



NEM INSURANCE PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31ST MARCH 2019



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Dr. Fidelis Ayebae (Chairman), Tope Smart (Group Managing), Yakasai Ahmed (Independent), Yinka Aletor (Non-Executive), Ede Dafinone, (Non-Executive) Abisola Giwa-Osagie (Deputy Managing)

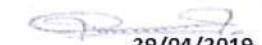
• NIGERIA

• GHANA

NEM INSURANCE PLC
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2019

			12/31/2018
ASSETS	NOTES	N'000	N'000
Cash and Cash equivalents	3	7,752,245	6,675,924
Financial Assets			
Fair value through profit or loss	4	1,108,206	1,108,206
Fair value through other comprehensive Income	4	1,260,729	1,260,729
Amortised cost	4	1,886,673	1,235,106
Trade receivables	5	629,847	279,709
Reinsurance Assets	6	4,809,590	4,809,590
Deferred Acquisition costs	7	712,520	655,614
Other receivables and payments	8	666,532	698,696
Investment in Associates	9	413,752	413,752
Investment in Subsidiary	10	50,000	50,000
Investment Property	11	682,951	682,951
Statutory Deposit	12	320,000	320,000
Intangible Asset	13	2,570	2,042
Property Plant and equipment	14	4,241,297	4,156,609
Deferred Tax Asset	20	92,773	83,306
Total Assets		24,629,684	22,432,234
LIABILITIES			
Insurance contract liability	15	7,716,710	7,126,871
Trade receivable	16	429,817	319,023
Other payables	17	1,738,822	1,247,412
Retirement benefit obligations	18	78,496	78,496
Income tax liability	19	991,366	835,528
Deferred tax Liabilit	20	397,747	397,746
		11,352,958	10,005,076
Share capital	21	2,640,251	2,640,251
Share Premium	22	272,551	272,551
Statutory contingency reserves	23	3,775,966	3,606,052
Retain earnings	24	5,397,784	4,718,130
FVOCI reserves	25	(35,344)	(35,344)
Asset revaluation reserve	26	1,094,475	1,094,475
Other reserve - Employee benefit	27	131,043	131,043
Total equity		13,276,726	12,427,158
Total Equity and Liabilities		24,629,684	22,432,234


 29/04/2019
 Mr. Fidelis Ayeboe (Chairman)
 FRC/2013/CIANG/00000001376


 29/04/2019
 Mr. Tope smart (GMD/CEO)
 FRC/2013/CIIN/00000001331


 29/04/2019
 Miss. Stella Omoraro (CFO)
 FRC/2013/CIANG/00000001238

NEM INSURANCE PLC
UNAUDITED STATEMENT OF COMPREHENSIVE
INCOME FOR FIRST QUARTER 2019

		1STQTR 2019	1ST QTR 2018
	Notes	CURRENT QTR	PRIOR QTR
		N'000	N'000
Gross premiums written	22	6,799,814	5,673,050
Decrease/(Increase) in unearned income		<u>(1,310,925)</u>	<u>(689,119)</u>
Gross premiums earned	22	5,488,889	4,983,931
Reinsurance expenses	23	<u>(1,085,222)</u>	<u>(1,726,731)</u>
Net premiums income		4,403,667	3,257,200
Fee and commission income	24	<u>119,374</u>	<u>387,482</u>
Net underwriting income		4,523,041	3,644,682
Claims expenses	25	(1,094,027)	(806,560)
Underwriting expenses	26	<u>(1,890,646)</u>	<u>(1,317,221)</u>
Underwriting profit		1,538,368	1,520,901
Investment Income	27	236,630	136,045
Fair value (loss)/gain	28	-	-
Other income	29	6,684	9,848
Revaluation loss investment properties	8	-	-
Profit /(loss) on disposal of Assets		-	-
Impairments-ECL on Fixed deposit	30	(13,521)	-
Other operating and admin. Expenses	31	<u>(762,755)</u>	<u>(776,893)</u>
Profit before tax		1,005,406	889,901
Income taxes	15.2	<u>(155,838)</u>	<u>(137,935)</u>
Profit after tax		849,568	751,966
Other Comprehensive Income			
Fair value loss on Available for sale	21	-	-
Actuarial profit on defined benefit plan	22	-	-
		<u>849,568</u>	<u>751,966</u>

