INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2018

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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CORPORATE INFORMATION

Company Registration Number		- RC 178140
Nature of business	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.	
Directors:	Mahmud Yayale Ahmed, CFR, BSc, MPA, LLD (Hons)	- Chairman (resigned Chairman w.e.f)
	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
	Awuneba Ajumogobia (Mrs.) BSc, FCA	- Director (resigned w.e.f 18/05/17)
	Gaffar Kayode Animashawun Jnr. BL, LLM	- Director
	Kanayo Chuks Okoye BL, LLM	- Director
	Yinka Obalade BSc, MBA, FCA	- Executive (resigned w.e.f 01/09/17)
	Shade Ajayi	- Acting Executive Director, Technical (appointed w.e.f 03/07/17; resigned w.e.f 31/01/19)
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	PKF Professional services PKF House 205A Obanikoro Ikorodu Road Lagos State	
Website	www.pkf-ng.com	

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Registrars	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Yaba, Lagos
Re-insurers	Lloyds of London African Reinsurance Corporation Allianz SOMPO Japan Hannover Re AIG WAICA Re Swiss Re Continental Reinsurance
Actuaries	Ernst & Young
Major Bankers	Access Bank Plc Citibank Nigeria Plc Ecobank Nigeria Plc First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Plc Global Trust Savings & Loans Limited Heritage Bank Plc Keystone Bank Plc Sterling Bank Plc Polaris Bank Plc Standard Chartered Bank Plc Union Bank Plc United Bank of Africa Plc Wema Bank Plc Zenith International Bank Plc
FRCN Registration No	**FRC/2013/0000000000644**

INDUSTRIAL AND GENERAL INSURANCE PLC

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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER, 2018

The Directors have pleasure in presenting their report on the affairs of Industrial and General Insurance Plc ("the Company") together with the Group Audited Financial Statements and Auditors' report for the year ended 31 December 2018.

CORPORATE STRUTURE 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) and IGI Gamstar Insurance Company Limited (The Gambia).

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	
	2018	2017	2018	2017
	₦'000	₦'000	₦'000	₦'000
Gross premium income	**4,970,738**	6,002,177	**1,742,376**	2,870,212
Underwriting results	**388,362**	1,052,520	**221,636**	495,241
Investment income	**409,016**	343,532	**164,531**	189,930
Management expenses	**(1,907,296)**	(2,999,684)	**(1,250,613)**	(1,824,660)
Impairment charge	**(21,250)**	(598,528)	**(5,433)**	(512,474)
(Loss)/profit before income ta	**(232,875)**	(4,701)	**(173,307)**	(219,077)
Net Assets	**6,780,830**	7,471,935	**6,006,110**	5,446,033

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REPORT OF THE DIRECTORS
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DIRECTORS AND DIRECTORS' INTERESTS

a. The names of the current Directors are listed on page 8

b. Mahmud Yayale Ahmed, CFR and Prof. Oladapo Afolabi, OON, CFR 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	
	2018	**2017**
Mahmud Yayale Ahmed, CFR	**-**	-
Prof. Oladapo Afolabi, OON, CFR	**-**	-
Awuneba Ajumogobia	**-**	-
Osten Olorunsola	**-**	-
Gaffar K. Animashawun Jnr. (indirect)	**184,064,556**	184,064,556
Kanayo Chuks Okoye	**-**	-
Rachel Voke Emenike (Mrs.)	**-**	-
	184,064,556	184,064,556

APPOINTMENT OF NEW DIRECTORS
No appointment was made during the year

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	74	0.72	36,357	34,447
1,001 - 5,000	77	0.75	195,935	200,935
5,001 - 10,000	34	0.33	193,709	264,209
10,001 - 50,000	3,521	34.47	110,536,183	110,581,183
50,001 - 100,000	2,030	19.87	132,103,722	132,097,032
100,001 - 500,001	2,796	27.37	572,415,160	572,722,160
500,001 - 1,000,000	673	6.59	436,000,790	436,000,790
1,000,001 - 5,000,000	781	7.64	1,413,956,608	1,420,710,908
5,000,001 - 100,000,000	209	2.05	4,079,175,752	4,022,017,452
100,000,001 - 500,000,000	14	0.14	2,823,360,670	2,359,889,909
500,000,001 - And Above	7	0.07	4,663,262,398	5,176,718,259
TOTAL :-	**10,216**	**100**	**14,231,237,284**	**14,231,237,284**

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.

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REPORT OF THE DIRECTORS
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RESEARCH AND DEVELOPMENT

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

DONATIONS

No donations were made in the current year .

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, 2018.

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	AME OF SUBSIDIARIES	IGI'S % HOLDING	STATUS
1	Global Trust Savings & Loans Limited	98.73%	Acquired
2	NIC Holding Limited, Uganda	64.95%	Acquired
3	IGI Gamstar Insurance Company Limited, Gambia	60.00%	Acquired
4	All Crown Registrars Limited	80.00%	Acquired
5	International Health Management Services Limited	90.84%	Set up
6	Monarch communications Ltd	56.86%	Set up

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated results for the year ended 31 December 2018 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:
Global Trust Savings & Loans Limited
NIC Holding Limited, Uganda
IGI Gamstar Insurance Company Limited, Gambia
All Crown Registrars Limited
International Health Management Services Limited
Monarch communications Ltd

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REPORT OF THE DIRECTORS
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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 19.26% in Gross Written Premium from N5.40 billion to N4.36 billion in 2018 while Net Premium Income increased by 0.11% from N4.01 Billion recorded in 2017 to N4.01 billion in 2018. Reinsurance cost for 2018 decreased by 52% to N0.956 billion from N1.99 billion recorded in 2017 as a result of the decrease in revenue for the year.

Net claims incurred decreased by 11.83% from N1.01 billion in 2017 to N0.891 billion in 2018. Underwriting expenses increased by 18.28% from N2.46 billion in 2017 to N2.91 billion in 2018.

POST REPORTING DATE EVENTS

Mr. Bayo Folayan was appointed Acting Managing Director/CEO of the Company with effect from 3rd July, 2017. He ceased to hold the office on 31st January 2019.

Mrs. Rachel Voke Emenike was appointed as substantive 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, Messrs. PKF Professional Services were appointed by the Board as the Auditors of the Company on 11th July 2019.

Their appointment will be presented for ratification at the next AGM of the Company.

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

Dated: 28 February 2022

INDUSTRIAL AND GENERAL INSURANCE PLC

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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 consolidated audited financial statements for the year ended 31 December 2018 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

Dated: 28 February 2022

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

Dated: 28 February 2022

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2018 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.

The members of the Committee elected then are 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 2018 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 2018.

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

Professor Oladapo Afolabi
Chairman, Audit and Compliance Committee
FRC/2017/IPAN/00000015950

Dated: 28 February 2022

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
Dr. Gbenga Ogunkoya	-	Member
Dr. Abba Njoku	-	Member
Mr. Kayode Agboola	-	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 7 members; 5 Non-Executive Directors and 2 Acting 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.

CORPORATE GOVERNANCE REPORT

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

S/No	Name	Non- Executive	Executive	Remarks
1	Mahmud Yayale Ahmed, CFR	●		
2	Prof Oladapo Afolabi, CFR	●		
3	Osten Olorunsola	●		
4	Kanayo Chuks Okoye	●		
5	G. K. Animashawun	●		
6	Bayo Folayan	●	Acting	appointed w.e.f 03/07/17
7	Shade Ajayi	●	Acting	appointed w.e.f 03/07/17

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 2018 is set out below:

S/No	Name of Directors	Board	Audit and Compliance Committee (ACC)	Finance, investment and General purposes	Enterprise Risks Management Committee (ERMGC
	No of Meetings	**4**	**1**	**1**	**1**
1	Mahmud Yayale Ahmed, CFR	4			
2	Prof. Oladapo Afolabi, OON, CFR	4	1		
3	Osten Olorunsola	3		1	1
4	Gaffar K. Animashawun Jnr.	2			
5	Kanayo Chuks Okoye	4	1	1	1
6	Bayo Folayan	4	1	I	1
7	Shade Ajayi	3			1

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.

CORPORATE GOVERNANCE REPORT

4. BOARD COMMITTEES

During the year ended 31 December 2018, 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
Dr. Michael Ogunkoya	Shareholder
Dr. Abba Njoku	Shareholder
Kayode Agboola	Shareholder
Kanayo Okoye	Non-Executive Director

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) FINANCE, INVESTMENT AND GENERAL PURPOSES COMMITTEE (FIGPC)

Membership
Gaffar Kayode Animashawun Jnr. - Chairman
Awuneba Ajumobobia (Mrs.)
Prof. Oladapo Afolabi
Augustine Olorunsola
Kanayo Chuks Okoye
Bayo Folayan
Doyin Adebambo (in attendance)
Emmanuel Udoh (in attendance)

Duties and Responsibilities
The FIGPC is responsible for:
● Reviewing and recommending for Board approval, the company’s strategic/financial plan highlighting key strategic imperatives, the financial implications and Key Performance Indicators (KPIs).
● Reviewing and recommending for Board approval, the company’s annual budget indicating the key assumptions, funding strategy, optimal capital structure, strategic initiatives and capital expenditure for the particular year.
● Reviewing on a quarterly basis, the company’s financial performance against budget as well as performance on other non-financial Key Performance Indicators.
● Regularly reviewing and recommending to the Board, limits of capital expenditure of the various levels of management, the

Executive Committee and the Committee itself; and approve capital expenditure within the limits specified by the Board.
● Making recommendations to the Board on capital expenditure exceeding approval limits granted to the committee and depending on the exigency, give anticipatory approvals on behalf of the Board, ensuring that such approvals are ratified by the Board at its next sitting.
● Ensuring all approved capital expenditure is in accordance with the Company’s approved annual budget, and approve extra-budgetary expenditure or recommend for Board approval as necessary.
●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 making 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 of investments made by the Management Investment Team and ensuring adequate provisions for any impairment in values;
●Periodic review of performance of the major securities in the investment portfolios of the Company;
●Ensuring that there are effective procedures and resources to identify and manage non-earning investments, minimize investment loss and maximize recoveries;
●Directing, monitoring, reviewing and considering all issues that may materially impact on the existing and future quality of the Company's investment risk management;
●Delegating and reviewing investment authority limits to Management Investment Team;
●Ensuring that the Investment policy and risk limits are reviewed at least on an annual basis and as and when the environment so dictates;
●Evolving strategies that will be taken to develop the business of the company and oversee 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 to advise the Board in respect of that 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; and
●Performing such other duties as may be incidental to the attainment of the Committee's objectives as well as other functions as are from time to time assigned to the Committee by the Board.

c) ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE (ERMGC)
Membership

Augustine Olorunsola	Chairman
Prof. Oladapo Afolabi	
Kanayo Chuks Okoye	
Doyin Adebambo	
Bayo Folayan	
Shade Ajayi	

<u>Duties and Responsibilities</u>
The ERMGC undertakes the following duties and responsibilities:
a. ensuring the establishment of enterprise risk management as a company-wide policy;
b. overseeing the establishment of a risk management framework that defines the company's risk policy, risk appetite and risk limits with a view to bringing a systematic approach to evaluating and improving the effectiveness of risk management and
c. ensuring that the risk management framework is integrated into the day to day operations of the Company and provide guidelines and standards for administering and management of key risks including but not limited to:
- Harzard risks such as liability, property damage and natural catastrophe
- Financial risks such as pricing risk, asset risk, currency risk and liquidity risk
- Operational risks like customer satisfaction, product performance, integrity and reputational risks
- Strategic risks such as competition, social trend and capital adequacy.

d. providing a framework for risk management which typically involves identifying particular events or circumstances relevant to the Company's objectives (risks and opportunities) assessing them in terms of likelihood and magnitude of impact, determining a response strategy and monitoring progress;
e. periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile;
f. reviewing the company's compliance level with applicable laws and regulatory requirements which may impact the company's risk profile;
g. undertaking annually a thorough risk assessment covering all aspects of the company's business; the results of which will be used to update the risk management framework of the ccompany;
h. obtaining and review periodically relevant reports to ensure the ongoing effectiveness of the company's risk management framework;
i. making recommendations on the mitigation or acceptance of identified financial and business development risks;
j. requiring regular risk management reports from management which:
- enables the committee to assess the risks involved in the businesses of companies in the Group and how they are controlled and monitored by management; and
- give clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure which may require an assessment of the Group's vulnerability to unknown or unidentified risks;

k. monitoring and reviewing the effectiveness of the risk management, compliance and internal audit functions and to seek such assurance as it may deem appropriate that the functions are adequately resourced and have appropriate standing within the Group and are free from constraint by management or other restrictions;
l. ensuring that the company's risk management policies and practices are disclosed in its annual report;

CORPORATE GOVERNANCE REPORT

m. reviewing 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 and evolve a specified IGI Code of Corporate Governance incorporating all the relevant principles of the codes identified above.
n. monitoring and review the insurance industry's prudential Guidelines with view to assisting the Board members and staff in the performance of their duties;
o. reviewing the performance of Board, its members, and its committees on the basis of established criteria;
p. reviewing Board's committee structure and terms of reference of committees of Board;
q. reviewing the methods and processes by which the Board fulfills its duties and responsibilities including the communication process between the Board and management, the number and content of meetings, materials provided to Board members generally and with respect to meetings of the Board and its committees, and resources available to Board members;

r. receiving and considering any significant concern of individual Board members regarding the functioning of the Board or any of its committees;
s. ensuring an appropriate corporate governance statement is included in the Annual Report of the Company;
t. reporting to the Board on the matters set out in these terms of reference;
u. reviewing annually the committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Management 's Discussion and Analysis for the year ended 31 December 2018
This management discussion and analysis (MD&A) has been prepared as At 31 December 2018 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 (6) Subsidiaries ("Group") carried out the following principal activities of underwriting, risk management, banking and company registrars 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		
	2018	2017	%	**2018**	2017	%
	N'000	N'000	Changes	**N'000**	N'000	Changes
Gross premium written	**4,356,979**	5,396,208	(19.3)	**1,397,464**	2,580,000	(45.8)
Net Premium Income	**4,014,421**	4,010,090	0.1	**1,568,984**	1,557,085	0.8
Underwriting results	**388,362**	1,052,519	(63.1)	**221,636**	495,241	(55.2)
Investment income	**409,016**	343,532	19.1	**164,531**	189,930	(13.4)
Management expenses	**(1,907,296)**	(2,999,684)	(36.4)	**(1,250,613)**	(1,824,660)	(31.5)
Impairment provisions	**(21,250)**	(598,528)	(96.4)	**(5,433)**	(512,474)	(98.9)
Loss before tax	**(232,875)**	(4,701)	4,853.4	**(173,307)**	(219,077)	(20.9)
Loss per share (kobo)	**0.95**	1.31		**3.47**	1.92	

The Group experienced a reduction of 19.3% (Company reduced by 45.8%) 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 19% from N343.5million in 2017 to N409 million in 2018. Investment income for the company decreased from N189.3million in 2017 to N164.531 million in 2018 representing a decrease of 13.4%.

Management expenses for the group decreased by 36.4% to N1.907 billion from N3.0billion incurred in 2017.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, requires the Directors to prepare consolidated financial statements for each financial year that give a true and fair view of the state of financial affairs of the group at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the group and comply with the requirements of the companies and allied matters act, CAP C20, Laws of the Federation of Nigeria, 2004;
b) establishes adequate internal controls to safeguard its asset and to prevent and detect fraud and other irregularities; and
c) prepares its consolidated financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual consolidated financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; in compliance with Financial Reporting Council of Nigeria Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended **31 December 2018**. the Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

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

Dated: 28 February 2022

Tolu Delano
Chief Finance Officer
FRC/2019/ANAN/0000019788.

Dated: 28 February 2022

Independent Auditor's Report

To the Shareholders of Industrial and General Insurance Plc

Opinion

We have audited the consolidated financial statements of Industrial and General Insurance Plc. (''the Company'') and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position at **31 December 2018**, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at **31 December 2018**, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004 and the Insurance Act, Cap I17, LFN 2003.

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 2018, the Company had deficiencies in asset cover (Hypothecation of assets) for Policyholders' funds for General Business, Life Business Policyholders' fund and Deposit Administration Fund of N992.505 million (2017 : N1.12 billion), N1.601 billion (2017 : N1.66 billion) and N5.607 billion (2017 : N5.69 billion) respectively.

(ii) Note 3(h)(ii) which indicates that, as of 31 December, 2018, the company had a negative solvency margin of ₦10.875 billion (2017: ₦6.580 billion) which was below the minimum requirement of N5 billion for composite (life and general) business by ₦15.875 billion (2017: ₦11.58 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.

The following summarises how the matter was addressed in the audit:

- We checked adverse market conditions, trends and events and also performed other risk assessment procedures to identify any adverse events or conditions.
- We asked management whether they have identified any events or conditions that may cast significant doubts on the company's ability to continue as a going concern.
- We reviewed all court cases against the Group in order to obtain reasonable assurance that no litigation threatens the going concern of the Group either by suppliers, government, customers employees aggrieved third parties or shareholder of the Group.

- We reviewed minutes of board meetings held for all the quarters in the reporting period to assess any issues that could border on regulatory or legal challenges as it relates to the going concern of the Group.
- We obtained assurance from management that significant accounting and reporting judgments are supported by a degree of rigor and analysis appropriate to the circumstances of the Group.

Key audit matters

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

Key audit matters	How the matter was addressed in the audit
a) Valuation of Insurance and investment Contract Liabilities	
The Group and the Company has significant life and non-life investment and insurance contract liabilities respectively for the Group N9.871 billion and N10.182 billion while Company N8.626 billion and N9.098 billion (2017: Group N10.540 billion and N11.059 billion - Company N8.767 billion and N9.509 billion). The valuation of insurance contract liabilities involves high estimation uncertainties and significant judgment over uncertain future outcomes. Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain. The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, claims handling expenses, maintenance expenses and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit. The Group's accounting policy on the valuation of insurance and investment contract liabilities and related disclosures are shown in notes 25 (accounting policies), note 2i (critical accounting estimates and judgments) and note 28 and 29 (insurance and investment contract liabilities).	Our approaches in relation to management's valuation of insurance contract liabilities using a firm of Actuaries include: • We evaluated the design, implementation and operating effectiveness of key controls instituted by the Group which includes management review of data used for the valuation of insurance and investment contract liabilities. • We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting data recorded in the Group's books. • We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Group's external actuary in calculating the insurance and investment contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account available industry data and specific product features of the Group. • With the assistance of our actuarial specialists, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuary and performed liability adequacy tests on insurance and investment contract liabilities including assumptions and estimates on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate by comparing them to Group specific data, available industry data and market experience. • We considered the Group's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias. We were also assisted by our actuarial specialists in this regard.

b) Valuation of Investment properties and land & buildings in property,plant & equipment	
The valuation of the Group's investment properties is a key audit matter due to the significance of the balance and judgment required in assessing the key valuation assumptions and methodology. The investment properties are valued annually using the income capitalization methodology. Key assumptions in the valuation methodology include capitalization rate, vacancy rate, estimated expenses and future rental income. The Group's accounting policy on investment properties and related disclosures are shown in notes 20 (accounting policy), note 2v (critical accounting estimates and judgments) and note 16 (investment properties). Also, it policy on properties,plant and equipment and related disclosures are shown in note 23 (accounting policy),note 2vi (critical accounting estimates and judgments) and note 17 (property,plant and equipment).	Our audit procedures included the following: • We assessed the appropriateness of the valuation methodology adopted by giving due consideration to the requirements of the relevant accounting standards and the Group accounting policies. • We challenged key assumptions applied in the valuation of the properties, including the capitalization rates, vacancy rate, estimated expenses and future rental income, by comparing the assumptions to publicly available sales information, historical data, market experience and properties specific attributes such as location and asset condition.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 and those charged with Governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004 and the Insurance Act, Cap I17, LFN 2003, 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 financial statements, the Directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated 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 public interest benefits of such communication.

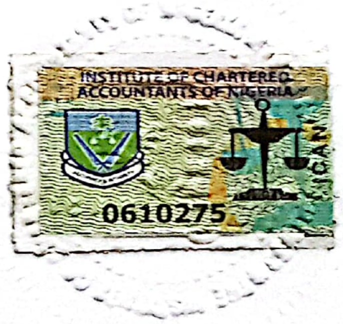
PKF
Accountants &
business advisers

Report on other legal and regulatory requirements
Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C20, LFN 2004 and Section 28(2) of the Insurance Act, Cap I17, LFN 2003.

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Contraventions and Penalties
No contravention was brought to our attention during the year.

Olatunji Ogundeyin, FCA
FRC/2013/ICAN/02224
For: **PKF Professional Services**
Chartered Accountants
Lagos, Nigeria



Dated: 28 February 2022

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.0 General Information

1.1 Legal form
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.

1.2 Principal activities
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.

2 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 N10,875 billion for the year ended 31 December, 2018 (2017: N6.580 billion) which occurred as a result of the backing out or derecognition of the foreign subsidiaries and

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, injecting fresh capital and enhance the Group's

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

3. Basis of preparation
3.1. Statement of compliance
These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), IFRS interpretations committee and in compliance with the Financial Reporting Council Act, No 6 2011, the Companies and Allied Matters Act, Cap C20, LFN 2004, the Insurance Act 2003 and National Insurance Commission (NAICOM) Guidelines and Circulars.Additional requirements issued by national regulators have

These consolidated financial statements were authorised for issue by the Company’s board of directors on **13 March 2020.**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.2. Functional and presentatoin currency

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

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (Subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, incomes and expenses have been eliminated on consolidation.

3.3.1. Business Combinations

Business Combinations are accounted for using the acquisition method as at the acquisition date ie. 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

3.4. Control and consolidation procedures

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out by the principle of control

(a) power over the investee entity;

(b) exposure, or rights, to variable returns from involvement with the investee entity; and

(c) the ability to use power over the investee to affect the amount of the investor’s returns.

3.4.1. Consolidated entities

3.4.1.1 Subsidiaries

Subsidiaries are all entities over which the group exercises control

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.4.3 Business combination under common control
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.
In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

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

3.4.5. Changes in ownership interests in subsidiaries without change in control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity between retained earnings and Non controlling interests. Gains or losses on

3.4.6.Disposal of subsidiaries
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The Group derecognises the assets and liabilities of the subsidiary,

3.4.7.Business combination under common control
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.
In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

3.5 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 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

3.6 Application of new and revised International Financial Reporting Standards (IFRS)

The accounting policies adopted are consistent with those of the previous financial year despite the adoption of IFRS. For the preparation of these Financial Statements, the following new, revised or amended requirements are mandatory for the first time for the financial year beginning 1 January 2018.

3.6.1 Summary of Standards and Interpretations effective for the first time

a. IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, effective for periods beginning on 1 January 2018 with early adoption permitted. IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments, insurance contracts and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g. IFRS 9, 4 and IFRS 16 Leases).

Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferror anticipates entitlement to goods and services. The following five step model in IFRS 15 is applied in determining when to recognise revenue, and at what amount.

* Identify the contract(s) with a customer
* Identify the performance obligations in the contract
* Determine the transaction price
* Allocate the transaction price to the performance obligations in the contract
* Recognise revenue when (or as) the entity satisfies a performance obligation

The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers. This standard does not have any significant impact on the Group.

b. Amendments to IAS 28 - Investment in Associates and Joint ventures

The amendments allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity’s associate or joint venture to its interests in subsidiaries. Furthermore, the amendments also clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of the unrelated investors’ interests in the associate or joint venture.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The IASB published an amendment to IAS 28 on ‘Long-term interests in associates and joint ventures’ in October 2017 to clarify that an entity should apply IFRS 9 (including its impairment requirements) to long-term interests in an associate or joint venture to which it does not apply the equity method. This amendment does not impact the Group as it does not have long term interests in associates and joint ventures.

c. **Amendments to IFRS 1 – First time Adoption of IFRS**
Deletion of short- term exemptions for first time adopters The IASB deleted short term exemptions granted to first time adopters of IFRS as those reliefs are no longer necessary. This amendment does not have any impact on the Group.

d. **Amendments to IFRS 2-Share Based Payment-Classification and measurment of share based payment transactions**
This standard clarifies classification and measurement of share based payment transactions with net settlement features for withholding tax obligations (i.e. equity settled share based payment for employees and cash settled share based payment for withholding taxes). It grants an exemption to alleviate operational issues encountered in dividing the share based payment into cash-settled and equity-settled component. The amendments also clarify modifications to terms and conditions that change classifications from cash-settled to equity-settled as well as application of non-market vesting conditions and market non-vesting conditions. These amendments do not have any material impact on the Group.

e. **Amendments to IAS 40 – Investment Property – Transfers of Investment Property**
The amendment to IAS 40 clarifies the requirements on transfers to, or from, investment property. Transfer into, or out of investment property should be made only when there has been a change in use of the property; and such a change in use would involve an assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence.

f. **IFRIC 22 – Foreign Currency Transactions and Advance Consideration**
The IFRS Interpretation Committee of the IASB issued IFRIC 22 which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, when an entity has received or paid advance consideration in foreign currency. The committee explained that the date of transaction for the purpose of determining exchange rate to use on initial recognition of related asset, expense or income is the date on which an entity initially recognizes the non-monetary assets or non-monetary liabilities arising from the payment or receipt of advance consideration. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. These amendments do not have any material impact on the Group.

g. **Amendments to IFRS 4 – Insurance Contract, regarding implementation of IFRS 9**
The IASB issued the amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

1. An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is called the overlay approach;
2. An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is called the deferral approach. The Group chooses to apply the deferral approach.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

IFRS 9 - Financial instruments
IFRS 9 introduces a new approach for classification and measurement of financial instruments, a more forward looking Impairment methodology and a new general hedge accounting requirement.

Classification and Measurement
IFRS 9 requires financial assets to be classified into one of three measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost. Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by collecting both contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition,designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The Group has undertaken an assessment to determine the potential impact of changes in classification and measurement of financial assets. Our assessment revealed that the adoption of IFRS 9 is unlikely to result in significant changes to existing asset measurement bases. IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

The hedge accounting requirements in IFR S 9 are optional. If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains. The amendments had no material effect on the Group's Financial Statements.

Impairment Methodology
The IFRS 9 impairment model will be applicable to all financial assets at amortised cost, debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantees not measured at fair value through profit or loss.

IFRS 9 replaces the existing 'incurred loss' impairment approach with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages. Entities are required to recognise a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The requirement to recognise lifetime ECL for assets which have experienced a significant increase in credit risk since origination, but which are not credit impaired, does not exist under IAS 39. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not credit impaired, will be classed as stage 2.

IFRS 9 requires the use of more forward looking information including reasonable and supportable forecasts of future economic conditions. Reporting entities will be required to develop the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes.

Appropriate governance and oversight needs to be established around the process.

An assessment of the ECL in the Group's balance sheet reflects an increase in the provisions for credit losses. However, this increase does not have a significant impact on regulatory capital and invariably the Capital adequacy due to the Group's strong earnings and retention capacity over the years.

The Group conducted an initial predominance assessment and having met the criteria for exemption, the Board opted for temporary exemption option (deferral approach). The result of the predominance assessment using 2015 financial report as stated in IFRS 4 amended 2016 section 20D of the standard is stated below;

The carrying amount of its liabilities arising from insurance contracts and insurance connected liabilities for the group sum up to N21.3 billion as at 31 Dec 2018 (31 Dec 2017 : N23.0 billion), Company N18.58 billion (31 Dec 2017: 18.96 billion) which is greater than 60 per cent of the total carrying amount of all its liabilities as at 31 Dec 2018 and 31 Dec 2017 respectively.

The Company is registered with C.A.C. to carryout insurance activities and its activities are predominantly connected with insurance contracts.

Predominance Assessment Using 2015 Financial Report	**Group**		**Company**	
Insurance Liabilities	**Carrying amount N'000**	**Insurance Liabilities N'000**	**Carrying amount N'000**	**Insurance Liabilities N'000**
Insurance contract liabilities	12,637,126	12,637,126	8,942,173	8,942,173
Investment contract liabilities	12,176,417	12,176,417	8,649,161	8,649,161
Trade payables	1,668,853	-	1,312,637	-
Loans and borrowings	3,146,421	-	124,106	-
Other payables and accruals	5,699,033	-	2,456,983	-
Income tax payable	1,754,462	1,754,462	1,484,161	1,484,161
Deferred tax liabilities	11,227	-	854,951	-
Dividend payable	1,741,915	-	-	-
Deposit for shares	1,169,783	-	-	-
	40,005,237	**26,568,005**	**23,824,172**	**19,075,495**
Predominance ratio		**66%**		**80%**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The impact assessment of IFRS 9 on the Group's financial assets as December 31, 2017 which is the reporting date that immediately precedes January 1, 2018, i.e. the effective implementation date of the standard, is stated below;

Group

2017 impact analysis on Financial Assets	2017 Group		
	IAS 39	IFRS 9	Impact
Financial Assets:	N'000	N'000	N'000
At fair value through profit or loss	584,918	584,918	-
Available for sale(FVOCI)	859,018	859,018	-
Held to maturity(Amortised Cost)	457,772	-	457,772
Loans and receivables (Amortised Cost)	386,491	-	386,491
Trade receivables	759,669	-	759,669
	3,047,869	1,443,936	1,603,933

Company

2017 impact analysis on Financial Assets	2017 Company		
	IAS 39	IFRS 9	Impact
Financial Assets:	N'000	N'000	N'000
At fair value through profit or loss	13,557	13,557	-
Available for sale(FVOCI)	456,289	456,289	-
Held to maturity(Amortised Cost)	-	-	-
Loans and receivables (Amortised Cost)	347,615	-	347,615
Trade receivables	-	-	-
	817,461	469,846	347,615

Fair value disclosures

Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest:

The group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows;

	31 December	
	2018	2017
	N'000	**N'000**
Premium receivables	**512,354**	759,669
Loans and receivables	**495,031**	386,491
Other receivables net off prepayments	**343,050**	657,120
Short term placement	**966,098**	506,765
Investment securities:		
Treasury bills	**293,981**	390,163
Bonds	**-**	67,609
	2,610,514	2,767,818

Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

These are financial assets that meets the definition of held for trading in line with IFRS 9; or that is managed and whose performance is evaluated on a fair value basis. These assets are as follows:

	31 December	
	2018	2017
	N'000	**N'000**
Quoted equity securities	**288,949**	584,918
Unquoted equity securities	**1,213,803**	859,018
	1,502,753	1,443,936

The Central Bank of Nigeria that regulate a member of the Group, Global Trust Savings and Loans Limited, issued a Guidance Note dated November 30, 2018 to all Other Financial Institutions (OFI) on the implementation of IFRS 9 financial instruments.

h. Amendments to IFRS 12 titled Clarification of the Scope of the Standard
Annual improvements to IFRS Standard 2014-2016 Cycle
The amendments clarification that the disclosure requirements of IFRS 12 do apply to interests in entitles within the scope of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations except for summarized financial information for those interests (i.e. paragraphs B10-B16 of IFRS 12). The amendments had no material effect on the Group’s Financial Statements.

i. Amendments to IFRS 2 -'Share -based payments', Classifying how to account for certain types of share-based payment transactions
This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. Effective for annual periods beginning on or after 1 January 2018. The amendments had no impact on the Group’s Financial Statements.

j. IFRIC 22, ' Foreign currency
This IFRIC addresses currency transactions or parts of transactions where there is, that is, denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. Effective for annual periods beginning on or after 1 January 2018. The amendments had no material effect on the Group’s Financial Statements.

