2017 Annual Report

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ensure™

VISION

To be the dominant insurance company in Nigeria

Contents

Result At a **Glance**

	2017 ₦'000	2016 ₦'000
FOR THE YEAR		
Gross Premium Written	7,667,258	4,194,782
Gross Premium Income	6,702,232	4,017,370
Net Premium Earned	2,112,418	2,031,852
(Loss)/Profit before Income Tax Expense	(773,461)	1,092,271
Income Tax Expense	(60,622)	(39,528)
(Loss)/Profit after Income Tax Expense	(834,083)	1,052,743
AT YEAR END		
Paid Up Share Capital	3,757,549	3,757,549
Statutory Deposit	500,000	500,000
Insurance Contract Liabilities	7,441,452	4,639,622
Investment Contract Liabilities	1,055,087	1,215,719
Statutory Contingency Reserve	1,282,717	1,114,958
Total Assets	16,888,584	13,567,459
Shareholders' Fund	5,411,457	6,227,584
PER 50K SHARE DATA		
Nominal Price (Kobo)	50	50
Net Assets Value Per Share (Kobo)	72	83
Number Of Employees	104	108
(Loss)/Earnings Per Share (Kobo)	(11.01)	14.01

Directors and **Professional Advisers**

Company's Registration Number:
RC: 234883

DIRECTORS:
Fola Adeola (OFR)
Chairman

Dickie Agumba Ulu
Independent Director

Asue Ighodalo
Non - Executive Director

Ayodele Akande
Non-Executive Director

Coenraad Christiaan Vrolijk
Non-Executive Director

Anuj Agarwal
Non-Executive Director

Hicham Raissi
Non-Executive Director

Olasunkanmi Adekeye
Managing Director

Owolabi Salami
Executive Director

SECRETARY:
Abimbola Alabi

REGISTERED OFFICE:
307, Adeola Odeku Street,
Victoria Island, Lagos.

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

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

MAJOR 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

ESTATE SURVEYOR AND VALUER
Benson Omoruyi & Co.
FRC No. - FRC/2013/NIESV/00000003307

REINSURERS:
International:
Swiss Reinsurance Company Limited
XL-Catlin
Chubb/Ace European Group Limited

Local:
Continental Reinsurance PLC.
African Reinsurance Corporation

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of **ENSURE INSURANCE PLC (the Company)** will be held at the Civic Center, Ozumba Mbadiwe Avenue, Victoria Island, Lagos, on Friday, October 26, 2018 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, 2017 together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To elect/re-elect Directors;
3. To authorize the Directors to appoint and fix the remuneration of the External Auditors;
4. To elect the members of the Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution which shall be proposed as ordinary resolution:

5. To fix the Directors' remuneration.

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, Greenwich Registrars and Data Solutions Limited, 274, Murtala Mohammed Way, Alagomeji, Yaba, Lagos, not less than 48 hours before the time fixed for the meeting

A blank proxy form is attached to the Annual Report.

NOTES

AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act of 2004 (CAMA), any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.

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.

RETIREMENT/RE-ELECTION OF DIRECTORS

Chief Dickie Ulu and Mr. Asue Ighodalo 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 Non-Executive Directors at the AGM.

Re-Election of Director Aged 70 Years or More

Pursuant to Section 252 of CAMA, Chief Dickie Ulu, intends to disclose at the Meeting that he is over 70 years old.

ELECTION OF DIRECTORS

Messrs. Coenraad Christiaan Vrolijk, Anuj Agarwal and Hicham Raissi are being proposed for election as Directors. Messrs. Coenraad Christiaan Vrolijk, Anuj Agarwal and Hicham Raissi were appointed as Non-Executive Directors following the acquisition of the Company by Societe Fonciere Europeenne B.V. and the resignation of the Directors representing Greenoaks Global Holdings Ltd.

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

The profile of the aforementioned Directors are available in the Annual Report and Accounts.

RECORD OF DIRECTORS' ATTENDANCE AT BOARD MEETINGS

In accordance with Section 258(2) of (CAMA), the records of Directors' attendance at Board Meetings during the year will be available for inspection at this AGM.

E-REPORT

In furtherance with our environmental sustainability agenda and in order to improve delivery of our Annual Reports, the electronic version of the Annual report is available at www.ensure.com.ng.

Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via email to **agm@info.greenwichregistrars.com**.

Dated this 28th Day of September, 2018.

BY ORDER OF THE BOARD

ABIMBOLA ALABI

Company Secretary

FRC/2015/NBA/00000010768

REGISTERED OFFICE

Ensure Insurance PLC

Plot 307, Adeola Odeku Street

Victoria Island Lagos

Abimbola Alabi
(Company Secretary)

Chairman's **Statement**

Gross Written Premium income

2017	₦7.67billion
2016	₦4.19billion

CHANGING THE NARRATIVE

On behalf of the Board of Directors, it is my pleasure to welcome you to the 19th Annual General Meeting of Ensure Insurance Plc., ("the Company"), and to lay before you, the Annual Report and Accounts for the financial year ended December 31, 2017.

Macroeconomic Environment

Globally, 2017 was characterized with so much uncertainty. Even though the political risks diminished in Europe, with the region rebounding more strongly than expected and populist parties performing worse than expected in a number of Eurozone elections, there remained tremendous uncertainty stemming from the long drawn out BREXIT negotiations.

The Global community continued to receive mixed messages from the United States government under the leadership of President Donald Trump. Global leaders scrambled to get a grip on the new United States foreign policy direction.

The World also witnessed geo-political tensions in Syria and North Korea.

In the course of the year, OPEC announced the widely anticipated oil production cut extension of 1.8 million barrels. This was achieved in a remarkable cooperation between Saudi

Arabia and Russia. The resultant effect was a jump in price to about $60 per barrel.

On the Domestic front, the primary focus of the government remained Security, Economy and Corruption.

Whilst Boko Haram remained largely decimated and contained, there remained sporadic attacks on places of worship, public institutions, markets and members of the public. I must also mention that after 3 years in captivity, the government successfully secured the release of more than 80 of the 'Chibok Girls'.

A new insecurity dimension surfaced across the Country however, with the incessant attacks by groups of people suspected to be 'Fulani Herdsmen' on farm settlements and villages across the entire country. The containment and eradication of this security challenge continues to receive the attention of the government.

On the economic landscape, Nigeria's GDP for the year grew by 1.4% from a 1.6% decline in 2016, signaling an emergence from recession. This came on the heels of an increase in economic output due to stable oil supply and increased oil price of $63.0 per barrel from $43.8 per barrel in 2016, as global demand increased and the cuts in oil output was extended by 9 (nine) months to March 2018, thus resulting in a positive balance of trade and an increased reserve. As a result, Nigeria experienced a fairly stable exchange rate and a stronger currency than the previous year, as well as a reduction in inflation rate from 18.6% in 2016 to 15.4%. The launch of the floating foreign exchange policy in 2016 by the Central Bank of Nigeria also facilitated the preservation of the exchange rate at ₦305/$ on the interbank platform and ₦363/$ in the parallel market.

"In 2017, your Board and Management delivered a Gross Written Premium growth of 86% with a turnover of ₦ 7.67billion compared to ₦4.19billion in 2016."

Other economic growth drivers were the increase in Government expenditure in Agriculture, Infrastructure (Power, Rail and Roads).

Nigeria launched a bold new economic initiative tagged The Economic Growth and Recovery Plan (EGRP) which is largely underpinned by the Ease of Doing Business program. It is hoped that if faithfully and diligently executed, this shall put Nigeria back on the path of sustained economic growth and less dependence on Oil as our major foreign exchange resource.

Ensure Insurance Plc FY 2017 performance at a glance

In 2017, your Board and Management delivered a Gross Written Premium income growth of 86% with a turnover of ₦7.67billion compared to ₦4.19billion in 2016.

This performance is testament to improved underwriting practice, risk selection and cost containment.

The overall performance of the Company attracted the attention of several interested foreign investors, who underwent a rigorous process in a bid to acquire the Company. In the latter part of the year, a Share Sale and Purchase Agreement was entered into between our core investor – Greenoaks Global Holdings Limited ("GGH") and the biggest Non-Life insurance company in the world – Allianz Group. The acquisition forebodes an even brighter future for our Company. This feat is a true testament to the transformation turnaround of the Company and a certainty of increased value in the Company for all stakeholders.

During the course of the year, the Company made a provision with respect to NAICOM fine arising from a violation of Section 72 (4) of the Insurance Act 2003. The fine was fully paid subsequent to year end. Further details are disclosed in the notes to the financial statements.

Looking Forward

The focus for the future shall be on the expansion of our distribution network for both retail and corporate clients; aggressive pursuit of technological advancement and deployment to deliver better Services, Products and Relationship management capabilities.

We will continue to pursue increased market share and underwriting efficiency in order that we can deliver more value to our Stakeholders.

We welcome wholeheartedly, the acquisition by Allianz with all the attendant benefits. This acquisition will increase our competitive leverage in Underwriting Capacity, Technology, Capital and People.

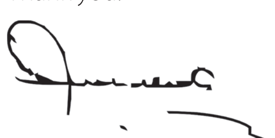
We shall continue to identify and pursue opportunities for revenue growth and cost optimization in line with the Company's vision of being the "Dominant Insurance Company in Nigeria" .

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

Going into FY 2018, we are very confident of further improving the narrative for both Ensure Insurance Plc, the Nigeria Insurance industry and the Shareholders.

On behalf of the Board, I thank the Management team for its dedication and resilience in ensuring that Ensure remains on the path to dominating the Insurance industry. We are especially grateful to you, the shareholders, for your continued commitment and support.

Thank you.



Fola Adeola, OFR; mni

Chairman
Ensure Insurance Plc.

Board of **Directors**

As at December 31, 2017

Fola Adeola

(Chairman)

Mr. Fola Adeola was appointed as the Chairman of Ensure Insurance PLC in 2014.

He is the founder and chairman of FATE Foundation, a non-governmental organization which is dedicated to encouraging the creation of wealth through entrepreneurship.

Prior to these, Fola Adeola was the founder and first Managing Director of Guaranty Trust Bank Plc.

Mr. Adeola also served as the first Chairman of the National Pension Commission in Nigeria, which was established, following the promulgation into law, of the Pension Reform Bill. Fola Adeola has served, and is still serving, at national and international levels, on various committees and corporate boards.

Mr. Adeola was nationally decorated as Officer of the Order of the Federal Republic (OFR) in 2002.