NEM INSURANCE PLC

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2019

	Issued Share Capital	Share Premium	Contingency Reserves	Gratuity Valuation	FVOCI Reserve	Asset revaluation Reserve	Retain Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At January 1, 2019	2,640,251	272,551	3,606,052	131,043	(35,344)	1,094,475	4,718,130	12,427,158
Additions	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	849,569	849,569
Transfer to Contingency reserves	-	-	169,914	-	-	-	(169,914)	-
Other Comprehensive Income								
Actuarial gain on defined benefit plan	-	-	-	-	-	-	-	-
Gains on revaluation of investment property	-	-	-	-	-	-	-	-
Distribution to owners								
Dividend paid during the year	-	-	-	-	-	-	-	-
As at 31st March, 2019	2,640,251	272,551	3,775,966	131,043	(35,344)	1,094,475	5,397,785	13,276,727

NEM INSURANCE PLC

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2018

	Issued Share Capital	Share Premium	Retained Earnings	AFS Reserve	Other Reserves	Contingency Reserves	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At January 1, 2018	2,640,251	272,551	3,677,029	(128,734)	140,614	3,154,568	9,756,280
Profit for the year	-	-	751,965	-	-	-	751,965
Transfer to Contingency reserves	-	-	(150,393)	-	-	150,393	-
Other Comprehensive Income							
Actuarial gain on defined benefit plan	-	-	-	-	-	-	-
Gains on revaluation of investment property	-	-	-	-	-	-	-
Distribution to owners							
Dividend paid during the year	-	-	-	-	-	-	-
As at 31st March, 2018	2,640,251	272,551	4,278,601	(128,734)	140,614	3,304,961	10,508,245

NEM INSURANCE PLC
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED
31ST MARCH, 2019

	N'000	N'000
Premium received from policy holders	6,799,814	15,493,279
Deposit premium	-	302,760
Reinsurance premium paid	(1,086,222)	(5,126,081)
Fees and commission received	119,374	1,106,384
Direct Claims paid	(2,222,993)	(6,012,351)
Claims paid on behalf of co-assurance company	(468,645)	(422,997)
Claims received from reinsurers	112,426	2,440,410
Claims received from co-assurance companies	295,456	582,228
Commission paid	(1,113,328)	(2,458,366)
Maintenance Expenses paid	(689,699)	(1,869,874)
Cash paid to and on behalf of employees	(612,529)	(1,492,399)
other operating expenses paid	(762,755)	(1,233,907)
Company income tax paid	-	(155,542)
	<u>370,899</u>	<u>1,153,544</u>
Cash flows from Investing activities		
Purchase of FVTPL		(172,054)
Proceed from short term above 90 days	875,668	2,184,272
Proceed from redemption of amortised cost	-	69,101
Proceed on disposal of FVTPL	-	203,984
Purchase of financial asset at amortised cost	(330,554)	(81,483)
Investment income received	243,314	945,914
Acquisition of PPE	(83,006)	(429,388)
Proceed from PPE	-	4,744
Net cash flow from investing activities	<u>705,422</u>	<u>2,725,090</u>
Cash flow from financing activities		
Dividend paid	-	(528,050)
Net cash flow from financing activities	<u>1,076,321</u>	<u>3,350,584</u>
Cash and cash equivalent at the beginning - 1st January	<u>6,675,924</u>	<u>3,325,340</u>
Cash and cash equivalent at the end- 31st March	<u>7,752,245</u>	<u>6,675,924</u>

