period ended 30 June 2020

25 Gross premium

(a) Gross premium written

Gross premium written by business is as follows:

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Non-life	7,611,377	7,103,688	7,611,377	7,103,688
Life (individual and group)	20,044,400	14,831,888	20,044,400	14,831,888
Annuity	3,810,904	3,109,625	3,810,904	3,109,625
Health Management	456,448	376,822	-	-
	31,923,129	**25,422,023**	**31,466,681**	**25,045,201**

(b) Gross premium income

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Gross premium written	31,923,129	25,422,023	31,466,681	25,045,201
Unearned premium	(2,851,281)	(2,036,195)	(2,710,210)	(2,029,778)
	29,071,849	**23,385,827**	**28,756,471**	**23,015,423**

(c) Reinsurance expenses

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Reinsurance premium charge for the year	4,517,522	3,644,029	4,517,522	3,644,029
Unexpired reinsurance cost	(1,233,291)	(861,610)	(1,233,291)	(861,610)
Net reinsurance expense	**3,284,231**	**2,782,419**	**3,284,231**	**2,782,419**

26 Fees and commission income

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Insurance contract	777,920	654,793	777,920	654,793
Pension and other contracts (see note (a) below)	280,422	138,321	-	-
	1,058,342	**793,114**	**777,920**	**654,793**

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

27 (a) Gross benefits and claims incurred

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Claims paid during the year (note 18(ai))	15,768,776	14,210,203	15,578,480	14,011,035
Change in outstanding claims	1,875,439	982,395	1,904,539	1,024,672
Change in incurred but not reported	377,258	514,418	377,258	514,418
	18,021,473	**15,707,015**	**17,860,277**	**15,550,124**

In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Life insurance contracts (see note (i) below)	12,982,610	11,405,185	12,821,412	11,248,293
Non-life insurance contracts (see note (ii) below)	5,038,863	4,301,830	5,038,865	4,301,831
	18,021,473	**15,707,015**	**17,860,277**	**15,550,124**

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

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Gross benefits	8,351,900	6,796,204	8,351,900	6,796,204
Gross claims	4,321,302	4,076,881	4,160,104	3,919,989
Change in outstanding claims reserve	309,408	532,100	309,408	532,100
	12,982,610	**11,405,185**	**12,821,412**	**11,248,293**

(ii) Non-life insurance contract gross claims Incurred

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Gross claims incurred	4,857,593	4,091,026	4,857,593	4,091,026
Changes in outstanding claims reserve	181,270	210,804	181,270	210,804
	5,038,863	**4,301,830**	**5,038,863**	**4,301,830**

	Group		Company	
	Jun-20	**Jun-19**	**Jun-20**	**Jun-19**
(b) Claim recoveries				
Claims recovered from reinsurance	1,783,889	2,370,303	5,349,771	2,370,303
Changes in outstanding claims	1,782,941	1,018,605	(1,782,941)	1,018,605
	3,566,830	**3,388,908**	**3,566,830**	**3,388,908**
(i) Claims recoveries can be futher analysed as follows:				
Life	20,627	658,545	20,627	658,545
Non-life (see note (ii) below)	3,546,203	2,730,363	3,546,203	2,730,363
	3,566,830	**3,388,908**	**3,566,830**	**3,388,908**
(ii) Non-life business claims recoveries can be analysed as follows:				
Recoveries - reinsurance	3,489,223	2,657,137	3,489,223	2,657,137
Recoveries - salvage	56,980	73,226	56,980	73,226
	3,546,203	**2,730,363**	**3,546,203**	**2,730,363**

28 Underwriting expenses

Notes to the Consolidated and Separate Financial Statements (Cont'd)
For the period ended 30 June 2020

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Acquisition costs (see note (a) below)	2,824,203	2,674,461	2,810,352	2,633,284
Maintenance expenses (see note (c) below)	610,225	466,843	610,225	466,843
	3,434,428	**3,141,304**	**3,420,577**	**3,100,127**

(a) Acquisition costs by business is as follows:

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Life	1,813,341	1,771,653	1,813,341	1,771,653
Non-life	997,011	861,631	997,011	861,631
Multishield HMO	13,851	41,177	-	-
	2,824,203	**2,674,461**	**2,810,352**	**2,633,284**

(b) Acquisition costs is analysed as follows:

Acquisition cost during the period	3,042,690	2,866,195	3,042,690	2,866,195
Net movement in deferred acquisition cost	(232,338)	(232,911)	(232,338)	(232,911)
Commission incurred	2,810,352	2,633,284	2,810,352	2,633,284
Providers' capitation fee and other direct expenses	13,851	50,310	-	-
	2,824,203	**2,683,594**	**2,810,352**	**2,633,284**

(c) Maintenance expenses can be analysed as follows:

