2016 Annual Report

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ensure™

Vision

To be the dominant insurance company in Nigeria

Contents

Result At a Glance

	2016 N'000	2015 N'000
FOR THE YEAR		
Gross Premium Income	**4,017,369**	2,986,992
Net Premium Earned	**2,031,852**	2,313,226
Profit Before Income Tax	**1,092,271**	(310,822)
Taxation	**(39,528)**	(165,901)
Profit After Income Tax Expenditure	**1,052,743**	(476,723)
AT YEAR END		
Paid-up Share Capital	**3,757,549**	3,757,549
Statutory Deposit	**500,000**	500,000
Insurance Contract Liabilities	**4,639,622**	4,221,829
Investment Contract Liabilities	**1.215,719**	1,252,195
Contingency Reserve	**1,114,958**	925,129
Total Assets	**13,567,459**	11,589,187
Shareholder's Fund	**6,227,584**	5,195,123
PER 50K SHARE DATA		
Nominal Price (kobo)	**50**	50
Net Assets Value Per Change (kobo)	**83**	69
Number of Employees	**108**	119
Earnings (kobo)	**14.01**	(6.34)

Directors and Professional Advisers

Company's Registration Number:

RC: 234883

DIRECTORS:

Fola Adeola	*Chairman*	
Babatunde Mimiko	*Managing Director*	(Resigned March 2017)
Dickie Agumba Ulu	*Independent Director*	
Andrew Borda	*Non- Executive Director*	(Australian)
Asue Ighodalo	*Non- Executive Director*	
Shubhendra Swarup	*Non- Executive Director*	(British)
Volkan Oktem	*Non- Executive Director*	(Turkish, Resigned March 2017)
Ayodele Akande	*Non- Executive Director*	(Appointed October 2016)
Owolabi Salami	*Executive Director*	
Douglas Machuki	*Executive Director*	(Kenyan, Resigned August 2016)
Olasunkanmi Adekeye	*Executive Director Acting MD*	(Appointed September 2016)

SECRETARY:

Abimbola Alabi

REGISTERED OFFICE:

307, Adeola Odeku Street,
Victoria Island, Lagos.

REGISTRAR

GTL Registrars Limited
274, Murtala Muhammed Way
Alagomeji, Yaba Lagos

AUDITORS

Ernst & Young
10th & 13th Floors, UBA House
57, Marina Lagos, Nigeria.

BANKERS:

Union Bank of Nigeria PLC
Sterling Bank PLC
Guaranty Trust Bank PLC
Zenith Bank PLC
First City Monument Bank PLC
United Bank for Africa PLC
Access Bank PLC
First Bank of Nigeria PLC
Stanbic IBTC PLC

CONSULTING ACTUARIES:

HR Nigeria Limited
FRC No. - FRC/NAS/00000000738

ESTATE SURVEYOR AND VALUER

Benson Omoruyi & Co.
FRC No. - FRC/2013/NIESV/00000003307

REINSURERS:

International:

Swiss Reinsurance Company Limited
XL-Catlin
Continental Reinsurance PLC.
African Reinsurance Corporation

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting ("AGM") of Ensure Insurance Plc. (the "Company") will hold at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island, Lagos State, on Monday, May 15, 2017 at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the Shareholders, the Audited Financial Statements for the year ended December 31st, 2016, and the Report of the Directors and the Auditors thereon;
2. To re-elect Director(s);
3. To ratify the appointment of Directors;
4. To authorise the Directors to fix the remuneration of the External Auditors;
5. To elect the members of the Audit Committee.

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following as Special Resolution:

a. To approve the Directors remuneration.

7. To consider and if thought fit, pass the following as a sub-joined Special Resolution:

a. To approve the creation of a staff performance reward share scheme, for senior management employees of the Company ("the Share Scheme") as may be determined by the Directors,by the allotment of 142,786,846shares to Trustees, for the benefit of the employees,to be administered and managed pursuant to and in accordance with a Trust Deed between the Company and the Trustees.

b. To authorise the Directors to perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolution, including without limitation, entering into any agreement and/or executing any documents as may be necessary in obtaining or complying with the directives and/or orders of any court and/or any regulatory authority.

c. To authorise the Directors to make such modifications to the Share Scheme as they may consider appropriate in taking into account any applicable statutory or regulatory requirements or prevailing best practice and to adopt the Share Scheme as so modified.

8. To consider and if thought fit, pass the following as Special Resolution:

a. That Clause 74 of the Company's Articles of Association be amended as follows:

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 7 (seven) nor more than 15 (fifteen).

NOTES

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form by the Commissioner of Stamp Duties must be deposited at the office of the Registrar, GTL Registrars Limited, 274, Murtala Muhammed Way, Alagomeji, Yaba, Lagos.

A blank proxy form is attached to the Annual Report.

Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act 2004 ("CAMA"), any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the AGM. The Code of Corporate Governance of the Securities and Exchange Commission and National Insurance Commission respectively indicate that members of the Audit Committee should have basic financial literacy and be knowledgeable in internal control processes.

ELECTION/RE-ELECTION OF DIRECTORS

Election of Directors

Messrs. Olasunkanmi Adekeye and Ayodele Akande are being proposed for election as Directors. Mr. Adekeye was appointed in September, 2016 and Mr. Akande was appointed in October, 2016,

Their appointments are now being presented for shareholders' approval at the AGM.

Retirement/Re-Election of Directors

Messrs. Fola Adeola and Owolabi Salami are retiring by rotation at the current meeting in line with section 259 of CAMA. The retiring Directors, being eligible, are therefore offering themselves for re-election as Directors at the AGM.

E-Report

In furtherance with our environmental sustainability agenda and in order to improve delivery of our Annual Reports, we have inserted a detachable form to the Annual Reports.

We hereby request shareholders who wish to receive the Company's Annual Reports in electronic format to complete and return the form to the Registrars for further processing.

In addition, the Annual Reports and Financial Statements are available for viewing and download from the Company's website: www.ensure.com.ng

Dated this 20thDay of April, 2017.

BY ORDER OF THE BOARD

ABIMBOLA ALABI
Company Secretary
FRC/2015/NBA/00000010768

Ensure Insurance PLC
Plot 307, Adeola Odeku Street
Victoria Island,Lagos.

Abimbola Alabi
(Legal /Company Secretary)

Chairman's Statement

Fola Adeola
(Chairman)

Gaining Traction Against Headwinds

It is my pleasure to welcome you all to the 18th Annual General Meeting of our Company and to lay before you, the Annual Reports and Accounts of Ensure Insurance Plc. for the financial year ended December 31, 2016.

Macroeconomic Environment

The global socio-political developments and conditions impacted the Nigerian economy in many ways. For example, oil prices fell to an all-time low of $26.55 per barrel amidst the slow growth in China; increased production in the United States and the return of Iran to the international market.

The tussle between Saudi Arabia and Iran over daily production limits also affected the sale of Nigerian crude oil in the global economy. This did rebound somewhat in Q4, FY 2016, to $53.77 per barrel,although a little too late to have a positive impact on Nigeria's earnings from crude oil production.

The elections in the United States of America dominated the airwaves in 2016 with the outcome creating tectonic shifts in global politics. The rhetoric left many world leaders bewildered and economic powerhouses unsure of what the future holds. As such, there was a slowdown in transatlantic investments and growth.

Security continued to remain a challenge for us in Nigeria even though the government has largely and successfully checkmated the excesses of Boko Haram. The terrorist group has been decimated with their capability seriously degraded. We commend the government for this achievement. However, the Country witnessed increased cases of kidnappings and resurgency in militancy in the Niger-Delta region.

The opaqueness surrounding the access to foreign exchange gave currency speculators a field day. Whilst the official rate was pegged at N305: $1 post-devaluation in June, 2016, the parallel market rate remained much higher.

The average annual price per barrel of oil was $42.81, however with production averaging 1.6 million barrels per day, the Country did not earn enough to meet its foreign exchange demands.

The economy fared poorly in 2016, with inflation exacerbated by the increase in petrol prices and weakening of the Naira reaching an all-time high of 18.5%.

Nonetheless, our Company forged ahead and recorded an impressive performance in terms of revenue generated and declared profits.

In the year under review, the Board of the Company took several significant steps to transform the Companyinto a fully-fledged, operational Company with the capacity to compete effectively with other top players in the insurance industry and recorded some significant achievements.

At the beginning of the year, Ensure was the first insurance Company to receive the approval of its regulators (NAICOM) of its Audited Accounts. Ensure Insurance PLC had never achieved this feat in its prior 24 years of existence. This achievement is a testament to the strengthening of the internal processes and systemic improvements.

The new brand was also formally launched in January 2016. Members will recall that it approved the name change in 2015 but it took some time to get the approval of the regulator, NAICOM.

The Ensure brand is now fast gaining recognition within the insurance industry and its target market. The Board is pleased to report that this progress is ongoing.

Due to the recession challenges in 2016 and the attendant economic downturn, the management was highly proactive in preserving value for you, the shareholders. This was achieved with a combination of staff workforce optimisation and the automation of several retail operations. It is estimated that these initiatives resulted in the reduction of overhead costs, saving the Company N0.368billion. Management also protected the Balance Sheet by retaining a significant proportion of the company's asset in United States Dollars.

Worthy of note is our financial performance in FY 2016. In spite of the challenging economic environment, the Company exceeded expectations. We recorded a 46% growth in Gross Written Premium from N2.875bn in FY 2015 to N4.143bn in FY 2016.

"Gaining Traction Against Headwinds"

Underwriting performance witnessed the most significant improvement with a 75% growth. This is testament to the efficacy of the underwriting guidelines and practice which the Management team instituted in the year under consideration. We tightened policy wordings, uncovered some fraudulent claims, optimised claims management costs and improved our risk selection methodology.

The Company's management successfully froze overall expenses without compromising the revenue generation capability of the Company. We recorded N2.306bn in investment income.

This was as a result of initiatives, which we took on in FY 2014 to protect the Company's Balance Sheet. The foresight which was exhibited by the Board in 2014, paid off enormously in FY 2016.

In response to the admonition of shareholders at the last meeting, the Company responded positively by undertaking some corporate social responsibility initiatives, primarily providing relief and material support to the Internally Displaced Persons (IDPs) in Maiduguri, Borno State consequent upon the devastation caused by Boko Haram. The Company, in partnership with the United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA), visited three (3) camps for IDPs and donated a borehole, public conveniences, clothes, medicines, medical equipment and baby food.

We are extremely proud of this initiative, particularly the recognition of Ensure by UN-OCHA as the 2nd corporate organisation in Nigeria to have worked with them to bring some relief to the IDPs.

We regret to inform our members that Mr. Babatunde Mimiko resigned his appointment as the Managing Director of the Company at the close of the year to take up other challenges. On your behalf, we thanked him for his services to the Company and wished him well in his future endeavours. Mr. Mimiko has since been replaced by Mr. Olasunkanmi Adekeye, a competent leader with significant experience in the Insurance industry.

The focus for the future shall be on the deployment of a robust insurance application software that will enhance operational efficiency by reducing operational costs and quicker service delivery.Looking ahead, we shall strive to consolidate the impressive gains made in 2016.

We shall continue to identify and pursue opportunities for revenue growth and cost containment in line with the Company's vision of being the "Dominant Insurance Company in Nigeria", by the year 2020.

Your Company is steadily advancing towards being classed as a top player in the insurance industry. It shall attain leadership in the foreseeable future.

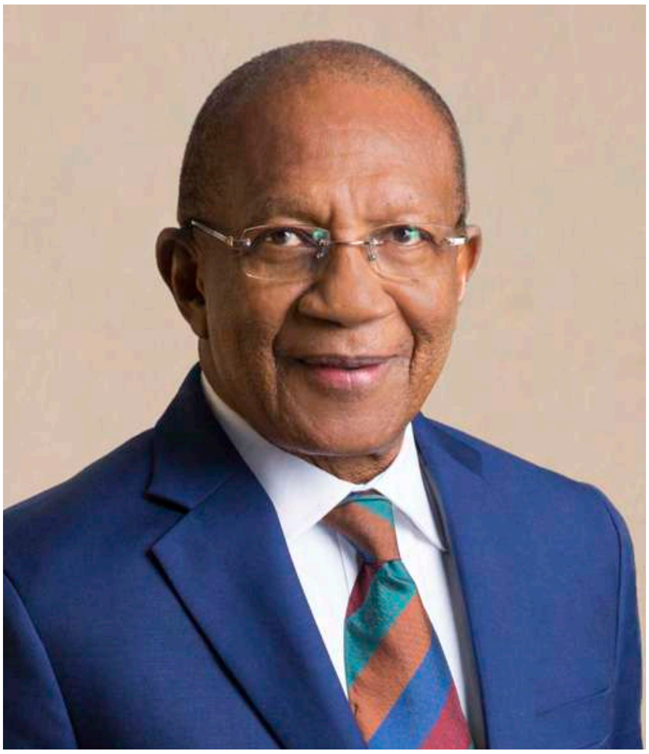
On behalf of my Board, I thank you for your support.

Fola Adeola, OFR; mni

Chairman
Ensure Insurance Plc.

Board of Directors

Fola Adeola
(Chairman)



Dickie Agumba Ulu
(Independent Director)

Asue Ighodalo
(Non- Executive Director)

Andrew Borda
(Non- Executive Director)

Shubhendra Swarup
(Non- Executive Director)

Ayodele Akande
(Non- Executive Director)

Olasunkanmi Adekeye
(Executive Director/Acting MD)

Owolabi Salami
(Executive Director)

Management Team


(Chief Technical Officer)


(Underwriting Group)


(Claims Group)


(Chief Corporate Sales Officer)


(Chief Retail Sales and Marketing Officer)


(Chief People Officer)


(Chief Financial Officer)


(Chief Operations Officer)


(Chief Audit/Risk/Compliance Officer)


(Company Secretary /Legal Adviser)


(Chief Responsibility Officer)


introducing insurance that doesn't feel like insurance
receive on-scene assistance after an accident
have your claims paid in full
get twice as much as other insurance companies to educate your child
have your claims settled in 24 hours

In addition to its skilled and experienced workforce, our company has successfully deployed a functional and robust technology platform. The brand has thus created a new identity which is modern and depicts excellence within the sector.

Directors' Report

For the year ended 31 December 2016

The Directors have the pleasure in presenting their report on the affairs of Ensure Insurance PLC ("the Company") together with the audited financial statements and the auditors' report for the year ended 31 December 2016.

Legal form and principal activity

The Company was incorporated in Nigeria as a private limited liability company in 1993 and commenced operations on 2 October 1998 to transact insurance business as a composite insurer. The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and Non-life insurance services to both corporate and individual customers. "

Operating results

The highlights of the Company's operating results for the year ended 31 December 2016 are as follows:

	31 December 2016 '000	31 December 2015 '000
Gross premium written	4,194,782	2,875,078
Profit/(loss) before income tax expense	1,092,271	(310,822)
Income tax expense	(39,528)	(165,901)
Profit/(loss) after income tax expense	1,052,743	(476,723)
Transfer to statutory contingency reserve	(189,829)	(65,820)
Transfer to retained earnings	862,914	(542,542)
Accumulated losses, beginning of year	(4,727,991)	(4,185,449)
Accumulated losses, end of year	(3,865,077)	(4,727,991)
Earnings/(loss) per share (k) - Basic	14.01	(6.34)
Earnings/(loss) per share (k) - Diluted	6.73	(3.21)

Range analysis of shareholding

As at December 31, 2016

Share Range	Number Of Shareholders	Shareholders %	Number Of Holdings	% of Shareholding
1-1,000	2	0.42	200	0.00
5,001-10,000	1	0.21	10,000	0.00
10,001-50,000	144	30.57	4,106,000	0.05
50,001-100,000	132	28.03	12,702,000	0.17
100,001-500,000	145	30.79	33,878,812	0.45
500,001-1,000,000	15	3.18	12,164,000	0.16
1,000,001-5,000,000	26	5.52	58,040,000	0.77
5,000,001-10,000,000	5	1.06	35,680,000	0.47
10,000,001 and above	1	0.21	7,358,516,264	97.92
TOTAL	**471**	**100**	**7,515,097,276**	**100**

Range analysis of shareholding
As at December 31, 2015

Share Range	Number Of Shareholders	Shareholders %	Number Of Holdings	% of Shareholding
1-1,000	2	0.42	200	0.00
5,001-10,000	1	0.21	10,000	0.00
10,001-50,000	144	30.57	4,106,000	0.05
50,001-100,000	132	28.03	12,702,000	0.17
100,001-500,000	145	30.79	33,878,812	0.45
500,001-1,000,000	15	3.18	12,164,000	0.16
1,000,001-5,000,000	26	5.52	58,040,000	0.77
5,000,001-10,000,000	5	1.06	35,680,000	0.47
10,000,001 and above	1	0.21	7,358,516,264	97.92
TOTAL	**471**	**100**	**7,515,097,276**	**100**

Directors who served during the year

The Directors of the Company who held office during the year and as at the date of this report were as follows:

Fola Adeola	-	*Chairman*	
Babatunde Mimiko	-	*Managing Director*	(Resigned March 2017)
Dickie Agumba Ulu	-	*Independent Director*	
Andrew Borda	-	*Non-Executive Director*	(Australian)
Asue Ighodalo	-	*Non-Executive Director*	
Shubhendra Swarup	-	*Non-Executive Director*	(British)
Volkan Oktem	-	*Non-Executive Director*	(Turkish, Resigned March 2017)
Ayodele Akande	-	*Non-Executive Director*	(Appointed October 2016)
Owolabi Salami	-	*Executive Director*	
Douglas Machuki	-	*Executive Director*	(Resigned August 2016)
Olasunkanmi Adekeye	-	*Executive Director /Acting MD*	(Appointed September 2016)

Directors and their interests in share capital

The Directors who held office during the year, together with their interest in the issued share capital of the Company as recorded in the register of Directors shareholdings and/or as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act is noted below (2015: Nil).

Director	Dec 31 2016 Shareholding	% of Shareholding
Fola Adeola	-	-
Babatunde Mimiko	-	-
Dickie Agumba Ulu	-	-
Andrew Borda	-	-
Asue Ighodalo	-	-
Shubhendra Swarup	-	-
Volkan Oktem	-	-
Ayodele Akande	-	-
Owolabi Salami	-	-
Douglas Machuki	-	-
Olasunkanmi Adekeye	144,000	0.0 %

Resignation/Appointment of Directors

Mr. Douglas Machuki resigned from the Board during the year under review. Messrs. Volkan Oktem, Olasunkanmi Adekeye and Ayodele Akande were appointed during the year under view.

The appointments are subject to regulatory approval.

Major shareholding

According to the Register of Members, no shareholder other than the under-mentioned held more than 5% of the issued share capital as at 31 December 2016:

	31 December 2016	31 December 2016	31 December 2015	31 December 2015
	No. of shares	Holding (%)	No. of shares	Holding (%)
Greenoaks Global Holdings Ltd.	7,358,516,264	97.92	7,358,516,264	97.92

Directors' interest in contracts

For the purpose of Section 277 of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, none of the Directors have notified the Company of any direct or indirect interests in contracts or proposed contracts with the Company during the year.

Acquisition of own shares

The Company did not acquire any of its own shares during the year ended 31 December 2016 (2015: Nil).

Property and equipment

Information relating to changes in property and equipment is given in Note 13 to the Financial Statements.

Donations and charitable gifts

The Company donated N1,400,000 (2015: Nil) to Internally Displaced Persons (IDPs) camps as part of its corporate social responsibility.

Employment of disabled persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Company is in the position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Company has no persons on its staff list with a physical disability.

Health, safety and welfare of employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Employee involvement and training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower.

Consequently, the Company sponsored its employees for various training courses both locally and overseas in the year under review.

Gender analysis

The average number of employees of the Company during the year by gender and level is as follows:

Analysis of total employees

		Gender		Percentage	
	Year	Male	Female	Male	Female
Employees	31 December 2016	65	43	60%	40%
	31 December 2015	72	47	61%	39%
Top management	31 December 2016	9	-	100%	0%
	31 December 2015	9	-	100%	0%
Board	31 December 2016	8	-	100%	0%
	31 December 2015	8	-	100%	0%

Detailed analysis of the Board and Top Management is as follows as at 31 December 2016:

	Gender		Percentage	
	Male	Female	Male	Female
Senior Manager	5	-	100%	0%
Assistant General Manager	1	-	100%	0%
General Manager	1	-	100%	0%
Executive Director	3	-	100%	0%
Non-Executive Director	7	-	100%	0%

Detailed analysis of the Board and Top Management is as follows as at 31 December 2015:

	Gender		Percentage	
	Male	Female	Male	Female
Senior Manager	6	-	100%	0%
Assistant General Manager	2	-	100%	0%
Deputy General Manager	1	-	100%	0%
Executive Director	3	-	100%	0%
Non-Executive Director	5	-	100%	0%

Effective communication/employee relationship

In line with the Company's open door policy, the Company, once a month, provides employees with the opportunity to air their views and opinions, on matters affecting the performance of their duties.

Events after reporting date

There are no events after the reporting date which could have a material effect on the state of financial affairs as at 31 December 2016 and the profit for the year then ended that have not been adequately provided for or disclosed.

Auditors

Ernst and Young have indicated their willingness to act as the Company's External Auditors in accordance with the National Insurance Commission's (NAICOM) Corporate Governance Regulation and Section 357(2) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria.

BY ORDER OF THE BOARD

Abimbola Alabi

FRC/2013/NBA/000000107678
Company Secretary

Ensure Insurance PLC
307 Adeola Odeku Street
Victoria Island Lagos

7 February 2017

Our new insurance application - the portal we have developed - fully integrates all business activities from booking B2B and B2C policies to claims processing, which drastically reduces our turnaround time.

Corporate Governance Report

For the year ended 31 December 2016

Introduction

Ensure Insurance PLC (the "Company") has implemented corporate policies and standards to encourage a good and transparent Corporate Governance framework to avoid potential conflict of interest between all stakeholders, whilst promoting ethical business practices. This will enable the Company to comply with regulatory guidelines as well as the maintenance of shareholders' confidence.

The Company has consistently reviewed its systems and operations in order to ensure compliance with the guidelines and directives of NAICOM, the statutory requirements of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, as well as committed to the principles and practice of good Corporate Governance.

The Company has over the years built and retained the confidence of its shareholders by building on its core principles of integrity, sound values and full disclosure.

The Board of Directors

"The Corporate Governance policy of the Company rests on the Board of Directors to ensure due compliance with regulations within the Company's operational system.

For the year under review the Board had 11 members; this includes the Chairman, 1 (one) Managing Director, 3 (three) Executive Director, 5 (five) Non-Executive Directors and (1) one Independent Director appointed as required by NAICOM's Corporate Governance guidelines.

The Independent Director does not have any shareholding interest or any special business relationship with the Company.

"The effectiveness of the Board is achieved through a mix of seasoned and highly skilled individuals who have the required skills and professional success to bring independent and valued contribution to the Company.

The oversight function of the Board of Directors is channelled through the establishment of various committees and ad hoc committees to create a proper outlet for implementing governance policies. In the course of the year under review, the Board had 4 (four) Committees to ensure the proper management and direction of the Company via interactive dialogue on a regular basis.

These Board Committees met regularly and they consist of Executive and Non-Executive directors with clearly defined terms of reference which set out their responsibilities, powers and reporting procedures to the Board.

The Board Committees in operation during the year under review are:

1. Establishment and Corporate Governance Committee
2. Investment & Finance Committee
3. Audit and Compliance Committee; and
4. Enterprise Risk Management Committee.

The Board met four times during the year ended 31 December 2016 and additional meetings are called where it is necessary for the Board to meet. Furthermore, Board decisions are made by written resolutions as provided under the Articles of Association of the Company.

In addition to the Board Committees, the members of the Senior Management meet regularly in order to achieve effective and good Corporate Governance at Management level.

Directors' Responsibilities

The Directors are responsible for the strategic growth and development of the Company. In line with this responsibility, they must maintain a balance between compliance with regulatory provisions, governance principles and financial performance.

Directors' responsibilities include:

I. *ensuring that the Company's financial statements reflect a true and fair position of the Company's financial operations.*
II. *compliance with all statutory regulations relating to its business.*
III. *implementing an effective organisational structure with clearly stated job descriptions, authority levels and working relationships.*
IV. *creating the Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership.*
V. *appointment of key management positions in the Company.*
VI. *approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices; and*
VII. *approval of major changes to the Company's corporate structure and business activities.*

The roles of the Chairman of the Board and the Chief Executive Officer are separate and distinct to avoid concentration of power in one person.

The Chairman

The Chairman's main responsibility is to direct the Board and ensure that it effectively discharges its responsibilities within the provisions of the Law. The Chairman is responsible for calling meetings and updating the Directors on matters affecting the Company.

The Chairman also acts as an intermediary between Executive and Non-Executive Directors. The Chairman strives to ensure that any disagreements on the Board are resolved amicably.

The Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for the operational management of the Company. The CEO reports to the Board on managerial decisions and policies implemented by the Company. He ensures due compliance with regulations and policies of both the Board and Regulatory Authorities. The CEO has the overall responsibility for the growth, development and progress of the Company.

The Independent Director

In line with the NAICOM code of Corporate Governance practices, the Board has an independent Director who does not represent any particular shareholding interest nor holds any business interest in the Company.

Company Secretary

The Company Secretary is the coordinating intermediary between the Board and the board committees. It is the responsibility of the Company Secretary to update the Directors with all requisite information promptly and regularly.

The Company Secretary is also responsible for assisting the Chairman and Chief Executive Officer to prepare for Board meetings and ensure the minutes of Board meetings clearly and properly capture the Board's discussions and decisions.

Shareholders and other stakeholders

The Company recognises the rights of its shareholders and other stakeholders and is driven by its desire to deliver desired value to its shareholders and stakeholders. The shareholders are provided with detailed information on the Company's activities and financial results via the annual reports to provide an opportunity to make enquiries, obtain information, share ideas and express their concerns and opinions on all issues (if any) directly through the Company Secretary which is communicated to Management and the Board and on a broader scale at the Annual General Meeting of the Company.

Directors' nomination process

The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new Non-Executive Directors are agreed upon by the Board.

The balance and mix of appropriate skills and experience of Non-Executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures that the Directors are from diverse backgrounds with the requisite experience.

"The shareholding of an individual in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval by NAICOM. The following core values are considered critical in nominating a new director:

(i) Integrity;

(ii) Competence;

(iii) Professionalism; and

(iv) Ability to add value to the Company.

Non-Executive Directors' remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM and SEC Codes which stipulate that Non-Executive Directors' remuneration should be limited to Directors' fees and reimbursable travel and hotel expenses. Director's fees and sitting allowance was paid to only Non-executive directors as recommended by the Board Establishment and Corporate Governance Committee.

Board Committees

The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has 4 (four) Committees, namely: Board Establishment and Corporate Governance Committee; Board Investment & Finance Committee; Board Audit and Compliance Committee and Board Enterprise Risk Management Committee.

Through these Committees, the Board is able to deal more effectively with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committee make recommendations to the Board, which retains the responsibility for final decision making.

All Committees in the exercise of their powers as delegated, conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

There was a rotation in the composition of the committees during the course of the year.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

Board Establishment and Corporate Governance Committee

This Committee has supervisory functions over the whole establishment, staffing, remuneration and Corporate Governance issues.

Board Investment and Finance Committee

The Committee is responsible for supervisory functions over investment and other finance-related issues such as capital & funding requirements. The Committee is responsible for the management of the Company's investment portfolio by ensuring that risk identification procedures are adhered to in investment decisions and approved portfolio limits in all areas of asset management by the Company.

The Committee also reviews the Company's information technology platforms and makes recommendations on the system and technological platforms used by the Company.

Board Audit and Compliance Committee

The Audit Committee reviews established Company procedures to reveal irregularities and ensure the accuracy of data and information provided in the audited Financial Statements. The Committee also reviews the internal audit report (on a regular basis) at least quarterly. The Committee ensures that audited Financial Statements are in compliance with statutory requirements relevant accounting framework and other statutory requirements.

The Committee has oversight responsibility for the internal and external audit functions and the adequacy of control environment. The Chief Internal Auditor has access to this Committee and makes quarterly presentations to its members.

Board Enterprise Risk Management Committee

This Committee has supervisory functions over actuarial management, technical and underwriting functions of the Company. It also has oversight on the Company's enterprise risk management framework including defining the risk profile and appetite and risk-reward strategy of the Company.

Composition of the Board Standing Committees

Names of directors	Board Establishment and Corporate Governance Committee	Board Investment and Finance Committee	Board Enterprise Risk Management Committee	Board Audit and Compliance Committee
Fola Adeola				
Asue Ighodalo	*			
Dickie Agumba Ulu	*		*	*
Andrew Borda				
Volkan Oktem (Resigned March 2017)	*	*	*	*
Owolabi Salami	*	*		
Babatunde Mimiko (Resigned March 2017)		*	*	
Shubhendra Swarup	*	*	*	*
Douglas Machuki (Resigned August 2016)		*	*	
Olasunkanmi Adekeye (Appointed September 2016)		*	*	
Ayodele Akande (Appointed October 2016)	*			*

Attendance at Board meetings

Names of directors	Number of meetings attended	17-Feb-16	6-May-16	15-Sep-16	5-Dec-16
Fola Adeola	3	*		*	*
Asue Ighodalo	2		*		*
Andrew Borda	4	*	*	*	*
Volkan Oktem (Resigned March 2017)	2			*	*
Owolabi Salami	4	*	*	*	*
Chief Dickie Ulu	4	*	*	*	*
Babatunde Mimiko (Resigned March 2017)	4	*	*	*	*
Douglas Machuki (Resigned August 2016)	2	*	*		
Shubhendra Swarup	3	*		*	*
Ayodele Akande (Appointed October 2016)	1				*
Olasunkanmi Adekeye (Appointed September 2016)					*

Establishment and Corporate Governance Committee Meetings

Names of directors	Number of meetings attended	17-Feb-16	27-Apr-16	6-Sep-16	5-Dec-16
Asue Ighodalo	3		*	*	*
Dickie Agumba Ulu	4	*	*	*	*
Andrew Borda	1	*			
Shubhendra Swarup	4	*	*	*	*
Volkan Oktem (Resigned March 2017)	2			*	*
Owolabi Salami	3	*		*	*

Investment and Finance Committee Meetings

Names of directors	Number of meetings attended	12-Feb-16	28-Apr-16	7-Sep-16	5-Dec-16
Owolabi Salami	3	*		*	*
Babatunde Mimiko (Resigned March 2017)	4	*	*	*	*
Douglas Machuki (Resigned August 2016)	2	*	*		
Shubhendra Swarup	4	*	*	*	*
Volkan Oktem (Resigned March 2017)	2			*	*
Olasunkanmi Adekeye (Appointed September 2016)	1				*

Audit and Compliance Committee Meetings

Names of directors	Number of meetings attended	12-Feb-16	27-Apr-16	6-Sep-16	5-Dec-16
Chief Dickie Ulu	4	*	*	*	*
Akeem Shadare	4	*	*	*	*
Bolaji Balogun	1				*
Alhaji S.A.A Odenike	4	*	*	*	*
Shubhendra Swarup	3	*		*	*
Volkan Oktem (Resigned March 2017)	1			*	*

Enterprise Risk Management Committee Meetings

Names of directors	Number of meetings attended	12-Feb-16	28-Apr-16	6-Sep-16	5-Dec-16
Shubhendra Swarup	4	*	*	*	*
Babatunde Mimiko (Resigned March 2017)	4	*	*	*	*
Douglas Machuki	2	*	*		
Volkan Oktem (Resigned March 2017)	2			*	*
Dickie Agumba Ulu	2			*	*
Olasunkanmi Adekeye (Appointed September 2016)	1				*

Share Capital History

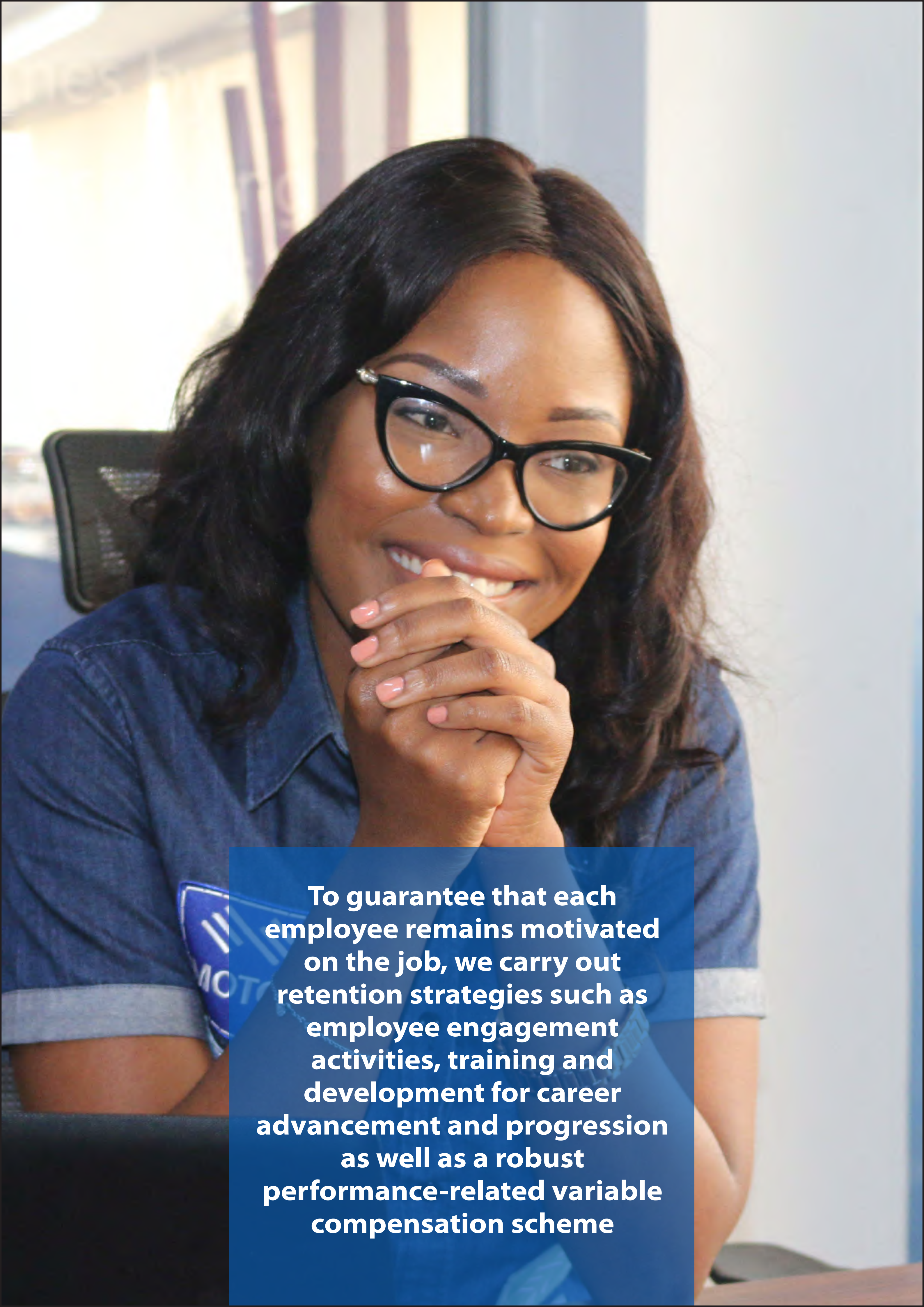
for the year ended 31 December 2016

Ensure Insurance Plc. began operations in 1998 to transact insurance as a composite insurer. The company is principally engaged in the business of providing risk underwriting, claims settlement, investment and related financial services to its customers. The Company started with a share capital of N20 million in 1993 and has subsequently increased its capital to meet up economic and regulatory capital requirement. The Company changed its name from Union Assurance Company Plc to Ensure Insurance Plc in May 2015 and re-launched its brand in January 2016. Ensure was listed on the National Association of Securities Dealers (NASD) platform in October 2016.