Dickie Agumba Ulu

(Independent Director)

Chief Dickie Ulu is an Independent Director in Ensure Insurance PLC and was reappointed in 2014.

Chief Ulu is an Insurance and Reinsurance expert with over 33 years professional experience in risk management, human resource management, and organizational designs.

He worked with the Nigerian Reinsurance Corporation, United Kingdom and DKU Associates, United Kingdom. He was, a Non-Executive Director of Union Bank of Nigeria PLC and was appointed unto the Board of Ensure Insurance PLC (then known as Union Assurance Company Limited) as a Non-Executive Director in 2010.

Over the years, Chief Dickie Ulu has served the Nigerian Government in many national and international levels, including Special Assistant to the Presidential Adviser on National Orientation & Public Affairs, amongst others.

Asue Ighodalo

(Non- Executive Director)

Mr. Asue Ighodalo was appointed as a Non-Executive Director of Ensure Insurance PLC in 2014.

A product of the prestigious King's College, Lagos, Mr. Ighodalo obtained a Bachelor's of Science Degree (B.Sc) in Economics from the University of Ibadan in 1981; Bachelor of Laws (LL.B) in 1984 from the London School of Economics and Political Science and was called to the Nigerian bar in 1985.

He is a Partner at the law firm Banwo & Ighodalo, a leading corporate and commercial law practice in Nigeria, which he founded in partnership in 1991. His core practice areas are corporate finance, capital markets, mergers and acquisitions, banking and securities, foreign investments and divestments, energy and natural resources, privatization and project finance. A member of several professional associations, Mr. Ighodalo sits on the Board of several public and private companies.

Andrew Borda
(Non- Executive Director)

Mr. Andrew Borda was appointed as a Non-Executive Director of Ensure Insurance PLC in 2014.

Mr. Borda is currently the Managing Partner at Greenoaks Global Holdings Limited, United Kingdom, a private equity firm with interest in emerging economies.

He has worked with Swiss Reinsurance Company Limited, where he led the Company's UK and European Business Development and Mergers and Acquisitions team as Vice President.

Prior to this, Mr. Andrew Borda worked at McKinsey and Company as a Senior Associate, specializing in acquisitions.

Shubhendra Swarup
(Non- Executive Director)

Mr. Shubhendra Swarup was appointed as a Non-Executive Director of Ensure Insurance PLC in 2015.

Mr. Swarup was a Director in the EY Insurance practice with 13 years of experience. He was responsible for all aspects of providing auditing and assurance services to a client portfolio of large and listed (SEC included) General, Broking and Life Insurance Groups.

He obtained a Bachelor of Science degree in Mathematics, Operational Research, Statistics and Economics from the University of Warwick, United Kingdom in 2002. He is a Member of the Institute of Chartered Accountants of Scotland.

He worked with Friends Provident Plc. and Zurich Financial Services where he provided technical expertise for first time transition to International Financial Reporting Standards (IFRS). He also worked with Global Shared Services, India

He was a Director, Insurance Audit with key clients such as Arthur J Gallagher (US SEC Broker); Antares Holdings; Chubb Insurance Company of Europe (US SEC General Insurance Group) and Lancashire Holdings Limited (Bermudan domiciled Insurance Group listed on the FTSE 250).

Ayodele Akande
(Non- Executive Director)

Mr. Ayodele Akande was appointed as a Non-Executive Director of Ensure Insurance PLC in 2016.

Mr. Akande is a seasoned insurance practitioner who has held various managerial roles in diverse insurance and brokerage companies, spanning 39 years.

He started his career with Royal Exchange Assurance Nigeria Plc and moved to Great Nigeria Insurance Plc. In 1981, he joined SCIB Nigeria & Company Limited from where he retired in January 2016.

He is an Associate of the Chartered Insurance Institute of Nigeria and a Governing Council member of the Nigerian Council of Registered Insurance Brokers.

Olasunkanmi Adekeye
(Managing Director)

Mr. Olasunkanmi Adekeye is the Managing Director of Ensure Insurance PLC. Before his elevation to Managing Director, his appointment as an Executive Director commenced in 2016.

Mr. Adekeye is an insurance specialist with over 24 years' experience, some of which was spent at renowned firms like SCIB Nigeria Limited, Custodian & Allied Insurance Company PLC, and Cornerstone Insurance PLC.

He is a graduate of Lagos State University and a master's degree holder from the University of Lagos. He is a Fellow of Chartered Insurance Institute of Nigeria (FCIIN).

Owolabi Salami
(Executive Director)

Mr. Owolabi Salami is Executive Director, Strategy, Revenue & Administration of Ensure Insurance PLC. His appointment commenced in 2014.

Mr. Salami started his Insurance career with Industrial and General Insurance Plc. He joined Mansard Insurance PLC where he was Divisional Head, Retail Sales.

He later joined AIICO Insurance PLC as Deputy Managing Director/ Chief Client Officer. He worked with ARM Life Plc. as Chief Responsibility Officer/Executive Director before joining Ensure Insurance PLC.

He obtained a Bachelor of Law (LLB) degree from the University of Buckingham, UK and was called to the Bar at the Nigeria Law School in 1990.

Management Team

Olasunkanmi Adekeye
Managing Director

Owolabi Salami
Executive Director,
Strategy, Revenue & Administration

Uyi Osagie
Chief Financial Officer

Peju Ponmile-Anumah
Chief Risk & Compliance Officer

Ashish Mishra
Divisional Head,
Retail Distribution Channels

Taiwo Tella-Ndukwe
Divisional Head,
Corporate Clients & Intermediaries

management team (cont.)

Tunji Oshiyoye
Group Head,
Retail Processing & Clients' Services

Adeseye Ajibulu
Group Head,
Property, Casualty & Inspection

Wale Adeneye
Group Head,
Special Risks

Niyi Pitan
Group Head, Corporate Sales
(Northern Region)

Enahoro Ikhidero
Group Head,
Information Technology

Abimbola Alabi
Company Secretary,
Group Head Corporate Services

Directors' Report

For the year ended 31 December 2017

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 2017.

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 2017 are as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Gross Premium Written	7,667,258	4,194,782
(Loss)/Profit before Income Tax Expense	(773,461)	1,092,271
Income Tax Expense	(60,622)	(39,528)
(Loss)/Profit after Income Tax Expense	(834,083)	1,052,743
Transfer to Statutory Contingency Reserve	(167,759)	(189,829)
	(1,001,842)	862,914
Accumulated Losses, Beginning Of Year	(3,865,077)	(4,727,991)
Accumulated Losses, End Of Year	(4,866,919)	(3,865,077)
(Loss)/Earnings Per Share (kobo) - Basic	(11.10)	14.01
(Loss)/Earnings Per Share (kobo)- Diluted	(5.33)	6.73

Directors who served during the year

Fola Adeola (OFR)	*Chairman*	
Dickie Agumba Ulu	*Independent Director*	
Asue Ighodalo	*Non- Executive Director*	
Ayodele Akande	*Non- Executive Director*	
Olasunkanmi Adekeye	*Managing Director*	(Regulatory approval July 2017)
Owolabi Salami	*Executive Director*	
Babatunde Mimiko	*Managing Director*	(Resigned March 2017)
Volkan Oktem	*Non- Executive Director*	(Resigned March 2017)
Andrew Borda	*Non-Executive Director*	
Shubhendra Swarup	*Non-Executive Director*	

Directors and their interests in share capital

As at reporting date, the directors who had interest in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, are noted below :

	Nature of shareholding	31 Dec 2017 shareholding	% of shareholding	31 Dec 2016 shareholding	% of shareholding
Olasunkanmi Adekeye	Direct	144,000	0.00%	144,000	0%
Ayodele Akande	Direct	200,000	0.00%	-	0%

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 2017:

	31 December 2017 No. of shares	31 December 2017 Holding (%)	31 December 2016 No. of shares	31 December 2016 Holding (%)
Greenoaks Global Holdings Limited	7,358,516,264	97.92	7,358,516,264	97.92

Acquisition by Allianz Group

On 6 September 2017, Allianz Group signed an agreement in principle to acquire Greenoaks Global Holdings Limited's majority shareholding in Ensure Insurance PLC. The transaction is expected to close before the end of the year, when Ensure Insurance PLC. shall become a member of the Allianz Group.

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 2017 (2016: 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

There was no donation and charitable gifts during the year under review (2016: ₦1.4million).

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 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. The Company operates a flexible working-hour system, where staff are allowed to select any convenient 8-hour working time-frame between 7am and 7pm on weekdays. This system was instituted to encourage work-life balance.

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 2017	60	44	58%	42%
	31 December 2016	64	44	59%	41%
Top management	31 December 2017	10	2	83%	17%
	31 December 2016	9	-	100%	0%
Board	31 December 2017	8	-	100%	0%
	31 December 2016	8	-	100%	0%

Detailed analysis of the Board and Top Management is as follows as at 31 December 2017:

	Gender		Percentage	
	Male	Female	Male	Female
Senior Manager	2	-	100%	0%
Assistant General Manager	4	2	67%	33%
Deputy General Manager	-	1	0%	100%
General Manager	1	-	100%	0%
Executive Director	2	-	100%	0%
Non-Executive Director	6	-	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	2	-	100%	0%
Non-Executive Director	6	-	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

During the course of the year, the Company made a provision with respect to NAICOM fine arising from a violation of Section 72 (4) of the Insurance Act 2003. Subsequent to year end, the fine detailed in note 46(iii) has been fully paid.

Auditors

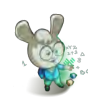
As a result of the acquisition of the Company's external actuaries, HR Nigeria, by Ernst and Young, the external auditors cannot continue to act as the Company's external auditors. They will be changed at the Annual General Meeting.

BY ORDER OF THE BOARD

Abimbola Alabi
FRC/2013/NBA/000000107678
Company Secretary

Ensure Insurance PLC
307 Adeola Odeku Street
Victoria Island Lagos

18 July 2018



Corporate **Governance Report**

For the year ended 31 December 2017

Introduction

Ensure Insurance PLC (the "Company") has implemented corporate policies and standards to encourage a good and transparent Corporate Governance framework to avoid potential conflicts 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.