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Policy administration expenses	458,980	393,327	458,980	393,327
Tracking expenses	6,394	10,976	6,394	10,976
Service charges	144,851	62,540	144,851	62,540
	610,225	**466,843**	**610,225**	**466,843**

29 (a) Investment income

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Interest income calculated using the effective interest rate method				
Policyholders' funds (see note (i) below)	3,193,278	2,764,274	3,193,278	2,832,433
Annuity funds (see note (ii) below)	1,411,683	1,483,282	1,308,874	1,483,282
Shareholders' funds (see note (iii) below)	2,972,120	980,926	485,525	371,916
	7,577,081	**5,228,481**	**5,006,886**	**4,687,631**

(i) Investment income attributable to policyholders' funds

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Interest income on financial assets	3,040,703	2,597,500	3,040,703	2,597,500
Interest income on cash and cash equivalents	(15,350)	-	(15,350)	-
Income on policy loan	87,536	92,258	87,536	92,258
Dividend income	80,389	74,516	80,389	142,676
	3,193,278	**2,764,274**	**3,193,278**	**2,832,433**

(ii) Investment income attributable to annuity funds

Interest income on financial assets	1,411,683	1,483,282	1,411,683	1,483,282
Interest income on cash and cash equivalents	-	-	-	-
	1,411,683	**1,483,282**	**1,411,683**	**1,483,282**

(iii) Investment income attributable to shareholders' funds

Interest income on financial assets	2,817,276	813,111	294,857	253,861
Interest income on cash and cash equivalents	131,376	119,826	83,600	70,065
Income from Structured investments	-	-	-	-
Interest income on loans and receivables	-	-	-	-
Dividend income	23,468	47,989	23,468	47,989
	2,972,120	**980,926**	**401,925**	**371,916**

(b) Profit on deposit administration

Investment income on deposit administration can be analysed as follows:

Investment income on deposit	100,863	100,574	100,863	100,574
Guaranteed interest to policyholders	(61,491)	(49,569)	(61,491)	(49,569)
Acquisition expense	(211)	-	(211)	-
Impact of actuarial valuation	4,486	(2,366)	4,486	(2,366)
Profit from deposit administration	**43,648**	**48,640**	**43,648**	**48,640**

30 (a) Net realised gains

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Net realised gains are attributable to the following:				
Property and equipment	1,407	14,056	1,407	8,026
Investment property	-	-	-	-
Fair value financial instrument (see (b) below)	263,310	1,201,767	263,310	1,206,916
	264,717	**1,215,823**	**264,717**	**1,214,943**

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

Gain/(Loss) on treasury bills	-	6,880	-	6,880
Gain on FGN Bonds	263,310	1,200,512	263,310	1,200,035
	263,311	**1,207,393**	**263,310**	**1,206,916**

31 Net fair value gains/(losses)

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**

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Financial assets	11,508,854	6,406,415	11,508,854	6,406,415
Investment properties	-	(111,200)	-	(111,200)
Derivative Instrument	-	-	-	-
	11,508,854	**6,295,215**	**11,508,854**	**6,295,215**

The Company obtained a loan of US$7million (N1.39billion) from the International Finance Corporation (IFC) on 30 June 2015 at an interest rate of 6.5% plus 6-month LIBOR for a period of 7 years with moratorium period of 4 years on the principal. The loan had an embedded derivative (a conversion option) whereby IFC has the right to convert all or a portion of the outstanding principal amount into the equivalent number of shares of the Company. (see note 23 for current status and treatment of the loan)

32 Other operating income

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Sundry income	399,725	140,726	273,385	140,566
Exchange (loss)/gain	(266,207)	(17,976)	(266,207)	(17,976)
	133,518	**122,750**	**7,178**	**122,590**

33 Personnel expenses

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Salaries	800,200	742,171	548,178	577,855
Allowances and other benefits	939,703	1,067,036	826,769	910,659
	1,739,903	**1,809,207**	**1,374,947**	**1,488,514**

34 Other operating expenses

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Travel and representation	110,071	254,508	104,097	232,933
Marketing and administration	319,510	430,726	229,352	371,729
Occupancy	241,319	307,917	223,420	284,437
Amortization of Right of Use Assets	41,804	-	41,804	-
Communication and postages	241,970	214,794	231,469	199,776
Dues and subscriptions	83,334	24,893	79,079	21,141
Office supply and stationery	44,279	92,056	44,184	81,219
Fees and assessments	927,633	598,712	868,411	660,749
Consulting fees	-		-	-
Depreciation and amortisation	316,537	250,135	270,772	226,113
Miscellaneous expenses (see note (a) below)	188,959	72,203	97,100	27,396
Foreign exchange loss	130,926		130,926	-
	2,646,341	**2,245,944**	**2,320,614**	**2,105,493**