The changes in the share capital of the Company since incorporation are summarised below;

Date	Authorized (N) Increase	Cumulative (N)	Issued (N) Increase	Cumulative (N)	Par value of each share
1993	-	20,000,000.00	-	20,000,000.00	N1.00
1998	70,000,000.00	90,000,000.00	70,000,000.00	90,000,000.00	N1.00
2002	160,000,000.00	250,000,000.00	160,000,000.00	250,000,000.00	N1.00
2003	100,000,000.00	350,000,000.00	100,000,000.00	350,000,000.00	N1.00
2006	4,650,000,000.00	5,000,000,000.00	70,000,000.00	420,000,000.00	N1.00
2007		5,000,000,000.00	3,337,548,638	3,757,548,638.00	N1.00
2008	5,000,000,000.00	10,000,000,000.00	3,757,548,638	7,515,097,276.00	N0.50K

"We recorded a 46% growth in Gross Written Premium. Additionally, we successfully froze overall expenses without compromising the revenue generation capability of the Company and thus recorded N2.3bn in investment income."



To guarantee that each employee remains motivated on the job, we carry out retention strategies such as employee engagement activities, training and development for career advancement and progression as well as a robust performance-related variable compensation scheme

Management Discussion and Analysis (MD & A)

This Management Discussion and Analysis ("MD&A") is designed to provide the readers with an overview of the Company's profile, business strategies, performance update, and its forward-looking statements.

The MD&A has been prepared as at 31 December 2016 and should be read in conjunction with the audited financial statements and the related notes to the audited financial statements.

Company Profile

Established in 1993, Ensure Insurance PLC engages in underwriting of Life and Non–Life businesses. Ensure offers a broad spectrum of insurance and investment linked products. Our business is backed by notable reinsurers in the global markets: Swiss Re, XL Catlin, African Re and Continental Re. GGH, our majority stakeholders, is an investment firm focused on acquiring and building leading insurance businesses in African and Asian frontier markets. Currently, GGH has major equities in companies in Pakistan, Rwanda and Nigeria. The core investor, GGH, draws on experience from leading financial and professional service firms including Goldman Sachs, D.E. Shaw, McKinsey & Company and Swiss Re.

Business Strategies

Our vision is to be the dominant insurance company in Nigeria. Our goal is to provide easy-to-access products and improve on the industry's challenges of distribution and service delivery.

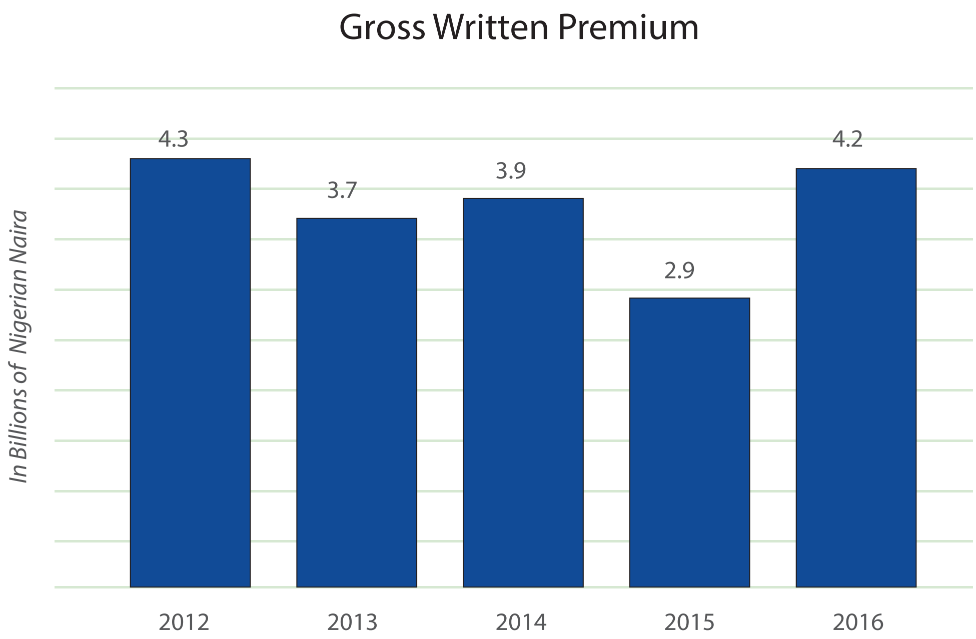
With insurance penetration ratio of 0.4%, the market insurers have a lot to do in reaching the uninsured. It is certain that the masses want to buy insurance products but it is not easily accessed. We want to significantly improve on the prospect-to-customer ratio. This will be achieved by exploring both the traditional and conventional distribution channels.

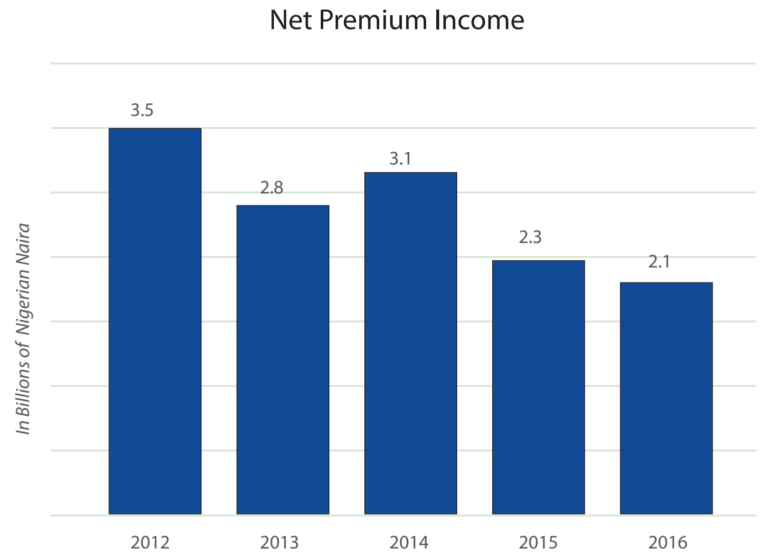
The environment is technology driven and we cannot afford to be lacking in this area. It is vital to have technologically empowered platforms that will help us serve the uninsured public efficiently. More energy will be channelled towards having simplified processes with minimal manual intervention.

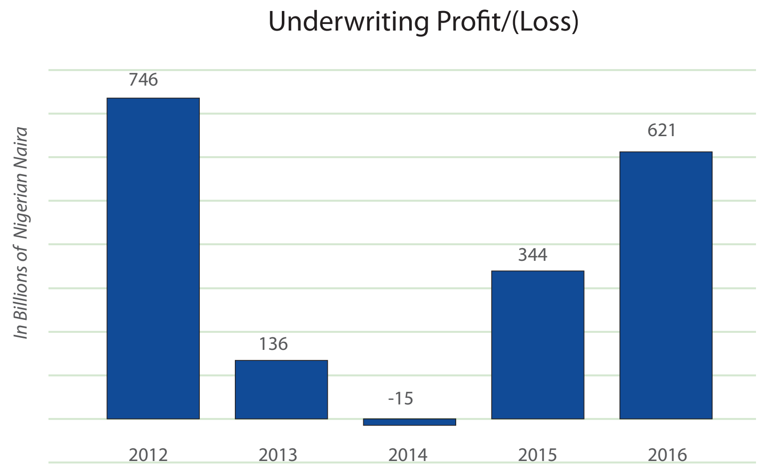
Performance

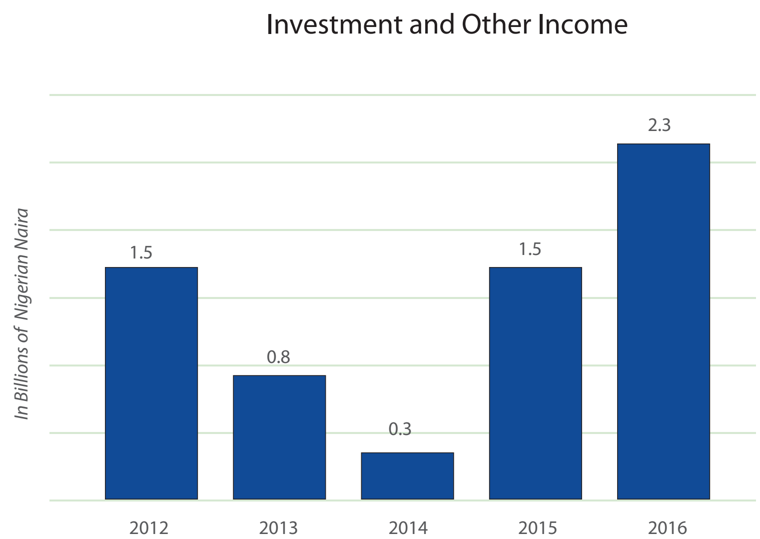
The major performance ratios of the Company were impressive in the year under review. The Company recorded a 46% growth in gross written premium (2016: N4.2billion, 2015: N2.9billion).

Please see graph below for our performance on some key lines:

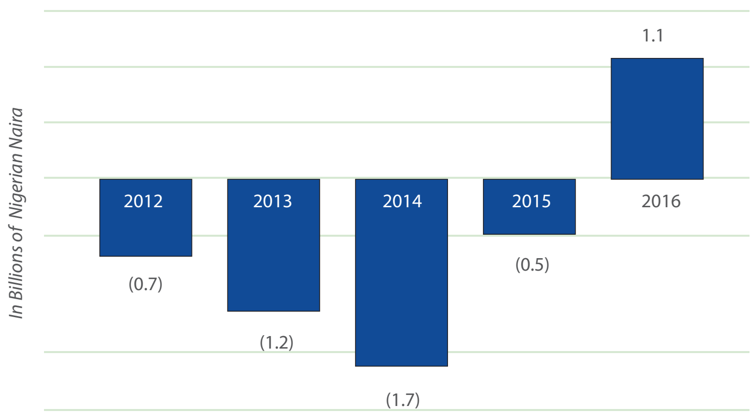



Net Premium Income
In Billions of Nigerian Naira
3.5
2.8
3.1
2.3
2.1
2012
2013
2014
2015
2016

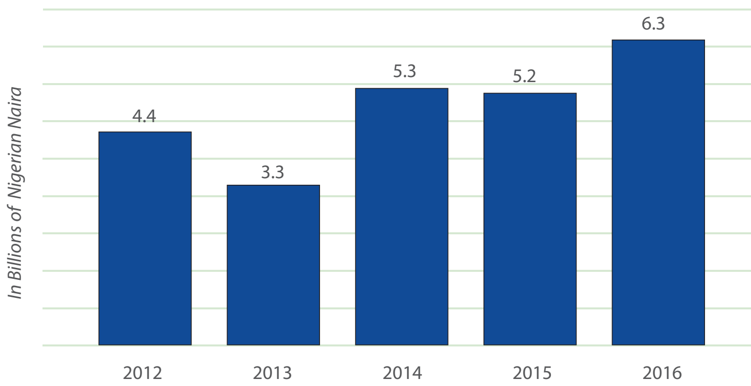

Underwriting Profit/(Loss)
In Billions of Nigerian Naira
746
136
-15
344
621
2012
2013
2014
2015
2016


Investment and Other Income
In Billions of Nigerian Naira
1.5
0.8
0.3
1.5
2.3
2012
2013
2014
2015
2016

Profit or (Loss) After Tax



Shareholders' Fund



Corporate Social Responsibility (CSR) Initiative

Sustainability Report

Ensure Insurance conducts its business with the consciousness of environmental cleanliness, safety, social responsibility and sustainable economic practices. As an organization, we maintain zero tolerance for operational practices that are either harmful or pose danger to our employees or the environment where we operate. We consider our operations to be a part of the society and thus our employees are constantly educated on safety and responsible behavior.

The Company pursues a work-life balance objective by adopting a flexi work-hour scheme where staff are allowed to work at convenient hours within the work-hour options available. This is helping staff to be healthier and more productive.

We adopted a cost control mechanism by leveraging on the use of modern technology to aid internal communication and avoid wastages from the use of stationeries. Our products are also carefully designed to meet the yearnings of every category of customer without compromising the quality of service rendered. This has improved our operations and profitability significantly.

Ensure pursues its corporate social responsibility by providing support for people living in villages and communities that are less developed and outskirts of the cities where we may not necessarily get business patronage. We consider this an approach to improving the standard of living of those individuals and to bridge the gap between the poor and the rich.

Our customers, clients and stakeholders are regarded as the mainstay of business growth and sustainability hence, we operate an efficient customer service structure which serves as a feedback mechanism to measure our operational efficiency and good customer service delivery. We pursue this goal with the understanding that the continual patronage of our customers will strengthen and improve our commercial sustainability.

Our passion to change the way Insurance works in Nigeria is the bedrock of our operation and business sustenance.

Corporate Social Responsibility (CSR) Initiative

Ensure Insurance PLC, in fulfilling her corporate social responsibility, organized a ceremony in Maiduguri, Borno State on 16 November 2016 to commission projects and distribute relief materials procured for Internally Displaced Persons (IDPs) in the state.

The event which was facilitated by the United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA) was attended by representatives of Ensure Insurance and National Emergency Management Agency (NEMA) following the donation of N1.4Million by Ensure Insurance PLC to promote hygiene and procure relief materials such as food, water and medication for IDPs in July 2016. In his appreciation message, the Chairman stated that the network assigned Water and Sanitation Hygiene (WASH) experts and Nutritionists to strategically allocate funds to the different areas of intervention, an action he admits was instrumental in ensuring that the purpose of the donation was adequately met.

Two toilets and a renovated reservoir dam were commissioned for residents of the Mongolis Camp, 200 packs of nutrient supplement were distributed to pregnant women and lactating mothers along with food items, drugs, infant syrups, a wheelchair and an examination bed for residents in Farm Center and Muna Garage Camp in the state.

Complaint and Feedback

Ensure Insurance PLC is a customer focused Company which aims at delivering excellent customer service. We continually strive to exceed our customers' expectations by ensuring that our customers are delighted at every opportunity we get to interact with them.

To achieve excellent customer service delivery in line with our core values, our staff are constantly trained and tested to be customer centric; not only to our external customers but internal customers as well.

In line with our core values all staff are required to interact with all customers in the following manner:

- Selfless – Our staff are meant to go the extra mile to resolve the complaints and requests of both the internal and external customers. Customer requests are continuously followed up until they are resolved, closed and the satisfactory feedback is gotten from the customer.
- Probity – We are honest with our clients and keep them updated with every detail concerning their request. We appreciate our customers and hold them in high esteem; we also understand the importance of transparency when dealing with our customers and take pride in doing so.
- Excellence – We strive to be excellent in everything we do, from our first interaction with the customer, to our request/complaint resolution process. We put in our very best to ensure that the customer is pleased beyond their expectation.
- Ambitious – Our staff are ambitious and pleasing in resolving each client's request. We are innovative in resolving each request and look for the fastest and most effective measures to take in resolving our client's requests.
- Responsive – We are quick to accept our customers' requests and offer solution within 24 – 72 hours. We anticipate the customer's needs and constantly strive to be proactive rather than reactive to their needs.

As a whole we are respectful, good listeners and ultimately show appreciation at all times.

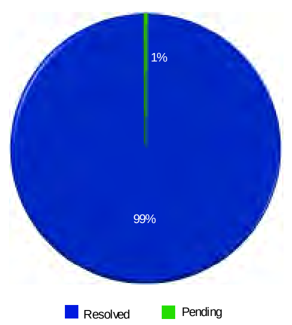
To ensure effective customer feedback, complaint and request resolution / update, Ensure has developed multiple channels through which customers can lodge complaints, make enquiries and give feedback.

The channels include:

- E-mails
- Hot line
- Company website

For us at Ensure, our ultimate goal is to continually keep our customers satisfied.

Customer Feedback and Compliant Analysis



Regulatory Requirements under IFRS Regime

The Insurance industry had faced challenges to engendering efficient liquidity coverage, profitability and operational efficiency in recent times. A major cause of such challenge is traced to huge level and growth in premium receivables reported in the financial statement which are subject to impairment in compliance with the regulatory guidelines and IFRS requirements. In response to the above menace, the regulator, National Insurance Commission on 1 January 2013, issued a guideline on Insurance Premium Collection and Remittance laying emphasis on the strict observance of Section 50 of the Insurance Act 2003, stating that all insurance covers shall be provided strictly on "no Premium no cover" basis meaning only policies for which premium has been received will be recognized in the financial statements.

Ensure Insurance adheres to this regulation in its totality as the Company's systems and processes are designed to recognize only covers for which premium have been received. Where we have receivables within the provision of the guidelines in the case of Brokers, other Insurance Companies and Reinsurers, we keep such in our books in line with the prescribed duration of 30 days and ensure credit notes are received.

Operational Risk Management

Operational Risk is the risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but exclude reputation and strategic risk. Operational risk exists in all products and business activities. Operational Risk is considered a critical risk faced by the Company.

The Company proactively identifies, assesses and manages all operational risks by aligning the people, technology and processes with best risk management Practices towards enhancing stakeholders' value and sustaining industry leadership.

Operational risk objectives includes the following:

- To provide clear and consistent direction in all operations of the Company.
- To provide a standardized framework and appropriate guidelines for creating and managing all operational risk exposures.
- To enable the Company identify and analyse events (both internal and external) that impact on its business.

The basic principles that guide the operational risk activities include:

Operational risks are identified by the assessments covering risks facing each business unit and risks inherent in processes, activities and products. Risk assessment incorporates a regular review of risks identified to monitor significant changes. Risk mitigation, including insurance, is considered where this is cost-effective.

Ensure Insurance manages its exposure to operational and other non-financial risks using the operational risk management model which involves the process of: identification, assessment, response & control, reporting and monitoring of risks Officers (Risk Champions) at business unit and operational levels are responsible for overseeing the management of operational risks which arise in their area of control and report to the Enterprise Risk Management unit.

Models for risk collation and analysis are deployed across the organisation to identify and assess risks. The Operational Risk Models assists the Company in implementing Risk policies as it relates to the following:

Loss Incident Reporting – Loss incidents are reported to Enterprise Risk Management team by all operational units within the company. All staff are encouraged to report operational risk events as they occur in their respective business spaces whether these risks crystallize into actual losses or not. This data is being collated and will be used in capital profiling and estimation for the new risk based supervision regime to be adopted in 2017 by NAICOM.

Risk and Control Self Assessments (RCSAs) – This is a qualitative risk identification tool deployed across the company. All departments are required to complete the Risk Self-Assessment process at least once a year. A risk-based approach has been adopted for the frequency of RCSAs to be conducted by, groups units, group and divisions of the company. These assessments enable risk profiling and risk mapping of prevalent operational risks company wide. A detailed risk register classifying key risks identified and controls for implementation is also developed and maintained from this process.

The Business Unit constantly identifies and assesses the operational risk inherent in all material products, activities, processes and systems. It also ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is identified clearly and subjected to adequate assessment procedures.

Key Risk Indicators (KRI) – These are quantitative parameters defined for the purpose of monitoring operational risk trends across the Company. A comprehensive KRI Dashboard is in place and it is supported by specific KRIs for key departments. Medium – High risk trends are reported in the Monthly and Quarterly Operational Risk Status reports circulated to Management and key stakeholders.

Health and Safety procedures – The Company strive to entrench global best practices for ensuring the health and safety of all staff, customers and every visitor to the Company's premises. An HSE policy which complies with international standard and approved by the Board is implemented across the Company to ensure the environment where the Company operates is safe for everyone. Health related incidents are recorded company wide for identification of causal factors and implementation of appropriate mitigants to forestall reoccurrence. As a result, Fire Drills are conducted and monitored.

Training and sensitization on operational risk is carried out on an ongoing basis across the Company. There was no significant operational risk incidence during the financial year.

Internal Control and Risk Management System in Relation to the Financial Reporting

Ensure Insurance PLC Internal Control and Risk Management systems ensure that material errors or inconsistencies in the financial statements are identified and corrected. The Company's internal control framework is patterned after the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Framework.

COSO defines internal control as "a process effected by an entity's Board of Directors, Management and other personnel to provide reasonable assurance regarding the achievement of objectives" in three categories; effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The scope of internal control therefore extends to policies, plans, procedures, processes, systems, activities, functions, projects, initiatives, and endeavors of all types at all levels of the Company.

The Internal Control and Risk Management systems comprise the following areas:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment

Ensure has four Board Committees which includes (Establishment & Corporate Governance Committee, Investment and Finance Committee, Audit and Compliance Committee and Enterprise Risk Management Committee) that have oversight function on the Company's Risk Management Processes. The Committees are responsible for setting Risk Management policies that ensure material risks inherent in the Company's business are identified and mitigated or controlled. The Company also has an Audit and Compliance Committee which is made up of three shareholders' representatives, two Non- Executive Directors and one Independent director. The Audit and Compliance Committee is therefore independent. Its oversight functions include among others, ensuring that quality accounting policies, internal controls, independent and objective statutory auditors are in place to prevent and detect fraud and material errors in financial reporting.

The Company's management committees are responsible for implementing Risk Management policies set out by the Board. They are also responsible for setting internal control policies and monitoring the effectiveness of the internal control systems. They ensure proper books of accounts are kept and accounting policies are in conformity with: International Financial Reporting Standards; Insurance Act 2003; Prudential Guidelines for licensed Insurance Companies; Circulars issued by the National Insurance Commission (NAICOM); the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria and the Financial Reporting Council of Nigeria Act No 6. 2011.

Risk Assessment

The Board and Senior Management regularly assess the risks the Company is exposed to, including risks relating to financial reporting. Management Committees meet on a regular basis to assess the credit, market, interest rates, liquidity, legal and reputational risks facing the company. Senior Management also regularly considers whether the existing internal controls are effective in relation to the risks identified in the financial reporting process.

The Board also assesses the effectiveness of the Company's internal control over financial reporting on an ongoing basis and specifically at mid-year and year end. The Management letter issued by the external auditors which contains the auditors' observations on the control environment in the Company is discussed at the Audit and Compliance Committee meetings.

Ensure Insurance PLC Senior Management has set up control structure to ensure control activities are defined at every business area. Examples of the Company's control activities include the following:

Top Management Reviews

- Internal Audit Reports eliciting control weaknesses are presented periodically to Management and Board Audit Committee.
- Preparation of financial statements on a monthly basis for Management review.
- Monthly and quarterly profitability review, where the Company's financial performance is reviewed and compared with set budgets.
- Quarterly reports of the Chief Risk Officer to the Board, eliciting the existing and potential risks facing the Company and the mitigants deployed.

Activity Control

Control functions are embedded within each business area for self-checking of activities within the areas (for instance, transactions call over for timely detection of errors is carried out by all posting units).

Physical Controls

There are policies guiding access to the Company's physical and financial assets, access control, use of overrides etc.

Compliance with Limits

The Company sets internal limits guiding its trading book activities, liquidity and interest rate gaps, credit concentration limits. The limits are monitored on a daily basis by an independent unit outside the business areas.

Approval and Authorisation Limits

- There are segregation of duties; no officer can start and conclude transactions
- Limits exist for credit and expense approvals. Transactions are approved at appropriate levels.

Verifications and Reconciliations

All internal ledgers are regularly proofed and reconciled; exception reports are generated.

Whistle Blowing

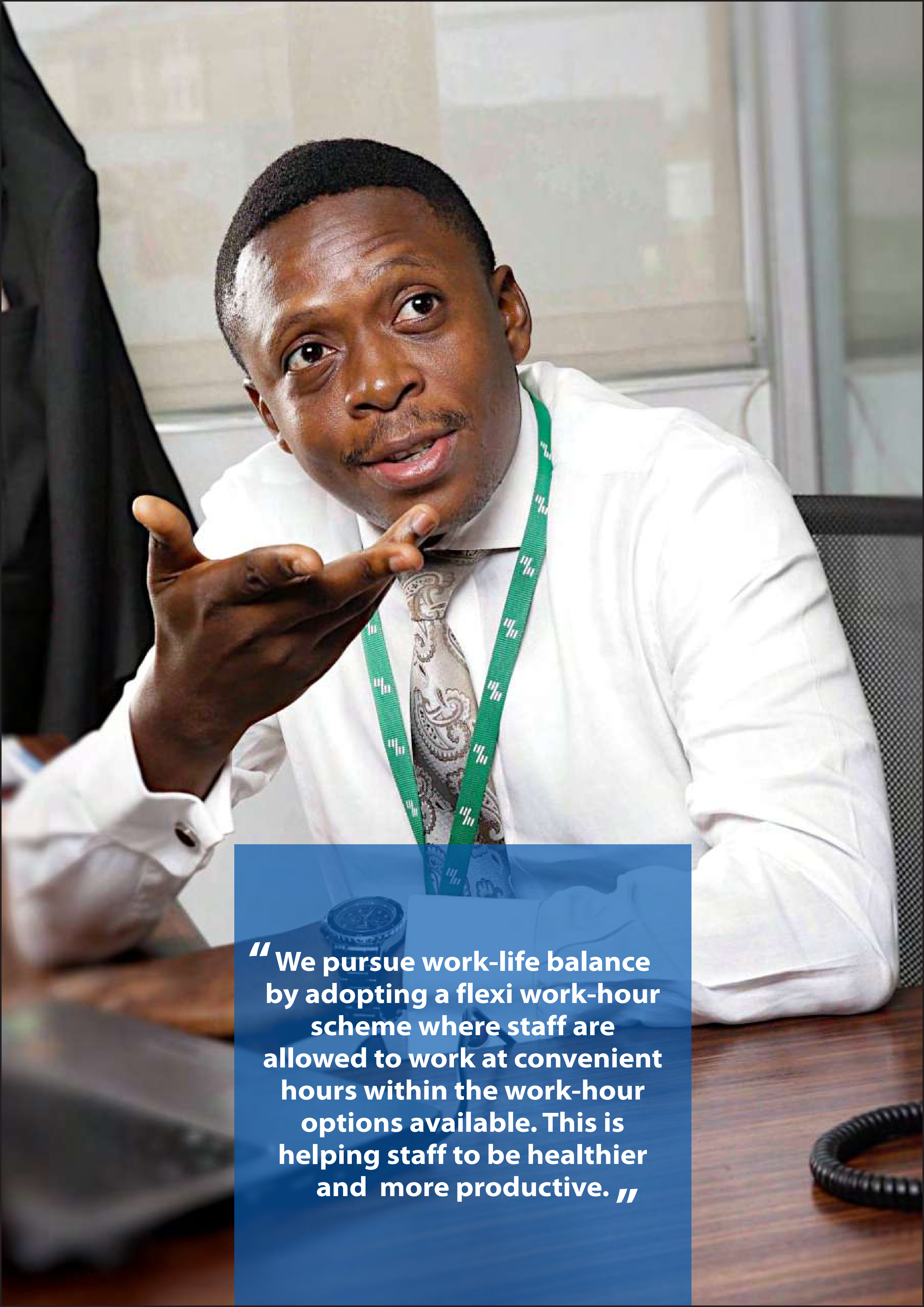
The Company has instituted a strong whistle blowing culture among staff and also created awareness among its stakeholders. The whistle blowing platform is accessible to all and the aim is primarily to ensure that all cases of irregularities are made known and addressed by the Company.

Information and Communication/ Monitoring

The Company's Management understands the need for a timely, reliable and accurate information flow within the Company, for effective decision making and enhanced financial reporting. Every activity of the Company is codified in the Company's Standard Operating Procedure (SOP), which outlines the process flow and specifies the duties and responsibilities of every officer in relation to the activity. The SOP further highlights requirements for reporting, the frequency of reporting as well as those within the organization to whom the report would be directed to.

The following are some of the generic internal reports used by Management for decision making and monitoring purposes:

- FINSTAT- Financial Statements Report
- MPR- Monthly Profitability Report
- APR- Account Profitability Report
- ECR- Expense Control Report



"We pursue work-life balance by adopting a flexi work-hour scheme where staff are allowed to work at convenient hours within the work-hour options available. This is helping staff to be healthier and more productive."

Statement of Directors' Responsibilities In Relation to the Preparation of the Financial Statements

For the year ended 31 December 2016

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare Annual Financial Statements that present fairly, in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) Keeps proper accounting records that disclose with reasonable accuracy, the financial position and performance of the Company 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 assets and to prevent and detect fraud and other irregularities; and

c) Prepares its Financial Statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are consistently applied.

The Directors accept responsibility for the preparation of the financial statements which have been prepared using appropriate accounting policies supported by reasonable, prudent judgements and estimates that is in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, the Insurance Act 2003 and the National Insurance Commission (NAICOM) guidelines and circulars.

The Directors are of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its performance. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Annual Financial Statements, as well as adequate systems of internal financial control.

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Fola Adeola
FRC/2013/1CAN/00000002958
Chairman

7 February 2017

Babatunde Mimiko
FRC/2016/CIIN/00000013719
Managing Director/Chief Executive Officer

7 February 2017

Report of the Audit committee

For the year ended 31 December 2016

To the Members of Ensure Insurance PLC

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, the members of the Audit Committee of Ensure Insurance PLC hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Company are in compliance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2016 were satisfactory and reinforce the Company's internal control systems.

We have deliberated with the external auditors who have confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses to their recommendations for improvement and with the effectiveness of the Company's system of accounting and internal control.

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least twelve months from the date of this statement.

Chief Dickie Agumba Ulu

FRC/2015/IODN/00000011620

Chairman, Audit Committee

7 February 2017

Members of the Audit Committee are:

1	Chief. Dickie Agumba Ulu	-	Independent Director/Chairman
2	Mr. Bolaji Balogun	-	Shareholders' representative
3	Mr. Akeem Shadare	-	Shareholders' representative
4	Alhaji Sawaliu A. A Odenike	-	Shareholders' representative
5	Mr. Volkan Oktem	-	Non-Executive Director
6	Mr. Shubhendra Swarup	-	Non-Executive Director

In attendance:

Abimbola Alabi	-	Secretary

J.K. RANDLE
INTERNATIONAL
Chartered Accountants
& Management Consultants

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REPORT OF THE EXTERNAL CONSULTANTS ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF ENSURE INSURANCE PLC FOR THE YEAR ENDED 31 DECEMBER 2016

In conformity with regulatory requirements, the Board of Ensure Insurance Plc. renewed its mandate to J. K. Randle International to review its performance in respect of the year ended December 31, 2016. The exercise was guided by the provisions of the National Insurance Commission's Code of Corporate Governance and other recognized Best Practices.

The Board comprised eleven members during the year under review. Seven members are Non-Executive Directors (including the Chairman of the Board), while there were four Executive Directors (including the Managing Director/Chief Executive Officer).

During the year, two Non-Executive Directors were appointed to the Board. One Executive Director resigned from the Board, while an Executive Director was appointed during the year under review. The ratio of Non-Executive Directors to Executive Directors is in line with Best Practice and with the NAICOM Code. Despite the changes on the Board, the skills mix, experience base and diversity have remained adequate for the conduct of the business of the Company.

Board members remained conscious of their responsibilities in respect of the operations of the Board and the Company. Accordingly, frequency of meetings, level of attendance and formation of quorum at the Board and Committee levels met the minimum requirements. Meetings were effectively managed with focus on relevant and strategic issues affecting the Company. All the members had equal opportunity and they contributed constructively to the deliberations of the Board. Management provided adequate information while the Company Secretariat kept accurate records of the proceedings of the Board and Board Committees which facilitated decision making and monitoring. Decisions were arrived at based on consensus in a conducive environment. The operations of the Board followed due process and reflected transparency and a high degree of Board dynamics.

The Board performed to the full extent of its mandate which covered all the significant activities of Ensure Insurance Plc., particularly Risk Management, supervision of the internal audit process, monitoring of the operating environment, responding proactively to emerging imperatives and monitoring the performance of Management as well as re-enforcing governance policies and practices. In particular, the Board approved the Company's Anti-Money Laundering/Countering Financing of Terrorism Policy, and IT Security Policy. It also performed other statutory responsibilities including rendering the accounts of the operations and activities of Ensure Insurance Plc. to the shareholders. The performance of the Board did not violate the requirements of the NAICOM Code in any material manner and is adjudged to be satisfactory.

At the conclusion of the exercise, we recommended that the Board should strengthen the marketing and investment strategies of the Company. The Board is to ensure the regular testing of the Company's Disaster Recovery & Business Continuity Plan.

Bashorun J. K. Randle, OFR
Chairman/Chief Executive
FRC/2013/ICAN/00000002703
Dated March 13, 2017

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Independent Auditors' Report to the Members of Ensure Insurance PLC

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Ensure Insurance PLC ("the Company") which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council Act No.6, 2011 and National Insurance Commission (NAICOM) guidelines and circulars.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and other independence requirements applicable to performing the audit of Ensure Insurance PLC. We have fulfilled our other ethical responsibilities in accordance with the, IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Ensure Insurance PLC. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter identified

The Company has material insurance liabilities. The measurement of insurance contract liabilities involves judgment over uncertain future outcomes, mainly the ultimate total settlement value of long-term liabilities, including any guarantees provided to policyholders. Various economic and non-economic assumptions are being used to estimate these long-term liabilities, both in the insurance contract liabilities as reported in the statement of financial position and in the liability adequacy test. Therefore, we considered it a key audit matter for our audit. Insurance contract liabilities are disclosed in Note 15 to the financial statements.

How the matter was addressed during the audit

We involved internal actuarial specialists to assist us in performing the audit procedures in this area, which included among others:

- Consideration of the appropriateness of assumptions used in the valuation of the Insurance Contracts by reference to company and industry data and expectations of investment returns, future longevity and expense developments.
- Consideration of the appropriateness of the non-economic assumptions used in the valuation of the Insurance contracts in relation to lapse or extension assumptions by reference to company specific and industry data.
- Other key audit procedures included assessing the Company's methodology for calculating the insurance liabilities, liability adequacy tests and an analyses of the movements in insurance contract liabilities during the year. We assessed whether the movements are in line with the changes in assumptions adopted by Ensure Insurance Plc, our understanding of developments in the business and our expectations derived from market experience.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by Section 342 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, Corporate Governance Report as required by Code of Corporate Governance report by Securities and Exchange Commission (SEC) and Audit Committee Report as required by Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. The other information were obtained prior to the date of this report, and the Annual Report, is expected to be made available to us after that date. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' 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.

Directors' responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council Act No. 6, 2011 and the National Insurance Commission guidelines and circulars and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 directors 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 directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

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

ii) In our opinion proper books of account have been kept by the Company, in so far as it appears from our examination of those books.

