IGi

Industrial And General Insurance Plc

2 Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.
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www.iginigeria.com

2016 ANNUAL REPORT AND ACCOUNTS

IGi

Industrial And General Insurance Plc

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COMPANY REGISTRATION NUMBER: RC 178140
DIRECTORS, PROFESSIONAL ADVISERS, ETC

DIRECTORS:	Mahmud Yayale Ahmed, CFR, BSc, MPA, LLD (Hons)	Chairman (appointed Chairman w.e.f 19/4/16)
	Rotimi Fashola, MBA, ACII, ACIarb	Managing Director (resigned w.e.f 02/10/17)
	Bayo Folayan	Acting Managing Director (appointed w.e.f 03/07/17; resigned w.e.f 01/02/19)
	Rachel Voke Emenike (Mrs.), LLB, BL, MBA, ACII	Managing Director/CEO (appointed w.e.f 01/02/19)
	Sina Elusakin BSc, MBA, AIIN MEI	Deputy Managing Director (resigned w.e.f 30/09/17)
	Professor Oladapo Afolabi, OON, CFR, MSc, PhD	Director
	Augustine Olorunsola BSc	Director (appointed w.e.f 19/04/16)
	Awuneba Ajumogobia (Mrs.) BSc, FCA	Director (resigned w.e.f 18/05/17)
	Gaffar Kayode Animashawun Jnr. BL, LLM	Director (appointed w.e.f 19/04/16)
	Kanayo Chuks Okoye BL, LLM	Director (appointed w.e.f 19/04/16)
	Yinka Obalade BSc, MBA, FCA	Executive (resigned w.e.f 01/09/17)
	Kenneth Aigbinode, MSc	Executive (resigned w.e.f 25/3/16)
	Foluso Gbadamosi (Mrs.) BSc, MSc	Executive (resigned w.e.f 30/08/17)
	Gen. Dr Yakubu Gowon GCFR, PhD, psc jssc	Director (retired w.e.f 19/04/16)
	Apostle Hayford I. Alile OFR, Hon D.Sc, BA, MBA	Director (retired w.e.f 19/04/16)
	Olubunmi Olowude (Mrs.) AIMLT	Director (retired w.e.f 19/04/16)

COMPANY SECRETARY Abiodun Ajifolawe BL, LLM, FCIS, FCTI, FClarb

REGISTERED OFFICE:
No. 2, Agoro Odiyan Street
Off Adeola Odeku Street
Victoria Island, Lagos. P M B 80181, Victoria Island, Lagos State
E-mail: info@iginigeria.com
Website: www.iginigeria.com

LIAISON OFFICE
Suite 52-55, 1st Floor
65 London Wall
London, EC2M 5TU
Tel: 020-7374 0588; 020-7374 0648; Fax: 020-7374 0594

AUDITORS
Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos State

REGISTRARS
Greenwich Registrars & Data Solutions Limited
274, Murtala Muhammed Way
Yaba, Lagos

RE-INSURERS

Lloyds of London	Hannover Re	Swiss Re
African Reinsurance Corporation	AIG	Continental Reinsurance
Allianz SOMPO Japan	WAICA Re	

ACTUARIES Ernst & Young

MAJOR BANKERS
Access Bank Plc
Citibank Nigeria Limited
Ecobank Nigeria Limited
First Bank of Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Global Trust Savings & Loans Limited
Heritage Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Polaris Bank Limited
Standard Chartered Bank Limited
Union Bank of Nigeria Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith International Bank Plc

FRC REGISTRATION NO: FRC/2013/0000000000644

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of Industrial and General Insurance Plc ("the Company") will be held on Monday, the 8th day of December 2022 at IGI Building, No. 2, Agoro Odiyan Street, Off Adeola Odeku Street, Victoria Island, Lagos State at 1.00pm prompt to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members the consolidated audited financial statements of the Company for the year ended 31st December 2016 together with the Reports of the Directors, the External Auditors and the Audit and Compliance Committee thereon.
2. To re-elect retiring Directors.
3. To appoint External Auditors.
4. To authorize the Directors to determine the remuneration of the External Auditors.
5. To elect members of the Statutory Audit and Compliance Committee.
6. To disclose remuneration of managers.

SPECIAL BUSINESS

7. To approve the remuneration of the Directors.

Dated this 7th day of November 2022.

BY ORDER OF THE BOARD

ABIODUN AJIFOLAWE
COMPANY SECRETARY
FRC/2013/NBA/0000000/3830
Plot 741, Adeola Hopewell Street
Victoria Island, Lagos State

NOTES

Attendance by Proxy
A Member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. In view of the Covid-19 Pandemic, the Corporate Affairs Commission has approved that attendance to the meeting shall be virtual and also by proxies. Members are required to appoint a proxy of their choice from the following proxies to attend and vote in their stead:

a.	Mahmud Yayale Ahmed, CFR	- Chairman
b.	Prof. Oladapo Afolabi, OON, CFR	- Chairman, Audit Committee
c.	Augustine Olorunsola	- Director
d.	Gaffar Kayode Animashawun Jnr.	- Director
e.	Kanayo Chuks Okoye	- Director
f.	Kayode Agboola	- Shareholder

g.	Dr. Gbenga Ogunkoya	- Shareholder
h.	Sir. Sunny Nwosu	- Shareholder
i.	Pa. Shotunde Shopeju	- Shareholder
j.	Peter Eyanaku	- Shareholder
k.	Adeleke Adebayo	- Shareholder
l.	Rotimi Fashola	- Shareholder
m.	Folusho Gbadamosi	- Shareholder

A proxy form is enclosed in the audit report, to be valid, executed forms of proxy should be deposited with the Registrar, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Way, Yaba, Lagos, not less than 48 hours before the time fixed for holding the meeting.

Closure of Register

The Register of members will be closed from 28th November 2022 to 2nd December 2022 (both days inclusive) to enable the Registrars make necessary preparations for the Annual General Meeting.

Appointment of External Auditors

Pursuant to Section 401 (1) of the Companies and Allied Matters Act 2020 and the Directors' recommendation to appoint Messrs. PKF Professional Services as External Auditors of the Company to replace Messrs. Akintola Williams Deloitte.

Audit and Compliance Committee

In accordance with S.404(6) of the Companies and Allied Matters Act 2020, any shareholder may nominate a Shareholder as a member of the Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

The Code of Corporate Governance for Public Companies issued by the Financial Reporting Council and the Securities and Exchange Commission requires members of the Audit Committee to be financially literate and able to read financial statements. We therefore request that all nominations to the Committee should be accompanied by the Curriculum Vitae of the Nominees.

Retirement by Rotation

Kanayo Chuks Okoye and Gaffar Kayode Animashawun Jnr. will retire by rotation and being eligible have offered themselves for re-election.

Live Streaming of the AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to also be part of the proceedings. The link for the live streaming will be made available on the Company's website and by the Registrar, in due course.

E- Annual Report

The electronic version (e-copy) of the 2016 Annual Report will be available online for viewing and download on the Company's website, www.iginigeria.com and that of the Registrars, www.gtlregistrars.com. Shareholders who have updated their records with their email addresses will also receive e-copy of the Report. Interested shareholders may also send an email to info@gtlregistrars.com to request for it.

Right to ask Questions

It is the right of shareholders to ask questions, not only at the AGM but also in writing prior to the meeting. Such questions should be addressed to the Company Secretary and submitted at the registered office of the Company not later than one week before the date of the AGM.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report on the affairs of Industrial and General Insurance Plc ("the Company") together with the Consolidated and Separate Financial Statements for the year ended 31 December 2016.

CORPORATE STRUCTURE AND BUSINESS
Industrial and General Insurance Plc ("IGI" or "the Company") is a company domiciled in Nigeria with presence in some other countries.

The Company was incorporated as a private limited liability company in 31 October 1991 and licensed by the National Insurance Commission to operate as a composite insurance company in December 1991 and commenced business in January 1992. Its registered office is No 2 Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

The Company is principally engaged in the business of financial services with its main business as underwriting of life and non-life risks for both corporate and individual customers.

Following the increase in the number of members beyond the maximum required for a private company after the Company's Private Placement Exercise in year 2006/2007, the Company converted to a public limited liability company on 28 June 2007 and the change was assented to by the Registrar- General of the Corporate Affairs Commission on 30 November 2007. The name of the Company was accordingly changed to Industrial and General Insurance Plc.

The Company expanded in 2007 by acquiring Nasal Insurance Company Limited. This led to an increase in both its asset and customer base.

The Company has both local and foreign subsidiaries, namely:

Local
Global Trust Savings and Loans Limited, International Health Management Services Limited, Monarch Communications Limited, and All Crown Registrars Limited.

Foreign
National Insurance Corporation Limited (Uganda), IGI Gamstar Insurance Company Limited (The Gambia) and Sonarwa Holdings Limited (Rwanda)

The financial results of all the subsidiaries have been consolidated in these financial statements.

PRINCIPAL ACTIVITIES
The Company and most of its international subsidiaries are engaged in composite insurance business, that is, life and non-life insurance which includes special risks and investment contracts whilst Monarch Communications Limited was engaged in the telecommunications business; Global Trust Savings is engaged in the business of mortgage banking; International Health Management Services Limited carries on business as a provider of pre-paid health care services and All Crown Registrars Limited engages in the business of share registration.

Results at a Glance

	Group		Company	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Gross premium income	7,529,493	7,915,395	3,200,616	3,481,655
Underwriting results	1,237,192	795,462	713,098	(493,629)
Investment income	788,871	552,240	464,127	181,805
Management expenses	(5,456,568)	(5,262,426)	(2,839,429)	(3,418,948)
Impairment of receivables and investments	(249,431)	(1,587,455)	(722,096)	(1,059,145)
Loss before taxation	(3,719,959)	(3,814,487)	(1,361,866)	(3,765,441)
Net Assets	4,138,817	7,211,270	5,775,565	6,952,176

DIRECTORS AND DIRECTORS' INTERESTS

a. The names of the current Directors are listed on page 11

b. Mahmud Yayale Ahmed, CFR, Professor Oladapo Afolabi, OON, CFR and Mr. Augustine Olorunsola will retire by rotation and being eligible have offered themselves for re-election.

c. **Directors' Shareholdings**
The interests of the Directors who held office during the year in the issued share capital of the Company as recorded in the Register of Directors' Shareholding are as follows:

	Number of shares as at 31 December	
	2016	**2015**
General Dr. Yakubu Gowon	202,099,971	202,099,971
Apostle Hayford I. Alile	107,632,597	107,632,597
Olubunmi Olowude (Mrs.)	773,910,236	773,910,236
Mahmud Yayale Ahmed, CFR	-	-
Prof. Oladapo Afolabi, OON, CFR	-	-
Rotimi Fashola	312,873,021	122,114,382
Sina Elusakin	4,455,000	4,455,000
Yinka Obalade	1,815,000	1,815,000
Kenneth Aigbinode	-	-
Foluso Gbadamosi	110,071,588	110,071,588
Awuneba Ajumogobia	-	-
Osten Olorunsola	-	-
Gaffar K. Animashawun Jnr. (indirect)	184,064,556	-
Kanayo Chuks Okoye	-	-
Rachel Voke Emenike (Mrs.)	-	-

APPOINTMENT OF NEW DIRECTORS
The Company at its 23rd Annual General Meeting (AGM) held on 19th April 2016 appointed 4 (four) new Non-Executive Directors, namely; Mr. Augustine Olorunsola, Mr. Gaffar Kayode Animashawun Jnr, Mr. Kanayo Chuks Okoye and Mrs. Awuneba Ajumogobia.

ANALYSIS OF SHAREHOLDING
The shareholding pattern of the Company is as follows:

Share Range			Number Of Shareholders	% of Shareholder	Number Of Holdings	% Shareholding
1	-	1,000	41	0.40	18,857	0.00
1,001	-	5,000	58	0.57	125,875	0.00
5,001	-	10,000	21	0.21	153,709	0.00
10,001	-	50,000	3,505	34.59	110,188,237	0.77
50,001	-	100,000	2,032	20.05	132,197,322	0.93
100,001	-	500,001	2,793	27.56	572,579,410	4.02
500,001	-	1,000,000	675	6.66	437,230,290	3.07
1,000,001	-	50,000,000	971	9.58	4,370,763,643	30.71
50,000,001	-	100,000,000	15	0.15	1,099,057,897	7.72
100,000,001	-	And Above	22	0.22	7,508,922,044	52.76
TOTAL :-			10,133	100.00	14,231,237,284	100.00

The Company intends to continually carry out the objectives set out in its Memorandum and Articles of Association. The detailed exposition of the current and future prospects is set out in the Chairman's Report.

RESEARCH AND DEVELOPMENT
The Company is on a continuous basis carrying out research into insurance products and services.

DONATIONS
Charitable gifts and donations during the year amounted to N3,269,405 (2015 - N794,217) and were made to the underlisted. No donation was made to any political organization during the year.

NAME	**Naira**
Nigerian National Bureau	569,405
Football-Kids CUP	250,000
AIO Conference	100,000
National Insurer Association	250,000
National Insurer Association	100,000
Fire Service Fund	2,000,000
	3,269,405

EMPLOYMENT AND EMPLOYEES

a) Employment of physically challenged persons:
It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop. The Company had no disabled person in its employment as at 31 December, 2016.

b) Health, safety at work and welfare of employees:
Health and safety regulations are in force within the premises of the Company. The Company provides subsidy towards transportation, housing, lunch and medical expenses to all employees.

c) **Employees' Involvement and Training**:
The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management's professional and technical expertise is the Company's major asset and investment in their further development continues. The Company's expanding skill-base has been extended by a range of training provided to its employees whose opportunities for career development within the company have been enhanced.

INVESTMENT IN SUBSIDIARIES
Consistent with its expansion program, the Company setup and acquired some subsidiaries in the preceding years. Below is a list of companies and the percentage holdings in the subsidiaries:

S/No	NAME OF SUBSIDIARIES	IGI'S % HOLDING	STATUS
1	Global Trust Savings & Loans Limited	98.73%	Acquired
2	NIC Holding Limited, Uganda	64.95%	Acquired
3	Industrial and General Insurance Company (Ghana) Limited	60.00%	Acquired
4	IGI Life Assurance Company Limited, Ghana	60.00%	Acquired
5	Global Trust Bank Limited, Uganda	100.00%	Set up
6	IGI Gamstar Insurance Company Limited, Gambia	60.00%	Acquired
7	Monarch Communications Limited	56.86%	Set up
8	All Crown Registrars Limited	80.00%	Acquired
9	International Health Management Services Limited	90.84%	Set up
10	Sonarwa Holdings Limited, Rwanda	64.25%	Acquired

Industrial and General Insurance Company (Ghana) Limited, IGI Life Assurance Company Limited, Ghana and Global Trust Bank Limited, Uganda are currently under liquidation processes.

CONSOLIDATED FINANCIAL STATEMENTS
The consolidated results for the year ended 31 December 2016 were prepared in compliance with International Financial Reporting Standards (IFRS).

The Financial Statements of the under listed subsidiaries were consolidated with that of the Company:

Monarch Communications Limited
NIC Holding Limited, Uganda
IGI Gamstar Insurance Company Limited, The Gambia
Global Trust Savings and Loans Limited
International Health Management Services Limited
All Crown Registrars Limited
Sonarwa Holdings Limited, Rwanda

RELATED PARTY TRANSACTIONS
There were no material related party transactions amongst the members of the Group except for the following transactions that have been carried out at arm's length:

i. Global Trust Savings & Loans Limited provides banking services to the parent company and the local subsidiaries. The transactions are carried out at arm's length and in competition with other banks.

ii. International Health Management Services Limited provides pre-paid health care services to the Company and local subsidiaries at arms's length and at competitive market rates.

iii. The Company provides insurance related services to its local subsidiaries in competition with other insurers at

competitive market rates available in the industry.
The above transactions have no material effect on the Group Financial Statements. All intra -group transactions, balances, income and expenses were eliminated on consolidation.

FINANCIAL PERFORMANCE AND RESULTS
The Group recorded a decrease of 1% in Gross Written Premium from N7.74 billion to N7.69 billion in 2016 while Net Premium Income decreased by 9% from N6.35 billion recorded in 2015 to N5.8 billion in 2016. Reinsurance cost for 2016 increased by 11% to N1.73 billion from N1.56 billion recorded in 2015 as a result of the decrease in revenue for the year.

Net claims incurred increased by 61% from N2.58 billion in 2015 to N4.16 billion in 2016. Underwriting expenses decreased by 45% from N2.74 billion in 2015 to N1.52 billion in 2016.

POST REPORTING DATE EVENTS
Mr. Rotimi Fashola, Mr. Sina Elusakin, Mr. Yinka Obalade, Mrs. Awuneba Ajumogobia and Mrs. Foluso Gbadamosi all retired/resigned in year 2017 with effect from the respective dates indicated against their names on page 1.

Mr. Bayo Folayan was appointed Acting Managing Director/CEO of the Company with effect from 3rd July, 2017. He resigned from the Company with effect from 01 February 2019.

Mrs. Rachel Voke Emenike was appointed Managing Director/CEO of the company with effect from 1 February 2019. Her appointment will be presented for ratification/approval at the next AGM of the Company.

AUDITORS
The Auditors, Deloitte & Touche were appointed as the Auditors of the Company at the last AGM of the Company. Their services have been satisfactory but they would not be seeking reappointment.

A resolution shall be proposed at the Annual General Meeting to appoint another auditor for the Company.

ABIODUN AJIFOLAWE
COMPANY SECRETARY
FRC/2013/NBA/0000000/3830
LAGOS, NIGERIA
7 October, 2019

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

We the undersigned hereby certify the following with regards to our audited financial statements for the year ended 31 December 2016 that:

a) We have reviewed the report;

b) To the best of our knowledge, the report does not contain:

   i) Any untrue statement of a material fact, or
   ii) Omit to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made;

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

d) We;

   (i) Are responsible for establishing and maintaining internal controls
   (ii) Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
   (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
   (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

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

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

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

Rachel Voke Emenike
Managing Director
FRC/2015/CIIN/00000013299
7 October 2019

Tolu Delano
Chief Finance Officer
FRC/2019/ANAN/00000019788.
7 October 2019

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2016 AUDITED ACCOUNTS

To the Members of Industrial and General Insurance Plc

Save the resignation of two members, the membership of the Board Audit and Compliance Committee has not changed considerably, since the last changes experienced at the Annual General Meeting of the Company held on the 19th of April 2016 following the retirement of Apostle Hayford Alile, OFR and the appointment of Mrs. Awuneba Ajumogobia as a Director.

The members of the Committee elected then were as stated below: The Committee at its meeting subsequently elected Professor Oladapo Afolabi, OON, as its Chairman. Two members of the Committee resigned in 2017. They are Mrs Awuneba Ajumogobia and Mr Yinka Obalade. Their positions have been filled temporarily by Mr Kanayo Okoye and Mr Tolu Delano pending the next Annual General Meeting

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAMA), CAP20, Laws of the Federation of Nigeria 2004, we, the members of the Audit and Compliance Committee of Industrial and General Insurance Plc. having carried out our statutory functions under the Act, hereby report as follows that;

- We have reviewed the scope and planning of the audit for the year ended 31 December 2016 and we confirm that they were adequate.
- The Company's reporting and accounting policies as well as the internal control systems conform to legal requirements and agreed ethical practices.
- We are satisfied with the departmental responses to the External Auditors' findings on management matters for the year ended 31 December 2016

Finally, we acknowledge and appreciate the cooperation of Management and staff in the conduct of these duties.

Prof. Oladapo Afolabi, OON, CFR
Chairman, Audit and Compliance Committee
FRC/2017/IPAN/00000015950

7 October 2019

Members of the Committee are:-

Prof. Oladapo Afolabi, OON, CFR	Chairman
Awuneba Ajumogobia (Mrs.)	Member (resigned w.e.f. 18/05/17)
Yinka Obalade	Member (resigned w.e.f 01/19/17)
Mr. Kanayo Okoye	Member
Mr. Tolu Delano	Member
Kayode Agboola	Member
Dr. Gbenga Ogunkoya	Member
Dr. Abba Njoku	Member

CORPORATE GOVERNANCE REPORT

1. INTRODUCTION

Industrial and General Insurance Plc as a foremost and indigenous Insurance Company in Nigeria is committed to good corporate governance and to applying best-in-class standards of behaviour as well as providing transparency in how it conducts its affairs.

The Company recognizes the importance of good corporate governance to the continued growth and profitable management of any organization and remains committed to institutionalizing corporate governance principles as part of its group corporate structure.

The Company continues to pursue strict adherence to the implementation of Corporate Governance rules as issued by the National Insurance Commission (NAICOM) and the Securities and Exchange Commission (SEC).

The guiding principles of the Company's Corporate Governance Guidelines include the following:-

i) delegation of authority by the shareholders (who are the owners of the Company) to the Board and subsequently to Board Committees and Executive Management is clearly defined and agreed. However, the Board is aware that it is ultimately responsible and accountable for the performance of the Company. It recognises that the use of delegated authority to Board Committees and Executive Management in no way mitigates or dissipates the discharge by the Board of its responsibilities.
ii) Institutionalized individual accountability and responsibility through empowerment and relevant authority.
ii) Each of the Board Committees has clear-cut Terms of Reference confirmed by the Board.
iv) There is transparency and full disclosure from the Board Committees to the Board and the Directors have full access to all Board Committees' documents and the Committee are free to seek professional advice when and if they so deem fit.
v) actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Company and its shareholders.

2. GOVERNANCE STRUCTURE AND ORGANIZATION

According to the Company's Constitution and the requirements set forth by the Code of Corporate Governance in Nigeria, the Company has adopted the following governance structure:

a) Shareholders' Meeting
b) Board of Directors
c) Board Committees
d) Management/Management Board

2.1 Annual General Shareholders' Meeting

The General Meeting of the Company is the highest decision making body of the Company. The shareholders have an opportunity to express their views and concerns, if any, on the Company's financial results and all other issues at the Annual General Meeting of the Company (AGM).

The last Annual General Meeting of the Company took place on the 19th day of April 2016 at Monacom Building, No 2, Agoro Odiyan Street, Off Adeola Odeku Street, Victoria Island, Lagos State.

Shareholders having the right to attend the AGM were adequately notified of the AGM by publication in national newspapers 21 days in advance of the meeting. Shareholders were given ample opportunities to participate at the AGM. Proxy forms were made available to shareholders in accordance with Company's Constitution.

2.2 Communication with Interest holders and with the Public

It is the responsibility of the Executive Management, under the direction of the Board, to ensure that the Board receives adequate information on a timely basis about the Company's businesses and operations at appropriate intervals and in an appropriate manner to enable the Board carry out its responsibilities.

Furthermore, the Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters.

2.3 The Board of Directors

For the reporting year, the Board of the Company comprised 10 members; 5 Non-Executive Directors and 5 Executive Directors. One of the 5 Non-executive Directors (none of whom exercises executive powers) chaired the Board.

The Board meets regularly, at least four times in a year, that is, once every quarter.

The Board continues to operate within its responsibilities as contained in the Group Corporate Governance guidelines, Regulatory Code of Corporate Governance, the Company's Articles of Association and the Companies and Allied Matters Act as specified by the insurance sector regulator, NAICOM.

Board Composition

All the Directors bring various and varied competencies to bear on board deliberations. The Directors individually have attained the highest pinnacle of their chosen professions. The Board meets regularly and is responsible for effective implementation and monitoring of the Company's strategy.

CONSTITUTION OF THE BOARD

	Name	Non-Executive	Executive	Remark
1	Mahmud Yayale Ahmed, CFR	●		
2	Rotimi Fashola		●	
3	Prof Oladapo Afolabi, CFR	●		
4	Mr. Osten Olorunsola	●		
5	Mr Kanayo Okoye	●		
6	Awuneba Ajumogobia (Mrs)	●		
7	G.K Animashawun	●		
8	Sina Elusakin		●	
9	Yinka Obalade		●	
10	Foluso Gbadamosi		●	

2.4 Duties and Responsibilities of the Board

It is the responsibility of the Board to provide strategic direction for the Company. It reviews and approves the major strategies, financial and other objectives and plans of the Company. The Board ensures that adequate systems of internal controls, risk management, financial reporting and compliance are in place as well as ensuring the processes for evaluating the adequacy of these systems on an ongoing basis. Other functions include:

- selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
- performing all statutory roles as required by law; through decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the full Board;
- ratifying duly approved recommendations and decisions of the Board Committees;
- ensuring that proper accounting records are maintained;
- instituting internal control procedures which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- ensuring that applicable accounting policies are adopted and consistently applied;

- confirming that judgements and estimates made are reasonable and prudent; and
- ensuring that the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

BOARD MEETINGS

Attendance of Members at Board Meetings and Board Committees meetings for year 2016 is set out below:

	Name of Directors	Board	Audit and Compliance Committee	Investment Committee	Corporate Governance Committee	Business Devt. & External Relations Committee	Enterprise Risks Management Committee
	No of Meetings	**5**	**3**	**3**	**2**	**2**	**3**
	Gen. Dr. Yakubu Gowon, GCFR	3					
	Rotimi Fashola	5		3	2	2	3
	Apostle Hayford Alile, OFR	3	1	1			
	Mrs. Bunmi Olowude	3		1			
	Prof. Oladapo Afolabi, OON, CFR	5	3			2	3
	Mahmud Yayale Ahmed, CFR	4					
	Sina Elusakin	4			1	1	2
	Yinka Obalade	5	3	3			
	Kenneth Aigbinode	2		1			
	Foluso Gbadamosi	5				2	2
	Awuneba Ajumogobia	3	1	2			
	Osten Olorunsola	3		2	2		
	Gaffar K. Animashawun Jnr.	3			2	2	
	Kanayo Chuks Okoye	3			2		2

3. BOARD APPRAISAL

The Code of Corporate Governance for the insurance industry recognizes the fact that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal covers all aspects of the Board's structure, composition, responsibilities, processes and respective roles in the Board performance, as well as the Company's compliance status with the provisions of NAICOM.

4. BOARD COMMITTEES

During the year ended 31 December 2016, the Board delegated some of its responsibilities to the following committees:-

a) AUDIT AND COMPLIANCE COMMITTEE (ACC)

The Audit and Compliance Committee is a statutory committee established pursuant to Section 359 (3 & 4) of the Companies and Allied Matters Act, CAP C20, LFN 2004. The members of the committee include;

Membership

Prof. Oladapo Afolabi, OON, CFR Chairman)	Non-Executive Director
Yinka Obalade	Executive Director
Awuneba Ajumobobia (Mrs.)	Non-Executive Director
Dr. Michael Ogunkoya	Shareholder
Dr. Abba Njoku	Shareholder
Kayode Agboola	Shareholder

Duties and Responsibilities

The ACC is responsible for:

- the review of the integrity of the data and information provided in the Audit and/or Financial Reports;
- ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- reviewing the scope and planning of audit requirements;
- reviewing the findings on management matters and departmental responses thereon in conjuction with the external auditors
- keeping under review the effectiveness of the Company's system of accounting and internal control; The Committee has oversight responsibilities for the Company's financial statements
- making recommendations to the Board of Directors in regard to the appointment, removal and remuneration of the external auditors of the company;
- authorizing the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee'
- consider other issues and matters as defined by the Board of Directors.

b) INVESTMENT COMMITTEE (IC)

Membership

Awuneba Ajumogobia (Mrs.)	Chairman
Osten Olorunsola	
Rotimi Fashola	
Yinka Obalade	
Doyin Adebambo (in attendance)	

Duties and Responsibilities

The IC is responsible for:

Ensuring compliance with the Board approved investment policy
Deciding the investment philosophy of the Company
Considering and recommending optimal investment mix consistent with risk profile approved by the Board
Evaluating the value of daily marked-to-market portfolios and make proposals to the Management of the Company
Deliberating and considering within the scope of the Investment Policy, proposed investments beyond the discretionary limits of Management Investment Team
Reviewing investments made by the Management Investment Team and ensuring adequate provisions for any impairment in values.

c) CORPORATE GOVERNANCE COMMITTEE (CGC)

Membership

Osten Olorunsola	Chairman
Kanayo Chuks Okoye	
Gaffar K. Animashawun	
Rotimi Fashola	
Sina Elusakin	

Duties and Responsibilities

The CGC undertakes the following duties and responsibilities:

- periodic review of the various corporate governance principles/codes established by the relevant regulatory authorities, Securities and Exchange Commission, National Insurance Commission etc as well as other Corporate Governance codes established as standard for corporate entities like IGI to ensure that the IGI's Code of Corporate Governance incorporates all the relevant principles of the codes relating to the Company;
- monitoring the insurance industry yearly Guidelines with a view to assisting the Board members and staff in the performance of their duties
- reviewing the performance of the Board, its members, and its committees on the basis of established criteria;
- periodic review of the Board's committee structure and terms of reference of committees of the Board;
- reviewing the methods and processes by which the Board fulfils its duties and responsibilities including the communication process between the Board and management, the number and content of meetings of the Board and its Committees, and resources available to Board members;
- receiving and considering any significant concern of individual Board members regarding the functioning of the Board or any of its committees;
- ensuring that an appropriate corporate governance statement is included in the Annual Report of the Company;
- any other matters that the Board deems fit as falling within the duties and responsibilities of the CGC and referred to it for consideration and advice.

d) BUSINESS DEVELOPMENT & EXTERNAL RELATIONS COMMITTEE (BDERC)

Membership

Gaffar K. Animashawun Jnr.	Chairman
Prof. Oladapo Afolabi, OON, CFR	
Rotimi Fashola	
Sina Elusakin	
Foluso Gbadamosi	

Duties and Responsibilities

The BDERC is responsible for:

- strategies for developing the business of the Company and oversees the implementation of the business plans of the Company
- monitoring the activities undertaken to ensure that goals set out in the plans are achieved
- reviewing the Company's business plan and advising the Board in respect of the plan
- considering future revenue generating business and areas for business change and making recommendations to the Board on the allocation of business development resources
- conducting research and ascertaining global issues that can facilitate the development of the Company;
- considering other issues and matters, as defined by the Board of Directors.

e) ENTERPRISE RISK MANAGEMENT COMMITTEE (ERMC)

Membership

Kanayo Chuks Okoye	Chairman
Prof. Oladapo Afolabi, CFR	
Rotimi Fashola	
Sina Elusakin	
Foluso Gbadamosi	
Rotimi Adebiyi (in attendance)	

Duties and Responsibilities

The responsibilities of the ERMC include:

- overseeing the establishment of a management framework that defines the company's risk policy and risk limits.
- ensuring that the risk management framework is integrated into the day to day operations of the business and provides guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology, and compliance risk.
- undertaking on an annual basis a thorough risk assessment covering all aspects of the Company's business and the results of the risk assessment to be used to update the risk management framework of the Company.
- obtaining and reviewing periodically relevant reports to ensure the ongoing effectiveness of the Company's risk management framework.
- ensuring that the Company's risk management policies and practices are disclosed in the annual reports.

2016 CORPORATE SOCIAL INVESTMENTS

One of the unique attributes of IGI is its relevance to the society. This has developed into a culture of excellence and the company never shirks its social responsibility of giving back and investing in the welfare and well-being of the society. With corporate sponsorship of sports and youth development as its major focus, IGI is reputed for promoting football and supporting organisations involved in other games, including youth soccer. We recognize the great value of sport to personal development, hence t he introduction of the *IGI U-19 Football Talent Hunt* aimed at nurturing the sporting talents and aspirations of teenagers. IGI encourages schools sports and has consistently sponsored some physically-challenged Nigerian athletes to international competitions. Besides sports, IGI is also keen on programmes t hat promote Arts and Culture, Education and Community Development. We are committed to deploying our capabilities, human and financial resources to ensure healthy living and to create positive and long-term change for the benefit of the society.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the preparation and approval of the Consolidated and Separate Financial Statements

The Directors of **Industrial and General Insurance PLC** are responsible for the preparation of the group financial statements that give a true and fair view of the financial position of the Group as at 31 December 2016 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act CAP 117 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- making an assessment of the company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of Group, and which enable them to ensure that the financial statements of the Group comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

The consolidated financial statements of the Group and company for the year ended 31 December 2016 were approved by the board of directors on 7 October, 2019.

On behalf of the Directors of the Group

Rachel Voke Emenike	**Tolu Delano**
Managing Director/CEO	*Chief Finance Officer*
FRC/2015/CIIN/00000013299	FRC/2019/ANAN/00000019788
7 October 2019	7 October 2019

Management 's Discussion and Analysis for the year ended 31 December 2016

This management discussion and analysis (MD&A) has been prepared as At 31 December 2016 and should be read in conjunction with the consolidated financial statements of Industrial and General Insurance Plc. These statements reflect management's current belief and are based on information available to the Group which is subject to certain risks, uncertainties and assumptions.

Industrial and General Insurance Plc ("Company") and its Eight (8) Subsidiaries ("Group") carried out the following principal activities of underwriting, risk management, banking, company registrars and pension management during the year under review within Nigeria and across a few African countries where IGI has its presence.

Business Strategy of the Group and Overall Performance

The Group is registered and incorporated in Nigeria as a composite Insurance Company but has investments in subsidiaries providing banking, telecommunications, pension management, and other investment solutions to both corporate and retail sector of Nigeria and other African countries. The Company has established itself as "a leading insurance company in Africa".

The group is leveraging on its investment in technology to provide a secure platform that guaranty quality, timely and easy access to our various products designed to delight our customers.

Operating Results

Our Performance is measured by seven (7) financial metrics which demonstrates how efficient our business has been.

	Group			Company		
	2016 N'000	2015 N'000	% Change	2016 N'000	2015 N'000	% Change
Gross premium written	7,693,288	7,743,350	(1)	3,020,008	3,455,994	(13)
Net Premium Income	5,796,460	6,352,620	(9)	2,205,432	2,512,620	(12)
Underwriting results	1,237,192	795,462	56	713,098	(493,629)	(242)
Investment income	788,871	552,240	43	464,127	181,805	155
Management expenses	(5,456,568)	(5,262,426)	4	(2,839,429)	(3,418,948)	(17)
Impairment provisions	(249,431)	(1,587,455)	(84)	(722,096)	(1,059,145)	(32)
Loss before tax	(3,719,959)	(3,814,487)	(2)	(1,361,866)	(3,765,441)	(63)
Loss per share (kobo)	(15.29)	(27.63)		(8.27)	(26.55)	

The Group experienced a reduction of 1% (Company reduced by 13%) in Gross premium written when compared to prior year's result. This is attributable to external economic factors as well as some changes within the group. We expect a positive change in this trend as structures have been put in place to address this.

Investment income for the group increased by 43% from N552million in 2015 to N789million in 2016. Investment income for the company increased from N182million in 2015 to N464million in 2016 representing an increase of 155%.

Management expenses for the group increased by 4% to N5.46 billion from N5.26billion incurred in 2015.

The Group is currently restructuring its investment portfolio from a robust Long term portfolio to a more liquid balance. This will enable the company to meet policyholders' obligations as well as improving profitability and cash flow requirements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Industrial and General Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of **Industrial and General Insurance Plc** ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements including a summary of significant accounting policies

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Industrial and General Insurance Plc** as at 31 December 2016 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, the Insurance Act CAP I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), National Health Insurance Scheme Act, 2011 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to the following notes in the financial statements.