3.6.1.1 Standards and interpretations issued/amended but not yet effective.
At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

3.6.1.2 Amendments effective from annual periods beginning on or after 1 January 2019
IFRS 16 'Leases'
Effective for an annual periods beginning on or after 1 January 2019.
- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows;

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that lease;
- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently;
- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk;
- IFRS 16 supersedes the following Standards and Interpretations:

a) IAS 17 Leases;
b) IFRIC 4 Determining whether an Arrangement contains a Lease;
c) SIC-15 Operating Leases—Incentives; and
d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

3.6.1.3 Amendments effective from annual periods beginning on or after 1 January 2022
IFRS 17 Insurance Contracts

The standard that replaces IFRS 4 – effective for annual periods beginning on or after 1 January 2022 (earlier application permitted only if IFRS 9 and IFRS 15 also applied) – requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts, giving basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The impact of this amendment has been reviewed and have been estimated to have major impact on the financial statements of the entity in future periods.

3.6.1.4 New standards, amendments and interpretations issued but without an effective date

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective: This includes:

Amendments to IFRS 10 and IAS 28 Consolidated Financial Statements and Investments in Associates and Joint Ventures

Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

-.Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations).

-.Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

4. The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) IFRS 14 Regulatory Deferral Accounts.
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
Equity Method in Separate Financial Statements (Amendments to IAS 27).

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

5 Accounting Policies
The Group has consistently applied the accounting policies set out below to all periods presented in these consolidated 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.

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 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 Impairment of investment in subsidiaries
Investment in subsidiary 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 CONT'D

9 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.

10 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.

11 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. Cash and cash equivalents are measured at amortised cost. For the purpose of reporting cash flows, cash and cash equivalents include cash in hand, bank balances, fixed deposit and treasury bills within 90days net of bank overdraft.

12 Financial assets

The Group 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

12.1 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 were acquired or originated. Financial assets are classified at fair value through profit or loss where the Group'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 Group commits to purchase or sell the asset. The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial investment.

12.2 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.

12.3 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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'.

12.4 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 incured if, and only if, there is objective evidence of impairment as a result of one or more events that occured 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

12.5 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 observable 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 between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the 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.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

12.6 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

12.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A Cash-generating unit is the smallets identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of the other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indicatings that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amounts. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

12.8 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.

12.9 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 'passthrough' 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.

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.

12.10 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.

12.11 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

12.12 Fair value measurement

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

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

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data orthe transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk and managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

12.12.1 Identification and measurement of impairment

At each reporting date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a toss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated retia bly. The Group considers evidence of impairment for loans and receivables and held-to-maturity investments individually and collectively. Assets showing signs of deterioration are assessed for individual impairment. All individually significant loans and receivables and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the carrying amount and current fair value out of equity to profit or loss. If, in a subsequent period, the fairvalue of an impaired available-for-sate debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit and loss, the impairment loss is reversed, with the amount of the reversal recognised in profit and loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income. The Group writes off certain loans and receivables when they are determined to be uncollectible.

12.12.2 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and tosses arising from a group of similar transactions.

12.12.3 De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On de-recognition of the financial assets, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss. The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position.

in transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset, The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

13 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 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.

14 Staff Loans

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

15 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.

16 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.

17 Reinsurance Assets

These are 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 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The benefits to which the Group 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.

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

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 lossandother 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 Group 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.

18 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 commissions 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.

19 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 Group 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 Group 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’.

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.

20 Investment properties

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 Group are classified as investment property under non-current assets.

20.1. Recogntion and measurement

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

20.2. Subsequent to initial recognition

Investment properties are 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 recognised in the statement of profit or loss in the period in which they arise.

20.3. De-recognition

Investment properties are derecognised upon disposal, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net dispsosal proceeds and the carrying amount of the asset) is recognised in statement of profit or loss in the period in which the property is derecognised.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

20.4. Transfers

Transfers are made to or from investment property only when there is change in use. For a transfer from investment property to owner occupied property,the deemed cost for subsequent accounting is the fair value at the date of change.

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.

22 Intangible assets

22.1 Recognition and measurement

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.

22.2. Subsequent measurement

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

23 Property, plant and equipment

23.1 Recogntion and measurement

23.1.1. All items of property,plant and equipment

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

Cost includes expenditure that are directly attributable to the acquisitio of the asset. The cost of self-constructed assts includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and captioned borrowing costs.

23.1.2. Subsequent to initial recogntion

23.1.2.1 Land and buildings

Land and buildings are measured 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 assetAny revaluation gain is recognised in statement of other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation defictit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

23.1.2.2 All other property, plant and equipment other than land and Buildings

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.

23.1.2.3 Depreciation of property, plant and equipment

Land is not depreciated. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accorance with IFRS 5. A non-current asset or disposal group is not depreciated while it is calculated as held for sale.Depreciation on other assets 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:

	%
Building	2
Leasehold improvements	20
Furniture and fixtures	15
Motor vehicles	25
Computer equipments	33 1/3
Office equipment	20
Telecommunication	15
ISP equipment	25

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

23.1.2.4 De-recognition

An item of property,plant and equipment is derecognised on disosal 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

23.1.2.5 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or cahnges in circumstansces indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immidiately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the highter of the asset's fair value less costs to sell or the value in use.

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.

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 Regulations.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

26 Technical reserves

These are computed incompliance with the provisions of Sections 20, 21,and 22 of the Insurance Act 2003 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 2003, 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 CONT'D

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 the 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 lossand other comprehenssive 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 discharged or is cancelled.

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

28 Managed funds

Managed funds pool is 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.

The scheme attract minimum guaranteed interest of 5% per annum
The funds are initially measured at fairvalue and subsequently at amortised costs
Interest expenses on managed funds are recognised as a guaranteed interest in profit or loss using the effective interest rate.

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 interest rate method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

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.

35 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

36 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 dercognised 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 FIA 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

42 Income Recognition and measurement

a. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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 cost.

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.

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 lossand 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.

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 amotised cost. The impairment loss is calculated under the same method used for these financial assets.

44 Salvage and subrogation reimbursements
Some insurance contracts permit the Group 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).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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 cost

Premium ceded to reinsurers (outwards reinsurance premium) is recognized as an expense/outgoing that was incurred in undertaking the business of direct insurance underwriting. Outwards reinsurance premium expense is recognized in the financial statement in accordance with the pattern of reinsurance service. For proportional reinsurance, this is usually amortized in line with the of duration of the risk of the underlying direct insurance policies. For non-proportional reinsurance, the expense is recognized over the period of the reinsurance arrangement.

46 Reinsurance claims

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

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 on financial assets

Investment income on financial assets is composed of interest income,fee and commission income and dividend income.

Interest income 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.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 dividend income 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

51 Employee benefits

51.1 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.

51.2 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.The rate of contribution by the Group and its employees is 10% and 8% respectively of basic salary, housing and transport allowance.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.

54 Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or contructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settl the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision of restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future costs are not provided for.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unaviodable cost of meeting its obligations under the contract.The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

55 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholy within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallise.

A contingent asset is a possible asset that asrise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognised but are disclosed in the financial stateents when they arise.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**N'000**	N'000	**N'000**	N'000
Assets					
Cash and cash equivalents	**5.**	**1,477,089**	1,033,072	**146,369**	77,970
Financial Assets:					
At fair value through profit or loss	**6.1**	**288,949**	584,918	**9,282**	13,557
Available for sale	**6.2**	**1,213,803**	859,018	**879,452**	456,289
Held to maturity	**6.3.**	**293,981**	457,772	**-**	-
Loans and receivables	**6.4.**	**495,031**	386,491	**475,312**	347,615
Trade receivables	**7.**	**512,354**	759,669	**-**	-
Reinsurance assets	**8.**	**3,533,301**	3,869,108	**3,053,282**	3,278,041
Deferred acquisition costs	**9.**	**70,830**	153,900	**37,674**	78,224
Loans and advances to customers	**10.**	**324,661**	251,305	**-**	**-**
Other receivables and prepayments	**12.**	**403,249**	763,820	**155,509**	167,906
Investment in subsidiaries	**14.**	**-**	-	**3,333,919**	3,333,919
Intangible ssets	**15.**	**-**	-	**-**	-
Deferred tax assets	**48.4.**	**-**	(0)	**-**	-
Investment properties	**16.**	**21,431,642**	23,239,950	**17,753,496**	17,379,877
Property plant and equipment	**17.**	**6,418,828**	6,422,413	**5,395,844**	5,263,674
Statutory deposits	**18.**	**554,608**	575,014	**500,000**	500,000
		37,018,327	39,356,451	**31,740,139**	30,897,072
Non-current assets held for sale	**11.**	**4,093,324**	4,660,826	**-**	**-**
Assets classified as discontiuned operations	**58.**	**5,733,010**	5,733,010	**1**	1
Total assets		**46,844,661**	49,750,287	**31,740,140**	30,897,073
Equity					
Ordinary share capital	**19.2**	**7,115,619**	7,115,619	**7,115,619**	7,115,619
Share premium	**19.3**	**8,530,781**	8,530,781	**8,530,781**	8,530,781
Assets revaluation reserve	**20.**	**5,684,590**	5,489,812	**5,392,051**	5,159,421
Fairvalue reserve	**21.**	**608,791**	174,262	**489,839**	66,676
Contingency reserve	**22.**	**3,184,596**	3,743,134	**2,884,130**	2,845,224
Loss sustained	**23.**	**(17,982,107)**	(17,573,897)	**(18,406,310)**	(18,271,687)
Capital reserve	**24.**	**134,236**	131,557	**-**	-
Foreign exchange reserve	**25.**	**(556,027)**	(340,811)	**-**	-
Statutory(regulatory) reserve	**26.**	**182,607**	162,473	**-**	-
Shareholder's fund		**6,903,085**	7,432,928	**6,006,110**	5,446,033
Non-controlling interests	**27.**	**(122,255)**	39,007	**-**	-
Total equity		**6,780,830**	7,471,935	**6,006,110**	5,446,033
Liabilities					
Insurance contract liabilities	**28.**	**10,181,666**	11,059,906	**9,097,653**	9,508,882
Investment contract liabilities	**29.**	**9,870,602**	10,539,993	**8,626,085**	8,766,506
Trade payables	**30.**	**1,236,737**	1,367,204	**855,679**	686,995
Loans and borrowings	**31.**	**1,183,760**	1,779,588	**486,906**	350,274
Other payables and accruals	**32.**	**7,174,316**	6,784,953	**4,051,350**	3,667,009
Income tax payable	**48.2**	**1,893,722**	1,881,813	**1,539,140**	1,482,919
Deferred tax liabilities	**48.4.**	**1,568,212**	1,876,395	**1,077,223**	988,446
Deposit for shares	**33.**	**1,221,804**	1,255,489	**-**	-
		34,330,819	36,545,342	**25,734,036**	25,451,039
Liabilities classified as discontiuned operations	**58.**	**5,733,010**	5,733,010	**-**	-
Total liabilities		**40,063,828**	42,278,352	**25,734,036**	25,451,040
Total equity and liabilities		**46,844,661**	49,750,288	**31,740,139**	30,897,073

The consolidated financial statements were approved by the Board of Directors on **22 February 2022** and signed on its behalf by:

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

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

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

The accompanying notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**N'000**	N'000	**N'000**	N'000
Continuing operations					
Gross premium written	34.	**4,356,979**	5,396,208	**1,397,464**	2,580,000
Changes in unearned premium	34.	**613,759**	605,969	**344,912**	290,212
Gross Premium Income		**4,970,738**	6,002,177	**1,742,376**	2,870,212
Reinsurance costs	35.	**(956,317)**	(1,992,087)	**(173,392)**	(1,313,127)
Net Premium Income		**4,014,421**	4,010,090	**1,568,984**	1,557,085
Fees and commission income	36.	**309,471**	325,003	**80,644**	145,983
Net underwriting income		**4,323,892**	4,335,093	**1,649,629**	1,703,068
Claims expenses (Gross)	37.	**(838,113)**	(1,559,253)	**(178,495)**	(1,021,256)
Changes in claims recoveries	37.	**(53,316)**	548,236	**(180,155)**	494,580
Net claims incurred		**(891,429)**	(1,011,017)	**(358,650)**	(526,676)
Underwriting expenses	38.	**(2,910,587)**	(2,460,704)	**(937,418)**	(891,320)
Changes in contract liabilities	39.	**(133,514)**	189,147	**(131,924)**	210,168
Underwriting (loss)/profit		**388,362**	1,052,519	**221,636**	495,241
Investments incomes	40.	**409,016**	343,532	**164,531**	189,930
Profit/(loss) on disposal of Investment properties	50.	**30,587**	(180,062)	**(5,000)**	(180,062)
Net interest income	41.	**134,785**	33,668	**113,154**	43,777
Other operating incomes	42.	**97,671**	2,482	**38,629**	(70,144)
(Loss)/gain on investment contract	43.	**259,599**	597,152	**303,787**	413,212
Fair value gain/(loss) through Profit or loss	44.	**425,440**	1,848,998	**429,344**	1,417,895
Impairment charge	45.	**(21,250)**	(598,528)	**(5,433)**	(512,474)
Management and administrative expenses	46.	**(1,907,296)**	(2,999,684)	**(1,250,613)**	(1,824,660)
Net operating loss		**(183,086)**	100,078	**10,035**	(27,284)
Finance costs	47.	**(49,789)**	(104,779)	**(183,342)**	(191,792)
Loss before income tax		**(232,875)**	(4,701)	**(173,307)**	(219,077)
Income tax expense	48.1	**(247,809)**	(282,060)	**(185,609)**	(194,220)
Loss from continuing operations		**(480,684)**	(286,761)	**(358,916)**	(413,297)
Attributable to:					
Equity shareholders		**(445,040)**	(263,321)	**(358,916)**	(413,297)
Non-controlling interests	27.	**(35,644)**	(23,440)	**-**	-
		(480,684)	(286,761)	**(358,916)**	(413,297)

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Other Comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Fairvalue gain on available for sale assets	21&27	**443,292**	46,809	**423,163**	-
Exchange differences on translating foreign operations	25&27	**(347,355)**	(457,750)	**-**	-
Income tax relating to item that may be reclassified subsequently to profit or loss		**(4,871)**	-	**-**	-
Items that will not be reclassified subsequently to profit or loss:					
Actuarial surplus/transfer from life fund	22&27	**-**	-	**-**	-
Fairvalue gain on property,plant and equipment	20&27	**404,285**	782,600	**477,536**	762,497
Income tax relating to item that will not be reclassified subsequently to profit or loss		**(47,754)**	(76,476)	**(47,754)**	(76,250)
Other comprehensive (loss)/income for the year, net of tax		**447,597**	295,183	**852,945**	686,247
Total comprehensive (loss)/profit for the year		**(33,087)**	8,422	**494,029**	272,950
Attributable to:					
Equity shareholders		**135,272**	186,137	**494,029**	272,950
Non-controlling interests	27.	**(168,359)**	(177,715)	**-**	-
		(33,087)	8,422	**494,029**	272,950
Basic and diluted earnings per share (Kobo)	51.	**0.95**	1.31	**3.47**	1.92

The accompanying notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**N'000**	N'000	**N'000**	N'000
Cash flows from operating activities					
Premium received on insurance contract		**4,356,979**	5,760,902	**1,397,464**	2,579,669
Net inflow from deposit Admin contract	29.	**849,277**	(2,732,580)	**787,662**	1,054,207
Reinsurance Premium paid	35.	**213,161**	(1,156,211)	**(43,432)**	(1,394,840)
Commission received	36.	**309,471**	325,003	**80,644**	127,449
Claims paid	37.	**(1,089,085)**	(1,559,253)	**(402,854)**	(542,051)
Reinsurance recovery received	37.	**(22,304)**	548,236	**(410,405)**	(17,226)
Commission paid	38.	**(1,100,605)**	(683,766)	**(299,437)**	(380,839)
Maintenance cost paid	38.2	**2,378,284**	(1,776,938)	**650,461**	(432,925)
Other Income	42.	**97,671**	2,482	**38,629**	(70,144)
Investment income	40.	**311,345**	322,036	**125,902**	104,727
Dividend income			21,496		85,203
Operating costs and payments to employee		**(5,902,974)**	(7,936,000)	**(2,150,891)**	(1,734,238)
Tax paid	48.2	**(91,374)**	(56,811)	**(88,364)**	(33,000)
Other operating cashflows		-	12,424	-	-
Net cash used in operating activities	52.	**309,846**	(8,908,980)	**(314,621)**	(654,008)
Additions to fair value through profit or loss	6.1	(7,232)	**-**	-	-
Additions to available for sale	6.2	**(381,947)**	-	**-**	-
Proceeds on disposal of available for sale		**368,640**	373,689	**-**	-
Net impact of reclassified to available for sale		**-**	7,645,661	**-**	-
Held to maturity	6.3.	**163,791**	57,716	**-**	-
Loans and advances to customers	10.	**(73,356)**	(76,041)	**-**	38,693
Addition to non-current assets held for sale	11.	**(218,437)**	(1,909)	**-**	-
Other movement in intangible		**-**	-	**-**	-
Dividend income					
Proceeds on disposal of non-current assets held for sale	11.	**384,097**	-	**-**	
Proceeds on disposal of investment properties	50.	**90,587**	711,221	**55,000**	711,221
Other movement in investment properties		**570,152**		**-**	-
Purchase of property, plant and equipment	17.	**-**	(403,671)	**(401)**	(712)
Proceeds from disposal of property, plant & equipment		**(127,731)**	23,284	**308,687**	
Interest income	41.	**134,785**	33,668	**113,154**	43,777
Net cash used in investing activities		**903,348**	8,363,617	**476,440**	792,979
Cash flows from financing activities:					
Additions to loans and borrowings	31.	**134,018**	534,933	**124,204**	330,154
Repayment of loans and borrowings	31.	**(779,634)**	(555,358)	**(170,914)**	(398,282)
Dividend paid	32.3.	**(86,201)**	(98,774)	**-**	-
Interest paid	47.	**(49,789)**	(104,779)	**(183,342)**	(191,792)
Net cash generated by financing activities		**(781,606)**	(223,978)	**(230,052)**	(259,920)
Net increase/(decrease) in cash and cash equivalents		**431,588**	**(769,341)**	**(68,233)**	**(120,949)**
Cash and cash equivalents at 1 January		**1,018,292**	1,787,630	**(266,805)**	(145,856)
Cash and cash equivalents at 31 December	5.3.	**1,449,880**	1,018,292	**(335,038)**	(266,805)

The accompanying notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Attributable to equity holiders- the Group

	Ordinary share capital	Share premium	Assets revaluation reserve	Fairvalue reserve	Contingency reserve	Loss sustained	Capital reserve	Foreign exchange reserve	Statutory(regulatory) reserve	Non-controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January 2017	7,115,619	8,530,781	5,258,209	629,681	3,034,853	(20,348,021)	73,619	(55,791)	238,681	(612,563)	3,865,068
Changes in equity for 2017:											
Loss for the year	-	-	-	-	-	(263,320)	-	-	-	(23,440)	(286,760)
Other comprehensive income;											
Share of revaluation gain in retained earnings	-	-	-	-	-	-	-	-	-	10,193	10,193
Gain on valuation of property,plant and equipment	-	-	780,326	-	-	-	-	-	-	2,274	782,600
Deferred tax effect	-	-	(76,250)	-	-	-	-	-	-	-	(76,250)
Impact of investment reclassified to available for sale	-	-	(731,947)	(941,653)	-	2,710,357	-	-	(210,931)	968,953	1,794,779
Reversal of revaluation	-	-	(352,943)	-	-	-	-	-	-	-	(352,943)
Gain on available for sale financial assets	-	-	-	30,402	-	-	-	-	-	16,407	46,809
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Transalation gain/(loss) for the year	-	-	713,496	455,832	182,350	769,866	52,059	(285,020)	129,592	(364,204)	1,653,969
Transactions with owners, recorded directly in equity:											-
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	469	469
Share of share premium	-	-	-	-	-	-	-	-	-	237	237
Transfer (from)/to capital reserve	-	-	-	-	-	(5,879)	5,879	-	-	3,173	3,173
Transfer (from)/ to statutory reserve	-	-	-	-	-	(5,131)	-	-	5,131	65	65
Transfer (from)/ to contingency reserve	-	-	-	-	525,931	(525,931)	-	-	-	86,645	86,645
Transfer (from)/to assets revaluation reserve	-	-	(101,079)	-	-	101,079	-	-	-	-	-
Dividend paid / declared	-	-	-	-	-	(6,917)	-	-	-	(48,976)	(55,893)
31 December 2017	7,115,619	8,530,781	5,489,812	174,262	3,743,134	(17,573,897)	131,557	(340,811)	162,473	39,233	7,472,161
1 January 2018	7,115,619	8,530,781	5,489,812	174,262	3,743,134	(17,573,897)	131,557	(340,811)	162,473	39,233	7,472,161
Changes in equity for 2018:											
Loss for the year	-	-	-	-	-	(445,040)	-	-	-	(35,644)	(480,684)
Other comprehensive income;											
Gain on valuation of property,plant and equipment	-	-	410,995	-	-	-	-	-	-	(6,710)	404,285
Deferred tax effect	-	-	(47,754)	(4,871)	-	-	-	-	-	-	(52,625)
Impact of investment reclassified to available for sale	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation	-	-	66,047	-	-	-	-	-	-	-	66,047
Gain on available for sale financial assets	-	-	-	434,529	-	-	-	-	-	8,763	443,292
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Transalation gain/(loss) for the year	-	-	28,690	4,871	(751,238)	(67,423)	-	(215,216)	20,134	(132,139)	(1,112,320)
Transactions with owners, recorded directly in equity:											
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	-	-
Share of share premium	-	-	-	-	-	-	-	-	-	-	-
Transfer (from)/to capital reserve	-	-	-	-	-	(2,679)	2,679	-	-	1,446	1,446
Transfer (from)/ to statutory reserve	-	-	-	-	-	-	-	-	-	260	260
Transfer (from)/ to contingency reserve	-	-	-	-	192,700	(192,700)	-	-	-	5,391	5,391
Transfer (from)/to assets revaluation reserve	-	-	(263,200)	-	-	263,200	-	-	-	-	-
Dividend paid / declared	-	-	-	-	-	36,432	-	-	-	-	36,432
31 December 2018	7,115,619	8,530,781	5,684,590	608,791	3,184,596	(17,982,107)	134,236	(556,027)	182,607	(119,400)	6,783,685

The accompanying notes and statement of significant accounting policies form an integral part of these consolidated financial statements.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Attributable to equity holiders- the Company

	Ordinary share capital	Share premium	Assets revaluation reserve	Fairvalue reserve	Contingency reserve	Loss sustained	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January 2017	**7,115,619**	**8,530,781**	**4,826,118**	**66,676**	**2,771,938**	**(17,785,105)**	**5,526,027**
Changes in equity for 2017:							
Loss for the year	-	-	-	-	-	(413,297)	(413,297)
Other comprehensive income;							
Gain on valuation of property,plant and equipment	-	-	762,497	-	-	-	762,497
Deferred tax effect	-	-	(76,250)	-	-	-	(76,250)
Reversal of revaluation	-	-	(352,944)	-	-	-	(352,944)
Gain/(loss) on available for sale financial assets	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	-	-	-	-	73,286	(73,285)	1
Actuarial surplus/transfer from life fund	-	-	-	-	-	-	-
Transfer from assets revaluation reserve	-	-	-	-	-	-	-
31 December 2017	**7,115,619**	**8,530,781**	**5,159,421**	**66,676**	**2,845,224**	**(18,271,687)**	**5,446,034**
1 January 2018	**7,115,619**	**8,530,781**	**5,159,421**	**66,676**	**2,845,224**	**(18,271,687)**	**5,446,034**
Changes in equity for 2018:							
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(358,915.99)**	**(358,916)**
Other comprehensive income;							
Gain on valuation of property,plant and equipment	**-**	**-**	**477,536**	**-**	**-**	**-**	**477,536**
Deferred tax effect	**-**	**-**	**(47,754)**	**-**	**-**	**-**	**(47,754)**
Reversal of revaluation	-	-	**66,048**	-	-	-	**66,048**
Gain/(loss) on available for sale financial assets	**-**	**-**	**-**	**423,163**	**-**	**-**	**423,163**
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	**-**	**-**	**-**	**-**	**38,906**	**(38,907)**	**(1)**
Actuarial surplus/transfer from life fund	-	-	-	-	**-**	-	**-**
Transfer from assets revaluation reserve	**-**	**-**	**(263,200)**	**-**	**-**	**263,200**	**-**
31 December 2018	**7,115,619**	**8,530,781**	**5,392,051**	**489,839**	**2,884,130**	**(18,406,310)**	**6,006,110**

The accompanying notes and statement of significant accounting policies form an integral part of these 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Fair value of financial assets and liabilities

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Group				
At 31 December 2018				
Financial assets	**288,949**	**-**	**2,002,815**	**2,291,765**
At 31 December 2017				
Financial assets	584,918	-	1,703,281	2,288,200
Company				
At 31 December 2018				
Financial assets	**9,282**	**-**	**1,354,764**	**1,364,046**
At 31 December 2017				
Financial assets	13,557	-	803,904	817,461

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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). We did not conduct an audit of the data but we performed some plausibility checks. 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 2018, 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**	**10**
2009	15,010	23,566	17,125	354	2,775	58	211	-	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	1,378	-	-
2011	13,849	22,712	9,650	7,566	1,240	12	596	240	-	-
2012	14,469	31,414	19,021	8,974	5,102	81	225	-	-	-
2013	19,342	36,842	23,141	2,738	1,397	224	-	-	-	-
2014	9,110	15,125	3,975	700	-	-	-	-	-	-
2015	3,493	9,039	7,196	2,705	-	-	-	-	-	-
2016	11,399	2,116	7,113	-	-	-	-		-	-
2017	6,570	5,889	-	-	-	-	-		-	-
2018	2,557	-	-	-	-	-	-		-	-

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 impossible 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.
We have carried out our calculations 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 year 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 between 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 ratio 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 each of the accident years. We then estimate loss development ratio used to project the cumulative historical paid claims to their ultimate values for each accident year. 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.

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The following official inflation index were adopted.

Table 3.1.1

Year	Inflation Index	Accumulated Inflation Index
2007	6.60%	288.95%
2008	15.10%	264.87%
2009	13.90%	217.00%
2010	11.80%	178.31%
2011	10.30%	148.94%
2012	12.00%	125.69%
2013	8.00%	101.51%
2014	8.30%	86.58%
2015	9.60%	72.28%
2016	18.48%	57.19%
2017	15.37%	32.68%
2018	15.00%	15.00%
2019	0.00%	

The calculations are also on two bases;

* By discounting the claims estimated to the valuation date at a discount rate of 10% 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.

Expected Loss Ratio: This method is simple and gives an approximate estimate. We adopted this method as a check on our ultimate projections and also where the volume of data available is too small to be credible when using a statistical approach. Under the method, we obtained the Ultimate claims 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): We have calculated each policy's unexpired insurance premium (UP) 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 eg 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	Expected Loss Method
Oil and Gas	N/A	Expected Loss Method

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ii. Valuation Results

We summarise 4 sets of results in this section under the following methods

* Basic Chain Ladder– **with claims discounted and undiscounted**
* 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

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	**₦**	**₦**	**₦**
General Accident	232,454,947	(3,567,714)	228,887,233
Engineering	507,258,833	(341,650,965)	165,607,868
Fire	522,365,255	(407,736,235)	114,629,020
Marine	346,967,182	(7,881,108)	339,086,074
Motor	156,917,138	(33,971,672)	122,945,466
Oil and Gas*	1,763,443,946	(647,004,610)	1,116,439,335
TOTAL	**3,529,407,301**	**(1,441,812,304)**	**2,087,594,996**
Accounts (outstanding claims)	2,782,928,168	(1,417,056,042)	1,365,872,126
Difference	746,479,133	(24,756,262)	721,722,870

*Estimated using Expected loss ratio method and discounted

Incurred But Not Reported (IBNR) Table

Table 3.1.4 Discounted Basic Chain Ladder Method

	Outstanding Claims Reserves	Outstanding Reported Claims Reserves	Incurred But Not Reported (IBNR)
Class of Business	**₦**	**₦**	**₦**
General Accident	232,454,947	174,671,033	57,783,914
Engineering	507,258,833	471,845,341	35,413,492
Fire	522,365,255	488,868,513	33,496,742
Marine	346,967,182	305,027,926	41,939,256
Motor	156,917,138	99,283,877	57,633,261
Oil and Gas*	1,763,443,946	1,243,231,386	520,212,560
TOTAL	**3,529,407,301**	**2,782,928,076**	**746,479,225**

Table 3.1.5 Reinsurance IBNR Table

	Total Outstanding Reinsurance Recoveries	Outstanding Reported Reinsurance Recoveries	Reinsurance IBNR
Class of Business	**₦**	**₦**	**₦**
General Accident	3,567,714	(3,504,421)	63,293
Engineering	341,650,965	(340,786,612)	864,353
Fire	407,736,235	(407,416,972)	319,263
Marine	7,881,108	(4,279,480)	3,601,628
Motor	33,971,672	(22,734,577)	11,237,095
Oil and Gas	647,004,610	(638,333,979)	8,670,631
TOTAL	**1,441,812,304**	**(1,417,056,041)**	**24,756,263**

Table 3.1.6 UPR (Gross and Reinsurance UPR) Table

Estimated UPR (net of reinsurance

	Gross UPR	Reinsurance UPR	NET UPR
Class of Business	**₦**	**₦**	**₦**
General Accident	42,730,078	(62,657)	42,667,421
Engineering	32,305,327	(8,102,745)	24,202,582
Fire	57,222,492	(9,325,190)	47,897,302
Marine	16,338,592	(4,181,708)	12,156,884
Motor	137,429,214	(4,919,311)	132,509,903
Oil and Gas	5,237,245	(269,274)	4,967,971
TOTAL	**291,262,948**	**(26,860,885)**	**264,402,063**

Table 3.1.7 DAC-Result Table

We summarise our DAC and DAR calculated using the 365th method in the table below

	DAC	DAR
Class of Business	**₦**	**₦**
General Accident	7,675,301	12,148
Engineering	3,615,044	2,279,951
Fire	7,705,565	2,690,061
Marine	3,164,065	1,062,562
Motor	14,162,887	1,032,362
Oil and Gas	553,461	8,322,273
TOTAL	**36,876,323**	**15,399,357**

Additional Unexpired Risk Reserve (AURR)

We derived our expense ratio as the average of the management expense ratio for the last three years using the information provided by Industrial and General Insurance Plc. The expense ratio was calculated to be about 64% .

We do not have breakdown of management expenses by line of business.The Claims Ratio was estimated as the projected ultimate loss ratio for the current year.

We have illustrated the combined ratio for each line of business with a maximum combined ratio of 100% for Fire in the table below.

Table 3.1.8 Loss Ratio Table

Class of Business	Claims Ration(Net)	Combined Ration	AURR N
General Accident	26%	90%	-
Engineering	34%	98%	-
Fire	26%	90%	-
Marine	30%	94%	-
Motor	19%	83%	-
Oil and Gas	33%	97%	-
Total			**-**

Table 3.1.9 Gross Reserves

Valuation Method	Discounted (N)	Undiscounted (N)
BCL	3,332,532,140	3,475,314,098
IABCL	**3,529,407,301**	**3,622,537,687**

Table 3.1.10 Reinsurance Recoveries

Valuation Method	Discounted (N)	Undiscounted (N)
BCL	1,450,890,665	1,505,271,815
IABCL	**1,441,812,304**	**1,493,990,707**

Conclusion

We are adopting the reserves from the Inflation Adjusted Discounted Chain Ladder method in thisreport. This method as indicated earlier.