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

Kayode A. Famutimi, FCA,

FRC/2012/ICAN/00000000155

For: **Ernst & Young**

Lagos, Nigeria

10 February 2017

Summary of Significant Accounting Policies

For the year ended 31 December 2016

1 Company information

Ensure Insurance PLC ("the Company") is a public limited liability company which was incorporated in Nigeria in 1993 and commenced operations on 2 October 1998 to transact insurance business as a composite insurer. The Company is principally engaged in the business of providing risk underwriting, claims settlement, investment and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers. The Company currently has its Head Office located at 307, Adeola Odeku Street, Victoria Island, Lagos State, Nigeria.

2 Going Concern

These Financial Statements have been prepared on the going concern basis. The Company has no intention or need to substantially reduce its business operations. The Management believes that the going concern assumption is appropriate for the Company due to the sufficient capital adequacy ratio and projected liquidity, based on historical experience that short term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Company is carried out by the Company to ensure that there are no going concern threats to the operations of the Company.

3 Basis of Accounting

(a) Statement of compliance with International Financial Reporting Standards.

The Financial Statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, the Financial Reporting Council of Nigeria Act No. 6, 2011, the Insurance Act 2003, and relevant National Insurance Commission (NAICOM) guidelines and circulars to the extent that they do not conflict with the requirements of International Financial Reporting Standards (IFRS).

The Financial Statements include the Statement of Financial Position as at 31 December 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Financial Statements were authorised for issue by the Board of Directors on 7 February 2017.

3(b) Basis of preparation, measurement and presentation currency

The Financial Statements have been prepared on a historical cost basis except for the following:

(i) Financial instruments at fair value through profit or loss are measured at fair value.

(ii) Available-for-sale financial assets are measured at fair value.

(iii) Investment properties are measured at fair value.

(iv) Insurance liabilities are based on actuarial valuations.

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is the Nigerian Naira. The Financial Statements are presented in thousands of Naira (N'000) except where otherwise stated.

3(c)New standards and interpretations not yet effective

The following new or revised standards and amendments which have a potential impact on the Company are not yet effective for the year ended 31 December 2016 and have not been applied in preparing these Financial Statements.

(i) IFRS 15 - Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting year beginning on or after 1 January 2018, with early adoption permitted.

The Company applies IFRS 4 and expects minimal impact from IFRS 15.

(ii) Amendments to IAS 12 – Income Taxes

Amends IAS 12 to clarify accounting treatment for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The effective date of the 2016 amendments to IAS 12. Recognition of deferred tax assets for Unrealised Losses was issued on 19 January 2016. The amendments are effective for annual years beginning on or after 1 January 2017. Earlier application is permitted. The Company is assessing the potential impact on its Financial Statements resulting from the application of IAS 12 amendments which is generally expected to have minimal impact on the Financial Statements of insurance businesses.

(iii) IFRS 9 - Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting years beginning on or after 1 January 2018, with early adoption permitted.

The Company is assessing the potential impact on its Financial Statements resulting from the application of IFRS 9 which is generally expected to have an impact on the Financial Statements of insurance businesses.

(iv) Amendments to IAS 7 - Statement of Cash Flows

Disclosure Initiative (Amendments to IAS 7), issued in January 2016, added paragraphs 44A–44E. An entity shall apply those amendments for annual years beginning on or after 1 January 2017. Earlier application is permitted. Amendment to IAS 7 include disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

(v) IFRS 16 – Leases

This is a new standard introduced by IASB to replace existing standard IAS 17 - Leases. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting 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. The company is currently assessing the impact of the standard.

3(d) Amendments to IFRS that became effective in the reporting year from 1 January 2016.

The following new standards and amendments became effective as of 1 January 2016. They do not have any material impact on the accounting policies, financial position or performance of the Company.

- Amendments to IFRS 11 - Joint Arrangements: Accounting for Acquisitions of Interests
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception
- Amendments to IAS 16 and IAS 38– Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to IAS 1 –Disclosure initiative
- Amendments to IAS 27 –Equity Method in Separate Financial Statements
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contribution
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards

New standards and improvements

The accounting policies adopted in the preparation of the 2016 Financial Statements are consistent with those followed in the preparation of the Company's 2015 Financial Statements. There are no new standards or interpretations effective as of 1 January 2016 that has an impact on the Company.

The nature and impact of each new standard /amendment is described below:

i) Amendments to IFRS 11: Joint Arrangements: Accounting for Acquisitions of Interests.

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11.
- Disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured). The Company does not have any interest in joint operations and does not plan to acquire interests in same.

Hence, the amendment does not impact the Company.

ii) IFRS 14 Regulatory Deferral Accounts

IFRS 14, 'Regulatory deferral accounts' describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other Standards, but that qualify to be deferred in accordance with this Standard because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services. This Standard is effective for annual periods beginning on or after 1 January 2016. This amendment will not have an impact on the Company.

iii) Amendments to IAS 16 and IAS 41 - Accounting for bearer plants

IAS 41 Agriculture currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. This is based on the principle that the biological transformation that these assets undergo during their lifespan is best reflected by fair value measurement. However, there is a subset of biological assets, known as bearer plants which are used solely to grow produce over several periods. At the end of their productive lives they are usually scrapped. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefit it generates come from the agricultural produce that it creates.

iv) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have an impact on the Company.

v) Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

vi) Amendments to IAS 1: Disclosure Initiative

Effective for annual periods beginning on or after 1 January 2016. Early application is permitted and entities do not need to disclose that fact because the Board considers these amendments to be clarifications that do not affect an entity's accounting policies or accounting estimates.

The amendments to IAS 1 Presentation of Financial Statements clarify rather than significantly change existing IAS1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to statement of comprehensive income.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have an impact on the Company.

(vii) Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have an impact on the Company's financial statements.

(viii) Amendments to IAS 19 – Defined Benefit Plans: Employee Contribution

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

(ix) Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively

IFRS 7 Financial Instruments: Disclosures

i. Servicing contracts the amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

ii. Applicability of the amendments to IFRS 7 to condensed interim financial statements The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

Amendment IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 19 requires an entity to recognise a post-employment benefit obligation for its defined benefit plans. This obligation must be discounted using market rates on high quality corporate bonds or using government bond rates if a deep market for high quality corporate bonds does not exist. Some entities thought that the assessment of a deep market was based at a country level (e.g., Greece) while others thought it was based at a currency level (e.g., the euro).

The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

This amendment must be applied retrospectively.

3(e) Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

i. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;

ii. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note (m)(vi) on accounting policy for outstanding claims;

iii. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note (23) and note 3(t) to cover fluctuations in securities and variation in statistical estimates;

iv. Section 22 (1a) requires the maintenance of a general reserve known as life fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation as set out under note 15(b). The valuation is done annually by the Company using independent experts;

v. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the act as set out under note 49.1;

vi. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid-up share capital with the Central Bank of Nigeria as set out under note 14;

vii. Section 25 (1) requires an insurance company operating in Nigeria to invest and hold investment in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 51 for assets allocation that covers policy holders' funds.

The Financial Reporting Council of Nigeria Act No. 6, 2011 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the Financial

Reporting Council of Nigeria Act No. 6, 2011 and other Acts which are listed in section 59(1) of the Financial Reporting Council of Nigeria Act No. 6, 2011, the Financial Reporting Council of Nigeria Act No. 6, 2011 shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the Financial Reporting Council of Nigeria Act No. 6, 2011 has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflicts with the provisions of IFRS have not been adopted:

i) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 3(m)(ii) on accounting policy for unexpired risk and unearned premium.

3(f) Reporting year

The Financial Statement has been prepared as of and for the year ended 31 December 2016.

4 Foreign currency translation

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities, and on investments recorded at fair value through profit and loss, denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the Statement of Profit or Loss and Other Comprehensive Income within net realised gains. All other foreign exchange gains and losses are presented in the profit or loss within 'Other operating income' or 'Other operating expenses'.

Changes in the fair value of monetary assets denominated in foreign currency are analysed between translation differences resulting from changes in the fair value of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss; other changes in carrying amount are recognised in 'other comprehensive income'.

Translation differences on non-monetary assets held at fair value such as equities classified as available-for-sale financial assets are included in 'other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

4(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are net of outstanding overdrafts.

4(c) Financial instruments

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

(a) Financial assets

The classification of financial assets depends on the purpose for which the investments were acquired or originated. The Company classifies its financial assets into the following categories:

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

(ii) Held-to-maturity investments.

(iii) Available-for-sale financial assets.

(iv) Loans and receivables.

The Company's financial assets include cash and short term deposits, trade and other receivables, loans and receivables, quoted and unquoted equity instruments, debt securities and statutory deposits.

Financial assets are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(b) Initial recognition

The Company initially recognises fixed deposits and securities on the transaction date. All other financial assets and liabilities are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss. Subsequent to initial recognition, financial assets are measured either at fair value, amortised cost or cost depending on the categorization.

(c) Subsequent measurement

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets classified as trading are acquired principally for the purpose of selling in the short term.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value with gains and losses arising from changes in this value recognised in the profit or loss in the year in which they arise. The fair values of quoted investments in active markets are based on current bid prices. The fair values of unquoted equities and quoted equities for which there is no active market are established using valuation techniques corroborated by independent third parties. These may include reference to the current fair value of other instruments that are substantially the same and discounted cash flow analysis.

Interest earned and dividends received while holding trading assets at fair value through profit or loss are included in investment income in the profit or loss.

(ii) Held-to-maturity

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

- Those that the Company designates as available for sale.
- Those that meet the definition of loans and receivables.

Such instruments include government bonds and are carried at amortised cost using the effective interest rate method less any allowance for impairment.

(iii) Available-for-sale

Available-for-sale investments are non-derivative instruments that are not designated as another category of financial assets.

Available-for-sale financial assets are carried at fair value, with the exception of investments in unquoted equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values are determined in the same manner as for investments at fair value through profit or loss. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the Statement of Profit or Loss and Other Comprehensive Income upon sale or de-recognition of the investment.

Interest income is recognised in profit or loss using the effective interest method. Dividends received on available-for-sale instruments are recognised in profit or loss when the Company's right to receive payment has been established.

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method less any impairment. Loans and receivables in the Statement of Financial position comprise staff loans and loans to policy holders.

Loans and receivables, after initial measurement are measured at amortised cost, using the effective interest rate method less any impairment (if any). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Interest on loans and receivables are included in profit or loss and reported as investment income. When the asset is impaired, they are carried on the Statement of Financial position as a deduction from the carrying amount of the loans and receivables and recognised in the statement of profit or loss as "impairment losses".

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are recognised when confirmation of premium is received from insurance brokers and co-insurance in the form of credit notes and are within 31 days in conformity with the "No premium, No cover" policy. Trade receivables are reviewed at every reporting year for impairment (see note 3(d)(iii) for the accounting policy on impairment of trade receivables).

(v) 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 Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company 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 Company uses valuation techniques that maximize 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. Valuation techniques include using recent arm's length market transactions between knowledgeable willing parties, if available, reference to the current fair value of another instrument that is substantially the same discounted cash flow analysis and option pricing models. Where an appropriate and reliable valuation technique cannot be achieved the instrument is carried at cost.

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 Company 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 recognised in profit or loss on an appropriate basis during the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same discounted cash flow analysis and option pricing models. Where an appropriate and reliable valuation technique cannot be achieved the instrument is carried at cost.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company 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 that are managed by the Company 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 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 Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the change has occurred. The Company discloses fair value of all its financial instruments.

See Note 4 on critical accounting judgments and estimates and Note 51 on fair value methods and assumptions. Note 52 includes fair value balances of financial assets and liabilities.

(vi) De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of financial asset, 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 or loss.

The Company enters into transactions whereby it transfers assets recognised on its Statement of 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. Transfers of assets with retention of all or substantially all risks and rewards.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by extent to which it is exposed to changes in the value of the transferred asset.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company 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 Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

4(d) Impairment of assets

(i) Financial assets carried at amortised cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. Debt securities are considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Observable data or evidence that the Company uses to determine if an impairment allowance is required on a debt securities include:

- Significant financial difficulty of the issuer or debtor.
- A breach of contract, such as a default or delinquency in payments.
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation.
- 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 esti-mated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

For financial assets measured at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the 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 Statement of Profit or Loss and Other Comprehensive Income. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract.

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

Trade receivables arising from insurance contracts represent premium debtors with determinable payments that are not quoted in an active market and the Company has no intention to sell. Trade receivables are recognised when confirmation of premium is received from insurance brokers and co-insurance in the form of credit notes and are within 31 days in conformity with the ""No premium, No cover"" policy. Trade receivables that are individually identified as impaired are assessed for specific impairment. All other trade receivables are assessed for collective impairment.

Receivables are stated net of impairment determined in line with financial assets carried at amortised cost.

(ii) Assets classified as available-for-sale

Available-for-sale debt securities are impaired if there is objective evidence of impairment resulting from one or more loss events that occurred after initial recognition but before the reporting date that have an impact on the future cash flows of the asset. 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 recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 9 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.

All impairment losses are recognised through profit or loss. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to the profit or loss and is recognised as part of the impairment loss. The amount of the loss recognised in the profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

Subsequent decreases in the amount relating to an impairment loss for a debt instrument classified as available for sale, that can be linked objectively to an event occurring after the impairment loss was recognised in the profit or loss, is reversed through the profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the profit or loss, but the increase in fair value is accounted for directly in equity.

(iii) Impairment of non-financial assets

The Company's non-financial assets with carrying amounts other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

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 smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior years are assessed at each reporting date for any indications 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 amount. 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.

4(e) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities are classified as other financial liabilities. They include: investment contract liabilities, trade payables and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied.

4(f) Other receivables and prepayments

Other receivables are measured at amortised cost and stated after deductions of amount considered impaired. See 3(d)(i) for policy on impairment of assets. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit or loss account. Other receivables are primarily sundry debtors and accrued income.

Prepayments are carried at cost less accumulated impairment losses and are amortised on a straight line basis to the profit or loss account.

4(g) Investment properties

Recognition and measurement

Investment property comprises investment in land and buildings held primarily to earn rentals or capital appreciation or both.

Investment property is initially recognised 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 cost of day to day servicing of an investment property. The Company's investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognised and relevant professional qualification and with relevant experience in the location and category of investment property being valued. Any gain and loss arising from a change in the fair value is recognised in the profit or loss.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Company; otherwise they are expensed as incurred.

Investment properties are disclosed separate from the property and equipment used for the purposes of the business.

Derecogition

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

Transfers

Transfers are made to or from investment property only when there is a 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 owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

4(h) Intangible assets

Software

Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible assets are attributable and will flow to the Company.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Maintenance costs are not included.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is four years subject to annual reassessment.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Intangible assets are reviewed at each reporting date for impairment (see note 3(d)(iii) for accounting policy on impairment of non-financial assets).

4(i) Property and equipment

(a) Recognition & measurement

All items of property and equipment are initially measured at cost, except for leasehold land and buildings, and subsequently at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Leasehold land and buildings is initially measured at cost and subsequently at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value changes are recognised in other comprehensive income. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of items of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised within other income in profit or loss.

When leasehold land is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the land and the net amount restated to the revalued amount. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income. The revaluation surplus on the leasehold land is transferred to retained earnings when the assets is derecognised.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the profit or loss, in which case it is recognised in profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit or loss.

(b) Subsequent costs

Subsequent costs on replacement parts on an item of property are recognised in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognised.

(c) Depreciation

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date. No depreciation is charged on property and equipment until they are brought into use.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated useful lives, as follows:

Leasehold land	-	Over the term of the lease
Buildings	-	50 years
Office equipment	-	3 years to 5 years
Computer equipment	-	3 years to 5 years
Furniture and fittings	-	3 years to 5 years
Motor vehicles	-	4 years to 6 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. The estimated useful lives of property and equipment were adjusted in the year to reflect the present economic consumption of the assets.

(d) De-recognition

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognised from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in the profit or loss in the year of de-recognition. Any revaluation reserve relating to an asset being sold is transferred to retained earnings.

4(j) Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Company to be placed with the Central Bank of Nigeria in accordance with section 10 (3) of the Insurance Act of Nigeria. These deposits are stated at cost. Interest on statutory deposits is recognised as earned in other operating income.

4(k) Insurance contract

(i) Types of insurance contracts

The Company classified insurance contracts into Non- Life and Life insurance contracts.

- Non-Life insurance contract

These contracts are accident and casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Company'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 Company'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. They are short term in nature.

- Life insurance contract

These contracts insure events associated with human life (for example, death or survival) over a long duration.

(ii) Classification of insurance contracts

The Company enters into insurance contracts as its primary business activities. Insurance contracts are those that the Company accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary.

4(l) Insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 3(m). Insurance contract liabilities are determined as follows:

(i) Non-life insurance contract

Reserve for unearned premium and unexpired risk

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

Reserve for outstanding claims

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

Liability adequacy test

The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of the note below.

Reserving Methodology and Assumptions

For Non-Life insurance risks, the Company uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods most commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. The claims paid data was sub – divided into large and attritional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insufficient claim data, large and attritional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

Discounted Inflation-adjusted Basic Chain Ladder method

Historical incremental claims paid were grouped into 7 to 10 years cohorts by class of business – representing when they were paid after their accident year. These cohorts are called claim development years and the patterns for 7 to 10 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using an appropriate discount rate of to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment years in line with the development patterns. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = Ultimate claim amount minus paid claims till date minus claims outstanding.

Expected Loss Ratio method

This model assumes that the average delay in the payment of claims will continue into the future. Additionally, an estimate of the average ultimate loss ratio was assumed. The method was adopted for the classes of business where there was very limited data. For the four classes of business namely Aviation, Bond, Marine and Oil and Gas, there was very limited data. A Discounted Inflation-adjusted Basic Chain Ladder method was therefore inappropriate. The reserve was calculated as the expected average ultimate loss ratio for the assumed average delay year multiplied by earned premium for the assumed delay year minus current experience to the reporting date relating to the accident months that the delay affects.

Assumptions underlying the methods:

- The future claims follow a regression pattern from the historical data. Hence, Payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next used to calculate the expected cumulative payments for the future development years.
- The run off year is eight (8) years and hence the method assumes no more claims will be paid subsequently.
- For the chain ladder, it is assumed that weighted past average inflation will remain unchanged into the future.

- The gross claim amount includes all related claim expenses else , a separate reserve would be held to cover claim expenses.
- The Unexpired premium reserve is calculated on the assumption that risk would occur evenly during the duration of the policy.

Discounting

No allowance has been made for discounting as these reserves are for short-term contracts, the effect of discounting is not expected to have a significant impact on the reserve.

Sensitivity analysis

Sensitivity analysis is performed to test the variability around the reserve that are calculated at the best estimate level. The sensitivity analysis is done to determine how the IBNR reserve amount would change if a 75th percentile is considered as opposed to the best estimate figures included in reserve reviews as at 31 December 2015. The 75th percentile is a generally accepted level of prudency.

(ii) Life insurance contracts

(a) Life fund

This is made up of net liabilities on policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the Life insurance contracts are recognised in the statement of profit or loss."

(b) Reserving methodology and assumptions

Data segmentation

The data used for reserving is segmented into the 2 classes as follows:

- Individual Life business
- Group Life business

Valuation and assumptions

The basic chain ladder method is used for both the Individual Life and Group Life business:

- The valuation age is taken as Age Last Birthday at the valuation date.
- The year to maturity is taken as the full term of the policy less the expired term.
- Full credit is given to premiums due between valuation date and the end of the premium paying term.

An unexpired premium reserve is included for Group Life business, after allowing for acquisition expenses at a ratio of 20% premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR), using pooled industry claims data for the underlying assumptions. The resulting AURR was zero, giving comfort that the UPR is sufficient.

(iii) Commission income

Commission income is recognised on ceding business to the reinsurer, and are credited to the profit or loss account.

(iv) Underwriting expenses

Underwriting expenses comprise acquisition and maintenance expenses.

Underwriting expenses for insurance contracts are recognised as expense when incurred, with the exception of acquisition costs which are recognised on a time apportionment basis in respect of risk.

4(m) *Insurance contract - Recognition and measurement*

(i) Gross premium written

Gross premiums written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting year.

Premiums on reinsurance inward are included in gross premium written and accounted for as if the reinsurance was direct business, taking into account the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting year as the premiums for the related direct insurance or reinsurance business assumed.

Outward reinsurance premiums are recognised as an expense in accordance with the pattern of premium earned.

The gross premium earned represents premiums as earned from the date of attachment of risk, over the insurance year on a time apportionment basis.

(ii) Unearned premiums

Unearned premiums are proportion of premiums written in the year that relate to years of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts. Provision for unexpired risk is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired year of policies in force at the reporting date exceeds the unearned premium in relation to such policies after deduction of any deferred acquisition costs.

(iii) Reinsurance assets and liabilities

The Company cedes reinsurance in the normal course of business for the purpose of limiting its net potential losses on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Company from its direct credit obligations to its policyholders.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These 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 in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when incurred.

The Company has the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance recoverables are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Company reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in the income statement.

(iv) Reinsurance expense

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

(v) Claims expenses

Claims and loss adjustment expenses are charged to statement of profit or loss as incurred based on the estimated liability for compensation owed to the contract holders or beneficiaries. They include direct and indirect claims settlement cost and arise from events that have occurred up to the reporting year, whether they have been reported or not.

(vi) Outstanding claims

The provision for outstanding claims, is estimated based on historic information on reported cases and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the income statement in the financial year in which adjustments are made, and disclosed separately if material.

The measurement of outstanding claims have been detailed out under note 3(l) (Insurance contract liabilities). Reinsurance recoverables are recognised when the Company records the liability for the claims and are not netted off claims expense but are presented separately in the income statement.

(vii) Salvages

Some Non-Life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim. The Company 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.

(viii) Subrogation

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

(ix) Receivables and payables related to insurance contracts

Insurance receivables and payables are recognised when due. These include amounts due to and from agents, brokers, insurance contract holders and claims expenses receivable from re-insurers. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises the impairment loss in the income statement. The Company determines the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated using the same method used for these financial assets.

(x) Deferred acquisition cost

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts. Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying the ratio of unearned premium to written premium

4(n) Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract

The Company enters into investment contracts with guaranteed returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amount payable at each reporting date. The Company does not have contracts with discretionary participating features. The investment contracts are accounted for as financial instruments and measured at amortised cost.

4(o) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted. The company has the right to set-off reinsurance payables against the amount due from reinsurers and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred. Commissions payable to brokers also form part of trade payables.

4(p) Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted. Other payables include settlements due to suppliers and contractors who provide goods and services to the Company.

4(q) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at the rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

4(r) Taxation

Income tax comprises current and deferred tax currently payable. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(r1) Current income tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

The Company applies the provisions of the Companies Income Tax Act that mandate a minimum tax assessment, where a Company incurred a tax loss or where a Company's total profit results in no tax payable or tax payable which is less than the minimum tax, the Company would be liable to pay the minimum tax.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(r2) Deferred tax

Deferred 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 Financial Statements. However, if the deferred tax arises from initial recognition of the 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 tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax is realisable or the deferred income tax liability is payable.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company 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 tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 utilized.

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 to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.

Deferred tax is not recognised for differences arising from investment property measured at fair value whose carrying amount will be recovered through use.

4(s) Share capital & equity reserve

(a) Share capital

The Company classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets

Incremental costs directly attributable to issue of shares are recognised as deductions from equity net of any tax effects.

(b) Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the year in which they are paid or, if earlier approved by the Company's shareholders.

Dividend distribution to the Company's shareholders is recognised as a liability in the Financial Statements in the year in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes of the Financial Statements.

(c) Retained earnings/(accumulated losses)

The net profits or losses from operations in current and prior years are accumulated in retained earnings less distributions to equity holders.

(d) Irredeemable convertible notes

The Company classifies capital instruments as financial liabilities or equity in accordance with the applicable IFRS. The Company's convertible notes are irredeemable by the holder. Accordingly they are presented as a component of issued capital within equity.

4(t) Statutory contingency reserve

In compliance with Section 21(1) of Insurance Act 2003, the contingency reserve for Non-Life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 per cent of net premium. While for Life business the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (which ever is greater) and accumulated until it reaches the amount of minimum paid up capital.

4(u) Asset revaluation reserve

Assets revaluation reserve represents the fair value differences on the revaluation of items of property and equipment as at the reporting date.

4(v) Fair value reserve

Fair value reserve represents the fair value differences on available for sale financial assests carried at fair value as at the reporting date.

4(w) Contingent liabilities

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 wholly within the control of the Company or the Company has a present obligation as a result of past event 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 legal claims or court process in respect of which a liability is not likely to crystallize.

4(x) Revenue recognition

Insurance contracts:

Revenue and expenses in respect of insurance contracts are summarised in Note 3(m).

(i) Investment income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealised fair value changes, interest, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income' and 'finance costs' in the profit or loss using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument. When a receivable is impaired, the Company reduces the carrying amount to its impaired amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

(ii) Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established and is stated net of withholding tax. The right to receive dividend is established when the dividend has been duly declared.

(iii) Other operating income

Other operating income comprises income of a secondary nature in relation to the Company's activities, including gains on disposal of property and equipments, unrealised foreign exchange gain and other sundry income .

4(y) Management and other operating expenses

Management expenses are expenses other than claims and underwriting expenses. They are accounted for on an accrual basis and comprises employee benefits, depreciation and other operating expenses.

4(z) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Company 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.

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

(ii) Post Employment Benefits

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay (through deduction from payroll) 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the profit or loss account.

(aa) Hypothecation of Assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 wherein the policyholders' assets and funds are not co-mingled with assets and funds that belong to shareholders and other funds. In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in Note 51 to the Financial Statements.

(ab) Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The responsibility for defining the business segment lies with the Managing Director, who is the Chief Operating Decision Maker (CODM) for the Company.

The Company's primary format for segment reporting is based on business segments: Life and Non-Life (general).

(ac) Annuity

The Company operates deferred and immediate annuity plans with guaranteed interest to its annuitants. Annuity is a contract that ensures steady cashflow to annuitants for a defined year usually for the entire remaining life of the annuitant subject to a guaranteed year of 10 years.

The purchase amount on annuity contracts is recognised as premium written on day of attachment and the periodic cash payments made to annuitants are recognised as claims expense.

Reserve for annuity liabilities are recognised in the profit or loss as changes in insurance contract liabilities. The adeqaucy of the liabilities are reviewed annually by an independent actuary."

Statement of Financial Position

as at 31 December 2016

	Notes	31 December 2016 N'000	31 December 2015 N'000
Assets			
Cash and bank balances	5	7,684,038	5,655,478
Financial assets	6	1,123,498	1,305,171
Trade receivables	7	111,736	-
Reinsurance assets	8	1,099,485	702,720
Deferred acquisition costs	9	121,179	85,763
Prepayments and other receivables	10	303,541	301,619
Investment properties	11	2,425,000	2,740,000
Intangible assets	12	5,311	22,284
Property and equipment	13	193,671	276,152
Statutory deposits	14	500,000	500,000
Total assets		**13,567,459**	**11,589,187**
Liabilities			
Insurance contract liabilities	15	4,639,622	4,221,829
Investment contract liabilities	16	1,215,719	1,252,195
Trade payables	17	905,955	479,054
Accruals and other payable	18	465,882	294,495
Income tax payable	19	69,194	102,988
Deferred tax liability	20	43,503	43,503
Total liabilities		**7,339,875**	**6,394,064**
Net assets		**6,227,584**	**5,195,123**
Equity			
Share capital	21 (b)	3,757,549	3,757,549
Share premium	21 (c)	864,902	864,902
Irredeemable convertible notes	22	4,061,608	4,061,608
Statutory contingency reserve	23	1,114,958	925,129
Fair value reserve	24	13,093	33,375
Asset revaluation reserve	25	280,551	280,551
Accumulated losses	26	(3,865,077)	(4,727,991)
Shareholders funds		**6,227,584**	**5,195,123**

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

The Financial Statements were approved by the Board of Directors on 8 February 2017 and signed on its behalf by:

Mr. Fola Adeola
FRC/2013/ICAN/00000002958
Chairman

Mr. Babatunde Mimiko
FRC/2016/CIIN/00000013719
Managing Director

Mr. Uyi Osagie
FRC/2016/ICAN/00000015704
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 N'000	2015 N'000
Gross premium written	27	4,194,782	2,875,078
Gross premium income	28	4,017,369	2,986,992
Reinsurance premium expenses	29	(1,985,518)	(673,766)
Net premium income		2,031,852	2,313,226
Fees and commission income	30	303,014	142,626
Net underwriting income		2,334,866	2,455,852
Changes in individual life reserve		308,176	(487,111)
Net claims expenses	31	(1,406,393)	(1,137,019)
Underwriting expenses	32	(635,651)	(487,424)
Underwriting profit		600,998	344,297
Management and administrative expenses	37 (a)	(1,827,414)	(1,882,315)
Impairment reversal/(charges)	37 (b)	12,811	(22,014)
Operating loss		(1,213,604)	(1,560,032)
Investment income	33	192,867	179,311
Profit or loss on investment contract liabilities	34	(23,902)	779
Net realised gains on financial assets	34(a)	-	78,545
Net fair value loss	35	(112,222)	(66,666)
Other income	36	2,249,133	1,057,241
Profit/(loss) before income tax expense		1,092,271	(310,822)
Income tax expense	19/38	(39,528)	(165,901)
Profit/(loss) after income tax expense		1,052,743	(476,724)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax);			
Net (loss)/gain on available-for-sale financial assets	24	(20,282)	3,356
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax);			
Revaluation surplus on property and equipment	25(b)	-	12,765
Other comprehensive income for the year		(20,282)	16,121
Total comprehensive profit/(loss) for the year		1,032,460	(460,603)
Profit/(loss) attributable to:			
Equity holders of the Company		1,052,743	(476,723)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		1,032,460	(460,603)
Earnings/(loss) per share - Basic	26a/39	14.01	(6.34)
Earnings/(loss) per share - Diluted	26a/39	6.73	(3.21)

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

Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital	Share premium	Irredeemable convertible notes	Statutory contingency reserve	Fair Value reserve	Asset revaluation reserve	Accumulated losses	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2016	3,757,549	864,902	4,061,608	925,129	33,375	280,551	(4,727,991)	5,195,123
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	-	-	1,052,743	1,052,743
Other comprehensive income	-	-	-	-	(20,282)	-	-	(20,282)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(20,282)**	**-**	**1,052,743**	**1,032,461**
Transactions with owners, recorded directly in equity:								
Transfer to statutory contingency reserve (Note 23)	-	-	-	189,829	-	-	(189,829)	-
Total transactions with owners	**-**	**-**	**-**	**189,829**	**-**	**-**	**(189,829)**	**-**
Balance at 31 December 2016	**3,757,549**	**864,902**	**4,061,608**	**1,114,958**	**13,093**	**280,551**	**(3,865,077)**	**6,227,584**

For the year ended 31 December 2015	Share capital	Share premium	Irredeemable convertible notes	Statutory contingency reserve	Fair Value reserve	Asset revaluation reserve	Accumulated losses	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2015	3,757,549	864,902	3,667,608	859,309	61,019	267,786	(4,185,449)	5,292,724
Total comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(476,723)	(476,723)
Other comprehensive income					3,356	12,765		
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**3,356**	**12,765**	**(476,723)**	**(460,601)**
Transactions with owners, recorded directly in equity:								
Reclassification of realised profit on the disposal of available-for-sale to profit or loss	-	-	-	-	(31,000)	-	-	(31,000)
Transfer to statutory contingency reserve (Note 23)	-	-	-	65,820	-	-	(65,820)	-
Increase in irredeemable convertible notes	-	-	394,000	-	-	-	-	394,000
Total transactions with owners	**-**	**-**	**394,000**	**65,820**	**(31,000)**	**-**	**(65,820)**	**363,000**
Balance at 31 December 2015	**3,757,549**	**864,902**	**4,061,608**	**925,129**	**33,375**	**280,551**	**(4,727,991)**	**5,195,123**

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

Statement of Cash Flow

for the year ended 31 December 2016

	Notes	2016 N'000	2015 N'000
Premium received	7 (e)	4,185,271	2,865,764
Commission received	30	299,767	160,243
Commission paid	17(a)	(487,643)	(457,318)
Maintenance cost	32(a)	(188,756)	(34,203)
Reinsurance premium paid	17(b)	(1,439,828)	(545,816)
Recoveries from reinsurance on claims paid	8 (e)	516,169	133,918
Claims paid	31	(1,640,033)	(1,649,825)
Payment to employees		(684,595)	(614,379)
Other operating cash payments		(919,400)	(529,534)
Other income received		98,841	32,878
Withdrawals from investment contract liabilities	16	(414,991)	(638,846)
Deposits received	16	308,930	469,313
Rent paid		(151,054)	(249,959)
NITDA paid		(3,946)	-
Rent received		44,793	-
Voluntary retirement scheme		-	(938,684)
Income tax paid	19	(71,006)	(183,617)
Net cash flows used in operating activities		**(547,481)**	**(2,180,064)**
Cash flows from investing activities:			
Proceeds from sale of property and equipment*		3,124	25,614
Principal maturity on debt securities		10,003	-
Proceeds from the disposal of bonds		-	625,126
Interest received		54,417	147,022
Purchase of Intangible assets	12	-	(26,199)
Redemption of state bonds		-	33,090
Proceeds from disposal of AFS		-	83,000
Purchase of property and equipment	13	(27,651)	(232,910)
Proceeds from the sale of investment property	11 (a)	240,000	-
Dividends received	33(a)	83,093	45,042
Loans to policy holders		(9,157)	-
Net cash flows from investing activities		**353,829**	**699,785**
Net decrease in cash and cash equivalents		**(193,652)**	**(1,480,279)**
Cash and cash equivalents, beginning of the year	5 (e)	923,090	2,200,910
Net foreign exchange differences		(443,197)	202,459
Cash and cash equivalents, end of the year	**5 (e)**	**286,241**	**923,090**

The summary of significant accounting policies and accompanying notes form an intergral part of these financial statements.

** This relates to properties retained in 2015 but were sold during the financial year*

5. Cash and bank balances

(a) Cash and bank balances which represents bank account balances (including funds in escrow account) and short term placements with maturity of less than 3 months, and comprise:

	31 December 2016 N'000	31 December 2015 N'000
Cash at banks	30,437	625,118
Domicillary accounts	250,875	112,485
Short-term placements	4,929	185,487
Funds in escrow account (see note 5(b))	7,397,797	4,732,388
Cash and short term placements on the statement of financial position	**7,684,038**	**5,655,478**

Short-term placements are made for a duration varying between one day and three months from origination date, depending on the immediate cash requirements of the Company. The average interest rate is 7.50% per annum (2015: 10.50%). The carrying amounts disclosed above, reasonably approximate the fair value at the reporting date.

The decline in short-term placements are majorly attributable to the Company's investment strategy to hold more investible assets in foreign denominated currencies to match it's exposure to risks denominated in foreign currencies.