(i) Note 3(a)(vi) which indicates that, as of 31 December, 2016, the Company had deficiencies in asset cover (Hypothecation of assets) for Shareholder and Policyholders' funds for General Business, Life Business Policy holders' fund and Deposit Administration Fund of N1.111 billion (2015: N1.734 billion), N982 million (2015: N2.40 billion) and N5.794 billion (2015: N4.23 billion) respectively.

(ii) Note 3(g)(ii) which indicates that, as of 31 December, 2016, the company had a negative solvency margin of ₦3.801 billion (2015: positive ₦1.36 billion) which was below the minimum requirement of N5billion for composite (life and general) business by ₦8.801 billion (2015: ₦3.64 billion).

These conditions as set forth in the notes mentioned above, indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The note also explains the Directors' remedial plans which formed the basis for preparing the financial statements using accounting policies applicable to going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Insurance and Investment contract liabilities	
Under IFRS 4, the Group is required to perform liability adequacy test on its insurance liabilities to ensure the carrying value of the liabilities is adequate. Liability Adequacy test are carried out separately for the Life and Non-Life business of the Group, as well as the subsidiary. As disclosed in notes 19 and 20 to the consolidated and separate financial statements, the insurance and investment contract liabilities for the Group amounted to N16.68 billion and N14.07 billion (Company: N9.53 billion and N8.91 billion) [2015: Group – N12.64 billion and N12.18 billion; and Company – N8.94 billion and N8.65 billion]. The Company usually involves an actuary in the determination of its insurance liability on a yearly basis after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary. The insurance and investment contract liabilities were significant to our audit because the balances are material to the financial statements. Also, the valuation of Insurance and investment contract liabilities entails the use of assumptions and estimates which may be subject to management bias in the considerations of data used for the actuarial valuation of the insurance contract liabilities.	Our procedures included the following among others: • We reviewed the methodology and processes adopted by management for making reserves in the books of the company. • Tested entity's control around reserving process and maintenance of data for valuation of insurance contract liabilities. • We reviewed and benchmarked the valuation method of the insurance contract liabilities with the recommended approach by NAICOM and industry best practice. • We validated the data used in the valuation of the insurance contract liabilities. • We involved Deloitte Actuarial Specialists in the review of the assumptions and estimates used by management and assessment of the adequacy of the insurance liabilities in line with Liability Adequacy Test ("LAT") based on requirement of IFRS 4. • We ensured the appropriateness of the journals posted, footed and agreed the figures disclosed in the financial statements to the figures stated in the actuarial valuation after thorough review of the basis and assumptions. • For the purposes of our audit, we focused our audit effort on the insurance contract liabilities valuation in relation to the assumptions and estimates made by management. We concluded that the actuarial valuation of the insurance contract liabilities appeared appropriate based on our review of the data, assumptions and basis of estimates.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Audit Committee's Report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act CAP I17 LFN 2004, circulars and guidance issued by the National Insurance Commission (NAICOM), National Health Insurance Scheme Act, 2011, Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
  However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and Section 28(2) of Insurance Act 117 LFN 2004, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company’s financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contraventions

The Company contravened certain sections of Insurance Act 117 LFN 2004, NAICOM circulars and guidelines with respect to its activities in 2016. The particulars thereof and penalties paid are as disclosed in note 60 to the financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
30 October, 2020

Engagement partner: Yetunde Odetayo, FCA
FRC/2013/ICAN/00000000823

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.0 General Information

Industrial and General Insurance Plc. ("the Company") and its subsidiaries (together "the Group") underwrite every kind of insurance business and every kind of guarantee and indemnity business, and in particular, without prejudice to the generality of the foregoing words, to carry on every kind of Individual Life and Group Life Insurance, as well as every class of Non-Life Insurance including Oil & Energy, Marine & Aviation, Engineering and Contractors All Risks Insurance, Group Personal Accident, Workmen's Compensation, Employer's Liability, Public & Product Liability, Motor, Fire & Allied Perils, Theft/Burglary (Private & Business), All Risks, Money, Fidelity Guarantee, and Bid Bond/Supply Bonds, Performance Bonds, Medical, Travel, Goods - in- Transit, and Agricultural insurances in all its branches.

The Group is involved in the payment of claims, investment of funds and also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria, Ghana, Uganda, Rwanda and The Gambia.

The Company was incorporated in Nigeria as a private limited liability company on 31 October 1991 under the Companies and Allied Matters Act, 1990. It commenced business in January 1992. The board of the company passed a special resolution to change its name to Industrial and General Insurance Plc. on 28 June 2007 and the change was signed by the Registrar-General on 30 November 2007

The Registered office is located at: No 2, Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

1.1 Going concern

The company's solvency margin is below the requirements of the Insurance Act CAP I17, LFN 2004. The Company reported a solvency margin deficit of N4.07 billion for the year ended 31 December, 2016 (2015: N3.643 billion) which occurred as a result of the backing out or derecognition of the foreign subsidiaries and properties with yet to be perfected title.

The Group's management has performed an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. This conclusion is based on the Group executive management's plan of restructuring the assets of the Group and divesting from some of the subsidiary Companies to improve the liquidity position, inject fresh capital and enhance the Group's Going Concern assumption consideration.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2 Basis of presentation

2.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria for the financial year starting from 1 January, 2015.

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act CAP I17 LFN 2004, the Financial Reporting Council Act, 2011 and the Guidelines issued by the National Insurance Commission to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2 Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange transactions except for certain investments whose valuation was based on observable input from asset managers.

These consolidated and separate financial statements are prepared on the historical cost basis except for the following material items in the statement of financial position:

(i) Financial instruments designated at fair value through profit or loss are measured at fair value;
(ii) Available for sale financial instruments are measured at fair value;
(iii) Loans and receivables, held to maturity financial assets and financial liabilities are measured at amortised cost;
(iv) Land and building are carried at revalued amounts;
(v) Investment properties are carried at fair value;

These financial statements have being prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.

The financial statements for the year ended 31 December 2015 were approved for issue by the Board of Directors on 7 October, 2019.

2.3 Business Combinations

Business Combinations are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The Consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in accordance with the relevant IFRS in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Consolidation procedures

i. In line with IFRS 10 on consolidated financial statements, all like items of assets, liabilities, equity, income, expenses and cash flows of the company have been combined with those of all subsidiaries.
ii. The carrying amount of the company's investments in each subsidiary have been offset or eliminated from the company's portion of equity of each subsidiary
iii. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between all entities of the group have been eliminated

New and revised IFRS for 2016 annual financial statements and beyond

a. Amendments to IFRSs that are mandatorily effective for the year ended 31 December 2016

Similar to 2015, 2016 is a relatively quiet year, only a limited number of amendments to IFRSs became mandatorily effective. All these amendments to IFRSs generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments requiring prospective application.

For December year-end entities, below is a list of the amendments to IFRSs that are mandatorily effective for their 2016 financial year:

(i) New standards and amendments that will be effective for reporting period that begin 1 January 2016

A number of standards, interpretations and amendments thereto, had been issued by the IASB which are effective but do not impact on these consolidated financial statements as summarised in the table below:

IFRS	Effective Date	Subject of standard/amendment
IFRS 14 Regulatory Deferral Accounts	1-Jan-16	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

		This standard does not impact on the consolidated financial statements as the Group does not provide services subject to rate regulation and in addition, the group has applied IFRS 1 in prior year when converting to IFRS.

IFRS	Effective Date	Subject of standard/amendment
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	Effective for annual periods beginning on or after 1 January 2016	The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS	Effective for annual periods beginning on or after 1 January 2016	The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IFRS	Effective Date	Subject of standard/amendment
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	Effective for annual periods beginning on or after 1 January 2016	This presumption can only be rebutted in the following two limited circumstances: a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Based on the assessment, it was noted that none of its intangible assets or property, plant and equipment are being amortised or depreciated based on revenue
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	Effective for annual periods beginning on or after 1 January 2016	The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. For the purpose of bringing bearer plants from the scope of IAS 41 into the scope of IAS 16 and therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation, a definition of a 'bearer plant' is introduced into both standards. A bearer plant is defined as a living plant that: i. is used in the production or supply of agricultural produce; ii. is expected to bear produce for more than one period; and iii. has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

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		The scope sections of both standards are then amended to clarify that biological assets except for bearer plants are accounted for under IAS 41 while bearer plants are accounted for under IAS 16.

IFRS	Effective Date	Subject of standard/amendment
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Effective for annual periods beginning on or after 1 January 2016	The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements at cost, in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted IFRS 9), or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. The Group has assessed the impact of this amendment in its financial statements and noted that this amendment does not affect the entity's accounting treatment of its investment in its subsidiary.
Disclosure Initiative (Amendments to IAS 1)	Effective for annual periods beginning on or after 1 January 2016	The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. Disclosure Initiative (Amendments to IAS 1) makes the following changes: i. Materiality. The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

		ii Statement of financial position and statement of profit or loss and other comprehensive income. The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
		Notes. The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful

IFRS	Effective Date	Subject of standard/amendment
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Effective for annual periods beginning on or after 1 January 2016	The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. Investment Entities: The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. It also states that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. In addition, when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

		in subsidiaries. In addition, an investment entity measuring all of its subsidiaries at fair value must provide the disclosures relating to investment entities as required by IFRS 12.
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal.	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.

IFRS	Subject of amendment	Subject of standard/amendment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal.	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.
IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1)	(i) Servicing contracts (ii) Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets. Also, the amendment clarifies that the offsetting disclosures are not specifically required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to satisfy the requirements in IAS 34 Interim Financial Reporting.
IAS 19 Employee Benefits	Discount rate: regional market issue	The amendment clarifies that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The basis for conclusions to the amendment also clarifies that the depth of the market for high quality corporate bonds should be

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

		assessed at a currency level which is consistent with the currency in which the benefits are to be paid. For currencies for which there is no deep market in such high quality bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency should be used
IAS 34 Interim Financial Reporting	Disclosure of information 'elsewhere in the interim financial report'.	The amendment clarifies the requirements relating to information required by paragraph 16A of IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendment requires that such information to be included either in the interim financial statements or incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5 Accounting Policies

The Group has consistently applied the accounting policies set out below to all periods presented in these financial statements.

6 Consolidation

The financial statements of the consolidated subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous year.

7 Subsidiaries

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity
- power to govern the financial and operating policies of the other entity
- power to appoint or remove the majority of the members of the board or equivalent governing body
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that 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 transaction (transaction 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.

In its separate financial statements, the company accounts for its investments in subsidiaries at cost.

Intercompany 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. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

8 Segment reporting

An operating segment is a component of the Group engaged in business activities from which it can earn revenues and whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Executive Management. Transactions between segments are at arms' length.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with exchange rate as at the date of initial recognition. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss account within 'finance income or cost'. All other foreign exchange gains or losses are presented in the profit or loss account within 'other income' or other expenses.

c.) Foreign operations

The results and financial position of all the group entities which have functional currency different from the Group's presentation currency, are translated into the Group's presentation currency as follows:

i.) assets and liabilities of each foreign operation are translated at the rates of exchange ruling at the reporting date.

ii.) income and expenses of each foreign operation are translated at the average exchange rate for the period, unless this average is not a reasonable approximation of the rate prevailing on translation date in which case income and expenses are translated at the exchange rate ruling at transaction date and

iii.) all resulting exchange differences are recognised in other comprehensive income and are classified as equity and recognised in the foreign currency translation reserve.

10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

11 Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss; held to maturity investments; loans and receivables and available-for-sale financial assets. The Directors determine the appropriate classification of its financial assets at initial recognition.

11.1 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The classification depends on the purpose for which the investments

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial investment.

11.2 Reclassification of financial assets

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

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

11.3 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term.

i Available –for–sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the three other categories and which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices. They comprise investment in unquoted equities and investments in projects. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using net assets valuation basis. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment.

Fair value gains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

ii Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in this value recognized in the income statement in the period in which they arise. Such investments are investments in quoted equity. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

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iii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost less any impairment losses. They include receivables from direct insured, Agents and Brokers, Coinsurance and Reinsurance companies. Other loans and receivables include loans and advances, staff loans and advances and other sundry receivables which arise in the ordinary course of business.

Impairment provisions are recognized when there is objective evidence that the Group will not be able to collect all of the amounts due under the terms of the receivable; (evidence includes significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 90 days). The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made. Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

iv Held-to-maturity financial assets

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

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

The Group classifies financial assets as Held-to-maturity when the Group's has positive intent and ability to hold the securities to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying its investment securities as held-to-maturity for the current and the following two financial years. Quoted equities and debt securities e.g. bonds that are initially classified as held-to-maturity may, subsequently, be moved to available-for-sale financial assets whenever the market price is higher than the purchase price in order to sell and take profit. Interests on held-to-maturity investments are included in the consolidated income statement and are reported as Interest and similar income'. In the case of an impairment, it is reported as a deduction from the carrying value of the investment. Held-to-maturity investments are largely bonds, and recognised in the consolidated income statement as Net gains/(losses) on investment securities'.

11.4 Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a "loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that the debtor will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

11.5 Financial assets carried at amortized cost

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

Significant financial difficulty of the issuer or debtor;
A breach of contract, such as a default or delinquency in payments;
It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;

The disappearance of an active market for that financial asset because of financial difficulties; or observa ble data indicating that there is a measurable decrease in the estimated future cash flow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group, including: adverse changes in the payment status of issuers or debtors in the Group; or national or local economic conditions that correlate with defaults on the assets in the Group.

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

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

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

An impairment rate is derived based on the likelihood that a premium deb t will not be paid and will fall into default. The Group first assesses whether objective evidence of impairment exists individually for receivables that are individually significant and are impaired accordingly. If the company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment. The impairment rate is derived based on the historical collection rate of outstanding premium over a period.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the

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previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

11.6 Assets classified as available for sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the income statement on equity instruments are not reversed through the profit or loss. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

11.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

11.8 Impairment of other non-financial assets

Assets that have an indefinite useful life – for example, land – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

11.9 Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

* The rights to receive cash flows from the asset have expired; or
* The Group retains the right to receive cash flows from the asset and has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
* The Group has transferred substantially all the risks and rewards of the asset; or
* The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

11.10 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

11.11 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

12 Policy Loans

The group grants cash loans to Policy holders in line with the 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 policyholder upon cancellation 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 not beyond the policy duration and such policy must be in force and has 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 interest rate used by then actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings.

They are initially recognized at cost and subsequently measured at cost plus accumulated interest outstanding. Policy loans will not impair since the policy will terminate and become void when the principal and the accumulated interest equal the cash-value of the policy.

13 Staff Loans

This comprises of staff vehicle loans, staff emergency loans, mortgage loans and other interest bearing loans.

14 Trade receivables

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment. They are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect the entire amount due under the original terms of the invoice.

Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the profit or loss.

Trade receivables are recognised for insurance cover for which payments have been received indirectly through duly licensed insurance brokers or lead insurers in Co-insurance arrangements. Premium collected on behalf of the Company is expected to be received within 30 days from insurance brokers and lead insurers. The "No premium, No cover" policy by NAICOM has been adhered to strictly during the year under review.

15 Other receivables and prepayments

Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue receivables is recognized as it accrues.

16 Reinsurance Assets

These are contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company, and which also meets the classification requirements for insurance contracts held as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included in insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Company's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the Company for the related claim, the difference is amortized over the estimated remaining settlement period.

16.1 Impairment of Reinsurance assets

The Group assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss and other comprehensive income.

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is calculated following the same method used for these financial assets carried at amortized cost.
Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or on expiry or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets that are recognised based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured.

Investment income on these contracts is accounted for using the effective interest rate method when accrued.

17 Deferred acquisition costs (DAC)

Acquisition costs comprise mainly of agent's commission. These costs are deferred and amortized over the terms of the related policies to the extent that they are considered to be recoverable from unearned premium.

A proportion of commission payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the 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 amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amounts is less than the carrying value an impairment loss is recognised in the statement of profit or loss and other comprehensive income. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

18 Loans and advances

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

- those classified as held for trading and those that the Group on initial recognition designates as at fair value through profit and loss;
- those that the Bank upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are reported in the statement of financial position as loans and advances to customers and placements with other banks and interest on these is reported in the statement of profit or loss and other comprehensive income as interest income.

In case of an impairment, the impairment loss is reported as a deduction from the carrying value of loans and recognized in the profit or loss and other comprehensive income as 'impairment losses on loans and advances'.

18.1 Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the profit and loss account, the group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Bank. As at 31 December 2015, an IAS 39 provision was computed for both unidentified and identified impairment and impairment loss was measured on the basis of the present value of estimated future cash flows discounted at the original effective interest rate. Future expected cash flows were determined based on the value of the collateral held for which the Group's interest was registered.

19 Investment in subsidiaries

Investment in subsidiaries companies are carried in the Group's statement of financial position at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

Each subsidiary is assessed at each reporting date for impairment when the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the subsidiary's carrying amount and fair value less cost to sell at each reporting date. Losses for impairment in subsidiaries are recognised promptly when there is objective evidence that impairment of a subsidiary has occurred. Impairment allowances are calculated on individual subsidiary. Impairment losses are recorded as charges to the profit or loss. The carrying amount of impaired subsidiary at the reporting date is reduced through the use of impairment allowance accounts. Losses which may arise from future events are not recognised.

On disposal of an investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

20 Investment property

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation and are not occupied by the Company are classified as investment property under non-current assets.

Investment property is carried at fair value, representing open market value determined annually by independent valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the company uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the statement of profit or loss and other comprehensive income.

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

21 Deferred Taxation

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

22 Intangible assets and Goodwill

22.1 Intangible Assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met.

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

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight line basis over 3 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

22.2 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 units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. The Company performs its annual impairment test of goodwill as at 31 December.

The recoverable amount for the life insurance business cash generating unit has been determined based on a value in use calculation. This calculation is derived from embedded value (EV) principles together with the present value of expected profits from future new business. The EV represents the shareholder interests in the life business and is the total of the net worth of the life business and the value of the in-force business.

The recoverable amount of the non-life insurance cash generating unit has been determined based on a value–in-use calculation. The calculation requires the Company to make an estimate of the expected future cash flows from each of the cash-generating units and discount these amounts using a suitable rate which reflects the risk of those cash flows in order to calculate the present value of those cash flows. Previously recorded impairment losses for goodwill are not reversed in future periods.

When goodwill forms part of a cash-generating unit (or group of cash generating units) and part of the operations within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation to determine 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

23 Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are included in the profit or loss.

De-recognition of Property, plant and equipment

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.

Depreciation of property, plant and equipment

Depreciation is provided on a straight line basis at the following annual rates which are expected to write off the cost or valuation of property, plant and equipment over their estimated useful lives:

	%
Land	Nil
Buildings	2
Leasehold improvements	20
Motor vehicles	25
Furniture and fixtures	15
Office equipment	20
Computer equipment	33 1/3
Telecommunication equipment	15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The Company has a monetization policy whereby ownership of fully depreciated status motor vehicles is transferred to staff at no cost to them.

24 Statutory deposit

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

25 Insurance contract liabilities

25.1 Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Types of Insurance Contracts

The Group classifies its business into two main categories; short term (non-life) and long term (life) insurance business, depending on the duration of risk and in accordance with the provisions of the Insurance Regulation s.

a) Non-life insurance contracts

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

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

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

Classes of non-life insurance business Include Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, General accident insurance, Oil & Energy Insurance .

Non-Life business is normally of single-year duration.

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 handling. 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 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At each reporting date, the Company 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 income statement by setting up a provision for premium deficiency.

b) Life insurance business

Life insurance business includes individual and group life insurance businesses.

Life insurance business means the business of, or in relation to, the issuing of, or the undertaking of a liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life.

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation administration expenses, policyholder options and guarantees, which are directly related to the contract, method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy 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.

Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss and other comprehensive income in 'Gross change in insurance contract liabilities'. Profits originated from margins of adverse deviations on run-off contracts are recognized in the income statement over the life of the contract, whereas losses are fully recognized in the income statement during the first year of run-off. The liability is derecognized when the contract expires, is discharged or is cancelled.

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 statement of profit or lossand other comprehensive income 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

26 Technical reserves

These are computed incompliance with the provisions of Sections 20, 21 and 22 of the Insurance Act CAP I17 LFN 2004 as follows:

26.1 Non-Life insurance contracts

26.1.1 Reserves for unearned premium

In compliance with Section 20 (1)(a) of Insurance Act CAP I17 LFN 2004, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

26.1.2 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") at each reporting date. The Reserve for outstanding claims is based on the liability adequacy test carried out by an Actuary on the insurance contract liabilities using the **"Inflation Adjusted Basic Chain Ladder Method"** which is considered as being representative of the liability.

26.1.3 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).

26.2 Life business

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

26.3 Contingency reserves

26.3.1 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.

26.3.2 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.

26.4 Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

27 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value. Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to t he life assured from investment of the savings is recognized in the profit and loss in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the statement of profit or loss and other comprehensive income of the group.

Investment contract liabilities are recognized when contracts are entered into and premiums are charged. 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 statement of profit or loss and other comprehensive income. The liability is derecognized when the contract expires, is disch arged 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.

28 Managed funds

Managed funds pool the money of individual investors. The combined capital is invested by a professional fund manager, in some cases being applied across a range of asset classes such as shares, bonds, property and infrastructure assets.

A managed account may hold assets, cash or title to property for the benefit of the client. The manager may buy and sell assets without the client's prior approval, as long as the manager acts according to the client's objectives. Because a managed account involves fiduciary duty, the manager must act in the best interest of the client, or potentially face civil or criminal penalties.

Managed funds are popular with investors as they make it easy to invest. One transaction can provide access to a range of underlying investments and to diversify your investment across different asset classes and market sectors. They also provide access to investments that may otherwise be out of reach.

When you invest in a managed fund, you are allocated a number of shares or units in the fund. Each share or unit represents an equal portion of the fund's value. You may receive regular payments – called dividends or distributions – from the fund, based on the profit or income it receives from the underlying investments.

29 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 inter est rate method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

30 Derecognition of insurance payables

Insurance payables are derecognized when the obligation under the liability is settled, cancelled or expired.

31 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. If the due date of the liability is less than one year discounting is omitted.

32 Derecognition of financial liabilities

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 statement of profit or loss and other comprehensive income. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognized.

33 Borrowing costs

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale.
Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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

34 Borrowings

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

35 Dividends

Dividends on ordinary shares are payable out of the Distributable profits of the company and are recognised in equity in the period in which they are approved by the company's shareholders. Dividends proposed by the Directors but not yet approved by shareholders are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of 1990.

36.1 Share capital

The Company'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.

36.2 Share Premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

37 Asset Revaluation Reserve

Subsequent to initial recognition, an item of property, plant and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus 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 case it is recognised in the statement of profit or loss and other comprehensive income. 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 the income statement.

38 Available-for-Sale Reserve

The available-for-sale reserve comprises the cumulative net change in the fair value of the group's available-for-sale investments. Net fair value movements are recycled to income statements if an underline available-for-sale investment is either derecognised or impaired.

39 Statutory reserves

39.1 Regulatory reserve

The regulatory reserve represents an appropriation from retained earnings to comply with the Financial Institutions Act 2004. The amount in the reserve represents the excess/deficit of impairment provisions determined in accordance with Financial Institutions Act over the impairment provisions recognised in accordance with the Group's accounting policy. The reserve is not distributable.

39.2 Capital reserve

The capital reserve is set up as a requirement under the Insurance statute 1996 under which every insurer should transfer from its profits each year before any dividend is declared and after tax provision, 5% of profits to the paid up capital of the insurer to facilitate capital growth.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

40 Taxation

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

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

41 Related party transactions

IAS 24, 'Related party disclosures'. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amended definition means that some entities will be required to make additional disclosures, e.g., an entity that has controlling interest in another entity and is part of the key management personnel of that entity is now required to disclose transactions with that second entity. The amendment had no significant impact on related party disclosures

The Company has controlling interest in other entities incorporated and domiciled in Nigeria, Rwanda, Uganda, Ghana, and The Gambia. The Company is the ultimate parent of the group. There are other companies which are related to parent company, IGI Plc, through common shareholdings or common directorships.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

42 Income Recognition and measurement

Premium income

a. Non-Life insurance business

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

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

b. Life insurance business

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

Claims and other benefits are recorded as an expense when they are incurred.

Salvages

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

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

Subrogation

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

Deferred Income

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

Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in accounting policy 25 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of profit or loss and other comprehensive income. The Group gathers the objective evidence that are insurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets. These processes are described in accounting policy 11.

43 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of profit or loss and other comprehensive income. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets. These processes are described in accounting policy 11.4.

44 Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

45 Reinsurance expense

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

Reinsurance cost represent total outward premium paid to reinsurance companies during the year.

46 Reinsurance claims

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

47 Underwriting Expenses

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

48 Investment and other income

48.1 Interest income

Interest income for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, is recognised within 'investment income' in the income statement using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

48.2 Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. 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.

48.3 Investment income

Interest income is recognized in the statement of profit or loss and other comprehensive income as it a ccrues and is calculated by using the effective interest 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.

48.4 Realized gains and losses

Realized gains and losses recorded in the statement of profit or loss and other comprehensive income on investments include gains and losses on financial assets and investment properties. 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.

49 Finance cost

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

50 Management Expenses

Management expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses.

Other Operating expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of their origin.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

51 Employee benefits

Short-term benefits
Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates and recognised in the profit or loss.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

Post-employment benefits
The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group makes contributions on behalf of qualifying employee to a mandatory scheme under the provisions of the Pension Reform Act of 2014.
Under the defined contribution scheme, employees are entitled to join the scheme on commencement of employment. Employee and the Company contributions are 8% and 10% each of the employee's annual basic salary, housing and transport allowance respectively. The Company has no further payment obligations once it has remitted its own contribution. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

52 Income tax expense

Income tax expense is the aggregate of the charge to the profit and loss in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Nigeria tax laws.

53 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company but 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	Group 2016 N'000	Group 2015 N'000
ASSETS			
Cash and cash equivalents	5	2,038,861	2,790,712
Financial Assets;			
At Fair value through Profit or Loss	6 (a)	359,703	398,789
Available for sale	6 (b)	2,882,333	1,396,167
Held to Maturity	6 (c)	515,488	346,697
Loans and Receivables	6 (d)	393,081	384,867
Trade receivables	7	1,528,200	441,449
Reinsurance Assets	8	3,715,955	3,686,538
Deferred acquisition costs	9	204,615	216,306
Other receivables and Prepayments	16	861,348	967,499
Loans and advances	10	175,266	539,873
Non-current Assets held for sale	11	3,218,947	3,222,112
Investment Property	13	26,401,864	25,326,450
Deferred Income Tax	26 (b)	28,245	32,808
Intangible Assets	14	64,447	238,488
Property plant and equipment	15	6,933,904	6,671,407
Statutory deposits	18	588,175	556,345
TOTAL ASSETS		**49,910,432**	**47,216,507**
LIABILITIES			
Insurance Contract Liabilities	19	16,681,506	12,637,126
Investment Contract Liabilities	20	14,068,469	12,176,417
Trade payables	21	1,408,794	1,736,765
Other payables and Accruals	22	6,826,829	5,631,121
Placement from other banks	23	-	-
Income tax payable	24 (b)	1,848,709	1,754,462
Dividend payable	25	92,775	11,227
Deferred tax liabilities	26 (a)	2,121,376	1,741,915
Deposit for shares	27	1,144,256	1,169,783
Loans and Borrowings	28	1,578,901	3,146,421
TOTAL LIABILITIES		45,771,615	40,005,237
NET ASSETS		**4,138,817**	**7,211,270**
EQUITY			
Share capital	29	7,115,619	7,115,619
Share premium	30	8,530,781	8,530,781
Assets revaluation reserve	31	5,258,209	4,830,206
Fair value reserve	32	629,681	362,816
Contingency reserve	33	3,059,067	2,891,889
Capital reserve	34	73,619	64,214
Retained earnings	35	(20,098,484)	(17,210,912)
Foreign Exchange Reserve	36	(55,791)	218,521
Statutory (regulatory) reserve	37	238,681	114,032
SHAREHOLDERS' FUNDS		4,751,382	6,917,166
NON-CONTROLLING INTEREST	38	(612,565)	294,104
		4,138,817	**7,211,270**

The Group Financial Statements for the year ended 31 December 2016 were approved by the Board of Directors on 7 October 2019 and signed on its behalf by

Rachel Voke Emenike
Managing Director
FRC/2015/CIIN/00000013299

Tolu Delano
Chief Finance Officer
FRC/2019/ANAN/00000019788

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		Company	Company
		2016	**2015**
ASSETS	**Note**	**₦'000**	**₦'000**
Cash and cash equivalents	5	75,255	245,544
Financial Assets;			
At Fair value through Profit or Loss	6 (a)	10,555	13,393
Available for sale	6 (b)	371,628	202,658
Held to Maturity	6 (c)	-	-
Loans and Receivables	6 (d)	359,745	355,139
Trade receivables	7	6,684	13,124
Reinsurance Assets	8	2,923,151	2,709,529
Deferred acquisition costs	9	114,076	135,838
Other receivables and Prepayments	16	375,190	424,011
Investment in Subsidiaries	12	3,418,582	5,590,678
Investment Properties	13	16,856,266	15,915,506
Deferred Income Tax	26 (b)	-	-
Intangible Assets	14	-	-
Property plant and equipment	15	4,942,912	4,670,928
Statutory deposits	18	500,000	500,000
TOTAL ASSETS		29,954,044	30,776,348
LIABILITIES			
Insurance Contract Liabilities	19	9,530,056	8,942,173
Investment Contract Liabilities	20	8,913,994	8,649,161
Trade payables	21	781,827	1,323,964
Other payables and Accruals	22	2,657,925	2,445,656
Income tax payable	24 (b)	1,506,612	1,484,161
Deferred tax liabilities	26 (a)	782,566	854,951
Deposit for shares	27	-	-
Loans and Borrowings	28	5,499	124,106
TOTAL LIABILITIES		24,178,479	23,824,172
NET ASSETS		**5,775,565**	**6,952,176**
EQUITY			
Share capital	29	7,115,619	7,115,619
Share premium	30	8,530,781	8,530,781
Assets revaluation reserve	31	4,826,118	4,509,788
Fair value reserve	32	66,676	132,833
Contingency reserve	33	2,771,939	2,695,929
Retained earnings	35	(17,535,568)	(16,032,774)
		5,775,565	**6,952,176**

The Financial Statements for the year ended 31 December 2016 were approved by the Board of Directors on 7 October 2019 and signed on its behalf by

Rachel Voke Emenike
Managing Director
FRC/2015/CIIN/00000013299

Tolu Delano
Chief Finance Officer
FRC/2019/ANAN/00000019788

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Note	GROUP 2016 N'000	GROUP 2015 N'000
INCOME			
Gross premium written	39	7,693,288	7,743,350
Changes in unearned premium	40	(163,795)	172,045
Gross Premium Income		7,529,493	7,915,395
Reinsurance expense	41	(1,733,033)	(1,562,775)
Net Premium Income		5,796,460	6,352,620
Fees and commission income	42	353,206	457,768
Net underwriting income		**6,149,666**	**6,810,388**
Claims expenses (Gross)	44	4,636,568	3,567,337
Recovered & recoverable from reinsurers	44 (a)	(476,688)	(989,645)
Net claims incurred	45	4,159,880	2,577,692
Commission expense	43		
Underwriting expenses	43	1,519,635	2,743,245
Changes in contract liabilities	46	(767,041)	693,989
		4,912,474	6,014,926
Underwriting Profit		**1,240,932**	**795,462**
Investment income	47	788,871	552,240
Gain on disposal of investment securities		-	45,334
Interest income	48	239,520	156,432
Other income	49	790,102	531,542
Fair value gain through Profit or loss	50	(108,332)	1,788,560
Loss on investment contract	55	(569,505)	(439,888)
Net operating income		**2,377,848**	**3,429,682**
Finance cost	51	(391,808)	(394,288)
Management expenses	53	(5,456,568)	(5,262,426)
Impairment of receivables and Investments	54	(249,431)	(1,587,455)
Loss before taxation		(3,719,959)	(3,814,487)
Taxation	24 (a)	(106,243)	(532,476)
Loss after taxation from Continuing operations		(3,822,462)	(4,346,963)
Discontinued Operations:			
Profit/(Loss) on discontinued operations		-	-
Income tax on discontinued operations			-
Loss after tax on discontinued operations		-	-
Loss for the year		(3,826,202)	(4,346,963)
Attributable to Shareholders		(2,706,616)	(4,373,305)
Attributable to non-controlling interest		(1,121,586)	26,342

	Note	GROUP 2016 N'000	GROUP 2015 N'000
Other comprehensive income (net of tax)			
Items within OCI that may be reclassified to Profit or Loss:			
Fair value gain on available for sale assets		458,184	(240,805)
Exchange difference on translation of foreign operations		(380,484)	(48,027)
Income tax relating to items that may be reclassified subsequently to profit or loss		-	68,855
		77,700	(219,977)
Items within OCI that will not be reclassified to Profit or Loss:			
Actuarial surplus/ transfer from life fund		98,480	55,702
Fair value gain on property		605,181	780,221
Income tax relating to items that will not be reclassified subsequently to profit or loss		(35,148)	(199,925)
		668,513	635,998
Other comprehensive income for the year, net of income tax		746,213	416,021
Total comprehensive result for the year		(3,079,989)	(3,930,942)
Attributable to Shareholders		(2,175,265)	(3,931,392)
Attributable to non-controlling interest		(904,724)	450
Loss per share			
Basic	56	(15.29)	(27.63)