- anticipates that total claim payments may be exposed to future inflationary pressures
- recognises that reserves should represent the present value and timing of future claim payments

Technical Reserves

We are reporting Gross Reserves of N3.82 billion and Reinsurance Assets of N1.47 billion as shown in the table below. Our estimates meet the Liability Adequacy Test.

	Gross (₦)	Reinsurance Assets	Net (N)
Claims	3,529,407,301	(1,441,812,304)	2,087,594,997
Unexpired Premium	291,262,948	(26,860,885)	264,402,063
Total	**3,820,670,249**	**(1,911,883,686)**	**2,351,997,060**

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**	**10**
2009	15,010	23,566	17,125	354	2,775	58	211	-	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	1,378	-	-
2011	13,849	22,712	9,650	7,566	1,240	12	596	240	-	-
2012	14,469	31,414	19,021	8,974	5,102	81	225	-	-	-
2013	19,342	36,842	23,141	2,738	1,397	224	-	-	-	-
2014	9,110	15,125	3,975	700	-	-	-	-	-	-
2015	3,493	9,039	7,196	2,705	-	-	-	-	-	-
2016	11,399	2,116	7,113	-	-	-	-		-	-
2017	6,570	5,889	-	-	-	-	-		-	-
2018	2,557	-	-	-	-	-	-		-	-

Table3.1.12 -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**
2009	41,775	100,439	139,089	139,802	144,979	145,079	145,411	145,411	145,411	145,411
2010	59,463	154,431	159,610	163,377	174,498	174,577	174,577	176,161	176,161	176,161
2011	31,256	77,025	95,030	108,065	110,014	110,030	110,716	110,956	111,356	111,356
2012	29,158	87,771	120,541	134,648	141,417	141,510	141,735	151,305	151,305	151,305
2013	36,089	99,562	135,938	139,571	141,177	141,401	195,154	195,218	195,218	195,218
2014	15,696	39,471	44,744	45,549	45,549	79,580	79,632	79,658	79,658	79,658
2015	5,491	17,483	25,759	28,464	63,942	63,987	64,029	64,050	64,050	64,050
2016	15,123	17,557	24,670	39,140	40,284	40,312	40,339	40,352	40,352	40,352
2017	7,556	13,445	64,967	68,348	70,346	70,395	70,441	70,465	70,465	70,465
2018	2,557	23,281	29,310	30,835	31,737	31,759	31,780	31,790	31,790	31,790

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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**	**10**
2009	12,306	21,986	13,424	14	50	-	-	-	-	-
2010	8,530	5,086	1,875	664	-	453	-	-	-	-
2011	6,410	33,570	1,781	16,956	-	15	1,707	-	-	-
2012	10,215	4,963	2,060	2,936	2,760	-	-	-	-	-
2013	2,602	17,444	8,155	15,078	443	8	-	-	-	-
2014	7,694	15,347	3,914	995	256	-	-	-	-	-
2015	2,680	24,344	3,790	10,266	-	-	-	-	-	-
2016	8,356	7,754	52	-	-	-	-		-	-
2017	9,421	1,070	-	-	-	-	-		-	-
2018	2,883	-	-	-	-	-	-		-	-

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**
2009	34,250	88,931	119,227	119,256	119,349	119,349	119,349	119,349	119,349	119,349
2010	21,234	32,709	36,486	37,725	37,725	38,438	38,438	38,438	38,438	38,438
2011	14,467	82,113	85,436	114,649	114,649	114,669	116,632	116,632	118,157	118,157
2012	20,584	29,843	33,392	38,007	41,669	41,669	41,669	44,753	44,753	44,753
2013	4,854	34,906	47,726	67,730	68,240	68,248	77,011	77,011	77,011	77,011
2014	13,256	37,380	42,573	43,717	43,974	53,136	53,136	53,136	53,136	53,136
2015	4,213	36,511	40,870	51,135	77,998	78,742	78,742	78,742	78,742	78,742
2016	11,087	20,004	20,056	23,266	24,117	24,347	24,347	24,347	24,347	24,347
2017	10,834	11,903	25,971	30,128	31,230	31,528	31,528	31,528	31,528	31,528
2018	2,883	16,163	19,078	22,131	22,941	23,160	23,160	23,160	23,160	23,160

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**
2009	90,967	42,637	16,484	1,697	3,024	-	3,672	45	-	-
2010	79,331	106,228	25,665	743	-	1,040	120	-	-	-
2011	93,760	71,679	7,279	7,659	5,166	52	-	-	-	-
2012	73,639	54,002	2,538	-	446	2,016	-	-	-	-
2013	71,365	44,597	3,400	541	311	-	-	-	-	-
2014	36,887	33,182	10,316	102	3,060	-	-	-	-	-
2015	28,835	41,503	5,284	2,942	-	-	-	-	-	-
2016	30,332	10,729	2,286	-	-	-	-	-	-	-
2017	19,174	8,600	-	-	-	-	-	-	-	-
2018	17,547	-	-	-	-	-	-	-	-	-

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**
2009	253,174	359,313	396,516	399,935	405,578	405,578	411,349	411,410	411,410	411,410
2010	197,485	437,232	488,949	490,335	490,335	491,969	492,129	492,129	492,129	492,129
2011	211,608	356,050	369,631	382,826	390,947	391,017	391,017	391,017	393,949	393,949
2012	148,391	249,150	253,522	253,522	254,114	256,432	256,432	259,281	259,281	259,281
2013	133,156	209,990	215,335	216,053	216,411	216,411	221,396	221,935	221,935	221,935
2014	63,551	115,711	129,397	129,515	132,575	136,642	137,058	137,391	137,391	137,391
2015	45,327	100,391	106,468	109,410	121,994	122,435	122,808	123,107	123,107	123,107
2016	40,244	52,581	54,867	75,077	76,735	76,009	76,240	76,426	76,426	76,426
2017	22,050	30,650	66,924	67,015	68,207	68,454	68,663	68,830	68,830	68,830
2018	17,547	52,851	56,085	56,664	56,160	57,367	57,542	57,682	57,682	57,682

Appendix 1- Cumulative Claims Development Pattern: MARINE

Table 3.1.17 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**
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	211	-	-	-	-	-	-
2015	578	3,752	183	-	-	-	-	-	-	-
2016	-	1,524	-	-	-	-	-	-	-	-
2017	20,131	290	-	-	-	-	-	-	-	-
2018	360	-	-	-	-	-	-	-	-	-

Table 3.1.18 Cumulative table for attritional losses - MARINE

	Cumulative Chain ladder-Annual Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2009	868	868	868	868	868	868	868	868	868	868
2010	128,612	128,612	128,612	128,612	128,612	128,612	128,612	128,612	128,612	128,612
2011	166,391	166,391	166,391	176,056	176,056	176,056	176,056	176,056	176,056	176,056
2012	53,527	94,356	110,239	114,171	114,171	114,171	114,171	114,171	114,171	114,171
2013	78	20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888
2014	30	7,969	8,680	8,922	8,922	24,253	24,253	24,253	24,253	24,253
2015	909	5,887	6,098	6,098	38,969	38,969	38,969	38,969	38,969	38,969
2016	-	1,753	1,753	35,102	35,102	35,102	35,102	35,102	35,102	35,102
2017	23,151	23,442	74,348	77,363	77,363	77,363	77,363	77,363	77,363	77,363
2018	360	18,441	20,244	21,065	21,065	21,065	21,065	21,065	21,065	21,065

Appendix 1- Cumulative Claims Development Pattern: ENGINEERING

Table 3.1.19 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**
2009	-	-	-	-	-	-	-	-	-	-
2010	19,202	-	-	-	-	-	-	-	-	-
2011	9,481	-	-	-	-	5,250	-	762	-	-
2012	7,181	1,201	4,138	-	-	-	-	-	-	-
2013	704	1,140	1,044	-	-	-	-	-	-	-
2014	8,187	2,664	-	61	-	-	-	-	-	-
2015	552	5,463	93	-	-	-	-	-	-	-
2016	84	6,035	-	-	-	-	-	-	-	-
2017	-	1,114	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-

Table 3.1.20 Cumulative table for attritional losses - ENGINEERING

	Cumulative Chain ladder-Annual Projections (N'000)									
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2009	-	-	-	-	-	-	-	-	-	-
2010	47,801	47,801	47,801	47,801	47,801	47,801	47,801	47,801	47,801	47,801
2011	21,398	21,398	21,398	21,398	21,398	28,363	28,363	29,125	29,125	29,125
2012	14,471	16,711	23,840	23,840	23,840	23,840	23,840	25,502	25,502	25,502
2013	1,314	3,279	4,920	4,920	4,920	4,920	7,502	7,502	7,502	7,502
2014	14,106	18,293	18,293	18,293	18,293	22,380	22,380	22,380	22,380	22,380
2015	867	8,115	8,223	8,223	8,223	8,223	8,223	8,223	8,223	8,223
2016	111	7,051	7,051	14,517	14,517	14,517	14,517	14,517	14,517	14,517
2017	-	1,114	6,207	6,228	6,228	6,228	6,228	6,228	6,228	6,228
2018	-	2,940	3,755	3,767	3,767	3,767	3,767	3,767	3,767	3,767

Table 3.1.21 Expected Loss ratio method - OIL and GAS claims

	Gross Earned Premium	Claims Paid till date	Total O/S as at 31/12/2018	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	74,976	3,307,760	105%	106%	3,307,002	74,218
2012	3,384,452	242,897	415,262	658,159	13%	20%	664,259	415,262
2013	3,047,691	1,500,403	610	1,501,013	49%	49%	1,501,013	610
2014	2,765,860	38,992	696,010	735,002	26%	26%	735,002	696,010
2015	798,615	-	25,925	25,925	3%	32%	25,925	25,925
2016	728,781	5,295	12,963	18,258	2%	32%	18,258	12,963
2017	1,183,021	1,791		1,791	0%	32%	376,405	374,614
2018	457,611				0%	32%	145,599	145,599
TOTAL			**1,243,231**					**1,762,686**

We are assuming that the pre 2017 claims losses are fully developed. We used the average of 2012 to 2014 ultimate loss ratios to calculate the ultimate loss ratio for 2017. For 2018 accident year, we used the average of 2017 ultimate loss ratios to derive the ultimate loss ratio.

iii. Life Valuation Methodology and Assumptions Report 31 December 2018

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 valuation 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 cash 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 (2a)

Notes:
(1) A gross premium method is proposed for individual traditional risk business .This is a monthly cashflow approach taking into account the incidence of all expected future cashflows 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 zeroised 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 cashflow 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.
* 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 14.21% per annum for all long term business except Annuity, and 14.87% per annum for Annuity business. These rates are to be applied as a single long term rate of return.

The VIR is calculated based on the weighted average of Gross Redemption Yield (GRY) on Long term FGN Bond (reference: FMDQ Daily Quotations List as at 29th December 2018).

For the purpose of determining the valuation interest rate we have considered a 0.25% deduction from the long term yield to arrive at a gross valuation interest rate of 15.12%p.a. This makes some allowance for the volatility of the "risk free" yields.

A Life Assurance company pays tax at 30% of Income minus Expenses (the "I minus E" basis) on non-annuity business, 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 of non-annuity business.

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:

· 10% of the overheads (management expenses) were incurred in managing the group life portfolio, with the balance relating to individual life. The reduced portion of expense allocation to group life business is reflective of the low premium income written in the current year relative to previous year.

· Of the individual life share, 10% of the overheads were incurred in the acquisition and administration of a 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	N12,321 pp	N11,100 pp
DA	N12,321 pp	N11,100 pp

Expense inflation & other inflation measures
We propose adopting an ongoing expense per policy inflation assumption of 11% pa. The latest published annual Consumer Price Inflation as at 31 December 2017 was about 15.37%. We do not expect the current high inflation levels to persist, more so, we expect internal efficiencies to be put in place – hence our assumed low inflation assumption.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

iv. 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 2018

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	3,379	6,974,580,437	-	102,014,847	-	3,159,551,319	145,165,445	3,304,716,764
Dividend Plus Plan Paid up	5,707	8,797,388,886				3,122,910,652	190,043,100	3,312,953,752
Total Deposit Based	**9,086**	**15,771,969,323**	**-**	**102,014,847**	**-**	**6,282,461,971**	**335,208,545**	**6,617,670,516**
Individual with Participation in Profits								
Anticipated Endowments	3,384	2,615,355,490	488,781,311	204,521,427	-	-	1,540,269,112	1,540,269,112
Educational Endowments	-	-	-	-	-	-	-	-
Endowments Assurances	6	7,764,000	1,191,480	834,867	-	-	3,789,379	3,789,379
Continuous Educational Endowment	133	105,082,316	20,157,690	7,923,174	-	-	62,851,356	62,851,356
Individual without Participation in profits								-
Mortgage	133	207,202,404	-	10,809,159	-	-	8,105,471	8,105,471
Term Assurance	15	38,115,160	-	183,168	-	-	864,082	864,082
Total risk	**3,671**	**2,973,519,370**	**510,130,481**	**224,271,795**	**-**	**-**	**1,615,879,400**	**1,615,879,400**
Total Individual Business	**12,757**	**18,745,488,693**	**510,130,481**	**326,286,642**	**-**	**6,282,461,971**	**1,951,087,945**	**8,233,549,916**
Group Deposit Based Business								
Group Deposit Administration	32	2,343,623,029				2,343,623,029		2,343,623,029
Total Group Deposit Based business	**32**	**2,343,623,029**				**2,343,623,029**		**2,343,623,029**
Group Life	306	26,420,139,162		167,218,557			213,444,040	213,444,040
Total Group Business	**338**	**28,763,762,191**		**167,218,557**		**2,343,623,029**	**213,444,040**	**2,557,067,069**
Additional reserve							238,750,416	238,750,416
Unallocated premium							-	-
Grand Total	**13,095**	**47,509,250,884**	**510,130,481**	**493,505,199**	**-**	**8,626,085,000**	**2,403,282,401**	**11,029,367,401**

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 policyholder 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 cashflow 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 14.21%.

5. Expenses for individual risk and deposit based business were reserved for explicitly at N12,321 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

iv. 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 2018

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

	Gross liability (N)	Reinsurance (N)	Net laibility (N)
Individual Traditional	1,951,087,945	-	1,951,087,945
Individual DA	6,282,461,971	-	6,282,461,971
Group DA	2,343,623,029	-	2,343,623,029
Group Life- UPR	51,196,392	(996,467)	50,199,925
Group Life- IBNR	162,247,648	(5,814,551)	156,433,097
Additional reserves	238,750,416	-	238,750,416
Total	**11,029,367,401**	**(6,811,018)**	**11,022,556,383**

An additional reserve of N347,723,978 was held representing a cautionary contingent reserve against an expense overrun at the valuation date.

*N326.4m : Expense

* N21.3 m : Account Balance

The solvency level at the valuation date was 88%. That is, assets representing the Life and Deposit Administration Funds on the company's balance sheet (N12.5bn) were 88% of the actuarially calculated gross liabilities including outstanding claims (N14.3bn).

v. FORM 15 PART B (f)
(Under the Insurance Act 2003)
Industrial and General Insurance Plc

POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2018

	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	₦	₦	₦
ANTICIPATED ENDOWMENT			
Year of Maturity			
2018-2020	173,647,944	31,759,521	-
2021 -2025	1,178,579,070	164,184,249	-
2026-2030	1,502,301,092	93,908,814	-
2031-2035	43,779,976	4,184,088	-
TOTAL	**2,898,308,082**	**294,036,672**	**-**
EDUCATION ENDOWMENT ASSURANCES			
Year of Maturity			
2018-2020	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			
2018-2020	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**	**-**

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

HYPOTHECATION OF ASSETS AS AT 31ST DECEMBER, 2018

	General Business			Life Business				
AS AT DECEMBER, 2018	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	**3,599,304**	**3,581,895**	**5,890,149**	**2,294,646**	**8,626,085**	**5,515,758**	**2,091,456**	**31,599,293**
ASSETS:								
Investment Property	3,092,783	895,474	3,327,461	1,827,717	3,019,130	1,930,515	3,660,416	**17,753,496**
Land and Building			2,766,832				2,548,637	**5,315,469**
Leasehold Improvement			-				-	**-**
Computer and Other Equipment			2,946				483	**3,429**
Motor vehicles			3				-	**3**
Furniture and Fittings			1,983				258	**2,241**
Trade Receivables								**-**
Reinsurance Assets		1,607,228				1,446,054		**3,053,282**
Loans to Policy Holders						468,978		**468,978**
Statutory Deposits	300,000			200,000				**500,000**
Financial Assets- Fair Value through P or L		3,061				6,221		**9,282**
- Available for sale			612,530	266,929		-		**879,459**
Bank Placements								**-**
Cash & Cash equivalents		83,627				62,742		**146,369**
Investment in Subsidiaries	206,521	-				-	3,127,398	**3,333,919**
Other Assets			170,899				(37,533)	**133,366**
TOTAL	**3,599,304**	**2,589,390**	**6,882,654**	**2,294,646**	**3,019,130**	**3,914,510**	**9,299,659**	**31,599,293**
Surplus/(Deficit)	**0**	**(992,505)**	**992,505**	**0**	**(5,606,955)**	**(1,601,248)**	**7,208,203**	**0**

Other Aseets:		Non-Life	Life
Loans and Receivables-Staff		6,334	
Other Receivables and Prepayment		127,689	(38,331)
Deferred Acquisition Cost		36,876	798
Deferred Income Tax			
Intangible Assets			
TOTAL		**170,899**	**(37,533)**

SUMMARY OF DEFICIT

Geneal Business	
Shareholder	**0**
Policy Holders Fund Bal.	**(992,505)**
Life Business	
Policy Holders Fund Balance	(1,601,248)
Deposit Admin Balance	(5,606,955)
	(8,200,708)

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

vi. HYPOTHECATION OF ASSETS AS At 31 December, 2017

	General Business			Life Business				
AS AT DECEMBER, 2017	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	2,987,729	**4,018,550**	5,725,744	2,554,109	**8,766,506**	**5,490,332**	1,669,857	**31,212,827**
ASSETS:								
Investment Property	2,481,208	1,004,638	3,636,035	2,354,109	3,068,277	1,921,616	2,913,995	17,379,877
Land and Building			2,724,093				2,527,868	5,251,961
Leasehold Improvement			(7,057)				0	- 7,057
Computer and Other Equipment			7,177				522	7,698
Motor vehicles			3				0	3
Furniture and Fittings			10,810				258	11,068
Trade Receivables								-
Reinsurance Assets		1,748,962				1,529,079		3,278,041
Loans to Policy Holders						341,758		341,758
Statutory Deposits	300,000			200,000				500,000
Financial Assets- Fair Value through P or L		4,731				8,826		13,557
Cash & Cash equivalents		47,894				30,076		77,970
Investment in Subsidiaries	206,521					-	3,127,398	3,333,919
Other Assets			280,680				287,062	567,742
TOTAL	**2,987,729**	**2,806,224**	**6,938,069**	**2,554,109**	**3,068,277**	**3,831,355**	**9,027,062**	**31,212,826**
Surplus/(Deficit)	**0**	**(1,212,326)**	**1,212,325**	**0**	**(5,698,229)**	**(1,658,977)**	**7,357,205**	- 1

Other Aseets:		Non-Life	Life
Loans and Receivables-Staff		5,857	
Other Receivables and Prepayment		597,234	279,639
Deferred Acquisition Cost		70,801	7,423
Deferred Income Tax			
Intangible Assets			
TOTAL		**673,892**	**287,062**

SUMMARY OF DEFICIT

General Business	
Shareholder	**0**
Policy Holders Fund Bal.	(1,212,326)
Life Business	
Policy Holders Fund Balance	(1,658,977)
Deposit Admin Balance	(5,698,229)
	(8,569,531)

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.

3. Management of insurance and financial risk (continued)

(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, makingthe 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, Reputaional 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 interes 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, whle 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 repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

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ii. Credit risk (continued)

Maximum exposure to credit risk	**Not**	**Group 2018 N'000**	**Group 2017 N'000**	**Company 2018 N'000**	**Company 2017 N'000**
Cash and cash equivalents (excl. cash on hand)	5.	**1,477,089**	1,033,072	**146,369**	77,970
Investment Securities:					
At Fair value through Profit or Loss	6.1	**288,949**	584,918	**9,282**	13,557
Available for sale	6.2	**1,213,803**	859,018	**879,452**	456,289
Held to Maturity	6.3.	**293,981**	457,772	**-**	-
Loans and Receivables	6.4.	**495,031**	386,491	**475,312**	347,615
Trade receivables	7.	**512,354**	759,669	**-**	-
Reinsurance Assets	8.	**3,533,301**	3,869,108	**3,053,282**	3,278,041
Other receivables and prepayments	12.	**403,249**	763,820	**155,509**	167,906
Statutory deposits	18.	**554,608**	575,014	**500,000**	500,000
Total assets exposed to credit risk		**8,772,366**	9,288,883	**5,219,206**	4,841,378

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
* receivables arising out of reinsurance
* 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

	2018		**2017**	
	Group	**Company**	**Group**	**Company**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Trade receivables	**512,354**	759,669	**759,669**	-
Reinsurance assets	**3,533,301**	3,869,108	3,053,282	3,278,041
Loans and receivables	**495,031**	386,491	**475,312**	347,615
Other receivables	**403,249**	763,820	**155,509**	167,906
Deposits with financial institutions	**966,098**	506,765	**765**	765
Cash and bank balances	**510,991**	526,307	**145,604**	77,205
	6,421,024	**6,812,161**	**4,590,141**	**3,871,532**

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

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	
	2018	**2017**	**2018**	**2017**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	**-**	-	**3,202,346**	3,278,041
Past due but not impaired	-	-	-	-
Impaired	**7,947**	7,015	**-**	149,064
Gross	**7,947**	7,015	**3,202,346**	3,427,105
Less: allowance for impairment	**(7,947)**	(7,015)	**-**	(149,064)
Net	**-**	-	**3,202,346**	3,278,041

Financial assets past due but not impaired;

	Receivables arising out of direct insurance		Receivables arising out of reinsurance arrangements	
	2018	**2017**	**2018**	**2017**
	₦'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.

Credit risk (continued)

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	
	2018	**2017**	**2018**	**2017**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Individually assessed impaired receivables	-	-	-	-
-direct clients	-	-	-	-
-agency	-	-	-	-
-insurance brokers	**7,947**	7,015	**-**	149,064
	7,947	7,015	**-**	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.

	2018			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non-interest bearing N'000
Assets				
Cash and cash equivalent	**146,369**	-	-	**146,369**
Trade receivable	**-**	-	-	**-**
Reinsurance Assets	**3,053,282**	-	-	**3,053,282**
	3,199,651	-	-	**3,199,651**
Liabilities				
Non-life insurance liability	**3,581,895**	**-**	**-**	**3,581,895**
Other liabilities	**14,997,522**	**8,626,085**	**-**	**6,371,437**
Loans and Borrowings	**486,906**	**486,906**	**-**	**-**
	19,066,323	**9,112,991**	**-**	**9,953,332**

	2017			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non-interest bearing N'000
Assets				
Cash and cash equivalent	145,604	(571,146)	-	145,604
Trade receivables	759,669	-	-	759,669
Reinsurance Assets	3,053,282	-	-	3,053,282
	3,958,555	(571,146)	-	3,958,555
Liabilities				
Non-life insurance liability	4,018,550	-	-	4,018,550
Other liabilities	3,870,848	-	-	3,870,848
Loans and Borrowings	350,274	350,274	-	-
	8,239,672	350,274	-	7,889,398

The impact on the Company's profit before tax if interest rates on financial instruments held at amortised cost or at fair value 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 different 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 2018, the market value of quoted securities held by the Company is N9.3 million (2017: N13.6 million). If the all share index of the NSE moves by 100 basis points at 31 December 2018, the effect on profit or loss would have been N4.3 million (2017: N3 million).

The Company holds a number of investments in unquoted securities with a market value of N879.5 million as at 31 December 2018 (2017 : N456 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 commercial 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 2018, 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 N270 million (2017 : N242 million) higher/lower and pre- tax profit for long-term business for the year would have been N330 million (2017 : N296 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 portfolio 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 2018, 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 profit for short term insurance for the year would have been N343 million (2017 : N403 million), higher/lower, and equity for long-term business would have been N257 million (2017 : N403) 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 not 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.

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3. Management of insurance and financial risk (continued)

General insurance:

	1-12 months ₦'000
At 31 December 2018:	
Liabilities	
Insurance contract liabilities	**3,581,895**
Other payables	**5,638,435**
Loans and Borrowings	**486,906**
Total financial liabilities	**9,707,236**

	1-12 months ₦'000
At 31 December 2017:	
Liabilities	
Insurance contract liabilities	4,018,550
Other payables	3,870,848
Loans and Borrowings	350,274
Total financial liabilities	**8,239,672**

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

Life business :

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2018:				
Insurance contract liabilities	**5,515,758**	**-**	**-**	**5,515,758**
Payable under investment contracts	**8,626,085**	**-**	**-**	**8,626,085**
Other payables	**938,881**	**-**	**-**	**938,881**
Loans and Borrowings	**-**	**-**	**-**	**-**
Total financial liabilities	**15,080,724**	**-**	**-**	**15,080,724**

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2017:				
Insurance contract liabilities	5,490,332	-	-	5,490,332
Payable under investment contracts	8,766,506	-	-	8,766,506
Other payables	801,126	-	-	801,126
Loans and Borrowings	**-**	**-**	**-**	**-**
Total financial liabilities	**15,057,964**	**-**	**-**	**15,057,964**

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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	2018			2017		
	Current	Non current	Total	Current	Non current	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Cash and cash equivalents	**1,477,089**	**-**	**1,477,089**	1,033,072	-	1,033,072
Financial Assets	**1,997,784**	**293,981**	**2,291,765**	1,830,428	457,772	2,288,200
Trade receivables	**512,354**	**-**	**512,354**	759,669	-	759,669
Reinsurance Assets	**3,533,301**	**-**	**3,533,301**	3,869,108	-	3,869,108
Deferred acquisition costs	**70,830**	**-**	**70,830**	153,900	-	153,900
Loans and advances to customers	**259,729**	**64,932**	**324,661**	201,044	50,261	251,305
Other receivables and prepayments	**403,249**	**-**	**403,249**	763,820	-	763,820
Deferred tax assets	**-**	**-**	**-**	-	- 0	- 0
Investment Property	**-**	**21,431,642**	**21,431,642**	-	23,239,950	23,239,950
Property plant and equipment	**-**	**6,418,828**	**6,418,828**	-	6,422,413	6,422,413
Statutory deposits	**-**	**554,608**	**554,608**	-	575,014	575,014
	8,254,335	**28,763,992**	**37,018,327**	8,611,042	30,745,410	39,356,451
Non current assets held for sale	**-**	**4,093,324**	**4,093,324**	-	4,660,826	4,660,826
Assets classified as discontiuned operations	**-**	**5,733,010**	**5,733,010**	-	5,733,010	5,733,010
Total Assets	**8,254,335**	**38,590,325**	**46,844,661**	8,611,042	41,139,246	49,750,287
Liabilities						
Insurance Contract Liabilities	**4,581,750**	**5,599,916**	**10,181,666**	4,976,958	6,082,948	11,059,906
Investment Contract Liabilities	**3,340,962**	**6,529,640**	**9,870,602**	3,565,598	6,974,394	10,539,992
Trade Payable	**1,236,738**	**-**	**1,236,738**	1,367,203	-	1,367,203
Loans and Borrowings	**27,209**	**1,156,551**	**1,183,760**	14,780	1,764,807	1,779,587
Other payables and accruals	**7,174,316**	**-**	**7,174,316**	6,784,953	-	6,784,953
Income tax payable	**-**	**1,893,722**	**1,893,722**	-	1,881,813	1,881,813
Deferred tax liabilities	**-**	**1,568,212**	**1,568,212**	-	1,876,395	1,876,395
Deposit for shares	**1,221,804**	**-**	**1,221,804**	1,255,489	-	1,255,489
	17,582,779	**16,748,041**	**34,330,820**	17,964,981	18,580,357	36,545,338
Liabilities classified as discontiuned operations	**-**	**5,733,010**	**5,733,010**	-	5,733,010	5,733,010
TB Total Liabilities	**17,582,779**	**22,481,051**	**40,063,830**	17,964,981	24,313,367	42,278,348
Gap	**(9,328,444)**	**16,109,275**	**6,780,831**	(9,353,939)	16,825,879	7,471,940

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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	2018			2017		
	Current	Non current	Total	Current	Non current	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Cash and cash equivalents	**146,369**	**-**	**146,369**	77,970	-	77,970
Financial Assets	**1,364,046**	**-**	**1,364,046**	817,461	-	817,461
Trade receivables	**-**	**-**	**-**	-	-	-
Reinsurance Assets	**3,053,282**	**-**	**3,053,282**	3,278,041	-	3,278,041
Deferred acquisition costs	**37,674**	**-**	**37,674**	78,224	-	78,224
Other receivables and prepayments	**155,509**	**-**	**155,509**	167,906	-	167,906
Investment in Subsidiaries	**-**	**3,333,919**	**3,333,919**	-	3,333,919	3,333,919
Investment Property	**-**	**17,753,496**	**17,753,496**	-	17,379,877	17,379,877
Property plant and equipment	**-**	**5,395,844**	**5,395,844**	-	5,263,673	5,263,673
Statutory deposits	**-**	**500,000**	**500,000**	-	500,000	500,000
	4,756,880	**26,983,259**	**31,740,139**	4,419,602	26,477,469	30,897,071
Assets classified as discontiuned operations	**-**	**1**	**1**	-	1	1
Total Assets	**4,756,880**	**26,983,260**	**31,740,140**	4,419,602	26,477,470	30,897,072
Liabilities						
Insurance Contract Liabilities	**4,093,944**	**5,003,709**	**9,097,653**	4,278,997	5,229,886	9,508,883
Investment Contract Liabilities	**3,510,776**	**5,115,310**	**8,626,085**	3,565,598	5,200,908	8,766,506
Trade payable	**855,678**	**-**	**855,678**	686,996	-	686,996
Loans and Borrowings	**481,407**	**5,499**	**486,906**	344,775	5,499	350,274
Other payables and accruals	**4,051,350**	**-**	**4,051,350**	3,667,012	-	3,667,012
Income tax payable	**-**	**1,539,140**	**1,539,140**	-	1,482,920	1,482,920
Deferred tax liabilities	**-**	**1,077,223**	**1,077,223**	-	988,445	988,445
TB Total Liabilities	**12,993,155**	**12,740,881**	**25,734,035**	12,543,378	12,907,657	25,451,036
Gap	**(8,236,275)**	**14,242,379**	**6,006,104**	(8,123,776)	13,569,813	5,446,036

3. Management of insurance and financial risk (continued)

(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 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.

(g) Compliance risk management (continued)

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. 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.

h 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.

(hii) Capital management (continued)

The deficit in asset cover of N992.505 million (2017: Deficit of N1.211 billion) in respect of general business and N7.201 billion (2017: N7.357 billion) for Life business totalling N8.201 billion (2017: N8.569 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 Directors have commenced the process of restructuring the investment portfolio towards liquidity and admissibility of the Group and have obtained the permission of the NAICOM accordingly.