(b) Funds in escrow account

The sum of $24,294,889 US dollars Naira equivalent of N7,397,796,745 (31 December 2015: N4,732,388,000) is been held in an escrow account with Guaranty Trust Bank PLC. An escrow agreement, which governs the maintenance of the fund and conditions precedent to its release, was executed between Ensure Insurance PLC, Greenoaks Global Holdings Ltd, and Guaranty Trust Bank PLC. This amount is subject to foreign exchange revaluation.

Below is an analysis of the reconciliation of the amount in the escrow account and the irredeemable convertible loan:

	31 December 2016 N'000	31 December 2015 N'000
Balance, beginning of the year	4,732,388	3,667,608
Addition, during the year (see Note 21(c))	-	394,000
Interest earned	75,044	42,948
Unrealised foreign exchange gain during the year	2,590,365	627,832
	7,397,797	**4,732,388**

Deposits in escrow account are not available to finance the Company's day-to-day activities and therefore are not part of the cashflow statement.

(c) Included in other operating income in Note 36 is the unrealised foreign exchange gain on escrow recognised during the year.

(d) Cashflow reconciliation

	31 December 2016 N'000	31 December 2015 N'000
Cash and bank balances	7,684,038	5,655,478
Funds in escrow account	(7,397,797)	(4,732,388)
	286,241	**923,090**

(e)

	31 December 2016 N'000	31 December 2015 N'000
Current	286,241	5,665,478
Non-current	7,397,797	-
	7,684,038	5,665,478

6. Financial assets

(i) The financial assets are summarized below by measurement category in the table below:

	31 December 2016 N'000	31 December 2015 N'000
Held-to-maturity (see note 6(a) below)	200,821	209,271
Available-for-sale (see note 6(b) below)	545,515	565,797
Fair value through profit or loss (see note 6(c) below)	267,687	329,908
Loans and recievables (see note 6(d) below)	109,475	200,195
	1,123,498	**1,305,171**

(ii) Analysis of pledged and non-pledged assets

31 December 2016	**Pledged assets N'000**	**Non-Pledged assets N'000**	**Total financial assets N'000**	**Fair value N'000**
Held to maturity	-	200,821	200,821	180,160
Avaliable for sale	-	545,515	545,515	545,515
Fair value through profit or loss	-	267,687	267,687	267,687
Loans and receivables	-	109,475	109,475	95,373
	-	**1,123,498**	**1,123,498**	**1,088,735**

31 December 2015	Pledged assets N'000	Non-Pledged assets N'000	Total financial assets N'000	Fair value N'000
Held to maturity	-	209,271	209,271	191,603
Avaliable for sale	-	565,797	565,797	565,797
Fair value through profit or loss	-	329,908	329,908	329,908
Loans and receivables	-	200,195	200,195	200,195
	-	**1,305,171**	**1,305,171**	**1,287,503**

(iii) The financial assets are summarized below by nature of investment in the table below:

		At amortised cost		At fair value		
	31 December 2016	**Held to maturity N'000**	**Loans and receivables N'000**	**Avaliable for Sale N'000**	**Fair value through Profit or loss N'000**	**Total N'000**
-	Government bonds (see note 6(a) below)"	200,821	-	-	-	200,821
-	Unquoted equity and mutual funds (see note 6(b) below)	-	-	545,515	-	545,515
-	Quoted equity (see note 6(c) below)"	-	-	-	267,687	267,687
-	Loans to policy holders and other receivables (see note 6(d) below)	-	109,475	-	-	109,475
		200,821	**109,475**	**545,515**	**267,687**	**1,123,498**

		At amortised cost		At fair value		
	31 December 2015	Held to maturity N'000	Loans and receivables N'000	Avaliable for Sale N'000	Fair value through Profit or loss N'000	Total N'000
-	Government bonds (see note 6(a) below)	209,271	-	-	-	209,271
-	Unquoted equity and mutual funds (see note 6(b) below)	-	-	565,797	-	565,797
-	Quoted equity (see note 6(c) below)	-	-	-	329,908	329,908
-	Loans to policy holders and other receivables (see note 6(d) below)	-	200,195	-	-	200,195
		209,271	**200,195**	**565,797**	**329,908**	**1,305,171**

(a) Held-to-maturity financial assets at amortised cost

	31 December 2016 N'000	31 December 2015 N'000
(i) Debt securities – Government bonds with fixed interest rate:		
– Federal Government Bonds (see (ii) below)	200,821	199,268
– State Government Bonds (see (ii) below)	-	10,003
Total held-to-maturity financial assets	**200,821**	**209,271**

At the reporting date, no held to maturity assets were past due or impaired.

		31 December 2016 N'000	31 December 2015 N'000
(ii)	Held to maturity instruments comprise the following:		
	Quoted Debt securities - Federal Government Bonds		
	10.75% FGN May 2018	200,821	199,268
		200,821	**199,268**
	Quoted Debt securities - State Government Bonds		
	14% Benue State Bond June 2016	-	10,003
		-	10,003
		200,821	209,271
	Current	-	10,003
	Non-Current	200,821	199,268
		200,821	**209,271**

(iii) The movement in held to maturity investments is shown below:

		31 December 2016 N'000	31 December 2015 N'000
(i)			
	Balance, beginning of year	209,271	867,695
	Maturities	(8,450)	(33,088)
	Disposals	-	(625,337)
		200,821	**209,271**

(b) Available-for-sale financial assets

(i) Available for sale instruments represents interests in unlisted entities as at year end and comprise the following:

	31 December 2016 N'000	31 December 2015 N'000
Equity securities		
– Unlisted	545,515	565,797
Total available-for-sale financial assets	**545,515**	**565,797**

		31 December 2016 N'000	31 December 2015 N'000
(ii)	Analysis of available for sale instruments are analysed below:		
	At cost:		
	Investment in UBN Property Limited	495,000	495,000
	At fair value:		
	Investment in MTN Linked Fund	50,515	70,797
		545,515	**565,797**

The input used in the fair value measurement is the over-the-counter market price of the MTN linked fund as at 31 December 2016.

	31 December 2016 N'000	31 December 2015 N'000
Current	-	-
Non-Current	545,515	565,797
	545,515	**565,797**

(iii) Movement in available for sale	31 December 2016 N'000	31 December 2015 N'000
Balance beginning of the year	565,797	656,143
Disposal during the year	-	(81,002)
Fair value (loss)/gain through other comprehensive income	(20,282)	3,356
Impairment	-	(12,700)
	545,515	**565,797**

(c) *Financial assets at fair value through profit or loss* *Equity securities*	31 December 2016 N'000	31 December 2015 N'000
– Listed	267,687	329,908
Total financial assets at fair value through profit or loss	**267,687**	**329,908**

(i) The sectoral distribution of equity investments was as follows;	31 December 2016 N'000	31 December 2015 N'000
Banking	71,952	69,176
Petroleum	53,545	57,900
Construction	42,438	46,199
Breweries	40,179	50,166
Building materials	19,997	41,628
Household products	16,044	25,397
Food & beverages	14,578	22,167
Real estate	4,503	10,057
Healthcare	2,560	5,000
Mortgage companies	1,181	1,632
Financial services	527	489
Insurance	182	97
	267,687	**329,908**
Current	267,687	329,908
Non-current	-	-
	267,687	**329,908**

(ii) Below is an analysis of equity instruments

	31 December 2016 N'000	31 December 2015 N'000
Cost	819,557	819,557
Allowance diminution	(551,870	(489,649)
Fair value	**267,687**	**329,908**

(iii) Movement in allowance for fair value loss

	31 December 2016 N'000	31 December 2015 N'000
Balance, beginning of the year	489,649	377,983
Fair value loss through profit or loss	(62,221)	111,666
Balance, end of the year	**267,687**	**489,649**

(iv) The movement in financial assets measured at fair value through profit or loss

	31 December 2016 N'000	31 December 2015 N'000
Balance beginning of the year	329,908	441,574
Fair value loss through the profit or loss	(62,221)	(111,666)
Balance, end of the year	**267,687**	**329,908**

(d) *Loans and receivables*

	31 December 2016 N'000	31 December 2015 N'000
Due from Union Homes Savings and Loans Plc	50,000	147,704
Ex- staff loan	10,757	12,930
Loans to policy holders	63,719	54,562
	124,476	215,196
less: allowance for impairment (see below)	(15,001)	(15,001)
	109,475	**200,195**

During the year under review the tripartite cash placement restructured agreement between Ensure Insurance PLC and Union Homes Savings and Loan PLC (recently acquired by Aso Savings and Loans) matured. Based on the assessment of the Directors' of the Company, the portion of the placement that is deemed doubtful of recovery has been reclassified to other receivables and prepayment and full impairment was recognised on the doubtful balance.

	31 December 2016 N'000	31 December 2015 N'000
Current	109,475	200,195
Non-Current	-	-
	109,475	**200,195**

7. Trade receivables

	31 December 2016 N'000	31 December 2015 N'000
(a) Analysis of trade receivables:		
Trade receivables		
– Trade receivables (see note (b) below)	1,565,325	1,555,814
– Less allowance for impairment (see note (c) below)	(1,453,589)	(1,555,814)
	111,736	**-**
Current	111,736	-
Non-Current	-	-
	111,736	**-**

	31 December 2016 N'000	31 December 2015 N'000
(b) Counterparty categorisation of trade receivables:		
Insurance companies	225,253	208,087
Brokers and agents	1,340,072	1,341,314
Contract holders	-	6,413
	1,565,325	**1,555,814**

	31 December 2016 N'000	31 December 2015 N'000
(c) The movement in impairment of trade receivables during the year was as follows:		
Balance, beginning of year	1,555,814	1,546,500
Charge during the year	-	19,795
Reversals during the year	(102,225)	(10,481)
Balance, end of year	**1,453,589**	**1,555,814**

Included in the reversal during the year is the sum of N101,717,013.10 received from Industrial General Insurance Limited on long oustanding receivable relating to the 2012 Head of Service Group Life Scheme.

	31 December 2016 N'000	31 December 2015 N'000
(d) Below is the ageing analysis of trade receivables		
0-30 days	111,736	-
	111,736	**-**

	31 December 2016 N'000	31 December 2015 N'000
(e) The movement in trade receivables during the year was as follows;		
Balance beginning of year	-	-
Gross premium written during the year (see note 27)	4,194,782	2,875,078
Impairment charge during the year (see note 7 (c))	102,225	(9,314)
Premium received	(4,185,271)	(2,865,764)
Balance, end of year	**111,736**	**-**

Premium receivables are acceptable by the Regulators for solvency margin purposes only if there is an evidence of collection.

8. Reinsurance assets

	31 December 2016 N'000	31 December 2015 N'000
(a) Analysis of reinsurance assets:		
Reinsurers' share of IBNR	373,751	6,286
Reinsurers' share of outstanding claims reserve	321,546	260,885
Total claims recoverables (see note c below)	695,297	267,171
Recoverables from reinsurers' on claims paid (see note (e) below)	36,544	166,208
Reinsurers' share of unearned premium reserve (see note d below)	367,644	269,341
	1,099,485	**702,720**
Current	**1,099,485**	**702,720**
Non-Current	**-**	**-**
	1,099,485	**702,720**

Analysis of reinsurance assets per business segment:

	Non-Life 31 December 2016 N'000	Life 31 December 2016 N'000	Total 31 December 2016 N'000
Reinsurers' share of IBNR	289,866	83,885	373,751
Reinsurers' share of outstanding claims reserve	245,971	75,575	321,546
Total claims recoverables (see note c below)	535,837	159,460	695,297
Recoverables from reinsurers' on claims paid (see note (e) below)	38,238	(1,694)	36,544
Reinsurers' share of unearned premium reserve (see note d below)	289,355	78,289	367,644
	863,430	**236,055**	**1,099,485**

Analysis of reinsurance assets per business segment:

	Non-Life 31 December 2015 N'000	Life 31 December 2015 N'000	Total 31 December 2015 N'000
Reinsurers' share of outstanding claims recoverable	178,610	88,561	267,171
Recoverables from reinsurers' on claims paid (see note (e) below)	162,897	3,311	166,208
Reinsurers' share of unearned premium reserve (see note (d) below)	117,500	151,841	269,341
	459,007	**243,713**	**702,720**

(b) The Company conducted an impairment review of the reinsurance assets during the year and determined that there was no objective evidence of impairment. The carrying amounts disclosed above are in respect of the reinsurers' share of insurance contract liabilities and they reasonably approximate fair value at the reporting date.

(c) Reinsurance claim recoverable

	31 December 2016 N'000	31 December 2015 N'000
The movement in reinsurance recoverable is as follows:		
Balance beginning of year	267,171	264,739
Movement during the year	428,126	2,432
Balance, end of year	**695,297**	**267,171**

(d) Movement in reinsurers' share of unearned premium reserve
The movement in reinsurers' share of unearned premium reserve is as follows:

	31 December 2016 N'000	31 December 2015 N'000
Balance beginning of year	269,341	202,858
Movement during the year (see note 29)	98,303	66,483
Balance, end of year	**367,644**	**269,341**

(e) Movement in recoverables from reinsurers' on claims paid

	31 December 2016 N'000	31 December 2015 N'000
Balance beginning of year	166,208	63,047
Recoverables on claims paid	386,505	237,079
Recovery on claims paid from reinsurance	(516,169)	(133,918)
Balance, end of year	**36,544**	**166,208**

9. Deferred acquisition costs

(a) Deferred acquisition expenses represent commissions on unearned premium relating to the unexpired year of risks and comprise:

	31 December 2016 N'000	31 December 2015 N'000
Non-Life business		
Oil	32,814	15,372
Fire	27,214	26,500
General Accident	11,150	7,129
Motor	17,456	10,613
Aviation	1,959	210
Engineering	17,117	4,224
Marine Cargo	1,024	-
Marine Hull	1,941	4,270
	110,675	**68,318**
Life business		
Group Life	10,504	17,445
	121,179	**85,763**
Current	121,179	85,763
Non-Current	-	-
	121,179	**85,763**

(b) The movement in deferred acquisition costs is as follows:

	31 December 2016 N'000	31 December 2015 N'000
Balance, beginning of the year	85,763	91,223
Movement in deferred acquisition cost (see note 32a(ii))	35,416	(5,460)
Balance, end of the year	121,179	85,763

10. Prepayments and other receivables

		31 December 2016 N'000	31 December 2015 N'000
(a)	*Prepayments*	200,962	286,692
	Other receivables (see note (c) below)	685,147	508,081
		886,109	794,773
	Less: allowance for impairment - other receivables	(582,568)	(493,154)
		303,541	**301,619**
	Current	200,962	286,692
	Non-Current	102,579	14,927
		303,541	**301,619**

Prepayments include rent payments in respect of commercial leases for office premises. These leases have an average life between one and two years. There are no restrictions placed upon the lessee by entering into these leases. There is no separate amount for minimum lease payment, contingent rents and sublease payment. None of the leases were sub-leased during the year. There is no restriction imposed by the lease arrangement.

(b) Movement in allowance for impairment during the year

	31 December 2016 N'000	31 December 2015 N'000
Balance, beginning of the year	493,154	493,154
Change during the year (see note (37(b))	89,414	-
Closing balance at the end of the year	**582,568**	**493,154**

(c) Below is an analysis of other receivables

	Balance		Impairment	
	31 December 2016 N'000	31 December 2015 N'000	31 December 2016 N'000	31 December 2015 N'000
Balance with CDL Asset Management	435,274	435,274	435,274	435,274
Balance with Triumph Bank	4,950	4,950	4,950	4,950
Legacy claims receivables	52,930	52,930	52,930	52,930
Doubtful balance from Union Homes	89,414	-	89,414	-
Divident recievable from UBN properties	74,250	-	-	-
Withholding tax recoverable	11,611	11,611	-	-
Service charge recoverable	5,531	-	-	-
Others	11,187	3,316	-	-
	685,147	**508,081**	**582,568**	**493,154**

11. Investment properties

Movement in investment properties are shown below:	31 December 2016 N'000	31 December 2015 N'000
Balance, beginning of the year	2,740,000	1,145,000
Transfer from property and equipment (see note 13(a)(iv))	-	1,550,000
Disposal of Investment property-Alakoro	(265,000)	-
Fair value (loss)/gain on investment properties (note 35)	(50,000)	45,000
	2,425,000	**2,740,000**
Current	-	-
Non Current	2,425,000	2,740,000
	2,425,000	**2,740,000**

(a) The analysis of investment properties is as follows:	31 December 2016 N'000	31 December 2015 N'000
Plot 294A Cadastral Zone, B04 Jabi Abuja	190,000	190,000
Plot 38 Cadastral Zone, 07-05 Kubwa Abuja	130,000	130,000
Block B, Plot 25, Dideolu Estate, VI, Lagos	430,000	470,000
95 Broad Street Marina, Lagos	1,550,000	1,550,000
98 New Lagos Road, Benin City	125,000	135,000
109B, Alakoro-Marina Street, Oke-Arin, Lagos	-	265,000
	2,425,000	**2,740,000**

Investment property at 109B, Alakoro-Marina Street, Oke-Arin, Lagos, was disposed of at a price of N240 million, the book value at the time of disposal was N265 million.

(b) Valuation techniques used for fair valuation of investment properties

The Company's investment in investment property is held for the purpose of capital appreciation and rental income. The investment properties are stated at fair value, which has been determined based on valuations performed by a qualified estate surveyor. The investment property was independently valued by Benson Omoruyi & Co. (a registered estate surveyor & valuer) as at 31 December 2016, using both the Investment method and the direct market comparative method of valuation to arrive at the open market value. The determination of fair value of the investment property was supported by market evidence. The rental income arising from these properties during the year is included in investment income.

The movement in investment properties is shown as below:

31 December 2016

Property details	Balance as at 31 December 2015 N'000	Disposal N'000	Fair value loss N'000	Balance as at 31 December 2016 N'000
109B, Alakoro-Marina Street, Oke-Arin, Lagos	265,000	(265,000)	-	-
Plot 294A Cadastral Zone, B04 Jabi Abuja	190,000	-	-	190,000
Plot 38 Cadastral Zone, 07-05 Kubwa Abuja	130,000	-	-	130,000
Block B, Plot 25, Dideolu Estate, Victoria Island	470,000	-	(40,000)	430,000
95 Broad Street Marina, Lagos	1,550,000	-	-	1,550,000
98 New Lagos Road, Benin City	135,000	-	(10,000)	125,000
	2,740,000	**(265,000)**	**(50,000)**	**2,425,000**

31 December 2015

Property details	Balance as at 1 January 2015 N'000	Transfers N'000	Fair value gain N'000	Balance as at 31 December 2015 N'000
109B, Alakoro-Marina Street, Oke-Arin, Lagos	250,000	-	15,000	265,000
Plot 294A Cadastral Zone, B04 Jabi Abuja	180,000	-	10,000	190,000
Plot 38 Cadastral Zone, 07-05 Kubwa Abuja	120,000	-	10,000	130,000
Block B, Plot 25, Dideolu Estate, VI, Lagos	460,000	-	10,000	470,000
95 Broad Street, Marina, Lagos	-	1,550,000	-	1,550,000
98 New Lagos Road, Benin City	135,000	-	-	135,000
	1,145,000	**1,550,000**	**45,000**	**2,740,000**

(c) Details of the Valuer

The investment properties were independently valued as at 31 December 2016 by Benson Omoruyi & Co. (an estate surveyor & valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at Suite Bc/37A Maryland Business Plaza, Lagos State, is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No. FRC/2013/NIESV/00000003307.

Location of Investment properties	Valuation technique	Significant unobservable inputs
Plot 294A Cadastral Zone, B04 Jabi, Abuja	The market comparison approach was used after a thorough analysis of recent transactions of sale of comparable land in the neighbourhood to arrive at the value of the land. The Company's title document is under processing.	• Area of 2,500 square metres • Rate of development in the area - the area is infrastructured with good access roads and drainage systems. The neighbourhood is supplied with electricity and water from public mains. • Quality - The land is firm and appears well drained.
Plot 38 Cadastral Zone, 07-05 Kubwa, Abuja	"The market approach or direct market comparison was adopted by analysing recent sales of similar properties in the property market in the neighbourhood. The Company's title document is under processing.	• Area of 4,826.1 square metres • Rate of development in the area - the area is a developing neighbourhood. Electricity is connected to the neighbourhood from public mains. • Quality - The property is new and it is in good decorative and repair state.
Block B, Plot 25, Dideolu Estate, Victoria Island, Lagos	The value of the property was arrived at using market approach after a thorough analysis of recent sales of comparable land in the area. The Company has bonafide title documents.	• Area of 2,810 square metres • Rate of development in the area - the neighbourhood is pre-dominantly high class residential development with many of them in estate setting. • Quality - The land is free from swamp, and is party recessed and the frontage to create access to the property at the end of the close.

Location of Investment properties	Valuation technique	Significant unobservable inputs
98 New Lagos Road, Benin City	The cost approach was used for value of building which was added to the value of the land obtained through direct market comparison using evidences of recent market transactions. The Company has bonafide title documents."	• Area of 904.46 square metres • Rate of development in the area - it is easily accessible from all parts of the city, as many other network of roads are connected to it. New developments are predominantly commercial to take advantage of the strategic location of the road. • Quality of the building - the property is in good decorative state. No noticeable crack was observed in the building structure.
95 Broad Street, Marina, Lagos	The cost approach was used for value of building which was added to the value of the land obtained through direct market comparison using evidences of recent market transactions. The Company has bonafide title documents.	• Area of 2660 square metres • Rate of development in the area - it is easily accessible from all parts of the city, as many other network of roads are connected to it. New developments are predominantly commercial to take advantage of the strategic location of the road. • Quality of the building - The building is a modern high rise with good architectural standard

(d) Investment Properties carried at fair value

Investment properties are fair valued as determined by an independent valuer. The valuation is based on open market capital valuation using the market comparison approach through analysis of recent transactions of sale of comparable properties in the neighborhood to arrive at the value of the property. Investment properties are categorised as level 3 assets based on the methodology adopted in determining the fair value.

In thousands of Nigerian Naira	Level 1	Level 2	Level 3	Total
31 December 2016				
Investment properties	-	-	**2,425,000**	**2,425,000**
31 December 2015				
Investment properties	-	-	**2,740,000**	**2,740,000**

12. Intangible assets

	31 December 2016 N'000	31 December 2015 N'000
Cost		
Balance, beginning of year	385,725	359,526
Additions	-	26,199
Balance, end of year	**385,725**	**385,725**
Accumulated amortisation		
Balance, beginning of year	363,441	314,112
Amortisation charge	16,973	49,329
Balance, end of year	**380,414**	**363,441**
Net book value	**5,311**	**22,284**

13(a) Property and equipment

As at 31 December 2016	Office Equipment N'000	Motor Vehicles N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost					
Balance, beginning of year	178,640	136,224	263,845	155,986	734,695
Additions	6,774	-	4,537	16,340	27,651
Balance, end of year	**185,414**	**136,224**	**268,382**	**172,326**	**762,346**
Accumulated depreciation					
Balance, beginning of year	81,097	78,883	179,189	119,372	458,542
Charge for the year	29,987	27,631	32,459	20,056	110,133
Balance, end of year	**111,084**	**108,123**	**210,044**	**139,428**	**568,675**
Net Book Value					
As at 31 December 2016	**74,330**	**28,101**	**58,338**	**32,898**	**193,671**
As at 31 December 2015	97,542	57,340	84,656	36,614	276,153

(i) There were no capital commitments contracted or authorised as at the end of the reporting date.

(ii) There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date

(iii) No leased assets are included in the above property and equipment (2015: Nil)

(iv) No asset was pledged as collateral for any liability.

13(b) Property and equipment

As at 31 December 2015	*Note*	Leasehold Land N'000	Building & Leasehold Improvement N'000	Office Equipment N'000	Motor Vehicles N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost								
Balance, beginning of year		421,210	1,232,388	99,750	157,446	188,214	114,292	2,213,300
Additions		-	1,151	110,224	3,088	75,143	43,304	232,910
Revaluation surplus		-	18,236	-	-	-	-	18,236
Transfers	11	(421,210)	(1,250,624)	-	-	-	-	(1,671,834)
Retirement		-	-	(29,823)	-	-	-	(29,823)
Disposals		-	-	(1,511)	(24,310)	(663)	(1,610)	(28,093)
Balance, end of year		**-**	**1,151**	**178,640**	**136,224**	**262,695**	**155,986**	**734,696**
Depreciation								
Balance, beginning of year		21,210	82,388	90,777	65,436	147,366	108,856	516,033
Charge for the year		-	18,237	17,444	30,186	33,266	12,126	111,260
Transfers	11	(21,210)	(100,625)	-	-	-	-	(121,835)
Retirement		-	-	(25,613)	-	-	-	(25,613)
Disposals		-	-	(1,511)	(16,988)	(663)	(1,610)	(20,773)
Balance, end of year		**-**	**-**	**81,098**	**78,884**	**179,190**	**119,372**	**458,546**
As at 31 December 2015		-	1,151	97,542	57,340	83,505	36,614	276,152
As at 31 December 2014		400,000	1,150,000	8,973	92,010	40,848	5,436	1,697,267

i) There were no capital commitments contracted or authorised as at the end of the reporting date.

ii) There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.

iii) No leased assets are included in the above property and equipment (2014: Nil)

iv) No asset was pledged as collateral for any liability.

14 Statutory deposits

This represents the Company's interest bearing deposit with the Central Bank of Nigeria in compliance with Section 10(3) of the Insurance Act 2003. The deposits are not available for use by the Company in the normal course of day to day business.

	31 December 2016 N'000	31 December 2015 N'000
Statutory deposits	500,000	500,000
	500,000	**500,000**
Current	-	-
Non-Current	500,000	500,000
	500,000	**500,000**

15 Insurance contract liabilities

Insurance contract liabilities comprise:

	31 December 2016 N'000	31 December 2015 N'000
Unearned premium:		
Unearned premium - Non-Life business(See note (a)(i) below)	706,481	425,711
Unearned premium - Group Life business (See note (a)(ii) below)	122,218	225,574
	828,699	**651,285**
Individual Life insurance contract liabilities (see note (b) below)	**1,955,952**	**2,290,484**
Outstanding claims:		
Outstanding claim -Life business (see note (c) below)	493,051	516,305
Outstanding claim -Non-Life business (see note (c)(i) below)	1,361,920	763,755
	1,854,971	1,280,060
Total insurance contract liabilities	**4,639,622**	**4,221,829**
Current	2,683,670	1,931,345
Non-Current	1,955,952	2,290,484
	4,639,622	**4,221,829**

Insurance contract liabilities represents the liabilities due to policyholders which include outstanding claims payable arising from incidents occurring as at reporting date as well as estimated unexpired risks as at the reporting date. The net liability for insurance contracts as at 31 December 2016 is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognises the deficiency in profit or loss for the year. The Company's net liability for insurance contracts was tested for adequacy by HR Nigeria Limited, an actuary located in Nigeria with FRC number FRC/NAS/00000000738.

(a) Unearned premium- Non Life business comprises:

	31 December 2016 N'000	31 December 2015 N'000
Motor	165,668	109,674
Fire	139,903	143,463
General accident	58,876	38,821
Marine	16,271	23,143
Aviation	68,593	1,061
Engineering	77,537	22,114
Oil and Gas	179,634	87,435
	706,481	**425,711**

(i) The movement in Non-Life business unearned premium during the year is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	425,711	653,169
Increase/(decrease) in unearned premium (see note 27(a))	280,770	(227,458)
Balance, end of year	**706,481**	**425,711**

(ii) The movement in Group Life business unearned premium during the year is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	225,574	110,030
Increase in unearned premium (see note 27(b))	(103,356)	115,544
Balance, end of year	**122,218**	**225,574**

(b) Life insurance contract liabilities comprise:

	31 December 2016 N000	31 December 2015 N000
Individual Life reserve	1,885,779	2,149,258
Annuity contract reserve	70,173	141,226
	1,955,952	**2,290,484**

(i) The movement in Individual Life reserve is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	2,149,258	1,704,872
(Decrease)/increase in Individual Life reserve	(263,479)	444,386
Balance, end of year	**1,885,779**	2,149,258

(ii) The movement in annuity contract reserve is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	141,226	98,501
Transfer of annuity portfolio to other underwriters	(26,357)	-
(Decrease)/increase in annuity reserve	(44,696)	42,725
Balance, end of year	**70,173**	141,226

Individual insurance plans comprise the Endowment Assurance, Educational Endowment, Anticipated Endowments, Term Assurances including Mortgage Protection, Ensure Education Protection and Credit Life. For all the individual business the gross premium method of valuation was adopted. Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments including an allowance for rider benefits. Future cashflows were discounted back to the valuation date at the valuation rate of interest. At the valuation date, the Company had underwritten 20 Pension Regulated Annuity (PRA) policies with annual annuity payment of N10,636,950. (see movement below):

	Number of annuity policies	Annual Annuity (N)
31 December 2015	22	13,130,015
Exit	(2)	(2,493,065)
31 December 2016	**20**	**10,636,950**

Valuation methodology

We have valued each annuity policy using a monthly discounted cashflow method. The reserve are set equal to the present value of future annuity payments and attending expenses. We have recognised the 10 year annuity guaranteed minimum payment year in our calculations of the Company future annuity payment obligations.

Valuation interest rate

We adopted the net valuation interest rates of 14% pa for all long term business including Annuity. These rates are to be applied as single long term rates of return. As at 31 December 2016, the average yield on 20 year FGN bonds was 15.85%.

Type of Business	Long Term Business excluding Annuities	Annuities
Average yield on 20 year FGN Bonds	15.85%	16.00%
Less Prudent Margin	-0.25%	-0.25%
Less Reinvestment Risk margin 0.00% -0.25%	0.00%	0.25%
Gross Valuation interest rate	15.55%	15.50%
Less tax (6%)	-0.93%	-0.93%
Net Valuation interest rate	14.62%	14.57%
Rates to adopt	14.65%	14.60%

The proposed valuation interest rates for the individual risk products are as follows:

Type of Business Current Valuation Previous valuation		
Risk products (excluding Annuity)	14.65%	10.25%
Risk reserve for deposit-based policies	14.65%	10.25%
Pensions Annuity	14.60%	10.80%

We propose to use an inflation assumption of 11% pa. Consumer Price Inflation at 31 December 2016 was 18.5% .

Mortality assumptions

The proposed mortality table for the current valuation remains at the UK's Mortality of Assured Lives 1967-70 (A6770) without adjustment for individual risk business.

(c) Outstanding claims- Life

Outstanding claims relating to Life contract comprises:

	Gross Claims Outstanding 31 December 2016 N000	Provision for IBNR 31 December 2016 N000	Gross claims Total 31 December 2016 N000
Group Life	237,700	238,694	476,394
Individual Life	16,657	-	16,657
	254,357	238,694	493,051

	Gross Claims Outstanding December 2015 N000	Provision for IBNR December 2015 N000	Gross claims Total December 2015 N000
Group Life	242,664	236,550	479,214
Individual Life	37,091	-	37,091
	279,755	236,550	516,305

The provision for Incurred But Not Reported (IBNR) was computed on the Group life insurance liabilities seperately.

(i) *Outstanding claims- Non-Life*

Outstanding claims relating to general business comprise:	Gross claims Outstanding 31 December 2016 N000	Provision for IBNR 31 December 2016 N000	Gross claims Total 31 December 2016 N000
Motor	38,979	38,990	77,968
Fire	241,345	68,238	309,583
General Accident	154,588	146,959	301,547
Marine	16,264	6,004	22,268
Aviation	51,534	270,633	322,167
Bond	5,050	-	5,050
Engineering	68,410	41,387	109,797
Oil and Gas	101,014	112,526	213,540
	677,183	**684,738**	**1,361,920**

	Gross claims Outstanding 31 December 2015 N000	Provision for IBNR 31 December 2015 N000	Gross claims Total 31 December 2015 N000
Motor	36,119	20,503	56,622
Fire	122,954	26,147	149,101
General Accident	106,591	52,628	159,219
Marine	19,895	14,145	34,040
Aviation	110,430	5,283	115,713
Bond	10,050	1,105	11,155
Engineering	69,559	24,664	94,223
Oil and Gas	67,220	76,462	143,682
	542,818	**220,937**	**763,755**

(ii) *The movement in outstanding claims during the year is as follows:*

	31 December 2016 N000	31 December 2015 N000
Provision for reported claims	677,183	542,818
Provision for incurred but not reported	684,738	220,937
Total provision for outstanding claims as at year end	1,361,920	763,755
Opening provision for outstanding claims as at beginning of the year	(763,755)	(1,100,129)
Increase/(decrease) in provision for outstanding claims	598,165	(336,374)

16 Investment contract liabilities

The movement in liability for deposit administration during the year is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	1,252,195	1,357,506
Deposits received	308,930	469,313
Guaranteed interest	69,585	64,222
	1,630,710	1,891,041
Less: withdrawals	(414,991)	(638,846)
Balance, end of year	**1,215,719**	**1,252,195**
Current	303,930	313,048
Non-Current	911,789	939,147
	1,215,719	**1,252,195**

17 Trade payables

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

	31 December 2016 N000	31 December 2015 N000
Trade payables	905,955	479,054
	905,955	**479,054**

The breakdown of trade payables is as follows:	31 December 2016 N000	31 December 2015 N000
Due to reinsurers (see note 17(b))	852,742	208,749
Unallocated premium	53,213	230,661
Due to insurance companies	-	34,312
Commission payable (see note 17(a))	-	5,332
	905,955	**479,054**
Current	905,955	479,054
Non-Current	-	-
	905,955	**479,054**

(a) Movement in commision payable

	31 December 2016 N000	31 December 2015 N000
Balance as at the beginning of the year	5,332	14,889
Commission expense (see note 32(a)(ii))	482,311	447,761
Commission paid	(487,643)	(457,318)
Balance as at the end of the year	**-**	**5,332**

(b) Movement in reinsurance payable

	31 December 2016 N000	31 December 2015 N000
Balance as at the beginning of the year	208,749	14,316
Reinsurance premium cost (see note 29)	2,083,821	740,249
Reinsurance premium paid	(1,439,828)	(545,816)
Balance as at the end of the year	**852,742**	**208,749**

18 Accruals and other payables:

	31 December 2016 N000	31 December 2015 N000
WHT payable	19,412	40,143
NITDA payables	14,060	-
Deffered income	53,386	56,633
Provision for audit fees	14,020	15,750
Other accrued expenses	189,144	368
Stale cheque account	38,191	38,190
Sundry creditors	10,285	374
Other payables	96,252	70,931
Rent received in advance	31,132	6,748
Reconciliation suspense account	-	27,504
VAT payable	-	6,634
	465,882	**294,495**

Rent received in advance includes rent received from the Company's tenants based on lease agreements signed in respect of the investment properties, and the amounts cover between 3 -6 months.

19 Income tax payable

The movement on current income tax payable during the year is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	102,988	211,112
Charge for the year:		
- General business	23,033	58,610
- Life business	14,179	16,883
Payments during the year	(71,006)	(183,617)
Balance, end of year	**69,194**	**102,988**

	31 December 2016 N000	31 December 2015 N000
Profit/(loss) before income tax	1,092,271	(310,822)
Income tax using the domestic corporation tax rate of 30%	327,681	(93,246)
Tax effect of:		
Non-deductible expenses	1,119,111	388,032
Tax exempt income	(1,446,792)	(243,767)
Write back to profit or loss account for the year (see note 38)	-	90,408
Minimum tax	37,212	16,883
Education tax	-	7,591
Capital gain tax rate difference	2,316	-
Total income tax expense	**39,528**	**165,901**

Non deductible expenses and tax exempted income are recurring in nature and are identified to compute assessable income for tax computation based on the Company Income Tax Act (CITA CAP C21 LFN 2004).