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company

	Note	Company 2016 N'000	Company 2015 N'000
Gross premium written	39	3,020,008	3,455,994
Changes in unearned premium	40	180,608	25,661
Gross Premium Income		3,200,616	3,481,655
Reinsurance expense	41	(995,184)	(969,035)
Net Premium Income		2,205,432	2,512,620
Fees and commission income	42	125,219	120,723
Net underwriting income		**2,330,651**	**2,633,343**
Claims expenses (Gross)	44	2,355,702	1,722,448
Changes in claims recoveries	44 (a)	(420,774)	(547,575)
Net claims incurred	45	1,934,928	1,174,873
Underwriting expenses	43	449,666	1,346,458
Changes in contract liabilities	46	(767,041)	605,641
		1,617,553	3,126,972
Underwriting profit/(loss)		**713,098**	**(493,629)**
Investment income	47	464,127	181,805
Interest income	48	-	-
Other income	49	406,868	212,385
Loss on investment contract	55	(569,505)	(529,179)
Fair value gain through Profit or loss	50	1,443,952	1,555,092
Net operating income		**2,458,540**	**926,474**
Finance cost	51	(258,881)	(213,822)
Management expenses	53	(2,839,429)	(3,418,948)
Impairment of receivables and Investments	54	(722,096)	(1,059,145)
Loss before taxation		(1,361,866)	(3,765,441)
Taxation	24 (a)	(64,918)	(408,790)
Loss for the year		(1,426,784)	(4,174,231)
Other comprehensive income (net of tax)			
Items within OCI that may be reclassified to Profit or Loss:			
Fair value gain /(loss) on available for sale assets		(66,157)	-
Items within OCI that will not be reclassified to Profit or Loss:			
Fair value gain on property, plant and equipment.		351,478	316,330
Income tax relating to items that will not be reclassified subsequently to profit or loss		(35,148)	-
Total other comprehensive income for the year		250,173	316,330
Total comprehensive loss for the year		(1,176,611)	(3,857,901)
Loss per share			
Basic	56	(8.27)	(26.55)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Note	Share capital N'000	Share premium N'000	Assets Revaluation reserve N'000	Retained Earnings N'000	Contingency reserve N'000	Fair value reserve N'000	Regulatory & capital reserves N'000	Foreign exchange reserve N'000	Non-controlling interest N'000	Total N'000
At start of year 2015		7,115,619	8,530,781	4,607,005	(12,740,365)	2,768,734	473,326	179,986	246,332	331,575	11,512,993
Loss for the year		-	-	-	(4,373,305)	-	-	-	-	26,342	(4,346,963)
Other comprehensive income											
Fair value gain on property		-		733,090						47,131	780,221
Actuarial surplus/ transfer from life fund						36,040				19,662	55,702
Net gain/(loss) on available for sale financial assets		-					(154,749)			(86,056)	(240,805)
Income tax		-		(188,898)			44,239			13,589	(131,070)
Foreign exchanges gains/ (loss)		-	-	-		-	-	-	(27,811)	(20,216)	(48,027)
Total comprehensive income for the year		-	-	544,192	(4,373,305)	36,040	(110,510)	-	(27,811)	452	(3,930,942)
Contributions by and distributions to owners											
Contingency reserve for the year		-	-	-	(87,115)	87,115	-	-	-	-	-
Transfer to statutory and capital reserves		-	-	-	(8,832)	-	-	8,832	-	-	-
Adjustment to regulatory reserve		-	-	-	(259)	-	-	(10,572)	-	-	(10,831)
Reversal of revaluation		-	-	(320,991)	-	-	-	-	-	(4,138)	(325,129)
Dividend paid		-	-	-	-	-	-	-	-	(33,094)	(33,094)
Actuarial surplus		-	-	-	(1,036)	-	-	-	-	(691)	(1,727)
Minority share of capital & reserves		-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners		-	-	(320,991)	(97,242)	87,115	-	(1,740)	-	(37,923)	(370,781)
Balance at 31 December 2015		**7,115,619**	**8,530,781**	**4,830,206**	**(17,210,912)**	**2,891,889**	**362,816**	**178,246**	**218,521**	**294,104**	**7,211,270**
At start of year 2016		7,115,619	8,530,781	4,830,206	(17,210,912)	2,891,889	362,816	178,246	218,521	294,104	7,211,270
Loss for the year		-	-	-	(2,704,616)	-	-	-	-	(1,121,586)	(3,826,202)
Other comprehensive income											
Fair value gain on property		-	-	512,859	-	-	-	-	-	92,322	605,181
Actuarial surplus/ transfer from life fund		-	-	-	-	59,088	-	-	-	39,392	98,480
Net gain/(loss) on available for sale financial assets		-	-	-	-	-	266,865	-	-	191,319	458,184
Income tax		-	-	(35,148)	-	-	-	-	-	-	(35,148)
Foreign exchanges gains/ (loss)		-	-	-	-	-	-	-	(274,312)	(106,172)	(380,484)
Total comprehensive income for the year		-	-	477,711	(2,704,616)	59,088	266,865	-	(274,312)	(904,725)	(3,079,989)
Contributions by and distributions to owners											
Contingency reserve for the year		-	-	-	(108,090)	108,090	-	-	-	-	-
Transfer to statutory and capital reserves					(9,404)	-	-	9,405	-	-	-
Reversal of revaluation				(49,708)						(27,659)	(77,367)
Dividend paid					(65,462)					(43,641)	(109,103)
Actuarial surplus					-	-	-	124,649	-	69,357	194,006
Total contributions by and distributions to owners		-	-	(49,708)	(182,956)	108,090	-	134,054	-	(1,943)	7,536
Balance at 31 December 2016		**7,115,619**	**8,530,781**	**5,258,209**	**(20,098,484)**	**3,059,067**	**629,681**	**312,300**	**(55,791)**	**(612,565)**	**4,138,817**

SEPARATE STATEMENT OF CHANGES IN EQUITY

COMPANY	Note	Share capital N'000	Share premium N'000	Assets Revaluation reserve N'000	Retained Earnings N'000	Contingency reserve N'000	Fair value reserve N'000	Total N'000
At start of year 2015		7,115,619	8,530,781	4,113,310	(11,776,026)	2,613,412	132,833	10,729,929
Loss for the year		-	-	-	(4,174,231)	-	-	(4,174,231)
Other comprehensive income								
Gain on valuation of PPE		-	-	566,146	-	-	-	566,146
Transfer to deferred tax		-	-	(169,668)	-	-	-	(169,668)
Total comprehensive income for the year		-	-	396,478	(4,174,231)	-	-	(3,777,753)
Transactions with equity holders, recorded directly in equity:								
Contingency reserve for the year		-	-	-	(82,517)	82,517	-	-
Total contributions by and distributions to owners		-	-	-	(82,517)	82,517	-	-
Balance at 31 December 2015		**7,115,619**	**8,530,781**	**4,509,788**	**(16,032,774)**	**2,695,929**	**132,833**	**6,952,176**
At start of year 2016		7,115,619	8,530,781	4,509,788	(16,032,774)	2,695,929	132,833	6,952,176
Loss for the year		-	-	-	(1,426,784)	-	-	(1,426,784)
Other comprehensive income								
Gain on valuation of PPE		-	-	351,478	-	-	-	351,478
Transfer to deferred tax		-	-	(35,148)	-	-	-	(35,148)
Gain on available for sale financial assets		-	-	-	-	-	(66,157)	(66,157)
Total comprehensive income for the year		-	-	316,330	(1,426,784)	-	(66,157)	(1,176,611)
Transactions with equity holders, recorded directly in equity:								
Contingency reserve for the year		-	-	-	(76,010)	76,010	-	-
Total contributions by and distributions to owners		-	-	-	(76,010)	76,010	-	-
Balance at 31 December 2016		**7,115,619**	**8,530,781**	**4,826,118**	**(17,535,568)**	**2,771,939**	**66,676**	**5,775,565**

STATEMENT OF CASH FLOWS

Cashflows from operating activities	Note	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Premium received on insurance contract		10,171,291	7,764,151	3,026,448	3,506,221
Net inflow from deposit Admin contract		1,243,272	536,260	(93,303)	(5,395)
Reinsurance Premium paid		(2,366,831)	(1,091,848)	(443,336)	(478,501)
Commission received	42	353,206	457,768	125,219	120,723
Commission paid	43 (bi)	(662,350)	(717,858)	(454,509)	(265,312)
Maintenance cost paid	43 (c.)	(845,594)	(1,986,690)	(16,919)	(1,044,531)
Other Income	49	741,943	561,675	238,320	169,900
Investment income	47	444,264	391,428	85,868	122,739
Claims paid	45	(3,566,066)	(2,523,906)	(1,901,759)	(1,262,981)
Reinsurance recovery received		753,098	363,927	197,441	157,199
Operating costs and payments to employee		(7,175,348)	(4,914,645)	(2,686,173)	(2,800,660)
Dividend received		126,084	17,568	99,466	-
Other operating cashflows		(57,016)	(107,453)	-	-
Tax paid	24 (b)	(167,052)	(66,968)	(150,000)	(60,000)
Net cash used in operating activities.		(1,007,099)	(1,164,461)	(1,973,237)	(2,125,511)
Cashflow from investing activities.					
Held to maturity investments		(168,791)	11,125	-	-
Loan and receivable investments		363,070	(463,700)	(4,606)	(31,756)
Available for sale financial assets		(1,221,384)	-	(235,125)	-
Acquisition of investment properties	13	(1,033,579)	(845,144)	(1,000,000)	-
Purchase of non-current asset held for sales		(975)	(4,140)	-	-
Disposal of non-current asset held for sales		4,140	21,898	-	-
Interest received		425,203	345,769	94,099	98,669
Purchase of quoted equities		-	(84,152)	-	-
Dividend received		9,849	-	9,849	12,525
Proceed from disposal of quoted equities		-	429,188	-	-
Proceeds from disposal of available for sale financial assets		152,577	-	-	-
Proceeds from disposal of investment property		2,879,299	398,985	1,675,000	326,743
Purchase of property, plant and equipment	15	(51,788)	(164,025)	(9,296)	(11,748)
Proceeds from disposal of property, plant & equipment		-	562,873	-	-
Proceeds from disposal of investment in subsidiaries		1,414,453	-	1,414,453	-
Purchase of intangible assets	14 (a)	-	(13,945)	-	-
Net cash (outflow)/inflow from investing activities		2,772,074	194,732	2,180,436	924,406
Cash flows from financing activities.					
Interest paid		(391,808)	(417,438)	(258,881)	(235,819)
Dividend paid	25	(105,609)	(37,745)	-	-
Bank loan obtained	28	(225,944)	872,001	-	175,499
Repayment of loans	28	(1,793,465)	(205,426)	(118,607)	(196,339)
Net cash outflow from financing activities		(2,516,826)	211,392	(377,488)	(256,659)
Net increase /(decrease) in cash and cash equivalents		(751,851)	(910,467)	(170,289)	(1,172,851)
Cash and Cash equivalents at 1 January		2,790,712	3,701,179	245,544	1,418,395
Cash and cash equivalent at 31 December.	5	**2,038,861**	**2,790,712**	**75,255**	**245,544**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General Information

Industrial and General Insurance Plc. ('the company') and its subsidiaries (together 'the Group') underwrite life and non-life risks, such as those associated with death, disability, health, property and liability. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria, Uganda, Rwanda and The Gambia. The Company was incorporated in Nigeria as a private limited liability company on 31 October 1991 under the Companies and Allied Matters Act, CAP C20 LFN 2004.

The Registered office is located at: No 2, Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

2 Critical accounting estimates

The Company 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.

i) Future benefit payments from long-term business contracts

The estimation of future benefit payments from long-term business contracts is the life insurance business' most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the company will ultimately pay for such claims.

The determination of the liabilities under long-term business contracts is dependent on estimates made by the Company. These estimates are incorporated in an automated model inbuilt into the company's financial information systems.

ii) Fair value of equity investments

Fair values of equity investments may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. 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 observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

iii) Fair values of financial assets and liabilities

The fair values of the Group's financial assets and liabilities approximate over the respective carrying amounts, due to the generally short periods to contractual re-pricing or maturity dates as set out in these financial statements. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Company at the statement of financial position date.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the group market assumption. These two types of inputs have created the following fair value hierarchy:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges and exchange traded derivatives like futures.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3- inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level include equity investments and debt instruments with significant unobservable components. The group considers relevant and observable market prices in its valuations where possible.

Fair value of financial assets and liabilities

Group

At 31 December 2016	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial assets	359,703	-	3,790,902	4,150,605
At 31 December 2015				
Financial assets	398,789	-	2,127,731	2,526,520

Parent

At 31 December 2016	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial assets	10,555	-	731,373	741,928
At 31 December 2015				
Financial assets	13,393	-	557,797	571,190

iv) Recoverable amount of loans and receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired loans and receivables.

v) Valuation of land and buildings

Investment properties and property, plant and equipment include freehold land and buildings carried at fair value. Fair value is based on valuations performed by an independent valuation expert. In performing the valuation, the valuer uses discounted cash flow projections which incorporate assumptions around the continued demand for rental space, sustainability of growth in rent rates as well as makes reference to recent sales. The change in these assumptions could result in a significant change in the carrying value of properties.

vi) Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the projected useful lives for such assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

vii) Income taxes

Judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3 Management of insurance and financial risk

The Company's activities expose it to a variety of financial risks, including insurance risk, financial risk, credit risk, and the effects of changes in property values, debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

This section summarises the way the Company manages key risks:

(a) Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Claims Data

The claims data has six risk groups – (Marine, Motor, Engineering, Fire, General Accident, and Oil & Gas). The underlying data were subject to detail review and plausibility check by the external audit team. The motor class contained both commercial and private cars as splitting it would significantly reduce the credibility results. General Accident included, workers compensation, Public Liability and Goods in Transit. Fire class included Household and Commercial Property. Ideally data should be grouped as homogenously as possible but due to the small size of claims data in the subset classes, we decided to group them in the relevant classes.

The combined claims data, for all lines of business between 2007 and 31 December 2016, are summarized below. A further summary of this data for each individual class of business is detailed in tables 3.1.11 to 3.1.21 of this report.

	Incremental Chain Ladder -Yearly projections N'000								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	11,394	1,934	165	728	-	15	30	-
2008	69,412	27,328	4,458	3,510	1,524	118	-	188	-
2009	15,010	23,566	17,125	354	2,775	58	211	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	-	-
2011	13,849	22,712	9,650	7,566	1,240	12	-	-	-
2012	14,469	31,414	19,021	-	5,102	-	-	-	-
2013	19,342	36,842	23,141	2,738	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2014	9,110	15,125	3,975	-	-	-	-	-	-
2015	3,493	9,039	-	-					
2016	11,399	-	-	-	-	-	-	-	-

i. Valuation Methods

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. An accident year cohort was used to group claims to study the settlement pattern. In some cases, only the year of accidents or settlement was available and hence made it impos sible to identify the exact period of the year when the accident or settlement was made. However, where such cases arose, it was assumed that the accident or settlement was made in the same year.

Calculations we carried out using the following three (3) approaches explained below;

The Basic Chain Ladder Method (BCL): The Basic Chain Ladder method forms the basics to the reserving methods explained below. Historical incremental claims paid were grouped into accident year cohorts by class of business – representing when they were paid after their accident year e.g. a ye ar after 2007 etc. These cohorts are called loss development triangles. The incremental paid claims are cumulated to the valuation date and projected to their expected ultimate claim estimate. The gross claim reserve is then derived from the difference bet ween the cumulated paid claims and the estimated ultimate claim. For the more recent under developed years, the Bornheutter Ferguson method was used as a check on the reserves that were calculated using the Basic Chain Ladder Model. The appropriate loss ra tio used is normally the average of fully developed historical years

The Inflation Adjusted Chain Ladder Method (IACL): Under this method, the historical paid losses are stripped off from inflationary effects using the corresponding inflation index in ea ch of the accident years. Loss development ratio used to project the cumulative historical paid claims to their ultimate values for each accident year was then estimated. The difference between the estimated ultimate values and the cumulative historical paid claims forms the expected gross claim reserves. These are then inflated by the corresponding inflation index from payment years to the future year of payment of the outstanding claims.

The following official inflation index were adopted.

Table 3.1.1

Year	Inflation Index
2007	6.60%
2008	15.10%
2009	13.90%
2010	11.80%
2011	10.30%
2012	12.00%
2013	8.00%
2014	8.30%
2015	9.60%
2016	18.48%
2017	15.00%

The calculations are also on two bases;

- By discounting the claims estimated to the valuation date at a discount rate of 16% p.a which at valuation date was close to the weighted average of FGN Bonds with outstanding term of 4 years or less.
- With no discounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expected Loss Ratio: This method is simple and gives an approximate estimate. This method was adopted as a check on the ultimate projections and also where the volume of data available is too small to be credible when using a statistical approach. Under the method, the Ultimate claims were obtained by studying the historical loss ratios, investigating any differences and using judgments to derive a loss ratio. Paid claims already emerged is then deducted from the estimated Ultimate claims to obtain our reserves

Frequency and Severity Method (Average Cost per claim): This method investigates the trend of the claim frequency and average cost per claim for each accident year. An Average of the fully run off accident years is used as a guide on the ultimate claim frequency and ultimate average cost which is then adopted for the accident years that are not fully run off. Large losses distorting the claims payment trend were excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method.

Unearned Premium Reserve (UPR): Each policy's unexpired insurance premium (UP) was calculated as the exact number of days of insurance cover available after the review date and calculated the UPR as the annualized premium * (UP)/policy duration

Unexpired Risk Reserve (URR): The URR is estimated by multiplying the loss ratio by the unexpired premium (UP). This is the indication of the cost of the future claims cost and all expenses expected to be incurred in the future by the unexpired portion of existing policies.

Additional Unexpired Risk Reserve (AURR): This is defined as the max (0, URR-UPR).
It is the additional reserve calculated when we expect a loss to occur.

Assumptions underlying the Valuation Methods

- Policies are written uniformly throughout the year for each class of business.
- Claims occur uniformly throughout the year for each class of business. This implies that claims occur on average halfway through year.
- Our methods assume the future claims follow a regression pattern from the historical data.

Hence payment patterns will be broadly similar in each accident year. The proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged in to the future.
- We assume gross claim amount includes all related claim expenses. If this is not the case, we will hold a separate reserve to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Under the Average Cost per claim method, we assumed the early years e.g. accident years 2007 and 2008 are fully developed

Large Losses

The table below shows the large loss cut of for each class of business. SD below means Standard Deviation.

Table 3.1.2

Class of Business	Large Loss	Comment on Derivation
General Accident	10,000,000	10m Assumed
Engineering	11,568,330	Mean + 3SD of Losses
Fire	17,248,418	Mean + 3SD of Losses
Marine	16,999,007	Mean + 3SD of Losses
Motor	5,000,000	5m Assumed
Bond	N/A	Not Applicable
Oil and Gas	N/A	Not Applicable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Valuation Results

We summarise 3 sets of results in this section under the following methods:

- Basic Chain Ladder– **with and without discounting**
- Inflation Adjusted Basic Chain Ladder– **with claims discounted and undiscounted**

Basic Chain Ladder – Result Table

We present Gross claims technical reserves under Basic Chain Ladder, Inflation Adjusted Chain Ladder. We have also assumed a discounted approach of the methods used and results presented in table below.

Inflation Adjusted Chain Ladder Method – Result Table

Table 3.1.3 Discounted Inflation Adjusted basic Chain ladder Method Discounted

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	**₦**	**₦**	**₦**
General Accident	218,865,6099	(1,515,432)	217,350,178
Engineering	475,111,571	(353,662,545)	121,449,025
Fire	672,478,691	(504,791,600)	167,687,091
Marine	248,295,496	(32,465,954)	215,829,542
Motor	82,324,473	(13,196,525)	69,127,948
Oil and Gas*	1,705,809,738	(714,523,104)	991,286,634
TOTAL	**3,402,885,578**	**(1,620,155,159)**	**1,782,730,418**
Accounts (Outstanding Claims)	**2,467,933,915**	**(1,490,691,989)**	**977,241,925**
Difference	934,951,663	(129,463,170)	805,488,493

**Estimated using Expected loss ratio method and discounted*
Incurred But Not Reported (IBNR) Table

Table 3.1.4 Discounted Basic Chain Ladder Method

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	**₦**	**₦**	**₦**
General Accident	218,865,609	162,561,431	56,304,179
Engineering	475,111,571	449,007,461	26,104,109
Fire	672,478,691	620,293,938	52,184,753
Marine	248,295,496	173,708,474	74,587,022
Motor	82,324,473	57,928,858	24,395,616
Oil and Gas	1,705,809,738	1,004,433,753	701,375,984
TOTAL	**3,402,885,578**	**2,467,933,915**	**934,951,663**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Table 3.1.5 Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries ₦	Outstanding Reported Reinsurance Recoveries ₦	Reinsurance IBNR ₦
General Accident	1,515,432	(212,621)	1,302,811
Engineering	353,662,545	(329,098,740)	24,563,805
Fire	504,791,600	(485,117,268)	19,674,332
Marine	32,465,954	(30,343,550)	2,122,404
Motor	13,196,525	(8,022,500)	5,174,025
Oil and Gas*	714,523,104	(637,897,311)	76,625,793
TOTAL	**1,620,155,159**	**(1,490,691,989)**	**129,463,170**

UPR (Gross and Reinsurance UPR) – Result Table

Table 3.1.7 Estimated UPR (net of reinsurance)

Class of Business	Gross UPR ₦	Reinsurance UPR ₦	NET UPR ₦
General Accident	102,569,323	-	102,569,323
Engineering	123,263,827	(16,164,405)	107,099,422
Fire	63,338,120	(23,728,327)	39,609,793
Marine	56,803,939	(32,540,687)	24,263,252
Motor	194,717,283	(138,617)	194,578,666
Oil and Gas	311,108,636	(158,443,037)	152,665,599
TOTAL	**851,801,128**	**(231,015,072)**	**620,786,055**

Additional Unexpired Risk Reserve (AURR)

The AURR is the additional risk reserves required where the URR is greater than the UPR and is estimated by multiplying the UPR by our estimated ultimate loss ratio for each business line. We illustrate below that our assumed ultimate loss ratios are less 100% earned premiums for every class of business written. Accordingly, we estimate a nil AURR for the business.

Loss Ratio Table

Class of Business	Assumed Loss Ratio
General Accident	28%
Engineering	38%
Fire	34%
Marine	30%
Motor	18%
Oil and Gas	32%

Table 3.1.9 Gross Reserves

Valuation Method	Discounted (N)	Undiscounted (N)
BCL	3,320,513,301	3,383,449,086
IABCL	3,402,885,578	3,476,016,325

We are adopting the Inflation Adjusted Basic Chain Ladder Method in this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This method:

- anticipates that total claims may be exposed to inflationary increase
- recognises that present value needs to be reserved for anticipated future payments

Technical Reserves

We are reporting Gross Reserves of N4.26 billion and Reinsurance Assets of N1.85 billion as shown in the table below. Our estimates meet the Liability Adequacy Test.

Table 3.1.10

Reserves	Gross (₦)	Reinsurance Assets (N'000)	Net (N)
Claims	3,402,885,578	(1,620,155,159)	1,782,730,418
Unexpired Premium Reserve	855,540,671	(231,015,072)	624,525,599
Total	**4,258,426,249**	**(1,851,170,232)**	**2,407,256,017**

Table3.1.11 - Cumulative Claims Development Pattern: General Accident

	Incremental Chain ladder -Yearly Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	11,394	1,934	165	728	-	15	30	-
2008	69,412	27,328	4,458	3,510	1,524	118	-	188	-
2009	15,010	23,566	17,125	354	2,775	58	211	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	-	-
2011	13,849	22,712	9,650	7,566	1,240	12	-	-	-
2012	14,469	31,414	19,021	-	5,102	-	-	-	-
2013	19,342	36,842	23,141	2,738	-	-	-	-	-
2014	9,110	15,125	3,975	-	-	-	-	-	-
2015	3,493	9,039	-	-	-	-	-	-	-
2016	11,399								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cumulative table for attritional losses - General Accident

	Cumulative Chain ladder-Annual Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2007	-	27,224	31,281	31,591	32,830	32,830	32,851	32,890	32,890	32,890
2008	165,844	223,171	231,536	237,506	239,821	239,987	239,987	240,210	240,210	-
2009	31,487	75,703	104,834	105,372	109,274	109,349	109,599	109,599	-	-
2010	44,818	116,397	120,301	123,141	131,523	131,582	131,582	-	-	-
2011	23,559	58,055	71,626	81,451	82,920	82,932	-	-	-	-
2012	21,977	66,155	90,854	101,486	106,589	-	-	-	-	-
2013	27,201	75,042	102,459	105,197	-	-	-	-	-	-
2014	11,829	29,750	33,724	-	-	-	-	-	-	-
2015	4,139	13,178	-	-	-	-	-	-	-	-
2016	11,399	-	-	-	-					-
Loss Dev Factors		2.703	1.295	1.049	1.035	1.006	1.003	1.000	1.000	1.000

Table 3.1.13- Cumulative Claims Development Pattern: FIRE

Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	12,076	-	-	50	-	-	32	-
2008	9,594	15,312	5,910	13,692	-	-	-	-	-
2009	12,306	21,966	13,424	14	50	-	-	-	-
2010	8,530	5,084	1,875	664	-	453	-	-	-
2011	6,410	33,570	1,781	16,956	-	15	-	-	-
2012	10,215	4,963	2,060	2,936	2,760	-	-	-	-
2013	2,602	17,444	8,155	15,078	-	-	-	-	-
2014	7,694	15,347	3,914	-	-	-	-	-	-
2015	2,680	24,344	-	-	-	-	-	-	-
2016	8,356	-	-	-	-	-	-	-	-

Table 3.1.14 Cumulative table for attritional losses – FIRE

	Cumulative Chain ladder-Annual Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2007	-	28,852	28,852	28,852	28,937	28,937	28,937	28,979	28,979	28,979
2008	22,923	55,043	66,132	89,423	89,423	89,423	89,423	89,423	89,423	**89,423**
2009	25,815	67,029	89,864	89,886	89,955	89,955	89,955	89,955	**89,955**	**89,955**
2010	16,005	24,653	27,500	28,434	28,434	28,971	28,971	**30,696**	**30,696**	**30,696**
2011	6,651	61,435	63,939	85,957	85,957	85,973	**90,685**	**90,685**	**90,685**	**90,685**
2012	15,514	22,493	25,168	28,647	31,407	**38,978**	**38,978**	**38,978**	**38,978**	**38,978**
2013	3,659	26,310	35,972	51,050	**61,797**	**61,797**	**61,797**	**61,797**	**61,797**	**61,797**
2014	9,991	28,174	32,088	**44,087**	**44,157**	**44,157**	**44,157**	**44,157**	**44,157**	**44,157**
2015	3,176	27,519	**51,788**	**63,621**	**63,729**	**63,729**	**63,729**	**63,729**	**63,729**	**63,729**
2016	8,356	**30,383**	**37,566**	**46,786**	**46,870**	**46,870**	**46,870**	**46,870**	**46,870**	**46,870**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Table 3.1.15- Cumulative Claims Development Pattern: MOTOR

Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2007	-	44,768	-	17	-	-	-	-	-	300
2008	59,766	20,935	1,859	1,101	1,036	2,030	-	2,588	6	
2009	90,961	42,637	16,484	1,697	3,024	-	3,672	4		
2010	79,331	106,228	25,665	743	-	1,040	120			
2011	93,760	71,639	7,279	7,659	5,166	52				
2012	73,639	54,002	2,538	-	446					
2013	71,365	44,597	3,400	541						
2014	36,887	33,182	10,316							
2015	28,835	41,503								
2016	30,332									

Table 3.1.16 Cumulative table for attritional losses – MOTOR

	Cumulative Chain ladder-Annual Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2007	-	106,963	106,963	106,995	106,995	106,995	106,995	106,995	106,995	107,295
2008	142,798	186,714	190,202	192,075	193,648	196,503	196,503	199,568	**199,575**	**199,575**
2009	190,822	270,821	298,861	301,439	305,691	305,691	310,042	**310,087**	**310,087**	**310,087**
2010	148,848	329,550	368,530	369,575	369,575	370,807	370,927	**370,927**	**370,927**	**370,927**
2011	159,493	268,361	278,597	288,543	294,664	294,716	**295,950**	**295,950**	**295,950**	**295,950**
2012	111,845	187,789	191,084	191,084	191,530	**194,998**	**195,934**	**195,934**	**195,934**	**195,934**
2013	100,362	158,273	162,302	162,843	**166,426**	**167,748**	**168,672**	**168,672**	**168,672**	**168,672**
2014	47,900	87,214	97,529	**104,512**	**105,684**	**106,641**	**107,310**	**107,310**	**107,310**	**107,310**
2015	34,164	75,667	**92,727**	**93,927**	**95,116**	**96,087**	**96,766**	**96,766**	**96,766**	**96.766**
2016	30,332	**57,721**	**62,137**	**63,014**	**63,882**	**64,591**	**65,087**	**65,087**	**65,087**	**65,087**

Appendix 1- Cumulative Claims Development Pattern: MARINE

Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	-	-	-	-	-	-	-	-
2008	12,518	-	-	-	-	-	-	-	-
2009	312	-	-	-	-	-	-	-	-
2010	51,664	-	-	-	-	-	-	-	-
2011	73,725	-	-	5,610	-	-	-	-	-
2012	26,563	21,882	9,219	2,502	-	-	-	-	-
2013	42	12,079	-	-	-	-	-	-	-
2014	18	5,050	536	-	-	-	-	-	-
2015	578	3,752	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cumulative table for attritional losses - MARINE

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	-	-	-	-	-	-	-	
2008	29,909	29,909	29,909	29,909	29,909	29,909	29,909	29,909	29,909
2009	654	654	654	654	654	654	654	654	654
2010	96,937	96,937	96,937	96,937	96,937	96,937	96,937	96,937	96,937
2011	125,412	125,412	125,412	132,697	132,697	132,697	132,697	132,697	132,697
2012	40,345	71,118	83,089	86,053	86,053	103,533	103,533	103,533	103,533
2013	59	15,744	15,744	15,744	37,823	37,823	37,823	37,823	37,823
2014	23	6,006	6,542	19,767	19,767	19,767	19,767	19,767	19,767
2015	685	4,437	70,542	72,840	72,840	72,840	72,840	72,840	72,840
2016	-	39,630	42,187	43,740	43,740	43,740	43,740	43,740	43,740

Expected Loss ratio method - OIL and GAS claims

	Gross Earned Premium	Claims Paid till date	Total O/S as at 31/12/2016	Current Incurred	Current Loss ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claims Reserves
Accident Year	**N'000**	**N'000**	**N'000**	**N'000**	**%age**	**%age**	**N'000**	**N'000**
2009	2,060,248	1,209,550	-	1,209,550	59%	59%	1,209,550	-
2010	2,060,248	27,135	17,485	44,620	2%	2%	44,620	17,485
2011	3,123,472	3,232,784	37,090	3,269,874	105%	106%	3,307,002	74,218
2012	3,384,452	233,701	214,961	448,662	13%	20%	666,525	432,824
2013	3,047,691	1,495,546	-	1,495,546	49%	49%	1,496,156	610
2014	2,765,860	34,417	696,010	730,427	26%	26%	730,427	696,010
2015	798,615	-	25,925	25,925	3%	32%	253,411	253,411
2016	728,781	-	12,963	12,963	2%	32%	231,252	231,252
TOTAL			**1,004,434**					**1,705,810**

We assumed that the pre 2012 claims losses are fully developed.
The ultimate loss ratio for 2011 to 2013 accident years incorporates information made available to us as at June 2017.

We used an average loss ratios from 2012 to 2014 accident years to derive the ultimate loss ratio for the 2015 accident year. For 2016 accident year, we assumed the loss ratio for 2015 accident year to derive the ultimate loss ratio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Life Valuation Methodology and Assumptions Report 31 December 2016

VALUATION METHODS & ASSUMPTIONS

The valuation methods and assumptions should be consistent over time and should not be changed arbitrarily. It is therefore appropriate to start by considering the methods and assumptions used for the previous valu ation and considering whether any changes are justified.

Valuation Methods

The Insurance Act 2003 does not specify any particular approach that must be used in determining the statutory value of insurance liabilities. Whilst some sections of the Act appear to make reference to the net premium approach to reserving, we understand that this simply reflects the practice at the time the Act was written and is not a requirement to adopt a net premium valuation approach. We have in the last few years adopted the gross premium valuation approach for statutory purposes as standard and this has been acceptable to NAICOM

From the IFRS perspective, the main features of IFRS 4 that impact the liability calculations are as follows:

a) The IFRS prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period.

b) The IFRS requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

c) The IFRS requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets.

Liability Adequacy Test

IFRS 4 paragraph 15 describes the liability adequacy test which, if the conditions are not met, requires any deficiency to be recognised in profit or loss. Section 16 states that:

If an insurer applies a liability adequacy test that meets specified minimum requirements, this IFRS imposes no further requirements. The minimum requirements are the following:

a) The test considers current estimates of all contractual cash flows, and of related cas h flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees.

b) If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

The proposed methodology is as follows:

Type of Business	Valuation Method
Individual Risk Business	**Gross premium (1)**
Individual Deposit Based Business	**Deposit Reserve Account balance at valuation date (2a). Risk Reserve: Gross premium (2b)**
Group Life	**UPR + IBNR (3)**
Group Deposit Administration	**Account balance at valuation date (2b)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

(1) A gross premium method is proposed for individual traditional risk business. This is a monthly cash flow approach taking into account the incidence of all expected future cash flows including office premiums, expenses and benefit payments, satisfying the Liability Adequacy Test. This implies that no further testing is required as a result of the implementation of the IFRS; or in other words the liability adequacy test has been met implicitly and a separate liability calculation will not be required for accounting purposes. Negative reserves will be zerorised at the valuation date.

(2)(a) A reserve for the Individual deposit-based business (Deposit Plus Plan) will be maintained being the amount standing to the credit of the policyholders (account balance) at the valuation date.

(b) Reserves for the supplementary life cover and expenses for individual deposit based business will be calculated using a gross premium cash flow approach as described in (1). This is the present value of future guaranteed benefit costs and expenses, less future risk premiums.

(3) Reserves for Group Life business will comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

The UPR will represent the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR will be tested by comparing against an Additional Unexpired Risk Reserve (AURR), which will be calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

A loss ratio approach will be used for IBNR reserving, where the underlying claim rates are based on an analysis of historical group life claims experience, with judgement adopted where required.

No separate reserve is proposed for claims handling costs for Group Life business as these are typically insignificant in size. Any costs incurred are absorbed as part of the general business management costs.

Assumptions

The Insurance Act 2003 does not specify any particular rules for determining the valuation assumptions but instead places reliance on the advice of the Actuary.

Paragraphs 22-30 of IFRS4 make reference to the setting of an IFRS compliant valuation basis. The following points are noted in particular:

* Paragraph 24 - Current market interest rates: An insurer is permitted, but not required, to change its accounting policies so that it re-measures designated insurance liabilities to reflect current market interest rates and recognises changes in those liabilities in profit and loss. At that time it may also introduce accounting policies that require other current estimates and assumptions for the designated liabilities.

* Paragraph 26 - Prudence: An insurer need not change its accounting policies for insurance contracts to eliminate excessive prudence. However, if an insurer already measures its insurance contracts with sufficient prudence it shall not introduce additional prudence.

In light of the above requirements we have determined a valuation basis adopting the following principles:

* The basis is a single set of realistic long term assumptions expected to reflect the average future experience of the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

* Adjustments are then made to the individual assumptions for prudence and other considerations.

Valuation interest rate

The proposed valuation interest rate is based on current market risk-free yields with adjustments. This is in line with the requirements of IFRS 4 (Paragraph 24). The use of a riskfree rate also implies that future investment margins (in excess of the risk-free return) will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Further the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

We propose to adopt gross valuation interest rates of 2016: 14 .65% (2015: 10.25%) per annum for all long term business. These rates are to be applied as a single long term rate of return.

We have sought clarification of the tax rules applicable to Nigerian insurers. Our understanding of the tax rules is that a Life Assurance company pays tax at 30% of Income minus Expenses (the "I minus E" basis), with some specific investment income being exempt from tax. However, this calculation is subjected to a minimum tax, which is payable on 20% of gross incomes, with no exemptions or deductions. This is equivalent to tax payable of 6% of gross investment income. The minimum tax test implies that tax will always be payable, and as such the payment of future tax needs to be allowed for. We propose to do so implicitly by deducting 6% of the gross valuation interest rate, to arrive at net rates to adopt for valuation purposes.

When setting the valuation interest rate for annuity business we have taken into account that the annuity liability duration is longer than the duration of the longest available Government bonds. The longer term introduces uncertainty – which typically will be reflected in higher yield/reward demand by investors. The duration mismatch between available bonds and the liabilities also implies there is a reinvestment risk.

Expenses

A firm must make provisions for expenses, either implicitly or explicitly, in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts. IFRS 4 explicitly requires the consideration of claims handling expenses.

Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations.

* Per policy maintenance charges
* Allocated operating expenses

In the absence of an expense analysis we have assumed that:

· 40% of the overheads (management expenses) were incurred in managing the group life portfolio, with the balance relating to individual life.