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

35 Finance costs

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Finance cost	2,110,819	181,614	96,743	181,614
	2,110,819	**181,614**	**96,743**	**181,614**

36 Impairment losses/(reversal)

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Impairment loss on financial instruments and others. (see note (a) below)	-	10,742	-	10,646
	-	**10,742**	**-**	**10,646**

37 Earnings per share

Basic earnings per share amounts is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average

	Group		Company	
In thousands of naira	**Jun-20**	**Jun-19**	**Jun-20**	**Jun-19**
Net profit attributable to ordinary shareholders for basic and diluted earning	2,787,555	2,858,264	2,386,162	2,477,790
	2,787,555	**2,858,264**	**2,386,162**	**2,477,790**
Number of shares in issue	**6,930,204**	**6,930,204**	**6,930,204**	**6,930,204**

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Dilutive effect of preference shares	-	-	-	-
Dilutive effect of the IFC loan conversion option	-	1,557,809		1,557,809
Net	**6,930,204**	**8,488,013**	**6,930,204**	**8,488,013**
Basic earnings per share (kobo)	40	41	34	36
Diluted earnings per share (kobo)	40	34	34	29

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

38 Contingencies and commitments

(a)(i) Legal proceedings and obligations

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

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

(b) Contingent liability

The FIRS carried out a desk review on the Company's 2016 YOA and assessed the Company to pay N1.2 billion for that period as opposed to N458 million paid by the Company. The additional assessment of N742 million which was contested, thereafter an audit examination was carried out and the Company currently awaits the submission. No provisions have been made for the gap in contest arising from the desk review based on the Director's assessment.

This represents customers' investment in the AIICO Money Market Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund is regulated by the Nigerian Securities and Exchange Commission (SEC) and it started on March 10, 2014.
It currently trades at ₦100 per unit as at June 3, 2020 (2019: ₦100)

The Company has investments of ₦338million in the Fund (2019: N338million)

(c) High Networth Individuals Fund (HNI)

This represents customers' investment in High Networth Individuals Fund, which is managed by AIICO Capital Limited, a subsidiary of the Company. This fund started in August 2015.
Returns on this fund are discretionary, however, when the Group exceeds the returns agreed with the customer, they earn a 20% performance fee on the excess. The Group also charges management fees on this Fund.

(d) Pension Funds

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

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

(e) Unclaimed dividend

The Company has unclaimed dividend of ₦737.2million as at 30 June 2020, 2019 (N737.2million). As required by section 16(d) of the Nigerian Securities and Exchange Commission (SEC) guidelines the assets representing these unclaimed dividend do not form part of the assets of the Company. These funds were returned to AIICO insurance and is domiciled with the custodian.

39 Contraventions and penalties

	Group		**Company**	
In thousands of naira	**2020**	**2019**	**2020**	**2019**
The following payments were made relating to contraventions and penalties during the year:				
Penalty to National Insurance Commission (NAICOM) (see note (i) below)	250	-	250	-
Penalty to National Insurance Commission (NAICOM) (see note (ii) below)	-	750	-	750
	-	-	-	-
	-	**750**	**-**	**750**

(i) During the year, National Insurance Commission (NAICOM) imposed a fine on the Company for contravention of the provisions of the Prudential Guidelines for Insurers and Reinsurers 2015, and this has been subsequently paid in the period.

(ii) In the prior year, National Insurance Commission (NAICOM) imposed a fine on the Company for appointment of two principal offcers and a non executive director without a valid approval from the commission in violation of section 5(1b) of NAICOM Market Conduct Business Practice Guidelines.

40 Personnel

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

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
Managerial	69	63	44	41
Senior staff	336	301	235	208
Junior staff	154	157	11	10
	559	521	290	259

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

	Group		**Company**	
In thousands of naira	**2020**	**2019**	**2020**	**2019**
Wages and salaries	800,200	742,171	548,178	577,855
Other staff costs	939,703	1,067,036	826,769	910,659
	1,739,903	1,809,207	1,374,947	1,488,514

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
100,000 - 600,000	272	282	192	188
600,001 - 1,200,000	119	82	56	31
1,200,001 - 2,400,000	67	65	12	12
2,400,001 and above	101	92	30	28
	559	521	290	259