20 Deferred tax liabilities/(assets)

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

(i) Deferred tax assets and liabilities are attributable to the following:

	31 December 2016 N000	31 December 2015 N000
Deferred tax liabilities: General Business		
Property and equipment	(17,290)	(23,932)
Unrealised exchange gain	645,000	239,597
Impairments	(398,133)	-
Investment properties	-	(9,068)
	229,577	**206,597**
Deferred tax assets: Life Business		
Property and equipment	(114,903)	14,951
Unrelieved losses	(30,671)	(185,209)
Unrealised exchange gain	2,443	-
Impairment of trade receivables	(37,942)	-
Investment properties	(5,000)	7,164
	(186,074)	**(163,094)**
Net deferred tax liabilities	**43,503**	**43,503**

(ii) The movement on net deferred tax liabilities/(assets) account during the year was as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	43,503	(52,376)
Write back to profit or loss account for the year (see note 38)	-	90,408
Charge to other comprehensive income:		
- Asset revaluation reserve (see note 25(a)	-	5,471
Balance, end of year	**43,503**	**43,503**

(iii) Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

At the end of the year, the Company had deferred tax assets of N440,185,000 relating to unrelieved tax losses in Life business. The Company, based on Directors' assessment of the likely timing and level of future taxable profits as well as impact of minimum tax requirement on unrelieved losses carried forward, has recognised deferred tax assets relating to unrelieved tax losses to the tune of N30,671,000.

21 Share capital

Share capital comprises

	31 December 2016 N000	31 December 2015 N000
(a) Authorised:		
20,000,000,000 ordinary shares of 50k each:	**10,000,000**	**10,000,000**
Non-life business 12,000,000,000 ordinary shares of 50k each	**6,000,000**	**6,000,000**
Life business 8,000,000,000 ordinary shares of 50k each	**4,000,000**	**4,000,000**

(b) Issued and fully paid:

	31 December 2016 N000	31 December 2015 N000
7,515,098,000 ordinary shares of 50k each:	**3,757,549**	**3,757,549**
Non-life 4,450,908,000 ordinary shares of 50k each	**2,225,454**	**2,225,454**
Life business 3,064,190,000 ordinary shares of 50k each	**1,532,095**	**1,532,095**

(c) Irredeemable convertible notes

The Company issued irredeemable convertible notes to its core investor, Greenoaks Global Holdings Ltd. The received fund was applied to augment its regulatory capital so as to achieve the minimum solvency margin. The fund is warehoused in an escrow account maintained by Guaranty Trust Bank PLC (see Note 5(b)) and shall be available to the Company upon conversion to ordinary share capital. The Naira denominated Note shall be converted to ordinary shares at a price of N0.50k upon receipt of all regulatory consents and relevant corporate approvals.

	31 December 2016 N000	31 December 2015 N000
Non-life business	3,267,608	3,267,608
Life business	794,000	794,000
	4,061,608	**4,061,608**
Balance, beginning of the year	4,061,608	3,667,608
Additional notes issued during the year	-	394,000
Balance, end of the year	**4,061,608**	**4,061,608**

22 Share premium

Share premium comprises additional paid-in capital in excess of the par value.
This reserve is not available for distribution.

Share premium comprises:

	31 December 2016 N000	31 December 2015 N000
Non-life business	417,839	417,839
Life business	447,063	447,063
	864,902	**864,902**

23 Statutory contingency reserve

In compliance with Section 21(1) of Insurance Act 2003, the contingency reserve for Non-Life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profit. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 per cent of net premium. For the Life business the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (which ever is greater) and this shall accumulate until it reaches the amount of minimum paid up capital.

The movement in the contingency reserve account during the year was as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	925,129	859,309
Transfer during the year	189,829	65,820
Balance, end of year	**1,114,958**	**925,129**

24 Fair value reserve

Fair value reserve includes the net accumulated change in the fair value of available for sale assets.

The movement in the fair value reserve during the year is as follows:

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	33,375	61,019
Fair value (loss)/gain on available for sale financial assets (Note 6 (b)(ii))	(20,282)	3,356
Realised gain on the disposal of AFS	-	(31,000)
Balance, end of year	**13,093**	**33,375**

25 Asset revaluation reserve

Asset revaluation reserve is the accumulation of revaluation gains on land and building revalued by the Company at the end of each reporting year.

(a) Movement in asset revaluation reserve

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of year	280,551	267,786
Less: Tax charge attributable to revaluation gains on property and equipment	-	(5,471)
Fair value gain on revalued land and building	-	18,236
Balance, end of year	**280,551**	**280,551**

(b) Revaluation surplus on property and equipment, net of tax

	31 December 2016 N000	31 December 2015 N000
Fair value gain on revalued land and building (see note 13 (b))	-	18,236
Tax charge attributable to revaluation gains on property and equipment	-	(5,471)
Net fair value gain recognised in other comprehensive income	**-**	**12,765**

26 Accumulated losses

(a) Accumulated losses are accumulated losses attributable to shareholders.

	31 December 2016 N000	31 December 2015 N000
Balance, beginning of the year	(4,727,991)	(4,185,448)
Profit/(loss) for the year	1,052,743	(476,723)
Transfer to statutory contigency reserve	(189,829)	(65,820)
Balance, end of the year	**(3,865,077)**	**(4,727,991)**

	31 December 2016 N000	31 December 2015 N000
(b) Earnings/(loss) per share		
Profit/(loss) attributable to the Company's equity holders	1,052,743	(476,723)
Weighted average number of ordinary shares in issue	7,515,098	7,515,098
Basic earnings/(loss) per share	14.01	(6.34)
Weighted average number of ordinary and dilutive shares in issue	15,638,314	14,858,950
Diluted earnings/(loss) per share	6.73	(3.21)

"Basic earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding at the reporting date.

Diluted earnings per share is calculated by dividing the net profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential of the irredeemable convertible notes into ordinary shares. "

27 Gross premium written

Gross premium written comprises:

	31 December 2016 N000	31 December 2015 N000
Non-Life business		
Life business	3,250,273	1,512,270
Annuity business	934,752	1,329,600
Gross premium written	9,757	33,208
	4,194,782	**2,875,078**

(a) Non-Life business

The analysis of gross premium written and gross premium income is as follows:

	Gross premium written 31 December 2016 N000	(Decrease)/ increase Unearned premium 31 December 2016 N000	Gross premium income 31 December 2016 N000
Fire	450,905	3,561	454,466
Motor	436,996	(55,995)	381,001
General Accident	292,681	(20,055)	272,626
Workmen	13,953	-	13,953
Marine Cargo	48,909	(413)	48,496
Marine Hull	37,333	7,286	44,619
Aviation	999,740	(67,533)	932,207
Engineering	154,246	(55,422)	98,824
Oil and Gas	815,511	(92,199)	723,312
	3,250,273	**(280,769)**	**2,969,504**

	Gross premium written 31 December 2015 N000	(Decrease)/ increase Unearned premium 31 December 2015 N000	Gross premium income 31 December 2015 N000
Fire	371,801	(11,524)	360,276
Motor	342,779	124,336	467,115
General accident	254,304	49,888	304,191
Marine	120,794	59,229	180,023
Aviation	115,164	1,661	116,825
Bond	-	813	813
Engineering	99,564	32,704	132,266
Oil and Gas	207,865	(29,648)	178,217
	1,512,270	**227,458**	**1,739,729**

(b) Life and Annuity business

The analysis of the gross premium income is as follows:

	Gross premium written 31 December 2016 N000	(Decrease)/ increase Unearned premium 31 December 2016 N000	Gross premium income 31 December 2016 N000
Individual Life	415,146	-	415,146
Group Life	519,606	103,356	622,962
Annuity contract	9,757	-	9,757
	944,509	**103,356**	**1,047,865**

	Gross premium written 31 December 2015 N000	(Decrease)/ increase Unearned premium 31 December 2015 N000	Gross premium income 31 December 2015 N000
Individual Life	566,016	-	566,016
Group Life	763,584	(115,544)	648,040
Annuity contract	33,208	-	33,208
	1,362,808	**(115,544)**	**1,247,264**

28 Gross premium income

The Gross premium income is analyzed as follows:

	31 December 2016 N000	31 December 2015 N000
Gross premium written	4,194,782	2,875,078
(Decrease)/increase in unearned premium - Non -Life (See note 27(a))	(280,769)	227,458
Decrease in unearned premium-Group Life (See note 27(b))	103,356	(115,544)
Gross premium income	**4,017,369**	**2,986,992**

29 Reinsurance premium expenses

Reinsurance cost comprises:

	31 December 2016 N000	31 December 2015 N000
Reinsurance premium cost	2,083,821	740,249
Changes in prepaid reinsurance expenses	(98,303)	(66,483)
	1,985,518	**673,766**

30 Fees and commission income

Fees and commission income comprises:

	31 December 2016 N000	31 December 2015 N000
Commission received	299,767	160,243
Changes in deferred commission income	3,247	(17,617)
	303,014	**142,626**

31 Claims expenses

Claims expenses comprise:

	31 December 2016 N000	31 December 2015 N000
Claims paid	1,640,033	1,649,825
Changes in outstanding claims: Life business	(17,192)	119,000
Changes in outstanding claims: Non-Life business (see Note 15(cii))	598,165	(336,374)
Total claims	**2,221,006**	**1,432,451**
Changes in claims recoverable	(386,486)	(293,000)
Recoverable from re-insurance	(428,126)	(2,432)
Net claims expenses	**1,406,393**	**1,137,019**

32 Underwriting expenses

(a) Underwriting expenses comprise:

	31 December 2016 N000	31 December 2015 N000
Acquisition cost (see (i) below)	446,895	453,221
Maintenance cost	188,756	34,203
	635,651	**487,424**

(i) Business segment analysis of acquisition cost

	31 December 2016 N000	31 December 2015 N000
Non-Life	371,718	282,121
Life	75,177	171,100
	446,895	**453,221**

Maintenance cost comprise mainly of VAT on commission as well as management fee.

(ii) Analysis of acquisition cost

	31 December 2016 N000	31 December 2015 N000
Commission expenses	482,311	447,761
Movement in deferred acquisition cost (see note 9 (b))	(35,416)	5,460
Acquisition cost	**446,895**	**453,221**

33 Investment income

(a) Investment income comprises:

	31 December 2016 N000	31 December 2015 N000
Dividend income	83,093	45,042
Interest income on cash and cash equivalents	85,239	105,092
Interest income on HTM instruments	-	19,877
Rental income	24,535	9,300
	192,867	**179,311**

(b) Attributable to:

	31 December 2016 N000	31 December 2015 N000
- Shareholders	2,455	30,600
- Policyholders		
- Insurance fund	171,125	130,780
- Annuity	19,287	17,931
	192,867	**179,311**

34 Guaranteed Interest on investment contract liabilities

	31 December 2016 N000	31 December 2015 N000
Guaranteed interest	(69,677)	779
	(69,677)	**779**

The investment contract benefits represents interest guaranteed to investment contract holders as documented in the policy document. The interest is calculated based on the fund balance using a guaranteed interest rate which is reviewed from time to time.

(a) Net realised gains on financial assets

	31 December 2016 N000	31 December 2015 N000
Realised gains on financial assets :		
Unquoted equity securities	-	78,545
	-	**78,545**

35 Net fair value loss

	31 December 2016 N000	31 December 2015 N000
Net fair value loss on held-for-trading financial assets:		
Fair value loss on quoted equities (note 6c(iii))	(62,222)	(111,666)
	(62,222)	**(111,666)**
Net fair value (loss)/gain on investment properties (note 11)	(50,000)	45,000
	(112,222)	**(66,666)**

36 Other operating income

	31 December 2016 N000	31 December 2015 N000
Unrealised net foreign exchange gain	2,147,168	830,291
Interest income from statutory deposits	51,057	57,796
Gain from disposal of property and equipment	3,124	1,122
Sundry income (see note (a) below)	47,784	168,032
	2,249,133	**1,057,241**

Included in unrealised net foreign exchange gain is the sum of N2,590,365,000 recognised on the funds in the escrow account with Guaranty Trust Bank (see note 5(b)).

	31 December 2016 N000	31 December 2015 N000
(a) Sundry Income:		
Service fee	-	135,154
Policy processing fees	10,298	32,878
Other income	37,486	-
	47,784	**168,032**

37 Management and administrative expenses

(a) Management expenses comprise:

	Note	31 December 2016 N000	31 December 2015 N000
Staff costs (see note (i) below)		524,245	614,379
Professional fees		216,186	184,680
Office and branch expenses		185,844	274,925
Other staff related costs		160,350	-
Information and technology costs		151,140	40,094
Administration		120,649	132,735
Depreciation on property and equipment	*13*	110,133	111,260
Marketing and advertising costs		80,536	69,799
Regulatory fees		50,299	97,624
Board of Directors expenses		38,435	58,849
Travel and entertainment		37,155	59,364
Loss on disposal of investment property	*11(a)*	25,000	-
Vehicle running expenses		21,914	25,008
Auditors renumeration		21,000	21,000
Finance cost/bank charges		19,328	62,722
Training		19,054	52,827
Amortization of intangible assets	*12*	16,973	49,329
Repair and maintenance		15,220	26,271
Insurance cost		12,673	1,447
Commission on investment contract		1,280	-
		1,827,414	**1,882,315**

(i) Staff costs comprise:

	31 December 2016 N000	31 December 2015 N000
Wages and salaries	499,271	588,696
Contributory plan	24,974	25,683
	524,245	**614,379**

(b) Impairment reversal/(charges) comprise:

	31 December 2016 N000	31 December 2015 N000
Impairment charge on of trade receivables (see note 7(c))	-	(19,795)
Impairment charges on available for sale financial asset	-	(12,700)
Impairment reversal on trade receivables (see note 7(c))	102,225	10,481
Allowance during the year on loans and receivables (see note 10(b))	(89,414)	-
	12,811	**(22,014)**

38 Income tax expense

	31 December 2016 N000	31 December 2015 N000
Minimum tax (see note 19) - Life	14,179	16,883
Capital gain tax	2,316	-
	16,495	**16,883**
Minimum tax (see note 19) - General	23,033	51,019
Education tax:		
- General	-	7,591
	23,033	**58,610**
Deferred tax:		
- General (see note 20)	22,980	85,908
- Life (see note 20)	(22,980)	4,500
	-	90,408
	39,528	**165,901**

39 Earnings/(loss) per share

	31 December 2016 N000	31 December 2015 N000
Profit/(loss) attributable to the Company's equity holders (in thousands of naira)	1,052,743	(476,723)
Weighted average number of ordinary shares in issue (thousands)	7,515,098	7,515,098
Effect of dilution: Irredeemable convertible notes (see note 21(c))	8,123,216	7,343,852
Basic earnings per share (kobo)	**14.01**	**(6.34)**
Diluted earnings per share (kobo)	6.73	(3.21)

40 Supplementary profit and loss information

(a) General information

The Company's profit/(loss) before income tax for the year is stated after charging / (crediting) the following:

	31 December 2016 N000	31 December 2015 N000
Depreciation on property and equipment (Note 37 (a))	110,133	111,260
Amortization on intangible assets (Note 37 (a))	16,973	49,329
Gain on disposal of property and equipment (see note 36)	3,124	1,122
Auditors' remuneration (Note 37 (a))	21,000	21,000

(b) Staff and directors' information

The average number of full time employees employed by the Company during the year was as follows:

	31 December 2016 N000	31 December 2015 N000
Management staff	9	12
Other staff	99	107
	108	**119**

(c) Staff and directors' costs:

(i) Employee costs, including executive directors during the year comprises:

	31 December 2016 N000	31 December 2015 N000
Wages and salaries	499,271	588,696
Post employment benefit:	-	-
Pension costs	24,974	25,683
	524,245	**614,379**

(ii) Employees earning more than N500,000 per annum received salaries (excluding allowances) in the following range:

	31 December 2016 N000	31 December 2015 N000
	Number	Number
N550,001 - N600,000	26	36
N600,001 - N700,000	25	25
N700,001 - N750,000	16	16
N750,001 and above	41	42
	108	**119**

(iii) Directors' remuneration, (excluding pension and other benefits) was as follows:

	31 December 2016 N000	31 December 2015 N000
Directors' fees	30,919	30,319
Other emoluments	7,516	28,530
	38,435	**58,849**

(iv) The directors' remuneration shown above includes:

	31 December 2016 N000	31 December 2015 N000
Chairman	**20,000**	**20,000**
Highest paid director	**20,000**	**20,000**

(v) *The emoluments of all other directors fell within the following range:*

	31 December 2016 N000	31 December 2015 N000
	Number	Number
N500,000 - N1,400,000	2	2
N1,400,001 - N1,500,000	2	2
N1,700,001 - N1,800,000	-	-
Above N1,800,000	1	1
	5	**5**

(d) Commitments and contingencies

Operating lease commitments – Company as lessee

The Company has entered into commercial leases of its office building. These leases have an average life of five years, with renewal option included in the contracts. There are no restrictions placed on the Company by entering into these leases. The Company incurred the sum of N67,827,972 (2015: N67,827,972) as lease expense for the year.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	31 December 2016 N000	31 December 2015 N000
Within a year	111,025	111,025
After one year but not more than two years	376,273	376,273
Above two years but not more than twenty years	-	-
	487,298	**487,298**

Operating lease commitments – Company as lessor

The Company has entered into operating leases on its investment property portfolio consisting of certain office buildings. These leases have terms of between 5 to 20 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is N24,535,000 (2015: nil).

Future minimium rental receivable under non-cancellable operating leases as at 31 December are as follows:

	31 December 2016 N000	31 December 2015 N000
Within a year	35,050	24,000
Above one year but not more than two years	45,000	34,000
Above two years but not more than twenty years	45,750	34,050
	125,800	**92,050**

41 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one party controls both. The definition includes parents, associates, joint ventures and the Company's pension schemes, as well as key management personnel.

Parent

Greenoaks Global Holdings Limited is the parent company of Ensure Insurance PLC.

Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

Detailed below are the Company's related parties and the transactions the Company entered into with its related parties during the year.

Name of related party	Relationship	Nature of transactions with related party
• Greenoaks Global Holdings Limited UK • Key management personnel	• Parent Company • Executive & Non-Executive Directors and close family members	• Irredeemable convertible notes • Insurance Contracts

The Company's transactions and balances arising from dealings with related parties are as follows:

(a) Irredeemable convertible notes

	31 December 2016 N000	31 December 2015 N000
Greenoaks Global Holdings Limited, United Kingdom.	4,061,608	4,061,608
Key Management personnel	-	-

(b) Premium Income

	31 December 2016 N000	31 December 2015 N000
Key Management personnel	702	702

(c) Short term benefits and post-employment benefits - key management personnel

	31 December 2016 N000	31 December 2015 N000
Short term benefits	42,822	42,822
Post-employment benefits:		
Pension	5,640	5,640

42 Contravention of laws and regulations

The Company has no penalty in respect of the contravention of NAICOM's guideline during the year (2015: N2,000,000). The prior year fine paid was for unpaid penalty on 2013 quarterly financial returns to NAICOM.

43 Contingent liabilities, litigation and claims

The Company is involved in 12 litigations and the claims against the Company as at 31 December 2016 amounted to N243.78 million (31 December 2015: N216.32 million) and 1 case as a plantifff as at 31 December 2016 amounting to N436 million. These litigations and claims arose in the normal course of business and are being contested by the Company. Management is of the opinion that no liability will crystallise from these litigations. There are no other contingent liabilities requiring disclosure in these Financial Statements.

44 Events after reporting date.

There were no events after reporting date that requires disclosure in the Financial Statements.

45 Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions. All operating segments used by management meets the definition of a reportable segment under IFRS 8.

The Company is organised on a nationwide basis into two operating segments. These segments include:

- Non-Life (General) business
- Life business

Management identifies its reportable operating segments by product line consistent with the reports used by the strategic steering committee. These segments and their respective operations are as follows:

- Non-Life (General) business: Protection of customers' assets (both for personal and commercial business). All contracts in this segment are over a short contractual term. Revenue in this segment is derived primarily from insurance premiums, investment income, net realised gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss
- Life business: Protection of the customers against the risk of premature death, disability, critical illness and other accidents. All contracts in this segment offer fixed and guaranteed benefits over the contractual term. Revenue from this segment is derived primarily from insurance premium, investment income, net realised gains on financial assets and net fair value gains on financial assets at fair value through profit or loss.

The segment information provided to the Strategic Steering Committee for the reportable segments for the year ended 31 December 2016 is as follows:

The segment information provided by Management for the reporting segments for the year ended 31 December 2016

	Notes	Non-life N000	Life N000	Elimination Adjustments N000	31 December 2016 N000
Assets					
Cash and bank balances	5	7,493,755	190,283	-	7,684,038
Financial assets	6	719,292	404,206	-	1,123,498
Trade receivables	7	111,686	51	-	111,736
Reinsurance assets	8	863,430	236,055	-	1,099,485
Deferred acquisition costs	9	110,675	10,504	-	121,179
Other receivables and prepayments	10	263,703	3,823,681	(3,783,843)	303,541
Investment properties	11	-	2,425,000	-	2,425,000
Intangible assets	12	4,502	809	-	5,311
Property and equipment	13	191,508	2,163	-	193,671
Deferred tax assets	20	-	186,074	(186,074)	-
Statutory deposits	14	300,000	200,000	-	500,000
Total assets		**10,058,551**	**7,478,826**	**(3,969,917)**	**13,567,459**
Liabilities					
Insurance contract liabilities	15	2,068,401	2,571,221	-	4,639,622
Investment contract liabilities	16	-	1,215,719	-	1,215,719
Trade payables	17	806,921	99,034	-	905,955
Accruals and other payables	18	2,991,086	1,258,639	(3,783,843)	465,882
Income tax payable	19	20,416	48,778	-	69,194
Deferred tax liabilities	20	229,577	-	(186,074)	43,503
Total liabilities		**6,116,401**	**5,193,391**	**(3,969,917)**	**7,339,875**
Net assets		**3,942,150**	**2,285,434**	**-**	**6,227,584**
Capital and reserve					
Share capital	21	2,225,454	1,532,095	-	3,757,549
Share premium	22	417,839	447,063	-	864,902
Irredeemable convertible notes		3,267,608	794,000	-	4,061,608
Statutory contingency reserve	23	940,350	174,608	-	1,114,958
Fair value reserve	24	10,443	2,650	-	13,093
Asset revaluation reserve	25	-	280,551	-	280,551
Accumulated losses	26	(2,919,544)	(945,533)	-	(3,865,077)
Shareholders funds		**3,942,150**	**2,285,434**	**-**	**6,227,584**

The segment information provided by Management for the reporting segments for the year ended 31 December 2016.

	Notes	Non-life N000	Life N000	31 December 2016 N000
Gross written premium	27	3,250,273	944,509	4,194,782
Gross premium income	28	2,969,504	1,047,865	4,017,369
Reinsurance premium expense	29	(1,628,936)	(356,582)	(1,985,518)
Net premium income		1,340,568	691,283	2,031,851
Fees and commission income	30	252,071	50,943	303,014
Net underwriting income		1,592,639	742,226	2,334,865
Changes in individual life reserve		-	308,176	308,176
Net claims expenses	31	(670,523)	(735,870)	(1,406,393)
Underwriting expenses	32	(548,908)	(86,743)	(635,651)
Underwriting profit		373,209	227,789	600,998
Management expenses	37	(1,630,280)	(197,134)	(1,827,414)
Impairment charges		479	12,332	12,811
Operating loss		**(1,256,592)**	**42,988**	**(1,213,605)**
Investment income	33	191,724	46,918	238,642
Guaranteed Interest on investment contract liabilities	34	-	(69,677)	(69,677)
Net fair value loss	35	(35,059)	(77,163)	(112,222)
Other operating income	36	1,991,484	257,649	2,249,133
Profit/(loss) before income tax		891,557	200,714	1,092,271
Profit/(loss) before income tax from reportable segment		891,557	200,714	1,092,271
Income tax (expense)/credit	19/38	(46,012)	6,484	(39,528)
Profit after tax		**845,545**	**207,198**	**1,052,743**

The segment information provided by Management for the reporting segments for the year ended 31 December 2015

	Notes	Non-life N000	Life N000	Elimination Adjustments N000	31 December 2016 N000
Assets					
Cash and bank balances	5	5,591,637	63,841	-	5,655,478
Financial assets	6	783,120	522,051	-	1,305,171
Reinsurance assets	8	459,007	243,713	-	702,720
Deferred acquisition cost	9	68,318	17,445	-	85,763
Deferred tax assets		-	163,094	(163,094)	-
Other receivables and prepayments	10	270,320	3,710,238	(3,678,939)	301,619
Investment properties	11	-	2,740,000	-	2,740,000
Intangible assets	12	19,357	2,927	-	22,284
Property and equipment	13	273,962	2,190	-	276,152
Statutory deposits	14	300,000	200,000	-	500,000
Total assets		**7,765,721**	**7,665,499**	**(3,842,033)**	**11,589,187**
Liabilities					
Insurance contract liabilities	15	1,189,466	3,032,363	-	4,221,829
Investment contract liabilities	16	-	1,252,195	-	1,252,195
Trade payables	17	454,589	24,465	-	479,054
Accruals and other payables	18	2,739,574	1,233,859	(3,678,939)	294,495
Income tax payable	19	58,611	44,377	-	102,988
Deferred tax liabilities	20	206,596	-	(163,094)	43,503
Total liabilities		**4,648,838**	**5,587,259**	**(3,842,033)**	**6,394,064**
Net assets		**3,116,883**	**2,078,240**	**-**	**5,195,123**
Capital and reserve					
Share capital	21	2,225,454	1,532,095	-	3,757,549
Share premium	22	417,839	447,063	-	864,902
Convertible loan		3,267,608	794,000	-	4,061,608
Statutory contingency reserve	23	771,242	153,887	-	925,129
Fair value reserve	24	30,725	2,650	-	33,375
Asset revaluation reserve	25	-	280,551	-	280,551
Accumulated losses	26	(3,595,985)	(1,132,006)	-	(4,727,991)
Shareholders funds		**3,116,883**	**2,078,240**	**-**	**5,195,123**

The segment information provided by Management for the reporting segments for the year ended 31 December 2015

	Notes	Non-life N000	Life N000	Elimination Adjustments N000	31 December 2015 N000
Gross premium written	27	1,512,270	1,362,808	-	2,875,078
Gross premium income	28	1,739,728	1,247,264	-	2,986,992
Reinsurance premium expenses	29	(488,664)	(185,102)	-	(673,766)
Net premium income		**1,251,064**	**1,062,162**	**-**	**2,313,226**
Fees and commission income	30	124,204	18,422	-	142,626
Net underwriting income		**1,375,268**	**1,080,585**	**-**	**2,455,852**
Net claims expenses	31	(386,211)	(750,808)	-	(1,137,019)
Decrease in individual life reserve	15(b)(i)	-	(444,386)	-	(444,386)
Decrease in individual annuity reserve	15(b)(i)	-	(42,725)	-	(42,725)
Underwriting expenses	32	(307,295)	(180,129)	-	(487,424)
Underwriting profit/(loss)		**681,762**	**(337,464)**	**-**	**344,297**
Investment income	33(b)	116,762	62,549	-	179,311
Profit on investment contract liabilities	34	-	779	-	779
Net realised gains and losses	34(a)	78,545	-	-	78,545
Net fair value loss on financial asset though profit or loss	35	(30,226)	(36,440)	-	(66,666)
Other operating income	36	917,307	139,934	-	1,057,241
		1,764,150	**(170,643)**	-	**1,593,507**
Management expenses	37	(1,360,281)	(522,034)	-	(1,882,315)
Impairment charges	37(c)	(9,314)	(12,700)	-	(22,014)
Result of operating activities		**394,555**	**(705,377)**	-	**(310,821)**
Profit/(loss) before income tax from reportable segment		394,555	(705,377)	-	(310,821)
Income tax expense	35	(144,520)	(21,381)	-	(165,901)
Profit/(loss) after tax		**250,035**	**(726,758)**	**-**	**(476,723)**

46 Financial Risk Management Framework

46.1 Enterprise Risk Review

Ensure Insurance PLC's business operations are largely diversified and spread across different geographical locations. This makes it imperative for the Company to ensure proper identification, measurement, aggregation and effective management of risks and efficient utilisation of capital to derive an optimal risk and return ratio

Risks associated with the business of the Company include operational risks credit risk, liquidity risk, underwriting risk, regulatory risk, market risk (which includes currency risk, interest rate risk and other price risks) as well as other risks such as capital management risk, reputation risk, as well as strategic risk, legal risk, persistency risk, etc.

46.1.1 Risk Management Philosophy/Strategy

Ensure Insurance considers effective risk management system as non-negotiable. As such, best risk management practices are employed in all of its dealings ranging from strategy development and implementation to its daily operations. In this regard, the Company's risk management philosophy is aimed at ensuring a moderate and guarded attitude to all forms of risk and overall shareholder's value. Ensure Insurance is of the opinion that its enterprise risk management will proffer superior capabilities to identify, manage and mitigate its full spectrum of risks. In addition, efforts are geared towards:

- Continuous development of a holistic and integrated approach to risk management i.e. bringing all risks together under one or a limited number of oversight functions.
- Incessant building of a shared perspective on risks which are grounded in consensus.

- Governance by well defined policies which are clearly communicated across the Company.
- Maintainence of an optimal balance between risk and revenue consideration.

46.1.2 Risk appetite

"Risk appetite is often described as the level of risk the organisation is prepared to tolerate while it pursues its set objectives. It is a core consideration in an enterprise risk management approach. Risk appetite is the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives. Ensure Insurance's risk appetite is reviewed by the Board of Directors on an annual basis. The Company recognises that its long-term sustainability is dependent upon the protection of its reputation, preservation of value and relationship with stakeholders. To this end, there will be zero tolerance to risk acceptance which will materially impair its reputation and value. In addition, much emphasis will be placed on treating customers with utmost integrity.

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

46.1.3 Key risk appetite parameters

The Company's Risk Appetite is defined using the following parameters:

Category	Risk Appetite Parameters
Market Risk	• Concentration limits • Stop-loss limit and Trading limit • Daily position limits
Underwriting Risk	• 100% underwriting guidelines compliance • Tracking of all insurance premiums and paid claims within 90 days payment term • Quarterly review of portfolio • All contracts to be issued within Company's limits • 100% reinsurance accuracy, zero tolerance for contract errors. • Monitoring reinsurance placements (Treaty and Facultative) • Monitoring reinsurer's treaty • Monthly monitoring of reporting process and reconciliation. • Review of all claims. • 100% reporting of all claims and complaints on weekly basis
Credit Risk	• Defined re-insurers and co-insurers ratings i.e. dealing only with re-insurance and co-insurance companies that are investment grade (BB) and upwards; • Approved payment plan • Aggregate bad debt limit for re-insurers, co-insurers, brokers and clients.
Reputational Risk	• Unqualified reports from external auditors. • Zero tolerance for any statement, by our directors or employees that may impact negatively on the Company's reputation. • Zero appetite for association with disputable individual brokers, co-insurers, re-insurers and other organisations. • Zero appetite for unethical, illegal or unprofessional conduct by our directors, employees and agents.
Operational Risk	• Zero tolerance for fraud • Percentage of earnings reduction or losses due to operational deficiencies and inefficiencies. • Aggregate limit for expected losses due to fraud and operational inefficiencies.
Regulatory Risk	Zero tolerance for infractions and non-compliance with regulatory and statutory requirements.
Liquidity Risk	Defined liquidity ratios
Capital Management	The Company's Board requires that the Company maintains sufficient capital to adequately meet its liabilities in extreme adverse scenario, on an ongoing basis.

46 .1.4 Risk management approach

In being proactive towards risk occurence and management, the Company has so far developed policies and procedures which would suffice every broad risk classification innate in our business. These policies would ensure conformity and consistency in the manner in which we deal with the different risk types the Company is faced with. Ensure Insurance operates a Three-Line-Of-Defense model in its risk management approach. Primary responsibility for application of the Risk

Management Framework lies with business management (First line of defense). Support for and challenge on the risk management activities (including the identification, measurement, monitoring, management and reporting of risk) are performed by specialist, independent risk function (Second line of defense) acting as the critical friend to the first line of defense. The design of Risk Management Framework (RMF) is also primarily the responsibility of second line of defense. Independent and objective assurance on the robustness of the RMF and the appropriateness and effectiveness of internal control is provided by the Company's internal audit function (Third line of defense).

The ideal risk management strategy for organisations is to empower all staff to proactively identify, control, monitor and regularly report risk issues to management. These steps help in setting out risk management and control standards for the Company's operations. In response to dynamism of the market and customer needs, we regularly monitor the appropriateness of our risk policies to ensure that they remain up-to-date.

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

- The Board of Directors provides overall risk management direction and oversight.
- The Company's risk appetite is approved by the Board of Directors.
- Risk management is embedded in the Company as an intrinsic process and is a core competency of all its employees.
- The Company manages its credit, market, operational and liquidity risks in a coordinated manner within the organisation.
- The Company's risk management function is independent of the business units.
- The Company's internal audit function reports to the Board Audit Committee and provides independent validation of the business units' compliance with risk policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Company 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 Company's management of risk.

The Board of Directors is committed to managing compliance with a 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.

The compliance function, under the leadership of the Chief Compliance Officer of the Company has put in place a robust compliance framework, which includes:

- Comprehensive compliance manual, the manual details the roles and responsibilities of all stakeholders in the compliance process;
- Review and analysis of all relevant laws and regulations, which are adopted into policy statements to ensure business is conducted professionally;
- Review of the Company's Anti Money Laundering Policy in accordance with changes in the Money Laundering Prohibition Act 2011 and Anti Terrorism Act 2011;
- Incorporation of new guidelines in the Company's Know Your Customer (KYC) policies in line with the increasing global trend as outlined in the National Insurance Commission (NAICOM) Know Your Customer (KYC) policy .

The Company's culture emphasizes high standard of ethical behavior at all levels of the Company. Therefore the Company's Board of Directors promotes a sound organisation.

46 .1.5 Methodology for risk rating

The risk management strategy is to develop an integrated approach to risk assessments, measurement, monitoring and control that captures all risks in all aspects of the Company's activities.

All activities in the Company have been profiled and the key risk drivers and threats in them identified. Mitigation and control techniques are then determined in tackling each of these threats. These techniques are implemented as risk policies and procedures that drive the strategic direction and risk appetite as specified by the Board. Techniques employed in meeting these objectives culminate in the following roles for the risk control functions of the Company:

The NAICOM Guidelines on Risk Management prescribes quantitative and qualitative criteria for the identification of significant activities and sets a threshold of contributions for determining significant activities in Insurance and its subsidiaries. This practice is essentially to drive the risk control focus of financial institutions.