**NEM INSURANCE PLC
REVENUE ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2019**

	MOTOR	MARINE	FIRE	GENERAL ACCIDENT	OIL & GASS	TOTAL	3/31/2018
INCOME	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Business Premium	2,142,426	468,656	1,472,918	1,339,016	1,272,066	6,695,082	5,568,139
Reinsurance Inward	33,514	7,331	23,041	20,946	19,899	104,732	104,911
Gross Premium	2,175,941	475,987	1,495,959	1,359,963	1,291,965	6,799,814	5,673,050
Reinsurance Outward	347,271	75,966	238,749	217,044	206,192	1,085,222	1,726,731
Premium Written	1,828,670	400,021	1,257,210	1,142,919	1,085,773	5,714,593	3,946,319
Decrease in Provision or Unexpired Risk	-	-	-	-	-	-	-
Net Premium	1,828,670	400,021	1,257,210	1,142,919	1,085,773	5,714,593	3,946,319
Deduct.							
Increase in Unexpired Risk	324,507	9,813	175,988	317,978	482,639	1,310,925	689,119
Premium Earned	1,504,162	390,208	1,081,222	824,941	603,134	4,403,668	3,257,200
Commission Received	38,200	8,356	26,262	23,875	22,681	119,374	387,482
Net Income	1,542,362	398,565	1,107,484	848,816	625,815	4,523,042	3,644,682
CLAIMS EXPENSES							
Direct Claims Paid	(911,427)	(66,590)	(577,778)	(644,468)	(22,730)	(2,222,993)	(1,420,251)
Inward Reinsurance Claims Paid	-	-	-	-	-	-	-
Increase in Prov. For Outstanding Claims	-	-	-	-	-	-	113,990
Total Expenses	(911,427)	(66,590)	(577,778)	(644,468)	(22,730)	(2,222,993)	(1,306,261)
RECOVERIES FROM EXPENSES							
Outward Reinsurance Recoveries	126,442	36,709	106,048	118,285	20,394	407,879	499,701
Decrease in Prov. For Outstanding Claims	138,418	99,508	209,463	87,851	185,848	721,087	-
Claims Incurred	264,860	136,217	315,511	206,136	206,242	1,128,966	499,701
	(646,567)	69,627	(262,267)	(438,332)	183,512	(1,094,027)	(806,560)
UNDERWRITING EXPENSES							
Acquisition	(328,545)	(144,367)	(317,152)	(285,829)	(125,054)	(1,200,947)	(916,631)
Maintenance	(296,571)	(86,212)	(89,661)	(137,940)	(79,315)	(689,699)	(400,590)
	(625,116)	(230,580)	(406,812)	(423,769)	(204,369)	(1,890,646)	(1,317,221)
Net income after claims incurred and Underwriting Expenses	270,679	237,612	438,405	(13,285)	604,958	1,538,369	1,520,901

NEM INSURANCE PLC		
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH , 2019		
NOTES TO THE FINANCIAL STATEMENTS		
		12/31/2018
	N'000	N'000
3. CASH AND CASH EQUIVALENTS		
Cash - Petty cash	709	572
Balances with banks	1,390,393	1,008,311
Placement with financial institutions	6,374,664	5,675,961
	7,765,766	6,684,844
Allowance for credit loss	<u>(13,521)</u>	<u>(8,920)</u>
Total Cash and Cash equivalents	<u>7,752,245</u>	<u>6,675,924</u>
Short-term deposits are made for varying periods averaging between 1- 90days depending on the immediate cash requirements of the Company . All deposits are subject to an interest rate of 11.21%. The carrying amounts disclosed above reasonably appropriate fair value at the reporting date.		
4. Financial Assets		
	N'000	N'000
Fair value through profit or loss	1,108,206	1,108,206
Fair value through other comprehensive income	1,260,729	1,260,729
Financial asset at amortised cost	<u>1,886,673</u>	<u>1,235,106</u>
	<u>4,255,608</u>	<u>3,604,041</u>
Fair value through profit or loss		
Balance at the beginning of the year	1,108,205	1,347,462
Purchases	-	172,054
Fair value loss/ gains	-	(269,779.00)
Disposal	-	(141,532)
Balance at the end of the year.	<u>1,108,205</u>	<u>1,108,205</u>
Management valued the company's quoted investments at the market value which is reasonable measurement of of fair value since the prices of the shares are quoted in an active market . The instruments are measured and evaluated on a fair value basis and the fair value is determined by reference to published prices quotations in an active market .		
Fair value through other comprehensive income.		
Financial assets at fair value through other comprehensive income (FVOCI) comprise:		
Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise as FVOCI. This strategic investments which are in CSCS, WAMCO AND MTN all totalled 1,260,729 are classified to be more relevant.		
The components		
Equity securities		
Fair value		
CSCS	28,559	28,559
WAMCO	57,593	57,593
MTN	<u>1,174,577</u>	<u>1,174,577</u>
	<u>1,260,729</u>	<u>1,260,729</u>
5. Trade receivables		
Premium receivables	629,847	279,709
Company observed the policy of No Premium, No cover instituted by National Insurance Commission strictly but recognized thirty day credit notes by Brokers only.		