The Group's continued existence as a going concern is dependent on the following:
- the board approved a new investment policy that reduces the percentage of real estate holdings as well as private equity. Thus, sale placing some assets for sale;
- the company's major shareholders have agreed to dilution of their holding, thereby creation of additional 9.4 billion shares to be sold; and
- all non-related line of business to the company's core funtions of "risk management" should be sold;

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 (N3 billion) 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 solvency margin of N10.875 billion (31 Dec 2017: N6.580 billion) and a shortfall of N15,875 billion (31 Dec 2017: N11.580 billion) in its solvency margin for the year ended 31 December 2018. 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 2018.

	Total	Admissible	Inadmissible
	N'000	N'000	N'000
Admissible assets			
Cash and cash equivalents	146,369	114,301	32,068
Financial Assets -			
- At fair value through profit or loss	9,282	9,282	
- Available for sale	879,452	879,452	-
- Loans and Receivables	475,312	475,312	
Trade Receivables	-	-	-
Reinsurance assets	3,053,282	3,053,282	
Deferred acquisition cost	37,674	37,674	
Investment in subsidiaries	3,333,919	1,201,220	2,132,699
Investment properties	17,753,496	7,511,786	10,241,710
Statutory deposits with CBN	500,000	500,000	-
Other receiveables and prepayments	155,509	-	155,509
Property, plant & equipment	5,395,844	-	5,395,844
	31,740,139	13,782,309	17,957,830
Less:			
Admissible liabilities			
Insurance contract liabilities	9,097,653	9,097,653	
Investment Contract Liabilities	8,626,085	8,626,085	
Trade payable	855,679	855,679	
Other payables and accruals	4,051,350	4,051,350	
income tax payable	1,539,140	1,539,140	
Deferred tax liabilities	1,077,223	-	1,077,223
Loans and Borrowings	486,906	486,906	
	25,734,036	24,656,813	1,077,223
Solvency margin		(10,874,505)	
15% of Net Premium	235,348		
Minimum Capital Base	5,000,000	5,000,000	
(Deficit)/surplus in solvency margin		(15,874,505)	
Solvency ratio		(217)	

b. The table below summarises the solvency margin of the Company at 31 December 2017.

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	77,970	77,970	-
Financial Assets -			
- At fair value through profit or loss	13,557	13,557	
- Available for sale	456,289	320,066	136,223
- Loans and Receivables	347,615	347,615	
Trade Receivables	-	-	-
Reinsurance assets	3,278,041	3,278,041	
Deferred acquisition cost	78,224	78,224	
Investment in subsidiaries	3,333,919	769,142	2,564,777
Investment properties	17,379,877	7,234,249	10,145,628
Statutory deposits with CBN	500,000	500,000	-
Other receiveables and prepayments	167,906	-	167,906
Property, plant & equipment	5,263,674	5,263,674	-
	30,897,072	**17,882,538**	**13,014,534**
Less:			
Admissible liabilities			
Insurance contract liabilities	9,508,882	9,508,882	
Investment Contract Liabilities	8,766,506	8,766,506	
Trade payable	686,995	686,995	
Other payables and accruals	3,667,009	3,667,009	
income tax payable	1,482,919	1,482,919	
Deferred tax liabilities	988,446	-	988,446
Loans and Borrowings	350,274	350,274	
	25,451,031	24,462,585	988,446
Solvency margin		**(6,580,046)**	
15% of Net Premium	**233,563**		
Minimum Capital Base	**5,000,000**	**5,000,000**	
(Deficit)/surplus in solvency margin		**(11,580,046)**	
Solvency ratio		**(132)**	

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 ratio. 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.

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 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. These segments and their programs. Management identifies its reportable operating segments by product line respective operations 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 businessess.

Non-Life: This segments covers the protection of customers's 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.

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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4.a. SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
31 December 2018										
Assets										
Cash and cash equivalents	**5.**	146,369	429,952	66,799	508,002	171,406	147,723	6,837	-	**1,477,088**
Financial Assets:										
At fair value through profit or loss	**6.1**	9,282	-	-	-	279,667	-	-	-	**288,949**
Available for sale	**6.2**	879,452	-	-	-	334,344	-	-	-	**1,213,796**
Held to maturity	**6.3.**	-	-	-	-	293,981	-	-	-	**293,981**
Loans and receivables	**6.4.**	475,312	-	-	2,757	15,785	945	-	232	**495,031**
Trade receivables	**7.**	-	-	3,071	1,414	508,768	-	-	(900)	**512,354**
Reinsurance assets	**8.**	3,053,282	-	-	-	394,661	85,358	-	-	**3,533,301**
Deferred acquisition costs	**9.**	37,674	-	-	-	33,155	-	-	-	**70,829**
Loans and advances to customers	**10.**	-	324,893	-	-	-	-	-	(232)	**324,661**
Other receivables and prepayments	**12.**	155,509	8,880	-	1,964	166,302	4,439	-	66,158	**403,249**
Investment in subsidiaries	**14.**	3,333,919	-	-	-	-	-	-	(3,333,919)	**-**
Intangible ssets	**15.**	-	-	-	-	-	-	-	-	**-**
Deferred tax assets	**48.4.**	-	-	-	-	-	-	-	-	**-**
Investment properties	**16.**	17,753,496	-	115,000	-	3,563,146	-	-	-	**21,431,642**
Property plant and equipment	**17.**	5,395,844	7,703	292	357,748	417,708	223,034	16,500	-	**6,418,829**
Statutory deposits	**18.**	500,000	-	-	-	54,608	-	-	-	**554,608**
		31,740,139	**771,428**	**185,162**	**871,885**	**6,233,531**	**461,499**	**23,337**	**(3,268,661)**	**37,018,318**
Non-current assets held for sale	**11.**	-	3,142,359	-	-	950,965	-	-	-	**4,093,324**
Assets classified as discontiuned operations	**58.**	1	-	-	-	-	-	-	5,733,010	**5,733,011**
Total assets		**31,740,140**	3,913,787	185,162	871,885	7,184,496	461,499	23,337	2,464,349	**46,844,653**

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4.a. SEGMENT INFORMATION-Group

STATEMENT OF FINANCIAL POSITION

	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
Equity										
Ordinary share capital	19.2	7,115,619	1,100,000	168,556	449,194	503,687	107,433	1,000,000	(3,328,870)	**7,115,619**
Share premium	19.3	8,530,781	1,000,000	-	7,768	256,641	-	-	(1,264,409)	**8,530,781**
Assets revaluation reserve	20.	5,392,051	-	-	95,377	-	198,096	-	(934)	**5,684,590**
Fairvalue reserve	21.	489,839	-	-	-	131,553	-	-	(12,602)	**608,790**
Contingency reserve	22.	2,884,130	-	-	-	344,717	22,752	-	(67,003)	**3,184,596**
Loss sustained	23.	(18,406,310)	312,783	(15,317)	171,540	1,266,358	97,928	(4,838,771)	3,429,682	**(17,982,106)**
Capital reserve	24.	-	-	-	-	150,151	-	-	(15,915)	**134,236**
Foreign exchange reserve	25.	-	-	-	-	(41,003)	(165,018)	-	(350,007)	**(556,028)**
Statutory(regulatory) reserve	26.	-	184,956	-	-	-	-	-	(2,349)	**182,607**
Shareholder's fund		**6,006,110**	**2,597,739**	**153,239**	**723,879**	**2,612,104**	**261,191**	**(3,838,771)**	**(1,612,407)**	**6,903,085**
Non-controlling interests	27.	-	604	350	(17,807)	(27,191)	(124,315)	302	45,801	**(122,256)**
Total equity		**6,006,110**	2,598,343	153,589	706,072	2,584,913	136,876	(3,838,469)	(1,566,606)	**6,780,829**
Liabilities										
Insurance contract liabilities	28.	9,097,653	-	-	70,872	908,550	104,591	-	-	**10,181,666**
Investment contract liabilities	29.	8,626,085	-	-	-	1,244,517	-	-	-	**9,870,602**
Trade payables	30.	855,679	-	-	-	377,324	3,737	-	-	**1,236,739**
Loans and borrowings	31.	486,906	218,715	-	-	-	-	932,336	(454,198)	**1,183,759**
Other payables and accruals	32.	4,051,350	839,935	30,055	89,718	1,465,666	70,284	1,791,194	(1,164,497)	**7,173,705**
Income tax payable	48.2	1,539,140	256,794	1,517	5,223	83,848	62,481	-	-	**1,949,003**
Deferred tax liabilities	48.4.	1,077,223	-	-	-	519,679	-	-	(28,690)	**1,568,212**
Deposit for shares	33.	-	-	-	-	-	83,529	-	1,138,275	**1,221,804**
		25,734,036	**1,315,444**	**31,572**	**165,813**	**4,599,584**	**324,622**	**2,723,530**	**(509,110)**	**34,385,490**
Liabilities classified as discontiuned operations	**58.**	-	-	-	-	-	-	-	5,733,010	**5,733,010**
Total liabilities		**25,734,036**	**1,315,444**	**31,572**	**165,813**	**4,599,584**	**324,622**	**2,723,530**	**5,223,900**	**40,118,500**
Total equity and liabilities		**31,740,146**	**3,913,787**	**185,161**	**871,885**	**7,184,497**	**461,498**	**(1,114,939)**	**3,657,294**	**46,899,331**

4.b SEGMENT INFORMATION-Group

	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME								
31 December 2018										
Gross premium written	**34.**	**1,397,464**	**-**	**-**	**1,009,664**	**1,704,534**	**245,317**	**-**	**-**	**4,356,979**
Changes in unearned premium	**34.**	344,912	-	-	323,810	(54,963)	-	-	-	**613,759**
Gross Premium Income		**1,742,376**	**-**	**-**	**1,333,474**	**1,649,571**	**245,317**	**-**	**-**	**4,970,738**
Reinsurance costs	**35.**	(173,392)	-	-	-	(616,513)	(166,412)	-	-	**(956,317)**
Net Premium Income		**1,568,984**	-	-	1,333,474	1,033,058	78,905	-	-	**4,014,421**
Fees and commission income	**36.**	80,644	-	-	-	126,937	101,893	-	-	**309,473**
Net underwriting income		**1,649,629**	**-**	**-**	**1,333,474**	**1,159,995**	**180,798**	**-**	**-**	**4,323,895**
Claims expenses (Gross)	**37.**	(178,495)	-	-	(351,299)	(205,554)	(102,766)	-	-	**(838,114)**
Changes in claims recoveries	**37.**	(180,155)	-	-	-	61,368	65,471	-	-	**(53,316)**
Net claims incurred		**(358,650)**	-	-	(351,299)	(144,186)	(37,295)	-	-	**(891,430)**
Underwriting expenses	**38.**	(937,418)	-	-	(828,648)	(1,117,020)	(27,500)	-	-	**(2,910,586)**
Changes in contract liabilities	**39.**	(131,924)	-	-	-	(1,590)	-	-	-	**(133,514)**
Underwriting (loss)/profit		**221,636**	-	-	153,527	(102,801)	116,003	-	-	**388,364**
Investments incomes	**40.**	164,531	29,559	8,218	8,790	211,675	13,480	-	(27,236)	**409,016**
Profit/(loss) on disposal of Investment properties		(5,000)	-	-	-	27,265	-	-	-	**22,265**
Net interest income	**41.**	113,154	160,971	-	-	-	-	-	(139,340)	**134,785**
Other operating incomes	**42.**	38,629	14,954	653	1,566	47,007	6,333	-	(11,471)	**97,671**
Loss on investment contract	**43.**	303,787	-	-	-	(44,188)	-	-	-	**259,599**
Fair value gain/(loss) through profit or loss	**44.**	429,344	-	-	-	(3,904)	-	-	-	**425,441**
Impairment charge	**45.**	(5,433)	(1,027)	-	-	(10,710)	(4,080)	-	-	**(21,250)**
Management and administrative expenses	**46.**	(1,250,613)	(120,046)	(7,118)	(276,823)	(105,647)	(158,358)	-	11,313	**(1,907,296)**
Net operating (loss)/income		**10,035**	84,411	1,753	(112,940)	18,697	(26,622)	-	(166,734)	**(191,405)**
Finance costs	**47.**	(183,342)	-	-	(2,986)	-	(2,801)	-	139,340	**(49,789)**
(Loss)/profit before income tax		**(173,307)**	84,411	1,753	(115,926)	18,697	(29,423)	-	(27,394)	**(241,194)**
Income tax expense	**48.1**	(185,609)	(16,434)	-	(5,223)	(26,755)	(13,790)	-	-	**(247,809)**
(Loss)/profit from continuing operations		**(358,916)**	67,977	1,753	(121,149)	(8,058)	(43,213)	-	(27,394)	**(489,003)**

INDUSTRIAL AND GENERAL INSURANCE PLC

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FOR THE YEAR ENDED 31 DECEMBER 2018

4.c SEGMENT INFORMATION-Group

STATEMENT OF FINANCIAL POSITION

	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
31 December 2017										
Assets										
Cash and cash equivalents	**5.**	77,970	214,517	66,629	424,604	55,207	187,306	6,837	-	**1,033,072**
Financial Assets:										
At fair value through profit or loss	**6.1**	13,557	-	-	-	571,361	-	-	-	**584,918**
Available for sale	**6.2**	456,289	-	-	-	402,722	-	-	-	**859,018**
Held to maturity	**6.3.**	-	-	-	-	457,773	-	-	-	**457,772**
Loans and receivables	**6.4.**	347,615	-	-	14,950	16,178	6,857	-	891	**386,491**
Trade receivables	**7.**	-	-	6,803	4,900	747,966	-	-	-	**759,669**
Reinsurance assets	**8.**	3,278,041	-	-	-	541,882	49,187	-	-	**3,869,108**
Deferred acquisition costs	**9.**	78,224	-	-	-	75,676	-	-	-	**153,900**
Loans and advances to customers	**10.**	-	252,196	-	-	-	-	-	(892)	**251,305**
Other receivables and prepayments	**12.**	167,906	8,136	-	-	582,458	5,321	-	(1)	**763,821**
Investment in subsidiaries	**14.**	3,333,919	-	-	-	-	-	-	(3,333,919)	**-**
Intangible ssets	**15.**	-	-	-	-	-	-	-	-	**-**
Deferred tax assets	**48.4.**	-	-	-	-	-	-	-	-	**-**
Investment properties	**16.**	17,379,877	-	115,000	-	5,745,074	-	-	-	**23,239,950**
Property plant and equipment	**17.**	5,263,674	2,213	458	782,552	29,068	327,950	16,500	-	**6,422,413**
Statutory deposits	**18.**	500,000	-	-	-	75,014	-	-	-	**575,014**
		30,897,072	**477,062**	**188,890**	**1,227,006**	**9,300,379**	**576,621**	**23,337**	**(3,333,921)**	**39,356,451**
Non-current assets held for sale	**11.**	-	3,220,856	-	-	1,439,970	-	-	-	**4,660,826**
Assets classified as discontiuned operations	**58.**	1	-	-	-	-	-	-	5,733,010	**5,733,010**
Total assets		**30,897,073**	3,697,918	188,890	1,227,006	10,740,349	576,621	23,337	2,399,089	**49,750,287**

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4.c SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
Equity										
Ordinary share capital	19.2	7,115,619	1,100,000	168,556	449,194	698,657	150,757	1,000,000	(3,567,164)	**7,115,619**
Share premium	19.3	8,530,781	1,000,000	-	7,768	355,982	-	-	(1,363,750)	**8,530,781**
Assets revaluation reserve	20.	5,159,421	-	-	160,178	25,119	277,983	-	(132,889)	**5,489,812**
Fairvalue reserve	21.	66,676	-	-	-	149,237	-	-	(41,651)	**174,262**
Contingency reserve	22.	2,845,224	-	-	-	997,871	34,315	204,878	(339,154)	**3,743,134**
Loss sustained	23.	(18,271,687)	265,651	(17,211)	281,301	1,530,158	155,009	(5,043,640)	3,526,523	**(17,573,896)**
Capital reserve	24.	-	-	-	-	202,551	-	-	(70,994)	**131,557**
Foreign exchange reserve	25.	-	-	-	-	(87,800)	(188,024)	-	(64,987)	**(340,811)**
Statutory (regulatory) reserve	26.	-	164,563	-	-	-	-	-	(2,090)	**162,473**
Shareholder's fund		**5,446,034**	**2,530,214**	**151,345**	**898,441**	**3,871,775**	**430,040**	**(3,838,762)**	**(2,056,156)**	**7,432,931**
Non-controlling interests	27.	-	152	493	2,030	(54,256)	(126,437)	302	216,723	**39,007**
Total equity		**5,446,034**	2,530,366	151,838	900,471	3,817,519	303,603	(3,838,460)	(1,839,433)	**7,471,938**
Liabilities										
Insurance contract liabilities	28.	9,508,882	-	-	28,363	1,453,250	69,411	-	-	**11,059,906**
Investment contract liabilities	29.	8,766,506	-	-	-	1,773,485	-	-	-	**10,539,992**
Trade payables	30.	686,995	-	-	-	518,279	22,195	-	139,734	**1,367,203**
Loans and borrowings	31.	350,274	208,901	-	100,000	518,070	-	932,336	(329,994)	**1,779,587**
Other payables and accruals	32.	3,667,009	717,725	35,535	195,162	1,619,274	63,277	1,791,194	(1,304,225)	**6,784,951**
Income tax payable	48.2	1,482,919	240,926	1,517	3,010	152,522	920	-	-	**1,881,813**
Deferred tax liabilities	48.4.	988,446	-	-	-	887,951	-	-	-	**1,876,395**
Deposit for shares	33.	-	-	-	-	-	117,214	1,138,275	-	**1,255,489**
		25,451,031	**1,167,552**	**37,052**	**326,535**	**6,922,831**	**273,017**	**3,861,805**	**(1,494,485)**	**36,545,336**
Assets classified as discontiuned operations	**58.**	-	-	-	-	-	-	-	5,733,010	**5,733,010**
Total liabilities		**25,451,031**	**1,167,552**	**37,052**	**326,535**	**6,922,831**	**273,017**	**3,861,805**	**4,238,525**	**42,278,346**
Total equity and liabilities		**30,897,065**	**3,697,918**	**188,890**	**1,227,006**	**10,740,350**	**576,620**	**23,345**	**2,399,092**	**49,750,284**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4.d. SEGMENT INFORMATION-Group

	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communications Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME								
31 December 2017										
Gross premium written	34.	**2,580,000**	**-**	**-**	**1,075,409**	**1,566,472**	**174,328**	**-**	**-**	**5,396,208**
Changes in unearned premium	34.	290,212	-	-	378,804	(63,047)	-	-	-	**605,969**
Gross Premium Income		**2,870,212**	**-**	**-**	**1,454,213**	**1,503,425**	**174,328**	**-**	**-**	**6,002,178**
Reinsurance costs	35.	(1,313,127)	-	-	-	(637,325)	(41,636)	-	-	**(1,992,087)**
Net Premium Income		**1,557,085**	-	-	1,454,213	866,100	132,692	-	-	**4,010,090**
Fees and commission income	36.	145,983	-	-	-	129,749	49,269	-	-	**325,001**
Net underwriting income		**1,703,068**	**-**	**-**	**1,454,213**	**995,849**	**181,961**	**-**	**-**	**4,335,091**
Claims expenses (Gross)	37.	(1,021,256)	-	-	(344,572)	(179,236)	(14,189)	-	-	**(1,559,253)**
Changes in claims recoveries	37.	494,580	-	-	-	49,702	3,955	-	-	**548,236**
Net claims incurred		**(526,676)**	-	-	(344,572)	(129,534)	(10,234)	-	-	**(1,011,017)**
Underwriting expenses	38.	(891,320)	-	-	(891,590)	(664,369)	(13,427)	-	-	**(2,460,705)**
Changes in contract liabilities	39.	210,168	-	-	-	(21,020)	-	-	-	**189,147**
Underwriting profit		**495,241**	-	-	218,051	180,926	158,300	-	-	**1,052,517**
Investments incomes	40.	189,930	628	8,009	25,868	184,744	8,994	-	(74,643)	**343,532**
Profit/(loss) on disposal of Investment properties		(180,062)	-	-	-	-	-	-	-	**(180,062)**
Net interest income	41.	43,777	108,966	-	-	-	-	-	(119,075)	**33,668**
Other operating incomes	42.	(70,144)	39,307	4,340	4,156	4,527	19,596	700	-	**2,482**
Loss on investment contract	43.	413,212	-	-	-	183,940	-	-	-	**597,152**
Fair value gain/(loss) through Profit or loss	44.	1,417,895	-	-	-	431,103	-	-	-	**1,848,998**
Impairment charge	45.	(512,474)	5,366	-	-	(91,420)	-	-	-	**(598,528)**
Management and administrative expenses	46.	(1,824,660)	(96,707)	(9,885)	(239,420)	(640,382)	(188,630)	-	-	**(2,999,684)**
Net operating (loss)/income		**(27,285)**	57,560	2,464	8,655	253,438	(1,740)	700	(193,718)	**100,075**
Finance costs	47.	(191,792)	(27,233)	-	(2,483)	-	(2,346)	-	119,075	**(104,779)**
(Loss)/profit before income tax		**(219,077)**	30,327	2,464	6,172	253,438	(4,086)	700	(74,643)	**(4,704)**
Income tax expense	48.1	(194,220)	(13,225)	-	(3,010)	(68,991)	(2,615)	-	-	**(282,060)**
(Loss)/profit from continuing operations		**(413,297)**	17,102	2,464	3,162	184,447	(6,701)	700	(74,643)	**(286,761)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4.2 SEGMENT INFORMATION - Company

REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

4.3 Income	Fire	General Accident	Motor	Marine & Aviation	Agric	Engineering	Oil & Energy	General Business	Life Business	2018	2017
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct premium	82,130	173,311	336,310	109,975	13,979	79,332	437,174	**1,232,211**	150,869	**1,383,080**	2,511,413
Inward reinsurance premium	9,061	-	-	1,632	-	3,691	-	**14,384**	-	**14,384**	68,587
Gross premium written	**91,191**	**173,311**	**336,310**	**111,607**	**13,979**	**83,023**	**437,174**	**1,246,595**	150,869	**1,397,464**	2,580,000
Changes in unearned premium	(2,142)	23,526	119,857	24,022	-	137,825	28,766	**331,854**	13,058	**344,912**	290,212
Gross Premium Earned	**89,049**	**196,837**	**456,167**	**135,629**	**13,979**	**220,848**	**465,940**	**1,578,449**	**163,927**	**1,742,376**	**2,870,212**
Deduct:											
Outward reinsurance premium	(6,321)	-	-	(11,922)	(18,127)	5,867	-	**(30,503)**	-	**(30,503)**	(1,138,228)
Changes in prepaid reinsurance	(28,215)	(5,200)	(20,026)	(15,431)	-	(25,604)	(46,106)	**(140,582)**	(2,308)	**(142,890)**	(174,899)
Reinsurance cost	**(34,536)**	**(5,200)**	**(20,026)**	**(27,353)**	**(18,127)**	**(19,737)**	**(46,106)**	**(171,085)**	**(2,308)**	**(173,393)**	**(1,313,127)**
Net Premium Earned	**54,513**	**191,637**	**436,141**	**108,276**	**(4,148)**	**201,111**	**419,834**	**1,407,364**	**161,619**	**1,568,983**	**1,557,085**
Commision received	8,876	-	-	6,376	-	7,175	46,337	**68,764**	790	**69,554**	127,449
Changes in unearned commission	4,105	(12)	(263)	5,287	-	2,820	(847)	**11,090**	-	**11,090**	18,534
Total income	**67,494**	**191,625**	**435,878**	**119,939**	**(4,148)**	**211,106**	**465,324**	**1,487,218**	**162,409**	**1,649,627**	**1,703,068**
Expenses											
Gross claims paid	(19,534)	(18,954)	(41,525)	(35,825)	-	(1,876)	(16,252)	**(133,966)**	(258,474)	**(392,440)**	(541,761)
Changes in outstanding claims provision	(36,639)	18,232	(38,221)	(136,246)	-	774	299,341	**107,242**	106,703	**213,945**	(479,206)
Gross claims incurred	**(56,173)**	**(722)**	**(79,746)**	**(172,071)**	**-**	**(1,102)**	**283,089**	**(26,724)**	**(151,771)**	**(178,495)**	**(1,020,967)**
Reinsurance claims recovery	11,499	-	4,149	-	-	1,480	-	**17,128**	(83,026)	**(65,898)**	625,493
Changes in reinsurance recoveries	(2,745)	804	(9,785)	(3,444)	-	(2,206)	(96,881)	**(114,257)**	-	**(114,257)**	(130,913)
Net claims incurred/(recovered)	**(47,419)**	**82**	**(85,381)**	**(175,515)**	**-**	**(1,828)**	**186,208**	**(123,853)**	**(234,797)**	**(358,650)**	**(526,387)**
Acquisition expenses	(9,221)	(24,824)	(25,926)	(15,985)	(271)	(10,899)	(55,201)	**(142,327)**	(110,706)	**(253,033)**	(422,541)
Changes in insurance contract liability									(131,924)	**(131,924)**	**210,168**
Changes in commission expenses	(2,884)	(3,791)	(7,981)	(7,764)	-	(9,419)	(2,085)	**(33,924)**	-	**(33,924)**	(35,854)
Maintenance expenses	(131,305)	(19,770)	(76,138)	(103,995)	(68,918)	(75,040)	(175,294)	**(650,461)**	-	**(650,461)**	(433,214)
Total expenses	**(190,829)**	**(48,304)**	**(195,426)**	**(303,259)**	**(69,189)**	**(97,186)**	**(46,371)**	**(950,565)**	**(477,427)**	**(1,427,992)**	**(1,207,828)**
Underwriting results	**(123,335)**	**143,321**	**240,452**	**(183,320)**	**(73,337)**	**113,920**	**418,953**	**536,653**	**(315,018)**	**221,635**	**495,240**

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Notes	Life Business 2018 ₦'000	General Business 2018 ₦'000	Intra company adjustment ₦'000	Total ₦'000	2017 ₦'000
Assets						
Cash and cash equivalents	5.	62,742	83,627	-	146,369	77,970
Financial Assets;						
At Fair value through Profit or Loss	6.1	6,221	3,061	-	9,282	13,557
Available for sale	6.2	246,255	633,197	-	879,452	456,289
Loans and Receivables	6.4.	468,978	6,334	-	475,312	347,615
Trade receivables	7.	-	-	-	-	-
Reinsurance Assets	8.	1,446,054	1,607,228	-	3,053,282	3,278,041
Deferred acquisition costs	9.	798	36,876	-	37,674	78,224
Other receivables and Prepayments	12.	27,828	127,681	-	155,509	167,906
Investment in Subsidiaries	14.	3,127,398	206,521	-	3,333,919	3,333,919
Investment Properties	16.	10,437,778	7,315,718	-	17,753,496	17,379,877
Property plant and equipment	17.	2,549,378	2,846,466	-	5,395,844	5,263,674
Statutory deposits	18.	200,000	300,000	-	500,000	500,000
Total assets		18,573,430	13,166,709	-	31,740,139	30,897,072
Liabiiities						
Insurance Contract Liabilities	28.	5,515,758	3,581,895	-	9,097,653	9,508,882
Investment Contract Liabilities	29.	8,626,085	-	-	8,626,085	8,766,506
Trade payables	30.	786,159	69,520	-	855,679	686,995
Loans and Borrowings	31.	-	486,906	-	486,906	350,274
Other payables and Accruals	32.	152,722	3,898,628	-	4,051,350	3,667,009
Income tax payable	48.2	305,273	1,233,867	-	1,539,140	1,482,919
Deferred tax liabilities	48.4.	640,803	436,420	-	1,077,223	988,446
Total Liabiiities		16,026,800	9,707,236	-	25,734,036	25,451,031
Net assets		2,546,630	3,459,473	-	6,006,103	5,446,041
Equity						
Share capital	19.2	2,650,806	4,464,813	-	7,115,619	7,115,619
Share premium	19.3	3,871,731	4,659,050	-	8,530,781	8,530,781
Assets revaluation reserve	20.	3,028,062	2,363,989	-	5,392,051	5,159,421
Fair value reserve	21.	(2,121)	491,960	-	489,839	66,676
Contingency reserve	22.	460,861	2,423,270	-	2,884,131	2,845,223
Loss sustained	23.	(7,462,709)	(10,943,603)	-	(18,406,312)	(18,271,679)
		2,546,630	3,459,472	-	6,006,102	5,446,041
		-	- 1		- 1	- 0

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

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
Cash in hand	**5,860**	2,959	**-**	-
Bank balances (Note 5.1)	**505,131**	523,348	**145,604**	77,205
Short term deposits/placements with banks (Note 5.2)	**966,098**	506,765	**765**	765
	1,477,089	1,033,072	**146,369**	77,970

5.1. Included In the above Group amount was N21.7 million (Dec 2017: N21.7 million) representing cash reserve requirement with the central bank of Nigeria.

5.2. The placement with banks have a short term maturity of 30-90 days and thus, the effect of discounting is immaterial.

5.3. Cash and cash equivalents as per cashflow

Cash in hand	**5,860**	2,959	**-**	-
Bank balances	**505,131**	523,348	**145,604**	77,205
Short term deposits/placements with banks	**966,098**	506,765	**765**	765
	1,477,089	1,033,072	**146,369**	77,970
Bank overdrafts (Note 31)	**(27,209)**	(14,780)	**(481,407)**	(344,775)
	1,449,880	1,018,292	**(335,038)**	(266,805)

6. Financial assets

6.1 Fair value through Profit or Loss-FVTPL
Quoted Equities:
Movement in FVTPL

At 1 January	**584,918**	359,703	**13,557**	10,555
Additions in the year	**7,232**	-	**-**	-
Disposal during the year	**-**	-	**-**	-
	592,151	359,703	**13,557**	10,555
Fair value (loss)/gain (Note 44)	**(143,769)**	266,585	**(4,275)**	3,002
Impact of investment reclassified to available for sale	**-**	(83,170)	**-**	-
Translation Adjustment	**(159,432)**	41,800	**-**	-
At 31 December	**288,949**	584,918	**9,282**	13,557
Current	**288,949**	584,918	**9,282**	13,557
Non Current	-	-	-	-
	288,949	584,918	**9,282**	13,557

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		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
6.2 Available for sale-AFS				
Unquoted equities (Note 6.2.1)	**1,213,803**	859,018	**879,452**	456,289
Treasury bills (Note 6.2.2)	**-**	-	**-**	-
	1,213,803	859,018	**879,452**	456,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
6.2.1	**Movement in unquoted equities**				
	At 1 January	**859,018**	2,617,551	**456,289**	437,784
	Additions in the year	**381,947**	-	**-**	-
	Recalssificatied from investment in subsidiaries	**-**	1,069,914	**-**	1,069,914
	Disposal during the year	**(368,640)**	(347,414)	**-**	-
		872,326	3,340,051	**456,289**	1,507,698
	Fair value gain (Note 21)	**434,529**	-	**423,163**	-
	Impairment on investment in subsidiaries	**-**	(983,015)	-	(1,051,409)
	Impact of investment reclassified to available for sale	**-**	(1,923,883)	**-**	-
	Translation Adjustment	**(93,051)**	425,865	**-**	-
	At 31 December	**1,213,803**	859,018	**879,452**	456,289
	Current	**1,213,803**	859,018	**879,452**	456,289
	Non Current	**-**	-	**-**	-
		1,213,803	859,018	**879,452**	456,289
6.2.2	**Movement in treasury bills**				
	At 1 January	**-**	2,615	**-**	-
	Additions in the year	**-**	-	**-**	-
	Disposal during the year	**-**	(2,615)	**-**	-
		-	-	**-**	-
	Fair value gain/(loss)(Note 21)	**-**	-	**-**	-
	Translation Adjustment	**-**	-	**-**	-
	At 31 December	**-**	-	**-**	-
	Current	**-**	-	**-**	-
	Non-Current	**-**	-	**-**	-
		-	-	**-**	-

6.2.3 The Group's accounting policy is to hold its investments in treasury bills as available-for-sale and measured at fair value. Treasury bills are debt instruments issued by the Government of Uganda for a term of six months and twelve months respectively.