The Board membership comprises of eight (8) members; this includes the Chairman, one (1) Managing Director, one (1) Executive Director, four (4) Non-Executive Directors and one (1) 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, when necessary, to create a proper outlet for implementing governance policies. In the course of the year under review, the Board had four (4) 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:

Establishment and Corporate Governance Committee;

1. Establishment and Corporate Governance Committee;
2. Investment, Finance and General Purpose Committee;
3. Statutory Audit and Compliance Committee; and
4. Enterprise Risk Management Committee.

The Board met four times during the year ended 31 December 2017. 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.

Induction and Continuous Training of Board Members

On appointment to the Board, all Directors receive a formal induction tailored to meet their individual requirements. The new Directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on the operations. The Directors are also given a mandate and terms of reference to aid in performance of their functions. Trainings are also conducted during the course of the year to keep the Directors abreast of financial development generally and in the industry specifically.

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.

The 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 the 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.

Changes to the Board

There were changes in the composition of the Board in the course of the year due to the resignation of Messr. Tunde Mimiko and Volkan Oktem. Mr. Sunkanmi Adekeye was appointed by the Board to replace Mr. Mimiko as Managing Director and this appointment as been approved by the National Insurance Commission.

Further to the acquisition of the Company by the Allianz Group in 2018, Messrs Andrew Borda and Shubhendra Swarup resigned from the Board effective July 2018. In their place, Messrs Coenraad Christian Vrolijk, Anuj Agarwal and Hicham Raissi were appointed to fill the vacancies.

Their profiles are below:

Coenraad Christiaan Vrolijk
(Non- Executive Director)

Mr. Coenraad Christian Vrolijk is a Non-Executive Director of Ensure Insurance PLC. His appointment commenced in July 2018 following the acquisition of the Company by Societe Fonciere Europeenne B.V.

He is the Regional CEO Allianz Africa and has over 22 years of experience in the financial industry some of which was spent at renowned institutions like the International Monetary Fund, Mckinsey & Company, Black Rock, Rosewood Insurance Group and Allianz SE.

He is a graduate of the University of Bath, United Kingdom, where he obtained Bachelor of Science in Economics with Computing and Statistics.

He also holds a Ph. D in Economics from Brown University in the United States of America.

Anuj Agarwal
(Non- Executive Director)

Mr. Agarwal is a Non-Executive Director of Ensure Insurance PLC. His appointment commenced in July 2018 following the acquisition of the Company Societe Fonciere Europeenne B.V.

Mr. Agarwal started his Insurance career with Allianz Asuransi Life, Indonesia, in 1997 and moved to other Countries within the Allianz Group, including Germany and the United Kingdom.

He rose to the level of Chief Financial officer in 2007, with SBI Life Insurance Company, before returning back to the Allianz Group in 2009.

Mr. Agarwal holds a Bachelors' degree in Electronics and Communications Engineering from the University of Delhi,

India and a Masters' degree in Management Studies (Finance) from the University of Bombay in India.

Hicham Raissi
(Non- Executive Director)

Mr. Hicham Raissi is a Non-Executive Director of Ensure Insurance PLC. His appointment commenced in July 2018 following the acquisition of the Company by Societe Fonciere Europeenne B.V.

Mr. Raissi has over 10 years' experience in the financial industry, some of which was spent at renowned companies such as Accenture and Ernst and Young.

He moved to the Corporate Finance Division of Allianz Investment Management in Paris in 2011.

Whilst at the Allianz Group, he rose to the level of Head of Business Division Africa (Allianz SE) in 2016.

Mr. Raissi holds a Bachelors' degree in General Scientif learning from the Institut National des Sciences Appliquées Lyon (INSA) and a degree in Supply Chain Management from the same institution.

Directors' nomination process

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 of Corporate Governance 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 four (4) Committees, namely: Board Establishment and Corporate Governance Committee; Board Investment Finance and General Purpose Committee; Statutory Audit and Compliance Commitee and Board Enterprise Risk Management Commitee .

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.

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 Finance and General Purpose Committee

The Committee is responsible for supervisory functions over investment and other finance-related issues such as capital and 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.

Statutory 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 and 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.

Attendance at Board and Committee meetings by the Directors

Board meetings

Names of Directors	Number of meetings attended	2-Mar-17	15-May-17	20-Sep-17	14-Dec-17
Fola Adeola	4	*	*	*	*
Andrew Borda	3	*		*	*
Asue Ighodalo	4	*	*	*	*
Dickie Agumba Ulu	4	*	*	*	*
Shubhendra Swarup	4	*	*	*	*
Owolabi Salami	4	*	*	*	*
Olasunkanmi Adekeye	4	*	*	*	*
Ayodele Akande	4	*	*	*	*
Babatunde Mimiko (Resigned)	1	*			
Volkan Oktem (Resigned)	1	*			

Establishment and Corporate Governance Committee

Names of Directors	Number of meetings attended	11-Jan-17	4-May-17	19-Sep-17	11-Dec-17
Asue Ighodalo	4	*	*	*	*
Dickie Agumba Ulu	4	*	*	*	*
Ayodele Akande	4	*	*	*	*
Owolabi Salami	4	*	*	*	*
Andrew Borda	3		*	*	*

Investment, Finance and General Purpose Committee

Names of Directors	Number of meetings attended	4-May-17	19-Sep-17	11-Dec-17
Shubhendra Swarup	3	*	*	*
Owolabi Salami	3	*	*	*
Olasunkanmi Adekeye	3	*	*	*

Statutory Audit and Compliance Committee

Names of Directors	Number of meetings attended	6-Feb-17	4-May-17	19-Sep-17	11-Dec-17
Chief Dickie Ulu	4	*	*	*	*
Alhaji S.A.A Odenike	4	*	*	*	*
Akeem Shadare	4	*	*	*	*
Bolaji Balogun	4	*	*	*	*
Shubhendra Swarup	4	*	*	*	*
Ayodele Akande	4	*	*	*	*

Enterprise Risk Management Committee

Names of Directors	Number of meetings attended	4-May-17	19-Sep-17	11-Dec-17
Dickie Agumba Ulu	3	*	*	*
Andrew Borda	2		*	*
Shubhendra Swarup	3	*	*	*
Owolabi Salami	3	*	*	*
Olasunkanmi Adekeye	3	*	*	*

Composition of the Board Standing Committees

Names of Directors	Statutory Audit and Compliance Committee	Board Establishment and Corporate Governance Committee	Board Investment, Finance and General Purpose Committee	Board Enterprise Risk Management Committee
Fola Adeola				
Asue Ighodalo		*		
Dickie Agumba Ulu	*	*		*
Ayodele Akande	*	*		
Owolabi Salami		*	*	*
Andrew Borda		*		*
Shubhendra Swarup	*		*	*
Olasunkanmi Adekeye			*	*

Sustainability
Report

Introduction

As a forward looking organization, Ensure Insurance PLC is focused on providing total satisfaction to its stakeholders: customers, staff, suppliers, intermediaries and the communities where we operate. We are an evolving Insurance firm and have consistently operated to deliver economic growth and deepen Insurance penetration in Nigeria. We are committed to change the way Insurance is perceived across the Country. The scope of this report covers work environment, social integration and business sustenance.

Work Environment

We continued the flexi-work-hours scheme which has delivered a healthy work-life balance for our employees. We also engaged in various staff engagement programmes such as SPEAR Olympics, Special Fridays events, relaxed dressing culture among others. At Ensure, we adopt fun work-place initiatives as part of our corporate philosophy and this has resulted in helping staff to be more productive and living healthy. The company has also encouraged the staff to undertake periodic medical check-ups. Health talks was conducted to educate the staff on the importance of health sustainability.

As part of the drive to promote gender equality and women economic empowerment, the ratio of women in the employment of the company is 42% while the ratio of women in senior management increased from zero to 17%.

Social Integration

We have consistently drive our cost control initiatives by reducing the use of papers and leveraging on the use of modern technology to aid internal communication and avoid wastages from the use of stationeries. We maintained a zero tolerance for operational practices that are either harmful or pose danger to our employee 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.

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

Business Sustenance

As part of our initiatives to change the way Insurance works for Nigerians, we have carefully designed customer centric products that is geared towards economic growth and expansion. Our philosophy resolves around meeting the expectation of our stakeholders of which the customer is supreme. We strive to continuously ensure that our business is conducted in line with the applicable regulations and international best practice. Ensure is an environmental friendly organization and therefore has carefully analyzed all our clients to ascertain that we don't transact business with persons or institutions that will pose danger or threat to the peace of the community where we operate. We have maintained a healthy relationship with our business partners, regulators and other stakeholder and this has delivered a tremendous growth to our business value chain and business sustainability.

Complaints 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. When any of our clients wants to make a complaint, we make sure their views are respected, that they are kept informed as the complaint is dealt with, and have the opportunity to be involved in the resolution process. We understand that feedback from customers helps positively in good decision making and it also ensures that better services are delivered to the customers at every customer touch point.

We endeavor to carry out effective monitoring of complaints to enable us identify any problems and resolve them before they escalate and cause widespread concern.

Feedback Channels/Customer Touch Points

We receive complaints and feedback from our customers via the under-listed channels:

- Contact Centre.
- Experience Centre.
- Website (Online Live Chat and Submissions).
- Social Media Feedback Platform.

Customers' Opinion on Products, Services and Processes.

We regularly integrate customers' feedback into our services and processes in a bid to always improve our products, services and processes.

The feedback review is carried out using the NPS (Net Promoters Score) Survey Monitoring system while focusing on the two key areas listed below:

- Welcome Calls - the opinion of new clients are reviewed to enhance our processing structure.
- Claim Calls - Feedback from clients with claim experience are reviewed to enhance our claim processes

Complaints Handling and Resolution Structure.

We ensure that complaints are handled promptly and adequate feedback are given to the customers. The customer service unit is responsible for receiving customers' complaints, investigating the complaints, provide corrective measures and resolution of complaints raised.

Each complaint received is assigned a case number while an automated acknowledgment email is sent to the customer on receipt of the complaint.

In situations where the complaint can be resolved immediately, feedback is given to the client, otherwise the complaint is forwarded to the appropriate unit for resolution, while the customer service personnel assigned to such complaint follows through till it's resolved.

Complaints and Feedback - continued

Customers are given feedback through calls or emails until the issue raised is deemed satisfactory by client to be fully resolved after which the case is closed.

The complaints process is usually reviewed and customers' views on them are also put into consideration to ensure that such complaints does not become a trend or recur.

Regulatory Body

Where the complaint is not resolved within a stipulated time frame, the complainant shall escalate same to NAICOM or the complaint bureau.