6. Reinsurance Assets	N'000	N'000
Reinsurance share of UPR	902,427	902,427
Reinsurance share of IBNR	334,016	334,016
Reinsurance share of outstanding Claims	955,927	955,927
Prepaid Reinsurance expense	1,517,990	1,517,990
Reinsurance share of Claims paid	870,367	870,367
Co assurance receivable	38,815	38,815
Reinsurance debtors	190,048	190,048
	<u>4,809,590</u>	<u>4,809,590</u>
Reinsurance assets are subject to Acturial Valuation by EY- a professional valuers. This is usually do yearly and is the year end. The next one will be by the end of this year		
7. DEFERRED ACQUISITION COST		
Balance at the beginning of the year	655,614	587,244
Commission paid during the year	1,113,328	2,458,366
Amortised acquisition during the year.	(1,056,422)	(2,389,996)
Balance at the year end	<u>712,520</u>	<u>655,614</u>
8. Prepayment and other receivables		
Rent	83,111	83,111
Interest Receivable	114,271	114,271
Withholding tax receivable	44,152	76,316
Stock brokers	230,225	230,225
Other receivables	194,773	230,225
	<u>666,532</u>	<u>734,178</u>
9. Investment in Associate		
Balance at the beginning of the year	413,752	392,501
Addition during the year	-	-
Share of profit during the year	-	21,251
Balance at the year end	<u>413,752</u>	<u>413,752</u>
This represents 40% share of NEM in RegencyNEM in Ghana		
10. Investment in Subsidiary		
NEM Asset Managent Ltd	50,000	50,000
100% interest in NEM Asset Management Ltd.		
11. Investment Property		
Balance at the beginning of the year	682,951	676,555
Addition during the year	-	-
Revaluation gain	-	6,396
Balance at the year end	<u>682,951</u>	<u>682,951</u>
NEM Investment Propert in Oniru, Ebutte Metta and Zaria		
12. Statutory Deposit		
Deposit with the Central Bank of Nigeria in accordance with the provisions of Insurance Act, 2003	320,000	320,000
13 INTANGIBLE ASSET[COMPUTER SOFTWARE]		

Note 14 PROPERTY PLANT AND EQUIPMENT SCHEDULE

	Land & Build. Under Con-ONIRU-1	Land	Building	Machinery & Equipment	Motor Vehicle	Furniture & Fittings	Office Equipment	Total
At 1st January 2019	899,873,865	407,900,000	2,197,100,000	145,897,000	719,935,000	414,742,000	383,146,000	5,168,593,865
Additions	-	-	-	-	74,931,142	835,240	7,239,190	83,005,572
Reclassification	-	-	-	-	-	-	-	-
Disposal/Transfer	-	-	-	-	-	-	-	-
At 31st March, 2019	899,873,865	407,900,000	2,197,100,000	145,897,000	794,866,142	415,577,240	390,385,190	5,251,599,437
Depreciation/Amortisation								
At 1st January 2019	-	-	90,439,477	92,934,563	267,608,234	250,395,488	210,602,795	911,980,557
Charge for the year	-	-	10,985,500	7,294,850	39,743,307	20,778,862	19,519,260	98,321,779
Depreciation on Disposal	-	-	-	-	-	-	-	-
At 31st March, 2019	-	-	101,424,977	100,229,413	307,351,541	271,174,350	230,122,055	1,010,302,336
Net Book Value								
At 31st March, 2019	899,873,865	407,900,000	2,095,675,023	45,667,587	487,514,601	144,402,890	160,263,136	4,241,297,101
At 31st December, 2018	899,873,865	407,900,000	2,197,100,000	41,587,022	417,944,156	86,745,032	105,459,382	4,156,609,457