· Of the individual life share, 40% of the overheads were incurred in the acquisition and administration of new business.

We recommend that an expense analysis project is undertaken for the life business. This will make clearer the actual maintenance costs being incurred, and also help understand whether there is any difference in terms of costs incurred in managing different products, regular versus single premium business etc. This will help to set more product/policy specific expense assumptions going forward.

Expense Assumptions	Current Valuation	Previous valuation
Risk	N10,000 p.a	N9,000 p.a
DA	N10,000 p.a	N9,000 p.a

Expense inflation & other inflation measures
We propose to maintain the inflation assumption at the rate used in the previous valuation of 11%.

Commission
Commission rates are set at the rates payable.

Mortality
There has been no change to the mortality assumptions since the previous valuation. The proposed mortality tables for the current valuation remains The UK's A6770 mortality table without adjustment for Individual risk business. We conducted a mortality study in 2010 using industry mortality experience data which demonstrated a good fit to the A6770 table

Future mortality improvements
No allowance has been made for future mortality improvements as there is no business in force with exposure to longevity risk.

Withdrawals
The full account balance will be maintained for lapsed deposit based policies at the valuation date, as the funds remain a policyholder entitlement. No reserve will be held for future guaranteed life insurance benefits. No allowance will be made for future lapse or surrender in the reserve calculations.

Group Life Business
Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expense loadings, as these have been loaded into rates yet they have already been incurred. We propose an acquisition expense ratio of 20% of gross premium. Group Life commission is currently paid at 9% of premium. Other acquisition-related costs include a NAICOM (regulatory fee) of 1% of premium, stamp duty and other admin costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM 16
ACTUARIAL VALUATION OF LIFE INSURANCE BUSINESS

(Under the Insurance Act 2003)
SUMMARY AND VALUATION OF THE POLICIES OF
INDUSTRIAL AND GENERAL INSURANCE PLC AS AT 31 DECEMBER 2016

Description of Transaction	Number of Policies	Amount of Sum Insured	Amount of Bonuses	Amount of Office Yearly Premiums	Amount OF Single Premium	DA liability (Account Balance)	Risk Liability	Total Liabilities
INDIVIDUAL BUSINESS		₦	₦	₦	₦			₦
Deposit Based Policies								
Dividend Plus Plan-Active	4,376	9,641,329,979	-	143,174,358	-	3,748,758,320	178,420,402	3,927,178,722
Dividend Plus Plan Paid up	5,878	8,692,909,023	-			2,829,078,334	117,560,000	2,946,638,334
Total Deposit Based	10,254	18,334,239,002	-	143,174,358	-	6,577,836,654	295,980,402	6,873,817,056
Individual with Participation in Profits								
Anticipated Endowments	3,734	2,898,308,081	294,036,672	234,945,639	-	-	992,907,776	992,907,776
Educational Endowments	5	5,349,000	448,360	735,140	-	-	2,619,723	2,619,723
Endowments Assurances	-	-	-	-	-	-	-	-
Continuous Educational Endowment	58	23,006,349	5,921,310	918,330	-	-	17,898,056	17,898,056
Individual without Participation in profits								
Mortgage	159	304,278,513	-	13,015,901	-	-	11,931,136	11,931,136
Term Assurance	14	29,015,160	-	68,348	-	-	929,583	929,583
Total risk	3,970	3,259,957,103	300,406,342	249,683,358	-	-	1,026,286,275	1,026,286,275
Total Individual Business	14,224	21,594,196,105	300,406,342	392,857,716	- -	6,577,836,654	1,322,266,676	7,900,103,330
Group Deposit Based Business								
Group Deposit Administration	32	2,336,158,268				2,336,158,268		2,336,158,268
Total Group Deposit Based business	32	2,336,158,268				2,336,158,268		2,336,158,268
Group Life	584	45,266,965,345		271,661,792			616,296,343	616,296,343
Total Group Business	616	47,603,123,613		271,661,792		2,336,158,268	616,296,343	2,952,454,610
Additional reserve							425,443,615	425,443,615
Unallocated premium							-	-
Grand Total	14,840	69,197,319,718	300,406,342	664,519,508	- -	8,913,994,922	2,364,006,634	11,278,001,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The valuation has been made on the following principles which were determined by the Actuary:

a) **Individual Business**
For all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted.

Reserves were calculated via a monthly cash flow projection approach, taking into account future office premiums, expenses and benefit payments. Future cash flows were discounted back to the valuation date at the valuation rate of interest. The full valuation assumptions are given (after Group Business section) below.

The reserve for the deposit based policies has been taken as the amount standing to the credit of the policy holders at the valuation date. We were provided with individual pol icyholder account balances as part of the valuation data, which were relied upon without qualification. Where policies still have active life cover, this has been valued using a monthly cash flow projection approach as described above for other risk business.

Group Business
An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. No assets have been established in respect of deferred Acquisition Costs (DAC)

An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the ultimate claim rates, from which the IBNR portion is determined

b) For Individual policies, the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium term

c) The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

d) i. No specific adjustment has been made for immediate payment of claims.
ii. No specific adjustment has been made for expenses after premiums have ceased in the case of limited payment policies i.e. they have been allocated the same level of expenses as premium paying policies

e) Where negative reserves were calculated, these were set to zero to prevent policies being treated as assets.

f) There were no policies subject to substandard terms in force at the valuation date

3. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770).
4. The rate of interest used in the valuation is 14.65%.
5. Expenses for individual risk business were reserved for explicitly at N10,000 pa increasing with inflation at 11% pa.
6. The basis to be adopted for the distribution of profits among policyholders and shareholders is determined by the Directors, on the advice of the Actuary, bearing in mind the distribution of profits to with-profits policyholders.

7a) The principles upon which any distribution of profits to policyholders will be made are determined by the Directors, acting upon the advice of the Actuary.
7b) Reversionary bonuses are allotted in respect of each full year's premium paid.
7c) Reversionary bonuses vest on the policy anniversary.

8. The liabilities given in Form 16 are presented gross of reinsurance. The table below summarizes the gross position and impact of reinsurance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Gross liability (N)	Reinsurance (N)	Net liability (N)
Individual Traditional	1,322,266,676	-	1,322,266,676
Individual DA	6,577,836,654	-	6,577,836,654
Group DA	2,336,158,268	-	2,336,158,268
Group Life- UPR	87,621,454	(4,667,486)	82,953,968
Group Life- IBNR	528,674,889	(12,126,002)	516,548,887
Additional reserves	425,443,615	-	425,443,615
Total	11,278,001,556	(16,793,488)	11,261,208,068

An additional reserve of N425,443,615 was held representing a cautionary contingent reserve against an expense overrun at the valuation date.

The solvency level at the valuation date was 38.9%. That is, admissible assets representing the Life and Deposit Administration Funds on the company's balance sheet (N5.529bn) were 38.9% of the actuarially calculated gross liabilities including outstanding claims (N14.169bn).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

v. FORM 15 PART B (f)
(Under the Insurance Act 2003)

POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2016

	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	₦	₦	₦
ANTICIPATED ENDOWMENT			
Year of Maturity			
2017 -2020	173,647,944	31,759,521	-
2021 -2025	1,178,579,070	164,184,249	-
2026-2030	1,502,301,092	93,908,814	-
2031-2038	43,779,976	4,184,088	-
TOTAL	2,898,308,081	294,036,672	-
EDUCATION ENDOWMENT ASSURANCES			
Year of Maturity			
2017 -2020	4,585,000	417,800	
2021 -2025	764,000	30,560	
2026-2030	-	-	
2031-2035	-	-	
TOTAL	5,349,000	448,360	
CONTINUOUS EDUCATIONAL ENDOWMENT			
Year of Maturity			
2016-2020	16,791,474	4,610,971	-
2021 -2025	6,030,500	1,258,714	-
2026-2030	184,375	51,625	-
2031-2035	-	-	-
TOTAL	23,006,349	5,921,310	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(vi) HYPOTHECATION OF ASSETS OF 2016

AS AT 31 DECEMBER, 2016	General Business			Life Business				
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY								
TOTAL	**3,529,810**	**4,258,427**	**5,399,762**	**2,245,754**	**8,913,994**	**5,271,629**	**334,667**	**29,954,044**
ASSETS:								
Investment Property	2,817,005	1,064,607	4,006,819	998,876	3,119,898	1,845,070	3,003,991	**16,856,266**
Land and Building	-	-	2,254,333	2,438,117	-	-	208,439	**4,900,889**
Leasehold Improvement	-	-	-	-	-	-	-	**-**
Office Equipment	-	-	16,268	-	-	-	1,240	**17,508**
Motor Vehicles	-	-	10,476	-	-	-	-	**10,476**
Furniture and Fittings	-	-	13,375	-	-	-	664	**14,039**
Trade Receivables	-	6,684	-	-	-	-	-	**6,684**
Reinsurance Assets	-	1,851,170	-	-	-	1,071,981	-	**2,923,151**
Loans to Policy Holders	-	-	-	-	-	358,180	-	**358,180**
Statutory Deposits	300,000	-	-	200,000	-		-	**500,000**
Financial Assets - Held through P or L	-	3,490	-	-	-	7,065	-	**10,555**
- Available for sale	-	104,698	-	-	-	266,930	-	**371,628**
Bank Placements	-		-	-	-		-	**-**
Cash & cash equivalents	-	56,889	-	-	-	18,366	-	**75,255**
Investment in Subsidiaries	232,020	59,163	-	-	-	721,398	2,406,001	**3,418,582**
Other Assets	184,525	-	206,478	-	-	-	99,828	**490,831**
TOTAL	**3,533,550**	**3,146,701**	**6,507,749**	**3,636,993**	**3,119,898**	**4,288,990**	**5,720,163**	**29,954,044**
Surplus/(Deficit)	**3,740**	**(1,111,727)**	**1,107,987**	**1,391,239**	**(5,794,096)**	**(982,639)**	**5,385,496**	**-**

Other Assets:	**General**	**Life**
Loans and Receivables-Staff	1,565	**-**
Other Receivables and Prepayment	285,498	89,692
Deferred Acquisition Cost	103,940	10,136
Deferred Income Tax	-	-
Intangible Assets	-	-
TOTAL	**391,003**	**99,828**

Summary of Deficit	
General Business:	
Shareholder fund balance	-
Policyholders fund balance	(1,111,727)
Life Business:	
Policyholders fund balance	(992,639)
Deposit Admin Balance	(5,794,096)
	(7,888,462)

NOTE: As demonstrated in the table above, there are other assets to account for the shortfall in the asset hypothecation as they become admissible under the existing guidelines. The company has taken steps to make the assets admissible

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

HYPOTHECATION OF ASSETS AS At 31 December, 2015

AS AT DECEMBER, 2015	General Business			Life Business				
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY								
TOTAL	**3,562,912**	**4,506,479**	**5,953,816**	**3,390,223**	**8,649,161**	**4,435,694**	**279,023**	**30,776,348**
ASSETS:								
Investment Property	2,516,754	2,226,620	3,166,556	998,876	6,777,206	2,002,493	447,460	**18,135,966**
Land and Building	-	-	2,085,738	-		-	293,811	**2,379,549**
Leasehold Improvement	-	-	-	-	-	-	1,390	**1,390**
Office Equipment	-	-	2,343	-	-	-	1,000	**3,343**
Motor Vehicles	-	-	15,508	-	-	-	2,604	**18,112**
Furniture and Fittings	-	-	44,465	-	-	-	3,609	**48,074**
Trade Receivables	-	13,124	-	-	-	-	-	**13,124**
Reinsurance Assets	-	1,911,884	-	-	-	797,645	-	**2,709,529**
Loans to Policy Holders	-	-	-	-	-	326,705	-	**326,705**
Statutory Deposits	300,000	-	-	200,000	-	-	-	**500,000**
Financial Assets - Held through P or L	-	3,469	-	-	-	9,656	-	**13,124**
- Available for sale	-	32,698	-	-	-	169,960	-	**202,658**
Bank Placements	-	-	-	-	-	-	-	**-**
Cash & cash equivalents	-	227,698	-	-	-	17,846	-	**245,544**
Investment in Subsidiaries	370,993	-	638,245	2,160,597	-	-	2,420,843	**5,590,677**
Other Assets	465,883	-		32,290	-	-	90,380	**588,553**
Inadmissible investment property		(1,643,141)			(2,363,029)	(1,293,562)		
TOTAL	**3,653,630**	**2,772,352**	**5,952,855**	**3,391,763**	**4,414,177**	**2,030,743**	**3,261,097**	**30,776,348**
Surplus/(Deficit)	**90,718**	**(1,734,127)**	**(960)**	**1,540**	**(4,234,984)**	**(2,404,951)**	**2,982,074**	**-**

Other Assets:	**General**	**Life**
Loans and Receivables-Staff	28,434	-
Other Receivables and Prepayment	333,901	1,165,399
Deferred Acquisition Cost	103,548	32,290
Deferred Income Tax	-	-
Intangible Assets	-	-
TOTAL	**465,883**	**1,197,689**

Summary of Deficit	
General business:	
Policy holders' fund	1,734,127
Life Business:	
Deposit admin Fund	4,234,984
Policy holders' fund	2,404,951
	8,374,062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Financial risk management

Financial Risks Management (FRM) Risk Classification: Most financial risk can be categorized as either systematic or non-systematic. Systematic risk affects an entire economy and all of the businesses within it; an example of systematic risk would be losses due to a recession. Non-systematic risks are those that vary between companies or industries; these risks can be avoided completely through careful planning. There are several types of systematic risk. Interest risk is the risk that changing interest rates will make the current investment's rate look unfavorable. Inflation risk is the risk that inflation will increase, making the current investment's return smaller in relation. Liquidity risk is associated with "tying up" investible funds in long-term assets that cannot be sold easily. There are also different types of non-systematic risk. Management risk is the risk that bad management decisions will hurt the company in which investment had been made. Credit risk is the risk that a debt instrument issuer (such as a bond issuer) will default on their repayments. The Group is exposed to an array of risks through its operations and has identified and categorized its exposure to these broad risks listed below: Market Risk, Credit Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Reputational Risk, Foreign Currency Risk, Equity risk.

The Group manages financial risks via the Board Assets & Liabilities Committee (ALCO) which is mandated to achieve long-term investment returns in excess of the group's obligations under insurance and investment contracts. The principal technique of the Group's BIC is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of business, a separate portfolio of assets is maintained.

i. Market risk

Market Risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates, foreign currencies and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return on risk. Overall responsibility for managing market risk rests with the Assets and Liabilities Committee (ALCO).

Market risk measurement techniques
The following market risk limits are adopted by the group to measure market volatilities in interest rate, liquidity, foreign exchange risk and trading exposures:

i. Counterparty limits
ii. Liquidity gap reports
iii. 3-6 month repricing gap report
iv. Liquidity and cash forecasting

ii. Credit risks

Credit risk is the risk of financial loss to the Group if a debtor fails to make payments of interest and principal when due. The Group is exposed to this risk relating to its debt holdings in its investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met. Sources of credit risk identified are Direct Default Risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations. Downgrade Risk that changes the possibility of future default by an obligor will adversely present value of the contract with the obligor today and Settlement risk arising from lag between the value and settlement dates of transactions. All these risks are closely monitored and measures are put in place to minimise the Groups exposure to them.

The Group's Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Group's set guidelines to determine when to obtain collateral and guarantees. The Group also maintains strict control limits by amount and terms on financial assets. The amounts subject to credit risk are limited to the fair value of 'in the money' financial assets against which the Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or re -pledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

Maximum exposure to credit risk	**Note**	**Group 2016 N'000**	**Group 2015 N'000**	**Company 2016 N'000**	**Company 2015 N'000**
Cash and cash equivalents (excl. cash on hand)	5	2,038,861	2,790,712	75,255	245,544
Investment Securities:					
At Fair value through Profit or Loss	6(a)	359,703	398,789	10,555	13,393
Available for sale	6(b)	2,882,333	1,396,167	371,628	202,658
Held to Maturity	6(c)	515,488	346,697	-	-
Loans and Receivables	6(d)	393,081	384,867	359,745	355,139
Trade receivables	7	1,528,200	441,449	6,684	13,124
Reinsurance Assets	8	3,715,955	3,686,538	2,923,151	2,709,529
Other receivables and Prepayments	16	861,348	967,499	375,190	424,011
Statutory deposits	18	588,175	556,345	500,000	500,000
Total assets exposed to credit risk		**12,883,144**	**10,969,063**	**4,622,208**	**4,463,398**

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- receivables arising out of direct insurance arrangements;
- receivables arising out of reinsurance arrangements; and
- reinsurers' share of insurance liabilities.

Other areas where credit risk arises include cash and cash equivalents, derivative financial instrument, corporate bonds and deposits with banks and other receivables.

The Company has no significant concentrations of credit risk. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the Company procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company risk department.

Maximum exposure to credit risk before collateral held

	2016		**2015**	
	Group	**Company**	**Group**	**Company**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Trade receivables	1,528,200	6,684	441,449	13,124
Reinsurance assets	3,715,955	2,923,151	3,686,538	2,709,529
Loans and receivables	393,081	359,745	384,867	355,139
Other receivables	861,348	375,190	967,499	424,011
Deposits with financial institutions	1,156,665	-	2,317,675	-
Cash and bank balances	882,196	75,255	473,037	245,544
	8,537,445	**3,740,025**	**8,271,065**	**3,747,347**

No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the Company's credit risk counterparties are rated.

None of the above assets are past due or impaired except for the following amounts in;
·receivables arising out of direct insurance arrangements (which are due on inception of insurance cover):
·receivables arising out of reinsurance arrangements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial assets that are past due or impaired are summarised as follows:

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	6,684	13,124	-	-
Past due but not impaired	-	-	-	-
Impaired	-	-	149,064	149,064
Gross	6,684	13,124	149,064	149,064
Less: allowance for impairment	-	-	149,064	149,064
Net	6,684	13,124	-	-

Financial assets past due but not impaired;

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Past due but not impaired:				
- by 91 to 180 days	-	-	-	-

All receivables past due by more than 90 days are considered to be impaired, and are carried at their estimated recoverable value.

Financial assets individually impaired

Of the total gross amount of impaired receivables, the following amounts have been individually assessed:

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Individually assessed impaired receivables	-	-	-	-
-direct clients	-	-	-	-
-agency	-	-		
-insurance brokers	-	-	149,064	149,064
	-	**-**	**149,064**	**149,064**

iii Sensitivity analysis - interest-rate risk

The sensitivity analysis below is based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

	2016			
Assets	**Carrying amount N'000**	**Fixed rate N'000**	**Floating rate N'000**	**Non-interest bearing N'000**
Cash and cash equivalent	75,255	-	-	75,255
Trade receivable	6,684	-	-	6,684
Reinsurance Assets	2,923,151	-	-	2,923,151
	3,005,090	**-**	**-**	**3,005,090**
Liabilities				
Non-life insurance liability	4,258,427	-	-	4,254,687
Other liabilities	14,642,924	8,913,994	-	5,728,930
Bank Overdraft	5,499	5,499	-	-
	18,906,850	**8,919,493**	**-**	**9,983,617**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015			
Assets	**Carrying amount N'000**	**Fixed rate N'000**	**Floating rate N'000**	**Non-interest bearing N'000**
Cash and cash equivalent	245,544	-	-	245,544
Trade receivables	13,124	-	-	13,124
Reinsurance Assets	2,709,529	-	-	2,709,529
	2,968,197	-	-	2,968,197
Liabilities				
Non-life insurance liability	4,506,479	-	-	4,506,479
Other liabilities	14,757,893	8,649,161	-	6,108,732
Bank Overdraft	124,106	124,106	-	-
	19,388,478	8,773,267	-	10,615,21 1

The impact on the Company's profit before tax if interest rates on financial instruments held at amortised cost or at fair va lue had increased or decreased by 100 basis points, with all other variables held constant are considered insignificant. This is due to the short term nature of the majority of the financial assets measured at amortised cost.

iv. Sensitivity analysis - equity risk

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

Management monitors movements of financial assets and equity price risk movements by assessing the expected changes in the di fferent portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Company's equity instruments in that particular index moving proportionally.

As at 31 December 2016, the market value of quoted securities held by the Company is N13 Million (2015: N13 million). If the all share index of the NSE moves by 100 basis points at 31 December 2016, the effect on profit or loss would have been N0.1 million (2015: N0 .1 million).

The Company holds a number of investments in unquoted securities with a market value of N372 million as at 31 December 2016 (2015: N203 million).

v. Foreign exchange risk

The Company holds offshore investments and carries out cross-border business transactions, which exposes it to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future c ommercial transactions and recognised assets.

The Company does not deem this exposure as being significant and manages it through holding USD denominated bank accounts.

At 31 December 2016, if the Nigeria Naira had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for short term insurance for the year would have been Naira 28.9 million (2015: Naira 45. 8million) higher/lower and pre-tax profit for long-term business for the year would have been Naira 95 million (2015: Naira 95.136 million), mainly as a result of US dollar receivables and bank balances.

vi. Price risk

The Company is exposed to equity securities price risk because of investments in quoted securities classified either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Company diversifies its portfolio. Diversification of the p ortfolio is done in accordance with limits set by the Company. All quoted shares held by the Company are traded on the Nigerian Stock Exchange (NSE).

At 31 December 2016, if the NSE Index had increased/decreased by 10% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation to the index, pre -tax loss/profit for short term insurance for the year would have been Naira 0.7 million (2015: 3.3 million), higher/lower, and equity for long-term business would have been Naira 1.4 million (2015: Naira 16.9 million) higher/lower.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group does no t have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments are term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The table below presents the discounted cash flows payable by the Company under financial and other liabilities by remaining contractual maturities at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General insurance:

	1-12 months ₦'000
At 31 December 2016:	
Liabilities	
Insurance contract liabilities	4,258,427
Other payables	3,491,961
Total financial liabilities	**7,750,388**

	1-12 months ₦'000
At 31 December 2015:	
Liabilities	
Insurance contract liabilities	4,506,479
Other payables	4,879,829
Total financial liabilities	**9,386,308**

Experience shows that the short term insurance contract liabilities are settled over periods exceeding the brackets shown abo ve.

Life business :

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2016:				
Insurance contract liabilities	2,907,622	19,185	2,344,822	5,271,629
Payable under investment contracts	891,399	1,782,799	6,239,796	8,913,994
Other payables	-	719,547	-	719,547
Total financial liabilities	**3,799,021**	**2,521,531**	**8,584,618**	**14,905,170**

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2015:				
Insurance contract liabilities	2,329,153	30,601	2,075,940	4,435,694
Payable under investment contracts	864,916	1,729,832	6,054,413	8,649,161
Other payables	-	963,934	-	963,934
Total financial liabilities	**3,194,069**	**2,724,367**	**8,130,352**	**14,048,789**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liquidity risk

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amount expected to be recovered or settled not more than twelve months after the reporting date (current).

GROUP	2016			2015		
	Current ₦'000	Non-current ₦'000	Total ₦'000	Current ₦'000	Non-current ₦'000	Total ₦'000
ASSETS						
Cash and cash equivalents	2,038,861	-	2,038,861	2,790,712	-	2,790,712
Financial Assets	3,635,117	515,488	4,150,605	2,179,823	346,697	2,526,520
Trade receivables	1,528,200	-	1,528,200	441,449	-	441,449
Reinsurance Assets	3,715,955	-	3,715,955	3,686,538	-	3,686,538
Deferred acquisition costs	204,615	-	204,615	216,306	-	216,306
Loans and advances	140,213	35,053	175,266	431,898	107,975	539,873
Non-current assets held for sale	3,218,947	-	3,218,947	3,222,112	-	3,222,112
Investment Property	-	26,401,864	26,401,864	-	25,326,450	25,326,450
Deferred Income Tax	-	28,245	28,245	-	32,808	32,808
Intangible Assets	-	64,447	64,447	-	238,488	238,488
Property plant and equipment	-	6,933,904	6,933,904	-	6,671,407	6,671,407
Other receivables and prepayments	861,348	-	861,348	967,499	-	967,499
Statutory deposits	-	588,175	588,175	-	556,345	556,345
TOTAL ASSETS	**15,343,256**	**34,567,176**	**49,910,432**	**13,936,337**	**33,280,170**	**47,216,507**
LIABILITIES						
Insurance Contract Liabilities	9,168,233	7,513,273	16,681,506	7,582,276	5,054,850	12,637,126
Investment Contract Liabilities	8,441,081	5,627,388	14,068,469	7,305,850	4,870,567	12,176,417
Trade Payable	1,408,794		1,408,794	1,736,765		1,736,765
Other payables and accruals	6,826,829	-	6,826,829	5,631,121	-	5,631,121
Income tax payable	-	1,848,709	1,848,709	-	1,754,462	1,754,462
Dividend payable	92,775	-	92,775	11,227	-	11,227
Deferred tax liabilities	-	2,121,376	2,121,376	-	1,741,915	1,741,915
Deposit for shares	1,144,256	-	1,144,256	1,169,783	-	1,169,783
Loans and Borrowings	30,121	1,548,780	1,578,901	-	3,146,421	3,146,421
TOTAL LIABILITIES	**27,112,089**	**18,659,526**	**45,771,615**	**23,437,022**	**16,568,215**	**40,005,237**
GAP	**(11,768,834)**	**15,907,651**	**4,138,817**	**(9,500,684)**	**16,711,954**	**7,211,270**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liquidity risk

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amount expected to be recovered or settled not more than twelve months after the reporting date (current)

COMPANY		**2016**			**2015**	
	Current ₦'000	**Non-current ₦'000**	**Total ₦'000**	**Current ₦'000**	**Non-current ₦'000**	**Total ₦'000**
ASSETS						
Cash and cash equivalents	75,255	-	75,255	245,544	-	245,544
Financial Assets	741,928	-	741,928	571,190	-	571,190
Trade receivables	6,684	-	6,684	13,124	-	13,124
Reinsurance Assets	2,923,151	-	2,923,151	2,709,529	-	2,709,529
Deferred acquisition costs	114,076	-	114,076	135,838	-	135,838
Investment in Subsidiaries	-	3,418,582	3,418,582	-	5,590,678	5,590,678
Investment Property	-	16,856,266	16,856,266	-	15,915,506	15,915,506
Deferred Income Tax	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Property plant and equipment	-	4,942,912	4,942,912	-	4,670,928	4,670,928
Other receivables and prepayments	375,190	-	375,190	424,011		424,011
Statutory deposits	-	500,000	500,000	-	500,000	500,000
TOTAL ASSETS	**4,236,284**	**25,717,760**	**29,954,044**	**4,099,236**	**26,677,112**	**30,776,348**
LIABILITIES						
Insurance Contract Liabilities	4,162,218	5,367,838	9,530,056	6,460,014	2,482,159	8,942,173
Investment Contract Liabilities	3,565,598	5,348,396	8,913,994	3,459,664	5,189,497	8,649,161
Trade payable	781,827	-	781,827	1,323,964		1,323,964
Other payables and accruals	2,657,925	-	2,657,925	2,445,656	-	2,445,656
Income tax payable	-	1,506,612	1,506,612	-	1,484,161	1,484,161
Dividend payable	-	-	-	-	-	-
Deferred tax liabilities	-	782,566	782,566	-	854,951	854,951
Deposit for shares	-	-	-	-	-	-
Loans and Borrowings	-	5,499	5,499	-	124,106	124,106
TOTAL LIABILITIES	**11,167,568**	**13,010,911**	**24,178,479**	**13,689,298**	**10,134,874**	**23,824,172**
GAP	**(6,931,284)**	**12,706,848**	**5,775,565**	**(9,590,062)**	**16,542,238**	**6,952,176**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Strategic risk management

Strategic risks are those that arise from the fundamental decisions that directors take concerning an organization's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives.

The company's strategic risks are:

i. Business **risks** – risks that derive from the decisions that the Board takes about the creation of new products for future business developments for the company. They include risks associated with developing and marketing these products, economic risks affecting the products and risks arising from changes in the technological environment which impact on revenue generation.

ii. **Non-business risks** – risks that do not derive from the products developed for the business. For example, risks associated with the long-term sources of finance used.

Strategic risk levels link in with how the whole organization is positioned in relation to its environment and are not affected solely by what the directors decide. Competitor actions will affect risk levels in product markets and technological developments may mean that production processes, or products, quickly become out-of-date.

Responsibility for strategic risk management

Strategic risks are determined by Board decisions about the objectives and direction of the company. Board strategic planning and decision-making processes, therefore, must be thorough. It's important that directors establish a formal schedule of matters that are reserved for their decision.

These should include significant acquisitions and disposals of assets, investments, capital projects, and treasury policies. To take strategic decisions effectively, the Board needs sufficient information about how the business is performing, and about relevant aspects of the economic, commercial, and technological environments. To assess the variety of strategic risks the company faces, the board needs to have a breadth of vision; hence governance reports recommend that a Board be balanced in skills, knowledge, and experience.

However, even if the Board follows corporate governance best practices concerning the procedures for strategic decision making, this will not necessarily ensure that the directors make the correct decisions.

Managing strategic risks

Strategic risks are often risks that company may have to take in order to expand, and even to continue in the long term. For example, the risks connected with developing a new product may be very significant – the technology may be uncertain, and the competition facing the company may severely limit premium generation.

However, the alternative strategy may be to persist with products in mature markets, the marketing of which are static and ultimately likely to decline.

The company may accept other strategic risks in the short term, but take action to reduce or eliminate those risks over a longer timeframe.

(e) Operational risk management

Operational risk is the risk of indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict

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initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Company standards for the management of operational risks in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions:
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development and
- Ethical and business standards.

(f) Compliance risk management

Compliance risk management is the current and prospective risk to earnings or capital arising from violations of, or non-conformity with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. Compliance risk also arises in situations where the laws or rules governing certain Insurance products or activities of the Insurer's clients may be ambiguous or untested. This risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced franchise value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts.

Quantity of Compliance Risk Indicators

The following indicators are used when assessing the quantity of compliance risk.

Low

- Violations or noncompliance issues are insignificant, as measured by their number or seriousness.
- The institution has a good record of compliance. The Company has a strong control structure that has proven effective. Compliance management systems are sound and minimize the likelihood of excessive or serious future violations or non-compliance.

Moderate

- The frequency or severity of violations or non-compliance is reasonable.
- The company has a satisfactory record of compliance. Compliance management systems are adequate to avoid significant or frequent violations or non-compliance.

High

Violations or non-compliance expose the company to significant impairment of reputation, value, earnings, or business opportunity.

The company has an unsatisfactory record of compliance. Compliance management systems are deficient, reflecting an inadequate commitment to risk management

Quality of Compliance Risk Management Indicators

The following indicators are used when assessing the quality of compliance risk management.

Strong

- Management fully understands all aspects of compliance risk and exhibits a clear commitment to compliance.

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The commitment is communicated throughout the institution.

- Authority and accountability for compliance are clearly defined and enforced.
- Management anticipates and responds well to changes of a market, technological, or regulatory nature.
- Compliance considerations are incorporated into product and system development and modification processes, including changes made by outside service providers or vendors.

When deficiencies are identified, management promptly implements meaningful corrective action.

- Appropriate controls and systems are implemented to identify compliance problems and assess performance.
- Training programs are effective, and the necessary resources have been provided to ensure compliance.
- Compliance management process and information systems are sound, and the company has a strong control culture that has proven effective.
- The company's privacy policies fully consider legal and litigation concerns.

Satisfactory

- Management reasonably understands the key aspects of compliance risk. Its commitment to compliance is reasonable and satisfactorily communicated.
- Authority and accountability are defined, although some refinements may be needed.
- Management adequately responds to changes of a market, technological, or regulatory nature.
- While compliance may not be formally considered when developing products and systems, issues are typically addressed before they are fully implemented.
- Problems can be corrected in the normal course of business without a significant investment of money or management attention. Management is responsive when deficiencies are identified.
- No shortcomings of significance are evident in controls or systems. The probability of serious future violations or noncompliance is within acceptable tolerance.
- Management provides adequate resources and training given the complexity of products and operations.
- Compliance management processes and information systems are adequate to avoid significant or frequent violations or noncompliance.
- Company privacy policies adequately consider legal and litigation concerns.

Weak

- Management does not understand, or has chosen to ignore, key aspects of compliance risk. The importance of compliance is not emphasized or communicated throughout the organization.
- Management has not established or enforced accountability for compliance performance.
- Management does not anticipate or take timely or appropriate actions in response to changes of a market, technological, or regulatory nature.
- Compliance considerations are not incorporated into product and system development.
- Errors are often not detected internally, corrective action is often ineffective, or Management is unresponsive.
- The likelihood of continued violations or noncompliance is high because a corrective action program does not exist, or extended time is needed to implement such a program.
- Management has not provided adequate resources or training.
- Compliance management processes and information systems are deficient.
- Company privacy policies are non-existent or do not consider legal and litigation concerns.

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g Capital management

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheets, are:

- to comply with the capital requirements as set out in the Insurance Act, CAP I17 LFN 2004 governing the organisation of insurance business in Nigeria and the related regulations (together "insurance regulations");
- to comply with regulatory solvency requirements as set out in the insurance regulations;
- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to its policyholders; and
- to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The deficit in asset cover of N1.111 billion (2015: Deficit of N1.734 billion) in respect of general business and N6.777 billion (2015: N6.640 billion) for Life business, totalling N7.888 billion (2015: N8.374 billion) recorded in Hypothecation under the Insurance and Investment Contracts Liabilities as at the reporting date arose as a result of the restrictions placed on investment of the policy holders funds by the Insurance Act 2003 and NAICOM regulations, as the Company has adequate assets to provide cover to the liabilities. The Director s have commenced the process of restructuring the investment portfolio towards liquidity and admissibility by placing some assets for sale and have obtained the permission of the Financial Reporting Council of Nigerian accordingly.

Insurance regulations require each insurance Company to hold the minimum level of paid up capital as follows;

- General insurance business companies 3 billion Naira and
- Life insurance business companies 2 billion Naira

Composite insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of 15% of net premium or the amount of Minimum Capital Base whichever is higher.

Capital adequacy and solvency margin are monitored regularly by the Board of Directors. The required information is filed with the NAICOM on a quarterly basis.

During the year the Company held the minimum paid up capital required for both general insurance and life businesses.

Minimum Capital Requirement

Industrial and General Insurance Plc complied with the minimum capital requirement of N3 billion for general business. This is shown under Shareholders' fund in the statement of financial Position.

(i) Solvency Margin

Insurance industry regulator measures the financial strength of general business insurers using a solvency margin model, which NAICOM generally expects general business insurers to comply with this capital adequacy requirements.

Section 24 of the Insurance Act 2003 defines Solvency margin of a general business insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company had a negative solvency margin of N3.801 billion (2015: positive

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

N1.356 billion) and a shortfall of N8.801 billion (N3.643 billion) in its solvency margin for the year ended 31 December 2016. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations if the company falls below this requirement

The table below summarises the solvency margin of the Company at 31 December 2016.