COMPLAINTS RECEIVED	2017	2016
COMPLAINTS RECEIVED	**2,093**	2,010

RECEIVED COMPLAINTS PER CUSTOMER INTERFACE	2017	2016
EMAILS	1,209	24
WALK-IN	15	31
PHONECALLS	847	155
WEBSITE	9	156
LIVE CHAT	13	157
SMS	-	159
VOICEMAIL	-	6
TOTAL	**2,093**	**688**

RESOLVED COMPLAINTS PER CUSTOMER INTERFACE	2017	2016
EMAILS	1,191	1,260
PHONE CALLS	847	706
WALK-IN	15	31
WEBSITE	9	2
LIVE-CHAT	13	-
SMS	-	5
VOICEMAIL	-	6
TOTAL	**2,075**	**2,010**

UNRESOLVED COMPLAINTS PER CUSTOMER INTERFACE	2017	2016
EMAILS	18	-
PHONE CALLS	-	-
WALK-IN	-	-
WEBSITE	-	-
LIVE-CHAT	-	-
SMS	-	-
VOICEMAIL	-	-
TOTAL	**18**	**-**

Regulatory Requirements under IFRS Regime

The Insurance industry has 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 statements 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 system and processes are designed to recognize only covers for which premium has been received. Where we have receivable 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 include 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 visitors 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 recurrence. 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, Finance & General Purpose Committee, Statutory 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 a Statutory Audit and Compliance Committee which is made up of three shareholders' representatives, two Non- Executive Directors and one Independent director. The Statutory 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 requirement 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
- CAC- Criticized Asset Committee Report

Share
Capital History
for the year ended 31 December 2017

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 ₦20 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 (₦) Increase	Cumulative (₦)	Issued (N) Increase	Cumulative (₦)	Par value of each share
1993	-	20,000,000.00	-	20,000,000.00	₦1.00
1998	70,000,000.00	90,000,000.00	70,000,000.00	90,000,000.00	₦1.00
2002	160,000,000.00	250,000,000.00	160,000,000.00	250,000,000.00	₦1.00
2003	100,000,000.00	350,000,000.00	100,000,000.00	350,000,000.00	₦1.00
2006	4,650,000,000	5,000,000,000	70,000,000	420,000,000	₦1.00
2007		5,000,000,000.00	3,337,548,638	3,757,548,638.00	₦0.50k
2008	5,000,000,000.00	10,000,000,000.00		3,757.548.638.00	₦0.50K

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 2017 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, Munich Re, African Re and Continental Re

In 2014, there was a change in the core investor of Ensure. Greenoaks Global Holding Limited ("GGH") acquired majority stake (92.8%) from Union Bank of Nigeria PLC. GGH 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 EY, D.E. Shaw, McKinsey & Company and Swiss Re.

On 6 September 2017, Allianz Group signed an agreement in principle to acquire Greenoaks Global Holdings Limited's majority shareholding in Ensure Insurance PLC. The transaction is expected to close before the end of 2018, when Ensure Insurance PLC. shall become a member of the Allianz Group.

Business Strategies

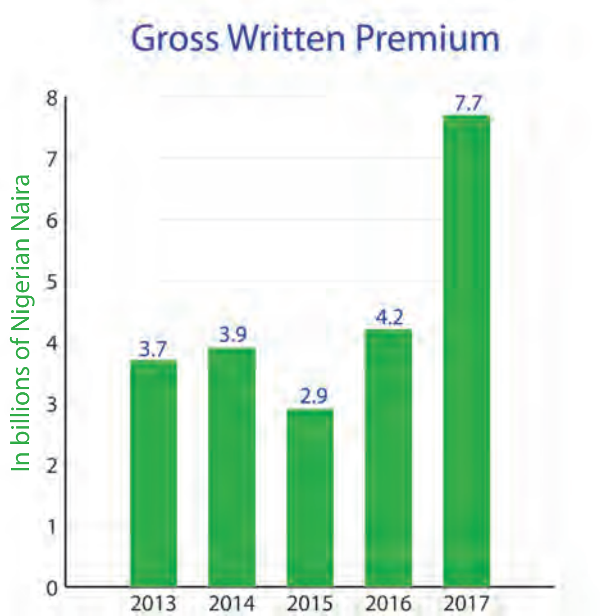
Our vision is to be the dominant insurance company in Nigeria. Our goal is to provide easy-to-access products and improve on the industry's challenges of distribution and service delivery.

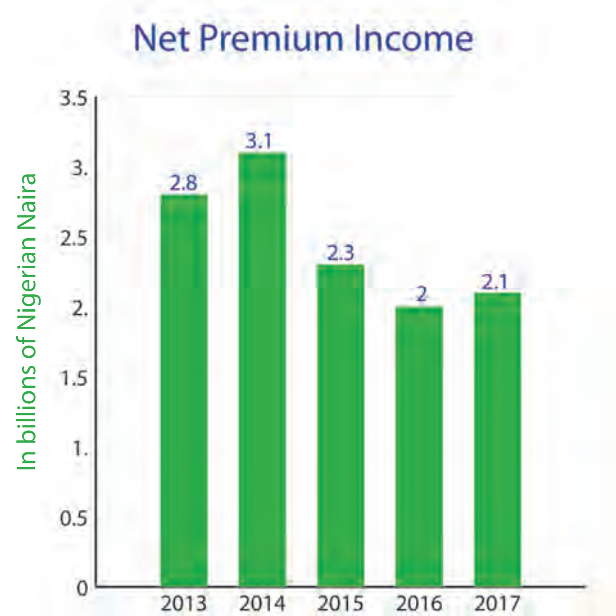
With insurance penetration ratio of 0.4%, the market insurers have a lot to do in reaching the uninsured. It is certain that the masses want to buy insurance products but it is not easily accessed. We want to significantly improve on the prospect-to-customer ratio. This will be achieved by exploring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

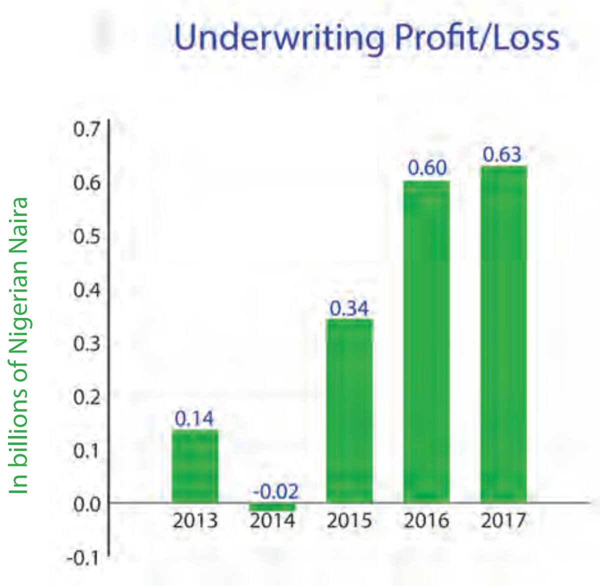
The environment is technology driven and we cannot afford to be lacking in this area. It is vital to have technologically empowered platforms that will help us serve the uninsured public efficiently. More energy will be channelled towards having simplified processes with minimal manual intervention.

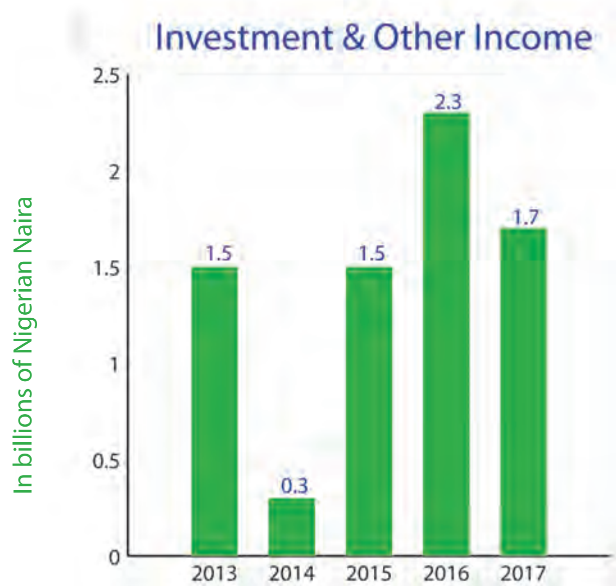
Performance

The major performance ratios of the Company were impressive in the year under review. The Company recorded an 83% growth in gross written premium (2017: ₦7.7billion, 2016: ₦4.2billion).

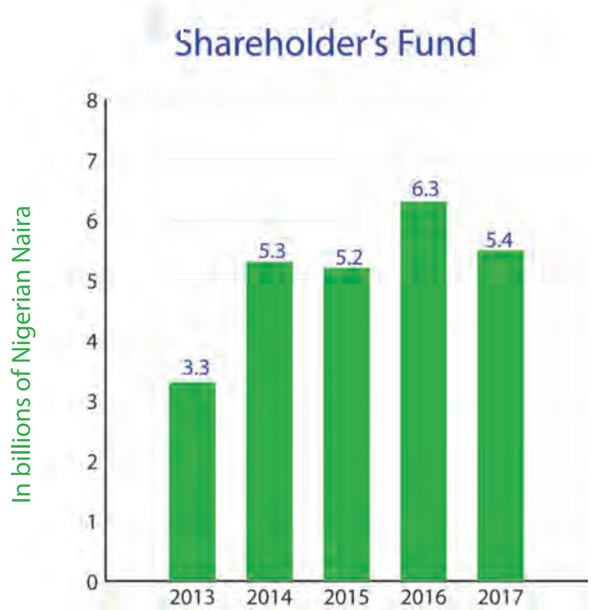





Underwriting Profit/Loss
In billions of Nigerian Naira
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
-0.1
0.14
-0.02
0.34
0.60
0.63
2013
2014
2015
2016
2017


Investment & Other Income
In billions of Nigerian Naira
2.5
2
1.5
1
0.5
0
1.5
0.3
1.5
2.3
1.7
2013
2014
2015
2016
2017


Profit or Loss After Tax
In billions of Nigerian Naira
1.5
1
0.5
0
-0.5
-1
-1.5
-2
1.2
-1.7
-0.5
1.1
-0.8
2013
2014
2015
2016
2017


Shareholder's Fund
In billions of Nigerian Naira
8
7
6
5
4
3
2
1
0
3.3
5.3
5.2
6.3
5.4
2013
2014
2015
2016
2017

Forward looking statements

By their very nature, forward looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions and other forward-looking information included in the document statements will not be achieved.