		Company only	
		2018	2017
6.2.4	**Unquoted equities**	**N'000**	N'000
	British Int'l school	**62,878**	72,000
	Moyofade Community Bank	**64,301**	32,698
	WAICA RE	**156,112**	37,647
	Swift 4G	**-**	132,314
	IGI Pension Fund Manager Ltd	**90,144**	163,125
	Sonarwa (Rwanda)	**506,025**	1,069,914
		879,459	1,507,698
		-	(1,051,409)
		879,459	456,289

6.2.5 Analysis of unlisted available for sale financial assets:

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		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
6.3. Held to Maturity-HTM				
Government Securities	**293,981**	390,163	**-**	-
Corporate Securities	**-**	67,609	**-**	-
	293,981	457,772	**-**	-
Current	**-**	-	**-**	-
Non Current	**293,981**	457,772	**-**	-
	293,981	457,772	**-**	-

6.3.1 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 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
6.4. Loans and Receivables				
Staff Loans (Note 6.4.1)	**259,585**	269,825	**237,713**	237,236
Policy loans (Note 6.4.2)	**472,244**	351,521	**468,978**	341,758
	731,829	621,346	**706,691**	578,994
Impairment of loans and receivables (Note 6.4.3)	**(236,798)**	(234,855)	**(231,379)**	(231,379)
	495,031	386,491	**475,312**	347,615
Current	**495,031**	386,491	**475,312**	347,615
Non Current	**-**	-	**-**	-
	495,031	386,491	**475,312**	347,615
6.4.1 Movement in staff loans				
At 1 January	**269,259**	260,278	**237,236**	232,944
Additions in the year	**12,377**	14,728	**3,368**	8,500
Repayments	**(17,696)**	(5,747)	**(2,891)**	(4,208)
	263,939	269,259	**237,713**	237,236
Translation Adjustment	**(4,354)**	566	**-**	-
At 31 December	**259,585**	269,825	**237,713**	237,236

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
6.4.2 Movement in policy loans				
At 1 January	**351,521**	367,243	**341,758**	358,180
Additions in the year	**205,983**	-	**205,983**	-
Repayments	**(82,543)**	(15,722)	**(78,763)**	(16,422)
	474,962	351,521	**468,978**	341,758
Translation Adjustment	**(2,718)**	-	**-**	-
At 31 December	**472,244**	351,521	**468,978**	341,758
6.4.3 Movement in impairment of loans and receivables				
At 1 January	**234,855**	234,440	**231,379**	231,379
Charge for the year (Note 45)	**4,080**	-	**-**	-
Written back	**(2,137)**	-	**-**	-
Written off	**-**	-	**-**	-
Translation Adjustment	**-**	415	**-**	-
At 31 December	**236,798**	**234,855**	**231,379**	231,379
Total Financial assets	**2,291,765**	2,288,200	**1,364,046**	817,461

6.4.4 Staff Loans

Staff are entitled to loans which are repayable through payroll deductions. The loans are given at a **Zero %** which is below the general market rate.The difference between the market interest rate and the rate at which these loans are advanced to staff to be amortised over the tenor of the loan could not be ascertained due to non availability of information. Thus, about 98% of the loans was fully impaired.

6.4.5 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 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
7.	**Trade receivables**				
	Premiums receivable from Co-insurance Companies	-	-	-	-
	Premiums receivable from brokers and agents	816,141	1,162,925	7,947	7,015
		816,141	1,162,925	7,947	7,015
	Impairment of trade receivables (Note 7.1)	(303,787)	(403,256)	(7,947)	(7,015)
		512,354	759,669	-	-
	Current	512,354	759,669	-	-
	Non Current	-	-	-	-
		512,354	759,669	-	-
7.1.	**Movement in impairment of trade receivables**				
	At 1 January	403,256	279,253	7,015	-
	Additions during the year (Note 45)	933	98,435	932	7,015
	Recoveries	-	-	-	-
	Written off	-	-	-	-
	Translation adjustment	(100,401)	25,568	-	-
	At 31 December	303,787	403,256	7,947	7,015
7.2.	**Movement in trade receivables**				
	At 1 January	1,162,925	1,527,619	7,015	6,684
	Gross premium written	4,356,979	5,396,208	1,397,464	2,580,000
	Premium received/recovered	(4,703,763)	(5,760,902)	(1,396,532)	(2,579,669)
	At 31 December	816,141	1,162,925	7,947	7,015
8.	**Reinsurance assets**				
	Prepaid Reinsurance (Note 8.1)	316,293	466,709	30,765	90,894
	Estimated reinsurance recoveries on claims (Note 8.2)	2,953,799	3,171,177	2,887,866	3,085,306
	Receivables from re-insurers (Note 8.3)	483,972	479,739	283,715	250,905
		3,754,064	4,117,625	3,202,346	3,427,105
	Impairment of reinsurance assets	(220,763)	(248,517)	(149,064)	(149,064)
		3,533,301	3,869,108	3,053,282	3,278,041
	Current	3,533,301	3,869,108	3,053,282	3,278,041
	Non Current	-	-	-	-
		3,533,301	3,869,108	3,053,282	3,278,041
8.1.	**Prepaid reinsurance**				
	Fire	28,122	65,248	9,325	21,863
	General accident	76,647	21,437	63	73
	Motor	205,340	5,069	4,919	3,973
	Aviation	(10,274)	309,970	-	-
	Marine	4,182	40,071	4,182	40,071
	Agric	-	18,127	8,103	18,127
	Engineering	8,103	-	-	-
	Oil and Energy	269	-	269	-
		312,389	459,922	26,861	84,107

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		Group		Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
8.1.a	**Life**				
	Reinsurance UPR				
	Life	3,904	6,787	3,904	6,787
	Total Prepaid reinsurance - Life	3,904	6,787	3,904	6,787
	Prepaid reinsurance	316,293	466,709	30,765	90,894
8.1.1	**Movement in prepaid**				
	At 1 January	466,709	834,810	90,894	247,809
	Decrease during the year (Note	(815,735)	(835,876)	(60,129)	(156,916)
	Impact of investment reclassified to available for sale	-	(1,170,389)	-	-
	Translation Adjustment	665,319	1,638,164	(0)	0
	At 31 December	316,293	466,709	30,765	90,894
		-	-	-	-
8.2.	**Estimated reinsurance recoveries on claims**				
	Fire	407,736	443,290	407,736	443,290
	General accident	3,568	7,834	3,568	7,834
	Motor	33,972	26,182	33,972	26,182
	Aviation	-	71,858	-	-
	Marine	7,881	14,316	7,881	14,316
	Agric	-	-	-	-
	Engineering	341,651	370,071	341,651	370,071
	Oil and Energy	705,804	694,534	647,004	694,534
		1,500,612	1,628,085	1,441,812	1,556,227
	Life business				
	Group business	-	-	-	-
	Individual business	1,453,187	1,543,092	1,446,054	1,529,079
		2,953,799	3,171,177	2,887,866	3,085,306
8.3	**Prepaid minimum and deposit**				
	Fire	483,972	479,739	283,715	250,905
	General accident	-	-	-	-
	Motor	-	-	-	-
	Marine	-	-	-	-
	Engineering	-	-	-	-
		483,972	479,739	283,715	250,905
	Life business				
	Group business	-	-	-	-
	Individual business	-	-	-	-
		483,972	479,739	283,715	250,905

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	**N'000**
8.3.1 Movement in receivables from reinsurers/co-insurers				
At 1 January	**479,739**	268,423	**250,905**	149,064
Movement during the year (Note 37.2.1)	**4,233**	211,316	**32,810**	101,841
At 31 December	**483,972**	479,739	**283,715**	250,905

i. 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.

ii. 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.

8.3.2a Age analysis of Outstanding claims recoverable from reinsurance as at 31 December 2018-Company only

Outs. Claims per amount range	0-90 days N'000	91-180 days N'000	181-270 days N'000	271-365 days N'000	365 days + N'000	Total N'000
0-250,000	209	132	-	112	71,946	72,399
250,001-500,000	319	463	348	-	7,709	8,838
500,001-1,500,000	-	2,352	1,239	867	205,935	210,393
1,500,001-2,500,000	-	2,294	-	-	865,755	868,049
2,500,001-5,000,000	-	4,318	-	3,187	443,861	451,365
5,000,000-above	25,200	11,772	6,209	11,237	1,222,403	1,276,822
Grand total	**25,728**	**21,332**	**7,795**	**15,403**	**2,817,608**	**2,887,866**

8.3.2b Age analysis of Outstanding claims recoverable from reinsurance as at 31 December 2017-Company only

Outs. Claims per amount range	0-90 days N'000	91-180 days N'000	181-270 days N'000	271-365 days N'000	365 days + N'000	Total N'000
0-250,000	10	6	25	5	79	125
250,001-500,000	5	9	6	-	13	33
500,001-1,500,000	-	6	8	16	214	244
1,500,001-2,500,000	-	13	-	11	876	900
2,500,001-5,000,000	-	9	16	17	463	505
5,000,000-above	28	15	-	-	1,235	1,278
Grand total	**43**	**58**	**55**	**49**	**2,880**	**3,085**

8.3.3a Age analysis of recoverable from reinsurance as at 31 December 2018-Company only

Outs. Claims per amount range	0-90 days N'000	91-180 days N'000	181-270 days N'000	271-365 days N'000	365 days + N'000	Total N'000
0-250,000	135	-	-	-	149	284

8.3.3b Age analysis of recoverable from reinsurance as at 31 December 2017-Company only

Outs. Claims per amount range	0-90 days N'000	91-180 days N'000	181-270 days N'000	271-365 days N'000	365 days + N'000	Total N'000
0-250,000	102	-	-	-	149	251

9. Deferred acquistion costs

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

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		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
9.1. Movement in deferred acquistion costs				
At 1 January	**153,900**	204,615	**78,224**	114,077
Acquisition cost for the year	**448,873**	668,570	**246,407**	422,542
Impact of investment reclassified to available for sale		(36,374)		
Translation adjustment	**360**	855	**-**	-
Total acquisition cost for the year	**603,133**	837,666	**324,631**	536,619
Amortization during the year (Note 38.1)	**(532,303)**	(683,766)	**(286,957)**	(458,395)
At 31 December	**70,830**	153,900	**37,674**	78,224
Current	**70,830**	153,900	**37,674**	78,224
Non-Current	**-**	-	**-**	-
	70,830	153,900	**37,674**	78,224
9.2. Deferred acquistion costs analysis				
Fire	**13,245**	13,915	**7,706**	10,590
General accident	**17,155**	43,663	**7,675**	11,466
Motor	**25,704**	47,844	**14,163**	22,144
Aviation	**6,596**	17,829	**-**	-
Marine	**3,164**	6,327	**3,164**	10,928
Agric	**-**	130	**-**	-
Engineering	**3,615**	12,072	**3,615**	13,034
Oil and Energy	**553**	1,973	**553**	2,639
	70,032	143,753	**36,876**	70,801
Life business				
Individual Life	**-**	-	**-**	-
Group Life	**798**	10,146	**798**	7,423
	70,830	153,899	**37,674**	78,224

10. Loans and advances customers

	Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
Overdrafts	**225,653**	283,734	**-**	-
Term loans	**3,803**	3,180	**-**	-
Mortgage loans	**9,929**	2,283	**-**	-
Staff loans	**-**	-	**-**	-
	239,385	289,197	-	-
Impairment on loans and advances to customers (Note 10.1)	**85,276**	(37,892)	-	-
	324,661	251,305	**-**	-
Current	**259,729**	201,044	**-**	-
Non-Current	**64,932**	50,261	**-**	-
	324,661	251,305	**-**	-

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
10.1	**Movements in impairment on loans and advances to customers:**				
	At 1 January	**37,892**	396,916	**-**	-
	Additions/(write back) in the year (Note 45)	**1,027**	(5,366)	**-**	-
	Recovery in the year	**(124,195)**	(353,658)	**-**	-
	At 31 December	**(85,276)**	37,892	-	-

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

i. Those classified as held for trading and those that the Bank on initial recognition designates as at fair value through profit and loss;

ii. Those that the Bank upon initial recognition designates as available-for-sale; or

iii. Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

10.3 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.

10.4 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		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
11.	**Non current assets held for sale**				
	At 1 January	**4,660,826**	3,218,947	**-**	-
	Additions during the year (Note 11.2)	**2,487**	1,909	**-**	-
	Disposal during the year	**(384,097)**	-	**-**	-
	Transfer from property, plant and equipment (Note 17a)	**-**	394,783	**-**	-
	Transfer from investment properties (Note 16)	**180,730**	1,045,187	**-**	-
	Fairvalu gain on revaluation	**35,221**	-	**-**	-
	Translation adjustment	**(401,843)**	-	**-**	-
	At 31 December	**4,093,324**	4,660,826	-	-
	Current	**-**	-	**-**	-
	Non Current	**4,093,324**	4,660,826	**-**	-
		4,093,324	4,660,826	**-**	-

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11.1 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.

11.2 This represents approval by the board to sale a plot of land at 3A Mackinnon road valued at Ushs 4 billion, plot 2 Porttal Avenue property valued at Ushs 10.09 billion and the remaining two (2) empty plot at Kansanga.

- The Group is committed to a plan to sell the property and an active programme to locate a buyer and complete the plan have been initiated.

- 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 things being equal.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
12.	**Other receivables and prepayments**				
	Receivable from related parties (Note 13di)	**3,230,656**	3,228,442	**4,393,186**	4,392,936
	Commission receivable on reinsurance ceded	**-**	77,798	**-**	77,798
	Deposit for shares (Note 12.3)	**500,000**	500,000	**500,000**	500,000
	Accrued income	**148,987**	152,596	**86,290**	87,290
	Witholding tax receivables	**34,715**	47,909	**4**	4
	Other receivables (Note 12.4)	**1,209,874**	1,475,519	**966,929**	900,778
	Prepaid rents & rates	**60,199**	106,700	**14,179**	14,179
		5,184,431	5,588,964	**5,960,588**	5,972,985
	Impairment on other receivables and prepayments (Note 12.1)	**(4,781,182)**	(4,825,144)	**(5,805,079)**	(5,805,079)
		403,249	763,820	**155,509**	167,906
12.1	**Movement in impairment on other receivables and prepayments**				
	At 1 January	**4,825,144**	5,521,898	**5,805,079**	5,299,620
	Additions during the year (Note 45)	**10,710**	505,459	**-**	505,459
	Impact of elimination of impairment on related parties	**-**	(1,164,492)	**-**	-
	Translation Adjustments	**(54,672)**	(37,721)	**-**	-
	At 31 December	**4,781,182**	4,825,144	**5,805,079**	5,805,079

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12.2 Analysis of impairment loss by assets

	2018				
Group	**Gross**	**Impairment**			
	At 31 Dec	**At 1 Jan**	**Additions**	**At 31 Dec**	**Net At 31 Dec**
Description of assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Receivable from related parties	**3,230,656**	**3,268,570**	**-**	**3,268,570**	**(37,914)**
Deposit for shares	**500,000**	**500,000**	**-**	**500,000**	**-**
Accrued income	**148,987**	**48,814**	**-**	**48,814**	**100,173**
Other receivables	**1,304,788**	**1,007,760**	**(43,962)**	**963,798**	**340,990**
	5,184,431	**4,825,144**	**(43,962)**	**4,781,182**	**403,249**

	2017				
	Gross	**Impairment**			
	At 31 Dec	**At 1 Jan**	**(Write back)/ Additions**	**At 31 Dec**	**Net At 31 Dec**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Description of assets					
Receivable from related parties	3,228,442	3,899,167	(630,597)	3,268,570	(40,128)
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	152,596	48,814	-	48,814	103,782
Other receivables	1,707,926	1,073,917	(66,157)	1,007,760	700,166
	5,588,964	5,521,898	(696,754)	4,825,144	763,820

	2018				
Company	**Gross**	**Impairment**			
	At 31 Dec	**At 1 Jan**	**(Write back)/ Additions**	**At 31 Dec**	**Net At 31 Dec**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Description of assets					
Receivable from related parties	**4,393,186**	**4,501,861**	**-**	**4,501,861**	**(108,675)**
Deposit for shares	**500,000**	**500,000**	**-**	**500,000**	**-**
Accrued income	**86,290**	**48,814**	**-**	**48,814**	**37,476**
Other receivables	**981,112**	**754,404**	**-**	**754,404**	**226,708**
	5,960,588	**5,805,079**	**-**	**5,805,079**	**155,509**

	2017				
	Gross	**Impairment**			
	At 31 Dec	**At 1 Jan**	**Additions**	**At 31 Dec**	**Net At 31 Dec**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Description of assets					
Receivable from related parties	4,392,936	3,930,245	571,616	4,501,861	(108,925)
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	87,290	48,814	-	48,814	38,476
Other receivables	992,759	820,561	(66,157)	754,404	238,355
	5,972,985	5,299,620	505,459	5,805,079	167,906

12.3. Basis for the deposit not known. However, the balance has been fully impaired.

12.4. Included in the balance reported by the Company above is N942 million which represents sundry receivable. However, the balance has been fully impaired due to the balance not being substantiated by the Company. In addition to the balance reported by the Company is N167 million representing receivable from branches and due from COMESA National Bureau included in the Group balance.

13. 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 arms lenght. Details of significant transactions carried out during the year with related parties are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
b. Sale of:				
Property transferred to Intl Health Mgt Services Ltd in lieu of cash	**-**	-	**-**	-
Debt set-off with Intl Health Mgt Services Ltd	**-**	-	**-**	-
Pension contract with IGI Pension fund managers Ltd	**250**	250	**250**	250
Insurance and investment contracts to Industrial Trustees Ltd	**-**	-	**-**	-
Consultancy & Professional services to IGI Ghana Ltd	**-**	-	**-**	-
Insurance and investment contracts to Perfect Structures Ltd	**-**	-	**-**	-
	250	250	**250**	250
c. Purchase of:				
Estate Management Services from Chancellor's Property	**-**	-	**-**	-
Professional services from All Crown Registrars Ltd	**-**	-	**-**	-
Professional services from Perfect Structures Ltd	**-**	-	**-**	-
	-	-	-	-
d. Balances with related parties				
Receivables from and payable to related parties are as follows:				
i Receivables from related parties				
Monarch communications Ltd	**1,469,030**	1,469,030	**2,633,523**	2,633,523
Global trust Savings & Loans Ltd	**189,687**	189,687	**189,687**	189,687
IGI Pension fund managers Ltd	**92,983**	92,733	**92,983**	92,733
All crown Registrars Ltd	**56,407**	56,407	**56,407**	56,407
Intl Health Mgt Services Ltd	**243,408**	243,408	**243,408**	243,408
NIC Holdings Limited, Uganda	**-**	-	**1**	1
Global Trust Bank Ltd, Uganda	**-**	-	**-**	-
IGI Gamstar Ins Co. Ltd, Gambia	**27,235**	27,235	**27,235**	27,235
Sonarwa (Rwanda)	**-**	-	**-**	-
IGI Life Assurance Ghana Ltd	**41,852**	41,852	**41,852**	41,852
Indusrial and General Insurance (Ghana) Company Ltd	**-**	-	**-**	-
Offshore Prod. Engineering	**29,233**	29,233	**29,233**	29,233
Industrial Energy Company	**251,206**	251,206	**251,206**	251,206
Apex Airline	**129,560**	129,560	**129,560**	129,560
Andrew Robins Ltd.	**74,062**	74,062	**74,062**	74,062
Shaw Environment & Infrastruct. Nig.	**243,436**	243,436	**243,436**	243,436
Sierra Leone Project	**32,058**	32,058	**32,058**	32,058
First Securities Discount House Ltd.	**155,835**	155,835	**155,835**	155,835
Others	**194,664**	192,700	**192,700**	192,700
	3,230,656	3,228,442	**4,393,186**	4,392,936

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
ii Payables to related parties				
IGI Pension fund managers Ltd	**145,112**	145,112	**145,112**	145,112
Due to Directors	**49,138**	49,138	**49,138**	49,138
Indusrial and General Insurance Plc	**-**	-	**-**	-
Global trust Savings & Loans Ltd	**570,675**	570,675	**-**	-
Others	**16,906**	27,602	**-**	-
	781,831	792,527	**194,250**	194,250

e. 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.

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
14. Investment in subsidiaries				
Cost of investments:				
At 1 January	**-**	-	**4,005,195**	5,075,109
Recalssificatied to Available for sale assets (Note 6.2.1)	**-**	-	**-**	(1,069,914)
	-	-	**4,005,195**	4,005,195
Impairment on investment in subsidiaries (Note 14.1)	**-**	-	**(671,276)**	(671,276)
	-	-	**3,333,919**	3,333,919
14.1 Movements in impairment on investment in subsidiarie:				
At 1 January	**-**	-	**671,276**	1,656,528
Recalssificatied to available for sale assets (Note 6.2.1)	**-**	-	**-**	(985,252)
At 31 December	**-**	-	**671,276**	671,276

14.2 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.

14.3 Subsidiaries disclosures

All shares in subsidiary undertakings are ordinary shares.

	Name of subsidiaries	Country of incorporation	Held by (Units) in thousand	Holdings (%) 2018	Holdings (%) 2017
14.5.1	Monarch communications Ltd	Nigeria	**568,600**	56.86	56.86
14.5.2	Global trust Savings & Loans Ltd	Nigeria	**1,086,030**	98.73	98.73
14.5.3	All crown Registrars Ltd	Nigeria	**134,845**	80	80
14.5.4	Intl Health Mgt Services Ltd	Nigeria	**408,048**	90.84	90.84
14.5.5	NIC Holdings Limited, Uganda	Uganda	**453,777**	64.95	64.95
14.5.6	IGI Gamstar Ins Co. Ltd, Gambia	Gambia	**90,454**	60	60

14.5.1 **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.

14.5.2 **Global Trust Savings and Loans Limited** was incorporated as a private limited liability company on 12 January,1995 and commenced business on 1st 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.

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

14.5.4 **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, Joseph 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.

14.5.5 **National Insurance Corporation Limited (NIC) Holdings Limited** 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). As at 31 December 2014, IGI Plc owns 60% of NIC, Uganda through Corporate Holdings Limited, A special purpose vehicle created solely for the acquisition.The Corporation is a public limited company with 40% of shares in the Corporation listed on the Main Investment Market Segment (MIMS) of the Uganda Securities Exchange with effect from 25 March 2010.

14.5.6 **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 shares issued and fully paid are held by Industrial & General Insurance Plc a company incorporated in the Federal Republic of Nigeria.

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14.6 A summary of the results and financial position of Group together with relevant disclosures relating to non-controlling interests is provided below in accordance with the requirements of IFRS 12:

Summary of results:	**Group**	**Subsidiaries**	**Group**	**Subsidiaries**
	2018	**2018**	**2017**	**2017**
	N'000	**N'000**	**N'000**	**N'000**
Summary of financial position:				
Total assets	**46,844,661**	**15,104,521**	49,750,287	18,853,214
Total liabilities	**(40,063,828)**	**(14,329,791)**	(42,278,352)	(16,827,312)
Equity attributable to owners of the company	**6,780,833**	**774,730**	7,471,936	2,025,903
Non-controlling interests	**(122,255)**	**168,359**	39,007	178,018
Summary of statement of profit or loss and other comprehensive income:				
Revenue	**4,970,738**	**3,228,362**	6,002,177	3,131,965
Other operating incomes	**1,189,553**	**675,330**	3,291,066	858,877
Expenses	**(6,649,297)**	**(4,039,215)**	(9,580,005)	(4,376,781)
Loss for the year	**(489,006)**	**(135,523)**	(286,762)	(385,939)
Loss attributable to owners of the company	**(445,040)**	**(86,124)**	(263,321)	149,976
Loss attributable to the non-controlling interests	**(35,644)**	**(35,644)**	(23,440)	(23,440)
Loss for the year	**(480,684)**	**(121,768)**	(286,761)	126,536
Other comprehensive income/(loss) attributable to owners of the company	**580,312**	**(272,633)**	449,458	(236,789)
Other comprehensive loss to the non-controlling interests	**(132,715)**	**(132,715)**	(154,275)	(154,275)
Other comprehensive income for the year	**447,597**	**(405,348)**	295,183	(391,064)
Total comprehensive income attributable to owners of the company	**135,272**	**(358,757)**	186,137	(86,813)
Total comprehensive income to the non-controlling interests	**(35,644)**	**(35,644)**	(23,440)	(23,440)
Total comprehensive income for the year	**99,628**	**(394,401)**	**162,697**	**(110,253)**
Dividends paid to non controlling interests	**-**	**-**	(48,976)	(48,976)
Summary of cash flows:				
Net cash out flow from operating activities	**309,846**	**624,467**	(8,908,980)	(8,254,972)
Net cash out flow from investing activities	**903,348**	**426,908**	8,363,617	7,570,638
Net cash (out)/in flow from financing activities	**(781,606)**	**(551,554)**	(223,978)	35,942
Net cash out flow	**121,742**	**(124,646)**	**8,139,639**	**7,606,580**

14.7 Change in the Group's ownership interest in a subsidiary
There was a changes in the Group's ownership interest in the Sonarwa only during the year. See Note 14.3.8.

14.8 Significant restrictions
There are no significant restrictions on the company's or subsidiary's ability to access or use the assets and settle the liabilities of the Group.

14.9 Financial support
The Group has not given any financial support to a consolidated structured entity.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
15.	**Intangible ssets**				
	Goodwill (Note 15.2)	**-**	-	**-**	-
	Computer Software (Note 15.1)	**-**	-	**-**	-
		-	-	**-**	-
	Current	**-**	-	**-**	-
	Non-Current	**-**	-	**-**	-
		-	-	**-**	-
15.1	**Movement in Computer software**				
	Cost				
	At 1 January	**54,008**	117,047	**52,600**	52,600
	Impact of investment reclassified to available for sale	-	(64,447)	**-**	-
	Translation adjustments		1,408		
	At 31 December	**54,008**	54,008	**52,600**	52,600
	Amortisation and impairment				
	At 1 January	**54,008**	52,600	**52,600**	52,600
	Translation adjustments		1408		
	At 31 December	**54,008**	54,008	**52,600**	52,600
	Carrying amount	**-**	-	**-**	-
15.2	**Movement in Goodwill**				
	Cost				
	At 1 January	**549,851**	549,851	**-**	-
	At 31 December	**549,851**	549,851	**-**	-
	Amortisation and impairment				
	At 1 January	**549,851**	549,851	**-**	-
	At 31 December	**549,851**	549,851	**-**	-
	Carrying amount	**-**	-	**-**	-

15.3a 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.

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		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
16.	**Investment properties**				
	At valuation:				
	At 1 January	**23,239,950**	26,401,864	**17,379,877**	16,856,266
	Disposals/transfer to subsidiary	**(60,000)**	(891,283)	**(60,000)**	-
	Reclassification to other assets	**-**	-	**-**	10
	Transfer to assets held for sale (Note 11)	**(180,730)**	(1,045,187)	**-**	(891,283.00)
	Transfer to property,plant and equipment (Note 17a)	**(389,422)**	-	**-**	-
	Fair value gain (Note 44)	**465,179**	1,851,732	**433,619**	1,414,884
	Impact of investment reclassified to available for sale	**-**	(4,080,272)	**-**	-
	Translation adjustments	**(1,643,335)**	1,003,096	**-**	-
	At 31 December	**21,431,642**	23,239,950	**17,753,496**	17,379,877
16.1.	**Of the investment properties, the following relates:**				
	Policyholder Fund	**7,830,880**	9,780,558	**4,152,737**	3,920,485
	Shareholders fund	**3,515,630**	3,515,630	**3,515,630**	3,515,630
	Deposi Administration	**6,777,206**	6,777,206	**6,777,206**	6,777,206
	Others	**3,307,923**	3,166,556	**3,307,923**	3,166,556
	Total	**21,431,639**	23,239,950	**17,753,496**	17,379,877

i. Investment properties represents 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.

ii. During the year, the Company disposed an Investment Property located at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan valued at N60 million(Dec 2017: N891 million).

iii. Rental income for the year on the Group was N233 million (31 Dec 2017: N171 million) while the Company was N 24.7 million (31 Dec 2017: N18.5 million).

iv. Certain Land and Buildings were revalued in December 2018 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 surplus balance of N.434 billion (Dec 2017: N1.415 billion) 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 date of valuation either by a private treaty, public auction or tender as may be appropriate.

v. 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 statement of profit or loss and other comprehensive income.