Admissible assets	**Total N'000**	**Admissible N'000**	**Inadmissible N'000**
Cash and cash equivalents	75,255	59,911	15,344
Financial Assets -			
- At fair value through profit or loss	10,555	10,555	-
- Available for sale	371,628	371,628	-
- Loans and Receivables	359,745	359,745	-
Trade Receivables	6,684	6,684	-
Deferred acquisition cost	114,076	114,076	-
Reinsurance assets	2,923,151	2,923,151	-
Investment in subsidiaries	3,418,582	2,553,358	865,224
Investment properties	16,856,266	7,752,638	9,103,628
Statutory deposits with CBN	500,000	500,000	-
Other receivables and prepayments	375,190	-	375,190
Property, plant & equipment	4,942,912	4,942,912	-
Total assets (A)	29,954,044	19,594,658	10,359,386
Less:			
Admissible liabilities			
Insurance contract liabilities	9,530,056	9,530,056	-
Investment Contract Liabilities	8,913,994	8,913,994	-
Trade payable	781,827	781,827	-
Other payables and accruals	2,657,925	2,657,925	-
income tax payable	1,506,612	1,506,612	-
Deferred tax liabilities	782,566	-	782,566
Loans and Borrowings	5,499	5,499	-
Total liabilities (B)	24,178,479	23,395,913	782,566
Solvency margin (C) = (A) – (B)		(3,801,255)	
15% of Net Premium	330,815		
Minimum Capital Base	5,000,000	(5,000,000)	
Shortfall in solvency margin		(8,801,255)	
Solvency ratio		(76)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The table below summarises the solvency margin of the Company at 31 December 2015.

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	245,544	245,544	
Financial Assets -			
- At fair value through profit or loss	13,393	13,393	
- Available for sale	202,658	202,658	
- Loans and Receivables	355,139	355,139	
Trade Receivables	13,124	13,124	-
Deferred acquisition cost	135,838	135,838	
Reinsurance assets	2,709,529	2,709,529	
Investment in subsidiaries	5,590,678	1,390,435	4,200,243
Investment properties	15,915,506	14,089,606	1,825,900
Statutory deposits with CBN	500,000	500,000	-
Other receiveables and prepayments	424,011	-	424,011
Property, plant & equipment	4,670,928	4,670,928	-
	30,776,348	24,326,194	6,450,154
Less:			
Admissible liabilities			
Insurance contract liabilities	8,942,173	8,942,173	
Investment Contract Liabilities	8,649,161	8,649,161	
Trade payable	1,312,637	1,312,637	
Other payables and accruals	2,456,983	2,456,983	
income tax payable	1,484,161	1,484,161	
Deferred tax liabilities	854,951	-	854,951
Loans and Borrowings	124,106	124,106	
	23,824,172	22,969,221	854,951
Solvency margin		1,356,973	
15% of Net Premium	376,893		
Minimum Capital Base	5,000,000	5,000,000	
Surplus/(Deficit) in solvency margin		(3,643,027)	
Solvency ratio		27.14	

Enterprise-wide Risk Management Principles

The Group's business operations are largely diversified and spread across different geographical locations. This necessitates the need for proper identification, measurement, aggregation and effective management of risks and efficient utilisation of capital to derive an optimal risk and return rati o. To ensure effective integration over time into organization processes so that risk management not only protects value but creates value, the Group is guided by the following principles:

- The Group will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.
- The Group will at all times comply with all government regulations and uphold international best practice.
- The Group will build and entrench an enduring risk culture, which shall pervade the entire organization.
- The Group will only accept the risk that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times
- The Group will make decision based on careful analysis of the implication of such risk to its strategic goals and operating environment.

Enterprise-wide Risk Management Framework

This framework is developed to promote a strong risk management culture and integrate risk considerations into management and decision-making processes through a robust risk governance structure. It ensures that top risks are properly identified, analyzed and assessed, in a consistent manner across the organisation. We operate the 'three lines of defense model' for the oversight and management of risk to create and promote a culture that emphasizes effective management and adherence to operating controls as illustrated below:

Risk Appetite

The Group's risk appetite is reviewed by the Board of Directors annually at a level that minimises erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflect the conservative nature of IGI Group as far as risk taking is concerned.

The Group employs a range of quantitative indicators to monitor the risk profile. Specific limits have been set in line with the Group's risk appetite.

Risk management Approach

The Group addresses the challenge of risks comprehensively through an Enterprise-wide risk management framework by applying leading practices that is supported by a robust governance structure consisting of board level and executive management committees. The Board drives the risk governance and compliance process through its committees. The audit committee provides oversight function on the system of internal control, financial reporting and compliance. The Board Risk Committee sets the risk philosophy, policies and strategies as well as provides guidance on the various risk element and their management. The management risk committee drives the management of the financial risks (Market, Liquidity and credit Risk), operational risks as well as strategic and reputational risks.

Enterprise-wide Risk Management Principles

In addition, the Group manages its risk in a structured, systematic and transparent manner through a global risk policy which embeds comprehensive risk management processes into the organisational structure and risk measurement and monitoring activities. This structure ensures that the Group's overall risk exposure are within the parameters set by the Board.

The key features of the Group's risk management policy are:

i. The Board of Directors provides overall risk management direction and oversight
ii. The Group's risk appetite is approved by the Board of Directors.
iii. Risk management is embedded in the Group as an intrinsic process and is core competency of all its employees.
iv. The Group manages its credit, market, operational and liquidity risks in a co-ordinated manner within the organisation.
v. The Group's risk management function is independent of the business divisions
vi. The Group's internal audit function reports to the Board Audit committee and provides independent

validation of the business units compliance with risks policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and international best practices. Training, individual responsibility and accountability, together with a disciplined and cautious culture of control, lie at the heart of the Group's management of risk.

The Board of Directors is committed to managing compliance with a robust compliance framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.

4 SEGMENT INFORMATION-GROUP

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements. Group financing, including finance cost and income taxes are managed on group basis and are not allocated to individual operating segments.

No inter-segment transactions occurred in the year. if any transaction were to occur, transfer prices between operation segments are set on arm's length basis in manner similar to transaction's with third parties ,Segment income, expenses and results will then include those transfers between business segments which will then be eliminated on consolidation.

The Group comprises of 8 (2015: 9) operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing consistent with the reports used by the Management Investment and Underwriting Committee. Management identifies its reportable operating segments by product lines and individual entity. The respective operations by products are as follows:

Insurance: The insurance aspect of the group is made up of six operating segments based on geographical locations and broadly classified as short term (Non-life) and long term (life) insurance businesses.

Non-Life: This segment covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Life: This segment covers the protection of the Group's customer against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

Banking: This segment is engaged in the business of banking and provision of related services

Telecommunications: services in this segment include Fixed Wireless and Wire line, Private Network link, Internet Services, Paging and voicemail Services, Public Payphones Services, Prepaid Calling Cards, Cabling, Sales and individual needs.

Registrars: This segment carries on the business of share registration and act as Company Registrar

Pension Fund Administration: This segment carries on business as a pension fund administrator in accordance with the guidelines of the National Pension Commission

Health Management Services: The principal activity of this segment is the provision of healthcare maintenance, management, advisory, administrative and logistics support services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SEGMENT INFORMATION-GROUP

31 December 2016

	Note	IGI Plc Nigeria N'000	NIC Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Sonarwa Holdings Ltd Rwanda N'000	All Crown Registrars Ltd N'000	IGI PFM Ltd N'000	GTSL Ltd N'000	IHMS Ltd N'000	Monarch Communications Limited N'000	Elimination adjustment N'000	Total N'000
INCOME												
Cash and cash equivalents	5	75,255	70,288	27,054	1,196,257	65,745	-	199,206	399,647	6,137	(728)	**2,038,861**
Financial Assets;												**-**
At Fair value through Profit or Loss	6 (a)	10,555	265,978	-	83,170	-	-	-	-	-	-	**359,703**
Available for sale	6 (b)	371,628	586,822	-	1,923,883	-	-	-	-	-	-	**2,882,333**
Held to Maturity	6 (c)	-	387,880	-	127,608	-	-	-	-	-	-	**515,488**
Loans and Receivables	6 (d)	359,745	13,735	3,703	-	-	-	5,637	10,261	-	-	**393,081**
Trade receivables	7	6,684	559,663	-	961,853	-	-	-	-	-	-	**1,528,200**
Reinsurance Assets	8	2,923,151	424,799	50,056	317,949	-	-	-	-	-	-	**3,715,955**
Deferred acquisition costs	9	114,076	54,165	-	36,374	-	-	-	-	-	-	**204,615**
Other receivables and Prepayments	16	375,190	234,452	7,636	543,465	20,073	-	8,158	279,834	-	(607,460)	**861,348**
Loans and advances	10	-	-	-	-	-	-	175,266	-	-	-	**175,266**
Non-current Assets held for sale	11	-	-	-	-	-	-	3,218,947	-	-	-	**3,218,947**
Investment in subsidiaries	12	3,418,582	-	-	-	-	-	-	-	-	(3,418,582)	**-**
Investment Property	13	16,856,266	5,350,326	-	4,080,272	115,000	-	-	-	-	-	**26,401,864**
Deferred Income Tax	26 (b)	-	-	-	13,578	-	-	14,667	-	-	-	**28,245**
Intangible Assets	14	-	-	-	64,447	-	-	-	-	-	-	**64,447**
Property plant and equipment	15	4,942,912	370,314	334,008	858,143	1,815	-	2,833	407,379	16,500	-	**6,933,904**
Statutory deposits	18	500,000	72,665	15,510	-	-	-	-	-	-	-	**588,175**
TOTAL ASSETS		**29,954,044**	**8,391,087**	**437,967**	**10,206,999**	**202,633**	**-**	**3,624,714**	**1,097,121**	**22,637**	**(4,026,770)**	**49,910,432**
LIABILITIES												
Insurance Contract Liabilities	19	9,530,056	1,162,996	71,197	5,834,491	-	-	-	82,766	-	-	**16,681,506**
Investment Contract Liabilities	20	8,913,994	1,481,909	-	3,672,566	-	-	-	-	-	-	**14,068,469**
Trade payables	21	781,827	364,196	-	262,771	-	-	-	-	-	-	**1,408,794**
Deposit from customers											-	**-**
Other payables and Accruals	22	2,657,925	1,045,253	62,720	869,325	51,743	-	700,529	246,951	1,800,578	(608,195)	**6,826,829**
Income tax payable	24 (b)	1,506,612	104,472	1,991	-	1,517	-	228,050	6,067	-	-	**1,848,709**
Dividend payable	25	-	92,775	-	-	-	-	-	-	-	-	**92,775**
Deferred tax liabilities	26 (a)	782,566	661,899	-	675,311	-	-	1,600	-	-	-	**2,121,376**
Deposit for shares	27	-	-	3,981	-	-	-	-	2,000	1,138,275	-	**1,144,256**
Loans and Borrowings	28	5,499	459,794	-	-	-	-	181,271	-	932,336	-	**1,578,901**
TOTAL LIABILITIES		24,178,480	5,373,294	139,889	11,314,464	53,260	-	1,111,450	337,784	3,871,189	(608,195)	**45,771,615**
NET ASSETS		**5,775,564**	**3,017,793**	**298,078**	**(1,107,465)**	**149,373**	**-**	**2,513,264**	**759,337**	**(3,848,552)**	**(3,418,575)**	**4,138,817**
EQUITY												
Share capital	29	7,115,619	320,397	21,019	789,527	168,556	-	1,100,000	444,080	1,000,000	(3,843,579)	**7,115,619**
Share premium	30	8,530,781	163,250	-	11,705	-	-	1,000,000	5,183	-	(1,180,138)	**8,530,781**
Assets revaluation reserve	31	4,826,118	15,339	255,168	731,947	-	-	-	142,919	-	(713,282)	**5,258,209**
Fair value reserve	32	66,676	97,637	-	941,653	-	-	-	-	-	(476,285)	**629,681**
Contingency reserve	33	2,771,939	497,675	27,045	-	-	-	-	-	-	(237,591)	**3,059,067**
Capital reserve	34	-	119,913	-	-	-	-	-	-	-	(46,294)	**73,619**
Retained earnings	35	(17,535,568)	889,565	(146,152)	(2,710,357)	(19,183)	-	253,832	167,155	(4,848,552)	3,850,776	**(20,098,484)**
Foreign Exchange Reserve	36	-	914,017	140,998.00	(1,082,871)	-	-	-	-	-	(27,935)	**(55,791)**
Statutory (regulatory) reserve	37	-	-	-	210,931	-	-	159,432	-	-	(131,682)	**238,681**
SHAREHOLDERS' FUNDS		5,775,564	3,017,793	298,078	(1,107,465)	149,373	-	2,513,264	759,337	(3,848,552)	(2,806,011)	**4,751,382**
NON-CONTROLLING INTEREST	38										(612,565)	**(612,565)**
		5,775,564	**3,017,793**	**298,078**	**(1,107,465)**	**149,373**	**-**	**2,513,264**	**759,337**	**(3,848,552)**	**(3,418,576)**	**4,138,817**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2015	Note	IGI Plc Nigeria	NIC Uganda	IGI Gamstar Ins. Company Gambia	Sonarwa Holdings Ltd Rwanda	All Crown Registrars Ltd	IGI PFM Ltd	GTSL Ltd	IHMS Ltd	Monarch Communications Limited	Elimination adjustment	Total
ASSETS		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	5	245,544	50,405	12,018	1,048,352	4,382	1,002,677	68,413	368,144	20,543	(29,766)	**2,790,712**
Financial Assets;												**-**
At Fair value through Profit or Loss	6 (a)	13,393	103,301		277,618	59,227	-				(54,750)	**398,789**
Available for sale	6 (b)	202,658	217,811		960,218	19,190					(3,710)	**1,396,167**
Held to Maturity	6 (c)		277,211		68,384						1,102	**346,697**
Loans and Receivables	6 (d)	355,139	10,113	1,637			733	5,206	12,039			**384,867**
Trade receivables	7	13,124	268,731	14,234	143,053						2,306	**441,448**
Reinsurance Assets	8	2,709,529	363,434	31,320	573,018						9,237	**3,686,538**
Deferred acquisition costs	9	135,838	12,893	-	66,502						1,073	**216,306**
Investment in Subsidiaries	12	5,590,678									(5,590,678)	**-**
Investment in Related Parties		-										**-**
Other receivables and Prepayments	16	424,011	140,146	12,920	442,677	30,071	167,563	6,939	189,958		(446,785)	**967,500**
Loans and advances	10	-	-	-				539,873				**539,873**
Non-current Assets held for sale	11	-	-	-				3,222,112				**3,222,112**
Investment Property	13	15,915,506	3,733,605	-	4,175,029	115,000			1,320,000		67,310	**25,326,450**
Deferred Income Tax	26 (b)	-	-	-	17,853			14,667			288	**32,808**
Intangible Assets	14	-	-	-	38,373						200,115	**238,488**
Property plant and equipment	15	4,670,928	245,647	179,715	1,020,449	3,171	1,629	1,377	404,138	16,500	127,853	**6,671,407**
Statutory deposits	18	500,000	45,934	10,411								**556,345**
TOTAL ASSETS		**30,776,348**	**5,469,231**	**262,255**	**8,831,526**	**231,041**	**1,172,602**	**3,858,587**	**2,294,279**	**37,043**	**(5,716,405)**	**47,216,507**
												-
LIABILITIES												**-**
Insurance Contract Liabilities	19	8,942,174	940,566	43,610	2,615,012				53,605		42,159	**12,637,126**
Investment Contract Liabilities	20	8,649,162	988,165		2,498,804						40,286	**12,176,417**
Trade payables	21	1,312,637	180,050	28,300	-						147,866	**1,668,853**
Other payables and Accruals	22	2,456,979	605,266	38,453	577,689	76,346	69,647	730,124	289,286	1,572,779	(717,536)	**5,699,033**
Placement from other banks	23											**-**
Income tax payable	24 (b)	1,484,161	53,479	1,944		1,186		208,042	5,649		1	**1,754,462**
Dividend payable	25		60,656								(49,429)	**11,227**
Deferred tax liabilities	26 (a)	854,951	427,742		448,492		2,098	1,400			7,232	**1,741,915**
Deposit for shares	27			29,506					2,000	1,138,273	4	**1,169,783**
Loans and Borrowings	28	124,105	267,663					379,892	1,199,760	1,175,001		**3,146,421**
TOTAL LIABILITIES		**23,824,169**	**3,523,587**	**141,813**	**6,139,997**	**77,532**	**71,745**	**1,319,458**	**1,550,300**	**3,886,053**	**(529,417)**	**40,005,237**
NET ASSETS		**6,952,179**	**1,945,644**	**120,442**	**2,691,529**	**153,509**	**1,100,857**	**2,539,129**	**743,979**	**(3,849,010)**	**(5,186,988)**	**7,211,270**
EQUITY												
Share capital	29	7,115,619	411,904	21,019	838,203	168,556	1,000,000	1,100,000	444,080	1,000,000	(4,983,762)	**7,115,619**
Share premium	30	8,530,781	209,875	11,705			375,000	1,000,000	5,183		(1,601,763)	**8,530,781**
Assets revaluation reserve	31	4,509,788	11,554	151,669	762,196				113,219		(718,220)	**4,830,206**
Fair value reserve	32	132,833	6,984		566,376						(343,377)	**362,816**
Contingency reserve	33	2,695,930	224,306	18,086	149,180						(195,613)	**2,891,889**
Capital reserve	34		106,980								(42,766)	**64,214**
Retained earnings	35	(16,032,772)	851,927	(149,021)	375,574	(15,047)	(291,069)	279,697	181,497	(4,849,010)	2,437,312	**(17,210,912)**
Foreign Exchange Reserve	36		122,114	66,984							29,423	**218,521**
Statutory (regulatory) reserve	37						16,926	159,432			(62,328)	**114,030**
SHAREHOLDERS' FUNDS		6,952,179	1,945,644	120,442	2,691,529	153,509	1,100,857	2,539,129	743,979	(3,849,010)	(5,481,092)	**6,917,166**
NON-CONTROLLING INTEREST	38										294,103	**294,103**
		6,952,179	**1,945,644**	**120,442**	**2,691,529**	**153,509**	**1,100,857**	**2,539,129**	**743,979**	**(3,849,010)**	**(5,186,988)**	**7,211,270**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 SEGMENT INFORMATION-GROUP

31 December 2016

	Note	IGI Plc Nigeria N'000	NIC Uganda N'000	IGI Gams tar Ins. Company Gambia N'000	Sonarwa Holdings Ltd Rwanda N'000	All Crown Registrars Ltd N'000	IGI PFM Ltd N'000	GTSL Ltd N'000	IHMS Ltd N'000	Monarch Communications Limited N'000	Elimination adjustment N'000	Total N'000
INCOME												
Gross premium written	39	3,020,008	1,069,836	165,761	2,045,006	-	-	-	1,392,677	-		**7,693,288**
Changes in unearned premium	40	180,608	(3,726)	(8,105)	(332,572)	-	-	-	-	-		**(163,795)**
Gross earned premium		3,200,616	1,066,110	157,656	1,712,434	-	-	-	1,392,677	-		**7,529,493**
Reinsurance expenses	41	(995,184)	(391,410)	(43,767)	(302,672)	-	-	-	-	-		**(1,733,033)**
Net earned premium		2,205,432	674,700	113,889	1,409,762	-	-	-	1,392,677	-		**5,796,460**
Fees and commission income	42	125,219	72,444	87,779	64,875	2,889	-	-	-	-		**353,206**
Net underwriting income		2,330,651	747,144	201,668	1,474,637	2,889	-	-	1,392,677	-		**6,149,666**
Claims expenses (Gross)	44	2,355,702	(3,813)	8,066	1,955,973	-	-	-	320,640	-	-	**4,636,568**
Recovered & recoverable from reinsurers	44 (a)	(420,774)	82,704	(4,257)	(134,361)	-	-	-	-	-		**(476,688)**
Net claims incurred		1,934,928	78,891	3,809	1,821,612	-	-	-	320,640	-		**4,159,880**
												-
Underwriting expenses	43	449,666	325,632	23,146	(166,410)	-	-	-	887,601	-		**1,519,635**
Changes in contract liabilities	46	(767,041)	-	-	-	-	-	-	-	-		**(767,041)**
		1,617,553	404,523	26,955	1,655,202	-	-	-	1,208,241	-	-	**4,912,474**
												-
Underwriting (Loss)/Profit		713,098	342,621	174,713	(180,565)	2,889	-	-	184,436	-		**1,237,192**
Investment income	47	464,127	129,145	4,893	155,142	-	-	1,259	34,305	-		**788,871**
Interest income	48	-	1,872	3,622	52,604	-	-	181,422	-	-	-	**239,520**
Other income	49	406,868	159,329	(3,114)	171,638	7,898	-	24,197	-	23,286	-	**790,102**
Fair value gain through Profit or loss	50	1,443,952	(27,061)	-	(1,525,223)	-	-	-	-	-		**(108,332)**
Profit/(loss) on investment Contracts	55	(569,505)	-	-	-	-	-	-	-	-		**(569,505)**
												-
Net operating income		2,458,540	605,906	180,114	(1,326,404)	10,787	-	206,878	218,741	23,286	-	**2,377,848**
Finance cost	51	(258,881)	-	(3,894)	(7,919)	-	-	(117,621)	(3,449)	(44)		**(391,808)**
Management expenses	53	(2,839,429)	(455,235)	(179,559)	(1,615,568)	(14,923)	-	(108,814)	(223,567)	(19,473)	-	**(5,456,568)**
Impairment of receivables and Investments	54	(722,096)	(54,079)	(17,379)	(246,031)	-	-	6,677	-	-	783,477	**(249,431)**
												-
(Loss)/Profit before taxation		(1,361,866)	96,592	(20,718)	(3,195,922)	(4,136)	-	(12,880)	(8,275)	3,769	783,477	**(3,719,959)**
Taxation	24 (a)	(64,918)	(24,384)	(2,961)	5,071	-	-	(12,984)	(6,067)	-	-	**(106,243)**
(Loss)/Profit after taxation from continued operations		(1,426,784)	72,208	(23,679)	(3,190,851)	(4,136)	-	(25,864)	(14,342)	3,769	783,477	**(3,826,202)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2015	Note	IGI Plc Nigeria N'000	NIC Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Sonarwa Holdings Ltd Rwanda N'000	All Crown Registrars Ltd N'000	IGI PFM Ltd N'000	GTSL Ltd N'000	IHMS Ltd N'000	Monarch Communications Limited N'000	Elimination adjustment N'000	Total N'000
INCOME												
Gross premium written	39	(3,455,994)	(672,782)	(95,983)	(2,086,140)	-	-	-	(1,432,451)	-		**(7,743,350)**
Changes in unearned premium	40	(25,661)	90,091	1,777	(238,252)	-	-	-	-	-		**(172,045)**
Gross earned premium		(3,481,655)	(582,691)	(94,206)	(2,324,392)	-	-	-	(1,432,451)	-		**(7,915,395)**
Reinsurance expenses	41	969,035	176,076	19,321	398,343	-	-	-	-	-		**1,562,775**
Net earned premium		(2,512,620)	(406,615)	(74,885)	(1,926,049)	-	-	-	(1,432,451)	-		**(6,352,620)**
Fees and commission income	42	(120,723)	(36,292)	(51,493)	(249,260)	-	-	-	-	-		**(457,768)**
Net underwriting income		(2,633,343)	(442,907)	(126,378)	(2,175,309)	-	-	-	(1,432,451)	-		**(6,810,388)**
Claims expenses (Gross)	44	(1,722,448)	(216,935)	(17,677)	(1,369,833)	-	-	-	(240,444)	-	-	**(3,567,337)**
Recovered & recoverable from reinsurers	44(a)	547,575	154,820	15,102	272,148	-	-	-	-	-		**989,645**
												-
Net claims incurred		(1,174,873)	(62,115)	(2,575)	(1,097,685)	-	-	-	(240,444)	-		**(2,577,692)**
												-
Underwriting expenses	43	(1,346,458)	(207,876)	(18,472)	(258,864)	-	-	-	(911,575)	-		**(2,743,245)**
Changes in contract liabilities	46	(605,641)	(8,637)	-	(79,711)	-	-	-	-	-		**(693,989)**
		(3,126,972)	(278,628)	(21,047)	(1,436,261)	-	-	-	(1,152,019)	-	-	**(6,014,926)**
Underwriting (Loss)/Profit		493,629	(164,279)	(105,331)	(739,048)	-	-	-	(280,432)	-		**(795,462)**
Investment income	47	(206,633)	(111,031)	-	(231,421)	-	-	(3,250)	-	-		**(552,335)**
Interest income	48	-	(864)	(2,657)	-	-	(14,128)	(138,783)	-	-	-	**(156,432)**
Other income	49	(214,465)	(68,146)	(5,702)	(107,272)	(14,617)	(18,162)	(25,299)	-	(95,006)	17,222	**(531,447)**
Fair value gain through Profit or loss	50	(1,555,092)	(267,764)	-	34,296	-	-	-	-	-		**(1,788,560)**
Profit/(loss) on investment Contracts	55	529,179	-	-	-	-	-	-	(89,291)	-		**439,888**
Net operating income		(926,474)	(612,084)	(113,690)	(1,043,445)	(14,617)	(32,290)	(239,574)	(369,723)	(95,006)	17,222	**(3,429,682)**
Finance cost	51	213,822	-	2,356	9,338	-	-	163,640	5,132	-		**394,288**
Management expenses	53	3,418,948	345,276	112,348	790,988	17,222	162,013	79,250	251,158	102,445	(17,222)	**5,262,426**
Impairment of receivables and Investments	54	1,059,145	71,335	-	246,004	-	-	48,891	162,080	-	-	**1,587,455**
												-
(Loss)/Profit before taxation		3,765,441	(195,473)	1,014	2,885	2,605	129,723	52,207	48,647	7,439		**3,814,487**
Taxation	24 a	408,790	81,334	2,333	21,911	292	5,342	6,825	5,649	-	-	**532,476**
												-
(Loss)/Profit after taxation from continued operations		4,174,231	(114,139)	3,347	24,796	2,897	135,065	59,032	54,296	7,439		**4,346,963**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016	Note	Life Business 2016 ₦'000	General Business 2016 ₦'000	Intra company adjustment	Total	2015 ₦'000
ASSETS						
Cash and cash equivalents	5	18,366	56,889		75,255	245,544
Financial Assets;						
At Fair value through Profit or Loss	6 (a)	7,065	3,490		10,555	13,393
Available for sale	6 (b)	266,930	104,698		371,628	202,658
Held to Maturity	6 (c)				-	-
Loans and Receivables	6 (d)	358,180	1,565		359,745	355,139
Trade receivables	7	-	6,684		6,684	13,124
Reinsurance Assets	8	1,071,981	1,851,170		2,923,151	2,709,529
Deferred acquisition costs	9	10,136	103,940		114,076	135,838
Other receivables and Prepayments	16	1,171,173	285,498	(1,081,481)	375,190	424,011
Investment in Subsidiaries	12	3,127,399	291,183		3,418,582	5,590,678
Investment Properties	13	8,967,835	7,888,431		16,856,266	15,915,506
Property plant and equipment	15	2,648,460	2,294,452		4,942,912	4,670,928
Statutory deposits	18	200,000	300,000		500,000	500,000
TOTAL ASSETS		17,847,525	13,188,000		29,954,044	30,776,348
LIABILITIES						
Insurance Contract Liabilities	19	5,271,629	4,258,427		9,530,056	8,942,173
Investment Contract Liabilities	20	8,913,994	-		8,913,994	8,649,161
Trade payables	21	472,102	249,259		721,361	1,312,637
Other payables and Accruals	22	247,445	3,552,427	(1,081,481)	2,718,391	2,456,983
Income tax payable	24 (b)	238,342	1,268,270		1,506,612	1,484,161
Deferred tax liabilities	26 (a)	458,259	324,307		782,566	854,951
Loans and Borrowings	28	-	5,499		5,499	124,106
TOTAL LIABILITIES		15,601,771	9,658,189		24,178,479	23,824,172
NET ASSETS		**2,245,754**	**3,529,810**		**5,775,564**	**6,952,176**
EQUITY						
Share capital	29	2,650,806	4,464,813		7,115,619	7,115,619
Share premium	30	3,871,731	4,659,050		8,530,781	8,530,781
Assets revaluation reserve	31	3,534,233	1,291,885		4,826,118	4,509,788
Fair value reserve	32	(68,278)	134,954		66,676	132,833
Contingency reserve	33	255,629	2,516,309		2,771,939	2,695,929
Retained earnings	35	(7,998,368)	(9,537,201)		(17,535,568)	(16,032,774)
		2,245,754	**3,529,810**		**5,775,564**	**6,952,176**

The Financial Statements for the year ended 31 December 2016 were approved by the Board of Directors on 7 October 2019 and signed on its behalf by

Rachel Voke Emenike
Managing Director
FRC/2015/CIIN/00000013299

Tolu Delano
Chief Finance Officer
FRC/2019/ANAN/00000019788

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

The accounting policies and accompanying notes form an integral part of these Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.2 SEGMENT INFORMATION – COMPANY

REVENUE ACCOUNT OR THE YEAR ENDED 31 DECEMBER 2016

4.4 REVENUE	Fire N'000	General Accident N'000	Motor N'000	Marine N'000	Engineering N'000	Oil & Energy N'000	General Business N'000	Life Business N'000	2016 N'000	2015 N'000
Direct Premium	127,191	238,807	438,540	198,476	211,212	913,762	2,127,988	457,866	2,585,854	3,337,663
Inward Premium	27,383	96,416	-	29,877	8,816	-	162,492	271,662	434,154	118,331
Gross Premium Written	154,574	335,223	438,540	228,353	220,028	913,762	2,290,480	729,528	3,020,008	3,455,994
Changes in Unearned Premium	12,076	(39,765)	(11,027)	73,052	134,027	(44,838)	127,265	57,083	180,608	25,661
Gross Premium Earned	**166,650**	**295,458**	**427,513**	**301,405**	**354,055**	**868,924**	**2,417,745**	**786,611**	**3,200,616**	**3,481,655**
Outward Reinsurance	(60,317)	(11,600)	(14,689)	(107,774)	(50,738)	(735,573)	(980,691)	(11,076)	(991,767)	(1,007,603)
Changes in prepaid reinsurance cost	660	-	139	(30,415)	(7,593)	33,792	(3,417)	-	(3,417)	38,568
Net Premium Earned	**106,993**	**283,858**	**412,963**	**163,216**	**295,724**	**167,143**	**1,433,637**	**775,535**	**2,205,432**	**2,512,620**
Commission received	19,090	-	79	14,727	15,043	73,948	122,887	2,332	125,219	120,723
Total income	**126,083**	**283,858**	**413,042**	**177,943**	**310,767**	**241,091**	**1,556,524**	**777,867**	**2,330,651**	**2,633,343**
EXPENSES										
Gross claims paid	99,845	32,276	102,694	22,873	162,652	93,482	513,822	1,387,938	1,901,760	1,758,033
Changes in outstanding claims	(60,123)	(153,571)	(102,353)	98,676	243,392	(150,549)	(124,528)	578,470	453,942	453,942
Gross claims incurred	**39,722**	**(121,295)**	**341**	**121,549**	**406,044**	**(57,067)**	**389,294**	**1,966,408**	**2,355,702**	**1,722,448**
Reinsurance claims recovery	(72,701)	(4,468)	(10,556)	(16,763)	(41,847)	(29,367)	(175,702)	(302,368)	(478,070)	(271,828)
Changes in reinsurance share of Outstanding claims	107,797	3,968	1,268	(239,123)	183,386		57,296	-	57,296	(275,747)
Net claims incurred/(recovered)	**74,818**	**(121,795)**	**(8,947)**	**(134,337)**	**547,583**	**(86,434)**	**270,888**	**1,664,040**	**1,934,928**	**1,174,873**
Changes in insurance contract liability	-	-	-	-	-	-	-	(767,041)	(767,041)	605,641
Acquisition and maintenance cost	26,951	29,014	29,553	38,143	6,516	70,079	200,256	249,410	449,666	1,346,458
Total expenses	**101,769**	**(92,781)**	**20,606**	**(96,194)**	**554,099**	**(16,355)**	**471,144**	**1,146,409**	**1,617,553**	**3,126,972**
Underwriting results	**227,852**	**191,077**	**433,648**	**81,749**	**864,866**	**224,736**	**2,027,668**	**1,924,276**	**713,098**	**(493,629)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Cash and cash equivalents

Cash and cash equivalents comprise of balances with less than three months maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Cash on hand	348,593	28,414	-	-
Bank balances	533,603	444,623	75,255	245,544
Short term deposits/placements with other banks	1,156,665	2,317,675	-	-
	2,038,861	**2,790,712**	**75,255**	**245,544**

6 Financial assets

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
a	Fair value through Profit or Loss:			-	
	Quoted equity at 1 January 2016	398,789	730,763	13,393	24,333
	Investment during the year	-	84,152	-	-
	Disposal	-	(429,283)	-	(10,445)
	Fair value loss	(56,128)	(62,602)	(2,838)	(495)
	Derecognised on disposal of subsidiary	(87,480)	-	-	-
	Translation adjustment	104,522	75,759	-	-
	Total	**359,703**	**398,789**	**10,555**	**13,393**
	Current	359,703	398,789	10,555	13,393
	Non-current	-	-	-	-

Financial Assets at Fair Value through Profit or Loss of the group represents investment where there is a ready and liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day. Assets under this category have been acquired for short term trading intent.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
b	Available for sale:				
	Unquoted Equity	2,882,333	1,396,167	371,628	202,658
	Exchange difference	-	-	-	-
	Total	**2,882,333**	**1,396,167**	**371,628**	**202,658**
	Current	2,882,333	1,396,167	371,628	202,658
	Non-current	-	-	-	-

The Group's accounting policy is to hold its investments in treasury bills as available-for-sale and measured at fair value.

Movement in unquoted equities:	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
At 1 January	1,396,167	1,572,424	202,659	202,658
Additions during the year	1,058,259	-	72,000	-
Reclassification from investment in subsidiaries	163,125	-	163,125	-
Derecognised on disposal of subsidiary	(152,577)	-	-	-
Fair value gains/(losses)	318,235	(275,768)	(66,156)	-
Translation adjustment	99,124	99,511	-	-
At 31 December	**2,882,333**	**1,396,167**	**371,628**	**202,658**

Fair value loss of N66.16million recorded in the year relate to the Company's investment in the unquoted equity of Swift 4G Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate and other unquoted securities are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

Unquoted equities are valued using models which incorporate both observable and non-observable market data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
c	Held to Maturity:				
	Government Securities	515,488	346,697	-	-
	Corporate Securities	-	-	-	-
		515,488	**346,697**	-	-
	Current	-	-	-	-
	Non-current	515,488	346,697	-	-

The fair value of the held to maturity financial assets have been estimated by comparing current market interest rates for similar debt securities to the rates offered when the debt securities were first recognized together with appropriate market credit adjustments. For held to maturity financial assets that are traded in active market, their fair values are determined using unadjusted market quotes.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
d	Loans and Receivables:				
	Staff loans	260,278	286,023	232,944	259,980
	Policy loans	367,243	332,492	358,180	326,705
		627,521	618,515	591,124	586,685
	Impairment Charge	(234,440)	(233,648)	(231,379)	(231,546)
		393,081	**384,867**	**359,745**	**355,139**
	Current	393,081	384,867	359,745	355,139
	Non-current	-	-	-	-
	Movement in staff loans				
	At 1 January	286,023	278,040	259,980	251,997
	Addition	1,291	22,796	-	22,796
	Repayment	(27,036)	(14,813)	(27,036)	(14,813)
	At 31 December	**260,278**	**286,023**	**232,944**	**259,980**
	Movement in impairment of Assets:				
	At 1 January	233,648	244,617	231,546	231,546
	No longer required	-	(10,890)	-	-
	Amount written-off	(167)	-	(167)	-
	Translation Adjustment	959	(79)	-	-
	At 31 December	**234,440**	**233,648**	**231,379**	**231,546**
	Total Financial assets	**4,150,605**	**2,526,520**	**741,928**	**571,190**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Policy Loans

The Group grants cash loans to policyholders in line with the 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 policyholder upon cancellation 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 not beyond the policy duration and such policy must be in force and has 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.