41 Hypothecation of assets

2020

	Policyholder's fund						
	Life Fund	**Annuity**	**Investment Contract Liabilities**	**Non-life Insurance Contract Liabilities**	**Total Policyholders fund**	**Shareholders' fund**	**Total**
Cash and cash equivalents	2,562,811	-	621,162	2,089,941	5,273,915	4,589,370	9,863,285
Financial assets:							
Bonds and treasury bills	38,703,504	45,916,413	22,152,054	10,567,980	117,339,950	1,002,690	118,342,640
Quoted equities	1,411,839	88,049	211,749	782,755	2,494,392	52,937	2,547,330
Unquoted equities	2,081,420	-	155,830	-	2,237,250	1,624,492	3,861,742
Loans & receivables	2,020,403	-	-	-	2,020,403	494,741	2,515,143
Investment in subsidiaries	-	-	-	-	-	2,452,359	2,452,359
Investment properties	47,500	-	-	-	47,500	724,500	772,000
Property and equipment	1,853,480	-	-	-	1,853,480	5,366,746	7,220,226
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below)	1,073,182	-	-	7,933,360	9,006,542	3,112,653	12,119,195
Total assets (a)	49,754,139	46,004,462	23,140,794	21,374,036	140,273,432	19,920,489	160,193,919
Policyholders liabilities (b)	48,319,544	45,877,819	19,307,445	12,449,489	125,954,297	34,239,621	160,193,919
Excess/ (shortfall) of assets over liabilities (a-b)	**1,434,595**	**126,643**	**3,833,349**	**8,924,547**	**14,319,135**	**(14,319,132)**	**-**

(a) Other Assets							
Trade receivables	-	-	-	609,576	609,576	-	609,576
Reinsurance assets	1,073,182	-	-	7,323,784	8,396,966	-	8,396,966
Deferred acquisition costs	-	-	-	-	-	721,222	721,222
Other receivables and prepayments	-	-	-	-	-	1,444,833	1,444,833
Deferred tax assets	-	-	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-	946,599	946,599
	1,073,182	-	-	7,933,360	9,006,542	3,112,653	22,929,077

2019

	Policyholder's fund						
	Life Fund	**Annuity**	**Investment Contract Liabilities**	**Insurance Contract Liabilities**	**Total Policy holders fund**	**Shareholders' fund**	**Total**
Cash and cash equivalents	2,825,174	-	700,743	1,274,164	4,800,081	3,366,271	8,166,352
Financial assets:							
Bonds and treasury bills	28,098,616	41,002,447	14,983,073	3,045,529	87,129,664	9,087,413	96,217,077
Quoted equities	1,200,238	16,780	336,319	805,985	2,359,322	52,937	2,412,259
Unquoted equities	246,329	-	393,323	-	639,652	1,624,492	2,264,144
Money market placements	-	-	-	-	-	-	-
Loans & receivables	2,092,921	-	-	-	2,092,921	428,128	2,521,049
Investment in subsidiaries	-	-	-	-	-	2,452,359	2,452,359
Investment properties	47,500	-	-	-	47,500	724,500	772,000
Property and equipment	1,629,545	-	-	-	1,629,545	5,406,667	7,036,211
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See a below) (a)	951,139	-	-	4,812,536	5,763,675	7,158,328	12,922,003
	37,091,462	41,019,227	16,413,457	9,938,214	104,462,360	30,801,095	135,263,455
Policyholders liabilities (b)	36,929,919	39,042,017	16,201,367	8,794,186	100,967,489	34,295,967	135,263,458
Excess/ (shortfall) of assets over liabilities (a-b)	**161,543**	**1,977,210**	**212,090**	**1,144,028**	**3,494,871**	**(3,494,872)**	**-**

Other Assets							
Trade receivables	-	-	-	303,106	303,106	-	303,106
Reinsurance assets	951,139	-	-	4,509,430	5,460,569	-	5,460,569
Deferred acquisition costs	-	-	-	-	-	488,884	488,884
Other receivables and prepayments	-	-	-	-	-	5,762,765	5,762,765
Deferred tax assets	-	-	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-	906,680	906,680
	951,139	-	-	4,812,536	5,763,675	7,158,328	12,922,003

Notes to the Consolidated and Separate Financial Statements (Cont'd)
For the period ended 30 June 2020

42 Impact of COVID 19

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

Prior to the advent of COVID-19, the Company has consistently tested and evaluated its Business Continuity Management System (BCMS) with the support and guidance of the Business Standard Institutions (BSI), having granted the Company certification of the system under ISO 22301 standard since 2012.

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

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

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

Impact of the pandemic on the Business

The Company assessed the financial and capital impact on its business across its Life and Non-Life businesses with varying scenarios ranging from two-month period to a six-month of lockdown. We have assessed the impact of COVID-19 on the Company's operations, cash flow, liquidity, capital resources, strategic and brand as well as risks and uncertainties about the impact on future periods.

The outcome of the assessment does not suggest any significant adverse impact on the businesses, financial condition, operations and the Company's survival and sustainability. There is no negative material impact on the Company's sources and uses of funds, as well as no significant variance on any assumptions made on revenues.

In addition, we carried out detailed scenario analysis and stress testing to examine the impact of COVID-19 on AIICO's business operations and financial performance. The results of the scenario testing carried out showed that the CovID-19 pandemic had no impact on the Company's going concern status as at 31 March 2020.

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

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

43 Securities Trading Policy

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