We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors include but are not limited to the market risk, delays from external dependencies, slow integration of enabling platforms, timely development and introduction of new products and services. Also, the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial judgments and legal proceedings, changes in tax laws and technological and regulatory changes will have a definite impact on our results.

We caution that the foregoing list of important factors are not exhaustive.

Statement of Directors’ Responsibilities In Relation to **the Preparation of the Financial Statements**

For the year ended 31 December 2017

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare 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 and other comprehensive income. 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 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

18 July 2018

Olasunkanmi Adekeye
FRC/2016/CIIN/00000013813
Managing Director/Chief Executive Officer

18 July 2018

Report of the
Audit committee

For the year ended 31 December 2017

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 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 2017 were satisfactory and reinforce the Company's internal control systems.

An effective internal audit function exists in the Company and the risk management controls and compliance systems are operating effectively and efficiently in all respects.

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 made assessment of 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

18 July 2018

Members of the Audit Committee are:

1.	Chief. Dickie Agumba Ulu	-	Independent Director/Chairman
2.	Mr. Bolaji Balogun	-	Shareholder's representative
3.	Mr. Akeem Shadare	-	Shareholder's representative
4.	Alhaji S.A.A Odenike	-	Shareholder's representative
5.	Mr. Ayodele Akande	-	Non-Executive Director
6.	Mr. Shubhendra Swarup	-	Non-Executive Director

In attendance:

Abimbola Alabi - Secretary

J.K. RANDLE
INTERNATIONAL
Chartered Accountants
& Management Consultants

'X KPMG HOUSE"
One king Ologunkutere Street,
Park View, Ikoyi, Lagos,
P. O. Box 75429, Victoria Island, Lagos.
Tel: 234-7098820710 Telefax: 234-7098733613
E-mail: jkrandleandco.co.uk, jkrandleintuk@gmail.com
Website: www.jkrandleandco.co.uk

REPORT OF THE EXTERNAL CONSULTANTS ON THE APPRAISAL OF THE BOARD OF DIRECTORS OF ENSURE INSURANCE PLC FOR THE YEAR ENDED 31ST DECEMBER, 2017

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, 2017. 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 ten members during the year under review. Seven members are Non-Executive Directors (including the Chairman of the Board), while three are Executive Directors (including the Managing Director/Chief Executive Officer).

During the year, one Non-Executive Director resigned from the Board. The Board confirmed the resignation of Mr. Babatunde Mimiko as the Managing Director. It also confirmed the appointment of Mr. Olasunkanmi Adekeye as the new Managing Director/ Chief Executive Officer of the Company. As at 31st December, 2017, the Board had eight members consisting of 2 (two) Executive Directors one of whom is the Managing Director/Chief Executive Officer and 6 (six) Non- Executive Directors. In line with the NAICOM Code, the Board has one Independent Director. 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 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. The Board held 4 (four) meetings during the year under review. It met the minimum requirement of at least 4 (four) meetings in a year. Meetings were effectively managed with focus on relevant and strategic issues affecting the Company. All the members had equal opportunities 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 the Company, 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 reinforcing governance policies and practices. In particular, the Board approved a Succession Plan for Management. It carried out a review of the Company's existing policies on Anti-Money Laundering/Countering Financing Terrorism, IT Security, and engaged Consultants to draw up the Company's Health & Safety Policy. During the year, the Board of Directors approved the Purchase-Sale Agreement entered into between Greenoaks Global Holdings (GGH) and the Allianz Group in order to enable GGH to transfer its shareholding interest in the Company to the Allianz Group. The transaction is awaiting the approval of the National Insurance Commission. The Board also performed other statutory responsibilities including rendering the accounts of the operations and activities of the Company 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 end of the exercise, we recommended that the Board should address issues highlighted in respect of the need to strengthen compliance, the need to broaden the Company's Disaster Recovery & Business Continuity Plan, and the need to review membership of the Board Establishment & Corporate Governance Committee. We also recommended that the Board should address issues highlighted in respect of the Company's new Succession Plan, and the new ownership structure among others.

Bashorun J. K. Randle, OFR
Chairman/Chief Executive
FRC/2013/ICAN/00000002703
Dated March 20, 2018

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Ernst & Young
10th & 13th Floors
UBA House
57, marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 63 14500
Fax: +234 (01) 46 30481
Email: services@ng.ey.com
www.ey.com

Independent Auditors' Report **to the Members of Ensure Insurance PLC**

For the year ended 31 December 2017

Report on the audit of 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 2017, 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 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 the 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 Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of Ensure Insurance PLC. We have fulfilled our other ethical responsibilities in accordance with the IESBA 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 year. 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 each 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENSURE INSURANCE PLC - Continued

Key Audit Matters - continued

Key Audit Matters	How the matter was addressed in the audit
Insurance Contract Liabilities Ensure Insurance Plc has material insurance contract liabilities of ₦7.4 billion representing 74% of the Company's total liabilities as at 31 December 2017. The measurement of insurance contract liabilities involves judgement over uncertain future outcomes, mainly the ultimate total estimated 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. Changes in these assumptions can result in material impacts to the valuation of these liabilities. Therefore, we considered it a key audit matter for our audit. Insurance contract liabilities are disclosed in Note 16 to the financial statements.	We used our actuarial specialist to assist us in performing the audit procedures in the area of reviewing the Company's Actuarial reports on life and non-life business which included among others: i. 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 expenses developments. ii. Consideration of the appropriateness of 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:** i. Reviewed and documented management's process for estimating insurance contract liabilities. ii. Tested the completeness and accuracy of underlying data utilized by the actuaries in estimating the insurance loss reserves. iii. Checked samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters and claims made by the customer. iv. Recalculated the unexpired risk reserve based on the earning period on insurance contracts existing as at 31 December 2017. v. Reviewed subsequent year claim payments to confirm the reasonableness of initial loss estimates.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENSURE INSURANCE PLC - Continued

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 in line with the Securities and Exchange Commission's Code of Corporate Governance, 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, Value Added Statement and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council Act No.6, 2011, Non-life and Life revenue accounts as required by the National Insurance Commission's guidelines and the Sustainability report. 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' Responsibility 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.

Auditors' 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 auditors' 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

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENSURE INSURANCE PLC - Continued

Auditors' Responsibilities for the Audit of the Financial Statements - Continued

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 judgement 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 auditors' 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 auditors' 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.
- 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 auditors' 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENSURE INSURANCE PLC - Continued

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 and Section 28(2) of the Insurance Act 2003, 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.

iv) In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and section 28(2) of the Insurance Act 2003 so as to present fairly, in all material respects, the state of affairs and financial performance of the Company.

Contraventions

The Company incurred penalties in respect of contraventions of certain sections of the National Insurance commission's Operational Guideline 2015 and the Securities and Exchange Commission rules during the financial year. The details of the contraventions and penalties are disclosed in Note 46 of the financial statements.

Oluwasayo Elumaro, FCA,

FRC/2012/ICAN/00000000139

For Ernst & Young

Lagos, Nigeria

26 July 2018

Summary of
Significant Accounting Policies

For the year ended 31 December 2017

1 Company information

Ensure Insurance PLC 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.

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.

2(a) Basis of accounting

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 which have been prepared in accordance with IAS 1 include the Statement of Financial Position as at 31 December 2017 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 a summary of significant accounting policies and other explanatory notes.

The Financial Statements were authorised for issue by the Board of Directors on 3 August 2018.

(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 (₦'000) (the presentation currency), except where otherwise stated.

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 2017 and have not been applied in preparing these Financial Statements.

(i) IFRS 15 - Revenue from contracts with customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual years beginning on or after 1 January 2018. Early adoption is permitted. The Company expects to apply IFRS 15 using the modified retrospective application. Given that insurance contracts and rental income from investment properties , which are respectively in scope of IFRS 4 and IAS 17, are not covered in IFRS 15, the Company expects the main impact of the standard to be on the accounting for income on its investment management services and other sources of sundry income like asset disposal as well as other one-off incomes. The Company does not expect significant financial and non financial impact on the grounds that its main stream of income is from insurance contracts, which is exempted from this Standard.

(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. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

During the year, the Company performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects no significant impact on its financial position and equity, except for the effect of applying the impairment requirements of IFRS 9.The Company expects a higher loss allowance resulting in a negative impact on equity as discussed below. In addition, the Company will implement changes in classification of certain financial instruments.

The Company meets the eligibility criteria of the temporary exemption from IFRS 9 and intends to defer the application of IFRS 9 until the effective date of the new insurance contracts standard (IFRS 17) of annual reporting periods beginning on or after 1 January 2021, applying the temporary exemption from applying IFRS 9 as introduced by the amendments (see below).

(a) Classification and measurement

The Company does not expect a significant impact on its statements of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Unquoted equity shares and mutual funds currently held as available-for-sale (AFS) with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss. The fair value reserve of ₦17,372,000 related to those securities, which is currently presented within accumulated OCI will be reclassified to retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Company expects not only to hold the assets to collect contractual cash flows, but also to sell a significant amount on a relatively frequent basis, if need be. The equity shares in non-listed companies are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. The Company will apply the option to present fair value changes in OCI, and, therefore, the application of IFRS 9 will not have a significant impact. Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and receivables, either on a 12-month or lifetime basis. The Company will apply the simplified approach and record lifetime expected losses on all loans and receivables. The Company has determined that, due to the unsecured nature of its loans and receivables, the loss allowance will increase with corresponding related decrease in the deferred tax liability.

(c) Hedge accounting

The Company determined that there are no existing hedge relationships that are currently designated in effective hedging relationships. Though, this will continue to qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS 9 will not have a significant impact on Company's financial statements.

(d) Other adjustments

In addition to the adjustments described above, on adoption of IFRS 9, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them, will be adjusted as necessary. The exchange differences on translation of financial intrument will also be adjusted.

(iv) IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a Company of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period)
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the statement of financial position
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a Company of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company plans to adopt the new standard on the required effective date together with IFRS 9 (see above). The Company started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with presentation and disclosure.

(v) IFRS 16 – Leases

This is a new standard introduced by IASB to replace existing standard IAS 17 - Leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

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.Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Company does not expect the imapct to be significant.