Loans to policyholders are not impaired as they are securitized by the surrender value of policies in force as at the reporting date. It is payable on demand and its carrying value approximates its fair value.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
7	**Trade receivables**				
	Premium receivables	1,807,453	639,909	6,684	13,124
	Impairment	(279,253)	(198,460)	-	-
		1,528,200	**441,449**	**6,684**	**13,124**
	Current	1,528,200	441,449	6,684	13,124
	Non-current	-	-	-	-
	Movement in impairment				
	At 1 January	198,460	627,756	-	-
	Recoveries	(46,123)	(48,654)	-	-
	Additions during the year	71,458	80,095	-	-
	Written off	(20,809)	(459,028)	-	-
	Translation adjustment	76,267	(1,709)	-	-
	At 31 December	**279,253**	**198,460**	**-**	**-**
8	**Reinsurance assets**				
	Prepaid Reinsurance	818,016	512,189	231,015	240,726
	Estimated reinsurance recoveries on claims	1,723,393	2,375,228	1,636,949	1,752,194
	Receivables from reinsurers/co-insurers	1,174,546	799,121	1,055,187	716,609
		3,715,955	**3,686,538**	**2,923,151**	**2,709,529**
	Current	3,715,955	3,686,538	2,906,357	2,709,529
	Non-current	-	-	-	-
	Movement in receivables from reinsurers				
	At 1 January	799,121	309,759	716,609	716,609
	Movement during the year	375,425	547,996	338,578	-
	Impairment	-	(58,634)	-	-
	At 31 December	**1,174,546**	**799,121**	**1,055,187**	**716,609**
	Movement in Prepaid Reinsurance				
	At 1 January	512,189	353,843	240,726	195,865
	Reinsurance cost	1,733,033	1,562,775	28,298	127,599
	Payment to reinsurers	(1,427,206)	(1,404,429)	(38,009)	(82,738)
	Closing balance	**818,016**	**512,189**	**231,015**	**240,726**

The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the income statement.

The estimated reinsurance recoveries on claims and prepaid reinsurance represent reinsurance share of outstanding claims and unearned premium as stated in the actuarial report which has been captured as part of the gross liabilities in the accounts, hence not subject to impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Deferred acquisition costs

Deferred acquisition costs represent commission on unearned premium relating to the unexpired period of risks and comprise:

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Motor	39,746	42,954	20,666	21,082
Fire	11,857	39,152	8,641	14,914
Marine	16,478	21,627	6,472	20,073
Accident	27,745	10,187	11,109	10,187
Engineering	18,049	7,725	18,049	7,725
Oil and Energy	39,004	29,567	39,004	29,567
Others	51,736	65,094	10,135	32,290
	204,615	**216,306**	**114,076**	**135,838**

Deferred acquisition cost is only recognised for the non-life business segment of the company. The movement of deferred acquisition cost is as follows:

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
At 1 January	216,306	255,003	135,838	172,453
Acquisition cost for the year	410,985	375,838	410,985	265,312
Translation adjustment	9,408	1,074	-	-
Total acquisition cost for the year	636,699	631,915	546,823	437,765
Amortization during the year	(432,084)	(415,609)	(432,747)	(301,927)
At 31 December	**204,615**	**216,306**	**114,076**	**135,838**
Current	204,615	216,306	114,076	135,838
Non-current	-	-	-	-

10 Loans and advances

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Bank overdraft	564,357	1,042,492	-	-
Commercial loans	7,825	17,044	-	-
	572,182	1,059,536	-	-
Impairment	(396,916)	(519,663)	-	-
	175,266	**539,873**	**-**	**-**
Current	140,213	431,898	-	-
Non-current	35,053	107,975	-	-
Movements in impairment:				
At 1 January	519,663	470,825	-	-
Arising during the year	(122,747)	48,838	-	-
At 31 December	**396,916**	**519,663**	**-**	**-**

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

· those classified as held for trading and those that the Bank on initial recognition designates as at fair value through profit and loss;
· those that the Bank upon initial recognition designates as available-for-sale; or
· those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are reported in the statement of financial position as loans and advances to customers and placements with other banks and interest on these is reported in the profit or loss account as interest income.

In case of an impairment loss, the impairment loss is reported as a deduction from the carrying value of loans and recognized in the profit and loss account as impairment losses on loans and advances'.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
11	**Non-current Assets held for sale**				
	At 1 January	3,222,112	3,280,000	-	-
	Additions during the year	975	4,140	-	-
	Transfer from investment property	-	285,000	-	-
	Revaluation reserve	-	(325,130)	-	-
	Disposal during the year	(4,140)	(21,898)	-	-
	At 31 December	**3,218,947**	**3,222,112**	**-**	**-**
	Current	3,218,947	3,222,112	-	-
	Non-current	-	-	-	-

A landed property owned by one of the subsidiaries in the Group has been classified as non-current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property has been designed for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale is highly probable. For the sale to be highly probable

*The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value
*The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, all thi ngs being equal.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
12	**Investment in Subsidiaries**				
	Cost of investments	-	-	11,046,09 0	12,496,090
	Impairment	-	-	(7,627,508)	(6,905,412)
		-	**-**	**3,418,582**	**5,590,678**
	Movements in impairment:				
	At 1 January of the year	-	-	6,905,412	6,905,412
	Additions during the year	-	-	985,251	-
	No longer required	-	-	(263,155)	-
		-	**-**	**7,627,508**	**6,905,412**

Each subsidiary is assessed at each reporting date for impairment when the carrying amount exceeds its recoverable amount using its statement of financial position. The recoverable amount is the higher of the subsidiary's fair value less cost at each reporting date. Losses for impairment in subsidiaries are recognised promptly when there is objective evidence that impairment of a subsidiary has occurred. Impairment allowances are calculated on individual subsidiary. Impairment losses are recorded as charges to the profit or loss account. The carrying amount of impaired subsidiary at the reporting date is reduced through the use of impairment allowance accounts. Losses which may arise from future events are not recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movement in Investment in subsidiaries

2016

NAME OF SUBSIDIARIES	Gross cost at 1 January	Additions in the year	Disposal	Transfer to investment securities	Gross cost at 31 December	Impairment allowance at 1 January	Additional impairment charge in the year	Impairment no longer required	Impairment allowance at 31 December	Net carrying amount
Monarch communications Ltd	590,447	-	-	-	590,447	590,447	-	-	590,447	
Global trust Savings & Loans Ltd	2,086,000	-	-	-	2,086,000		-	-		2,086,000
IGI Pension fund managers Ltd	1,450,000	-	(1,286,875)	(163,125)	-	263,155	-	(263,155)	-	-
All crown Registrars Ltd	158,500	-	-	-	158,500	11,142	-	-	-	147,358
Intl Health Mgt Services Ltd	320,000	-	-	-	320,000	-	-	-	-	320,000
NIC Holdings Limited, Uganda	721,398	-	-	-	721,398	-	-	-	-	721,399
Global Trust Bank Ltd, Uganda	5,730,662	-	-	-	5,730,662	5,730,662	-	-	5,730,662	-
IGI Gamstar Ins Co. Ltd, Gambia	128,850	-	-	-	128,850	69,686	-	-	-	59,164
SONARWA (Rwanda)	1,069,911	-	-	-	1,069,911	-	985,251	-	985,251	84,661
IGI Life Assurance Ghana Ltd	138,480	-	-	-	138,480	138,480	-	-	138,480	-
Industrial and General Insurance (Ghana) Company Ltd	101,840	-	-	-	101,840	101,840	-	-	101,840	-
Total	**12,496,090**	**-**	**(1,286,875)**	**(163,125)**	**11,046,090**	**6,905,412**	**985,251**	**(263,155)**	**7,627,508**	**3,418,582**

2015

NAME OF SUBSIDIARIES	Gross cost at 1 January	Additions in the year	Disposal	Transfer to investment securities	Gross cost at 31 December	Impairment allowance at 1 January	Additional impairment charge in the year	Impairment no longer required	Impairment allowance at 31 December	Net carrying amount
Monarch communications Ltd	590,447	-	-	-	590,447	590,447	-	-	590,447	-
Global trust Savings & Loans Ltd	2,086,000	-	-	-	2,086,000	-	-	-	-	2,086,000
IGI Pension fund managers Ltd	1,450,000	-	-	-	1,450,000	263,155	-	-	263,155	1,186,845
All crown Registrars Ltd	158,500	-	-	-	158,500	11,142	-	-	11,142	147,358
Intl Health Mgt Services Ltd	320,000	-	-	-	320,000	-	-	-	-	320,000
NIC Holdings Limited, Uganda	721,398	-	-	-	721,398	-	-	-	-	721,399
Global Trust Bank Ltd, Uganda	5,730,662	-	-	-	5,730,662	5,730,662	-	-	5,730,662	-
IGI Gamstar Ins Co. Ltd, Gambia	128,850	-	-	-	128,850	69,686	-	-	69,686	59,164
SONARWA (Rwanda)	1,069,911	-	-	-	1,069,911	-	-	-	-	1,069,912
IGI Life Assurance Ghana Ltd	138,480	-	-	-	138,480	138,480	-	-	138,480	-
Industrial and General Insurance (Ghana) Company Ltd	101,840	-	-	-	101,840	101,840	-	-	101,840	-
Total	**12,496,090**	**-**	**-**	**-**	**12,496,090**	**6,905,412**	**-**	**-**	**6,905,412**	**5,590,678**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	HOLDINGS (%) 2016	HOLDINGS (%) 2015
Monarch communications Ltd	Nigeria	56.86	56.86
Global trust Savings & Loans Ltd	Nigeria	98.73	98.73
IGI Pension fund managers Ltd	Nigeria	11.25*	100.00
All crown Registrars Ltd	Nigeria	80.00	80.00
Intl Health Mgt Services Ltd	Nigeria	90.84	90.84
NIC Holdings Limited, Uganda	Uganda	64.95	64.95
Global Trust Bank Ltd, Uganda	Uganda	100.00	100.00
IGI Gamstar Ins Co. Ltd, Gambia	Gambia	60.00	60.00
SONARWA (Rwanda)	Rwanda	64.25	64.25
IGI Life Assurance Ghana Ltd	Ghana	60.00	60.00
Industrial and General Insurance (Ghana) Company Ltd	Ghana	60.00	60.00

All shares in subsidiary undertakings are ordinary shares
*The Company sold 88.75% of the shares in IGI Pension Fund managers during the year.

12b Principal Activities of Subsidiary Companies

Global Trust Bank Limited (the Bank) is a limited liability company and is incorporated and domiciled in Uganda. The address of its registered office is as follows: Plot 2A Kampala Road P. O. Box 72747 Kampala, Uganda. The Bank provides retail and corporate banking se rvices.

Closure of Global Trust Bank Uganda Limited
Global Trust Bank, Uganda (GTB, Uganda), was closed down and its licence revoked by the Bank of Uganda (BOU) on Friday, 25th July, 2014 due to losses recorded over the years as a result of impairment made on non-performing loans which affected the capital of the bank.

Since its commencement of operation in 2008, IGI had invested N5.004billion and a total impairment provision of N3.55billion had been made in our books up till 31 December 2013. An additional investment of N700.923million was also made in 2014 leaving a balance of N2.18billion that has been fully impaired in the 2014 audited financial statements.

Though liquidation processes are on-going, IGI has taken up the matter with the relevant authorities in Uganda and it is optimistic of making some recoveries from the investment. Proceeds from the liquidation is being expected from the Bank of Uganda (BOU) in the com ing years.

NIC Holdings Limited (NIC) was incorporated in Uganda under the Ugandan Companies Act, National Insurance Corporation Act 1964 and is regulated by the Insurance Regulatory Authority (formerly Ugandan Insurance Commission) and domiciled in Uganda. The company is licensed to transact all classes of life and general insurance business as defined by the Insurance Act (Cap 213).

The Corporation is a public limited company with 40% of shares in the Corporation listed on the Main Investment Market Segmen t (MIMS) of the Uganda Securities Exchange with effect from 25 March 2010.

As at 31 December 2016, IGI Plc owns 60% of NIC, Uganda through Corporate Holdings Limited, A special purpose vehicle created solely for the acquisition.
IGI Pension Fund Managers Limited was incorporated as a private liability company on November 9, 2007. The Group disposed majority shareholding interest in the Company during the year as disclosed in note 52 to these financial statements.

International Health Management Services Limited was incorporated in Nigeria under the Company and Allied Matters Act. 2004 (CAMA) on April 9, 2001, and commenced business on 1st October, 2005. The registered office and principal place of business is at 2, Jo seph Street, Marina, Lagos, Nigeria.

The principal activities of the Company is the provision of healthcare maintenance, management, advisory, administrative and logistic support services. This is for an enhanced health-care delivery system in Nigeria as required under the National Health Insurance Scheme (NHIS) or any other health schemes set up by the Federal Government of Nigeria.

Monarch Communications Limited was incorporated as a limited liability company on January 2nd, 1997. It commenced business on 1st June, 2005.
The company was granted a telecommunication licence by the Nigerian Communication Commission (NCC) under section 12 of Act No 75 of 1992 to provide private Network Links (fixed telephony) in Nigeria.

Sonarwa Holdings Limited formerly known as Société Nouvelle D'assurances Du Rwanda Limited was registered as an insurance company in Rwanda underwriting classes of life and non-life insurance risks in 1975. The Memorandum and Articles of Association wer e amended in 2011 and the name changed to Sonarwa Holdings Limited.

In accordance with Law No. 52/2008 governing the organisation of insurance business in Rwanda and the complementary insurance regulations, the company was required to separate its life and non-life insurance businesses. Accordingly, two subsidiaries, Sonarwa Life Assurance Company Limited and Sonarwa General Insurance Company Limited were incorporated in 2011. Effective 1 January 2012, Sonarwa Holdings Limited transferred the life and non-life insurance businesses to the subsidiaries. Sonarwa Holdings Limited continues to transact business as an investment and holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosure of operational status of subsidiaries.

Both IGI Ghana and IGI Ghana Life have been liquidated.

On 16 December, 2014, the National Insurance Commission (NIC) approached the Court for the winding up of both Companies. The Court granted the order and appointed the Registrars of Companies as the official liquidator. This body was represented by one Mrs Oware. The liquidation was supervised by NIC.

Global Trust Savings and Loans Limited was incorporated as a private limited liability company on 12 January, 1995 and commenced business on 1 June of the same year. The company changed its name from Prime Investments Company Limited to Global Trust Savings & Loans Limited on 1st January 1998. Its shares are held by private individuals.

The company engaged mainly in Mortgage trade, financing and other related financial services.

IGI Gamstar Insurance Company Limited is principally engaged in the business of underwriting general insurance business in The Gambia in accordance with provisions of the Insurance Act 2003 and Insurance Regulations 2005. 60% of the 1,530,000 units of shar es issued and fully paid are held by Industrial & General Insurance Plc a company incorporated in the Federal Republic of Nigeria.

All Crown Registrars Limited was incorporated as a private limited liability company on 3rd October 1994 an d commenced business the same year. The principal activities of the company is to carry out the business of share registration and act as Company Registrar s.

Notice of withdrawal of investment in Ghana
Industrial and General insurance Plc. the 60% shareholders in Industrial and General Insurance Company (Ghana) Limited & IGI Life Assurance Company Limited served the Regulator, National Insurance Commission, Ghana with the notice of its intended divestment from th e two subsidiaries and its desire to source for a probable core investor for both businesses.

The Regulator, National Insurance Commission, Ghana served the two companies enforcement action notice dated 17 May 2012 and a protection order on the assets of both companies was granted on 29 November 2012.

IGI Plc. (the parent company) has made full provision for impairment of its investments in both Companies since the financial year ended 31 December 2014.

Disposal of interest in a subsidiary

During the year, the Board of Directors of IGI approved the disposal of 88.75% of the company's shareholding in IGI Pension Fund Administrator Ltd. Before this period, IGI Pension Fund Administrator Ltd was a wholly owned subsidiary of IGI Plc. Following the disposal of the said shares, IGI Plc now holds a non-controlling interest of 11.25% shareholding in IGI Pension Fund Administrator Ltd with book value of N163,125,000. This remaining shares have been reclassified to unlisted equity securities and carried as available for sales i nvestment.

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Post tax loss on discontinued operations				
Net assets disposed				
Cash and bank	1,002,677	-	1,002,677	-
Financial assets:				
Treasury bills	733	-	733	-
Other receivables	167,562	-	167,562	-
Property, Plant and equipment	1,629	-	1,629	-
Other payables and accruals	(69,547)	-	(69,547)	-
Taxation	(2,099)	-	(2,099)	-
Net Liabilities	1,100,955	-	1,100,955	-
Investment in subsidiary	1,450,000	-	1,450,000	-
Proportion sold (88.75%)	1,286,875	-	1,286,875	-
Remaining shares	**163,125**		**163,125**	
Remaining IGI Plc's investment was reclassified to unlisted equity security and carried as AFS investment.)				
Sales proceed	1,414,453	-	1,414,453	-
Carrying value of disposed shares	(1,286,875)	-	(1,286,875)	-
Gain on disposal of shares (note 47 above)	**127,578**	-	**127,578**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
13. Investment properties				
At valuation:				
At 1 January	25,326,450	22,912,944	15,915,506	14,662,420
Additions	1,033,579	845,144	1,000,000	-
Transfer from subsidiary	46,560	158,797	46,560	51,150
Reclassification to Other assets	24,814	(17,833)	-	-
Transfer to non-current assets held for sale	-	(285,000)	-	-
Fair value gain	(97,539)	1,851,162	1,444,200	1,555,587
Disposals	(3.038,735)	(353,651)	(1,550,000)	(353,651)
Exchange difference	3,106,735	214,887	-	-
At 31 December	**26,401,864**	**25,326,450**	**16,856,266**	**15,915,506**
Policyholder Fund	-	-	3,985,257	4,241,106
Shareholders fund	-	-	2,731,721	4,113,164
Deposit Administration	-	-	3,119,898	6,137,448
Others	-	-	7,019,390	1,423,788
Total	**-**	**-**	**16,856,266**	**15,915,506**

Investment properties represent the Group's investment in land and buildings held for the purpose of capital appreciation. It is the Group's policy not to depreciate these investment properties that did not generate any income or direct operating expenses during the year.

The following properties; Building at 43/45 Akinoye Street Idimu, Lagos, and Building at No. 595 Agege Motor Road, Lagos valued at N46,560,000 were transferred from a subsidiary during the year. The transferred properties belonging to Industrial & General Ins urance Plc that were previously in the custody of IHMS (a fully owned subsidiary of IGI Plc). During the year, some reconciliations were done and these properties were returned to IGI. These were not previously recorded in the books of IGI and neither were they recorded in the books of Monarch Communication Ltd. The properties are not being occupied by the company.

During the year, the Company disposed an Investment Property located at Afri Bank Street Victoria Island, Lagos valued at N1. 55 billion.

Addition of N1b during the year refers to 4.2 hectares of landed property at Maiyegun Tourism Zone, Lekki.

Certain Land and Building were revalued in December 2016 by Messrs Ora Egbunike & Associates chartered surveyors and valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surpl us balance of N1.444 billion (2015: N1.555 billion) which has been credited to other comprehensive income. The basis of appraisa l for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property asse ts might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate.

Included in investment properties are land and buildings amounting to N3.46 billion (2015: N1.82 billion) for which title documents perfection are ongoing. The documents were filed at the land registry, some payments were made on the assessment received. The processes are continuing and will be completed within reasonable time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13b Further analysis and details of the investment properties including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the income statement.

Company

	2016					
Description of properties	**At 1 January**	**Additions/ transfer from subsidiaries**	**Disposal**	**Write off**	**Fair value gain**	**At 31 December**
	N	**N**		**N**	**N**	**N**
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	34,560,000				-	34,560,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	19,980,000				-	19,980,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	97,200,000				-	97,200,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	8,800,000				-	8,800,000
Building at 4 H NIG.Maiyegun Property, Lekki	1,968,500,000				941,500,000	2,910,000,000
Building at No 2, Joseph Str. Lagos Island, Lagos	351,900,000				28,100,000	380,000,000
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	51,840,000				-	51,840,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	16,200,000				-	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	16,200,000				-	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	19,400,000				-	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	19,400,000				-	19,400,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	23,760,000				-	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	23,760,000				-	23,760,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	48,600,000				-	48,600,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	37,800,000				-	37,800,000
Building at Property along Oyemekun Road, Akure	24,840,000				-	24,840,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	65,000,000				-	65,000,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	255,554,538				-	255,554,538
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	450,000,000				-	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu,	7,370,000				-	7,370,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Lagos				
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali	511,282,586		-	511,282,586
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	18,000,000		-	18,000,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	168,300,000		46,700,000	215,000,000
Building at Block A14, Flat 3 Games Village, Abuja	97,200,000		-	97,200,000
Land at Property At Tourism Zone Goshen Estate, Lekki, Lagos	1,100,000,000	(1,100,000,000)	-	-
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	203,800,000		46,200,000	250,000,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	32,940,000		-	32,940,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	10,450,000		-	10,450,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	693,600,000		-	693,600,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	714,000,000		16,000,000	730,000,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	539,243,109		-	539,243,109
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	3,960,000		-	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	4,510,000		-	4,510,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	30,780,400		-	30,780,400
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	5,280,000		-	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	37,260,000		-	37,260,000
Building at PC 9 Idowu Taylor St V/I Lagos	372,300,000		35,700,000	408,000,000
Building at NO 119, Broad Str. Lagos Island, Lagos	127,500,000		-	127,500,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	5,500,000		-	5,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	5,775,000		-	5,775,000
Building at 42 Awolowo Road, Ikoyi (3 storey of 6 flats) Lagos	25,000,000		-	25,000,000
Land at Plot 3, Block 1, Oniru Chieftancy Family Estate lekki, Lagos	450,000,000	(450,000,000)	-	-
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	1,818,000,000		67,000,000	1,885,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	62,640,000		-	62,640,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	1,917,000,000		188,000,000	2,105,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	123,420,000		-	123,420,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	60,000,000		-	60,000,000
Land at Monarch Comm. Awodiora Landed Property	331,500,000		-	331,500,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	685,000,000		75,000,000	760,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	1,363,500,000		-	1,363,500,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	510,000,000		-	510,000,000
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station,	37,800,000		-	37,800,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Ikorodu						
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	7,370,000				-	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	7,370,000				-	7,370,000
Land at Ajah Village Land	7,370,000				-	7,370,000
Land at Block X, Plot 7, within NITEL/MTEL Carrier station, Ikorodu	7,370,000				-	7,370,000
Land at Block X, Plot 9, within NITEL/MTEL Carrier station, Ikorodu	7,370,000				-	7,370,000
Land at Land at Alasia Sangotedo in Lekki	13,250,000				-	13,250,000
Bernestelli Proprety		1,000,000,000			-	1,000,000,000
43/45 Akinoye Street Idimu, Lagos		6,600,000				6,600,000
No. 595 Agege Motor Road, Lagos		39,960,000				39,960,000
	15,915,505,633	**1,046,560,000**	**(1,550,000,000)**	**-**	**1,444,200,000**	**16,856,265,633**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015					
	At 1 January N	Transfer from PPE N	Disposal N	Write off N	Fair value gain N	At 31 December N
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	32,000,000				2,560,000	34,560,000
Land at 308, Aba road, Port Harcourt (2 wing duplex)	-				-	-
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	18,500,000				1,480,000	19,980,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	90,000,000				7,200,000	97,200,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	8,000,000				800,000	8,800,000
Building at 4 H NIG.Maiyegun Property, Lekki	1,850,000,000	28,000,000			90,500,000	1,968,500,000
Building at No 2, Joseph Str. Lagos Island, Lagos	345,000,000				6,900,000	351,900,000
Land at Monarch Comm. Awodiora Landed Property	-				-	-
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	48,000,000				3,840,000	51,840,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	15,000,000				1,200,000	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	15,000,000				1,200,000	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	18,000,000				1,400,000	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	18,000,000				1,400,000	19,400,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	22,000,000				1,760,000	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	22,000,000				1,760,000	23,760,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	45,000,000				3,600,000	48,600,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	35,000,000				2,800,000	37,800,000
Building at Property along Oyemekun Road, Akure	23,000,000	12,000,000			(10,160,000)	24,840,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	62,000,000				3,000,000	65,000,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	226,657,028				28,897,510	255,554,538
Land at Landed property in Uganda - $60,000 @ N151.5	13,651,600		(13,651,600)		-	-
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	450,000,000				-	450,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	6,700,000			670,000	7,370,000
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali	456,082,670			55,199,916	511,282,586
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	-			18,000,000	18,000,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	165,000,000			3,300,000	168,300,000
Building at Block A14, Flat 3 Games Village, Abuja	90,000,000			7,200,000	97,200,000
Land at Property At Tourism Zone Goshen Estate, Lekki, Lagos	850,000,000			250,000,000	1,100,000,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	190,000,000			13,800,000	203,800,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	30,500,000			2,440,000	32,940,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	9,500,000			950,000	10,450,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	680,000,000			13,600,000	693,600,000
Land at Plot 2, Block 1, Oniru Chieftancy Land, Lekki, Lagos	140,000,000		(140,000,000)	-	-
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	350,000,000			364,000,000	714,000,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	539,243,109			-	539,243,109
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	3,600,000			360,000	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	4,100,000			410,000	4,510,000
Land at Ajah Village Land					
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	28,500,000	10,500,000		(8,219,600)	30,780,400
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	4,800,000			480,000	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	34,500,000			2,760,000	37,260,000
Building at PC 9 Idowu Taylor St V/I Lagos	-			372,300,000	372,300,000
Building at NO 119, Broad Str. Lagos Island, Lagos	365,000,000			(237,500,000)	127,500,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	125,000,000			(119,500,000)	5,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	5,000,000			775,000	5,775,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	5,250,000			(5,250,000)	-
Building at 42 Awolowo Road, Ikoyi (3 storey of 6 flats) Lagos	-			25,000,000	25,000,000
Land at Plot 3, Block 1, Oniru Chieftancy Family Estate lekki, Lagos	404,085,440			45,914,560	450,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	1,800,000,000				18,000,000	1,818,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	58,000,000				4,640,000	62,640,000
Land at 7 Quthing Close of Adetokunbo Ademola Street, Abuja.	200,000,000		(200,000,000)		-	-
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	1,700,000,000				217,000,000	1,917,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	121,000,000				2,420,000	123,420,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	50,000,000				10,000,000	60,000,000
Land at Monarch Comm. Awodiora Landed Property	350,000,000				(18,500,000)	331,500,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	500,000,000				185,000,000	685,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	1,350,000,000	650,000			12,850,000	1,363,500,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	325,000,000				185,000,000	510,000,000
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	35,000,000				2,800,000	37,800,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	6,700,000				670,000	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	6,700,000				670,000	7,370,000
Land at Ajah Village Land	18,000,000				(10,630,000)	7,370,000
Land at Block X, Plot 7, within NITEL/MTEL Carrier station, Ikorodu	6,700,000				670,000	7,370,000
Land at Block X, Plot 9, within NITEL/MTEL Carrier station, Ikorodu	6,700,000				670,000	7,370,000
Land at Consent Fee For Land - Lasg	6,700,000				(6,700,000)	-
Land at Land at Alasia Sangotedo in Lekki	13,250,000				-	13,250,000
Land at LASG Alasia Lekki - Epe Property	25,000,000				(25,000,000)	-
	14,662,419,847	**51,150,000**	**(353,651,600)**	**-**	**1,555,587,386**	**15,915,505,633**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The status of perfection for the Investment properties are as follows :

Description of properties	Location	Status of perfection	At 31 December N
Land at Maiyegun Tourism Zone, Lekki (Four H)	Lagos	Perfected title with acquired SPV	2,910,000,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	Kaduna	Perfected	97,200,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Rwanda	Perfected	255,554,538
Ikorodu induatrial estate, Ikorodu	Lagos	Perfected	215,000,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	Perfected	730,000,000
UTC Building at 119 Broad Street, Lagos	Lagos	Perfected	408,000,000
Onikoyi road, parkview estate Ikoyi, Lagos	Lagos	Perfected	510,000,000
			5,125,754,538
Building at Property along Oyemekun Road, Akure	Ondo	Disposed, post balance sheet	24,840,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	Disposed, post balance sheet	37,260,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Oyo	Disposed, post balance sheet	60,000,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	Disposed, post balance sheet	250,000,000
Building at No 2, Joseph Str. Lagos Island, Lagos	Lagos	Disposed, post balance sheet	380,000,000
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali		Disposed, post balance sheet	511,282,586
Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	Disposed, post balance sheet	1,363,500,000
			2,626,882,586
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	Duly executed deed of assignment with right	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	Duly executed deed of assignment with right	4,510,000
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	Duly executed Power of Attorney with right	5,280,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	Duly executed deed of assignment with right	5,500,000
Idi-iroko, Ipokia Road Owode, Ogun State	Ogun	Duly executed deed of assignment with right	5,775,000
43/45 Akinoye Street Idimu, Lagos	Lagos	Duly executed deed of assignment with right	6,600,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo	Duly executed deed of assignment with right	8,800,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	Duly executed deed of assignment with right	10,450,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	Duly executed deed of assignment with right	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right	19,400,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Abuja	Duly executed deed of assignment or transfer the property	19,980,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	Duly executed deed of assignment with right	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	
			23,760,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	Duly executed Power of Attorney with right	32,940,000
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	Right to realize or transfer the property	
			34,560,000
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly executed deed of assignment with right	37,800,000
Building at 595 Agege Motor Road, Lagos	Lagos	Duly executed deed of assignment with right	39,960,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	Duly executed deed of assignment with right	48,600,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	Duly executed deed of assignment with right	30,780,400
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right	51,840,000
Building at Plot 498 Shiroro Road Tunga, Minna	Niger	Duly executed deed of assignment with right	62,640,000
Building at Block A14, Flat 3 Games Village, Abuja	Abuja	Duly executed deed of assignment with right	97,200,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)		Duly executed deed of assignment with right	127,500,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	Duly executed deed of assignment with right	539,243,109
Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	Duly executed deed of assignment with right	1,000,000,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	Duly executed deed of assignment with right	1,885,000,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	2,105,000,000
			6,541,838,509
Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Not Perfected	37,800,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Not Perfected	65,000,000
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	Not Perfected	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Not Perfected	7,370,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Not Perfected	693,600,000
Building at No 6 Okefolami Str. Anthony village Lagos	Lagos	Not Perfected	123,420,000
2, Oroke drive, ikoyi	Lagos	Not Perfected	331,500,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000
Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000
Alagbon metta village, ibeju lekki, ajah lagos	Lagos	Not Perfected	18,000,000
Land at Alasia Sangotedo in Lekki	Lagos	Not Perfected	13,250,000
Eputu/ewerekun village, ibeju lekki, ajah lagos	Lagos	Not Perfected	25,000,000
Property along oshodi apapa express way	Lagos	Not Perfected	760,000,000
			2,561,790,000
TOTAL			**16,856,265,633**

The breakdown of Investment properties for which perfection is ongoing are as follows:

	DESCRIPTION	**Location**	**Status of perfection**	**2016 N**	**2015 N**
1	Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	3,960,000	
2	Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	Duly executed deed of assignment with right to realize or transfer the property	4,510,000	
3	Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	Duly executed Power of Attorney with right to realize or transfer the property	5,280,000	
4	Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	Duly executed deed of assignment with right to realize or transfer the property	5,500,000	
5	Idi-iroko, Ipokia Road Owode, Ogun State	Ogun	Duly executed deed of assignment with right to realize or transfer the property	5,775,000	
6	43/45 Akinoye Street Idimu, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	6,600,000	
7	Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo	Duly executed deed of assignment with right to realize or transfer the property	8,800,000	
8	Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	Duly executed deed of assignment with right to realize or transfer the property	10,450,000	
9	Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	16,200,000	
10	Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	16,200,000	
11	Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	19,400,000	
12	Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	19,400,000	
13	Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	19,980,000	
14	Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki	Abuja	Duly executed deed of assignment with right to	23,760,000	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Abuja		realize or transfer the property	
15	Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	23,760,000
16	Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	Duly executed Power of Attorney with right to realize or transfer the property	32,940,000
17	Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	Right to realize or transfer the property	34,560,000
18	Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly executed deed of assignment with right to realize or transfer the property	37,800,000
19	Building at 595 Agege Motor Road, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	39,960,000
20	Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	48,600,000
21	Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	Duly executed deed of assignment with right to realize or transfer the property	30,780,400
22	Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
23	Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
24	Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
25	Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
26	Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
27	Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	51,840,000
28	Building at Plot 498 Shiroro Road Tunga, Minna	Niger	Duly executed deed of assignment with right to realize or transfer the property	62,640,000
29	Building at Block A14, Flat 3 Games Village, Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	97,200,000
30	Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)		Duly executed deed of assignment with right to realize or transfer the property	127,500,000
31	Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	539,243,109
32	Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	- 1,000,000,000
33	Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	Duly executed deed of assignment with right to realize or transfer the property	1,885,000,000
34	Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duly executed deed of assignment with right to realize or transfer the property	2,105,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35	Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Not Perfected	37,800,000	37,800,000
36	Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Not Perfected	65,000,000	
37	Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	Not Perfected	450,000,000	
38	Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Not Perfected	7,370,000	
39	Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Not Perfected	693,600,000	
40	Gerrard Road Ikoyi	Lagos	Not Perfected	-	1,363,500,000
41	Building at No 6 Okefolami Str. Anthony village Lagos	Lagos	Not Perfected	123,420,000	
42	2, Oroke drive, ikoyi	Lagos	Not Perfected	331,500,000	331,500,000
43	Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000	7,370,000
44	Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000	7,370,000
45	Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000	7,370,000
46	Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000	7,370,000
47	Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not Perfected	7,370,000	7,370,000
48	Alagbon metta village, ibeju lekki, ajah lagos	Lagos	Not Perfected	18,000,000	18,000,000
49	Land at Alasia Sangotedo in Lekki	Lagos	Not Perfected	13,250,000	13,250,000
50	Eputu/ewerekun village, ibeju lekki, ajah lagos	Lagos	Not Perfected	25,000,000	25,000,000
51	Property along oshodi apapa express way	Lagos	Not Perfected	760,000,000	
				9,103,628,509	**1,825,900,000**

The increase in the list is of inadmissible properties for solvency capital from N1.8 billion in 2015 to N9.103 billion in 2016 arose from the increased compliance drive by the National Insurance Commission of Nigeria which has required that all properties without fully perfected titles b e inadmissible in the solvency capital calculation. The non-perfection of titles of these properties does not however imply impairment from an accounting standard viewpoint as the company holds duly executed deeds of assignments of the respective properties that substantiate ownership and these are considered adequate to enable the company to exercise the right to realize or transfer the affected properties.