15. Insurance Contract Liability	N'000	N'000
Outstanding Claims reserve	1,581,684	1,976,983
Incurred but not reported IBNR	677,864	1,003,652
Total Outstanding claims	<u>2,259,548</u>	<u>2,980,635</u>
Unearned premium reserve	5,457,162	4,146,236
	<u>7,716,710</u>	<u>7,126,871</u>
16. Trade Payable	N'000	N'000
Due to reinsurance broker - AON	209,191	16,263
Premium Deposit	220,626	302,023
	<u>429,817</u>	<u>318,286</u>
17 Other Payables	N'000	N'000
Accruals	836,208	367,964
Unclaimed Dividend	287,636	287,636
Other creditors	356,117	228,998
Deferred acquisition income	258,861	362,814
	<u>1,738,822</u>	<u>1,247,412</u>
18. Retirement Benefit obligation	N'000	N'000
Amount recognised in statement of financial position	78,496	91,910
This is valued yearly by EY also		
19. Taxation	N'000	N'000
Per financial position	835,528	591,760
Income tax for the year	144,581	372,349
Information technology levy	11,257	26,961
Paid during the year	-	(155,542)
Balance at the year end	<u>991,366</u>	<u>835,528</u>
	N'000	N'000
Per income statement	155,838	648,487
20. Deferred tax asset	N'000	N'000
Balance at the beginning of the year	83,306	83,306
Change during the year	-	-
Balance at the year end	<u>83,306</u>	<u>83,306</u>
20a. Deferred tax liability	N'000	N'000
Balance at the beginning of the year	397,747	-
Change during the year	-	276,138
Revaluation Surplus	-	121,609
Balance at the year end	<u>397,747</u>	<u>397,747</u>
21. Issued Share Capital	N'000	N'000
Authorised Share Capital	4,200,000	4,200,000
8,400,000,000 ordinary shares of 50k each	<u>4,200,000</u>	<u>4,200,000</u>
Ordinary share capital issued and fully paid.	2,640,251	2,640,251
5,280,502,913 ordinary shares of 50k each	<u>2,640,251</u>	<u>2,640,251</u>

22. Share Premium	N'000	N'000
Share Premium	<u>272,551</u>	<u>272,551</u>
Premium from issue of shares reported		
23. Statutory contingency reserve	N'000	N'000
Balance at the beginning of the year	3,606,052	3,154,568
Transfer from revenue	169,914	451,484
Balance at the year end	<u>3,775,966</u>	<u>3,606,052</u>
Statutory contingency reserve is the higher of 3% of total premium or 20% of profit after tax		
24. Retain earnings	N'000	N'000
Balance at the beginning of the year	4,718,129	3,677,027
Profit for the year	679,655	2,020,636
Transfer to contingency reserve	-	(451,484)
Dividend paid	-	(528,050)
Balance at the year end	<u>5,397,784</u>	<u>4,718,129</u>
25. FVOCI reserve	N'000	N'000
Balance at the beginning of the year	(35,344)	(159,322)
Addition during the year	-	123,978
Balance at the year end	<u>(35,344)</u>	<u>(35,344)</u>
26. Asset revaluation reserve	N'000	N'000
Balance at the beginning of the year	1,094,475	-
Accumulated depreciation	-	117,712
Revaluatin amount -gain		1,098,371
Transfer to deferred tax liability		(121,608)
Balance at the year end	<u>1,094,475</u>	<u>1,094,475</u>
This represent the revaluation of our head office Property by Jide Taiwo -an estate survayor and valuers		
25. Other reserves- Employee benefit	N'000	N'000
Balance at the beginning of the year	131,043	140,614
Addition during the year	-	(9,571)
Balance at the year end	<u>131,043</u>	<u>131,043</u>