Company — **31 December 2018**

Description of properties	Location	At I January	Addition	Disposal	Fair value gain	Carrying amount
		N	N	N	N	N
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	34,560,000	-	-	-	34,560,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Rivers	19,980,000	-	-	-	19,980,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	FCT	97,200,000	-	-	-	97,200,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Kaduna	8,800,000	-	-	13,000,000	21,800,000
Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	3,000,000,000	-	-	-	3,000,000,000
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	16,200,000	-	-	-	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	16,200,000	-	-	-	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	19,400,000	-	-	-	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	19,400,000	-	-	-	19,400,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	23,760,000	-	-	-	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	23,760,000	-	-	-	23,760,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	48,600,000	-	-	-	48,600,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	37,800,000	-	-	-	37,800,000
Building at Property along Oyemekun Road, Akure	Akure	24,840,000	-	-	-	24,840,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	65,000,000	-	-	-	65,000,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	309,638,829	-	-	93,418,522	403,057,351
	Sub total	**4,076,178,829**	**-**	**-**	**106,418,522**	**4,182,597,351**

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Company Cont'd

Description of properties	Location	31 December 2018 At I January	Addition	Disposal	Fair value gain	Carrying amount
		N	N	N	N	N
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	450,000,000	-	-	-	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	7,370,000	-	-	-	7,370,000
Land at Ikorodu Industrial Estate, Ikorodu	Lagos	215,000,000	-	-	-	215,000,000
Building at Block A14, Flat 3 Games Village, Abuja	Abuja	97,200,000	-	-	-	97,200,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	278,800,000	-	-	21,200,000	300,000,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	32,940,000	-	-	-	32,940,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	10,450,000	-	-	-	10,450,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	693,600,000	-	-	-	693,600,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	730,000,000	-	-	-	730,000,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	539,243,109	-	-	-	539,243,109
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	3,960,000	-	-	-	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	4,510,000	-	-	-	4,510,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	48,780,400	-	-	-	48,780,400
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	5,280,000	-	-	-	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	37,260,000	-	-	-	37,260,000
UTC Building at 119 Broad Street, Lagos	Lagos	508,000,000	-	-	76,000,000	584,000,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	Ibadan	127,500,000	-	-	30,000,000	157,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	5,500,000	-	-	-	5,500,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	5,775,000	-	-	-	5,775,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	1,885,000,000	-	-	-	1,885,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	62,640,000	-	-	-	62,640,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	2,729,000,000	-	-	100,000,000	2,829,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	123,420,000	-	-	-	123,420,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Ibadan	60,000,000	-	(60,000,000)	-	-
Land at Monarch Comm. Awodiora Landed Property	Lagos	760,000,000	-	-	-	760,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	510,000,000	-	-	-	510,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	1,463,500,000	-	-	-	1,463,500,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	331,500,000	-	-	-	331,506,490
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	37,800,000	-	-	-	37,800,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	1,400,000,000	-	-	100,000,000	1,500,000,000
Land at Ajah Village Land	Lagos	18,000,000	-	-	-	18,000,000
Land at Alasia Sangotedo in Lekki	Lagos	13,250,000	-	-	-	13,250,000
Land at LASG ALASIA LEKKI-EPE PROPERTY	Lagos	25,000,000	-	-	-	25,000,000
Land at 43/45 Akinoye street,Idimu, Lagos	Lagos	6,600,000	-	-	-	6,600,000
Building at 595 Agege Motor Road, Lagos	Lagos	39,960,000	-	-	-	39,960,000
	Sub total	**13,303,688,509**	**-**	**(60,000,000)**	**327,200,000**	**13,570,894,999**
	Grand total	**17,379,867,338**	**-**	**(60,000,000)**	**433,618,522**	**17,753,492,350**

Company

Description of properties	Location	31 December 2017 At I January	Addition	Disposal	Fair value gain	Carrying amount
		N	N	N	N	N
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	34,560,000	-	-	-	34,560,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Rivers	19,980,000	-	-	-	19,980,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	FCT	97,200,000	-	-	-	97,200,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Kaduna	8,800,000	-	-	-	8,800,000
	Sub total	**160,540,000**	**-**	**-**	**-**	**160,540,000**

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Company Cont'd	31 December 2017					
Description of properties	**Location**	**At I January**	**Addition**	**Disposal**	**Fair value gain**	**Carrying amount**
		N	N	N	N	N
Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	2,910,000,000	-	-	90,000,000	3,000,000,000
Building at No 2, Joseph Str. Lagos Island, Lagos	Lagos	380,000,000	-	(380,000,000)	-	-
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840,000	-	-	-	51,840,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	16,200,000	-	-	-	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	16,200,000	-	-	-	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	19,400,000	-	-	-	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	19,400,000	-	-	-	19,400,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	23,760,000	-	-	-	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	23,760,000	-	-	-	23,760,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	48,600,000	-	-	-	48,600,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	37,800,000	-	-	-	37,800,000
Building at Property along Oyemekun Road, Akure	Akure	24,840,000	-	-	-	24,840,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	65,000,000	-	-	-	65,000,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	255,554,538	-	-	54,084,291	309,638,829
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	450,000,000	-	-	-	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	7,370,000	-	-	-	7,370,000
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali	Foreign	511,282,586	-	(511,282,586)	-	-
Land at Ikorodu Industrial Estate, Ikorodu	Lagos	215,000,000	-	-	-	215,000,000
Building at Block A14, Flat 3 Games Village, Abuja	Abuja	97,200,000	-	-	-	97,200,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	250,000,000	-	-	28,800,000	278,800,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	32,940,000	-	-	-	32,940,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	10,450,000	-	-	-	10,450,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	693,600,000	-	-	-	693,600,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	730,000,000	-	-	-	730,000,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	539,243,109	-	-	-	539,243,109
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	3,960,000	-	-	-	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	4,510,000	-	-	-	4,510,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	30,780,400	-	-	18,000,000	48,780,400
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	5,280,000	-	-	-	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	37,260,000	-	-	-	37,260,000
UTC Building at 119 Broad Street, Lagos	Lagos	408,000,000	-	-	100,000,000	508,000,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	Ibadan	127,500,000	-	-	-	127,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	5,500,000	-	-	-	5,500,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	5,775,000	-	-	-	5,775,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	1,885,000,000	-	-	-	1,885,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	62,640,000	-	-	-	62,640,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	2,105,000,000	-	-	624,000,000	2,729,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	123,420,000	-	-	-	123,420,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Ibadan	60,000,000	-	-	-	60,000,000
Land at Monarch Comm. Awodiora Landed Property	Lagos	760,000,000	-	-	-	760,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	510,000,000	-	-	-	510,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	1,363,500,000	-	-	100,000,000	1,463,500,000
	Sub total	**15,186,765,633**	**-**	**(891,282,586)**	**1,014,884,291**	**15,310,367,338**

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		31 December 2017				
Description of properties	Location	At I January	Addition	Disposal	Fair value gain	Carrying amount
		N	N	N	N	N
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	450,000,000	-	-	-	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	7,370,000	-	-	-	7,370,000
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali.	Foreign	511,282,586	-	(511,282,586)	-	-
Land at Ikorodu Industrial Estate, Ikorodu	Lagos	215,000,000	-	-	-	215,000,000
Building at Block A14, Flat 3 Games Village, Abuja	Abuja	97,200,000	-	-	-	97,200,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	250,000,000	-	-	28,800,000	278,800,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	32,940,000	-	-	-	32,940,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	10,450,000	-	-	-	10,450,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	693,600,000	-	-	-	693,600,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	730,000,000	-	-	-	730,000,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	539,243,109	-	-	-	539,243,646
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	3,960,000	-	-	-	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	4,510,000	-	-	-	4,510,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	30,780,400	-	-	18,000,000	48,780,400
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	5,280,000	-	-	-	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	37,260,000	-	-	-	37,260,000
UTC Building at 119 Broad Street, Lagos	Lagos	408,000,000	-	-	100,000,000	508,000,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	Ibadan	127,500,000	-	-	-	127,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	5,500,000	-	-	-	5,500,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	5,775,000	-	-	-	5,775,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	1,885,000,000	-	-	-	1,885,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	62,640,000	-	-	-	62,640,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	2,105,000,000	-	-	624,000,000	2,729,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	123,420,000	-	-	-	123,420,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Ibadan	60,000,000	-	-	-	60,000,000
Land at Monarch Comm. Awodiora Landed Property	Lagos	760,000,000	-	-	-	760,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	510,000,000	-	-	-	510,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	1,363,500,000	-	-	100,000,000	1,463,500,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	331,500,000	-	-	-	331,506,490
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	37,800,000	-	-	-	37,800,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	7,370,000	-	-	-	7,370,000
Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	1,000,000,000	-	-	400,000,000	1,400,000,000
Land at Ajah Village Land	Lagos	18,000,000	-	-	-	18,000,000
Land at Alasia Sangotedo in Lekki	Lagos	13,250,000	-	-	-	13,250,000
Land at LASG Alasia Lekki-Epe Property	Lagos	25,000,000	-	-	-	25,000,000
Land at 43/45 Akinoye street,Idimu, Lagos	Lagos	6,600,000	-	-	-	6,600,000
Building at 595 Agege Motor Road, Lagos	Lagos	39,960,000	-	-	-	39,960,000
	Sub total	**12,544,171,095**	**-**	**(511,282,586)**	**1,270,800,000**	**13,303,695,536**
	Grand total	**16,856,265,633**	**-**	**(891,282,586)**	**1,414,884,291**	**17,379,876,664**

INDUSTRIAL AND GENERAL INSURANCE PLC

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16.2. The Status of perfection for the investment properties are as follows:

				Company	
	Description of properties	**Location**	**Status of perfection**	**2018**	2017
1	Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	Perfected title with acquired SPV	**3,000,000,000**	3,000,000,000
2	Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	FCT	Perfected	**97,200,000**	97,200,000
3	Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	Perfected	**403,057,351**	309,638,829
4	Land at Ikorodu Industrial Estate, Ikorodu	Lagos	Perfected	**215,000,000**	215,000,000
5	Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	Perfected	**730,000,000**	730,000,000
6	Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	Perfected	**510,000,000**	510,000,000
7	UTC Building at 119 Broad Street, Lagos	Lagos	Perfected	**584,000,000**	508,000,000
8				**5,539,257,351**	5,369,838,829
9					
10	Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	Disposed post balance sheet	**300,000,000**	278,800,000
11	Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Ibadan	Disposed post balance sheet	**-**	60,000,000
12	Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	Disposed post balance sheet	**37,260,000**	37,260,000
13	Building at No 2, Joseph Str. Lagos Island, Lagos		Disposed post balance sheet	**-**	-
14	Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali		Disposed post balance sheet	**-**	-
15	Building at Property along Oyemekun Road, Akure	Akure	Disposed post balance sheet	**24,840,000**	24,840,000
16	Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	Disposed post balance sheet	**1,463,510,000**	1,463,510,000
				1,825,610,000	1,864,410,000
	Total Admissible			**7,364,867,351**	7,234,248,829
17	Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	Duly excuted deed of assignment with ri	**3,960,000**	3,960,000
18	Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	Duly excuted deed of assignment with ri	**4,510,000**	4,510,000
19	Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	Duly excuted deed of assignment with ri	**5,280,000**	5,280,000
20	Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	Duly excuted deed of assignment with ri	**5,500,000**	5,500,000
21	Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	Duly excuted deed of assignment with ri	**5,775,000**	5,775,000
22	Land at 43/45 Akinoye street,Idimu, Lagos	Lagos	Duly excuted deed of assignment with ri	**6,600,000**	6,600,000
23	Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	Duly excuted deed of assignment with ri	**10,450,000**	8,800,000
24	Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with ri	**16,200,000**	10,450,000
25	Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	Duly excuted deed of assignment with ri	**16,200,000**	16,200,000
26	Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with ri	**19,400,000**	16,200,000
27	Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with ri	**19,400,000**	19,400,000
28	Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Rivers	Duly excuted deed of assignment with ri	**19,980,000**	19,400,000
29	Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Kaduna	Duly excuted deed of assignment with ri	**21,800,000**	19,980,000
30	Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**23,760,000**	23,760,000
31	Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**23,760,000**	23,760,000
32	Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	Duly excuted deed of assignment with ri	**32,940,000**	32,940,000
33	Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	Duly excuted deed of assignment with ri	**34,560,000**	34,560,000
34	Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly excuted deed of assignment with ri	**37,800,000**	37,800,000
35	Building at 595 Agege Motor Road, Lagos	Lagos	Duly excuted deed of assignment with ri	**39,960,000**	39,960,000
36	Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**48,600,000**	48,600,000
	Sub-total			**396,435,000**	383,435,000

	Description of properties	Location	Status of perfection	2018	2017
37	Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	Duly excuted deed of assignment with ri	**48,780,400**	48,780,400
38	Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
39	Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
40	Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
41	Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
42	Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
43	Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with ri	**51,840,000**	51,840,000
44	Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	Duly excuted deed of assignment with ri	**62,640,000**	62,640,000
45	Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	Ibadan	Duly excuted deed of assignment with ri	157,500,000	127,500,000
46	Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly excuted deed of assignment with ri	**7,370,000**	7,370,000
47	Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Not perfected	**7,370,000**	7,370,000
48	Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	**7,370,000**	7,370,000
49	Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	**7,370,000**	7,370,000
50	Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	**7,370,000**	7,370,000
51	Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	**7,370,000**	7,370,000
52	Land at Alasia Sangotedo in Lekki	Lagos	Not perfected	**13,250,000**	13,250,000
53	Land at Ajah Village Land	Lagos	Not perfected	**18,000,000**	18,000,000
54	Land at LASG ALASIA LEKKI-EPE PROPERTY	Lagos	Not perfected	**25,000,000**	25,000,000
55	Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Not perfected	**37,800,000**	37,800,000
56	Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Not perfected	**65,000,000**	65,000,000
57	Building at Block A14, Flat 3 Games Village, Abuja	Abuja	Duly excuted deed of assignment with ri	**97,200,000**	97,200,000
58	Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	Not perfected	**123,420,000**	123,420,000
59	Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	Not perfected	**331,500,000**	331,500,000
60	Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	Not perfected	**450,000,000**	450,000,000
61	Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	Duly excuted deed of assignment with ri	**539,243,109**	539,243,109
62	Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Not perfected	**693,600,000**	693,600,000
63	Land at Monarch Comm. Awodiora Landed Property	Lagos	Duly excuted deed of assignment with ri	**760,000,000**	760,000,000
64	Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	Duly excuted deed of assignment with ri	1,500,000,000	1,400,000,000
65	Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	Duly excuted deed of assignment with ri	**1,885,000,000**	1,885,000,000
66	Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duly excuted deed of assignment with ri	2,829,000,000	2,729,000,000
	Sub-total			**9,992,193,509**	9,762,193,509
	Total Inadmissible			**10,388,628,509**	10,145,628,509
				17,753,495,860	17,379,877,338

The increase in the list is of inadmissible properties for solvency capital from N10.146 billion in 2017 to N10.389 billion in 2018 arose from the increased compliance drive by the National Insurance Commission of Nigeria which has required that all properties without fully perfected titles be 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 Commission of Nigeria who also is committed to admitting the same for solvency calculation when perfection is achieved.

17. Property plant and equipment - Group

Cost and/or Valuation	Land	Buildings	Leasehold improvement	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Telecommunication equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2017	**2,827,307**	**4,700,785**	**148,452**	**1,458,709**	**1,319,142**	**150,016**	**757,485**	**-**	**11,361,897**
Additions	-	391,888	-	-	4,203	339	7,241	-	403,671
Revaluation surplus	(352,944)	781,659	-	-	-	-	-	-	428,715
Disposal		-	-	(48,438)	(1,500)	-	-	-	(49,938)
Adjustments	(1,468,723)	1,115,830	-	-	-	-	8,365	-	(344,528)
Transferred to Held for sale (Note 11)	-	(394,783)	-	-	-	-	-	-	(394,783)
Impact of investment reclassified to available for sale	-	(1,259,468)	-	(102,860)	(229,999)	(6,413)	(243,308)	-	(1,842,048)
Translation adjustment	20,710	398,334	-	(53,226)	(519,221)	458,690	(15,983)	-	289,303
As 31 December 2017	**1,026,350**	**5,734,245**	**148,452**	**1,254,186**	**572,625**	**602,632**	**513,800**	**-**	**9,852,289**
At 1 January 2018	**1,026,350**	**5,734,245**	**148,452**	**1,254,186**	**572,625**	**602,632**	**513,800**	**-**	**9,852,289**
Additions	**-**	**-**	**-**	**-**	**4,231**	**339**	**6,902**	**-**	**11,472**
Revaluation surplus	**58,373**	**438,163**	**-**	**-**	**-**	**-**	**-**	**-**	**496,536**
Disposal	**-**	**(777,200)**	**-**	**(48,438)**	**-**	**-**	**-**	**-**	**(825,638)**
Transfer from investment properties (Note 16)	**-**	**389,422**	**-**	**-**	**-**	**-**	**-**	**-**	**389,422**
Translation adjustment	**-**	**(110,891)**	**-**	**33,218**	**(35,052)**	**(13,338)**	**(14,966)**	**-**	**(141,030)**
As 31 December 2018	**1,084,723**	**5,673,739**	**148,452**	**1,238,966**	**541,803**	**589,633**	**505,736**	**-**	**9,783,051**
Depreciation and impairment									
At 1 January 2017	**-**	**838,450**	**148,452**	**1,334,949**	**1,231,321**	**144,022**	**730,800**	**-**	**4,427,994**
Charged for the year	-	62,802	-	30,396	8,632	11,478	7,445	-	120,753
Disposal	-	-	-	(28,020)	(1,500)	-	-	-	(29,521)
Revaluation	-	(1,155)	-	-	-	-	-	-	(1,155)
Adjustments	-	1,656	-	11,846	7,058	548	8,822	-	29,930
Impact of investment reclassified to available for sale	-	(483,098)	-	(70,451)	(200,271)	(3,513)	(226,570)	-	(983,903)
Translation adjustment	-	294	-	(55,188)	(500,606)	437,927	(16,650)	-	(134,223)
As 31 December 2017	**-**	**418,949**	**148,452**	**1,223,532**	**544,634**	**590,462**	**503,847**	**-**	**3,429,876**
At 1 January 2018	**-**	**418,949**	**148,452**	**1,223,532**	**544,634**	**590,462**	**503,847**	**-**	**3,429,876**
Charged for the year	**-**	**60,240**	**-**	**31,620**	**8,141**	**6,954**	**7,934**	**-**	**114,889**
Disposal	**-**	**(74,712)**	**-**	**1**	**-**	**-**	**-**	**-**	**(74,711)**
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Translation adjustment	**-**	**(3,970)**	**0**	**(34,039)**	**(32,810)**	**(18,226)**	**(16,787)**	**-**	**(105,831)**
As 31 December 2018	**-**	**400,507**	**148,452**	**1,221,114**	**519,965**	**579,191**	**494,994**	**-**	**3,364,223**
Carrying amount:									
31 December 2017	1,026,350	5,315,296	-	30,654	27,991	12,170	9,953	-	6,422,413
31 December 2018	**1,084,723**	**5,273,232**	**-**	**17,852**	**21,839**	**10,443**	**10,742**	**-**	**6,418,828**

i. Included in the depreciation charged for the year was N114,889,583 (December 2017 : N120,752,391) in the management /administrative expenses and a charge of Nil (December 2017 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Group.

ii. There is an Asset Debenture Security (Landed property at Plott 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans limited by the Holding Company while legal mortgage charge over landed and property on plot 13B Kmapala road (Included as part of investment properties) while overdraft from Guranty Trust Bank was secured by Lien on 2,068,172 units of New Vision shares (presented as FVTPL) by NIC Holdings.

iii. No impairment of property, plant and equipment during the year

iv. 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 value of the Group's Land and Buildings. As at December 2018, 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 surplus balance of N209.739 million (Dec 2017: N781.660 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 date 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 Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

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17. Property plant and equipment-Company

Cost and/or Valuation	Land	Buildings	Leasehold improvement	Motor Vehicles	Furniture and fittings	Office equipment	Computer equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2017	**2,478,622**	**2,775,210**	**148,452**	**1,034,469**	**402,977**	**535,054**	**390,135**	**7,764,919**
Additions	-	-	-	-	172	-	540	712
Revaluation surplus	0	762,560	-	-	-	-	-	762,560
Adjustments	(1,468,773)	1,115,830	-	-	-	-	8,365	(344,578)
As 31 December 2017	**1,009,849**	**4,653,600**	**148,452**	**1,034,469**	**403,149**	**535,054**	**399,040**	**8,183,613**
At 1 January 2018	**1,009,849**	**4,653,600**	**148,452**	**1,034,469**	**403,149**	**535,054**	**399,040**	**8,183,613**
Additions	**-**	**-**	**-**	**-**	**200**	**-**	**201**	**401**
Revaluation surplus	**58,373**	**419,163**	**-**	**-**	**-**	**-**	**-**	**477,536**
Disposal	**-**	**(367,200)**	**-**	**-**	**-**	**-**	**-**	**(367,200)**
As 31 December, 2018	**1,068,222**	**4,705,563**	**148,452**	**1,034,469**	**403,349**	**535,054**	**399,241**	**8,294,350**
Depreciation and impairment	-							
At 1 January 2017	**-**	**354,328**	**148,452**	**1,022,609**	**388,939**	**519,070**	**388,610**	**2,822,008**
Charged for the year	-	55,504	-	11	3,142	8,442	904	68,003
Adjustments	-	1,656	-	11,845	7,058	548	8,822	29,929
As 31 December 2017	**-**	**411,488**	**148,452**	**1,034,465**	**399,139**	**528,060**	**398,336**	**2,919,940**
At 1 January 2018	**-**	**411,488**	**148,452**	**1,034,465**	**399,139**	**528,060**	**398,336**	**2,919,940**
Charged for the year	**-**	**46,839**	**-**	**-**	**1,969**	**4,038**	**431**	**53,277**
Disposal	**-**	**(74,712)**	**-**	**1**	**-**	**-**	**-**	**(74,711)**
As 31 December 2018	**-**	**383,615**	**148,452**	**1,034,466**	**401,108**	**532,098**	**398,767**	**2,898,505**
Carrying amount:								
31 December 2017	1,009,849	4,242,112	-	4	4,010	6,994	704	5,263,673
31 December 2018	**1,068,222**	**4,321,948**	**-**	**3**	**2,241**	**2,956**	**474**	**5,395,844**

i. Included in the depreciation charged for the year was N53,277,291 (December 2017 :N68,003,662) in the management /administrative expenses and a charge of Nil(December 2016 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Company.

ii. There is an Asset Debenture Security (Landed property at Plott 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans limited .

iii. No impairment of property, plant and equipment during the year

iv. Fair Values of Land and Building

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. As at December 2018, 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 surplus balance of N543,583 million (Dec 2017: N762.560 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 date 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 Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

17.b Analysis of revaluation surplus

31 December 2018 Company only

Description of properties	At 1 January	Addtion	Accumlated Dereciation Disposal	Cost Disposal	Fair value gain	At 31 December
	N'000	N'000	N'000	N'000	N'000	N'000
9, Lebanon Street, Ibadan	90,180	-	-	-	46,221	136,401
Plot 75/3c Yakubu Gowon Way Jos	37,260	-	-	-	5,668	42,928
Plot 722 Akibo Savage VI Lagos	367,200	-	-	(367,200)	-	-
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	2,242,800	-	-	-	249,834	2,492,634
Commercial Land @ Rumukrussi P/H	158,916	-	-	-	58,373	217,289
Land Along Lekki Expressway (Plot 8 Lekki Pennisula Scheme I Blk 128)	43,000	-	-	-	-	43,000
'Lekki Pennisula, Lagos (plot 2 Block 1 Oniru Chieftancy Land)	750,000	-	-	-	-	750,000
Payment On Lanlate Land And N1m Premium	6,000	-	-	-	-	6,000
Payment On Land At Ikorodu	10,933	-	-	-	-	10,933
Purchase Of Land At Oshogbo	11,000	-	-	-	-	11,000
Property at Abeokuta ExpressWay, Abule Egba	86,400	-	-	-	-	86,400
Kamax Global Services, 21/22 University Road, Gbagwalada, Abuja	30,000	-	-	-	-	30,000
2 Agoro Odiyan Street, Off Adeola Odeku Street, V.I	1,829,760	-	-	-	117,440	1,947,200
	5,663,449	-	-	(367,200)	477,536	5,773,785
Depreciation and impairment	(411,488)	(46,839)	74,712	-	-	(383,615)
	5,251,961	**(46,839)**	**74,712**	**(367,200)**	**477,536**	**5,390,170**

17.b Analysis of revaluation surplus

31 December 2017 Company only

Description of properties	At 1 January	Addtion	Transfers from subsidiaries	Disposal	Fair value gain	At 31 December
	N'000	N'000	N'000	N'000	N'000	N'000
9, Lebanon Street, Ibadan	90,180	-	-	-	-	90,180
Plot 75/3c Yakubu Gowon Way Jos	37,260	-	-	-	-	37,260
Plot 722 Akibo Savage VI Lagos	367,200	-	-	-	-	367,200
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	1,950,000	-	-	-	292,800	2,242,800
Commercial Land @ Rumukrussi P/H	158,916	-	-	-	-	158,916
Land Along Lekki Expressway (Plot 8 Lekki Pennisula Scheme I Blk 128)	43,000	-	-	-	-	43,000
'Lekki Pennisula, Lagos (plot 2 Block 1 Oniru Chieftancy Land)	750,000	-	-	-	-	750,000
Payment On Lanlate Land And N1m Premium	6,000	-	-	-	-	6,000
Payment On Land At Ikorodu	10,933	-	-	-	-	10,933
Purchase Of Land At Oshogbo	11,000	-	-	-	-	11,000
Property at Abeokuta ExpressWay, Abule Egba	86,400	-	-	-	-	86,400
Kamax Global Services, 21/22 University Road, Gbagwalada, Abuja	30,000	-	-	-	-	30,000
2 Agoro Odiyan Street, Off Adeola Odeku Street, V.I	1,360,000	-	-	-	469,760	1,829,760
	4,900,889	-	-	-	762,560	5,663,449
Depreciation and impairment	-	-	-	-	-	(411,488)
	4,900,889	**-**	**-**	**-**	**762,560**	**5,251,961**

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		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
18.	**Statutory deposits**				
	At 1 January	**575,014**	588,175	**500,000**	500,000
	Additions during the year	**52,854**	72,122	**-**	-
	Withdrawals during the year	**(54,080)**	(86,438)	**-**	-
	Interest earned	**1,809**	5,247	**-**	-
	Impairment provision on statutory deposit	**(55)**	-	**-**	-
	Translation adjustment	**(20,934)**	(4,092)	**-**	-
	At 31 December	**554,608**	575,014	**500,000**	500,000
	Current	**1,809**	5,247	**-**	-
	Non Current	**552,799**	569,767	**500,000**	500,000
		554,608	575,014	**500,000**	500,000

18.1. This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2018 (2017: 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. While remaing balances came from the foreign subsidiary NIC Holdings Ltd Uganda.

19.	**Share capital**				
19.1	**Authorised:**				
	24,000,000,0000 ordinary shares of 50 kobo per share	**12,000,000**	12,000,000	**12,000,000**	12,000,000
19.2	**Issued and fully paid:**				
	14,231,237,284 ordinary shares of 50 kobo per share				
	Movement in issued and fully paid				
	At 1 January	**7,115,619**	7,115,619	**7,115,619**	7,115,619
	At 31 December	**7,115,619**	7,115,619	**7,115,619**	7,115,619
19.3	**Share premium**				
	Number (units) of shares issued	**14,231,237**	14,231,237	**14,231,237**	14,231,237
	Issue price	**-**	-	**-**	-
	Issue proceeds (in Naira)	**8,530,781**	8,530,781	**8,530,781**	8,530,781
	Nominal value	**-**	-	**-**	**-**
	Issue expenses	**-**	**-**	**-**	**-**
	At 31 December	**8,530,781**	8,530,781	**8,530,781**	8,530,781

19.3a Premiums from the issue of shares are reported in share premium.

20.	**Assets revaluation reserve**				
	At 1 January	**5,489,812**	5,258,209	**5,159,421**	4,826,118
	Gain on valuation of property,plant and equipment	**410,995**	780,326	**477,536**	762,497
	Deferred tax effect	**(47,754)**	(76,250)	**(47,754)**	(76,250)
	Reversal of revaluation	**66,047**	(352,943)	**66,048**	(352,944)
	Transfer to retained earnings (Note 20.2)	**(263,200)**	(101,079)	**(263,200)**	-
	Impact of investment reclassified to available for sale	**-**	(731,947)	**-**	-
	Translation adjustment	**28,690**	713,496	**-**	-
	At 31 December	**5,684,590**	5,489,812	**5,392,051**	5,159,421

20.1 Additions and decreases in assets revaluation arises as a result of revaluation and disposal of assets.

20.2 The amount of N263,200,000.00 represents asset revaluation surplus realised on the disposal of property at plot 722 Akibo Savage Victorial Island, Lagos.

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
21. Fair value reserve				
At 1 January	**174,262**	629,681	**66,676**	66,676
Gain/(loss) on available for sale (Note 6.2)	**434,529**	30,402	**423,163**	-
Deferred tax effect	**(4,871)**	-	**-**	-
Impact of investment reclassified to available for sale	**-**	(941,653)	**-**	-
Translation adjustment	**4,871**	455,832	**-**	-
At 31 December	**608,791**	174,262	**489,839**	66,676

i. 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 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
22. Contingency reserve				
At 1 January	**3,743,134**	3,034,853	**2,845,224**	2,771,938
Transfer from retained earnings (Note 23)	**192,700**	525,931	**38,906**	73,286
Share of surplus/transfer from life fund	**-**	-	**-**	-
Translation adjustment	**(751,238)**	182,350	**-**	-
At 31 December	**3,184,596**	3,743,134	**2,884,130**	2,845,224

i. As required by insurance regulations, a contingency reserve is maintaned 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.

ii. 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 written.