The inadmissibility of the non-fully perfected titles for solvency capital arose solely from a regulatory interpretation by the National Insurance Commissio n of Nigeria who also is committed to admitting the same for solvency calculation when perfection is achieved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
14	**Intangible Assets**				
	Goodwill (note 14b)	-	201,774	-	-
	Computer Software (note 14a)	64,447	36,714	-	-
		64,447	**238,488**	**-**	**-**
	Current	-	-	-	-
	Non-current	64,447	238,488	-	-
a	**Computer Software**				
	At 1 January	114,305	100,360	70,100	70,100
	Additions during the year	71,595	13,945	-	-
		185,900	**114,305**	**70,100**	**70,100**
	Amortization				
	At 1 January	77,591	60,023	70,100	52,532
	Charge during the year	43,862	17,568	-	17,568
		121,453	**77,591**	**70,100**	**70,100**
	Carrying amount (31 December)	**64,447**	**36,714**	**-**	**-**
b	**Goodwill**				
	At 1 January cost	549,851	549,851		
	Discontinued operations	-	-		
	At 31 December	**549,851**	**549,851**	**-**	**-**
	Accumulated impairment				
	At 31 January	348,077	348,077	-	-
	Impairment charge in the year	201,774	-	-	-
	At 31 December	549,851	348,077	-	-
	Carrying amount (31 December)	**-**	**201,774**	-	-

Goodwill represents the excess of the purchase consideration over the fair value of the aggregate net assets of the subsidiary companies. Goodwill arising has been subjected to tests for impairment on annual basis in accordance with the provision of the International Accounting Standards (IAS). As at 31 December 2016, there were no reasonable expectations that the group would be able to derive any economic benefit from the outstanding balance of the Goodwill. Hence, the balance was fully impaired.

The Group intangible assets comprises of purchased computer software. The computer software are accounted for using cost model of IAS 38, that is, cost less accumulated amortization and accumulated impairment. The amortization is charged to the Income Statement in line with the Group's accounting policy. These assets were tested for impairment and no impairment is required in respect of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor vehicles N'000	Furniture, Fittings and Equipment N'000	Office equipment N'000	Computer equipment N'000	Tele communication equipment N'000	Total N'000
At 1 January, 2016									
Cost or revaluation	2,469,729	4,372,889	149,346	1,447,379	1,205,336	134,512	680,853	2,363,033	12,823,077
Additions	6,100	1,274	-	14,985	11,594	4,906	13,222	-	52,081
Revaluation surplus	351,478	(464,131)	-	-	-	-	-	-	(112,653)
Disposal	-	(3,085)	-	(2,079)	(299)	-	(1,535)	(2,363,033)	(2,370,031)
Eliminated on disposal of subsidiary	-	-	(894)	(10,400)	(13,344)	(8,304)	(35,538)	-	(68,480)
Reclassification	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Exchange difference	-	793,838	-	8,824	115,855	18,902	100,483	-	1,037,902
At 31 December, 2016	2,827,307	4,700,785	148,452	1,458,709	1,319,142	150,016	757,485	-	11,361,896
Depreciation									
At 1 January, 2015	-	510,779	149,230	1,265,231	1,099,903	125,001	638,493	2,363,033	6,151,670
Charge for the year	-	119,379	116	53,436	36,009	7,278	24,472	-	240,690
Disposal	-	(452)	-	(6,597)	(58)	-	(475)	(2,363,033)	(2,370,615)
Eliminated on disposal of subsidiary	-	-	(894)	(10,274)	(13,344)	(7,315)	(35,023)	-	(66,850)
Adjustment	-	-	-	-	-	-	-	-	-
Exchange difference	-	208,743	-	33,152	108,811	19,058	103,333	-	473,097
At 31 December, 2016	-	838,449	148,452	1,334,948	1,231,321	144,022	730,800	-	4,427,992
Net Book Value as at 31 December, 2016	**2,827,307**	**3,862,336**	**-**	**123,761**	**87,821**	**5,994**	**26,685**	**-**	**6,933,904**

None of the group's property, plant and equipment is pledged as collateral as at 31 December 2016 (2015: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor vehicles N'000	Furniture, Fittings and Equipment N'000	Office equipment N'000	Computer equipment N'000	Tele communication equipment N'000	Total N'000
At 1 January, 2015									
Cost or revaluation	2,441,969	4,374,035	149,346	1,467,051	1,180,061	130,259	668,637	2,363,033	12,774,391
Additions	-	1,903	-	119,207	25,275	4,253	13,387	-	164,025
Revaluation surplus	566,146	194,423	-	-	-	-	-	-	760,569
Disposal	(537,736)	(39,325)	-	(138,879)	-	-	(1,171)	-	(717,111)
Reclassification	-		-	-	-	-	-	-	-
Transfer to investment properties	(650)	(158,147)	-	-	-	-	-	-	(158,797)
At 31 December, 2015	2,469,729	4,372,889	149,346	1,447,379	1,205,336	134,512	680,853	2,363,033	12,823,077
Depreciation									
At 1 January, 2015	-	443,629	148,822	1,356,591	1,063,638	116,534	624,164	2,361,422	6,114,800
Charge for the year	-	87,506	408	46,498	36,265	8,467	15,099	1,611	195,854
Disposal	-	(15,610)	-	(137,858)	-	-	(770)	-	(154,238)
Adjustment	-	(4,746)	-	-	-	-	-	-	(4,746)
Exchange difference	-	-	-	-	-	-	-	-	-
At 31 December, 2015	-	510,779	149,230	1,265,231	1,099,903	125,001	638,493	2,363,033	6,151,670
Net Book Value at 31 December, 2015	**2,469,729**	**3,862,110**	**116**	**182,148**	**105,433**	**9,511**	**42,360**	**-**	**6,671,407**

None of the group's property, plant and equipment is pledged as collateral as at 31 December 2016 (2015: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15.1 Property and equipment – (continued)

Company	Land	Buildings	Leasehold improvements	Motor Vehicles	Furniture, Fittings and Equipment	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation at 1 January, 2016	2,453,232	2,443,049	148,452	1,034,469	935,032	389,923	7,404,157
Additions	6,100		-	-	2,986	210	9,296
Disposal	-	-	-	-	-	-	-
Transfer to investment properties	-	-	-	-	-	-	-
Revaluation Surplus	351,478		-	-	-	-	351,478
Year ended 31 December 2016	2,810,810	2,443,049	148,452	1,034,469	938,018	390,133	7,764,931
Depreciation							
At 1 January, 2016	-	297,592	148,336	1,016,295	884,426	386,580	2,733,229
Charge for the year	-	56,736	116	6,324	23,584	2,030	88,790
Disposal	-	-	-	-	-	-	-
At 31 December 2016	-	354,328	148,452	1,022,619	908,010	388,610	2,822,019
Net Book Value at 31 December, 2016	**2,810,810**	**2,088,721**	**-**	**11,850**	**30,008**	**1,523**	**4,942,912**

None of the Company's property, plant and equipment is pledged as collateral as at 31 December 2016 (2015: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company	Land	Buildings	Leasehold improvements	Motor Vehicles	Furniture, Fittings and Equipment	Computer Equipment	Total
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cost/valuation at 1 January, 2015	2,425,469	2,493,549	148,452	1,150,835	925,371	387,800	7,531,476
Additions			-	-	9,661	2,123	11,784
Disposal	(537,733)	-	-	(116,366)	-	-	(654,099)
Transfer to investment properties	(650)	(50,500)	-	-	-	-	(51,150)
Revaluation Surplus	566,146		-	-	-	-	566,146
At 31 December 2015	2,453,232	2,443,049	148,452	1,034,469	935,032	389,923	7,404,157
Depreciation							
At 1 January, 2015	-	249,377	147,928	1,125,782	859,144	384,077	2,766,308
Charge for the year	-	48,215	408	6,879	25,282	2,503	83,287
Disposal	-	-	-	(116,366)	-	-	(116,366)
At 31 December 2015	-	297,592	148,336	1,016,295	884,426	386,580	2,733,229
Net Book Value at 31 December, 2015	**2,453,232**	**2,145,457**	**116**	**18,174**	**50,606**	**3,343**	**4,670,928**

Fair Values of Land and Building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair va lue of the Group's Land and Buildings. As at December 2016, the fair values of the Land and Buildings have been determined by Messrs. Ora Egbunike & Associates Chartered Surveyors and Valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surpl us balance of 351.478 million (2015: N566.146 million) which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the d ate of valuation either by a private treaty, public auction or tender as may be appropriate. The revaluation surplus net of applicable deferred income taxes was credited to Othe r Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity. None of the group's property, plant and equipment is pledged as collateral as at 31 December 2016 (2015: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Revaluation surplus at 31 December 2016

Description of properties	At 1 January N'000	Additions/ transfers from subsidiaries N'000	Disposals N'000	Fair value gain N'000	31 December
9, Lebanon Street, Ibadan	104,315	-	-	2,087	
Plot 75/3c Yakubu Gowon Way Jos	42,086	-	-	842	
Plot 722 Akibo Savage VI Lagos	424,753	-	-	8,495	
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	2,018,268	-	-	174,365	2,192,634
Commercial Land @ Rumukrussi P/H	178,158	-	-	3,131	
Land Along Lekki Expressway (Plot 8 Lekki Pennisula Scheme I Blk 128)	43,000	-	-	-	
Lekki Pennisula, Lagos (plot 2 Block 1 Oniru Chieftancy Land)	750,000	-	-	-	
Payment On Lanlate Land And N1m Premium	6,000	-	-	-	
Payment On Land At Ikorodu	10,475	-	-	458	
Purchase Of Land At Oshogbo	11,000	-	-	-	
Property at Abeokuta ExpressWay, Abule Egba	86,400	-	-	-	
Kamax Global Services, 21/22 University Road, Gbagwalada, Abuja	30,000	-	-	-	
2 Agoro Odiyan Street, Off Adeola Odeku Street, V.I	1,191,800	6,100	-	162,100	1,360,000
	4,896,255	**6,100**	**-**	**351,478**	**5,253,832**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
16. Other receivables and prepayments				
Prepayments	78,715	78,421	5,578	10,391
Amount due from related companies	3,255,347	3,710,417	3,559,203	4,009,712
Prepaid income tax	-	115,351	-	-
Rent receivable	72,242	135,709	-	39,577
Income & withholding tax recoverable	388,786	132,095	-	-
Other receivables (note 16a)	1,686,648	1,262,385	1,610,029	1,098,139
Commission receivable on reinsurance ceded	-	163,934	-	16,998
Deposit for shares	500,000	500,000	500,000	500,000
Accrued income	-	50,966	-	48,814
Sundry debtors	398,701 2,807	368,828	-	-
	6,383,246	6,518,106	5,674,810	5,723,631
Impairment	(5,521,898)	(5,550,607)	(5,299,620)	(5,299,620)
	861,348	**967,499**	**375,190**	**424,011**
Current	861,348	967,499	375,190	424,011
Non-current	-	-	-	-
Movement in impairment:				
At 1 January of the year	5,550,607	4,434,024	5,299,620	4,240,474
Additions during the year	246,031	1,305,149	-	1,059,146
Written off during the year	(274,740)	(188,566)	-	-
	(274,740)			
At 31 December	**5,521,898**	**5,550,607**	**5,299,620**	**5,299,620**
16 (a) Other receivables				
Other debtors	1,530,813	1,106,550	1,454,194	942,304
Other receivables	155,835	155,835	155,835	155,835
	1,686,648	**1,262,385**	**1,610,029**	**1,098,139**

16(b) Analysis of impairment loss by assets

GROUP

Description of assets	**2016** Asset At 31 Dec N'000	Impairment At 1 Jan N'000	Impairment Changes N'000	Impairment At 31 Dec N'000	Net N'000
Amount Due from Related Parties	3,255,347	4,173,907	(1,266,325)	2,907,582	347,765
Other Receivables	2,625,092	827,886	1,283,623	2,111,509	513,583
Deposit for Shares	500,000	500,000	-	500,000	-
Accrued Income	2,807	48,814	(46,007)	2,807	-
	6,383,246	**5,550,607**	**(28,709)**	**5,521,898**	**861,348**

Description of assets	**2015** Asset At 31 Dec N'000	Impairment At 1 Jan N'000	Impairment Changes N'000	Impairment At 31 Dec N'000	Net N'000
Amount Due from Related Parties	4,767,703	3,052,324	671,583	4,173,907	593,796
Other Receivables	1,201,589	827,886	-	827,886	373,703
Deposit for Shares	500,000	55,000	445,000	500,000	-
Accrued Income	48,814	48,814	-	48,814	-
	6,518,106	**4,434,024**	**1,116,583**	**5,550,607**	**967,499**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY

Description of assets	Asset	Impairment			
2016	**At 31 Dec N'000**	**At 1 Jan N'000**	**Changes N'000**	**At 31 Dec N'000**	**Net N'000**
Amount Due from Related Parties	3,559,203	3,930,245	(517,475)	3,412,770	146,433
Other Receivables	1,615,607	820,561	566,289	1,386,850	228,757
Deposit for Shares	500,000	500,000		500,000	-
Accrued Income	-	48,814	(48,814)	-	-
	5,674,810	**5,299,620**	**-**	**5,299,620**	**375,190**

Description of assets	Asset	Impairment			
2015	**At 31 Dec N'000**	**At 1 Jan N'000**	**Changes N'000**	**At 31 Dec N'000**	**Net N'000**
Amount Due from Related Parties	4,076,678	3,316,100	614,145	3,930,245	146,433
Other Receivables	1,098,139	820,561	-	820,561	277,578
Deposit for Shares	500,000	55,000	445,000	500,000	-
Accrued Income	48,814	48,814	-	48,814	-
	5,723,631	**4,240,475**	**1,059,145**	**5,299,620**	**424,011**

17 Related party disclosures

a Transactions with related parties

The Company enters into transactions with its subsidiaries and associated companies and key management personnel in the normal course of business at arm's length. Details of significant transactions carried out during the year with related parties are as foll ows:

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
b Sale of:				
Insurance and investment contracts to All Crown Registrars Ltd	-	101,445	-	101,445
Insurance and investment contracts to Monarch Comm. Ltd	-	245,975		245,975
Insurance and investment contracts to Global Trust Savings & Loans Ltd	-	22,483	-	22,483
Insurance and consultancy contracts to Industrial Energy Company Ltd	-	4,500	-	4,500
Insurance and investment contracts to Int'l Health Management Services Ltd	-	30,007	-	30,007
	-	**404,410**	**-**	**404,410**
c Purchase of				
Estate Management Services from Chancellor's Property	62,809	-	62,809	-
Professional services from All crown Registrars Ltd	-	59,362	-	59,362
Professional services from Global Trust Savings & Loans Ltd	-	337	-	337
Professional services from Int'l Health Management Services Ltd	-	185,129	-	185,129
Professional services from Perfect Structures Ltd	-	98,936		98,936
	62,809	**343,764**	**62,809**	**343,764**
d Balances with related parties				
Receivables from and payable to related parties are as follows:				
Receivables from related parties				
IGI Gamstar	272,355	-	272,355	-
Sonarwa Holdings Limited	-	-		-
Monarch Comm. Ltd	1,876,775	433,466	1,876,775	433,466
Global Trust Savings & Loans Ltd	119,687	212	119,687	212
IGI PFA	-	7,144	-	7,144
National Insurance Corporation, Uganda	-	-	-	
Industrial Energy Company	246,706	251,206	246,706	251,206
Industrial Trustee Ltd	-	389	-	389
Int'l Health Mgt. Services	-	90,315	-	90,315
Investment Managers Ltd	-	83	-	83
IGI Ghana Limited	-	41,852	-	41,852
Perfect Structures Ltd	-	2,940	-	2,940
	2,515,523	**827,607**	**2,515,523**	**827,607**
Payables to related parties				
International Health Management Services	49,378	204,500	49,378	204,500
All crown registrars	-	19,170	-	19,170
Investment PFA	-	145,112	-	145,112
Perfect Structures Ltd	98,936	-	98,936	-
	148,314	**368,782**	**148,314**	**368,782**

Outstanding balances at the reporting date are unsecured. Settlement will take place in cash. There was allowance for impairment on receivables with related parties at the transition date, comparative year and reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
18	**Statutory deposit**				
	At 1 January of the year	556,345	520,383	500,000	500,000
	(Withdrawals)/ Additions during the year	(3,383)	598	-	-
	Interest earned	6,971	4,480	-	-
	Translation adjustment	28,242	30,884	-	-
	At 31 December	**588,175**	**556,345**	**500,000**	**500,000**
	Current	-	-	-	-
	Non-current	588,175	556,345	500,000	500,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2016 (2015: N500,000,000), in accordance with Section 9(1) and Section 10(3) of Insurance Act 2003. Interest income earned on this deposit is included in Investment income.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
19	**Insurance Contract Liabilities**				
	Reserve for Reported claims by policyholders	8,727,330	6,103,811	6,310,508	4,486,921
	Provision for Claims incurred but not reported	50,110	1,603,127	-	1,369,644
	Outstanding Claims Provision	8,777,440	7,706,938	6,310,508	5,856,565
	Reserve for life fund	2,412,618	2,041,882	2,268,083	1,953,535
	Unearned Premium	4,167,291	2,003,071	855,541	979,066
	Unexpired Life Insurance Contract fund	1,324,157	885,235	95,924	153,007
	Total Insurance Contract Liabilities	**16,681,506**	**12,637,126**	**9,530,056**	**8,942,173**
	Current	9,168,233	7,582,276	4,162,218	6,460,014
	Non-current	7,513,273	5,054,850	5,367,838	2,482,159
	(a) Outstanding Claims				
(i.)	**General business**				
	Fire	1,110,012	1,038,739	672,479	732,602
	General accident	286,218	464,227	218,866	372,437
	Motor	1,476,575	1,141,903	82,324	184,677
	Engineering	475,112	231,719	475,112	231,719
	Marine & aviation	412,878	312,028	248,295	149,619
	Medical	1,010	1,188	-	-
	Oil and energy	1,705,810	1,856,359	1,705,810	1,856,359
	Others	339,411	211,252	-	-
		5,807,026	**5,257,415**	**3,402,886**	**3,527,413**
(ii.)	**Life business**				
	Group business	2,312,356	1,913,164	2,249,564	1,792,795
	Individual business	658,058	536,359	658,058	536,357
		2,970,414	2,449,523	2,907,622	2,329,152
	Total	**8,777,440**	**7,706,938**	**6,310,508**	**5,856,565**
	The movement in the provision for outstanding claims;				
	At 1 January	7,706,938	6,663,507	5,856,565	5,397,098
	Additions during the year	1,070,502	1,043,431	453,943	459,467
	At 31 December	**8,777,440**	**7,706,938**	**6,310,508**	**5,856,565**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Age analysis of Outstanding claims as 31 December, 2016

	0 – 90 days	91 – 180 days	181 – 270 days	271 – 365 days ₦'000	365 days +	Total ₦'000
0 – 250,000	18,491	6,415	8,775	4,071	16,578	54,330
250,001 - 500,000	126,812	26,151	18,093	16,709	81,752	269,516
500,001 – 1,500,000	145,504	75,366	72,521	64,433	366,260	724,084
1,500,001–2,500,000 days	84,710	41,441	91,760	36,129	266,944	520,984
2,500,001 – 5,000,000	83,129	43,990	123,163	38,546	511,853	800,681
5,000,000 and above	148,171	59,168	121,936	168,754	2,588,349	3,086,379
IBNR						854,535
						6,310,508

Age analysis of Outstanding claims as 31 December, 2015

	0 – 90 days	91 – 180 days	181 – 270 days	271 – 365 days ₦'000	365 days +	Total ₦'000
0 – 250,000	16,962	9,123	10,867	112,477	16,818	166,246
250,001 - 500,000	42,902	29,100	20,275	161,189	161,604	415,071
500,001 – 1,500,000	128,832	77,461	57,987	65,417	400,571	730,266
1,500,001–2,500,000 days	34,760	30,679	24,272	821,247	160,140	1,071,098
2,500,001 – 5,000,000	53,314	60,629	48,425	110,399	501,702	774,468
5,000,000 and above	174,224	100,789	18,761	174,578	1,169,587	1,637,939
IBNR						1,061,477
						5,856,565

There are various reasons for the outstanding claims recorded above which includes; awaiting settlement decision, awaiting supporting documents to facilitate settlement, awaiting feedback from loss adjusters, signed discharge voucher awaiting payment etc.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
(i.)	**(b) Unearned Premium and Unexpired risk**				
	General business				
	Fire	557,557	271,202	63,338	75,414
	General accident	191,901	155,425	101,494	62,805
	Motor	1,905,083	658,171	194,717	183,690
	Engineering	127,004	261,030	127,004	261,031
	Marine & aviation	481,912	262,655	56,804	129,856
	Medical	-	693	-	-
	Oil and Energy	311,109	266,270	311,109	266,270
	Others	592,725	127,625	1,075	-
		4,167,291	**2,003,071**	**855,541**	**979,066**
(ii.)	**Life business**				
	Individual business	82,766	732,228	- -	-
	Group business	1,241,391	153,007	95,924	153,007
		1,324,157	885,235	95,924	153,007
	Total unearned premium and unexpired risk	**5,491,448**	**2,888,306**	**951,465**	**1,132,073**
(iii.)	**Movement in the unexpired risks account during the year was as follows:**				
	At 1 January	2,888,306	3,060,351	1,132,073	1,157,732
	Increase/(decrease) in unexpired risk during the year	2,603,142	(172,045)	(180,607)	(25,659)
	At 31 December	**5,491,448**	**2,888,306**	**951,465**	**1,132,073**

(c) Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2016. The actuarial value of the net liability of the fund was N2,364,006,634 (2015: N2,106,541,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2016 was carried out by Ernst & Young, FRC/2012/NAS/00000000738 a recognized actuarial valuation firm. The valuation was done based on the following principles:

On Individual life business, for all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted. Reserves were calculated via a monthly cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest. The reserve for the deposit based policies has been taken as the amount standing to the credit of the policy holders at the valuation date. Where policies still have active life cover, this has been valued using a monthly cashflow projection approach as described above for other risk business.

An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. For Individual policies, the valuation age has been taken as Age La st Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has b een taken for premiums due between the valuation date and the end of the premium term. The valuation of the liabil ities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

There were no policies subject to substandard terms in force at the valuation date. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770). The rate of interest used in the valuation is 14.65% (2015: 12.5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20	Investment Contract Liabilities	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
a	**Deposit administration**				
	At 1 January	12,113,825	11,138,382	8,649,161	8,125,378
	Additions during the year	544,847	2,665,585	5,031	2,033,588
	Actuarial surplus/deficit during the year	(193,994)	75,497	(193,994)	(98,356)
	Guaranteed interest	476,202	684,096	476,202	684,096
		12,940,880	14,563,560	8,936,401	10,744,706
	Withdrawals during the year	(822,727)	(2,614,966)	(22,406)	(2,095,544)
	Other income	371,899	(6,531)	-	-
	Translation adjustment	1,436,550	172,467	-	-
		13,926,602	12,114,530	8,913,994	8,649,161
b	Managed funds	141,867	61,887	-	-
	Total Investment Contract Liabilities	**14,068,469**	**12,176,417**	**8,913,994**	**8,649,161**
	Current	8,441,081	7,305,850	3,565,598	3,459,664
	Non-current	5,627,388	4,870,567	5,348,396	5,189,497

Managed Funds above relate to funds managed by a subsidiary in Uganda on behalf its clients. They attract a minimum guarantee d Interest of 5% per annum and has been included in the financial statements.

21	Trade payables	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
	Due to Reinsurance	1,099,069	1,235,935	472,102	879,719
	Due to brokers	60,466	67,912	60,466	11,327
	Due to Co-insurance	249,259	432,918	249,259	432,918
		1,408,794	**1,736,765**	**781,827**	**1,323,964**

22	**Other Payables and Accruals**	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
	Information technology development levy	20,686	20,686	20,686	20,686
	Accruals and provisions (Note 22c)	809,332	658,179	315,638	170,306
	Deposits and other customers' accounts (Note 22a)	673,944	474,681	-	-
	Withholding tax	198,306	189,686	173,351	174,414
	Sundry creditors (Note 22b)	1,046,885	576,440	80,366	44,277
	Health Management Services	248,916	204,500	248,916	204,500
	Pension Contribution	680,017	768,437	680,017	765,982
	Amount due to related companies	1,503,314	1,405,471	366,223	349,612
	Provision for litigation	83,679	-	-	-
	National Housing Fund	-	56,296	-	56,296
	Sundry Sum Insured	-	85,689	-	85,689
	Audit fees	42,183	54,016	30,400	44,900
	Others	439,543	401,194	-	46,879
	Unclaimed dividend	41,255	74,562	-	-
	Pay As You Earn	132,769	109,192	97,782	82,804
	Due to employees	383,316	228,424	383,316	228,424
	Rent received in advance	92,128	54,231	92,128	53,972
	Other statutory payment	355,282	195,064	93,828	42,542
	Deferred acquisition revenue	45,024	45,024	45,024	45,024
	NAICOM supervisory levy	30,250	29,349	30,250	29,349
		6,826,829	**5,631,121**	**2,657,925**	**2,445,656**

22 (a)	Below is the breakdown of deposits and other customers' accounts;	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
	Savings account	28,323	25,314	-	-
	Current account	281,717	89,073	-	-
	Fixed deposit accounts	359,246	356,896	-	-
	Interest payable	4,658	3,398	-	-
		673,944	**474,681**	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
22 (b)	Below is the breakdown of sundry creditors;				
	National Housing Fund	-	43,722	-	5,472
	National Social Ins. Trust Fund	460,147	9,094	-	3,188
	PAYE	-	3,338	-	1,396
	Accrued expense	344,142	389,014	-	5,603
	Information technology levy	-	9,534	-	14,527
	Accrued agent commission	117,543	-	80,366	-
	Staff Pension	-	72,229	-	5,316
	Rent received in advance	125,053	49,510	-	8,775
		1,046,885	**576,440**	**80,366**	**44,277**
22 (c)	Below is the breakdown of accruals and provisions;				
	Accrued expenses	568,286	545,847	74,590	90,797
	Other creditors	204,420	10,817	204,420	10,817
	Accrued rent	23,484	85,222	23,484	52,399
	Value added tax	733	789	733	789
	Sundry accruals	1,329	1,329	1,329	1,329
	Industrial training fund	10,364	13,458	10,364	13,458
	VAT payable	718	718	718	718
		809,332	**658,179**	**315,638**	**170,306**
24	**Taxation**				
24 (a)	**Per profit and loss account**				
	Income tax	96,303	270,266	61,930	175,264
	Information technology levy	-	-	-	-
	Education tax	6,081	25,991	6,081	25,880
	Deferred taxation (credit)/ expense	(100,581)	185,697	(107,533)	207,646
	Capital gain tax	104,440	7,224	104,440	-
	Over provision for deferred tax	-	43,298	-	-
		106,243	**532,476**	**64,918**	**408,790**
24 (b)					
	Per balance sheet				
	At 1 January	1,754,462	1,578,653	1,484,161	1,343,017
	Income tax charged for the year	115,013	210,918	61,930	175,264
	Education tax	6,081	25,880	6,081	25,880
	Payments during the year	(167,052)	(66,968)	(150,000)	(60,000)
	Reclassified to income tax assets	331	(2,531)	-	-
	Under/(over) provision of prior years	-	9,358	-	-
	Capital gains tax	104,440	-	104,440	-
	Translation Adjustment	35,434	(848)	-	
	At 31 December	**1,848,709**	**1,754,462**	**1,506,612**	**1,484,161**
24 (c)	**Reconciliation of effective tax rate**				
	Loss for the year after tax	(3,826,202)	(4,346,963)	(1,426,784)	(4,174,231)
	Total tax expense;				
	Income	96,303	270,266	61,930	175,264
	Education	6,081	25,991	6,081	25,880
	Deferred	(100,581)	185,697	(107,533)	207,646
	Others	104,440	50,522	-	-
		106,243	532,476	(39,522)	408,790
	Loss for the year before tax	**(3,719,959)**	**(3,814,487)**	**(1,466,306)**	**(3,765,441)**
	Effective tax rate	(2.86)	(13.96)	(2.70)	(10.86)

As a result of the loss position as above, the income tax payable has been computed for the "parent" company based on the min imum tax rates as specified in Section 14 (8) (b) and Section 14 (9) (c) of Companies Income Tax Act (CITA) of 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
25	**Dividend payable**				
	At 1 January	59,801	15,812	-	-
	Amount declared during the year	109,103	34,713	-	-
	Payments during the year	(105,609)	(37,745)	-	-
	Exchange difference	29,480	(1,553)	-	-
	At 31 December	**92,775**	**11,227**	**-**	**-**
	Current	92,775	11,227	-	-
	Non-current	-	-	-	-
26	**Deferred taxation**				
a	**Deferred taxation (liability)**				
	At 1 January	1,741,915	1,454,750	854,951	477,637
	(Write back)/ increase to profit or loss account	(201,447)	403,442	(107,533)	377,314
	Other comprehensive income arising from revaluation of property.	76,708	4,848	35,148	-
	Credit to deposit administration plan	-	(19,771)		
	Credit to equity	-	(75,504)	-	-
	Transfer from deferred tax asset	-	(61,906)	-	-
	Translation Adjustment	504,200	36,056	-	-
	At 31 December	**2,121,376**	**1,741,915**	**782,566**	**854,951**
b	**Deferred taxation (assets)**				
	At 1 January	32,808	126,068	-	-
	Reclassification from deferred tax liability	-	(61,906)		
	Income tax charge/ (Credit)	(11,814)	(39,266)		
	Credit to equity	1,156	1,654	-	-
	Translation Adjustment	6,095	6,258		
	At 31 December	**28,245**	**32,808**	**-**	**-**

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2015: 30%). As at 31 December 2016, the company had a nil net deferred income tax asset, (2015: nil).

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
27	**Deposit for shares**	**1,144,256**	**1,169,783**	**-**	**-**
	At 1 January	1,169,783	1,163,501	-	-
	Translation adjustments	(25,527)	6,282		
	At 31 December	**1,144,256**	**1,169,783**	**-**	**-**
	Current	1,144,256	1,169,783	-	-
	Non-current	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
28	**Loans and borrowings**				
	Term loan	1,441,444	2,796,421	5,499	124,106
	Bank overdraft	30,121	-	-	-
	Debenture loan	107,336	350,000	-	-
	At 31 December	**1,578,901**	**3,146,421**	**5,499**	**124,106**
	Movement in Loans & borrowings				
	At 1 January	3,146,421	2,502,996	124,106	166,942
	Addition during the year	225,945	872,001	-	175,499
	Repayments during the year	(1,793,465)	(205,426)	(118,607)	(196,339)
	Interest on repayment during the year	-	(23,150)	-	(21,996)
	At 31 December	**1,578,901**	**3,146,421**	**5,499**	**124,106**
	Current	30,121	-	-	-
	Non-current	1,548,780	3,146,421	5,499	124,106

28.1 **Term Loans**

Term Loans were obtained from Access Bank Plc and United Bank for Africa (UBA) Limited by the Parent Company and National Insurance Company Limited, Uganda on 26th January 2016 and 30th December 2016 at 19.4% and 21% p.a. respectively.

28.2 **Bank Overdraft**:

The Group has overdraft facilities with Guaranty Trust Bank (Gambia) Limited and secured by treasury bills of IGI Gamstar Ins urance Company Limited.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
29	**Share capital**				
	Authorised:				
	24,000,000,0000 ordinary shares of 50 kobo per share	**12,000,000**	**12,000,000**	**12,000,000**	**12,000,000**
	Issued and fully paid:				
	At 31 December	**7,115,619**	**7,115,619**	**7,115,619**	**7,115,619**
30	**Share premium**				
	At 31 December	**8,530,781**	**8,530,781**	**8,530,781**	**8,530,781**

Premiums from the issue of shares are reported in share premium.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
31	**Assets revaluation reserve**				
	At 1 January	4,830,206	4,607,005	4,509,788	4,113,310
	Additions during the year	512,859	733,090	351,478	566,146
	Deferred tax	(35,148)	(188,898)	(35,148)	(169,668)
	Reversal of revaluation	(49,708)	(320,991)	-	-
	At 31 December	**5,258,209**	**4,830,206**	**4,826,118**	**4,509,788**

Additions and decreases in assets revaluation arises as a result of revaluation and disposal of assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
32	**Fair value reserve**				
	At 1 January	362,816	473,326	132,833	132,833
	Arising during the year	266,865	(154,749)	(66,157)	-
	Deferred tax	-	44,239	-	-
	At 31 December	**629,681**	**362,816**	**66,676**	**132,833**

Equity fair value reserve shows the effects from the fair value measurement of equity instruments to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated profit or loss and other comprehensive income.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
33	**Contingency reserve**				
	At 1 January	2,891,889	2,768,734	2,695,929	2,613,412
	Transfer from life fund	59,088	36,040	-	-
	Transfer to/from revenue reserve	108,090	87,115	76,010	82,517
	At 31 December	**3,059,067**	**2,891,889**	**2,771,939**	**2,695,929**

As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life assurance contracts underwritten by the group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21 (2) and 22 (1) of the insurance Act 2003. The reserve is calculated at the higher of 3% of gross premium and 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriation are charged to the life fund.