Ensure Insurance applies a mix of qualitative and quantitative techniques in the determination of its significant activities under the prescribed broad headings. The criteria used in estimating the materiality of each activity is essentially based on the following:

- The strategic importance of the activity and sector.
- The contribution of the activity/sector to the total assets of the Insurance company.
- The net income of the sector.
- The risk inherent in the activity and sector.

Risk Management structures and processes are continually reviewed to ensure, their adequacy and appropriateness for the Company's risk and opportunities profile as well as bringing them up to date with changes in strategy, business environment, evolving thoughts and trends in risk management.

46.2 Financial Risk Management

Ensure Insurance has exposure to the following financial risk:

- Credit risk
- Market risk
- Liquidity risk

46.2.1 Credit Risk

Credit risk is defined as the likelihood that a customer or counterparty is unable to meet the contracted financial obligations resulting in a default situation and/or financial loss. Credit exposures arise principally in credit-related risk that is embedded in premium credits and investments.

As the Company is not in the business of granting loans like banks, credit risks in terms of customer default on loans repayment is not applicable. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and large corporate organisations who are allowed extended payment year may default and this is closely allied to cash flow risks.

46.2.2 Credit risk management

Ensure Insurance is exposed to risk relating to its debt holdings in its investment portfolio, outstanding premiums from customers and the reliance on reinsurers to make payment when certain loss conditions are met.

The Company's investment policy puts limits on the Fixed Income and Money Market instruments including portfolio composition limits, issuer type limits, aggregate issuer limits and corporate sector limits.

With respect to other debt instruments, the Company takes the following into consideration in the management of the associated credit risk:

- External ratings of such instruments/ institutions by rating agencies like Fitch; Standard & Poor's; Agusto & Co. etc.
- Internal and external research and market intelligence reports
- Regulatory agencies reports

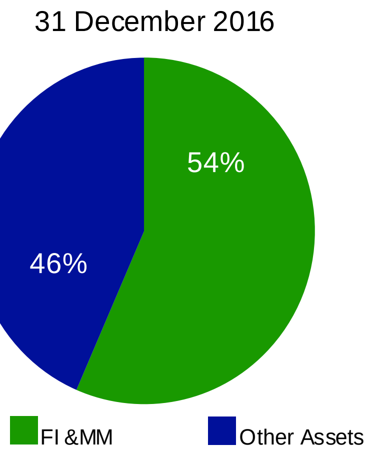
In addition to the above, we have put in place a conservative limits structure which is monitored from time to time in order to limit our risk exposures on these securities.

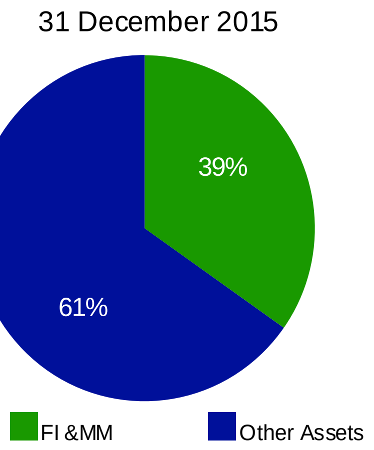
The Company's investment portfolio is exposed to credit risk through its Fixed Income and Money Market instruments. The contribution of the Fixed Income & Money Market instruments to the Company's assets is as follows:

The Company's exposure to credit risk are mostly in placements with commercial banks which accounts for the largest part (90%) of the investments as at 31 December 2016

The maximum credit risk exposure for the Company is as disclosed in the Statement of Financial position.

"Contribution of Fixed Income and Money Market Instruments to Company's Total Investment"





Money Market Securities

in thousands of Naira Credit rating	**31 December 2016**	31 December 2015
AA	250,875	4,844,873
A+	-	-
Bb	7,428,234	502,605
B+	4,929	308,000
Total	7,684,038	5,655,478

Fixed Income Securities

	Placement limit	Credit rating	**Total Placement 31 December 2016 N000**	Total Placement 31 December 2015 N000
FGN Bonds	Unlimited	A	200,821	199,268
State Bonds	N500 Million	BBB+	-	10,003
Total			200,821	209,271

The counterparty exposure as at the end of the year is represented below:

31 December 2016

	Notes	**Financial Institutions**	**Public Sector**	**Others**	**Total**
Cash and bank balances	5	7,684,038	-	-	7,684,038
Held to maturity investments	6(a)	-	200,821	-	200,821
Loans & receivables	6(d)	-		109,475	109,475
Trade receivables	7	111,736	-	-	111,736
Re-insurance assets	8	-	-	1,099,485	1,099,485
Other receivables	10	-	-	685,147	685,147
		7,795,774	200,821	1,894,107	9,890,702

31 December 2015

		Financial Institutions	Public Sector	Others	Total
Cash and bank balances	5	5,655,478	-	-	5,655,478
Held to maturity investments	6(a)	-	209,271	-	209,271
Loans & receivables	6(d)	-		200,195	200,195
Re-insurance assets	8	-	-	702,720	702,720
Other receivables	10	-	-	508,081	508,081
		5,655,478	209,271	1,410,996	7,275,745

46.2.3 Credit limit exposure and ratings

Re-insurance

Reinsurance is placed with only reinsurers with a minimum credit rating of BB. Management monitors the credit-worthiness of all reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

An analysis of Ensure Insurance's exposure per reinsurer credit rating (forward looking statement of the reinsurer credit rating as determined by rating agency) as at 31 December 2016 is as follows:

	2016 31 December N000	2015 31 December N000
A	56,928	22,482
A+	85,392	81,449
B	88,106	53,628
B+	8,593	8,650

Global Corporate Rating (GCR)'s Rating Symbols and Definitions Summary:

AA	Very high credit quality. Protection factors are very strong. Adverse changes in business, economic or financial conditions would increase investment risk although not significantly.
A+	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
A	
BBB+	Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.
BB	Below investment grade but capacity for timely repayment exists. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category.
B+ **B**	Possessing substantial risk that obligations will not be paid when due. Judged to be speculative to a high degree.

The exposure excludes prepaid reinsurance and reinsurance on Incurred But Not Reported (IBNR).

Aside credit risk exposure from our investment policies, Ensure Insurance is also exposed to this risk from its core business – outstanding premiums from clients. Ensure Insurance categorizes its exposure to this risk based on business types (Direct and Brokered business) and periodically reviews outstanding receivables to ensure credit worthiness. Credit risk exposure to Direct Business is low as the Company evaluates the capacity of the debtors before inception of insurance policies. The Company's overall exposure to credit risk arising from both Direct and Brokered Business is relatively low due to the implementation of the 'No premium No Cover' (NPNC) rule where the Brokers business which typically has a higher risk is backed by credit notes issued to the insurance company as evidence of receipt of premiums which should be paid within 30days. This position is in line with NAICOM's premium remittance directive; which became effective since 1 January 2013.

Stringent measures have been placed by the Regulator to guide against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide credit note which is due 30 days from receipt before incepting insurance cover on behalf of their client.

Management of credit risk from outstanding premium

- We constantly review brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.
- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- A specialised and focused credit control team handles the management and collection of problem credit facilities.

46.2.4 Impairment

The Company assesses at each end of the reporting year whether there is an objective evidence that premium receivables are impaired. Premium receivable is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the premium receivable (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the premium debtor or company of premium debtors that can be reliably estimated. Objective evidence that a premium debtor or company of premium debtors (insured, agents or brokers) is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the premium debtor;

- A breach of contract, such as default or delinquency in payments;
- It is becoming probable that the premium debtor (insured agents or brokers) will enter bankruptcy or other financial reorganisation;
- Adverse changes in the payment status of premium debtors in the company; or
- In a general case, as used in Ensure Insurance, where the premium receivable is past due for a year above 90 days.

The Company, in the first instance, assesses whether objective evidence of impairment exists individually for trade debtors that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed trade debtor, whether significant or not, it includes the asset in a portfolio of premium debtors (trade debtors) 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 premium receivables, the amount of the loss is measured as the difference between the outstanding premium's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the interest free rate. The carrying amount of the premium receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement.

For the purpose of a collective evaluation of impairment, the Company has assumed a general risk profile/characteristics for all outstanding premium that is 90 days past due. Those characteristics are relevant to the estimation of future cash flows for portfolio of such premium receivables by being indicative of the debtor's ability to pay all amounts due under the insurance contractual terms being evaluated.

Only premium receivable for which a written commitment and agreement is executed would be carried in the books of the Company at any point in time. Also, businesses derived from broker outstanding for less than 30 days would also be considered in the books of the Company. This is in line with the "no premium no cover" policy.

If in a subsequent year, 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 cash payment), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

46.2.5 Write-off policy

The Company writes off premium debt balances when the Company's credit control unit determines that the premium debt is uncollectable and had been declared delinquent and subsequently classified as lost. This determination is made after considering information such as the continuous deterioration in the customer's financial position, such that the customer can no longer pay the obligation, or expiration of the insurance contract. Board approval is required for such write-off. The credit control unit continues with its recovery efforts and any premium debt subsequently recovered is treated as other income.

46.2.6 Credit quality

The credit quality of the Company's financial assets that are neither past due nor impaired is summarized below:

in thousands of Naira

31 December 2016	AA/A+	A	BBB+/BB/B+	Unrated
Cash and cash equivalents	250,875	-	7,433,163	-
Held to maturity	-	200,821	-	-
Loans & receivables	-	-	-	109,475
Trade receivables	-	-	-	111,736
Re-insurance assets	-	-	1,099,485	-
Other receivables	-	-	-	14,927
	250,875	200,821	8,532,648	236,138

in thousands of Naira

31 December 2015	AA/A+	A	BBB+/BB/B+	Unrated
Cash and cash equivalents	5,469,991	185,487	-	-
Held to Maturity	-	199,268	10,003	-
Loans & receivables	-	-	-	200,195
Trade receivables	-	-	-	-
Re-insurance assets	-	-	702,720	-
Other receivables	-	-	-	14,927
	5,469,991	384,755	712,723	215,122

Unrated financial assets include trade receivables, loans and receivables that are neither past due nor impaired and are expected to be repaid within the next 1 to 3 months.

46.2.7 Ageing analysis

The ageing analysis of the Company's financial assets that are past due but not impaired are summarized below:

in thousands of Naira

31 December 2016	0-3 Months	3-6 Months	6-12 Months
Trade receivables	111,736	-	-
Re-insurance assets	1,099,485	-	-
	1,211,221	-	-

in thousands of Naira

31 December 2015	0-3 Months	3-6 Months	6-12 Months
Trade receivables	-	-	-
Re-insurance assets	702,720	-	-
	702,720	-	-

46.2.8 Analysis of individually impaired assets

The analysis of the Company's financial assets that are individually impaired is summarized below:

in thousands of Naira

31 December 2016	Trade receivables	Other receivables
Gross amount	1,565,325	124,476
Allowance for impairment	(1,453,589)	(15,001)
	111,736	109,475

in thousands of Naira

31 December 2015	Trade receivables	Other receivables
Gross amount	1,555,814	508,081
Allowance for impairment	(1,555,814)	(493,154)
	-	14,927

46.3 Market risk

The Company undertakes activities which give rise to a considerable level of market risks exposures (i.e. the risk that the fair value of future cash flows of our trading and investment positions or other financial instruments will fluctuate because of changes in market prices). Market risks can arise from adverse changes in interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatilities. The objective of market risk management activities is to continually manage and control market risk exposure within acceptable parameters, while optimizing the return on risks taken.

46.3.1 Management of market risk

The Company has an independent Risk Management unit which assesses, monitors, manages and reports on market risk taking activities across the Company. We have continued to enhance our Market Risk Management Framework. The operations of the Unit is guided by the mission of "inculcating enduring market risk management values and culture, with a view to reducing the risk of losses associated with market risk-taking activities and optimizing risk-reward trade-off."

The Company's market risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Company and ensure that:

1. The individuals who take or manage risk clearly understand it.
2. The Company's risk exposure is within established limits.
3. Risk taking decisions are in line with business strategy and objectives set by the Board of Directors.
4. The expected payoffs compensate for the risks taken.
5. Sufficient capital, as a buffer, is available to take risk.

The Company proactively manages its Market risk exposures within the acceptable levels.

Ensure Insurance Company currently does not offer very complex derivative products. However, we are already building capacity (both systems and training/knowledge base) to enable us handle these products as and when introduced.

46.3.2 Equity price risk

The Company is exposed to equity price risk by holding investments quoted on the Nigerian Stock Exchange (NSE) and other non-quoted investments. Equity securities quoted on the NSE is exposed to movement based on the general movement of the All Share Index and movement in prices of specific securities held by the Company.

The Company's management of equity price risk is guided by stop loss limit analysis, stock to total loss limit analysis and investment quality and limit analysis.

46.3.3 Investment quality and limit analysis

The Board Investment Committee establishes and approves a list of eligible listed and unlisted stocks aligned with investment approval/dealer limits. These approval limits are illustrated using an approval hierarchy that establishes different levels of authority necessary to approve investment decisions of different naira amounts. The approval limit system:

- sets out lower limits for Chief Financial Officer (CFO) and, or provides the CFO with the authority to assign limits to subordinates;
- requires that investment decisions above this personal discretionary limit requires approval by the Board of Directors

Stop loss limit analysis

The eligible stocks are further categorized based on market capitalizations, liquidities and market volatilities of the economic sector. These categorisations are assigned stop loss limits and maximum holding days for trading as a measure of the amount of loss the Company is willing to accept, periodic reviews and reassessments are undertaken on the performance of the stocks. The stop loss limits on classes of stocks as approved by Board Investment Commitee are depicted below:

Sectors	Stop loss limit
Banking	30%
All other sectors	35%

46.3.4 Stock to Total Limit analysis

Considering the volatility of stocks (typically quoted stocks), the Company monitors the contribution of individual stock to the total stocks holding in a portfolio. The objective of the analysis is to evaluate the Company's concentration on individual stock and ultimate exposure to market volatility if the price of any of the stocks should drastically drop.

Below is the impact analysis of the Company's exposure to market risk using the equity price risk analysis;

The sectorial distribution of equity investments was as follows:

31 December 2016

	Cost	Market Value	Sectorial Proportion	Loss Limit Benchmark	Weighted Ave. Loss Limit	"% Gain /(Loss)"	"Sectorial WA Gain /(Loss)"
	N000	N000	%	%	%	%	%
Banking	69,176	71,952	20%	30%	6%	4%	1%
Building materials	41,628	19,997	7%	35%	3%	-52%	-4%
Breweries	50,166	40,179	15%	35%	5%	-20%	-3%
Construction	46,199	42,438	16%	35%	6%	-8%	-1%
Food & beverages	22,167	14,578	5%	55%	3%	-34%	-2%
Healthcare	5,000	2,560	1%	35%	0%	-49%	0%
Household products	25,397	16,044	6%	35%	2%	-37%	-2%
Insurance	97	182	0%	70%	0%	87%	0%
Financial services	489	527	0%	35%	0%	8%	0%
Petroleum	57,900	53,545	20%	35%	7%	-8%	-2%
Real estate	10,057	4,503	2%	75%	1%	-55%	-1%
Mortgage companies	1,632	1,181	0%	35%	0%	-28%	0%
	329,908	**267,686**					

31 December 2015

	Cost	Market Value	Sectorial Proportion	Loss Limit Benchmark	Weighted Ave. Loss Limit	% Gain/ (Loss)	Sectorial WA Gain/ (Loss)
	N000	N000	%	%	%	%	%
Banking	94,459	69,176	20%	30%	6%	-27%	-5%
Building materials	29,861	41,628	13%	35%	4%	39%	5%
Breweries	71,312	50,166	15%	35%	5%	-30%	-5%
Construction	52,425	46,199	14%	35%	5%	-12%	-2%
Food & beverages	47,295	22,167	7%	55%	4%	-53%	-4%
Healthcare	4,047	5,000	2%	35%	1%	24%	0%
Household products	24,210	25,397	8%	35%	3%	5%	0%
Insurance	284	97	0%	70%	0%	-66%	0%
Financial services	658	489	0%	35%	0%	-26%	0%
Petroleum	80,114	57,900	18%	35%	6%	-28%	-5%
Real estate	35,277	10,057	3%	75%	2%	-71%	-2%
Mortgage companies	1,632	1,632	0%	35%	0%	0%	0%
	441,574	**329,908**					

The Company manages its exposure to equity price risk through adherence to stop loss limits and investments in eligible stocks as approved by the Board. Potential losses as seen in the schedules above, were within the Company's stated risk appetite. The Company's further reduced its exposure to equity price risk with relatively low investment in quoted equities. Quoted equities accounts for 2016 was 5% (2015: 5%) of the entire investment portfolio.

EQUITY PRICE RISK SENSITIVITY

2016	**Increased by 1%**	**Increased by 4%**	**Decreased by 1%**	**Decreased by 4%**
Impact on profit	2,677	10,707	(2,677)	(10,707)

2015	Increased by 1%	Increased by 4%	Decreased by 1%	Decreased by 4%
Impact on profit	3,299	13,196	(3,299)	(13,196)

46.3.5 Interest rate risk

The Company is moderately exposed to interest-rate risk through its conservative investment approach with high investment in Fixed Income and Money Market instruments. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values can become higher than the value of backing assets as a result of rises or falls in interest rates.

A significant portion of the Company's assets relate to its capital rather than liabilities; the value of its interest rate based assets exceeds its interest rate based liabilities. As a result, generally, the Company's investment income will move with interest rates over the medium to long-term with short-term interest rate fluctuations resulting in income in the profit or loss statement.

The Company is exposed to a moderate level of interest rate risk-especially on the investment contracts (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates). Similar to the last financial year, interest rate was fairly volatile. These changes could have a negative impact on the Net Interest Income, if not properly managed. The Company, however, has a significant portion of its liabilities in non-rate sensitive liabilities. This greatly assists it in managing its exposure to interest rate risks.

Sensitivity analysis are carried out from time to time to evaluate the impact of rate changes on the net interest income (ranging from 100 basis point to 500 basis points). The assessed impact has not been significant on capital or earnings of the Company.

The exposure to interest rate risk primarily results from timing differences as well as differences in guaranteed interest on interest-bearing liabilities and the fluctuation in interest earned on interest-earning financial assets. Ensure Insurance currently maintains a 4% guaranteed interest on interest-bearing liabilities (as the Company is not exposed to borrowings and other interest-bearing liabilities aside from investment contract liabilities), and from time to time the Company ensures that assets designated under policy holders' fund maintain a minimum of 5% interest rate gap between interest-earning assets and liabilities.

The sensitivity analysis is to test the impact of fluctuation in interest rates on interest-earning assets that would impact on the profit before income tax of the Company. A summary of the Company's interest rate gap position using 200 basis points' sensitivity analysis is given in the table below:

31 December 2016	1-3 Months N'000	3-12 Months N'000	12 Months & Above N'000	Total N'000
Interest earning assets				
Short term deposits	4,929	-	-	4,929
Cash on hand and at banks	7,679,109	-	-	7,679,109
Held to maturity	-	-	200,821	200,821
Loans and receivables	-	109,475	-	109,475
Statutory deposits	-	-	500,000	500,000
Total interest earning assets	**7,684,038**	**109,475**	**700,821**	**8,494,334**
Interest bearing liabilities				
Investment contract liabilities	243,144	243,144	729,431	1,215,719
Gap	**7,440,894**	**(133,669)**	**(28,610)**	**7,278,615**
Increase by 2%	148,818	(2,673)	(572)	145,572
Increase by 4%	297,636	(5,347)	(1,144)	291,145
Decrease by 2%	(148,818)	2,673	572	(145,572)
Decrease by 4%	(297,636)	5,347	1,144	(291,145)

31 December 2015	1-3 Months N'000	3-12 Months N'000	12 Months & Above N'000	Total N'000
Interest earning assets				
Short term deposit	185,487	-	-	185,487
Cash in hand and at bank	5,469,991	-	-	5,469,991
Held to maturity	10,003	-	199,268	209,271
Loans and receivables	-	200,195	-	200,195
Statutory deposits	-	-	500,000	500,000
Total interest earning assets	**5,665,481**	**200,195**	**699,268**	**6,564,944**
Interest bearing liabilities				
Investment contract liabilities	250,439	250,439	751,317	1,252,195
Gap	**5,415,042**	**(50,244)**	**(52,049)**	**5,312,749**
Increase by 2%	108,301	(1,005)	(1,041)	106,255
Increase by 4%	216,602	(2,010)	(2,082)	212,510
Decrease by 2%	(108,301)	1,005	1,041	(106,255)
Decrease by 4%	(216,602)	2,010	2,082	(212,510)

46.3.6 Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Ensure Insurance PLC is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Company is exposed to foreign currency denominated in dollars with investment in dollar-denominated fixed deposits and bank balances in other foreign currencies.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise largely with respect to US Dollar.

The Company's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The Company's limits its exposure to foreign exchange to 75% of total investment portfolio in accordance with its investment policy. Foreign currency changes are monitored by the Board Investment Committee and holdings are adjusted when offside the investment policy. The Company further manages its exposure to foreign risk exchange using sensitivity analysis to assess potential changes in the value of foreign exchange positions and the impact of such changes on the Company's investment income. At the year end, the foreign currency investments held in the portfolio were on unquoted equity and cash and cash equivalents.

There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The table below summarises the Company's assets and liabilities by major currencies:

31 December 2016

In thousands of Naira	Note	Total	Naira	US Dollars	Euro	Pound Sterling
Assets						
Cash and bank balances	5	7,684,038	35,366	7,615,585.78	32,534	553
Held-to-maturity investments	6(a)	200,821	200,821	-	-	-
Available-for-sale financial assets	6(b)	545,515	545,515	-	-	-
Financial assets at fair value through profit or loss	6(c)	267,687	267,687	-	-	-
Loans and receivables	6(d)	109,475	109,475	-	-	-
Trade receivables	7	111,736	111,736	-	-	-
Reinsurance assets	8	1,099,485	1,099,485	-	-	-
Other receivables less prepayments	10	685,147	685,147	-	-	-
Total		**10,703,904**	**3,055,232**	**7,615,586**	**32,534**	**553**
Liablities						
Investment contract liabilities	16	1,215,719	1,215,719	-	-	-
Trade payables	17	905,955	905,955	-	-	-
Other payables	18	465,882	465,882	-	-	-
Total		**2,587,556**	**2,587,556**	**-**	**-**	**-**

31 December 2015

In thousands of Naira		Total	Naira	US Dollars	Euro	Pound Sterling
Assets						
Cash and bank balances	5	5,655,478	832,241	4,823,237	20,929	708
Held-to-maturity investments	6(a)	209,271	209,271	-	-	-
Available-for-sale financial assets	6(b)	565,797	565,797	-	-	-
Financial assets at fair value through profit or loss	6(c)	329,908	329,908	-	-	-
Loans and receivables	6(d)	200,195	200,195	-	-	-
Reinsurance assets	8	85,763	85,763	-	-	-
Other receivables less prepayments	10	508,081	508,081	-	-	-
Total		**7,554,493**	**2,731,256**	**4,823,237**	**20,929**	**708**
Liabilities						
Investment contract liabilities	16	1,252,195	1,252,195	-	-	-
Trade payables	17	479,054	479,054	-	-	-
Other payables	18	206,641	206,641	-	-	-
Total		**1,937,890**	**1,937,890**	**-**	**-**	**-**

The following table details the effect of foreign exchange risk on the profit or loss as at 31 December 2016

FOREIGN EXCHANGE SENSITIVITY

31 December 2016

In thousands of Naira	**Increase by 1%**	**Increase by 4%**	**Decrease by 1%**	**Decrease by 4%**
Financial assets exposed to foreign exchange risk				
Effect on Profit before income tax	76,487	305,947	(76,487)	(305,947)
Effect on Profit after income tax	53,541	214,163	(53,541)	(214,163)

31 December 2015

In thousands of Naira	Increase by 1%	Increase by 4%	Decrease by 1%	Decrease by 4%
Financial assets exposed to foreign exchange risk				
Effect on loss before income tax	48,449	193,795	(48,449)	(193,795)
Effect on loss after income tax	33,914	135,656	(33,914)	(135,656)

46.4 Liquidity risk

Liquidity risk is the potential loss arising from the Company's inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk is not viewed in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other risks such as insurance claims risk, credit, market and operational risks.

The Company mitigates this risk by monitoring cash activities and expected outflows. The Company's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Company has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Company has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Company's investment policy requires maximum limit of 60% of the Company's investment portfolio to be held in cash and short-term investments; this highlights availability of liquid marketable securities sufficient to meet its liabilities as at when due. Short term investments include treasury bills and term deposits with an original maturity of less than one year.

46.4.1 Liquidity risk management process

The Company has a sound and robust liquidity risk management framework that ensures that sufficient liquidity, including a cushion of unencumbered and high quality liquid assets are maintained at all times, to enable the Company withstand a range of stress events, including those that might involve claim loss or significant impairment of funding sources.

The Company's liquidity risk exposure is monitored and managed by the Asset and Liability Management team on a regular basis. This process includes:

- Projecting cash flows and considering the level of liquid assets necessary in relation thereto;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements;
- Maintaining a diverse range of funding sources with adequate back-up facilities;
- Managing the concentration and profile of debt maturities;
- Maintaining liquidity and funding contingency plans. These plans identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises while minimizing any adverse long-term implications for the business;
- Regular conduct of stress testing, coupled with testing of contingency funding plans from time to time.

The maximum cumulative outflow has remained positive all through the short tenor maturity buckets. Assessments are carried out on contractual and behavioural bases. These reveal very sound and robust liquidity position of the Company.

The Company maintains adequate liquid assets and marketable securities sufficient to manage any liquidity stress situation.

47 Below is a summary of the contractual repricing or maturity dates (whichever is earlier) of financial assets matched with financial liabilities

31 December 2016

In thousands of Naira	*Note*	Carrying Amount	Gross Nominal Amount	0-3 Months	3-6 Months	6-12 Months	1-5 Years	Over 5 Years
Financial Assets								
Cash and bank balances	5	7,684,038	4,780,378	7,684,038	-	-	-	-
Held to maturity investments	6(a)	200,821	200,000	-	-	-	200,821	-
Available for sale financial assets	6(b)	545,515	545,515	-	-	-	-	545,515
Financial assets at fair value through profit or loss	6(c)	267,687	267,687	-	267,687	-	-	-
Loans and receivables	6(d)	109,475	109,475	-	-	109,475	-	-
Trade receivables	7	111,736	111,736	111,736	-	-	-	-
Reinsurance assets	8	1,099,485	1,099,485	1,099,485	-	-	-	-
Other receivables less prepayments	10	102,579	102,579	15,387	15,387	20,516	51,289	-
		10,121,336	**7,216,855**	**8,910,646**	**283,074**	**129,991**	**252,110**	**545,515**
Financial Liabilities								
Insurance contract liabilities	15	4,639,622	4,639,622	1,824,590	794,570	64,509	658,952	1,297,000
Investment contract liabilities	16	1,215,719	1,215,719	54,707	66,865	36,472	145,886	911,789
Trade payables	17	905,955	905,955	-	905,955	-	-	-
Other creditors	18	465,882	465,882	465,882	-	-	-	-
		7,227,177	**7,227,177**	**2,345,180**	**1,767,389**	**100,981**	**804,838**	**2,208,789**
Excess of assets over liabilities		**2,894,158**	**(10,323)**	**6,565,466**	**(1,484,315)**	**29,010**	**(552,728)**	**(1,663,275)**

31 December 2015

In thousands of Naira	*Note*	Carrying Amount	Gross Nominal Amount	0-3 Months	3-6 Months	6-12 Months	1-5 Years	Over 5 Years
Financial Assets								
Cash and bank balances	5	5,655,478	4,780,378	5,655,478	-	-	-	-
Held to maturity investments	6(a)	209,271	278,000	10,003	-	-	199,268	-
Available for sale financial assets	6(b)	565,797	565,797	-	-	-	-	565,797
Financial assets at fair value through profit or loss	6(c)	329,908	329,908	-	329,908	-	-	-
Loans and receivables	6(d)	200,195	200,195	-	-	200,195	-	-
Reinsurance assets	8	702,720	702,720	702,720	-	-	-	-
Other receivables less prepayments	10	14,927	14,927	2,239	2,239	2,985	7,463	-
		7,678,296	6,871,925	6,370,440	332,147	203,180	206,731	565,797
Financial Liabilities								
Insurance contract liabilities	15	4,221,829	4,221,829	1,010,003	921,342	-	931,484	1,359,000
Investment contract liabilities	16	1,252,195	1,252,195	56,349	68,871	37,566	150,263	939,147
Trade payables	17	479,054	479,054	-	479,054	-	-	-
Other payables	18	206,641	206,641	206,641	-	-	-	-
		1,937,889	**1,937,889**	**262,990**	**547,925**	**37,566**	**150,263**	**939,147**
Excess of assets over liabilities		**5,740,407**	**4,934,036**	**6,107,451**	**(215,778)**	**165,615**	**56,468**	**(373,351)**

47.1 Underwriting risk

Underwriting is the process by which an insurer appraises a risk being presented by the proposer and decides whether or not to accept the risk and the consideration (premium) to receive . Weaknesses in the systems and controls surrounding the underwriting process can expose an insurer to the risk of unexpected losses which may threaten the capital adequacy of the insurer. Ensure Insurance Plc underwriting process is subjected to internal audit and peer review process to ensure effectiveness.

In addition, there is a process for assessing brokers' procedures and systems to ensure that the quality of information provided to Ensure Insurance Plc is of suitable standard; and in the case of reinsurers, audits of ceding companies to ensure that reinsurance assumed is in accordance with treaties.

The government through the Nigerian Local Content Act has empowered insurers to underwrite 70 per cent of risks in the country, which has also paved way for insurers to improve their operations. The factors that the Company uses to classify risks is considered highly objective and clearly related to the likely cost of providing coverage, practical to administer, consistent with applicable law, and designed to protect the long-term viability of the insurance program.

Underwriting Process Risk – This is risk from exposure to financial losses related to the selection and acceptance of risks to be insured.

Mispricing Risk – Risk that insurance premium will be too low to cover the Company's expenses related to underwriting, claim handling and administration.

Brokers' Underwriting Risk – This is the risk that brokers may be inadequately trained to assess the risk and offer professional advise to the client.

47.1.1 Underwriting Risk Appetite

The following factors constitute the basis for the Company underwriting risk appetite:

- Risk not understood shall not be underwritten;
- We will not underwrite unquantifiable risks;
- Extreme caution shall be taken in underwriting risk with low safety standards or businesses with excessively high risk profile;
- Businesses and opportunities that can create systemic risk exposure will be adequately evaluated;
- We shall exercise caution when underwriting discrete (one-off) risks, particularly where there is no requisite experience or know-how;
- We shall ensure compliance with NAICOM's guideline on KYC."

Ensure Insurance PLC develops its own products through its research and product development team. We always ensure that our relationship managers interact with our customers in order to get feedback. These feedback guide us in developing products that meet their individual / corporate needs. The limits, standard and exposure are guided by prudent underwriting procedures and reinsurance agreements.

47.1.2 Underwriting Responsibilities:

The Underwriting unit has the following responsibilities:

- Ensure adherence to reinsurance strategy and delegated limits;
- Manage risk appetite by adhering to delegated authority standards;
- Ensure compliance with the underwriting plan, policies and manuals and implement correct sign-off process for variations;
- Manage underwriting risk exposure and ensure a high quality policy standards;
- To put in place, records of all exposures in the different lines of insurance business;
- Demonstrate skills and capability in executing underwriting activities;
- Review the suitability of cover and contact terms, and ensure that all words used are correct, appropriate and authorized.

The overall strategy motive that form the basis for Ensure Insurance PLC underwriting policies is to achieve growth in gross written premium/market share and also to price (underwrite) risks to ensure that the company makes a targeted return on equity.

47.1.3 Underwriting Risk Management and Control:

Risk Management and Control Department of Ensure Insurance PLC is responsible for the following:

- Ensure compliance with the regulatory requirements at it relates to underwriting;
- Coordinate issues, tracking activities and ensure action plans are developed for all identified gaps;
- Collaborate with the underwriting risk committee to develop risk appetite and tolerance limits;
- Identify and manage the company's underwriting risks;
- Review and approve reinsurance and retrocession arrangements as mandated by NAICOM.

47.1.4 Risk Pricing Processes

Good and prudent pricing is a key element of an insurance underwriting process. Stakeholders and decision takers in underwriting are made to know the profit implications of underwriting pricing decisions. It is important to know that appropriate pricing is necessary to maintain the quality of insurance portfolio in terms of risk underwritten. Although all risks can be priced, but not all risks should be underwritten.

Risk Reporting And Monitoring
There is regular reporting and monitoring process for each class of insurance business. This is to evaluate the level of performance of each of the insurance portfolio. The level of information reported ranges from a Statement of Profit/Loss and Other Comprehensive Income to

reporting on risk segments. Some of the elements reported are listed below:

- Gross Premium written;
- Types of risks written;
- Lines of Business written
- Policy volume

Also monitoring activities include:

- Peer review processes established within the underwriting department;
- Risk management and control review

47.1.5 Insurance risk

Insurance risk is the risk that future risk claims and expenses will exceed the value placed on insurance liabilities. It occurs due to the uncertainty of the timing and amount of future cash flows arising under insurance contracts. The timing is specifically influenced by future mortality, longevity, morbidity, persistency and expenses about which assumptions are made in order to place a value on the liabilities. Deviations from assumptions will result in actual cash flows differing from those projected in the policyholder liability calculations. As such, each assumption represents a source of uncertainty.

47.1.6 Insurance premium rating

(a) Individual life products – Term Assurance, Endowments and Savings Plan

The price for an individual life product is adjusted for the following risk factors:

- Age;
- Gender;
- Smoker status;
- Medical conditions;
- Financial condition; and
- Hazardous pursuits.

The Company employs the following additional controls and measures to ensure that only acceptable risks are accepted and risks are appropriately priced:

- Underwriting controls, with risk classification based on the above risk factors;
- Regular review of premium rates; and
- Appropriate policy conditions, including any exclusion on the cover on the individual's life.

Premium rates are guaranteed for the year up to the renewal of a policy, typically, after 1 year.

(b) Deposit administration

Premium rating on deposit administration policies distinguishes between the ages and genders of prospective policyholders. Annual premiums, payable up-front, are repriced at renewal of the deposit administration policies.

(c) Group life products

Underwriting on group business is much less stringent than for individual business, as there is typically less scope for anti-selection. The main reason for this is that participation in the group schemes is normally compulsory, and members have limited choice in the level of the benefits.

Company policies are priced using standard mortality tables. The price for an individual scheme is adjusted for the following risk factors:

- Life -style;
- Salary structure;
- Gender structure; and
- Industry.

For large schemes, the scheme's past experience is a crucial input in setting rates for the scheme. The larger the scheme, the more weight is given to the scheme's past experience. Rates are guaranteed for one year and reviewable at the renewal of the policy.

(d) Short-term insurance products

Underwriting on short-term insurance products takes the form of the insurance applicant completing a proposal form. The following risk factors are used in the risk classification:

Where the value of the item(s) to be insured exceeds a pre-specified limit, the underwriting becomes more stringent. This is particularly the case for marine and aviation cover. In this case the Company makes use of specialist underwriting agents to assess the risks and set an appropriate premium for cover.

Premium rates are guaranteed for the year up to the renewal of a policy, typically, after 1 year.