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
23. Loss sustained				
At 1 January	**(17,573,897)**	(20,348,021)	**(18,271,687)**	(17,785,105)
Loss for the year	**(445,040)**	(263,320)	**(358,916)**	(413,297)
Dividend paid / declared	**36,432**	(6,917)	**-**	-
Transfer to capital reserve(Note 24)	**(2,679)**	(5,879)	**-**	-
Transfer to statutory reserve (Note 26)	**-**	(5,131)	**-**	-
Transfer to contingency reserve (Note 22)	**(192,700)**	(525,931)	**(38,907)**	(73,285)
Transfer from assets revaluation reserve (Note 20)	**263,200**	101,079	**263,200**	**-**
Impact of investment reclassified to available for sale	**-**	2,710,357	**-**	**-**
Translation adjustment	**(67,423)**	769,866	**-**	-
At 31 December	**(17,982,107)**	(17,573,897)	**(18,406,310)**	(18,271,687)

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
24.	**Capital reserve**				
	At 1 January	**131,557**	73,619	**-**	-
	Transfer from retained earnings (Note 23)	**2,679**	5,879	**-**	-
	Transfer from Statutory (regulatory) reserve (Note 26)	**-**	-	**-**	-
	Translation adjustment	**-**	52,059	**-**	-
	At 31 December	**134,236**	131,557	**-**	-

24.1 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 2018	Group 2017	Company 2018	Company 2017
25.	**Foreign exchange reserve**				
	At 1 January	**(340,811)**	(55,791)	**-**	-
	Movement during the year	**(215,216)**	(285,020)	**-**	-
	Translation adjustment	**-**	(0)	**-**	-
	At 31 December	**(556,027)**	(340,811)	**-**	-

		Group 2018	Group 2017	Company 2018	Company 2017
26.	**Statutory (regulatory) reserve**				
	At 1 January	**162,473**	238,681	**-**	-
	Transfer from retained earnings (Note 23)	**-**	5,131	**-**	-
	Transfer to capital reserve (Note 24)	**-**	-	**-**	-
	Impact of investment reclassified to available for sale	**-**	(210,931)		
	Translation adjustment	**20,134**	129,592	**-**	-
	At 31 December	**182,607**	162,473	**-**	-

		Group 2018	Group 2017	Company 2018	Company 2017
27.	**Non controlling interest**				
	The Non-Controlling interest in the subsidaries is hereby presented below:				
	At 1 January	**39,007**	(612,563)	**-**	-
	Loss for the year	**(35,644)**	(23,440)	**-**	-
	Share of revaluation gain in retained earnings	**-**	10,193	**-**	-
	Share of dividend paid / declared	**-**	(48,976)	**-**	-
	Share of ordinary share capital	**-**	469	**-**	-
	Share of share premium	**-**	237	**-**	-
	Share of assets revaluation reserve	**(6,710)**	2,274	**-**	-
	Share of reversal of revaluation	**-**	-	**-**	-
	Share of fairvalue reserve	**8,763**	16,407	**-**	-
	Share of contingency reserve	**5,391**	86,645	**-**	-
	Share of capital reserve	**1,446**	3,173	**-**	-
	Share of foreign exchange reserve	**(132,139)**	(172,730)	**-**	-
	Share of statutory (regulatory) reserve	**260**	65	**-**	-
	Share of surplus/transfer from life fund	**-**	-	**-**	-
	Impact of investment reclassified to available for sale	**-**	968,953	**-**	-
	Deferred tax effect	**(2,629)**	(226)	**-**	-
	Translation adjustment	**0**	(191,474)	**-**	-
	At 31 December	**(122,255)**	39,007	**-**	-

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
28.	**Insurance contract liabilities**		-		
	Reserve for Reported claims by policyholders (Note 28.1.2)	**6,091,175**	6,024,617	**5,895,404**	5,706,309
	Provision for Claims incurred but not reported (Note 28.1.1)	**701,873**	1,136,639	**669,952**	1,083,405
	Outstanding Claims Provision (Note 28.1)	**6,793,048**	7,161,256	**6,565,356**	6,789,714
	Unearned Premium (Note 28.2i)	**1,011,621**	1,614,055	**291,262**	623,116
	Reserve for life fund (Note 39)	**2,325,801**	2,246,457	**2,189,839**	2,057,915
	Unexpired Life Insurance Contract fund (Note 28.2ii)	**51,196**	38,138	**51,196**	38,138
	Total Insurance Contract Liabilities	**10,181,666**	11,059,906	**9,097,653**	9,508,883
	Current	**4,581,750**	4,976,958	**4,093,944**	4,278,997
	Non Current	**5,599,916**	6,082,948	**5,003,709**	5,229,886
		10,181,666	11,059,906	**9,097,653**	9,508,883
28.1	**Analysis of outstanding Claims Provision**				
28.1.1	**Incured but not reported Claims (IBNR)**				
i.	**General business:**				
	Fire	**44,950**	36,103	**33,497**	22,976
	General accident	**65,467**	82,392	**55,387**	76,703
	Motor	**64,307**	40,964	**57,634**	31,706
	Aviation and marine	**32,615**	86,504	**28,899**	61,800
	Agric	**-**	-	**-**	**-**
	Engineering	**35,941**	31,388	**35,941**	31,389
	Oil and Energy	**296,347**	712,416	**296,347**	592,226
	Health Management Services (HMO)	**-**	-	**-**	-
	General business total:	**539,627**	989,767	**507,705**	816,800
ii.	Group Life business	**162,247**	146,872	**162,247**	266,605
		701,874	**1,136,639**	**669,952**	**1,083,405**
28.1.2	**Outstanding claims**				
i.	**General business:**				
	Fire	**521,172**	531,410	**488,869**	462,750
	General accident	**221,531**	202,210	**174,671**	171,726
	Motor	**130,309**	135,330	**99,284**	86,977
	Aviation and marine	**322,306**	266,855	**305,028**	135,905
	Agric	**-**	308	**-**	308
	Engineering	**471,845**	473,619	**471,845**	473,619
	Oil and Energy	**1,243,231**	1,127,616	**1,243,231**	1,247,806
	Health Management Services (HMO)	**47,362**	1,154	**0**	-
		2,957,756	2,738,502	**2,782,928**	2,579,091
	Total Claims reserve - Non life	**3,497,383**	3,728,269	**3,290,633**	3,395,891
ii.	Group business	**3,020,224**	3,317,448	**2,999,282**	3,011,679
	Individual business	**113,194**	115,539	**113,194**	115,539
	Total Claims reserve - Life	**3,295,665**	3,432,987	**3,274,723**	3,393,823
	Total	**6,793,048**	**7,161,256**	**6,565,356**	**6,789,714**
28.1a	**The movement in the provision for outstanding cla**				
	At 1 January	**7,161,256**	8,777,440	**6,789,714**	6,310,509
	Movement during the year (Note 37.1b)	**(250,972)**	430,082	**(224,358)**	479,205
	Impact of investment reclassified to available for sale	**-**	(5,834,487)	**-**	-
	Translation adjustment	**(117,236)**	3,788,221	**(0)**	(0)
	At 31 December	**6,793,048**	7,161,256	**6,565,356**	6,789,714

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
28.2	**Unearned Premium and Unexpired risk**				
i.	**General business:**				
	Fire	**120,809**	165,927	**57,222**	78,549
	General accident	**92,990**	273,008	**42,730**	64,907
	Motor	**417,907**	539,531	**137,429**	218,746
	Aviation and marine	**266,128**	425,471	**16,339**	81,442
	Agric	**-**	-	**-**	-
	Engineering	**36,546**	154,017	**32,305**	153,798
	Oil and Energy	**5,237**	25,674	**5,237**	25,674
	Health Management Services (HMO)	**72,004**	30,427	**-**	-
		1,011,621	1,614,055	**291,262**	623,116
ii.	**Life business**				
	Group business	**-**	-	**-**	-
	Individual business	**51,196**	38,138	**51,196**	38,138
		51,196	38,138	**51,196**	38,138
	Total	**1,062,817**	1,652,193	**342,458**	661,254
28.2a	**Movement in the unexpired risks account during the year was as follows:**				
	At 1 January	**1,652,191**	5,491,448	**661,253**	951,465
	Additions during the year	**4,381,364**	4,814,592	**1,423,581**	2,580,000
	Amortised during the year	**(4,970,738)**	(6,002,177)	**(1,742,376)**	(2,870,212)
	Impact of investment reclassified to available for sale		(2,651,672)		
	Translation adjustment	**-**	-	**-**	-
	At 31 December	**1,062,817**	1,652,191	**342,458**	661,253

28.3 Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2018. The actuarial value of the net liability of the fund was N2,403,282,000 (31 Dec 2017 : N2,363,114,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2018 was carried out by HR Nigeria Limited, 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.

28.4 Age anaysis of Outstanding claims:

31 December 2018-Company only						
	0-90days	**91-180days**	**181-270days**	**271-365days**	**365+ days**	**Total**
Amount Range	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
0 - 100,000	360	643	1,248	1,865	1,913	6,029
100,001 - 250,000	1,193	5,607	2,951	10,991	41,285	62,027
250,001 - 500,000	3,609	2,179	3,256	3,894	27,764	40,702
500,001 - 1,000,000	9,061	11,636	12,284	24,400	208,093	265,475
1,000,001 - 2,500,000	2,912	19,142	37,078	28,848	518,748	606,728
2,500,001 - 5,000,000	18,818	11,398	16,645	13,103	344,278	404,242
5,000,001 - Above	135,883	8,318	43,875	139,432	4,182,692	4,510,200
IBNR						669,952
Grand Total	**171,836**	**58,923**	**117,338**	**222,533**	**5,324,774**	**6,565,356**

31 December 2017-Company only						
	0-90days	**91-180days**	**181-270days**	**271-365days**	**365+ days**	**Total**
Amount Range	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
0 - 250,000	149,838	120,721	251,994	435,592	301,504	1,259,649
250,001 - 500,000	5,198	3,524	4,020	3,538	244,284	260,564
500,001 - 1,500,000	636	3,800	503	1,000	502,706	508,645
1,500,001 - 2,500,000	6,079	-	5,104	-	59,568	70,751
2,500,001 - 5,000,000	6,375	3,050	2,664	-	3,086,408	3,098,497
5,000,001 - Above	7,531	10,454	8,050	-	482,169	508,204
IBNR	-	-	-	-	-	1,083,405
Grand Total	**175,657**	**141,549**	**272,336**	**440,130**	**4,676,638**	**6,789,714**

28.5. 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 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. 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.

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 14.21%.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
29.	**Investment contract liabilities**				
29.1	**Deposit administration**				
	At 1 January	**10,468,655**	13,926,602	**8,766,506**	8,913,995
	Additions during the year:				
	Receipts on deposit administration on Group and individual life	**-**	26	**39**	26.00
	Receipts on Investment premium on Individual life	**849,277**	1,144,218	**787,623**	1,054,181
	Withdrawals during the year:				
	Withdrawals - deposit administration on Group and individual life	**-**	-		
	Withdrawals - Investment premium on Individual life	**(682,230)**	(199,996)	**(624,295)**	(788,484)
	Net deposit administration for the year	**167,047**	**944,248**	**163,367**	**265,723**
		10,635,701	**14,870,850**	**8,929,872**	**9,179,718**
	Guaranteed interest:				
	Guaranteed interest on Individual life (Note 43)	**615,672**	443,087	**615,672**	443,087
	Fee income:				
	Fee/Lapsed investment contract policies on Individual	**(887,741)**	(1,020,312)	**(883,368)**	(895,903)
	Actuarial surplus/(deficit) during the year (Note 43)	**12,470**	19,927	**(36,091)**	39,604
	Impact of investment reclassified to available for sale	**-**	(3,672,566)	**-**	-
	Translation adjustment	**(556,136)**	(172,331)	**-**	
	At 31 December	**9,819,966**	10,468,655	**8,626,085**	8,766,506
29.2	**Managed funds (i)**	**50,636**	71,337	**-**	-
	Total Investment Contract Liabilities	**9,870,602**	10,539,992	**8,626,085**	8,766,506
	Current	**3,340,962**	3,565,598	**3,510,776**	3,565,598
	Non Current	**6,529,640**	6,974,394	**5,115,310**	5,200,908
		9,870,602	10,539,992	**8,626,085**	8,766,506

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

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
30.	**Trade payables**				
	Due to Reinsurance	**575,446**	221,703	**271,380**	201,548
	Commissions and other payables to brokers	**76,994**	713,081	**-**	53,029
	Due to Co-insurance	**584,298**	432,419	**584,298**	432,419
		1,236,738	1,367,203	**855,678**	686,996

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
31.	**Loans and borrowings**				
	Bank overdraft (Note 31.2)	**27,209**	14,780	**481,407**	344,775
	Term loan (Note 31.3)	**1,049,215**	1,657,471	**5,499**	5,499
	Debenture loan (Note 31.4)	**107,336**	107,336	**-**	-
	Total	**1,183,760**	1,779,587	**486,906**	350,274
31.1.	**Movement in Loans & borrowings**				
	At 1 January	**1,779,587**	1,800,012	**350,274**	226,610
	Addition during the year	**134,018**	430,154	**124,204**	330,154
	Repayments during the year	**(779,634)**	(555,358)	**(170,914)**	(398,282)
	Interest on loan during the year(Note 47)	**49,789**	104,779	**183,342**	191,792
	Translation adjustment	**-**	-	**-**	-
	At 31 December	**1,183,760**	1,779,587	**486,906**	350,274
	Current	**27,209**	14,780	**481,407**	344,775
	Non Current	**1,156,551**	1,764,807	**5,499**	5,499
		1,183,760	1,779,587	**486,906**	350,274

31.2. Bank Overdraft:

The Group has overdraft facilities with Global Trust Savings & Loans limited to supplement working capital & finance operational expenses for a tenor of 12 months with 26% interest rate per annum. The facility is renewable.

Also, overdraft facilities with Guaranty Trust bank for N30.1 million.

31.3. Term Loans

Term Loans were obtained from Access Bank Plc by the Parent Company , Guaranty Trust Bank Uganda & Bank of Africa Uganda by National Insurance Company Limited,Uganda ,Skye bank (Now Polaris Bank) by Global Trust Savings and Loans and International Health Management Services Ltd with 12% p.a respectively.

31.4. Debenture loan

The Group has Debenture liability through Monarch Communications Limited.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
32.	**Other payables and accruals**				
	Payable to related parties (Note 13ii)	**781,831**	792,527	**194,250**	194,250
	Accrued Expenses (Note 32.1)	**1,692,795**	1,557,619	**1,531,232**	1,329,172
	Rent received in advance	**176,764**	132,915	**163,468**	110,151
	Information Technology Levy	**20,686**	20,686	**20,686**	20,686
	Deposits and other customers' accounts (32.2)	**788,820**	678,894	**-**	-
	Witholding Tax	**196,203**	193,375	**172,422**	173,351
	Pension Contributions	**712,108**	624,659	**701,356**	618,465
	National Housing Fund	**73,811**	69,888	**73,359**	68,909
	Pay As You Earn	**91,319**	118,277	**80,488**	108,028
	Health Management Services	**23,333**	12,647	**23,333**	12,647
	NAICOM supervisory levy	**53,731**	31,646	**53,731**	31,646
	Other statutory deductions	**413,507**	502,328	**51,549**	40,863
	Sundry Sum Insured	**-**	-	**-**	-
	Audit fees	**44,933**	43,982	**33,924**	30,400
	Deferred acquisition revenue	**15,399**	26,490	**15,399**	26,490
	Dividend payable (Note 32.3)	**65,403**	199,167	**-**	-
	Sundry creditors (Note 32.24)	**2,023,673**	1,779,851	**936,153**	901,954
		7,174,316	6,784,952	**4,051,350**	3,667,012
	Current	**7,174,316**	6,784,952	**4,051,350**	3,667,012
	Non Current	**-**	-	**-**	-
		7,174,316	6,784,952	**4,051,350**	3,667,012

		Group		Company	
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
32.1.	**Accrued expenses detailed analysis:**				
	Accrued Expenses	**266,805**	333,689	**105,242**	105,242
	Accrued Rent	**23,484**	23,484	**23,484**	23,484
	Sundry Accruals	**1,329**	1,329	**1,329**	1,329
	Final Entitlements Account	**8,703**	-	**8,703**	-
	Salary and Other deductions	**9,899**	6,757	**9,899**	6,757
	Staff revolving loan	**4,040**	4,040	**4,040**	4,040
	Outstanding Salary and Wages	**1,378,535**	1,188,320	**1,378,535**	1,188,320
		1,692,795	**1,557,619**	**1,531,232**	1,329,172
32.2.	**Deposits and other customers' accounts detailed analysis:**				
	Savings accounts	**29,877**	33,995	**-**	-
	Current accounts	**586,715**	128,597	**-**	-
	Fixed deposits	**169,836**	512,460	**-**	-
	Interest payables	**2,392**	3,842	**-**	-
		788,820	678,894	**-**	-
32.3.	**Dividend payable detailed analysis:**				
	At 1 January	**199,167**	92,775	**-**	-
	Amount declared during the year	**-**	149,330	**-**	-
	Payments during the year	**(86,201)**	(98,774)	**-**	-
	Translation adjustment	**(47,563)**	55,836	**-**	-
	At 31 December	**65,403**	199,167	**-**	-
32.4.	**Sundry creditors detailed analysis:**				
	Other Creditor (Note 32.4.1)	**1,948,942**	1,770,136	**940,121**	892,236
	Oando Plc	**(28)**	36	**(28)**	36
	Other payable-suspense	**1,098**	-	**-**	-
	Other deductions	**88,097**	9,680	**10,496**	9,680
	Sundry Creditors	**(14,437)**	-	**(14,437)**	-
		2,023,673	1,779,851	**936,153**	901,951

32.4.1. The company maintained an overdraft facility with its subsidiary, Global Trust Savings and Loans Limited - GTSL. Within the overdraft limits of the company, GTSL secured a credit facility from Sterling Bank Plc. The company offered its property at Akibo Savage, Victoria Island, Lagos, as a guarantee to Sterling Bank Plc, which secured the credit facility granted to GTSL. Following the default of the credit facility, Sterling Bank Plc exercised its rights under the terms of the loan guarantee and sold the property at Akibo Savage to Charles Borromeo Catholic Church in 2016 for N400 million. Jointly with GTSL, the company disputed the sale with the claim that the value of the property at the time of sale was N750 million. The case had protracted at the court until an out-of-court settlement against the company's plea was reached. The sum of N14,902.419.13 representing interest of the undrawn balance of GTSL account with Sterling Bank Plc was awarded to the GTSL/IGI. GTSL thereafter paid the sum of N14,902.419.13 to IGI as compensation, in addition to the N400 million it had deposited with IGI on account of the deal with the purchaser - Charles Borromeo Catholic Church. Post balance sheet in 2020, the company had disposed the property in its books at sales proceeds of N414,902,419.13

		Group	COMPANY	Company	COMPANY
		2018	2017	2018	2017
		N'000	N'000	N'000	N'000
33.	**Deposit for shares**				
33.1	**Movement in the deposit for shares during the year was as follows:**				
	At 1 January	**1,255,489**	1,144,256	**-**	-
	Additions during the year	**-**	-	**-**	-
	Transfer to equity during the year	**-**	-	**-**	-
	Translation adjustments	**(33,685)**	111,233	**-**	-
	At 31 December	**1,221,804**	1,255,489	**-**	-

33.1. This represents for shares awaiting allotment.

		31 December 2018			
		Direct premium	Inward reinsurance premium	Increase/ (decrease) in unearned	Gross premium premium income
34.	**Gross premium income analysed as follows:**				
i.	**Group**	**N'000**	N'000	**N'000**	N'000
	Fire	**260,365**	9,061	**(9,392)**	260,034
	General accident	**478,058**	-	**(12,744)**	465,314
	Motor	**1,117,950**	-	**57,269**	1,175,219
	Aviation and marine	**634,253**	1,632	**75,167**	711,052
	Agric	**13,979**	-	**-**	13,979
	Engineering	**79,332**	3,691	**137,825**	220,848
	Oil and Energy	**437,174**	-	**28,766**	465,940
	Health Management Services (HMO)	**1,016,437**	-	**323,810**	1,340,247
		4,037,548	14,384	**600,701**	4,652,633
	Life business				
	Individual life	**165,192**	-	**-**	165,192
	Group life	**139,855**	-	**13,058**	152,913
		4,342,595	14,384	**613,759**	4,970,738

	31 December 2017			
	Direct premium	Inward reinsurance premium	Increase/ (decrease) in unearned premium	Gross premium premium income
Gross premium income analysed as follows:				
ii. Group	**N'000**	**N'000**	**N'000**	**N'000**
Fire	303,113	34,109	(14,834)	322,388
General accident	558,700	16,699	(14,375)	561,024
Motor	1,106,708	-	(30,303)	1,076,405
Aviation and marine	887,796	4,565	(30,521)	861,840
Agric	17,021	-	(17,356)	(335)
Engineering	165,279	13,214	(12,406)	166,087
Oil and Energy	896,341	-	289,174	1,185,515
Health Management Services(HMO)	1,079,422	-	378,804	1,458,226
	5,014,380	68,587	548,183	5,631,150
Life business				
Individual life	128,494	-	-	128,494
Group life	184,747	-	57,786	242,533
	5,327,621	68,587	605,969	6,002,177

	31 December 2018			
	Direct premium	Inward reinsurance premium	Increase/ (decrease) in unearned premium	Gross premium premium income
	N'000	N'000	N'000	N'000
34. Gross premium income analysed as follows:				
i. Company				
Fire	**82,130**	**9,061**	**(2,142)**	**89,049**
General accident	**173,311**	**-**	**23,526**	**196,837**
Motor	**336,310**	**-**	**119,857**	**456,167**
Aviation and marine	**109,975**	**1,632**	**24,022**	**135,629**
Agric	**13,979**	**-**	**-**	**13,979**
Engineering	**79,332**	**3,691**	**137,825**	**220,848**
Oil and Energy	**437,174**	**-**	**28,766**	**465,940**
	1,232,211	**14,384**	**331,854**	**1,578,449**
Individual life	**11,014**	**-**	**-**	**11,014**
Group life	**139,855**	**-**	**13,058**	**152,913**
	1,383,080	**14,384**	**344,912**	**1,742,376**

	31 December 2017			
	Direct premium	Inward reinsurance premium	Increase/(decrease)in unearned premium	Gross premium premium income
	N'000	N'000	N'000	N'000
Gross premium income analysed as follows:				
ii. Company				
Fire	142,610	34,109	(15,211)	161,508
General accident	229,193	16,699	36,587	282,479
Motor	463,648	-	(24,029)	439,619
Aviation and marine	391,553	4,565	(24,637)	371,481
Agric	17,021	-	(17,052)	(31)
Engineering	165,279	13,214	(12,406)	166,087
Oil and Energy	896,341	-	289,174	1,185,515
	2,305,645	68,587	232,426	2,606,658
Individual life	21,021	-	-	21,021
Group life	184,747	-	57,786	242,533
	2,511,413	68,587	290,212	2,870,212

	Group		Company	
	2018	**2017**	**2018**	**2017**
	N'000	N'000	**N'000**	N'000

35. Reinsurance expense

	Group 2018	Group 2017	Company 2018	Company 2017
Reinsurance cost is analysed as follows:				
Reinsurance paid	**140,582**	1,156,211	**113,264**	1,156,211
Changes in prepaid reinsurance (Note 8.1.1)	**815,735**	835,876	**60,128**	156,916
	956,317	1,992,087	**173,392**	1,313,127

35.1. Reinsurance cost by product

	Group 2018	Group 2017	Company 2018	Company 2017
Fire	**122,738**	167,258	**11,403**	79,584
General accident	**119,773**	86,504	**24,063**	5,127
Motor	**50,426**	5,715	**46,694**	13,888
Aviation and marine	**497,654**	572,800	**15,269**	123,785
Agric	**-**	6,500	**1,941**	(29,754)
Engineering	**19,737**	56,800	**11,015**	77,068
Oil and Energy	**46,105**	1,063,754	**60,699**	1,022,226
Health Management Services (HMO)	**85,007**	**-**	**-**	
	941,440	1,959,331	**171,084**	1,291,924
Individual life	**12,569**	32,756	**-**	3,220
Group life	**2,308**	-	**2,308**	17,983
	956,317	1,992,087	**173,392**	1,313,127

35.2. 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, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement is being modified on yearly basis.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
36.	**Fees and commission income**				
	Fire	**85,570**	82,566	**8,876**	24,983
	General accident	**77,785**	25,073	**-**	-
	Motor	**(144)**	1,589	**-**	1,130
	Aviation and marine	**87,393**	110,406	**6,376**	16,763
	Agric	**-**	650	**-**	650
	Engineering	**9,994**	11,908	**7,175**	11,908
	Oil and Energy	**34,399**	71,451	**46,337**	71,451
		294,997	303,643	**68,764**	126,885
	Individual life	**2,594**	2,826	**-**	564
	Group life	**790**	-	**790**	-
		298,381	306,469	**69,554**	127,449
36.1	**Deferred acquisition revenue**				
	Fire	**4,105**	586	**4,105**	586
	General accident	**(12)**	-	**(12)**	-
	Motor	**(263)**	(770)	**(263)**	(770)
	Aviation and marine	**5,287**	2,664	**5,287**	2,664
	Agric		-		-
	Engineering	**2,820**	1,421	**2,820**	1,421
	Oil and Energy	**(847)**	14,633	**(847)**	14,633
	Individual life	**-**	-	**-**	-
	Group life	**-**	-	**-**	-
		11,090	18,534	**11,090**	18,534
		309,471	325,003	**80,644**	145,983
37.	**Claims expenses**				
37.1	**Claims expenses (Gross)**				
	Fire	**32,101.50**	175,033	**19,534**	131,605
	General accident	**80,208.65**	104,297	**18,954**	20,034
	Motor	**205,695.20**	125,266	**41,525**	49,498
	Aviation and marine	**78,188.27**	59,310	**35,825**	57,918
	Agric	-	-	**-**	-
	Engineering	**1,875.79**	7,641	**1,876**	7,641
	Oil and Energy	**16,251**	16,177	**16,252**	16,177
	Health Management Services (HMO)	**350,824**	345,556	**-**	-
		765,145	833,280	**133,966**	282,873
	Individual life	**77,605**	161,731	**74,835**	123,782
	Group life	**246,336**	134,160	**194,053**	135,395
		1,089,085	1,129,171	**402,854**	542,050

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
37.1b	**Changes in claims reserve**				
	Fire	**98,237**	(290,285)	**36,639**	(269,626)
	General accident	**45,066**	(63,123)	**(18,232)**	29,563
	Motor	**26,741**	18,351	**38,221**	36,359
	Aviation and marine	**(7,746)**	31,639	**136,246**	(50,590)
	Agric		308		308
	Engineering	**(774)**	31,014	**(774)**	31,014
	Oil and Energy	**(300,493)**	215,521	**(299,341)**	215,521
	Health Management Services(HMO)		-		-
		(138,970)	(56,575)	**(107,242)**	(7,451)
	Individual life	**-**	(542,519)	**-**	(542,519)
	Group life	**(112,002)**	1,029,176	**(117,117)**	1,029,176
		(250,972)	430,082	**(224,359)**	479,206
		838,113	1,559,253	**178,495**	1,021,256
37.2	**Reinsurance Claims recoveries**				
	Fire	**73,636**	24,409	**8,754**	28,383
	General accident	**49,947**	25,201	**962**	21,617
	Motor	**9,896**	41,262	**(5,635)**	19,461
	Aviation and marine	**(6,161)**	31,897	**(3,602)**	(348)
	Agric	**-**	-	**-**	-
	Engineering	**(727)**	(110,228)	**(727)**	(110,228)
	Oil and Energy	**(96,881)**	56,200	**(96,881)**	56,200
		29,710	68,741	**(97,129)**	15,085
	Individual life	**-**	-	**-**	-
	Group life	**(83,026)**	479,495	**(83,026)**	479,495
		(53,316)	548,236	**(180,155)**	494,580

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
37.2.1	**Reinsurance Claims recoveries**				
	Receipt from reinsurance on claims paid (Note 8.2)	**(22,304)**	(238,542)	**(410,405)**	(17,226)
	Changes in estimated reinsurance recoveries on claims (Note 8.2)	**(35,245)**	575,462	**197,440**	409,965
	Changes in reinsurers/co-insurers receivables (Note 8.3.1)	**4,233**	211,316	**32,810**	101,841
		(53,316)	548,236	**(180,155)**	494,580
37.3.	**Net claims incurred analysis**				
	Claims Paid during the year	**1,089,085**	1,129,172	**402,854**	542,051
	Changes in Outstanding Claims reserve	**(250,972)**	430,081	**(224,359)**	479,205
	Gross Claims incurred	**838,113**	1,559,253	**178,495**	1,021,256
	Reinsurance Recoveries (Note 37.2.1)	**53,316**	(548,236)	**180,155**	(494,580)
	Net claims incurred	**891,429**	1,011,017	**358,650**	526,676
38.	**Underwriting expenses**				
38.1.	**Acquisition expenses**				
38.1.1	**Commissions paid**				
	Fire	**50,416**	57,507	**9,221**	21,871
	General accident	**80,479**	93,231	**24,824**	38,155
	Motor	**89,493**	89,944	**25,926**	37,889
	Aviation and marine	**52,642**	152,509	**15,985**	74,222
	Agric	**271**	248	**271**	248
	Engineering	**10,899**	21,050	**10,899**	21,050
	Oil and Energy	**55,201**	87,982	**55,201**	87,982
	Health Management Services(HMO)	**104**	43	**-**	-
		339,505	502,514	**142,327**	281,417
	Individual life	**112,568**	145,857	**91,636**	129,405
	Group life	**12,445**	11,719	**12,445**	11,719
		464,518	660,090	**246,408**	422,541
38.1.2	**Movement in deferred acquision costs**				
	Fire	**(949)**	(1,266)	**2,884**	(1,949)
	General accident	**9,773**	(794)	**3,791**	(482)
	Motor	**3,125**	(3,653)	**7,981**	(1,478)
	Aviation and marine	**37,707**	(14,830)	**7,764**	(4,456)
	Agric	**-**	125	**-**	125
	Engineering	**9,419**	5,015	**9,419**	5,015
	Oil and Energy	**2,085**	36,366	**2,085**	36,366
		61,160	20,963	**33,924**	33,141
	Individual life	**-**	-	**-**	-
	Group life	**6,625**	2,713	**6,625**	2,713
		67,785	23,676	**40,549**	35,854
	Total acquisition expenses	**532,303**	683,766	**286,957**	458,395

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		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
38.2.	**Maintenance expenses**				
	Fire	**105,167**	15,193	**131,305**	14,742
	General accident	**13,565**	695	**19,770**	968
	Motor	**54,549**	2,372	**76,138**	2,623
	Aviation and marine	**1,168,500**	477,113	**103,995**	23,380
	Agric	**-**	1,218	**68,918**	(5,620)
	Engineering	**77,705**	8,723	**75,040**	14,556
	Oil and Energy	**130,150**	190,835	**175,294**	193,075
	Health Management Services (HMO)	**828,648**	891,590	**-**	-
		2,378,284	1,587,739	**650,461**	243,726
	Individual life	**-**	189,199	**-**	189,199
	Group life	-	-	**-**	-
	Total maintenance expenses	**2,378,284**	1,776,938	**650,461**	432,925
	Total underwriting expenses	**2,910,587**	2,460,704	**937,418**	891,320
39.	**Changes in contract liabilities**				
	Changes in life fund (Note 28)	**(133,514)**	189,147	**(131,924)**	210,168
40.	**Investments income**				
	Rent income from investment properties	**223,116**	180,326	**24,774**	27,499
	Interest on short term deposits/placement	**103,693**	108,920	**77,102**	76,107
	Interest on treasury bills and bonds	**33,702**	23,660	**-**	-
	Income on other investments	**8,375**	9,130	**157**	1,121
	Dividend Incomes	**40,130**	21,496	**62,498**	85,203
		409,016	343,532	**164,531**	189,930
40.1.	**Analysis of investments incomes:**				
	Investment attributable:				
	Policyholders' fund	**291,628**	244,938	**117,311**	135,420
	Shareholders' fund	**117,388**	98,594	**47,220**	54,510
		409,016	343,532	**164,531**	189,930
41.	**Net interest income**				
41.1	**Interest income**				
	Interest on loans and advances to customers - banking operations	**71,342**	60,813	**-**	-
	Interest on policy loans	**113,154**	43,777	113,154	43,777
	Interest - others	**-**	-	**-**	-
		184,496	104,590	**113,154**	43,777
41.2	**Interest expenses**				
	Interest expenses on deposits - banking operations	**(49,711)**	(70,922)	-	-
		134,785	33,668	**113,154**	43,777

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		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
42.	**Other operating income**				
	Profit on disposal of property, plant and equipment	**7,499**	2,866	**16,186**	-
	Exchange gain	**18,842**	(80,330)	**18,331**	(75,530)
	Income on salvage	**750**	3,107	**750**	3,107
	Income on staff bus	**3,205**	-	**3,205**	-
	Gain on disposal of equity investment	**9,940**	-	**-**	-
	Fees and commission incomes	**6,532**	20,231	**-**	-
	Administrative charges on policies and registrar services	**653**	4,340	**157**	-
	Bad debt recovered	**6,697**	-	**-**	-
	Others	**43,553**	52,268	**-**	2,279
		97,671	2,482	**38,629**	(70,144)
43.	**Gain/(loss) on investment contract**				
	Fee income/Lapsed investment contract policies on Individual life (Note 29.1)	**887,741**	1,020,312	**883,368**	895,903
	Changes in investment contracts (Note 29.1)	**(12,470)**	19,927	**36,091**	(39,604)
	Guaranteed interest paid (Note 29.1)	**(615,672)**	(443,087)	**(615,672)**	(443,087)
		259,599	597,152	**303,787**	413,212
44.	**Fair value gain/(loss) through profit or loss**				
	Quoted stocks	**(39,685)**	(2,734)	**(4,275)**	3,002
	Investment properties	**465,125**	1,851,732	**433,619**	1,414,893
		425,440	1,848,998	**429,344**	1,417,895

44.1. This represents any difference arising between the carrying amount and the fair value of the asset as at the date of reporting.