Except for Uganda, the contingency reserve is set up under Section 47 (2) (c.) of the Insurance Statute of 1996. The reserve is provided for at the greater of 2% of the gross premium income and 15% of the net profit each year effective from 1996 and is required to accumulate until it reached the greater of either minimum paid up capital or 50% of the net premiums written. The contingency reserve for life insurance business is set up under Section 47(3) (b) of the Insurance Statute of 1996 and provides contingency reserve at 1% of the premiums writen.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
34	**Capital reserve**				
	At 1 January	64,214	55,382	-	-
	Transfer from/to revenue reserve	9,404	8,832	-	-
	Translation adjustment	1	-	-	-
	At 31 December	**73,619**	**64,214**	**-**	**-**

The capital base reserve is set up as a requirement under the Insurance Statute 1996, under which every insurer should transfer from its profits each year, before any dividend is declared and after tax provision, at 5% of profits to be paid up capital of the insurer to facilitate capital growth.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
35	**Retained earnings**				
	At 1 January	(17,210,912)	(12,740,365)	(16,032,774)	(11,776,026)
	Transfer from profit or loss	(2,704,616)	(4,373,305)	(1,426,784)	(4,174,231)
	Dividend paid / declared	(65,462)	-	-	-
	Transfer to statutory and capital reserves	(9,404)	(8,832)	-	-
	Adjustment impairment	-	(259)	-	-
	Transfer to contingency reserve	(108,090)	(87,115)	(76,010)	(82,517)
	Actuarial surplus for the year	-	(1,036)	-	-
	At 31 December	**(20,098,484)**	**(17,210,912)**	**(17,535,568)**	**(16,032,774)**

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		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
36	**Foreign exchange reserve**				
	At 1 January of the year	218,521	246,332	-	-
	Movement during the year	(274,312)	(27,811)	-	-
	At 31 December	**(55,791)**	**218,521**	**-**	**-**
37	**Statutory/regulatory reserve**				
	At 1 January of the year	114,032	124,604	-	-
	Actuarial surplus during the year	124,649	-	-	-
	Consolidation adjustments	-	(10,572)		
		238,681	**114,032**	**-**	**-**

38 Non-controlling interest

The Non-Controlling interest in the subsidiaries is hereby presented below:

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
At 1 January of the year	294,104	331,575	-	-
Profit for the year	(1,121,586)	26,342	-	-
Foreign exchange reserve	(106,172)	-	-	-
Asset revaluation	92,322	-	-	-
Reversal of revaluation	(27,659)	-	-	-
Fair value reserve	191,319	-	-	-
Actuarial surplus	39,392	-	-	-
Actuarial surplus	69,357	-	-	-
Dividend paid	(43,641)	-	-	-
Appropriation	(1)	(37,921)	-	-
Other comprehensive income	-	(25,892)	-	-
	(612,565)	**294,104**	**-**	**-**

39	**Gross premium written**				
	Fire	565,367	700,277	154,574	282,346
	General accident	510,424	381,913	335,223	230,327
	Motor	1,819,304	1,706,066	438,540	472,476
	Engineering	220,028	225,456	220,028	225,456
	Marine & aviation	725,965	659,671	228,353	347,131
	Oil & energy	913,762	840,140	913,762	840,140
	Others	1,771,880	1,748,404	-	-
		6,526,730	**6,261,927**	**2,290,480**	**2,397,876**
	Individual life	817,168	725,802	457,866	432,446
	Group Life	349,390	755,621	271,662	625,672
		7,693,288	**7,743,350**	**3,020,008**	**3,455,994**

Gross premium on life is recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective. Gross general insurance premium written comprises the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognized on the date on which the policy co mmences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 ₦'000	GROUP 2015 N'000	COMPANY 2016 ₦'000	COMPANY 2015 N'000
40	**Changes in unearned premium**				
	Fire	(40,216)	195,893	12,076	47,022
	General accident	(30,583)	51,256	(39,765)	54,351
	Motor	(336,485)	75,209	(11,027)	47,006
	Engineering	134,027	24,013	134,027	24,014
	Marine & aviation	130,363	(40,936)	73,052	(14,581)
	Oil & energy	(44,838)	(48,255)	(44,838)	(48,255)
	Others	(20,211)	(14,499)	-	-
		(207,943)	**242,681**	**123,525**	**109,556**
	Individual life	-	13,259	-	-
	Group Life	44,148	(83,895)	57,083	(83,895)
		(163,795)	**172,045**	**180,608**	**25,661**
41	**Reinsurance expense**				
	Reinsurance paid	991,295	1,072,241	881,125	478,501
	Changes in prepaid reinsurance	281,174	(44,861)	9,711	(44,861)
	Changes in reinsurance payable	460,564	535,395	104,348	535,395
		1,733,033	**1,562,775**	**995,184**	**969,035**
	Reinsurance expense by product;				
	Fire	189,938	347,324	59,657	149,936
	General accident	36,521	50,679	11,600	20,884
	Motor	74,602	43,673	14,550	20,549
	Engineering	58,331	53,563	58,331	53,563
	Marine & aviation	539,709	324,560	138,189	147,043
	Oil & energy	701,781	559,550	701,781	559,550
	Others	98,646	133,285	-	-
		1,699,528	**1,512,634**	**984,108**	**951,525**
	Individual life	761	612	-	-
	Group Life	32,744	49,529	11,076	17,510
		1,733,033	**1,562,775**	**995,184**	**969,035**

The Company has a reinsurance agreement with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, avi ation and special risks etc. according to agreed quota share, surplus treaty or excess of loss trea ty. This agreement is being modified on yearly basis.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
42	**Fees and Commission Income**				
	Fire	70,118	95,822	19,090	18,283
	General accident	76,900	58,087	-	-
	Motor	79	19,150	79	828
	Engineering	15,043	36,613	15,043	18,613
	Marine & aviation	90,589	88,790	14,727	27,923
	Oil & energy	73,948	69,430	73,948	51,430
	Others	20,231	45,070	-	-
		346,908	**412,962**	**122,887**	**117,077**
	Individual life	2,408	21,712	2,332	3,646
	Group Life	3,890	23,094	-	-
		353,206	**457,768**	**125,219**	**120,723**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 ₦'000	GROUP 2015 N'000	COMPANY 2016 ₦'000	COMPANY 2015 N'000
43	**Underwriting expenses**				
(a)	**Commission paid**				
	Fire	44,958	105,927	20,677	26,663
	General accident	68,838	55,527	29,936	26,089
	Motor	66,596	140,115	29,136	30,900
	Engineering	16,840	16,291	16,840	16,291
	Marine & aviation	104,074	64,352	24,542	32,584
	Oil & energy	79,517	96,891	79,517	96,891
	Others	80,999	160,197	-	-
		461,822	**639,300**	**200,648**	**229,418**
	Individual life	218,599	66,340	210,337	35,894
	Group Life	3,722	12,220	-	-
		684,143	**717,860**	**410,985**	**265,312**
(bi)	**Movement in Deferred acquisition cost**				
	Deferred acquisition cost at the beginning of the year	148,549	255,002	135,838	172,453
	Acquisition cost for the year	546,968	717,860	410,985	265,312
	Deferred acquisition cost at the end of the year	(204,615)	(216,307)	(114,076)	(135,838)
		490,902	**756,555**	**432,747**	**301,927**
(bii)					
	Fire	4,362	8,228	6,274	7,501
	General accident	(1,826)	5,163	(922)	4,973
	Motor	(4,466)	(5,988)	417	3,143
	Engineering	(10,324)	43,223	(10,324)	43,223
	Marine & aviation	(10,564)	14,721	13,601	1,349
	Oil & energy	(9,438)	3,190	(9,438)	3,190
	Others	22,154	(29,842)	22,154	(26,763)
		(10,102)	**38,695**	**21,762**	**36,615**
	Total Commission expense	**674,041**	**756,555**	**432,747**	**301,927**
(c)	**Maintenance expenses**				
	Fire	(34,797)	85,100	-	79,815
	General accident	32,509	141,904	-	115,312
	Motor	84,723	304,655	-	217,920
	Engineering	-	70,257	-	70,257
	Marine & aviation	8,510	97,208	-	83,149
	Oil & energy	-	96,279	-	96,279
	Others	767,762	807,225	-	-
		858,707	**1,602,628**	**-**	**662,732**
	Individual life	11,594	206,171	16,919	206,171
	Group Life	(24,707)	177,891	-	175,628
		845,594	**1,986,690**	**16,919**	**1,044,531**
	Underwriting Expenses	**1,519,635**	**2,743,245**	**449,666**	**1,346,458**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
44	**Claims expenses**				
	Fire	8,888	245,336	39,722	59,505
	General accident	(146,960)	112,682	(121,295)	78,723
	Motor	1,173,296	862,275	341	129,577
	Engineering	406,044	141,583	406,044	141,583
	Marine & aviation	143,070	247,210	121,549	186,248
	Medical	(1)	-	-	-
	Oil & energy	(57,067)	(16,905)	(57,067)	(16,905)
	Others	467,843	480,159	-	-
		1,995,113	**2,072,340**	**389,294**	**578,731**
	Individual life	1,360,031	867,200	1,073,833	593,281
	Group Life	1,281,424	627,797	892,575	550,436
		4,636,568	**3,567,337**	**2,355,702**	**1,722,448**
44(a)	**Reinsurance Claims recoveries**				
	Fire	(99,624)	246,656	(6,836)	20,291
	General accident	(52,450)	21,095	(27,760)	1,654
	Motor	57,159	27,214	9,288	12,024
	Engineering	(141,539)	24,530	(141,539)	24,530
	Marine & aviation	264,537	81,868	255,886	33,947
	Oil & energy	29,367	101,126	29,367	101,126
	Others	116,645	314,919	-	194,710
		174,095	**817,408**	**118,406**	**388,282**
	Individual life	-	5,349	-	-
	Group Life	302,593	166,888	302,368	159,293
		476,688	**989,645**	**420,774**	**547,575**
44(b)	**Reinsurance Claims recoveries**				
	Receipt from reinsurance on claims paid	769,892	363,927	214,235	306,642
	Changes in estimated reinsurance	(668,629)	566,292	(132,039)	240,933
	Changes in reinsurers/co-insurers receivables	375,425	59,426	338,578	-
		476,688	**989,645**	**420,774**	**547,575**
45	**Claims Expenses**				
	Claims Paid during the year	3,566,066	2,523,906	1,901,760	1,262,981
	Changes in Outstanding Claims reserve	1,070,502	1,043,431	453,942	459,467
	Gross Claims incurred	4,636,568	3,567,337	2,355,702	1,722,448
	Reinsurance Recoveries	(476,688)	(989,645)	(420,774)	(547,575)
	Net claims incurred	**4,159,880**	**2,577,692**	**1,934,928**	**1,174,873**
46	**Changes in Contract Liabilities**				
	Changes in life fund	**(767,041)**	**693,989**	**(767,041)**	**605,641**
47	**Investment income**				
	Rental income	217,267	334,802	10,724	98,860
	Interest on fixed deposits	91,850	130,488	31,172	59,803
	Interest on treasury bills and bonds	51,327	19,983	20,422	-
	(Loss)/income on other investment	(2,589)	10,628	(2,589)	9,104
	Interest on loans and advances	42,505	38,866	42,505	38,866
	Dividends	126,084	17,568	99,466	-
	Dividend received	9,849	(95)	9,849	2,080
	Gain on disposal of subsidiary	127,578	-	127,578	-
	Gain/(loss) on disposal of Investment properties	125,000	45,334	125,000	(26,908)
		788,871	**597,574**	**464,127**	**181,805**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
47(a)	**Analysis of investment income**				
	Investment attributable:				
	Policyholders' fund	685,008	446,450	330,923	129,627
	Shareholders' fund	103,863	151,124	133,204	52,178
		788,871	**597,574**	**464,127**	**181,805**
48	**Interest income**				
	Interest charges - banking operations	227,501	-	-	-
	Interest on loans and advances	-	137,137	-	-
	Interest from placement with banks	5,494	17,649	-	-
	Interest - others	6,525	1,646	-	-
		239,520	**156,432**	**-**	**-**
49	**Other income**				
	Exchange gain/loss	215,344	56,070	217,362	42,485
	Administrative charges on policies	26,719	63,855	494	612
	Gain on disposal of equity investment	10,842	1,486	-	-
	Administrative charges on customers account	91,184	33,967	-	-
	Administrative charges on registrar services	-	2,190	-	-
	Fee income on deposit administration	68,556	37,266	-	-
	Sundry receipts (note 49a)	331,334	287,014	189,012	169,288
	Gain on disposal of quoted shares	-	(95)	-	-
	Bad debt recovered	46,123	49,694	-	-
		790,102	**531,542**	**406,868**	**212,385**
49a	**Sundry receipts**				
	Recovery on investment in British International School earlier written-off	72,000	-	72,000	-
	Recovery from premium earlier written-off	12,626	100,000	12,626	100,000
	Management service fees & others	22,890	32,851	22,890	32,851
	Income on salvage	14,614	22,738	14,614	22,738
	Income on staff bus	20,236	803	20,236	803
	Income on auto registration	5	13	5	13
	Income on Consultancy	80	-	80	-
	Other income	142,322	130,611	-	12,883
	Recovery from property transfer	46,560	-	46,560	-
		331,334	**287,014**	**189,012**	**169,288**
50					
	Quoted stock	(1,595,705)	(62,602)	(248)	(495)
	Investment properties	1,487,373	1,851,162	1,444,200	1,555,587
		(108,332)	**1,788,560**	**1,443,952**	**1,555,092**

This represents any difference arising between the carrying amount and the fair value of the asset as at the date of reportin g.

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
51	**Finance cost**				
	Interest expenses	27,144	33,691	15,331	21,997
	Bank charges and commission	249,506	199,833	243,550	191,825
	Customer deposits	56,590	72,248	-	-
	Inter-bank borrowings	58,568	88,516	-	-
		391,808	**394,288**	**258,881**	**213,822**
	Individual life	-	-	-	-
	Group Life	-	-	-	-
		391,808	**394,288**	**258,881**	**213,822**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

52 Disposal of interest in a subsidiary

During the year, the Board of Directors of IGI approved the disposal of 88.75% of the company's shareholding in IGI Pension Fund Administrator Ltd. Before this period, IGI Pension Fund Administrator Ltd was a wholly owned subsidiary of IGI Plc. Following the disposal of the said shares, IGI Plc now holds a non-controlling interest of 11.25% shareholding in IGI Pension Fund Administrator Ltd with book value of N163,125,000. This remaining shares have been reclassified to unlisted equity securities and carried as available for sales investment.

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Post tax loss on discontinued operations				
Net assets disposed				
Cash and bank	1,002,677	-	1,002,677	-
Financial assets:				
Treasury bills	733	-	733	-
Other receivables	167,562	-	167,562	-
Property, Plant and equipment	1,629	-	1,629	-
Other payables and accruals	(69,547)	-	(69,547)	-
Taxation	(2,099)	-	(2,099)	-
Net Liabilities	1,100,955	-	1,100,955	-
Investment in subsidiary	1,450,000	-	1,450,000	-
Proportion sold (88.75%)	1,286,875	-	1,286,875	-
Remaining shares	**163,125**		**163,125**	
Remaining IGI Plc's investment was reclassified to unlisted equity security and carried as AFS investment.)				
Sales proceed	1,414,453	-	1,414,453	-
Carrying value of disposed shares	(1,286,875)	-	(1,286,875)	-
Gain on disposal of shares (note 47 above)	**127,578**	-	**127,578**	-

53 Management and administrative Expenses;

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Employee benefits	3,671,371	3,802,241	2,149,745	2,501,399
Directors emoluments	35,964	134,914	20,897	16,642
Depreciation of Property Plant & Equipment	240,690	202,494	88,790	83,286
Audit fee	42,667	53,179	20,891	20,000
Amortisation of intangible assets	43,862	17,611	-	17,568
Rent and Rates	90,096	74,253	53,759	18,451
Repairs and Maintenance	175,899	67,106	85,386	17,984
Subscription	3,395	17,768	-	11,360
Training	14,089	45,401	-	42,115
Other operating expenses (note 53a)	922,428	258,911	401,447	218,022
Insurance	14,803	41,952	-	17,592
Legal and professional fees	122,102	87,884	19,451	46,283
Profit or loss on disposal of Property Plant & Equipment	(937)	7,760	(937)	7,760
Travelling	44,011	24,334	-	6,981
Postages, telephone and telex	44,479	26,532	-	4,276
Taxes and non-deductible duties/ fines	190	400,086	-	389,229
	5,456,568	**5,262,426**	**2,839,429**	**3,418,948**
The aggregate emoluments of the directors were:				
Fees	15,992	90,250	4,050	4,050
Other emoluments	19,972	44,664	16,847	12,592

53a Other operating expenses

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Travel and accommodation	84,815	19,202	59,471	7,652
Office expenses	272,573	74,106	126,560	54,642
Printing and stationery	40,006	13,647	35,009	11,249
Other expenses	108,955	109,722	29,258	104,374
NAICOM supervisory levy	30,250	29,349	30,250	29,349
Consultancy expenses	194,091	486	80,004	486
Advertising and publicity	108,570	12,399	40,895	10,269
Write off of bad debt	83,168	-	-	-
	922,428	**258,911**	**401,447**	**218,022**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
54	**Impairment of receivables and investments**				
	Impairment of trade receivables (Note 7)	71,458	233,415	-	-
	Impairment of other receivables & prepayments (Note 8)	246,031	1,305,149	-	1,059,145
	Impairment of loans and advances	(6,677)	48,891	-	-
	Impairment of loans and receivables	-	-	-	-
	Impairment of investment in subsidiaries	(263,155)	-	722,096	-
	Impairment charge on goodwill	201,774	-	-	-
		249,431	**1,587,455**	**722,096**	**1,059,145**
55	**Gain/(loss) on investment contract**				
	Income on investment contract	100,691	145,849	100,691	56,558
	Actuarial surplus/ (deficit) (note 20)	(193,994)	98,359	(193,994)	98,359
	Guaranteed interest paid	(476,202)	(684,096)	(476,202)	(684,095)
		(569,505)	**(439,888)**	**(569,505)**	**(529,179)**
56	**Loss per share**				

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted a verage number of ordinary shares in issue

	GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
Loss attributable to the equity holders (N'000)	**(2,175,265)**	**(3,931,392)**	**(1,176,611)**	**(3,777,753)**
Weighted average number of ordinary shares in issue (in thousand units)	14,231,238	14,231,238	14,231,238	14,231,238
Basic loss per share (kobo)	(15.29)	(27.63)	(8.27)	(26.55)

		GROUP 2016 N'000	GROUP 2015 N'000	COMPANY 2016 N'000	COMPANY 2015 N'000
57	**Notes to the cash flow statement**				
	Profit before tax	(3,719,959)	(3,814,487)	(1,361,866)	(3,765,441)
	Adjustment for:				
	Depreciation and amortisation	284,552	202,494	88,790	83,287
	Fair value (losses)/ gains on investments	(1,595,705)	(62,602)	(248)	(495)
	Other investment income	(388,511)	(561,675)	(361,893)	(169,900)
	Fair value changes on Investment properties	(1,487,373)	(1,851,162)	(1,444,200)	(1,555,587)
	Impairment charged on financial assets	249,431	1,587,455	722,096	1,059,145
	Tax paid	(167,052)	66,968	(150,000)	60,000
		(6,824,617)	(4,433,009)	(2,507,321)	(4,288,991)
	Movements in working capital:				
	Increase in financial assets - loans and receivables	(9,006)	(35,480)	(4,439)	(31,720)
	(increase)/decrease in trade receivables	(1,086,751)	218,176	6,440	50,224
	Decrease/increase in other receivables and prepayment	134,860	(932,534)	48,821	595,303
	(Increase)/ decrease in reinsurance assets	(29,417)	(784,064)	(213,622)	(435,237)
	Decrease in deferred acquisition costs	11,691	38,697	21,762	36,615
	Increase in insurance contract liabilities	4,036,352	1,565,375	740,157	228,226
	Increase in other payables and accruals	1,195,708	1,443,523	212,269	945,805
	Increase in investment contract liabilities	1,892,052	973,452	264,833	523,782
	Increase/(decrease) in trade payables	(327,971)	629,273	(542,137)	535,395
	Net cash provided / (absorbed) by operating activities.	**(1,007,099)**	**(1,316,591)**	**(1,973,237)**	**(1,840,598)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

58 Contingencies and Commitments

(a) Legal proceedings and regulation

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not be lieve that such proceedings (including litigation) will have a material effect on its result and financial position. The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies associated with the Company's compliance or lack of compliance wit h such regulations.

Currently, there are pending litigations against the company in which the plaintiffs are claiming a total sum of N171,910,205 (2015:N461,743,195). No provision has been made in these financial statements for the pending litigations because the directors are of the opinion that based on independent legal advice from the Company's Solicitors, the liability will not likely materialise.

(b) Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

59 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordan ce with the International Financial Reporting Standards (IFRS)

60 Contravention of Laws and Regulations

During the year, the Company contravened section 2.19. (a) of the 2015 prudential guidelines for Insurers and Reinsurers of N ational Insurance Commission of Nigeria and a penalty of N420,769.94 (2015: N1,590,000) was paid. However, the Company suffered no imposition of any interest charge and/or penalty by the National Pension Commission (PENCOM) during year (2015: N364,897) for non -remittance of employee and employer pension contribution for the period 2004 to 2014 which is in violation of S.11 (6) of the Pension Reform Act 2014.

61 Events after reporting date

The following non-adjusting events occurred subsequent to the reporting date of these financial statements;

.1 Key changes to the Board and Management of Industrial and General Insurance Company Plc.

On 3rd of July, 2017, the following Executive Management team and Board members retired and have since exited the Company:

Mr. Rotimi Fashola	–	Group Managing Director/ Chief Executive Officer
Mr. Sina Elusakin	–	Deputy Chief Executive Officer
Mr. Yinka Obalade	–	Executive Director, Finance and Investment
Mrs. Foluso Gbadamosi	–	Executive Director, Administration, Human Resources and Computer services.
Mr. Obayomi Lawal	–	Group Director, Finance and Accounts

In their place, the following individuals have been appointed in acting capacity effective 3rd July, 2017:

Mr. Bayo Folayan	–	Acting Managing Director/ Chief Executive Officer
Mr. Shade Ajayi	–	Acting Executive Director, Operations & Technical
Mr. Nnamdi Iwuoha	–	Director Technical
Mr. Bola Ashaolu	–	Director Marketing, and
Mr. Emmanuel Udoh	–	Chief Finance Officer

Subsequent to the above, on 1st February 2019, Mr. Bayo Afolayan, the Acting Managing Director/ Chief Executive Officer, resigned his appointment and exited the Company. In his Place, Mrs. Rachel Voke Emenike, was appointed as the Managing Director/ Chief Executive Officer of the Company. Also appointed is Mr. Tolulope Delano as the Chief Finance Officer of the Company.

These appointments, which have since been approved by the National Insurance Commission, ensure that the Company's operations and business activities continue without any disruptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

62 GOING CONCERN

The business of IGI will continue into the foreseeable future as it continues to tap into the opportunities available in the insurance industry, overcome threats, utilise its strengths and improve on its weaknesses.

The insurance penetration is still low in Nigeria and there are abundant opportunities in the various classes of insurance business which IGI will exploit to enhance its premium generation and collection, increase market share and profitability while still pursuing cost c ontrol measures. Enforcement of the local content insurance act, compulsory insurances like motor insurance, public building insurance, carbot age law as well as the micro insurance would provide great opportunities to enhance revenue generation.

In the past, impairments have had significant effect on our profitability. These impairments are mostly that of receivables and investment assets. With the implementation of the "no premium no cover" policy, there is no need again for impairment of receivables as all premiums are now collectable within a short period of time. Some investments have also been impaired in the past and we see opportuni ties of recoveries in some of the impaired assets like the investment in Global Trust Bank, Uganda where we have been assured by t he Bank of Uganda that the liquidation process will soon be completed since almost all liabilities have been settled with a significant balance still left for IGI as the principal shareholder.

The Board of IGI has approved the restructuring of our assets towards improving liquidity through sale of properties and shares in some subsidiaries. We have received offers from investors who are interested in purchasing shares in some of these subsidiaries in cluding Global Trust Savings and Loans Limited and International Health Management Services Limited. The Company sold off majority shareholding in IGI Pension Fund Managers Limited during the year.

The Company is also embarking on raising capital through sale of its unissued share capital of 40.07% and has ap pointed both Greenwich Trust Limited and Zenith Capital Limited as financial advisers while some investors have expressed interests prior to conducting du e diligence exercise.

The liquidity generated through the asset restructuring and capital raise will be applied to grow and manage the business pro fitably through aggressive marketing, service delivery, efficient internal control and investment activities to the satisfaction of all stakeholders. We believe that the above action plan will help reverse the current loss position to profitability in the near future. The going concern status of the business of IGI is therefore assured.

STATEMENTS OF FINANCIAL SUMMARY

GROUP	2016	2015	2014	2013	2012
ASSETS	**₦'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	2,038,861	2,790,712	3,701,179	5,779,061	5,297,654
Financial Assets;					
At Fair value through Profit or Loss	359,703	398,789	730,763	982,787	1,017,535
Available for sale	2,882,333	1,396,167	1,572,424	3,160,438	2,339,849
Held to Maturity	515,488	346,697	357,822	334,022	295,962
Loans and Receivables	393,081	384,867	349,387	483,624	410,507
Trade receivables	1,528,200	441,449	659,625	827,788	963,014
Deferred acquisition costs	204,615	216,306	2,902,474	221,221	480,945
Other receivables and Prepayments	861,348	967,499	255,003	572,922	535,134
Deferred Income Tax	28,245	32,808	34,965	249,937	249,937
Intangible Assets	64,447	238,488	160,544	704,779	526,252
Investment Property	26,401,864	25,326,450	3,280,000	23,277,815	22,465,105
Loans and advances	175,266	539,873	22,912,944	3,765,330	2,841,395
Non-current Assets held for sale	3,218,947	3,222,112	126,068	1,280,000	-
Property plant and equipment	6,933,904	6,671,407	242,112	6,894,779	8,348,238
Reinsurance Assets	3,715,955	3,686,538	6,659,596	3,511,613	5,323,751
Statutory deposits	588,175	556,345	520,383	550,165	587,863
TOTAL ASSETS	49,910,432	47,216,507	44,465,289	52,596,281	51,683,141
LIABILITIES					
Insurance Contract Liabilities	16,681,506	12,637,126	11,071,751	12,255,927	13,579,737
Investment Contract Liabilities	14,068,469	12,176,417	11,202,965	8,419,540	7,609,161
Trade payables	1,408,794	1,668,853	1,039,580	254,651	247,899
Other payables and Accruals	6,826,829	5,699,033	2,922,288	8,104,106	5,682,461
Placement from other banks	-	-	-	554,254	681,666
Income tax payable	1,848,709	1,754,462	1,578,654	1,701,577	2,173,718
Dividend payable	92,775	11,227	15,812	82,916	95,660
Deferred tax liabilities	2,121,376	1,741,915	1,454,750	2,122,398	1,980,779
Deposit for shares	1,144,256	1,169,783	1,163,501	30,857	19,894
Loans and Borrowings	1,578,901	3,146,421	2,502,995	2,308,515	3,210,085
TOTAL LIABILITIES	45,771,615	40,005,237	32,952,296	35,834,741	35,281,060
NET ASSETS	**4,138,817**	**7,211,270**	**11,512,993**	**16,761,540**	**16,402,081**
EQUITY					
Share capital	7,115,619	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	8,530,781	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	5,258,209	4,830,206	4,607,005	6,623,187	5,677,000
Fair value reserve	629,681	362,816	473,326	514,415	308,208
Contingency reserve	3,059,067	2,891,889	2,768,734	2,750,742	2,598,946
Capital reserve	73,619	64,214	55,382	65,715	59,643
Retained earnings	(20,098,484)	(17,210,912)	(12,740,365)	(7,703,640)	(5,538,889)
Foreign Exchange Reserve	(55,791)	218,521	246,332	(1,407,175)	(2,064,589)
Statutory (regulatory) reserve	238,681	114,032	124,604	501,255	318,402
SHAREHOLDERS' FUNDS	**4,751,382**	**6,917,166**	**11,181,418**	**16,990,899**	**17,005,121**
NON-CONTROLLING INTEREST	(612,565)	294,104	331,575	(229,359)	(603,039)
	4,138,817	**7,211,270**	**11,512,993**	**16,761,540**	**16,402,081**

STATEMENT OF COMPREHENSIVE INCOME

GROUP	2016 ₦'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Gross Premium Written	7,693,288	7,743,350	9,324,695	10,275,019	13,431,227
Gross Premium Earned	7,529,493	7,915,395	10,593,822	10,220,705	13,502,023
Net Premium Income	5,796,460	6,352,620	8,049,758	7,648,879	9,387,637
Other Income	2,063,367	3,486,542	4,077,379	4,801,942	6,517,217
Total Income	**7,859,827**	**9,839,162**	**12,127,137**	**12,450,821**	**15,904,854**
Net Benefits and Claims	(4,159,880)	(2,577,692)	(3,737,807)	(3,960,017)	(3,212,699)
Other Expenses	(7,419,906)	(11,075,957)	(8,925,947)	(9,876,372)	(13,873,843)
Total Expenses	**(11,579,786)**	**(13,653,649)**	**(12,663,754)**	**(13,836,389)**	**(17,086,542)**
Profit/(Loss) Before Taxation	(3,719,959)	(3,814,487)	(536,617)	(1,385,568)	(1,181,688)
Taxation	(106,243)	(532,476)	589,472	(334,890)	(367,155)
Profit/(Loss) After Taxation	**(3,826,202)**	**(4,346,963)**	**52,855**	**(1,720,458)**	**(1,548,843)**

STATEMENTS OF FINANCIAL SUMMARY

COMPANY	2016	2015	2014	2013	2012
ASSETS	**₦'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	75,255	245,544	1,418,395	699,949	720,314
Financial Assets;					
At Fair value through Profit or Loss	10,555	13,393	24,333	274,417	411,652
Available for sale	371,628	202658	202,658	404,151	399,708
Loans and Receivables	359,745	355,139	323,418	448,962	380,543
Trade receivables	6,684	13,124	63,348	395,392	397,680
Reinsurance Assets	2,923,151	2,709,529	2,274,292	2,632,638	4,563,699
Deferred acquisition costs	114,076	135,838	172,453	135,047	383,686
Other receivables and Prepayments	375,190	424,011	1,019,316	764,927	1,397,559
Investment in Subsidiaries	3,418,582	5,590,678	5,590,678	6,745,438	6,235,966
Investment Properties	16,856,266	15,915,506	14,662,420	15,159,894	14,789,397
Deferred tax assets	-	-	-	7,112	7,112.00
Intangible Assets	-	-	17,568	35,084	17,500.00
Property plant and equipment	4,942,912	4,670,928	4,765,168	4,504,725	5,173,767
Statutory deposits	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	29,954,044	30,776,348	31,034,047	32,707,736	35,378,583
LIABILITIES					
Insurance Contract Liabilities	9,530,056	8,942,173	7,902,723	8,917,634	9,885,306
Investment Contract Liabilities	8,913,994	8,649,161	8,125,379	5,591,759	4,243,987
Trade payables	781,827	1,312,637	777,242	40,257.00	40,257.00
Other payables and Accruals	2,657,925	2,456,983	1,511,178	1,349,337	1,504,484
Income tax payable	1,506,612	1,484,161	1,343,017	1,360,663	1,913,297
Deferred tax liabilities	782,566	854,951	477,637	1,131,886	8,821
Deposit for shares	-	-	-	-	1,067,405
Loans and Borrowings	5,499	124,106	166,942	770,134	1,420,520
TOTAL LIABILITIES	24,178,479	23,824,172	20,304,118	19,161,670	20,084,077
NET ASSETS	**5,775,565**	**6,952,176**	**10,729,929**	**13,546,066**	**15,294,506**
EQUITY					
Share capital	7,115,619	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	8,530,781	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	4,826,118	4,509,788	4,113,310	4,605,505	4,025,189
Fair value reserve	66,676	132,833	132,833	131,386	126,943
Contingency reserve	2,771,939	2,695,929	2,613,412	2,480,662	2,327,322
Retained earnings	(17,535,568)	(16,032,774)	(11,776,026)	(9,317,887)	(6,831,348)
	5,775,565	**6,952,176**	**10,729,929**	**13,546,066**	**15,294,506**

STATEMENT OF COMPREHENSIVE INCOME	2016	2015	2014	2013	2012
COMPANY	**₦'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross Premium Written	3,020,008	3,455,994	5,423,549	6,132,024	9,109,377
Gross Premium Earned	3,200,616	3,481,655	6,764,584	6,216,083	9,165,740
Net Premium Income	2,205,432	2,512,620	4,818,981	3,941,634	5,861,012
Other Income	1,870,661	1,540,826	- 971,893	2,015,791	2,332,483
Total Income	**4,079,833**	**4,053,446**	**3,847,088**	**5,957,425**	**8,193,495**
Net Benefits and Claims	(1,617,553)	(3,126,972)	(3,276,644)	(1,993,915)	(2,082,650)
Other Expenses	(3,820,406)	(4,691,915)	(4,357,075)	(6,151,741)	(10,335,800)
Total Expenses	**(5,437,959)**	**(7,818,887)**	**(7,633,719)**	**(8,145,656)**	**(12,418,450)**
Profit/(Loss) Before Taxation	(1,361,866)	(3,765,441)	(3,786,631)	(2,188,231)	(4,224,955)
Taxation	(64,918)	(408,790)	614,208	(144,968)	(171,061)
Profit/(loss) After Taxation	**(1,426,784)**	**(4,174,231)**	**(3,172,423)**	**(2,333,199)**	**(4,396,016)**

STATEMENT OF VALUE ADDED

	Group 31-Dec-16 N'000	%	Group 31-Dec-15 N'000	%	Company 31-Dec-16 N'000	%	Company 31-Dec-15 N'000	%
Net Premium income	5,796,460		6,352,620		2,205,432		2,512,620	
Fees and commission income	353,206		457,768		125,219		120,723	
Total underwriting expenses	4,912,474		6,014,926		1,617,553		3,126,972	
Underwriting profit	1,240,932		795,462		716,838		(493,629)	
Investment and other income	1,140,656		2,634,220		1,745,442		1,420,103	
Bought in material and services	(2,105,920)		(3,086,909)		(1,560,974)		(2,073,020)	
Value Added	**271,928**	**100**	**342,773**	**100**	**897,566**	**100**	**(1,146,546)**	**100**
Distribution:								
Employees								
Staff cost	3,707,335	1,345	3,937,155	1,149	2,170,642	241	2,518,041	(220)
Government								
Taxes	106,243	39	532,476	155	64,918	7	408,790	(36)
Retained in the Company								
Depreciation and amortisation	284,552	103	220,105	64	88,790	10	100,854	(9)
Loss for the year	(3,826,202)	(1,387)	(4,346,963)	(1,268)	(1,426,784)	(158)	(4,174,231)	365
	271,928	**100**	**342,773**	**100**	**897,566**	**100**	**(1,146,546)**	**100**

IGi RC. 178,140

PROXY FORM

25TH ANNUAL GENERAL MEETING OF INDUSTRIAL AND GENERAL INSURANCE PLC TO BE HELD AT 11AM ON THURSDAY, 8TH DECEMBER 2022 AT IGI BUILDING, 2, AGORO ODIYAN STREET, OFF ADEOLA ODEKU STREET, VICTORIA ISLAND, LAGOS STATE

I/We____	RESOLUTION	FOR	AGAINST
of ______________________________________ being a Member of the above named Company hereby appoint Mahmud Yayale Ahmed, CFR or failing him anyone of the following persons:	**1.** To lay before the members the consolidated audited financial statements of the Company for the year ended 31st December 2016 together with the reports of the Directors, the Auditors and the Audit and Compliance Committee thereon.		
a. Prof. Oladapo Afolabi, CFR b. Augustine Olorunsola c. Gaffar Kayode Animashawun Jnr. d. Kanayo Chuks Okoye e. Kayode Agboola f. Dr. Gbenga Ogunkoya g. Sir. Sunny Nwosu h. Pa. Shotunde Shopeju i. Peter Eyanaku j. Adeleke Adebayo k. Rotimi Fashola l. Folusho Gbadamosi	**2.** To re-elect retiring Directors: a) Kanayo Chuks Okoye b) Gaffar Kayode Animashawun Jnr.		
to act as my/our Proxy and to vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held on the 8th day of December 2022.	3. To appoint External Auditors.		
Signed this ______ day of ________________ 2022.	4. To authorize the Directors to determine the remuneration of the External Auditors. .		
Member's Signature: ____________________________	5. To elect members of the Statutory Audit and Compliance Committee		
	6. To disclose remuneration of Managers.		
	7. To approve the remuneration of the Directors.		
	Please indicate with an "X" in the appropriate space above how you wish your vote to be cast on the resolutions.Unless otherwise so indicated, the proxy will vote or abstain from voting at his discretion.		

IMPORTANT

(a) The name of the Member must be written in BLOCK CAPITALS where marked. Please stamp and sign the proxy form and return to the Office of the Registrar, Greenwich Registrars and Data Solutions Limited, 274, Murtala Mohammed Way, Alagomeji, Yaba, Lagos not less than 48 hours before the time for holding the meeting. If executed by a Company, the proxy form should be sealed with the Company Seal.

(b) In the case of Joint Shareholders, any one of such may complete the form but the names of all Joint Shareholders must be stated.

(c) If the shareholder is a corporation, this form must be under its common seal or under the hand of its officer or attorney duly authorized in that regard.