(v) Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

(vi) Annual Improvements 2014-2016 Cycle

These improvements were issued on 8 December 2016 and ammedments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018. The improvements ammended the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Sandards

The short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted, because they have now served their intended purpose. This amendment is not applicable to the Company.

IAS 28 Investments in Associates and Joint Ventures

The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. These amendments are not expected to have an impact on the Company.

(vii) Amendments to IFRS 4- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the new insurance contracts standard (IFRS 17). The amendments introduce two alternative options of applying IFRS 9 for entities issuing contracts within the scope of IFRS 4: a temporary exemption; and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 for annual periods beginning before 1 January 2021 and continue to apply IAS 39 to financial assets and liabilities. An entity may apply the temporary exemption from IFRS 9 if: (i) it has not previously applied any version of IFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as FVPL; and (ii) its activities are predominantly connected with insurance on its annual reporting date that immediately precedes 1 April 2016. The overlay approach allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for certain designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets. An entity can apply the temporary exemption from IFRS 9 for annual periods beginning on or after 1 January 2018. An entity may start applying the overlay approach when it applies IFRS 9 for the first time.

During 2016, the Company performed an assessment of the amendments and reached the conclusion that its activities are predominantly connected with insurance. During 2017, there had been no significant change in the activities of the Company that requires reassessment. The Company intends to apply the temporary exemption from IFRS 9 and, therefore, continue to apply IAS 39 to its financial assets and liabilities in its reporting period starting on 1 January 2018.

(viii) IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially

recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation

Or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

(ix) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company does not expect any effect on its financial statements.

(x) Amendments to IFRS 2- Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Company is assessing the potential effect of the amendments on its financial statements.

(xi) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions. Amendments must be applied prospectively and early application is permitted and must be disclosed. These amendments have no impact on the Company.

(c) New standards and improvements

The accounting policies adopted in the preparation of the 2017 Financial Statements are consistent with those followed in the preparation of the Company's 2016 financial statements.

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

(i) 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 in which circumstances 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 applied the amendments retrospectively. However, their application has no effect on the Company's financial position and performance as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

(ii) 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. The Standard is not expected to have an impact on the Company's financials.

(iii) Annual Improvements 2014-2016 Cycle

These improvements were issued on 8 December 2016 and ammedments to IFRS 12 are effective for annual periods beginning on or after 1 January 2017. The improvements ammended the following standards:

Amendments to IFRS 12 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. During the year, the Company had no interest classified as such, and therefore, these amendments did not affect the Company's financial statements.

(d) Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission (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 3(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 invested 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 conflict 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.

(e) Reporting period

The Statement of Financial Position has been prepared as of 31 December 2017, while the other primary financial statements have been prepared for the year ended 31 December 2017, with comparative figures for the preceding period.

3 Significant accounting policies

(a) Foreign currency translations

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. 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).

(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.

(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 investment securities, 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 or amortised cost.

(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 amortized cost, using the effective interest rate method less any impairment (if any). Amortized 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 30 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 4c on critical accounting judgments and estimates that relates to fair value methods and assumptions as well as 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.

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.

(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 impaiment 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 estimated 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 the 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.

(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.

Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 EIR. The EIR amortisation is included in finance cost in the statement of profit or loss.

(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 and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit and 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 and loss account.

(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, adjusted if necessary, for any difference in the nature, location or condition of the specific asset, 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.

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. Valuations are conducted annually by an independent valuation specialist.

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.

(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).

(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 and 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. Depreciation is not charged on property and equipment until they are available for 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:

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.

(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.

(k) Insurance contract

(i) Types of insurance contracts

The Company classify insurance contract 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.

(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 more 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 incremetal 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 appriopriate 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 follows 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 reserve are for short-term contracts, the effect of discounting is not expected to have a significant impact on the reserve.

Sensitivity analysis

Sensitivity analyses are 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 2017. The 75th percentile is a generally accepted level of prudency. Refer to Note 16 for more details.

(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 business and group 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.

(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 had 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 recoverable 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 recoverable 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.

(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.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Bank overdrafts are the Company's primary source of borrowed funds."

(p) 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.

(q) 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 includes settlements due to suppliers and contractors who provide goods and services to the Company.

(r) 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.

(s) 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.

(s1) Current income tax

Income tax comprises current and deferred tax. 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.

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.

(s2) 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.

(t1) 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 to 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 equity.

(t2) 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 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 reached the amount of minimum paid up capital.

(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.

(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.

(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.

(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 comprise 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 .

(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 comprise employee benefits, depreciation and other operating expenses.

(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 the 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 adequacy of the liabilities are reviewed annually by an independent actuary.

4 Critical accounting estimates and judgments

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

(a) IBNR claims liability made under insurance contracts

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

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

The main assumption underlying these technique is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved. The carrying value at the reporting date of insurance contract liabilities (note 16) is ₦7,441,452,000 (Dec 2016: ₦4,639,622,000).

(b) Impairment of available-for-sale equity financial assets

The Company determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

The Company's available-for-sale equity financial assets were assessed for impairment during the year, but no objective evidence of impairment was identified. See note 6(b)(iii).

(c) Fair value of financial instruments

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 3(c)(i) of the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable market inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

Where an appropriate and reliable valuation technique cannot be achieved, the instrument is carried at cost.

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

Financial instruments measured at fair value

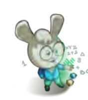
Below is the analysis of financial instruments measured at fair value at the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

31 December 2017

In thousands of Nigerian Naira	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	*6(b)*	-	81,171	-	81,171
		-	81,171	-	81,171

31 December 2016

Available-for-sale financial assets	*6(b)*	-	50,515	-	50,515
Fair value through profit or loss	*6(c)*	267,687	-	-	267,687
		267,687	50,515	-	318,202



Financial instruments not measured at fair value

The table below sets out the fair value of financial instruments not measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised.

31 December 2017

In thousands of Nigerian Naira	Note	Fair Value	Level 1	Level 2	Level 3	Carrying Amount
Assets						
Debt securities-held to maturity	*6(ii)*	196,016	-	196,016	-	202,505
Loans and receivables	*6(ii)*	50,932	-	-	50,932	50,932
		246,948	-	196,016	50,932	253,437
Liabilities						
Investment contract liabilities	*17*	1,055,087	-	-	1,055,087	1,055,087
		1,055,087	-	-	1,055,087	1,055,087

31 December 2016

In thousands of Nigerian Naira	Note	Fair Value	Level 1	Level 2	Level 3	Carrying Amount
Assets						
Debt securities-held to maturity	*6(ii)*	200,821	-	200,821	-	200,821
Loans and receivables	*6(ii)*	109,475	-	-	109,475	109,475
		310,296	-	200,821	109,475	310,296
Liabilities						
Investment contract liabilities	*17*	1,215,719	-	-	1,215,719	1,215,719
		1,215,719	-	-	1,215,719	1,215,719

The fair value for these financial instruments is calculated by applying other valuation techniques for which all significant inputs are based on observable market data. There have been no significant transfers between Levels 1 and 2 in 2017 and 2016.

Determination of fair value for instruments not measured at fair value

Management has assessed that the fair values of cash and cash equivalents, reinsurance assets, other receivables, statutory deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of loans and receivables was determined using the discounting cashflow method with prime lending rate of 17% (2016: 16%) as the discount factor.

(d) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value. However, where the fair value cannot be reliably estimated, it is carried at cost less impairment loss.

The Company's investment in UBN Property Limited could not be fair valued as there were no observable market data for which the entity could be fair valued, thus the carrying amount was based on cost. The investment is tested for impairment by comparing the cost of investment with the share of net assets in the investee company. Other factors such as whether the company is making profits from its operations and returns on the investment in form of dividend received are also considered (See note 6(c)).

(e) Impairment of trade receivables (premium debtors)

The Company assesses at the end of every reporting year whether there is any objective evidence that its premium receivable is impaired (See note 7).

The Company also determines whether impairment losses are incurred if and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the receivable (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivable that can be reliably estimated, or a trigger event is identified

The following impairment triggers have been set by the Company:

(a) significant financial difficulty of the premium debtor;

(b) significant financial difficulty of the broker;

(c) a breach of agreements, such as payment defaults or delinquency in premium payments;

(d) it becoming probable that the premium debtor will enter bankruptcy or other financial reorganisation.

If any of the impairment triggers are identified, the Company specifically assesses the premium debt for impairment.

In line with the NAICOM guideline, trade receiveables outstanding after 30 days are considered impaired and allowance made for them (See note 7).

(f) Outstanding claims arising from insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The reserve made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deem the reserve as adequate.

(g) Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. (See Note 13)

(h) Determination of impairment of property and equipment, and intangible assets

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

(i) Income taxes

The Company is subject to income taxes in the local jurisdiction. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made(See note 20).

(j) Recognition of deferred tax assets

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

Deferred tax is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that in management's judgements it is probable that future taxable profits will be available against which they can be used.

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

(k) Valuation of investment properties

Investment properties are measured at fair value. Fair value is 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. Comparable prices are adjusted for specific market factors such as nature, location and condition of the property (See note 11).

(l) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases that do not transfer substantially all of the risks and rewards of ownership of an asset to the Company are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit or loss on a straight line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all of the risks and rewards of ownership of an asset are classified as operating leases.

Rental income is recognised as revenue in the statement of profit or loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(m) Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the forseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Therefore the financial statements continue to be prepared on a going concern basis.