47.1.7 Mortality and morbidity risks

The risk that actual experience in respect of the rates of mortality and morbidity may vary from what is assumed in pricing and valuation, depending on the terms of different products. The material classes of business most affected by these risks are discussed below.

(a) Individual life products – Term assurance, Endowment, Savings Plans

Products are sold directly to individuals providing a benefit on death. The main insurance risk relates to the possibility that rates of death may be higher than expected. This may be due to:

- Normal statistical variation due to the random nature of the insured events
- Natural catastrophes such as floods, and unnatural catastrophes such as acts of terrorism;
- The impact of HIV/AIDS or other health epidemics like Ebola, Lassa fever;
- Anti-selection such as when a policyholder with a pre-existing condition or disease purchases a product where a benefit will be paid on death;
- The effect of selective withdrawal; and
- Concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area.

For contracts with fixed and guaranteed benefits (such as the minimum death benefits available on savings plan policies) and fixed future premiums, there are no mitigating terms that reduce the risk accepted by Company. The Company therefore employs some underwriting controls to ensure that only acceptable risks are accepted.

The following additional controls and measures are in place in order to ensure that the Company manages its exposure to mortality risk:

(b) Group life products

Employee benefit products provide life cover to members of a group, such as employees of companies or members of trade unions.

A surplus treaty reinsurance agreement is in place to ensure that the exposure to the mortality risk in its group life business is managed and limited to a specified limit.

(c) Deposit administration

Deposit administration contracts provide a guaranteed life annuity conversion at the maturity of the contract. The mortality risk in this case is that the policyholders may live longer than assumed in the pricing of the contract. This is known as the risk of longevity.

The Company manages this risk by allowing for improvements in mortality when pricing and valuing the contracts. The Company also performs more detailed actuarial experience investigations and adjusts assumptions in pricing for new contracts and valuation of existing contracts when necessary.

Claims management risk

This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfils their contractual obligation to policyholders. All insurers are required to have in place a claims management policy and procedure for ensuring that claims are handled fairly and promptly. In establishing and maintaining effective claims handling systems and procedures, Ensure Insurance PLC considers the following factors:

- Appropriate systems and controls shall be maintained to ensure that all liabilities or potential liabilities notified to the insurer are recorded promptly and accurately. Accordingly, the systems and controls in place should ensure that a proper record is established for each notified claim;
- Suitable controls shall be maintained to ensure that estimates for reported claims and additional estimates based on Guideline for Developing a Risk Management Framework for Insurers and Reinsurers in Nigeria statistical evidence are appropriately made on a consistent basis and are properly categorized;
- Regular reviews of the actual outcome of the estimates made shall be carried out to check for inconsistencies and to ensure that procedures remain appropriate. The reviews should include the use of statistical techniques to compare the estimates with the eventual cost of settling the claims, after deducting the amounts already paid at the time the estimates were made;
- A functional system shall be in place to ensure that claim files without activity are reviewed on a regular basis;
- Appropriate systems and procedures should be in place to assess the validity of notified claims by reference to the underlying contracts of insurance and reinsurance treaties;
- Suitable systems shall be adopted to accommodate the use of suitable experts such as loss adjusters, lawyers, actuaries, accountants etc. as and when appropriate, and to monitor their use; and
- Appropriate procedures shall be put in place to identify and handle large or unusual claims, including system to ensure that senior management are involved from the outset in the processing of claims that are significant because of their size or nature.

47.1.8 Claims experience risk

In terms of the short-term insurance contracts held by the Company, the claims experience risk for these policies is that the number of claims and/or the monetary claim amounts are worse than that assumed in the pricing basis.

The Company manages this risk by charging premiums which are appropriate to the risks under the insurance contracts.

Under the short-term insurance products, the Company also holds a concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area. This risk is reduced by diversifying over a large number of uncorrelated risks, as well as taking out catastrophe reinsurance.

47.1.9 Outstanding claims:

This represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position including Incurred But Not Reported Claims Provision (IBNR). Provision for outstanding claims of N1221.55 million (2015 - N763.76 million) for general business and N499.97 million (2015 - N516.31 million) for life business was determined based on Actuarial valuation carried out by third party actuaries.

(a) Reserving Methods and Assumptions

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 given and hence made it impossible to identify the exact year of the year when the accident or settlement was made. However, where such cases arose, we have assumed that the accident or settlement was made in the same year.

The following approaches were used in carrying out the calculations:

(i) 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 accient year e.g. year 2007 e.t.c. 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 years, the Bornheutter Chain Ladder Model method was used as a check on the reserve that were calculated using the Basic Chain Ladder Model. The appropriate loss ratio used is normally the average of fully developed historical years.

(ii) 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 reserve. These are then inflated by the corresponding inflation index from payment years to the future year of payment of the outstanding claims.

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

The calculation are on two bases;

- By discounting the claims estimated to the valuation date at a discount rate of 18.48% p.a
- With no discounting

(iii) 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 for from the estimated Ultimate claims to obtain our reserve.

(iv) 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 Average Cost per claim method.

(b) Assumptions

- 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 the year.
- The future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development years.
- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into the future.
- The method also assumes the gross claim amount includes all related claim expenses. If this is not the case, a separate reserve would be held to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Under the Average Cost per claim method, we assumed the early years e.g. accident years 2006 and 2007 are fully developed.
- For Oil & Gas, Aviation and Bond, the valuation used the expected loss ratio method to calculate the reserve.
- For Motor, NGN 4m was adopted. The volatility of the motor claims were low so using 3 SD away from the mean meant that a lot of cars were still captured under large losses. A NGN 4m cut-off was used by observing the Motor loss data to get a suitable cut-off.

48.1.8 Claims experience risk

In terms of the short-term insurance contracts held by the Company, the claims experience risk for these policies is that the number of claims and/or the monetary claim amounts are worse than that assumed in the pricing basis.

The Company manages this risk by charging premiums which are appropriate to the risks under the insurance contracts.

Under the short-term insurance products, the Company also holds a concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area. This risk is reduced by diversifying over a large number of uncorrelated risks, as well as taking out catastrophe reinsurance.

48.1.9 Outstanding claims:

This represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position including Incurred But Not Reported Claims Provision (IBNR). Provision for outstanding claims of N763.76 million (2014 - N1,100.13 million) for general business and N516.31 million (2014 - N391.59 million) for life business was determined based on Actuarial valuation carried out by third party actuaries.

(a) Reserving Methods and Assumptions

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 given and hence made it impossible to identify the exact year of the year when the accident or settlement was made. However, where such cases arose, we have assumed that the accident or settlement was made in the same year.

The following approaches were used in carrying out the calculations:

(i) 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 accient year e.g. year 2007 e.t.c. 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 years, the Bornheutter Chain Ladder Model method was used as a check on the reserve that were calculated using the Basic Chain Ladder Model. The appropriate loss ratio used is normally the average of fully developed historical years.

(ii) 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 reserve. These are then inflated by the corresponding inflation index from payment years to the future year of payment of the outstanding claims.

Year	Inflation Index
2007	6.60%
2008	15.10%
2009	13.90%
2010	11.80%
2011	10.30%
2012	12.00%
2013	8.00%
2014	8.30%
2015	9.60%
31 December 2016 +	10.00%

The calculation are on two bases;

- By discounting the claims estimated to the valuation date at a discount rate of 10.0% p.a
- With no discounting

(iii) 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 for from the estimated Ultimate claims to obtain our reserve.

(iv) 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 Average Cost per claim method.

(b) Assumptions

- 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 the year.
- The future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development years.
- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into the future.
- The method also assumes the gross claim amount includes all related claim expenses. If this is not the case, a separate reserve would be held to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Under the Average Cost per claim method, we assumed the early years e.g. accident years 2006 and 2007 are fully developed.
- For Oil & Gas, Aviation and Bond, the valuation used the expected loss ratio method to calculate the reserve.
- For Motor, NGN 4m was adopted. The volatility of the motor claims were low so using 3 SD away from the mean meant that a lot of cars were still captured under large losses. A NGN 4m cut-off was used by observing the Motor loss data to get a suitable cut-off.

Claims development tables

31 December 2016

Accident Claims

Incremental Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	30,951	74,146	7,881	8,582	1,389	1,155	117	4	-	-
2008	39,091	42,317	13,036	8,579	3,932	1,958	2,251	-	-	-
2009	24,448	40,314	915	5,655	3,604	1,843	221	10	-	-
2010	37,664	46,863	10,425	4,367	2,47	374	254	-	-	-
2011	55,05	44,937	14,316	1014	1,925	3,314	-	-	-	-
2012	53,118	55,904	15,596	1,938	1,688	-	-	-	-	-
2013	78,473	48,402	8,298	733	-	-	-	-	-	-
2014	88,582	63,755	16,731	-	-	-	-	-	-	-
2015	30,779	30,68	-	-	-	-	-	-	-	-
2016	52,527	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	71,842	177,156	16,532	16,102	2,362	1,754	165	5	-	-
2008	93,398	88,768	24,46	14,593	5,972	2,753	2,923	-	-	-
2009	51,285	75,64	15,565	8,589	5,068	2,394	261	10	-	-
2010	70,669	79,718	15,833	6,141	3,207	443	254	-	-	-
2011	93,645	68,252	20,133	13,168	2,281	3,314	-	-	-	-
2012	80,677	78,619	20,251	2,296	1,688	-	-	-	-	-
2013	110,358	62,852	9,832	733	-	-	-	-	-	-
2014	115,028	75,538	16,731	-	-	-	-	-	-	-
2015	36,467	30,68	-	-	-	-	-	-	-	-
2016	52,527	-	-	-	-	-	-	-	-	-

Summary of Results

Accident Year	Paid to date (N'000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2007	285,918	6,379	292,297	-	241,029	121%
2008	232,868	78,367	311,234	-	241,029	129%
2009	158,812	42,442	201,453	199	320,995	63%
2010	176,267	19,11	195,382	5	253,99	77%
2011	200,792	97,481	299,101	828	326,683	92%
2012	183,532	78,941	265,937	3,464	361,374	74%
2013	183,775	18,986	208,844	6,083	450,947	46%
2014	207,296	36,27	297,449	53,883	479,236	62%
2015	67,147	24,993	212,421	120,281	263,656	81%
2016	52,527	-	162,129	109,602	246,966	66%
Total				294,345		

FIRE

Incremental Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	13,950	23,047	4,224	26	492	152	26	-	-	-
2008	21,819	44,214	9,674	7,536	17	225	30	-	-	-
2009	26,982	44,423	10,536	7,134	279	2,140	-	-	-	-
2010	32,062	30,931	4,970	4,657	96	-	-	-	-	-
2011	45,832	50,256	16,077	1,228	185	983	-	-	-	-
2012	33,586	51,361	9,439	905	4,652	-	-	-	-	-
2013	75,722	44,181	12,909	1,523	-	-	-	-	-	-
2014	37,890	41,826	1,738	-	-	-	-	-	-	-
2015	28,132	9,123	-	-	-	-	-	-	-	-
2016	34,007	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	32,380	87,446	97,635	97,691	98,653	98,918	98,961	98,961	98,961	98,961
2008	52,131	158,790	179,664	194,405	194,436	194,799	194,844	194,844	194,844	194,844
2009	65,091	160,945	181,556	194,016	194,468	197,664	197,664	197,664	197,779	197,779
2010	69,182	129,690	138,371	145,903	146,046	146,046	146,046	146,046	146,046	146,046
2011	89,660	177,440	203,440	205,274	205,526	206,509	206,548	206,548	206,548	206,548
2012	58,662	141,726	155,821	157,054	161,706	162,665	162,700	162,700	162,700	162,700
2013	122,462	188,440	206,028	207,551	215,733	217,197	217,251	217,251	217,251	217,251
2014	56,582	113,570	115,308	152,865	154,306	155,474	155,517	155,517	155,517	155,517
2015	38,331	47,454	62,165	64,782	65,479	66,044	66,065	66,065	66,065	66,065
2016	34,007	130,006	145,497	151,953	153,670	155,065	155,116	155,116	155,116	155,116

Summary of Results

Accident Year	"Paid to date (N'000)"	"Latest Paid Large Loss (N'000)	"Total Ultimate (N'000)	"Gross Claims Reserve (N'000)	"Gross Earned Premium (N'000)	Ultimate Loss Ratio
2009	197,664	91,891	289,656	100	455,728	64%
2010	146,046	12,758	158,804	-	531,518	30%
2011	206,509	34,743	241,286	34	438,181	55%
2012	161,706	33,782	196,348	860	566,361	35%
2013	207,551	25,313	241,121	8,257	569,294	42%
2014	115,308	415,554	565,403	34,540	572,214	99%
2015	47,454	-	63,017	15,563	367,845	17%
2016	34,007	-	235,640	201,634	309,543	76%
Total				260,988		

MOTOR

Incremental Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	57,173	30,694	2,594	-	-	-	-	-	-	-
2008	100,478	62,963	150	-	667	-	-	-	-	-
2009	127,546	71,766	1,238	5,368	113	-	-	-	-	-
2010	97,877	47,419	3,691	885	2,454	1,481	-	-	-	-
2011	126,126	83,387	3,555	114	-	-	-	-	-	-
2012	140,911	58,966	632	-	-	-	-	-	-	-
2013	136,843	44,824	9,010	416	-	-	-	-	-	-
2014	109,017	57,657	900	-	-	-	-	-	-	-
2015	87,186	32,220	-	-	-	-	-	-	-	-
2016	113,999	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Development year (N'000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	132,706	206,041	212,299	212,299	212,299	212,299	212,299	212,299	212,299	212,299
2008	240,070	391,959	392,284	392,284	393,449	393,449	393,449	393,449	393,449	393,449
2009	307,686	462,538	464,960	474,337	474,519	474,519	474,519	474,519	474,519	474,519
2010	211,194	303,958	310,406	311,837	315,502	317,520	317,520	317,520	317,520	317,520
2011	246,734	392,381	398,131	398,302	398,302	398,302	398,302	398,302	398,302	398,302
2012	246,122	341,485	342,429	342,429	342,429	342,933	342,933	342,933	342,933	342,933
2013	221,312	288,249	300,525	300,942	302,567	303,078	303,078	303,078	303,078	303,078
2014	162,797	241,356	242,256	243,314	244,124	244,598	244,598	244,598	244,598	244,598
2015	118,793	151,013	153,926	154,697	155,287	155,633	155,633	155,633	155,633	155,633
2016	113,999	174,623	177,968	178,946	179,694	180,132	180,132	180,132	180,132	180,132

Summary of Results

Accident Year	"Paid to date (N,000)"	"Latest Paid Large Loss (N,000)	"Total Ultimate (N,000)	"Gross Claims Reserve (N,000)	"Gross Earned Premium (N,000)	Ultimate Loss Ratio
2008	393,449	16,059	409,508	-	691,073	59%
2009	474,519	14,691	489,211	-	914,030	54%
2010	317,520	28,299	345,818	-	702,012	49%
2011	398,302	15,684	413,985	-	687,033	60%
2012	342,429	4,688	347,556	438	1,015,423	34%
2013	300,942	-	302,742	1,800	903,276	34%
2014	242,256	35,768	279,869	1,844	688,107	41%
2015	151,013	39,266	193,981	3,702	404,495	48%
2016	113,999	24,481	207,215	68,734	266,545	78%
Total				76,518		

MARINE

Incremental Chain ladder-Development year (N,000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	3,406	314	-	-	-	-	-	-	-	-
2008	1,276	13,631	-	-	-	-	-	-	-	-
2009	14,424	21,726	-	-	-	-	-	-	-	-
2010	22,512	34,675	-	1,605	-	-	-	-	-	-
2011	13,113	6,188	118	-	-	-	-	-	-	-
2012	12,720	42,827	70	-	-	-	-	-	-	-
2013	13,247	1,126	97	-	-	-	-	-	-	-
2014	10,065	9,701	-	-	-	-	-	-	-	-
2015	9,062	12,542	-	-	-	-	-	-	-	-
2016	12,792	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Development year(N,000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	7,906	8,655	8,655	8,655	8,655	8,655	8,655	8,655	8,655	8,655
2008	3,048	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932
2009	34,795	81,674	81,674	81,674	81,674	81,674	81,674	81,674	81,674	81,674
2010	48,576	116,408	116,408	119,004	119,004	119,004	119,004	119,004	119,004	119,004
2011	25,652	36,460	36,650	36,650	36,650	36,650	36,650	36,650	36,650	36,650
2012	22,218	91,480	91,585	91,585	91,585	91,585	91,585	91,585	91,585	91,585
2013	21,424	23,105	23,237	23,237	23,237	23,237	23,237	23,237	23,237	23,237
2014	15,030	28,247	28,247	30,720	30,720	30,720	30,720	30,720	30,720	30,720
2015	12,347	24,889	25,036	25,102	25,102	25,102	25,102	25,102	25,102	25,102
2016	12,792	30,142	30,290	30,376	30,376	30,376	30,376	30,376	30,376	30,376

Summary of Results

Accident Year	"Paid to date (N,000)	"Latest Paid Large Loss (N,000)	"Total Ultimate (N,000)	"Gross Claims Reserve (N,000)	"Gross Earned Premium (N,000)	Ultimate Loss Ratio
2008	35,932	14,494	50,426	-	178,499	28%
2009	81,674	-	81,674	-	450,649	18%
2010	119,004	37,130	156,134	-	462,932	34%
2011	36,650	18,394	55,045	-	364,449	15%
2012	91,585	-	91,585	-	234,119	39%
2013	23,237	25,457	48,694	-	237,028	21%
2014	28,247	-	30,397	2,150	195,657	16%
2015	24,889	-	25,067	178	145,690	17%
2016	12,792	-	31,574	18,782	57,274	55%
Total				21,110		

ENGINEERING

Incremental Chain ladder-Development year (N,000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	1,228	6,278	30	112						
2008	4,513	21,521	8,110	-		-	-		-	-
2009	4,520	9,535	-	-		-	4,986		-	-
2010	287	15,344	1,968	-		-	-		-	-
2011	7,492	16,653	9,564	4,273		1,042	-		-	-
2012	11,897	14,546	199	62		-	-		-	-
2013	17,069	11,414	999	37		-	-		-	-
2014	15,910	29,090	413	-		-	-		-	-
2015	19,351	38,360	-	-		-	-		-	-
2016	19,495	-	-	-		-	-		-	-

Cumulative Chain ladder-Development year (N,000)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	2,851	17,852	19,145	19,388	19,388	19,388	19,388	19,388	19,388	19,388
2008	10,784	62,699	80,199	80,199	80,199	80,199	80,199	80,199	80,199	80,199
2009	10,905	31,478	31,478	31,478	31,478	38,923	38,923	38,923	38,923	38,923
2010	619	30,635	34,072	34,072	34,072	34,072	34,072	34,072	34,072	34,072
2011	14,656	43,743	59,210	65,592	67,011	67,011	67,126	67,126	67,126	67,126
2012	20,780	44,305	44,603	44,688	44,688	48,213	48,213	48,213	48,213	48,213
2013	27,606	44,650	46,011	46,048	48,108	48,450	48,450	48,450	48,450	48,450
2014	23,759	63,394	63,807	67,060	67,378	67,928	67,928	67,928	67,928	67,928
2015	26,367	64,726	72,738	74,406	74,807	75,499	75,499	75,499	75,499	75,499
2016	19,495	41,429	46,918	48,062	48,336	48,810	48,810	48,810	48,810	48,810

Summary of Results

Accident Year	"Paid to date (N,000)	"Latest Paid LargeLoss (N,000)	Total Ultimate (N,000)	"Gross Claims Reserve (N,000)	"Gross Earned Premium (N,000)	Ultimate Loss Ratio
2007	19,388	-	19,388	-	60,533	32%
2008	80,199	-	80,199	-	60,533	132%
2009	38,923	-	38,923	-	188,108	21%
2010	34,072	-	34,072	-	162,305	21%
2011	67,011	71,782	138,893	100	207,247	67%
2012	44,688	-	47,753	3,066	189,420	25%
2013	46,048	37,166	85,264	2,050	143,412	59%
2014	63,807	112,355	179,593	3,431	157,540	114%
2015	64,726	-	123,614	58,887	87,290	142%
2016	19,495	-	63,744	44,249	86,977	73%
Total				111,783		

47.2 Reinsurance risk

This is the risk of inadequate reinsurance cover which may be triggered by a situation such as the insolvency of a reinsurer, omission to cede risk to the treaty, wrong cession to the treaty, assumption of risks without reinsurance cover , acceptance of risks above automatic capacity and there is already market saturation and non-payment of reinsurance premium as at when due. Ensure Insurance PLC ensures that it maintains adequate reinsurance arrangements and treaties in respect of the classes or category of insurance business authorized to transact. The Company has put in place a documented policy stating: "

- Systems for the selection of reinsurance brokers and other reinsurance advisers;
- Systems for selecting and monitoring reinsurance programmes;
- Clearly defined managerial responsibilities and controls;
- Presence of a well resourced reinsurance department that prepares clear methodologies for determining all aspects of a reinsurance programme
- Senior management that should review an insurer's reinsurance management systems on a regular basis.

48.1 Capital management

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of financial stability thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The strategy for assessing and managing the impact of our business plans on present and future regulatory capital forms an integral part of the Company's strategic plan. Specifically, the Company considers how the present and future capital requirements will be managed and met against projected capital requirements. This is based on the Company's assessment and against the supervisory/regulatory capital requirements taking account of the Company business strategy and value creation to all its stakeholders.

The Company's current capital adequacy is above the minimum required for general and life businesses. Capital levels are determined either based on internal assessments or regulatory requirements.

The capital adequacy of the Company is reviewed regularly to meet regulatory requirements and standard of international best practices in order to adopt and implement the decisions necessary to maintain the capital at a level that ensures the realisation of the business plan with a certain safety margin.

The Company undertakes a regular monitoring of capital adequacy and the application of regulatory capital by deploying internal systems based on the guidelines provided by the National Insurance Commission (NAICOM).

The Company's operations are also subject to regulatory requirements within the jurisdictions in which it operates. The minimum paid up capital requirement as specified by National Insurance Commission (NAICOM) for life insurance business in Nigeria is N2 billion, N3 billion for Non-life insurance business, N5 billion for composite insurance business and N10 billion for reinsurance business and insurers are also mandated to maintain 10% of this paid up capital with the Central Bank as Statutory Deposit. In addition, quarterly and annual returns must be submitted to the National Insurance Commission (NAICOM) on a regular basis. The Company's capital base was N4.18 billion for the general business (2015: N3.12 billion) and N2.37 billion for the life business (2015: N2.08 billion).

The regulations prescribed by the National Insurance Commission (NAICOM) not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. solvency margin) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise. The Company as at year end had complied with the regulators capital requirements for its life, general and composite business.

Approach to capital management

Ensure Insurance seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Ensure Insurance's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The Company's primary source of sources of funds to meet its capital growth requirements are mainly profit from underwriting and profit from investments. Ensure Insurance also utilises, where efficient to do so, sources of funds such as reinsurance in addition to more traditional sources of funding.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Company has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

The Company's regulatory capital is analysed into two tiers:

(i) Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, qualifying subordinated liabilities and translation reserve.

(ii) Tier 2 capital, which includes asset revaluation reserve and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

Most of the Company's capital is Tier 1 (Core Capital) which consists of essentially share capital, share premium, qualifying subordinated liabilities and reserve created by appropriations of retained earnings.

The Company's capital plan is also linked to its business expansion strategy which anticipates the need for growth and expansion in its branch network and IT infrastructure. The capital plan sufficiently meets regulatory requirements as well as provides adequate cover for the Company's risk profile. The Company's capital adequacy will be addressed as soon as the company's recapitalisation plan is concluded.

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Solvency Margin

The Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. The Insurance Act 2003 (Section 24) prescribes that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.

The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, which ever is greater.

The table below shows the computation of the Company's solvency margin ratio in respect of the non-life segment for the year ended 31 December 2016 as well as the 31 December 2015 comparatives.

	31 December 2016		31 December 2015	
	N'000	N'000	N'000	N'000
Admissible assets				
Financial assets				
Cash and bank balances		7,493,755		5,591,637
Financial assets		719,292		783,120
		8,213,047		6,374,757
Other assets:				
Reinsurance assets	863,430		459,007	
Deferred acquisition costs	110,675		68,318	
Trade receivables	111,686		-	
		1,085,791		527,325
Statutory deposits		300,000		300,000
Property and equipment		191,508		273,962
Total admissible assets		**9,790,346**		**7,476,045**
Less: total liabilities				
Reserve for unexpired risks	706,481		425,711	
Reserve for outstanding claims:	1,361,920		763,755	
Trade payables	806,921		454,589	
Other creditors	2,990,746		2,739,574	
Income tax payable	20,416		58,611	
		(5,886,484)		**(4,442,241)**
Excess of admissible assets over liabilities - solvency margin		**3,903,862**		**3,033,804**
Higher of:				
Gross premium written	3,250,273		1,512,270	
Less: Reinsurance premium expenses	(1,628,936)		(488,664)	
Net premium	1,621,338		1,023,606	
15% of net premium	243,201		153,541	
Minimum paid-up capital	3,000,000		3,000,000	
The higher thereof:		3,000,000		3,000,000
Excess of margin of solvency over statutory minimum		903,862		33,804
Solvency ratio		130%		101%

The Company's solvency margin of N3,903,862,000 (2015: N3,033,804,000) meets the minimum capital requirement of N3,000,000,000 (2015: N3,000,000,000) prescribed by Section 24 of the Insurance Act 2003.

Adjusted capital life business

The Company's adjusted capital reflect the portion of the capital base that is not subjected to risk.

The Company's adjusted capital for life business for the year ended 31 December 2016 as well as year ended 31 December 2015 comparatives is shown below:

	2016	2015
Shareholders' funds	2,285,434	2,078,240

48.2 Operational risk

Operational Risk is the risk of loss resulting from inadequate and /or failed internal processes, people and systems or from external events, including legal risk and any other risks that is deemed fit on an ongoing basis but exclude reputation and strategic risk. Operational risk exists in all products and business activities. Operational Risk is considered a critical risk faced by the Company.

The Company proactively identifies, assesses and manages all operational risks by aligning the people, technology and processes with best risk management practices towards enhancing stake holders' value and sustaining industry leadership.

Operational risk objectives includes the following:

- To provide clear and consistent direction in all operations of the Company.
- To provide a standardized framework and appropriate guidelines for creating and managing all operational risk exposures.
- To enable the Company identify and analyse events (both internal and external) that impact on its business.

The basic principles that guide the operational risk activities include:

Operational risks are identified by the assessments covering risks facing each business unit and risks inherent in processes, activities and products.

Risk assessment incorporates a regular review of risks identified to monitor significant changes.

Risk mitigation, including insurance, is considered where this is cost-effective.

The Operational Risk Unit constantly identifies and assesses the operational risk inherent in all material products, activities, processes and systems. It also ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is identified clearly and subjected to adequate assessment procedures.

The techniques employed by the company in its measurements include the following: Key Control Self Assessment (KCSA): Key Risk Indicators (KRIs) and the Risk Register. These tools have been quite useful in the identification, measurement and analyses of operational risk in the Company. These are subject to review from time to time.

Training and sensitisation on operational risk is carried out on an ongoing basis across the Company.

There was no significant operational risk incidence during the financial year.

48.3 Strategic risk

Strategic risk examines the impact of design and implementation of business models and decisions, on earnings and capital as well as the responsiveness to industry changes. This responsibility is taken seriously by the Board and Executive management of the Company and deliberate steps are taken to ensure that the right models are employed and appropriately communicated to all decision makers in the Company. The execution, processes and constant reviews ensures that strategic objectives are achieved. This has essentially driven the Company's sound Insurance culture and performance record to date.

48.4 Legal risk

Legal risk is defined as the risk of loss due to defective contractual arrangements, legal liability (both criminal and civil) incurred during operations by the inability of the organisation to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed.

The Company manages this risk by monitoring new legislation, creating awareness of legislation amongst employees, identifying significant legal risks as well as assessing the potential impact of these.

Legal risks management in the Company is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreements and other contractual documents.

The Company also has a team of well experienced professionals who handle legal issues across the Company.

48.5 Reputational risk

It is recognised that the Company's reputation may suffer adversely due to bad publicity, non-compliance with regulatory rules and legislation, which may lead to a significant drop in new business and/or a significant increase in the number of lapses and/or withdrawals.

The Company promotes sound business ethics among its employees.

The Company also strives to maintain quality customer services and procedures and business operations that enable compliance with regulatory rules and legislation in order to minimize the risk of a drop in the reputation of the Company.

The Company did not record any issue with major reputational effect in the financial year under review.

48.6 Taxation risk

Taxation risk refers to the risk that new taxation laws will adversely affect the Company and/or the loss of non-compliance with tax laws.

The taxation risk is managed by monitoring applicable tax laws, maintaining operational policies that enable the Company to comply with taxation laws and, where required, seeking the advice of tax specialists.

This risk is well managed across the Company.

48.7 Regulatory risk

The Company manages the regulatory risk which it is potentially exposed to by monitoring new regulatory rules and applicable laws, and the identification of significant regulatory risks. The Company strives to maintain appropriate procedures, processes and policies that enable it to comply with applicable regulation.

The Company has continued to maintain zero tolerance posture for any regulatory breaches in all its area of operations. The strengthening of Compliance during the financial year has further enhanced the process of management of regulatory risk across the Company.

48.8 Persistency risk

Persistency risk relates to the risk that policyholders may withdraw their benefits and terminate their contracts prior to the contractual maturity date of the contract. Expenses such as commission and acquisition expenses are largely incurred at the outset of the contract. These upfront costs are expected to be recouped over the term of a contract from fees and charges from the contract. Therefore, if the contract is terminated before the contractual date, expenses might not have been fully recovered, resulting in losses being incurred.

Where a surrender benefit is payable, the benefit amount on withdrawal normally makes provision for recouping any outstanding expenses. However, losses may still occur if the expenses incurred in respect of the policy exceed the value of the policy, or where the withdrawal benefit does not fully allow for the recovery of all unrecouped expenses. This may either be due to a regulatory minimum surrender benefit applying, or because of product design.

48.9 Expense risk

There is a risk that the Company may experience a loss due to actual expenses being higher than those assumed when pricing and valuing policies. This may be due to inefficiencies, higher than expected inflation, lower than expected volumes of new business or higher than expected terminations resulting in smaller in-force policies.

To manage this risk, the Company performs expense investigations annually and sets pricing and valuation assumptions to be in-line with the actual expenses experience, with allowance for inflation.

The Company's exposure to unexpected increases in the inflation rate is expected to be minimal due to the short-term nature of their business and their ability to review premium rates at renewals (typically on an annual basis).

48.10 Business volume risk

There is a risk the Company may not sell sufficient volumes of new business to meet the expenses associated with distribution and administration. A significant portion of the new business acquisition costs are variable and relate directly to sales volumes.

48.11 Capital adequacy risk

There is a risk that the capital held by the Company to back its insurance liabilities may prove to be inadequate on a regulatory solvency basis. This may then lead to intervention by the Regulator and may further lead to a fall in the reputation of the Company (see Reputational risk below for further details). At an extreme, the Regulator may require the Company not to write new businesses. This will have a further negative impact on the Company.

This risk is monitored and assessed by performing annual valuations on the life insurance liabilities performed by an independent valuation actuary, calculating the Outstanding Claims Reported (OCR) and Incurred But Not Reported (IBNR) contingency reserve, monitoring any regulatory rules applying to the assets and the adequacy of the assets to back the liabilities and adopting an investment strategy which is aimed at investing in admissible assets and maintaining adequate capital.

In addition, sensitivity and scenario analysis are performed to assess the Company capital adequacy under various scenarios and to ensure that the Company will remain financially sound under some stress economic conditions.

48.12 Asset liability matching risk

Due to the short-term nature of the Company's insurance business, most of the liability cash flows will be of short-term nature. The asset liability matching risk lies in the risk that the cash inflows from the assets held will not match liability cash outflows in terms of timing and/or amounts. Therefore, the risk arises that the Company will be unable to meet policyholder obligations. In this case, the asset liability mismatch risk is similar to liquidity risk described under liquidity risk.

48.13 Assumption risk

In determining the value of insurance liabilities, assumptions need to be made regarding future rates of mortality, morbidity, termination rates, expenses and investment performance. The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected, and, in the extreme, that the actual claims and benefits exceed the liabilities. The risk is mitigated to an extent through:

- The addition of margins, specifically where there is evidence of moderate or extreme variation in experience;
- The use of appropriate sources of data; and
- Regular actual versus expected investigations.

Due to the short-term nature of the Company's business, exposure to unexpected changes in trends in experience is mitigated by the fact that premium rates are reviewable at renewal.

48.14 Data risk

Data risk is the risk that data used in the policyholders' liabilities valuation calculations are inaccurate or incomplete and therefore, are not a true and accurate view of the insurance contracts held by the Company. The data could be inaccurate or incomplete due to incorrect data or valuation extracts between the policy administration system and the actuarial valuation model and/or incorrect capturing of data on the policy administration system.

This risk is managed by the Company through regular data integrity testing in order to assess the appropriateness, accuracy and credibility of the various data sets as well as investigations into data exceptions reported.

Where insufficient internal data is available, the Company makes use of external sources to derive its pricing and valuation assumptions. Frequent monitoring of these external sources is performed, including actual versus expected investigations.

48.15 Model risk

There is a risk that the Company may suffer a loss if the model used to calculate the insurance liabilities does not project expected cash flows under the insurance contracts accurately. The expected cash flow projections may be inaccurate either due to the model itself being incorrect, inappropriate to the policies being valued or inaccurate and/or the underlying assumptions used in the model being inappropriate.

The Company makes use of an independent valuation actuary to value its liabilities. The models being used to value the liabilities are, therefore, not internal to but belong to an external third party. The model risk underlying the use of third party models are addressed by:

- Regular actual versus expected cash flow investigations to assess the appropriateness of the external models; and
- Detailed investigations are performed annually to ensure the integrity of the data used in the valuation process.

48.16 Sustainability Report

The Company is committed to sustainable development and the responsible stewardship of resources. This implies developing solutions that link economic success with social responsibility, which requires balancing short and long term goals and interests and integrating economic, environmental and social considerations into business decisions across the board.

48.17 External Principles

(a) Sustainable operations

Sustainability of the environment is central to the Company, and its wider social and environmental impact is of concern. The Company goes beyond concerted efforts to minimise energy usage internally and dispose of waste responsibly, to also having in place lending policies that promote sustainable lending and ensure high environmental standards.

(b) Integrating environmental impact considerations into business decisions across the Company

Ensure Insurance has established an environmental guideline, management system and governance model that integrates environmental impact considerations into lending decisions across the Company with initial focus on some significant sectors/industries. The Company's lending policies has been redesigned to ensure that facilities are not extended to industries that engage in illegal activities, pollute the environment, have no proper pollution control methods, are involved in manufacturing and selling arms, as well as those engaged in activities that involve harmful or exploitative forms of forced labour or child labour.

The Company has in place an Environmental and Social Management System (ESMS) where the Company does a social and environmental risk analysis for borrowers and takes measures to avoid, mitigate and minimise the risks identified. The ESMS of the Insurance identifies Environmental & Social (E&S) risks in the projects/companies the Insurance finances and encourages mitigatory action by these groups to minimize such risks at a very early stage of the credit evaluation.