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
45.	**Impairment charge**				
	Impairment of trade receivables (Note 7.1)	**933**	98,435	**933**	7,015
	Impairment of other receivables & prepayments (Note 12.1)	**10,710**	505,459	**-**	505,459
	Impairment of loans and advances to customer (Note 10.1)	**1,027**	(5,366)	-	-
	Impairment of loans and receivables (Note 6.4.3)	**4,080**	**-**	**-**	-
	Impairment of short term investments	**4,500**	-	**4,500**	-
		21,250	598,528	**5,433**	512,474

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
46.	**Management and administrative expenses**				
	Employees costs (Note 46.1)	**1,377,477**	2,152,874	**1,067,920**	1,433,516
	Directors fees and emoluments	**25,838**	28,614	**483**	378
	Depreciation of property, plant & equipment (Note 17)	**114,890**	120,752	**53,277**	68,004
	Audit fee	**26,951**	24,810	**10,000**	10,000
	Rent and rates	**33,518**	25,087	**4,262**	5,254
	Repairs and maintenances	**16,197**	22,662	**7,937**	17,504
	Subscriptions	**12,262**	19,830	**7,277**	14,993
	Training and development	**25**	97	**-**	72
	Insurances	**(1,174)**	1,563	**(2,260)**	601
	Legal and professional fees	**28,939**	146,271	**13,521**	125,944
	Loss on disposal of property, plant and equipment	**127,731**	-	**-**	-
	Transport and travelling	**23,266**	37,496	**6,463**	19,984
	Postages, telephone and telex	**4,372**	4,048	**2,189**	2,161
	Taxes and non deductible duties/fines	**1,122**	14,850	**498**	12,383
	Bank charges and commissions	**48**	5,052	**-**	4,985
	Power and electricity	**28,436**	34,193	**22,436**	30,388
	Advert,publicity and business promotions	**30,512**	33,485	**19,258**	24,732
	Safety security and quality control	**7,129**	15,373	**5,401**	14,752
	Other operating expenses (Note 46.2)	**49,757**	312,628	**31,951**	39,009
		1,907,296	2,999,685	**1,250,613**	1,824,660
46.1.	**Employees costs**				
	Salaries, wages and allowances	**1,170,882**	1,798,562	**949,120**	1,211,808
	Contributions to pension fund scheme	**69,117**	203,062	**30,515**	98,002
	Training, recruitment and canteen expenses	**9,827**	18,060	**9,577**	17,752
	Medical expenses	**19,583**	16,586	**18,617**	15,776
	Contract Manpower	**1,870**	1,119	**1,607**	1,119
	Other personnel expenses (Note 46.1.1.)	**106,198**	115,030	**58,484**	89,059
		1,377,477	2,152,419	**1,067,920**	1,433,516
46.1.1	**Other personnel expenses analysis**				
	NSITF	**17,628**	6,986	**17,628**	6,986
	Final Entitlements	**40,856**	82,072	**40,856**	82,072
	Others	**47,714**	25,972	**-**	-
		106,198	115,031	**58,484**	89,059
46.2.	**Other operating expenses analysis:**				
	Printing	**4,540**	3,066	**-**	742
	Stationeries	**6,902**	6,155	**308**	275
	Hotel Accommodation Exp	**320**	240	**157**	240
	Vehicle Tracker Expenses	**1,798**	1,490	**707**	464
	Office Expenses	**13,747**	-	**26,781**	-
	AGM Expenses	**144**	4,335	**-**	14
	Audit Expenses	**3,886**	-	**-**	-
	Donations	**-**	(13,369)	**3,886**	64
	Entertainment Expenses	**12**	213	**-**	213
	Official Entertainment	**-**	-	**12**	-
	Other Expenses	**4,769**		**(0)**	-
	Individual life Insurance	**100**	-	**-**	-
	Stamp Duties	**-**	-	**100**	-
	Office Expenses	**13,540**	310,784	**-**	36,938
		49,757	312,914	**31,951**	38,951
47.	**Finance costs**				
	Interest expenses	**5,787**	32,062	**139,340**	119,075
	Inter-bank borrowings	**-**	-	**-**	-
		5,787	32,062	**139,340**	119,075
	Individual life	**44,002**	72,717	**44,002**	72,717
	Group life	**-**	-	**-**	-
		49,789	104,779	**183,342**	191,792

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		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
48.	**Taxation**				
48.1	**Income tax expense**				
	Income tax	**220,879**	103,447	**144,585**	61,419
	Education tax	**-**	3,171	**-**	3,171
	Information technology levy	**-**	348	**-**	-
		220,879	106,966	**144,585**	64,590
	Deferred taxation expense/(credit) (Note 48.4)	**26,930**	175,094	**41,024**	129,630
		247,809	282,060	**185,609**	194,220
48.2	**Income tax payable**				
	Analysis of movements in the current tax balance during the year:				
	At 1 January	**1,881,813**	1,848,709	**1,482,920**	1,451,329
					-
	Income tax charged for the year	**220,879**	103,447	**144,584**	61,419
	Education tax	**-**	3,171	**-**	3,172
	Information technology levy	**-**	348	**-**	-
	Under/(over) provision of prior years	**-**	-	**-**	**-**
	Capital gains tax	**-**	-	**-**	-
	Payments during the year	**(91,374)**	(56,811)	**(88,364)**	(33,000)
	Witholding tax credit notes	**(5,520)**	(1,249)	**-**	**-**
	Translation Adjustment	**(112,076)**	(15,802)	**-**	-
	At 31 December	**1,893,722**	1,881,813	**1,539,140**	1,482,920
48.3	**Reconciliation of effective tax rate**				
	Loss for the year after tax	**(480,684)**	(286,761)	**(358,916)**	(413,297)
	Total tax expenses made up of:				
	Income	**220,879**	103,447	**144,585**	61,419
	Education	**-**	3,171	**-**	3,171
	Information technology levy	**-**	348	**-**	-
	Deferred	**26,930**	175,094	**41,024**	129,630
		247,809	282,060	**185,609**	194,220
	Loss for the year before tax	**(232,875)**	(4,701)	**(173,307)**	(219,077)
	Effective tax rate	**(106)**	(6,000)	**(107)**	(89)

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

ii. Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
48.4.	**Deferred taxation**				
48.4.1	**Deferred tax liabilities**				
	At 1 January	**1,876,395**	2,121,376	**988,445**	782,566
	Deferred taxation expense (Note 48.1)	**26,930**	175,094	**41,024**	129,630
	Under/(over) provision for deferred tax (Note 48.1)	**-**	-	**-**	-
	Other comprehensive income	**52,625**	76,250	**47,754**	76,249
	Credit to deposit administration plan	**(171,846)**	(385,592)	**-**	-
	Credit to equity	**15,023**	20,103	**-**	-
	Impact of investment reclassified to available for sale	**-**	(675,311)	**-**	-
	Translation Adjustment	**(230,915)**	544,475	**-**	-
	At 31 December	**1,568,212**	1,876,395	**1,077,223**	988,445
48.4.2	**Deferred tax assets**				
	At 1 January	**(0)**	28,245	**-**	-
	Deferred taxation expense/(credit) (Note 48.1)	**-**	-	**-**	-
	Impact of investment reclassified to available for sale		(13,578)		
	Translation Adjustment	**0**	(14,667)	**-**	-
	At 31 December	**-**	(0)	**-**	-

48.4.3 Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2017 : 30%). At 31 December 2018, included in the Group deferred tax was an asset of N44,066,341,181 (31 Dec 2017 : N 44,126,799) not recognised.

		Group 2018 N'000	Group 2017 N'000	Company 2018 N'000	Company 2017 N'000
49.	**Operating loss**				
	Operating loss has been arrived after charging:				
	Depreciation of property, plant and equipment	**114,890**	120,752	**53,277**	68,004
	Impairment losses	**21,250**	598,528	**5,433**	512,474
	Staff costs	**1,377,477**	2,152,874	**1,067,920**	1,433,516
	Loss/(profit) on disposal of property, plant and equipment	**127,731**	(2,866)	**-**	-
	Audit fees	**26,951**	24,810	**10,000**	10,000
50.	**Profit/(loss) on disposal of Investment properties**				
	Fairvalue	**60,000**	891,283	**60,000**	-
	Carrying amount	**60,000**	891,283	**60,000**	-
	Proceeds from sales	**90,587**	227,407	**55,000**	(180,062)
	Profit/(loss) on disposal	**30,587**	(180,062)	**(5,000)**	(180,062)

51. Earnings per share

Basic earnings per share is calculated by dividing the loss attribuatble to equity holders of the company by the weighted average number of ordinary shares in issue

	Group		Company	
	2018	2017	**2018**	2017
	N'000	N'000	**N'000**	N'000
Profit attributable to the equity holders	**135,272**	186,137	**494,029**	272,950
Weighted average number of ordinary shares in issue	**14,231,238**	14,231,238	**14,231,238**	14,231,238
Basic earnings per share (kobo)	**0.95**	1.31	**3.47**	1.92

52. Note to the cashflow statement

	Group 2018	Group 2017	Company 2018	Company 2017
Loss for the year before tax	**(232,875)**	(4,702)	**(173,307)**	(219,077)
Adjustment for:				
Depreciation of property,plant & equipment	**114,890**	120,752	**53,277**	68,004
Fair value changes on quoted stocks investment	**39,685**	2,734	**4,275**	(3,002)
Fair value changes on investment properties	**465,125**	(1,851,732)	**433,619**	(1,414,893)
Other incomes	**(97,671)**	(2,482)	**(38,629)**	70,144
(Profit)/loss on disposal of property,plant and equipment	**127,731**	(2,866)	**-**	-
(Profit)/loss on disposal of Investment properties	**(30,587)**	180,062	**5,000**	180,062
Impairment charged of financial assets	**656,674**	598,528	**(646,681)**	512,474
Impact of elimination of impairment on related parties	**-**	-	**-**	-
Interest income	**(134,785)**	(33,668)	**(113,154)**	(43,777)
Dividend income		(21,496)		(85,203)
Interest expenses	**49,789**	104,779	**183,342**	191,792
Tax paid	**91,374**	56,811	**88,364**	33,000
	1,049,350	(853,280)	**(203,894)**	(710,476)
Changes in:				
Loans and receivables	**(110,483)**	6,175	**(127,697)**	12,130
Trade receivables	**346,784**	364,694	**(932)**	(331)
Reinsurance assets	**363,561**	(252,606)	**224,759**	(354,890)
Deferred acquisition costs	**83,069**	50,715	**40,550**	35,853
Other receivables and prepayments	**404,533**	880,462	**12,397**	(211,995)
Insurance contract liabilities	**(1,382,787)**	(5,621,600)	**(672,404)**	(21,174)
Investment contract liabilities	**(669,390)**	(3,528,477)	**(140,420)**	(147,489)
Trade payables	**(130,465)**	128,096	**168,682**	(130,675)
Other payables and accruals	**389,364**	(194,392)	**384,338**	875,041
Deposit for shares	**(33,689)**	111,233	**-**	-
	(739,502)	(8,055,700)	**(110,727)**	56,470
Net cash used in operating activities	**309,848**	(8,908,980)	**(314,621)**	(654,008)

53. 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 believe 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 with such regulations.

Currently, there are pending litigations against the company in which the plaintiffs are claiming a total sum of N2,373,000,000 (Dec 2017:N2,373,000,000). 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, the liability will not likely materialise.

(b) Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

54. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with the International Financial Reporting Standards (IFRS).

55. Contravention of Laws and Regulations

During the year, no contravention of the provision of insurance Act and National Insurance Commissionn of Nigeria (NAICON) guidelines was brought to our attention.

56. Events after reporting date

The company has no events after the financial position date that will materially affect the financial position shown in the financial statements as at 31st December, 2018.

The following non-adjusting events occurred subsequent to the reporting date of these financial statements;

56.1 Key changes to the Board and Management of Industrial and General Insurance Company Plc.

On 1st of February, 2019, the following Executive Management team and Board members retired and have since exited the Company:

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)
Shade Ajayi	- Acting Executive Director, Technical (appointed w.e.f 03/07/17; resigned w.e.f 31/01/19)

57. 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, utilize 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 control measures. Enforcement of the local content insurance act, compulsory insurances like motor insurance, public building insurance, carbotage 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 opportunities of recoveries in some of the impaired assets like the investment in Global Trust Bank, Uganda where we have been assured by the 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 including IGI Pension Fund Managers Limited, Global Trust Savings and Loans Limited and International Health Management Services Limited.

The Company is also embarking on raising capital through sale of its unissued share capital of 40.07% and has appointed both Greenwich Trust Limited and Zenith Capital Limited as financial advisers while some investors have expressed interests prior to conducting due diligence exercise.

The liquidity generated through the asset restructuring and capital raise will be applied to grow and manage the business profitably 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.

In its bid to reposition itself the company, the company commenced an Enterprise Transformation Program which encompasses a new corporate culture, restructuring of work flow, commencement of new products, and review of operational process, the ETP also includes a new corporate strategy and engagement of new personnel. Furthermore, the company had also commenced an aggressive rationalization program that prepares it for a competitive stance in the market place. The new strategy of the organization, which is hinged on risk management and investment offers the company to provide products that it can in the very competitive market place in Nigeria.

58. Discontinued operations

Based on the individual reasons stated below on the affected indivudual subsidiaries, the company has decided to divest in power, Global Trust Bank Limited (the Bank)- Uganda, IGI Life Assurance Ghana Ltd and Indusrial and General Insurance (Ghana) Company Ltd. The subsidiaries were classified as discontinued operations. The subsidiaries represents part of the Group's Life, non-life banking operation segments, with their classification as discontinued operations, these segment going forward will no longer presented in the segment notes.

These affected subsidiaries were not previously classified as discontinued operations in the consolidated statement of financial position. The Comparative consolidated statement of financial position has been restated to show the discontinued operations.

Analysis of the results of the entities classified as discontinued operations are as stated below inline with the requirements of IFRS 5:

At 31 December 2018, the discontinued operation group was stated at carrying amount, which was deemed to be lower of the fair value.

58.1. Classified as discontiuned operations

	Company	
	2018	2017
	N'000	N'000
Investment in Global Trust Bank Limited (the Bank) - Uganda (Note 58.1.1)	**5,730,662**	5,730,662
Investment in IGI Life Assurance Ghana Ltd (Note 58.1.2)	**101,840**	101,840
Investment in Indusrial and General Insurance (Ghana) Company Ltd (Note 58.1.2)	**138,479**	138,479
	5,970,981	5,970,981
Impairment of doubtful -long term investment	**(5,970,980)**	(5,970,980)
	1	1

58.1.1 **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 services.

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 N5.004 billion and a total impairment provision of N3.55 billion had been made in our books up till 31 December 2013. An additional investment of N700.923 million was also made in 2014 leaving a balance of N2.18 billion 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 coming years.

The liquidation process is on-going but adequate impairment has been carried out in the Group Financial Statements. In December 2014, the Group discontinued its operations in Global Trust Bank Uganda which is the only operation presented as discontinued operation in the consolidated statement of profit or loss and other comprehensive income.

58.1.2 Notice of withdrawal of investment in Ghana
Industrial and General Insurance Plc., own 60% Shareholdings in Industrial and General Insurance Company (Ghana) Limited & IGI Life Assurance Company Limited. The Parent served the Regulator, National Insurance Comission, Ghana with the notice of its intended divestment from the two subsidiaries and its desire to source for probable core investor for both businesses.

The Regulator,National Insurance Comission, 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 November 29, 2012.

IGI Plc, (the parent company), has made full provision for impairment of its investment in both Companies as at 31 December 2014.

58.2.a Assets and liabilities of discontinued operations

Assets and liabilities of discontinued operations comprise the assets and liabilities of Global Trust Bank Limited (the Bank)- Uganda, IGI Life Assurance Ghana Ltd and Indusrial and General Insurance (Ghana) Company Ltd as ta 31 December 2018.

	31 December 2018			
	Global Trust Bank Limited, Uganda	IGI Life Assurance Ghana Ltd	Indusrial and General Insurance (Ghana)	Total
	N'000	N'000	N'000	N'000
Carrying value of:				
Assets				
Cash and cash equivalents	719,783	-	-	719,783
Financial Assets:				
At fair value through profit or loss	1,376,036	-	-	1,376,036
Available for sale	-	-	-	-
Held to maturity	-	-	-	-
Loans and receivables	-	-	-	-
Trade receivables	-	-	-	-
Reinsurance assets	-	-	-	-
Deferred acquisition costs	-	-	-	-
Loans and advances to customers	2,822,192	-	-	2,822,192
Other receivables and prepayments	221,531	-	-	221,531
Investment in subsidiaries	-	-	-	-
Intangible ssets	56,319	-	-	56,319
Deferred tax assets	146,377	-	-	146,377
Investment properties	-	-	-	-
Property plant and equipment	390,772	-	-	390,772
Statutory deposits	-	-	-	-
	5,733,010	-	-	5,733,010
Non-current assets held for sale	-	-	-	-
Total assets classified as discontinued operations	5,733,010	-	-	5,733,010
Liabilities				
Insurance contract liabilities	-	-	-	-
Investment contract liabilities	-	-	-	-
Placement from other banks	554,254	-	-	554,254
Loans and borrowings	8,097	-	-	8,097
Other payables and accruals	4,055,490	-	-	4,055,490
Income tax payable	29,780	-	-	29,780
Deferred tax liabilities	-	-	-	-
Reserves	549,754	-	-	549,754
Total liabilities classified as discontinued operations	5,197,375	-	-	5,197,375
Net assets directly associated with discontinued operations group	535,635	-	-	535,635

58.2.b Assets and liabilities of discontinued operations

Limited (the Bank)- Uganda, IGI Life Assurance Ghana Ltd and Indusrial and General Insurance (Ghana) Company Ltd as ta 31 December 2017.

	31 December 2017			
	Global Trust Bank Limited, Uganda	IGI Life Assurance Ghana Ltd	Indusrial and General Insurance (Ghana)	Total
	N'000	N'000	N'000	N'000
Carrying value of:				
Assets				
Cash and cash equivalents	719,783	-	-	719,783
Financial Assets:				
At fair value through profit or loss	1,376,036	-	-	1,376,036
Available for sale	-	-	-	-
Held to maturity	-	-	-	-
Loans and receivables	-	-	-	-
Trade receivables	-	-	-	-
Reinsurance assets	-	-	-	-
Deferred acquisition costs	-	-	-	-
Loans and advances to customers	2,822,192	-	-	2,822,192
Other receivables and prepayments	221,531	-	-	221,531
Investment in subsidiaries	-	-	-	-
Intangible ssets	56,319	-	-	56,319
Deferred tax assets	146,377	-	-	146,377
Investment properties	-	-	-	-
Property plant and equipment	390,772	-	-	390,772
Statutory deposits	-	-	-	-
	5,733,010	-	-	5,733,010
Non-current assets held for sale	-	-	-	-
Total assets classified as discontinued operations	5,733,010	-	-	5,733,010
Liabilities				
Insurance contract liabilities	-	-	-	-
Investment contract liabilities	-	-	-	-
Placement from other banks	554,254	-	-	554,254
Loans and borrowings	8,097	-	-	8,097
Other payables and accruals	4,055,490	-	-	4,055,490
Income tax payable	29,780	-	-	29,780
Deferred tax liabilities	-	-	-	-
Reserves	549,754	-	-	549,754
Total liabilities classified as discontinued operations	5,197,375	-	-	5,197,375
Net assets directly associated with discontinued operations group	535,635.00	-	-	535,635

59. Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

59.1. Chairman's and Directors' emoluments, pensions and compensations for loss off office.

		Group		Company	
		2018	2017	**2018**	2017
		N'000	N'000	**N'000**	N'000
59.1.a.	**Directors Costs:**				
	Directors fees	**25,838**	28,614	**4,490**	6,902
	Salaries and allowances	**-**	-	**-**	-
		25,838	28,614	**4,490**	6,902
59.1.b.	**Emoluments:**				
	Chairman	**11,659**	10,569	**11,659**	10,569
	Other Directors	**43,730**	66,741	**43,730**	66,741
	Other emolument of executive directors	**-**	-	**-**	-
	Emolument of highest paid Director	**11,659**	10,569	**11,659**	10,569
59.1.c.	**The number of Directors excluding the Chairman whose emoluments were within the following ranges were:**				
	N - N				
	Nil - 100,000	**-**	-	**-**	-
	100,001 - 200,000	**-**	-	**-**	-
	200,001 - 300,000	**4**	8	**4**	8
	Above - 300,000	**-**	-	**-**	-
59.1.d.	**Number of Directors who have waived their rights to receive emoluments**	**-**	-	**-**	-
59.2.	**Employee costs:**				
	The aggregate employee remuneration is as follows:				
	Salaries and wages	**1,298,533**	1,931,297	**1,027,828**	1,317,762
	Staff training	**9,827**	18,060	**9,577**	17,752
	Contributions to pension fund scheme	**69,117**	203,062	**30,515**	98,002
		1,377,477	2,152,419	**1,067,920**	1,433,516

			Group		Company	
			2018	2017	**2018**	2017
			N'000	N'000	**N'000**	N'000

59.2.a. Employees remunerated at a higher rates

The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:

N		N	Group 2018	Group 2017	Company 2018	Company 2017
-	-	250,000	**12,641**	15,871	**12,641**	15,871
250,001	-	300,000	**2,462**	5,462	**2,462**	5,462
300,001	-	350,000	**967**	1,269	**967**	1,269
350,001	-	400,000	**11,593**	17,214	**11,593**	17,214
400,001	-	450,000	**865**	1,298	**865**	1,298
450,001	-	500,000	**4,158**	6,432	**4,158**	6,432
500,001	-	550,000	**1,535**	4,115	**1,535**	4,115
550,001	-	600,000	**1,796**	3,596	**1,796**	3,596
600,001	-	650,000	**-**	1,235	**-**	1,235
650,001	-	700,000	**651**	1,334	**651**	1,334
700,001	and above		**413,392**	477,896	**413,392**	477,896
			450,060	535,722	**450,060**	535,722

59.2.b. The average number of persons employed in the financial year are as follows:

	Group 2018	Group 2017	Company 2018	Company 2017
Managerial	**17**	10	**17**	10
Senior staff	**61**	85	**61**	85
Junior staff	**98**	125	**98**	125
	176	220	**176**	220

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Other National Disclosures

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2018

	Group				Company			
	2018		2017		**2018**		2017	
	N'000	%	N'000	%	**N'000**	**%**	N'000	%
Net premium income	**4,014,421**		4,010,090		**1,568,984**		1,557,085	
Fees and commission income	**309,471**		325,003		**80,644**		145,983	
Total underwriting expenses	**(3,935,530)**		(3,282,575)		**(1,427,992)**		(1,207,828)	
Underwriting profit	**388,362**		1,052,518		**221,636**		495,241	
Investment and other income	**1,348,776**		2,645,770		**1,044,445**		1,814,608	
Bought in material and services	**(396,156)**		(1,301,834)		**(119,640)**		(849,963)	
Value Added	**1,340,982**	**100**	2,396,455	**100**	**1,146,441**	100	1,459,886	100
Distribution:								
Employees								
Staff costs	**1,403,315**	**105**	2,181,488	91	**1,068,403**	**93**	1,433,894	98
Government								
Taxes	**247,809**	**18**	282,060	12	**185,609**	**16**	194,220	13
Provider of capital								
Finance costs	**49,789**	**4**	104,779	4	**183,342**	**16**	191,792	13
Retained in the Company								
Depreciation and amortisation	**120,753**	**9**	114,889	5	**68,003**	**6**	53,277	4
Loss for the year	**(480,684)**	**(36)**	(286,761)	(12)	**(358,916)**	**(31)**	(413,297)	(28)
	1,340,982	**100**	2,396,455	100	**1,146,441**	**100**	1,459,886	100

Value added represents the additional wealth which the company has been able to create by its own and its employeees effort. The statements shows the allocation of that wealth among the employees, capital providers, Government and that retained for creation of more wealth.

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - GROUP
31 DECEMBER

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and cash equivalents	**1,477,089**	1,033,072	2,038,861	2,790,712	3,701,179
Financial Assets:					
At fair value through profit or loss	**288,949**	584,918	359,703	398,789	730,763
Available for sale	**1,213,803**	859,018	2,882,333	1,396,167	1,572,424
Held to maturity	**293,981**	457,772	515,488	346,697	357,822
Loans and receivables	**495,031**	386,491	393,081	384,867	349,387
Trade receivables	**512,354**	759,669	1,528,200	441,449	659,625
Reinsurance assets	**3,533,301**	3,869,108	3,674,641	3,686,538	2,902,474
Deferred acquisition costs	**70,830**	153,900	204,740	216,306	255,003
Loans and advances to customers	**324,661**	251,305	175,265	539,873	160,544
Non-current assets held for sale	**4,093,324**	4,660,826	3,218,947	3,222,112	3,280,000
Other receivables and prepayments	**403,249**	763,820	861,347	967,499	34,965
Investment in subsidiaries	**-**	-	-	-	-
Intangible ssets	**-**	-	64,447	238,488	242,112
Deferred tax assets	**-**	(0)	28,245	32,808	126,068
Investment properties	**21,431,642**	23,239,950	26,401,864	25,326,450	22,912,944
Property plant and equipment	**6,418,828**	6,422,413	6,933,904	6,671,407	6,659,596
Statutory deposits	**554,608**	575,014	588,175	556,345	520,383
Total assets	**41,111,651**	44,017,277	49,869,242	47,216,507	44,465,289
Equity					
Ordinary 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	**5,684,590**	5,489,812	5,258,209	4,830,206	4,607,005
Fairvalue reserve	**608,791**	174,262	629,681	362,816	473,326
Contingency reserve	**3,184,596**	3,743,134	3,059,067	2,891,889	2,768,734
Loss sustained	**(17,982,107)**	(17,573,897)	(20,118,510)	(17,210,912)	(12,740,365)
Capital reserve	**134,236**	131,557	73,619	64,214	55,382
Foreign exchange reserve	**(556,027)**	(340,811)	(55,791)	218,521	246,332
Statutory(regulatory) reserve	**182,607**	162,473	238,681	114,032	124,604
Shareholder's fund	**6,903,085**	7,432,928	4,731,358	6,917,166	11,181,418
Non-controlling interests	**(122,255)**	39,007	(612,563)	294,104	331,575
Total equity	**6,780,830**	7,471,935	4,118,795	7,211,270	11,512,993
Liabilities					
Insurance contract liabilities	**10,181,666**	11,059,906	16,660,337	12,637,126	11,071,751
Investment contract liabilities	**9,870,602**	10,539,993	14,068,469	12,176,417	11,202,965
Trade payables	**1,236,737**	1,367,204	1,178,641	1,668,853	1,039,580
Loans and borrowings	**1,183,760**	1,779,588	1,578,901	3,146,421	2,502,995
Other payables and accruals	**7,174,316**	6,784,953	7,149,758	5,699,033	2,922,288
Placements from other banks	**-**	-	-	-	-
Income tax payable	**1,893,722**	1,881,813	1,848,709	1,754,462	1,578,654
Deferred tax liabilities	**1,568,212**	1,876,395	2,121,376	1,741,915	1,454,750
Dividend payable	**-**	-	-	11,227	15,812
Deposit for shares	**1,221,804**	1,255,489	1,144,256	1,169,783	1,163,501
Total liabilities	**34,330,819**	36,545,341	45,750,447	40,005,237	32,952,296
Total equity and liabilities	**41,111,649**	44,017,276	49,869,242	47,216,507	44,465,289
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	**4,356,979**	5,396,208	7,693,288	7,743,350	9,324,695
Gross Premium Income	**4,970,738**	6,002,177	7,533,234	7,915,395	10,593,822
Net Premium Income	**4,014,421**	4,010,090	5,803,943	6,352,620	8,049,758
Investments and other income	**1,959,091**	3,527,826	2,304,637	3,531,876	4,077,379
Total incomes	**5,973,512**	7,537,916	8,108,580	9,884,496	12,127,137
Net benefits and claims	**(838,113)**	(1,559,253)	(4,721,493)	(2,577,692)	(3,737,807)
Other expenses	**2,274,696**	2,893,480	1,031,482	(11,121,291)	(8,925,947)
Total expenses	**1,436,583**	1,334,227	(3,690,011)	(13,698,983)	(12,663,754)
Loss before income tax	**(232,875)**	(4,701)	(3,740,109)	(3,814,487)	(536,617)
Income tax expense	**(247,809)**	(282,060)	(106,243)	(532,476)	589,472
Loss from continuing operations	**(480,684)**	(286,761)	(3,846,352)	(4,346,963)	52,855

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - COMPANY
31 DECEMBER

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets					
Cash and cash equivalents	**146,369**	77,970	75,254	245,544	1,418,395
Financial Assets:					
At fair value through profit or loss	**9,282**	13,557	10,555	13,393	24,333
Available for sale	**879,452**	456,289	371,627	202,658	202,658
Loans and receivables	**475,312**	347,615	359,745	355,139	323,417
Trade receivables	**-**	-	6,684	13,124	63,348
Reinsurance assets	**3,053,282**	3,278,041	2,881,837	2,709,529	2,274,292
Deferred acquisition costs	**37,674**	78,224	114,077	135,838	172,453
Other receivables and prepayments	**155,509**	167,906	375,190	424,011	1,019,314
Investment in subsidiaries	**3,333,919**	3,333,919	3,418,581	5,590,678	5,590,677
Intangible ssets	**-**	-	-	-	17,568
Investment properties	**17,753,496**	17,379,877	16,856,272	15,915,506	14,662,419
Property plant and equipment	**5,395,844**	5,263,674	4,942,912	4,670,928	4,765,184
Statutory deposits	**500,000**	500,000	500,000	500,000	500,000
Total assets	**31,740,139**	30,897,072	29,912,734	30,776,348	31,034,057
Equity					
Ordinary 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	**5,392,051**	5,159,421	4,826,118	4,509,788	4,113,310
Fairvalue reserve	**489,839**	66,676	66,676	132,833	132,833
Contingency reserve	**2,884,130**	2,845,224	2,771,941	2,695,929	2,613,413
Loss sustained	**(18,406,310)**	(18,271,687)	(17,555,730)	(16,032,774)	(11,776,020)
Total equity	**6,006,110**	5,446,034	5,755,406	6,952,176	10,729,935
Liabilities					
Insurance contract liabilities	**9,097,653**	9,508,882	9,508,891	8,942,173	7,902,724
Investment contract liabilities	**8,626,085**	8,766,506	8,913,995	8,649,161	8,125,379
Trade payables	**855,679**	686,995	806,343	1,312,637	777,242
Loans and borrowings	**486,906**	350,274	5,499	124,106	166,942
Other payables and accruals	**4,051,350**	3,667,009	2,633,408	2,456,983	1,511,178
Income tax payable	**1,539,140**	1,482,919	1,506,626	1,484,161	1,343,019
Deferred tax liabilities	**1,077,223**	988,446	782,566	854,951	477,638
Total liabilities	**25,734,036**	25,451,031	24,157,328	23,824,172	20,304,123
Total equity and liabilities	**31,740,146**	30,897,065	29,912,734	30,776,348	31,034,058
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	**1,397,464**	2,580,000	3,020,008	3,455,994	5,423,549
Gross Premium Income	**1,742,376**	2,870,212	3,204,357	3,481,655	6,764,584
Net Premium Income	**1,568,984**	1,557,085	2,212,906	2,512,620	4,818,981
Investments and other income	**860,502**	1,327,488	1,137,735	1,540,826	(971,893)
Total incomes	**2,429,486**	2,884,574	3,350,641	4,053,446	3,847,088
Net benefits and claims	**(358,650)**	(526,676)	(1,962,558)	(3,126,972)	(3,276,644)
Other expenses	**(1,775,599)**	(1,378,971)	(2,677,186)	(4,691,915)	(4,357,075)
Total expenses	**(2,134,249)**	(1,905,647)	(4,639,744)	(7,818,887)	(7,633,719)
Loss before income tax	**(173,307)**	(219,077)	(1,382,016)	(3,765,441)	(3,786,631)
Income tax expense	(185,609)	(194,220)	(64,918)	(408,790)	614,208
Loss from continuing operations	**(358,916)**	(413,297)	(1,446,934)	(4,174,231)	(3,172,423)