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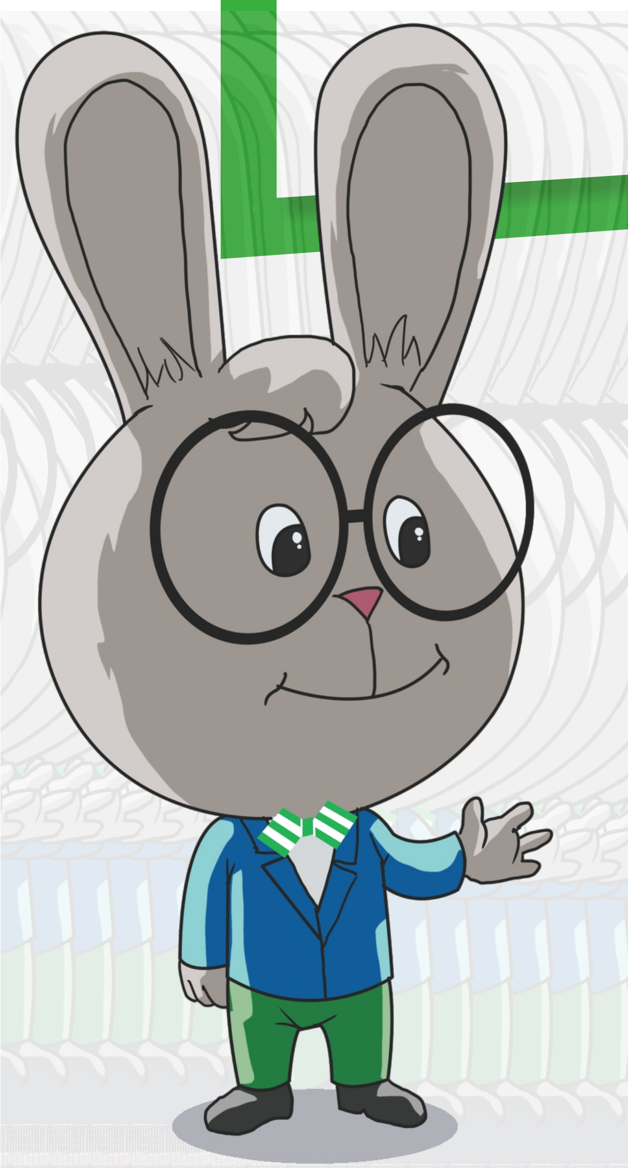


NAICOM/ADV/CA/2018/1966

Statement of **Financial Position**

as at 31 December 2017

	Notes	31 December 2017 ₦'000	31 December 2016 ₦'000
Assets			
Cash and short-term placements	5	8,627,523	7,684,038
Investment securities	6	829,608	1,123,498
Trade receivables	7	47,710	111,736
Reinsurance assets	8	3,795,649	1,099,485
Deferred acquisition costs	9	176,077	121,179
Prepayments and other receivables	10	116,815	303,541
Investment properties	11	2,594,100	2,425,000
Intangible assets	12	-	5,311
Property and equipment	13	201,102	193,671
Statutory deposits	14	500,000	500,000
Total assets		**16,888,584**	**13,567,459**
Liabilities			
Borrowings	15	254,208	-
Insurance contract liabilities	16	7,441,452	4,639,622
Investment contract liabilities	17	1,055,087	1,215,719
Trade payables	18	542,370	959,341
Accruals and other payables	19	2,020,928	412,496
Current income tax payable	20	163,082	69,194
Deferred tax liabilities	21	-	43,503
Total liabilities		**11,477,127**	**7,339,875**
Net assets		**5,411,457**	**6,227,584**
Equity			
Share capital	22	3,757,549	3,757,549
Share premium	23	864,902	864,902
Irredeemable convertible notes	22c	4,061,608	4,061,608
Statutory contingency reserve	24	1,282,717	1,114,958
Fair value reserve	25	31,049	13,093
Asset revaluation reserve	26	280,551	280,551
Accumulated losses	27	(4,866,919)	(3,865,077)
Total equity		**5,411,457**	**6,227,584**

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these Financial Statements. The Financial Statements were approved by the Board of Directors on 18 July 2018 and signed on its behalf by:

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

Mr. Sunkanmi Adekeye
FRC/2016/CIIN/00000013813
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 2017

	Notes	31 December 2017 ₦'000	31 December 2016 ₦'000
Gross premium written	28	7,667,258	4,194,782
Gross premium income	29	6,702,232	4,017,370
Reinsurance premium expense	30	(4,589,814)	(1,985,518)
Net premium income		**2,112,418**	**2,031,852**
Fees and commission income	31	594,090	303,014
Net underwriting income		**2,706,508**	**2,334,865**
Changes in individual life reserve		41,823	308,176
Net claims expenses	32	(877,149)	(1,051,468)
Benefit payments	33	(409,437)	(354,925)
Underwriting expenses	34	(832,915)	(635,651)
Underwriting profit		**628,830**	**600,998**
Management and administrative expenses	40	(3,244,236)	(1,827,415)
Impairment reversal	41	101,812	12,811
Operating loss		**(2,513,594)**	**(1,213,606)**
Investment income (policyholders' funds)	35	192,213	190,412
Investment income (shareholders' funds)	35	1,609	2,455
Loss on investment contract liabilities	36	(71,382)	(23,902)
Net realised loss on investment securities	37	(4,222)	-
Net fair value gain/(loss)	38	71,049	(112,222)
Other operating income	39	1,550,866	2,249,133
(Loss)/profit before income tax expense		**(773,461)**	**1,092,271**
Income tax expense	42	(60,622)	(39,528)
(Loss)/profit after income tax expense		**(834,083)**	**1,052,743**
Other comprehensive income/(loss):			
Other comprehensive income to be reclassified to profit or loss in subsequent years (net of tax);			
Net gain/ (loss) on available-for-sale financial assets	25	17,956	(20,282)
Other comprehensive income/(loss) for the year		**17,956**	**(20,282)**
Total comprehensive (loss)/income for the year		**(816,127)**	1,032,461
(Loss)/earnings per share (kobo) - Basic	27(b)	(11.10)	14.01
(Loss)/earnings per share (kobo) - Diluted	27(b)	(5.33)	6.73

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

Statement of **Changes in Equity**

for the year ended 31 December 2017

Balance at 1 January 2017	Share Capital ₦'000	Share premium ₦'000	Irredeemable Convertible Notes	Statutory contingency reserve ₦'000	Fair value reserve ₦'000	Asset revaluation reserve ₦'000	Accumulated losses ₦'000	Total ₦'000
Balance at 1 January 2017	**3,757,549**	**864,902**	**4,061,608**	**1,114,958**	**13,093**	**280,551**	**(3,865,077)**	**6,227,584**
Total comprehensive income for the year:								
Loss for the year	-	-	-	-	-	-	(834,083)	(834,083)
Transfer to statutory contingency reserve				167,759			(167,759)	-
	-	-	-	167,759	-	-	(1,001,842)	(834,083)
Other comprehensive income:								
Fair value gain on available-for-sale financial assets (net of tax)	-	-	-	-	17,956	-	-	17,956
Total comprehensive loss for the year	-	-	-	167,759	17,956	-	(1,001,842)	(816,127)
Balance as at 31 December 2017	**3,757,549**	**864,902**	**4,061,608**	**1,282,717**	**31,049**	**280,551**	**(4,866,919)**	**5,411,457**
	-	-	-	-	-	-		

For the year ended 31 December 2016	Share Capital ₦000	Share premium ₦'000	Irredeemable Convertible Notes	Statutory contingency reserve ₦'000	Fair value reserve ₦'000	Asset revaluation reserve ₦'000	Accumulated losses ₦'000	Total ₦'000
Balance as 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
Transfer to statutory contingency reserve	-	-	-	189,829	-	-	(189,829)	-
	-	-	-	189,829	-	-	862,914	1,052,743
Other comprehensive income:								
Fair value loss on available-for-sale financial assets (net of tax)	-	-	-	-	(20,282)		-	(20,282)
Total comprehensive income for the year:	**-**	**-**	**-**	**189,829**	**(20,282)**	**-**	**862,914**	**1,032,461**
Balance as 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**

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

Statement of **Cash Flows**

for the year ended 31 December 2017

	Notes	2017 ₦'000	2016 ₦'000
Cash flows from operating activities:			
Premium received	7(e)	7,731,284	4,185,271
Commission received	31	656,047	299,767
Commission paid	18(a)	(708,047)	(487,643)
Maintenance cost	34(a)	(164,196)	(188,756)
Reinsurance premium paid	18(b)	(6,057,512)	(1,439,828)
Recoveries from reinsurance on claims paid	8(e)	1,942,913	516,169
Claims paid	32	(2,471,270)	(1,285,108)
Benefit paid	33	(409,437)	(354,925)
Payment to employees		(820,242)	(684,595)
Other operating cash payments		(65,870)	(919,308)
Other income received		74,468	98,841
Withdrawals from investment contract liabilities	17	(406,834)	(414,991)
Deposits received	17	163,349	308,838
Rent paid		(4,600)	(151,054)
Loans to policyholders		8,165	(9,157)
NITDA paid		(10,922)	(3,946)
Rent received		3,400	44,793
Income tax paid	20	(29,077)	(71,006)
Net cash flows used in operating activities		**(568,381)**	**(556,638)**
Cash flows from investing activities:			
Proceeds from sale of property and equipment		161	3,124
Principal maturity on debt securities		-	10,003
Interest received		21,500	54,417
Purchase of property and equipment	13(a)	(136,008)	(27,651)
Proceeds on the disposal of financial assets at fair value through profit or loss	6c(iv)	304,826	-
Proceeds from the sale of investment property	11	-	240,000
Dividends received	35(a)	2,995	83,093
Net cash flows from investing activities		**193,474**	**362,986**
Cash flows from financing activities:			
Proceeds from borrowings	15	254,208	-
Net cash flows from finacing activities		**254,208**	-
Net decrease in cash and cash equivalents		**(120,699)**	**(193,652)**
Cash and cash equivalents, beginning of the year		286,241	923,090
Net foreign exchange differences in cash and cash equivalents		(141,526)	(443,197)
Cash and cash equivalents, end of the year	5(d)	**24,016**	286,241

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

5 Cash and short-term placements

(a) Cash and short-term placements represent bank accounts balances (including funds in escrow account) and short-term placements with maturity of less than 3 months and comprises;

	31 December 2017 ₦'000	31 December 2016 ₦'000
Cash at banks	4,077	30,437
Domicillary accounts	18,797	250,875
Short-term placements	1,142	4,929
Funds in escrow account (see note 5(b) below)	8,603,507	7,397,797
Cash and short-term placements on the statement of financial position	**8,627,523**	**7,684,038**

Short-term placements are made for periods varying from one day to three months from origination date, depending on the immediate cash requirements of the Company. The average interest rate is 11% per annum (2016: 7.5%). The carrying amounts disclosed above reasonably approximate the fair value at the reporting date.

(b) Funds in escrow account

"The sum of $23,913,214 with Naira equivalent of ₦8,603,507,325 (31 December 2016: ₦7,397,796,745) is being 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 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of the year	7,397,797	4,732,388
Withdrawals of accrued interest during the year	(267,024)	-
Interest earned	137,877	75,044
Unrealised foreign exchange gain during the year	1,334,857	2,590,365
Balance, end of the year	**8,603,507**	**7,397,797**

(c) Included in other operating income in Note 39 is the unrealised foreign exchange gain on escrow recognised during the year.