48.18 Internal Principles

(a) Waste Reduction & Recycling

The Company continually promotes reduced paperless culture where employees are encouraged to use electronic communications, online approvals and other web- based applications, and to print documents only when required. Document workflows are automated, which minimizes paper usage.

(b) Employee Relations

The Company believes that its people are the driving force behind its success and the main competitive advantage that positions it ahead of competition. The Company is of the view that its future lies in a committed team of individuals who are convinced of their future at the organisation. To this end, Ensure Insurance remains committed to creating a healthy, safe and fulfilling work environment that supports personal growth, encourages individuality and instigates team spirit. The Company organizes numerous training programs covering soft skills, negotiation skills to personality development and encourages all staff to participate actively.

(c) Diversity

Ensure Insurance recognizes the need to promote a diverse workforce as a means to attracting top-flight talent and enhancing its competitive advantage. It further recognizes that each employee brings to the workplace experiences and capabilities that are as unique as the individual.

The Company treats all employees fairly and does not discriminate on the basis of gender, race, colour, nationality, religious belief or any other distinctive attribute. Furthermore, we take steps to assure that underrepresented groups continue to have access to available opportunities within the organisation and that they are upwardly mobile within the system at all managerial levels within the Company.

(d) Occupational Health & Safety

The health and safety of employees, customers and other stakeholders is of paramount importance to the Company. The Company constantly seek to identify and reduce the potential for accidents or injuries in all its operations. There is ongoing training of health and safety officers in line with the Company's health and safety policy. There is also adequate communication of the health and safety policies across the group to ensure staff are conversant with its content.

(e) Supply Chain Management

The Company will continue to work in active partnership with its suppliers to help them manage their own social and environmental risks, particularly those firms which have more significant impacts than it does and those in countries, where the regulatory framework is sometimes not as stringent as our standards. The Company is also committed to treating its suppliers with respect, especially in areas such as contract terms and conditions and payment terms.

50 Hypothecation of assets and liabilities

Assets allocation was done in accordance with NAICOM guidelines in force to meet the minimum requirement of Section 26(1)(c) of the Insurance Act 2003 for the hypothecation of investments representing the insurance funds.

31 December 2016

	Non - Life			Life				
	Shareholders' Fund	Insurance Contract	Others	Shareholders' Fund	Insurance Contract	Annuity	Investment Contract	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
INVESTMENTS								
1. Property and Equipment	191,508			2,163				193,671
2. Other Investments								
Statutory deposits	300,000	-	-	200,000	-	-	-	500,000
Government bonds	-	-	-	-	-	70,173	130,648	200,821
Investment properties	-	-	-	1,730,789	257,791	-	436,420	2,425,000
Quoted securities	-	64,824	-	137,866	64,997	-	-	267,687
Loans and receivables	48,754				60,721			109,475
Unquoted securities	311,818	183,182	-	-	-	-	-	495,000
Bank placements	-	3,914	-	-	1,015	-		4,929
Bank and cash balances	3,148,019	1,765,966	-	-	2,116,473	-	648,651	7,679,109
Other investments (a) - Mutual Funds	-	50,515	-	-	-	-	-	50,515
3. Other Assets (a)								
Trade receivables	111,686	-	-	-	51	-	-	111,736
Reinsurance assets	863,430	-	-	236,055	-	-	-	1,099,485
Deferred acquisition costs	110,675	-	-	10,504	-	-	-	121,179
Other receivables and prepayments	263,703	-	-	39,838	-	-	-	303,541
Intangible assets	4,502	-	-	809	-	-	-	5,311
Total	**5,354,095**	**2,068,401**	**-**	**2,358,024**	**2,501,048**	**70,173**	**1,215,719**	**13,567,458**
Total Insurance & investment contract liabilities	**-**	**2,068,401**	**-**	**-**	**2,501,048**	**70,173**	**1,215,719**	**5,855,340**

50.1 *Hypothecation of assets and liabilities*

31 December 2015

	Non - Life			Life				
	Shareholders' Fund	Insurance Contract	Others	Shareholders' Fund	Insurance Contract	Annuity	Investment Contract	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
INVESTMENTS								
1. Property and Equipment	273,962			2,190				276,152
2. Other Investments								
Loan & receivables	57,242	-	-	142,953	-	-	-	200,195
Statutory deposit	300,000	-	-	200,000	-	-	-	500,000
Government bonds	-	-	-	-	10,003	199,268	-	209,271
Investment property	-	-	-	2,740,000	-	-	-	2,740,000
Quoted securities	-	160,081	-	-	169,827	-	-	329,908
Unquoted securities	-	495,000	-	-	-	-	-	495,000
Bank placements	-	184,473	-	-	1,014	-		185,487
Bank and cash balances	790,114	564,855	-	2,564	2,860,263	-	1,252,195	5,469,991
Other investments (a) - Mutual Funds	-	70,797	-	-	-	-	-	70,797
3. Other Assets (a)								
Trade receivables	-	-	-	-	-	-	-	-
Reinsurance assets	459,007	-	-	243,713	-	-	-	702,720
Deferred acquisition cost	68,318	-	-	17,445	-	-	-	85,763
Other receivables and prepayments	270,320	-	-	31,299	-	-	-	301,619
Intangible assets	19,357	-	-	2,927	-	-	-	22,284
Total	**2,238,321**	**1,475,206**	**-**	**3,383,091**	**3,041,107**	**199,268**	**1,252,195**	**11,589,187**
Total Insurance & investment contract liabilities	**-**	**1,189,466**	**-**	**-**	**2,891,137**	**141,226**	**1,252,195**	**5,474,024**

51 air valuation methods and assumptions

(i) Statutory deposits

Statutory deposits represent cash deposited with Central Bank of Nigeria as mandatory deposit requirement for insurance companies. The fair value of these balance is its carrying amount.

(ii) Trade receivable

Trade receivable represents balances with contract holders, reinsurers and co-insurers.

The carrying value of trade receivable approximates fair value.

(iii) Treasury bills and investment securities

Treasury bills represent short term instruments issued by the Central Bank of Nigeria. The fair value of treasury bills and bonds at fair value through profit or loss are determined with reference to quoted prices (unadjusted) in active markets for identical assets. The estimated fair value of treasury bills and bonds at amortized cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments.

(iv) Other assets

Other assets represent monetary assets which usually has a short recycle year and as such the fair values of these balances approximate their carrying amount.

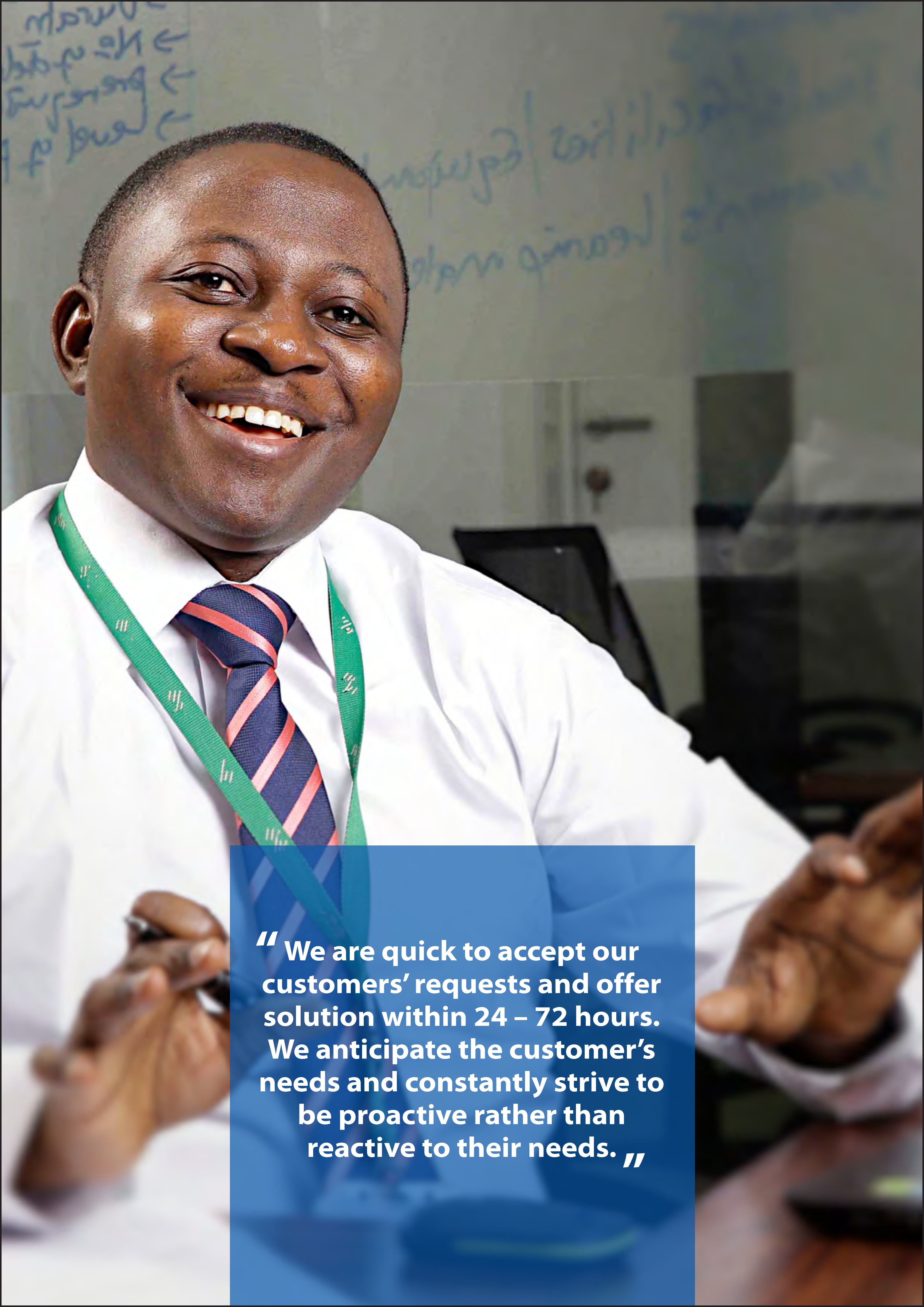
52 Financial assets and liabilities

Accounting classification measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values:

31 December 2016	Note	Loans and receivables N'000	Fair value through profit or loss N'000	Available-for-sale N'000	Held to maturity N'000	Other Financial liabilities N'000	Total carrying amount N'000	Fair value N'000
Cash and bank balances	5	7,684,038	-	-	-	-	7,684,038	7,684,038
Financial assets	6	109,475	267,687	545,515	200,821	-	1,123,498	1,088,735
Trade receivables	7	111,736	-	-	-	-	111,736	111,736
Reinsurance assets	8	1,099,485	-	-	-	-	1,099,485	1,099,485
Statutory deposit	14	500,000	-	-	-	-	500,000	500,000
		9,504,734	**267,687**	**545,515**	**200,821**	**-**	**10,518,757**	**10,483,995**
Investment contract liabilities	16	-	-	-	-	2,991,086	2,991,086	2,991,086
Trade payables	17	-	-	-	-	905,955	905,955	905,955
Provision and other payables	18					465,882	465,882	465,882
		-	**-**	**-**	**-**	**4,362,923**	**4,362,923**	**4,362,923**

31 December 2015	Note	Loans and receivables N'000	Fair value through profit or loss N'000	Available-for-sale N'000	Held to maturity N'000	Other Financial liabilities N'000	Total carrying amount N'000	Fair value N'000
			N'000	N'000	N'000	N'000	N'000	N'000
=B11	5	5,655,478	-	-	-	-	5,655,478	5,655,478
Financial assets	6	200,195	329,908	565,797	209,271	-	1,305,171	1,891,487
Reinsurance assets	8	702,720	-	-	-	-	702,720	702,720
Statutory deposit	14	500,000	-	-	-	-	500,000	500,000
		7,058,393	**329,908**	**565,797**	**209,271**	**-**	**8,163,369**	**8,749,685**
Investment contract liabilities	16	-	-	-	-	1,252,195	1,252,195	1,252,195
Trade payables	17	-	-	-	-	479,055	479,055	479,055
Provisions and other payables	18					294,495	294,495	294,495
		-	**-**	**-**	**-**	**2,025,745**	**2,025,745**	**2,025,745**



"We are quick to accept our customers' requests and offer solution within 24 – 72 hours. We anticipate the customer's needs and constantly strive to be proactive rather than reactive to their needs."

Value Added Statement

For the year ended 31 December 2016

	31 December 2016 N'000	%	31 December 2015 N'000	%
Gross Premium (local)	4,194,782		2,875,078	
Bought in materials and services				
-Local	(2,288,729)		(2,132,509)	
Value added	**1,906,053**	**100%**	**742,569**	**100%**
Distribution of value added				
To government				
Government as taxes	39,528	2%	165,901	22%
To employees				
Employee costs	684,595	36%	889,304	120%
Retained in the business				
Depreciation and amortisation	129,187	7%	164,087	22%
Profit/(loss) after tax	1,052,743	55%	(476,723)	-64%
Value added	**1,906,053**	**100%**	**742,569**	**100%**

Value added is the wealth created by the efforts of the Company and its employees. This statement shows the allocation of that wealth among the employees, shareholders, government and amount reinvested for the creation of further wealth.

Five-Year Financial Summary

	31 December				
	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Statement of Financial position					
Assets					
Cash and bank balances	7,684,038	5,655,478	5,868,518	1,006,286	1,941,383
Financial assets	1,123,498	1,305,171	2,120,640	3,590,852	2,676,036
Trade receivables	111,736	-	-	56,642	353,563
Reinsurance assets	1,099,485	702,720	530,644	613,763	642,494
Deferred acquisition costs	121,179	85,763	91,223	105,141	149,628
Other receivables and prepayments	303,541	301,619	130,777	225,112	188,452
Deferred tax assets	-	-	52,376	-	-
Investment properties	2,425,000	2,740,000	1,145,000	1,145,000	1,090,000
Intangible assets	5,311	22,284	45,414	96,936	143,878
Property and equipment	193,671	276,152	1,697,267	1,646,023	1,575,675
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	13,567,459	11,589,187	12,181,859	8,985,755	9,261,109
Liabilities					
Insurance contract liabilities	4,639,622	4,221,829	4,058,294	3,533,416	3,403,756
Investment contract liabilities	1,215,719	1,252,195	1,357,506	1,145,422	803,461
Trade payables	905,955	479,054	29,205	25,508	59,462
Accruals and other payable	465,882	294,495	1,233,017	500,978	456,176
Income tax payable	69,194	102,988	211,112	475,154	98,273
Deferred tax liabilities	43,503	43,503	-	43,612	88,063
Total liabilities	7,339,875	6,394,064	6,889,134	5,724,090	4,909,191
Net assets	6,227,584	5,195,123	5,292,725	3,261,665	4,351,918
Financed by:					
Share capital	3,757,549	3,757,549	3,757,549	3,757,549	3,757,549
Share premium	864,902	864,902	3,667,608	864,902	864,902
Irredeemable convertible note	4,061,608	4,061,608	864,902	-	-
Statutory contingency reserve	1,114,958	925,129	859,309	773,909	688,272
Fair value reserve	13,093	33,375	61,019	52,275	27,505
Asset revaluation reserve	280,551	280,551	267,786	244,975	156,042
Accumulated losses	(3,865,077)	(4,727,991)	(4,185,448)	(2,431,945)	(1,142,352)
Shareholders' fund	6,227,584	5,195,123	5,292,725	3,261,665	4,351,918
Profit or Loss Account					
Gross premium written	4,194,782	2,875,078	3,910,673	3,671,735	4,303,110
Gross premium income	4,017,369	2,986,992	3,952,950	4,148,784	4,333,415
Investment & other income	2,305,875	1,249,210	236,578	760,579	1,515,442
Profit/(loss) before tax	1,092,271	(310,822)	(1,629,634)	(894,336)	(577,938)
Tax expense	(39,528)	(165,901)	(38,470)	(309,620)	(104,928)
Profit/(loss) after tax	1,052,743	(476,723)	(1,668,104)	(1,203,956)	(682,866)

Non-Life Revenue Account

For the year ended 31 December 2016

	Fire	Motor	General Accident	Workmens Compensation	Bond	Marine - Cargo	Marine - Hull	Aviation	Engineering	Oil and Gas	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium	427,551	430,327	258,283	13,786	-	43,669	24,516	988,883	151,232	815,511	3,153,757
Facultative inward	23,354	6,669	34,398	-	-	167	5,240	12,817	10,857	3,014	96,516
Refund premium	-			-	-	-	-	-	-	-	-
Gross premium written	**450,905**	**436,996**	**292,681**	**13,786**	**-**	**43,836**	**29,756**	**1,001,700**	**162,089**	**818,525**	**3,250,273**
Unearned premium	3,561	(55,995)	(20,055)	-	-	(413)	7,286	(67,533)	(55,422)	(92,199)	(280,769)
Gross premium income	**454,466**	**381,001**	**272,626**	**13,786**	**-**	**43,423**	**37,042**	**934,167**	**106,667**	**726,326**	**2,969,504**
Facultative outward	(20,039)	(10,306)	(5,274)	-	-	-	-	(858,046)	(18,304)	(446,944)	(1,358,913)
Reinsurance treaty- local	-	-	-	-	-	(14,527)	(16,477)	-	-		(31,004)
Reinsurance treaty -foreign	(302,269)	-	-	-	-	-	-	-	(74,083)	-	(376,352)
M&D excess of loss	(14,490)	(6,645)	(10,526)	-	-	(2,340)	-	-	-	(520)	(34,521)
Reinsurance cost	(336,798)	(16,951)	(15,800)	-	-	(16,867)	(16,477)	(858,046)	(92,387)	(447,464)	(1,800,790)
Changes in prepaid re-insurance	6,136	4,214	288	245	-	(11,746)	7,610	60,348	24,474	80,285	171,854
Reinsurance premium expenses	(330,662)	(12,737)	(15,512)	245	-	(28,613)	(8,867)	(797,698)	(67,913)	(367,179)	(1,628,936)
Net premium income	**123,804**	**368,264**	**257,114**	**14,031**	**-**	**14,810**	**28,175**	**136,469**	**38,754**	**359,147**	**1,340,569**
Commission income - facultative outward	4,128	1,566	849	-	-	-	-	56,512	357	65,848	129,260
Commission income treaty local	-	-	-	-	-	5,227	5,138	-	-	-	10,365
Commission income foreign treaty	90,651	-	-	-	-	-	-	-	24,448	-	115,099
Changes in deferred commission income	353	(626)	168	-	-	553	645	(1,717)	(5,085)	3,056	(2,653)
Fees & commission income	95,132	940	1,017	-	-	5,780	5,783	54,795	19,720	68,904	252,071
Net underwriting income	**218,936**	**369,204**	**258,131**	**14,031**	**-**	**20,590**	**33,958**	**191,264**	**58,474**	**428,051**	**1,592,640**

Non-Life Revenue Account

For the year ended 31 December 2016

	Fire	Motor	General Accident	Workmens Compensation	Bond	Marine - Cargo	Marine - Hull	Aviation	Engineering	Oil and Gas	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Claims paid	(81,429)	(181,864)	(129,166)	(11,219)	-	(1,667)	(22,820)	(10,227)	(112,740)	(24,246)	(575,378)
Changes in outstanding claims	(167,047)	(1,196)	(138,480)	-	5,000	7,206	(3,804)	72,755	(15,794)	(33,375)	(274,735)
IBNR	6,333	(20,155)	(4,032)	-	1,106	-	8,372	(265,350)	(13,638)	(36,067)	(323,430)
Claims handling expenses	(1,711)	(1,025)	(2,416)	-	(185)	-	(847)	(826)	(3,446)	(2,826.79)	(13,283)
Net claims incurred	(243,853)	(204,240)	(274,094)	(11,219)	5,921	5,539	(19,099)	(203,649)	(145,618)	(96,514)	(1,186,826)
Claims recoverable	52,978	-	4,725	-	-	1,582	10,894	706	84,258	1,630	156,773
Salvages	292	2,014	-	-	-	-	-	-	-	-	2,306
Outstanding claims recoverable	113,616	(4,042)	(5,280)	-	(3,030)	(4,573.72)	4,798	179,327	10,164	66,243	357,224
Recoverable	166,886	(2,028)	(555)	-	(3,030)	(2,992)	15,692	180,033	94,422	67,873	516,303
Net Claims expense	**(76,967)**	**(206,268)**	**(274,649)**	**(11,219)**	**2,891**	**2,547**	**(3,407)**	**(23,615)**	**(51,195)**	**(28,642)**	**(670,523)**
Commission paid	(80,866)	(46,053)	(49,206)	(2,636)	-	(6,926)	(4,991)	(46,763)	(31,962)	(119,082)	(388,485)
Commission paid facultative inward	(7,262)	(1,207)	(7,754)	-	-	(50)	(1,544)	(3,771)	(3,348)	(654)	(25,590)
Changes in DAC	893	6,812	3,962	-	-	2,266	(3,565)	1,750	12,754	17,485	42,357
Acquisition cost	(87,235)	(40,448)	(52,998)	(2,636)	-	(4,710)	(10,100)	(48,784)	(22,556)	(102,251)	(371,718)
Maintenance cost	(6,020)	(867)	(3,884)	(120)		(143)	(497)	1,050	(3,237)	(163,472)	(177,190)
Write-Back/(Impairment charges)											-
Underwriting expenses	**(93,255)**	**(41,315)**	**(56,882)**	**(2,756)**	**-**	**(4,853)**	**(10,597)**	**(47,734)**	**(25,793)**	**(265,723)**	**(548,908)**
Underwriting profit/(Loss)	**48,714**	**121,621**	**(73,399)**	**56**	**2,891**	**18,285**	**19,954**	**119,915**	**(18,514)**	**133,687**	**373,209**

Non-Life Revenue Account

For the year ended 31 December 2015

	Fire	Motor	General accident	Workman compensation	Bond	Marine - cargo	Marine - hull	Aviation	Engineering	Oil and Gas	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct Premium	346,444	341,081	231,447	18,336	-	53,748	50,059	112,505	81,610	207,865	1,443,097
Facultative inward	25,356	3,063	3,829	-	-	692	5,661	11,325	2,659	17,953	70,538
Refund premium	-	(1,365)		-	-	-	-	-	-	-	(1,365)
Gross written premium	**371,801**	**342,779**	**235,276**	**18,336**	**-**	**54,440**	**55,721**	**123,830**	**84,269**	**225,819**	**1,512,270**
Unearned premium	(11,524)	124,336	43,283	6,604	813	30,933	28,296	1,661	32,704	(29,648)	227,458
Gross earned premium	**360,276**	**467,115**	**278,559**	**24,940**	**813**	**85,373**	**84,017**	**125,491**	**116,973**	**196,170**	**1,739,728**
Facultative outward	(10,405)	(831)	(9,957)	-	-	(882)	-	(52,270)	(1,087)	(13,700)	(89,130)
Reinsurance treaty- local	-	-	-	-	-	(20,042)	(23,460)	-	-		(43,503)
Reinsurance treaty -foreign	(189,888)	-	-	-	-	-	-	-	(40,360)	0.00	(230,248)
Reinsurance excess of loss	(8,370)	(5,500)	(10,800)	-	-	(6,300)	-	-	-	-	(30,970)
Reinsurance cost	(208,663)	(6,331)	(20,757)	-	-	(27,224)	(23,460)	(52,270)	(41,447)	(13,700)	(393,851)
Changes in prepaid re-insurance	29,358	(120)	2,145	-	(523)	(8,126)	(44,489)	159	(26,850)	(46,368)	(94,813)
Reinsurance expenses	(179,305)	(6,450)	(18,611)	-	(523)	(35,350)	(67,949)	(52,111)	(68,297)	(60,067)	(488,664)
Net earned premium	**180,971**	**460,664**	**259,948**	**24,940**	**291**	**50,023**	**16,067**	**73,380**	**48,676**	**136,103**	**1,251,064**
Commission income - facultative outward	3,122	249	2,987	-	-	309	-	15,681	353	16,055	38,756
Commission income treaty local	-	-	-	-	-	7,015	7,038	-	0	-	14,053
Commission income foreign treaty	56,966	-	-	-	-	-	-	-	13,117	-	70,083
Changes in deferred commission income	(10,572)	(12)	(637)	-	130	6,213	3,975	2,072	4,907	(4,764)	1,312
Fees & commission income	49,516	237	2,350	-	130	13,536	11,013	17,753	18,378	11,291	124,204
Net underwriting income	**230,487**	**460,901**	**262,297**	**24,940**	**420**	**63,560**	**27,081**	**91,133**	**67,053**	**147,394**	**1,375,268**

Non-Life Revenue Account

For the year ended 31 December 2015

	Fire	Motor	General accident	Workman compensation	Bond	Marine - cargo	Marine - hull	Aviation	Engineering	Oil and Gas	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Claims paid	(376,036)	(208,680)	(170,021)	-	(8,189)	(5,485)	(13,374)	(28,666)	(67,031)	(45,367)	(922,850)
Changes in outstanding claims	223,705	11,837	69,916	-	(6,155)	30,978	(23,405)	(25,019)	118,518	(64,001)	336,374
Claims handling expenses	-	-	-	-	-	-	-	-	(20,208)	-	(20,208)
Net claims incurred	(152,331)	(196,844)	(100,105)	-	(14,344)	25,493	(36,779)	(53,685)	31,280	(109,368)	(606,683)
Claims recoverable	132,202	-	-	-	-	9	5,017	-	29,901	-	167,130
Salvages	500	6,032	-	-	-	-	-	-	-	-	6,532
Outstanding claims recoverable	(10,336)	4,446	(5,891)	-	1,368	(3,520)	726	35,573	31,001	(6,557)	46,810
Recoverables	122,367	10,478	(5,891)	-	1,368	(3,511)	5,743	35,573	60,902	(6,557)	220,473
Net Claims expense	**(29,964)**	**(186,366)**	**(105,996)**	**-**	**(12,976)**	**21,982**	**(31,035)**	**(18,112)**	**92,182**	**(115,925)**	**(386,210)**
Commission paid	(65,375)	(33,565)	(42,723)	(4,348)	-	(10,538)	(8,546)	(19,925)	(14,392)	(41,754)	(241,166)
Commission paid facultative inward	(7,557)	(536)	(1,072)	-	-	(250)	(1,617)	(3,396)	(797)	(2,825)	(18,050)
Changes in DAC	3,859	(14,326)	(6,311)	(1,094)	(112)	(4,037)	(4,037)	(336)	(5,325)	8,813	(22,905)
Acquisition cost	(69,073)	(48,426)	(50,106)	(5,441)	(112)	(14,826)	(14,201)	(23,656)	(20,514)	(35,766)	(282,121)
Maintenance cost	(677)	(6.20)	(377)	(47)	-	(59)	(73)	(135)	(268)	(1,041)	(25,174)
Underwriting expenses	**(69,750)**	**(48,433)**	**(50,483)**	**(5,489)**	**(112)**	**(14,885)**	**(14,274)**	**(23,791)**	**(20,782)**	**(36,806)**	**(307,295)**
Underwriting profit/(Loss)	**130,773**	**226,103**	**105,818**	**19,452**	**(12,668)**	**70,658**	**(18,229)**	**49,230**	**138,453**	**(5,337)**	**681,762**

Life Revenue Account

For the year ended 31 December 2016

	Group life N'000	Individual life N'000	Annuity N'000	Total N'000
Gross premium written	519,606	415,146	9,757	944,509
Unearned premium/changes in reserve	103,356	-	-	103,356
Gross premium income	622,962	415,146	9,757	1,047,865
Facultative premium	(250,065)	-	-	(250,065)
Reinsurance premium	(20,363)	(12,601)	-	(32,964)
Re-insurance cost	(270,428)	(12,601)	-	(283,029)
Changes in prepaid re-insurance	(73,553)	-	-	(73,553)
Reinsurance premium expenses	(343,981)	(12,601)	-	(356,582)
Net premium income	278,981	402,545	9,757	691,283
Commission income	44,089	954	-	45,043
Deferred commission income	5,900	-	-	5,900
Fees & commission income	49,989	954	-	50,943
Net underwriting income	328,970	403,499	9,757	742,226
Death claims paid	(654,464)	(41,983)	-	(696,447)
Claims benefits	-	(341,540)	(13,385)	(354,925)
Outstanding claims	2,821	14,371	-	17,192
Claims incurred	(651,643)	(369,152)	(13,385)	(1,034,180)
Recovery -local facultative	220,061	7,365	-	227,426
Outstanding claims recoverable	78,398	(7,514)	-	70,884
Recoverable	298,459	(149)	-	298,310
Net claims expense and benefit payments	(353,184)	(369,301)	(13,385)	(735,870)
Commission paid	(46,235)	(22,001)	-	(68,236)
Change In deferred acquisition cost	(6,941)	-	-	(6,941)
Maintenance cost	(10,296)	(1,270)	-	(11,566)
Underwriting expenses	**(63,472)**	**(23,271)**	**-**	**(86,743)**
Changes in individual life reserve	-	263,480	44,696	308,176
Underwriting (loss)/profit	**(87,686)**	**274,407**	**41,068**	**227,789**

Life Revenue Account

For the year ended 31 December 2015

	Group life N'000	Individual life N'000	Annuity N'000	Total N'000
Gross written premium	763,584	566,016	33,208	1,362,808
Unearned premium	(115,544)	-	-	(115,544)
Gross earned premium	648,040	566,016	33,208	1,247,264
Reinsurance treaty- local	(256,690)	-	-	(256,690)
Facultative reinsurance	(30,217)	(19,673)	-	(49,892)
Reinsurance cost	(286,908)	(19,673)	-	(306,582)
Changes in prepaid re-insurance	121,479	-	-	121,479
Reinsurance expenses	(165,428)	(19,673)	-	(185,103)
Net earned premium	482,612	546,343	33,208	1,062,161
Commission income treaty - local	36,146	1,205	-	37,351
Deferred commission income	(18,929)	-	-	(18,929)
Fees & commission income	17,218	1,205	-	18,422
Net underwriting income	499,829	547,547	33,208	1,080,584
Death claims paid	(439,572)	(23,054)	-	(462,626)
Claims benefits	-	(241,857)	(8,817)	(250,675)
Changes in outstanding claims	(125,619)	6,618	-	(119,000)
Claims incurred	(565,190)	(258,293)	(8,817)	(832,300)
Recoverable -local facultative	69,950	-	-	69,950
Recoverable direct- treaty	55,920	-	-	55,920
Outstanding claims recoverable	(46,192)	1,814	-	(44,378)
Recoverable	79,678	1,814	-	81,492
Net claims expense	(485,512)	(256,479)	(8,817)	(750,808)
Changes in insurance contract liabilities	-	(444,386)	(42,725)	(487,111)
Commission paid	(68,590)	(119,645)	(310)	(188,545)
Changes In deferred acquisition cost	17,445	-	-	17,445
Maintenance cost	(3,396)	(5,633)	-	(9,029)
Underwriting expenses	(54,541)	(568,885)	(43,035)	(667,240)
Underwriting (loss)/profit	(40,223)	(277,817)	(18,645)	(337,465)

Proxy Form

18th ANNUAL GENERAL MEETING to be held at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island Lagos State, on Monday, May 15, 2017 at 10:00 a.m.

I/We.. being a member/members of ENSURE INSURANCE PLC hereby appoint*……………………………………………….or failing him/ her, the Chairman of the meeting, Mr. FOLA ADEOLA, or failing him, MS. ABIMBOLA ALABI, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on ,Monday, May 15, 2017 and at any adjournment thereof.

Dated this …….day of ………………..2017.

Signature of Shareholder……………………………………....

Name of Shareholder………………………………………………..

NUMBER OF SHARES:			
RESOLUTIONS		FOR	AGAINST
ORDINARY BUSINESS			
To lay before the Members the Audited Financial Statements for the year ended December 31st, 2016 and the Reports of the Directors and the Auditors thereon			
To re-elect Mr. Fola Adeola as a Director			
To ratify the appointment of: Mr. Olasunkanmi Adekeye			
Mr. Ayodele Akande			
To authorize the Directors to appoint and fix the Auditors' remuneration.			
To elect members of the Audit Committee.			
SPECIAL BUSINESS			
1.	To consider, and if thought fit, pass the following as Special Resolution:		
	"That the Directors fee for the financial year ending December 31, 2017, be and is hereby fixed at N25,000,000.00"		
2..	To consider, and if thought fit, pass the following as a sub-joined Special Resolution: a. "To approve the creation of a staff performance reward Share Scheme, for senior management employees of the Company ("the Share Scheme") as may be determined by the Directors, by the allotment of 142,786,846 shares to Trustees, for the benefit of the employees, to be administered and managed pursuant to and in accordance with a Trust Deed between the Company and the Trustees. b. To authorize the Directors to perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolution, including without limitation, entering into any agreement and/or executing any documents as may be necessary, and obtaining or complying with the directives and/or orders of any court and/or any regulatory authority. c. To authorize the Directors to make such modifications to the Share Scheme as they may consider appropriate taking into account any applicable statutory or regulatory requirements or prevailing best practice and to adopt the Share Scheme as so modified".		
3.	To consider, and if thought fit, pass the following as Special Resolution:		
4.	a. That Clause 74 of the Articles of Association be amended as follows: "Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 7 (seven) nor more than 15 (fifteen)".		
Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his discretion.			

NOTE

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in its/his stead. All proxies must be deposited at the office of the Company Registrars; GTL Registrars Limited, 274, Murtala Muhammed Way, Alagomeji, Yaba, Lagos, not less than 48 hours before the time for holding this meeting. A proxy need not be a member of the Company.

2. In the case of joint shareholders, any of the joint shareholders may complete the form but the names of all the joint shareholders must be stated.

3. It is required by Law under the Stamp Duties Act, Cap 411, Laws of the Federal Republic of Nigeria 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders, must bear Stamp Duty at the appropriate rate.

4. If the shareholder is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf.

Before posting the card, tear off this part and retain it for admission to the Meeting

ADMISSION CARD

ENSURE INSURANCE PLC

18TH ANNUAL GENERAL MEETING

Please admit *--* to the 18th Annual General Meeting of the members of ENSURE INSURANCE PLCholding at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island Lagos State, on Monday, May 15, 2017 at 10:00 a.m..

Name of Shareholder/Proxy: ....

Signature of Shareholder/Proxy: ....

Address of Shareholder/Proxy: ....

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR

Consent Form on Electronic Report

don't just insure...
ensure™

Consent Form on Electronic Report

Date:

DD	MONTH	YEAR

Name of Shareholder:

Number of Shares

Contact Address of Shareholder

Delivery Address of Shareholder
(If different from contact address)

Email of Shareholder

Telephone : Number 1

Number 2

I hereby confirm that I wish to receive the Company's Annual Reports in electronic format at the delivery address provided in this form ☐ Yes ☐ No

Shareholder's Signature

Shareholder's Signature

Date:

DD	MM	YR

Incorporation Number (Corporate Shareholder)

Company Seal

Affix N50
Postage Stamp
Here

GTL REGISTRARS LIMITED
274, Murtala Muhammed Way
Alagomeji, Yaba
Lagos

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