(d) Reconciliation of cash and short term placements to the statement of cash flows

	31 December 2017 ₦'000	31 December 2016 ₦'000
Cash and short term placements	8,627,523	7,684,038
Funds in escrow account	(8,603,507)	(7,397,797)
Cash as per statement of cash flows	**24,016**	**286,241**

6 Investment securities

(i) The investment securities are summarised below by measurement category in the table below:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Held-to-maturity (see note 6(a) below)	202,505	200,821
Available-for-sale (see note 6(b) below)	576,171	545,515
Fair value through profit or loss (see note 6(c) below)	-	267,687
Loans and receivables (see note 6(d) below)	50,932	109,475
	829,608	**1,123,498**

(ii) Analysis of pledged and non-pledged assets

31 December 2017

	Pledged assets ₦'000	Non-pledged assets ₦'000	Total ₦'000	Fair value ₦'000
Held to maturity	202,505	-	202,505	196,016
Available for sale	-	576,171	576,171	576,171
Loans and receivables	-	50,932	50,932	44,371
	202,505	**627,103**	**829,608**	**816,558**

During the course of the year the Company pledged its' investment in FGN Bonds as collateral for the overdraft facility (see note 15).

31 December 2016

	Pledged assets ₦'000	390,671 ₦'000	Total ₦'000	Fair value ₦'000
Held to maturity	-	200,821	200,821	180,160
Available 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**

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

31 December 2017	At amortised cost		At fair value		
	Held to maturity	Loans and receivables	Available for Sale	Fair value through profit or loss	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Government bonds (see note 6(a) below)	202,505	-	-	-	202,505
Unquoted equity and mutual funds (see note 6(b) below)	-	-	576,171	-	576,171
Loans to policy holders and other receivables (see note 6(d) below)	-	50,932	-	-	50,932
	202,505	**50,932**	**576,171**	**-**	**829,608**

31 December 2016	At amortised cost		At fair value		
	Held to maturity	Loans and receivables	available for Sale	Fair value through profit or loss	Total
	₦'000	₦'000	₦'000	₦'000	₦'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**

	31 December 2017	31 December 2016
(iii) Movement in financial assets is shown below:		
Balance, beginning of the year	1,123,497	1,305,171
Settlement of loans and receivables	(58,542)	(90,723)
Proceeds received on disposal of equity	(304,826)	-
Net realised loss on financial assets	(4,222)	-
Accrued interest	23,184	3
Interest received	(21,500)	(8,450)
Impairment reversal during the year	12,700	-
Fair value gain/(loss) through profit or loss	41,361	(62,222)
Fair value gain/(loss) through other comprehensive income	17,956	(20,282)
Balance, end of the year	**829,608**	**1,123,497**

(a)	***Held-to-maturity financial assets at amortised cost***	**31 December 2017 ₦'000**	**31 December 2016 ₦'000**
(i)	Debt securities – Government bonds with fixed interest rate:		
	– Federal Government Bonds (see (ii) below)	202,505	200,821
	Total held-to-maturity financial assets	**202,505**	**200,821**

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

		31 December 2017 ₦'000	**31 December 2016 ₦'000**
(ii)	held-to-maturity instruments comprise the following:		
	Quoted Debt securities - Federal Government Bonds		
	10.75% FGN May 2018	202,505	200,821
		202,505	**200,821**
	Current	202,505	-
	Non Current	-	200,821
		202,505	**200,821**

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

	31 December 2017 ₦'000	**31 December 2016 ₦'000**
Balance, beginning of year	200,821	209,271
Accrued interest	23,184	-
Interest received	(21,500)	(8,450)
	202,505	**200,821**

(b) *Available-for-sale financial assets*

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

	31 December 2017 ₦'000	**31 December 2016 ₦'000**
Equity securities		
– Unlisted	576,171	545,515
Total available-for-sale financial assets	**576,171**	**545,515**

		31 December 2017 ₦'000	31 December 2016 ₦'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	64,653	50,515
	Investment in CEAT Fixed Income Fund (formerly BGL Sapphire Fund)*	16,518	-
		576,171	**545,515**

* Investment in BGL Sapphire Fund which was fully impaired by the Company in 2015 has been reinstated, as the Fund has been transferred to a new fund manager and is now known as CEAT Fixed Income Fund managed by Capital Express Asset & Trust, with a current market value appreciation. The Company's investment which initially stood at ₦12.7million is now valued at ₦16.5million.

The inputs used in the fair value measurement of MTN linked fund and CEAT Fixed income funds are the over-the-counter market price as at 31 December 2017. Investment in UBN Property Limited is measured at cost as the instrument is not quoted and does not have an over-the-counter market price, thus its fair value cannot be reliably estimated. The Company does not intend to dispose these assets in the foreseeable future.

	31 December 2017 ₦'000	31 December 2016 ₦'000
Current	-	-
Non Current	576,171	545,515
	576,171	**545,515**

		31 December 2017 ₦'000	31 December 2016 ₦'000
(iii)	Movement in available for sale		
	Balance beginning of the year	545,515	565,797
	Impairment reversal during the year	12,700	-
	Fair value gain/(loss) through other comprehensive income	17,956	(20,282)
		576,171	**545,515**

The impairment of the investment in BGL Sapphire Funds of ₦12.7million made in a prior period has been reversed. See Note 6(b)(ii) for more details.

		31 December 2017 ₦'000	31 December 2016 ₦'000
(c)	Financial assets at fair value through profit or loss		
	Equity securities		
	– Listed	-	267,687
	Total financial assets at fair value through profit or loss	**-**	**267,687**

The fair value of these quoted equity shares are determined by reference to published price quotations in an active market.

The Company's entire portfolio of financial assets at fair value through profit or loss were disposed of during the year.

(i) The sectoral distribution of equity investments was as follows;

	31 December 2017 ₦'000	31 December 2016 ₦'000
Banking	-	71,952
Petroleum	-	53,545
Construction	-	42,438
Breweries	-	40,179
Building materials	-	19,997
Household products	-	16,044
Food & beverages	-	14,578
Real estate	-	4,503
Healthcare	-	2,560
Mortgage companies	-	1,181
Financial services	-	527
Insurance	-	182
	-	**267,687**
Current	-	267,687
Non-current	-	-
	-	**267,687**

(ii) Below is an analysis of equity investments

	31 December 2017 ₦'000	31 December 2016 ₦'000
Cost	**-**	819,557
Allowance diminution	**-**	(551,870)
Fair value	**-**	**267,687**

	31 December 2017 ₦'000	31 December 2016 ₦'000
(iv) The movement in financial assets measured at fair value through profit or loss		
Balance beginning of the year	267,687	329,909
Proceeds received on disposal of equity	(304,826)	-
Fair value gain/(loss) through profit or loss (see note 38)	41,361	(62,222)
Net realised loss on disposal of financial assets (note 37)	(4,222)	-
Balance, end of the year	**-**	**267,687**

(d) Loans and receivables	31 December 2017 ₦'000	31 December 2016 ₦'000
Due from Union Homes Savings and Loans PLC (see note below)	-	50,000
Ex- staff loan	10,379	10,757
Loans to policy holders	55,554	63,719
	65,933	124,476
less: Allowance for impairment	(15,001)	(15,001)
	50,932	**109,475**
Current	50,932	109,475
Non Current	-	-
	50,932	**109,475**

In 2017, an agreement was reached between Aso Savings and Loans Limited and Ensure to repay the amounts owed with property. Therefore, the ownership of 13 shops (located at Tejuosho Ultramodern Shopping Complex, Yaba, Lagos State) was transferred to the Company in full and final settlement, with all requisite agreements and documents signed and executed. Therefore, the receivable sum of ₦50million, which represents the unimpaired portion, was reclassified to investment property while the impaired portion of ₦89million was also reinstated and reclassified, amounting to a total value of ₦139million. See Note 11(a)(i) for valuation details.

7 Trade receivables

		31 December 2017 ₦'000	31 December 2016 ₦'000
(a)	Analysis of trade receivables:		
	Trade receivables		
	– Trade receivables (see note (b) below)	1,501,299	1,565,325
	– Less allowance for impairment (see note (c) below)	(1,453,589)	(1,453,589)
		47,710	**111,736**
	Current	47,710	111,736
	Non Current	-	-
		47,710	**111,736**

		31 December 2017 ₦'000	31 December 2016 ₦'000
(b)	Counterparty categorisation of trade receivables:		
	Insurance companies	203,750	225,253
	Brokers and agents	1,297,549	1,340,072
		1,501,299	**1,565,325**

(c) The movement in allowance for impairment of trade receivables during the year was as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance beginning of year	1,453,589	1,555,814
Reversal during the year	-	(102,225)
Balance, end of year	**1,453,589**	**1,453,589**

	31 December 2017 ₦'000	31 December 2016 ₦'000
(d) Below is the ageing analysis of trade receivables		
0-30 days	47,710	111,736
	47,710	**111,736**

(e) The movement in trade receivables during the year was as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance beginning of year	111,736	-
Gross premium written during the year (see note 28)	7,667,258	4,194,782
Impairment reversal during the year (see note 7 (c))	-	102,225
Premium received	(7,731,284)	(4,185,271)
Balance, end of year	**47,710**	**111,736**

8 Reinsurance assets

	31 December 2017 ₦'000	31 December 2016 ₦'000
(a) Analysis of reinsurance assets:		
Reinsurers' share of IBNR	1,844,146	373,751
Reinsurers' share of outstanding claims reserve	794,064	321,546
Total claims recoverables (see note c below)	2,638,210	695,297
Recoverables from reinsurers' on claims paid	46,718	36,544
Reinsurers' share of unearned premium reserve (see note d below)	1,110,721	367,644
	3,795,649	**1,099,485**
Current	3,795,649	1,099,485
Non Current	-	-
	3,795,649	**1,099,485**

Analysis of reinsurance assets per business segment:	Non-life 31 December 2017 ₦'000	Life 31 December 2017 ₦'000	Total 31 December 2017 ₦'000
Reinsurers' share of IBNR	886,344	957,802	1,844,146
Reinsurers' share of outstanding claims recoverable	212,881	581,183	794,064
Total claims recoverable (see note (c) below)	1,099,225	1,538,985	2,638,210
Recoverables from reinsurers' on claims paid	4,145	42,573	46,718
Reinsurers' share of unearned premium reserve (see note (d) below)	208,251	902,470	1,110,721
	1,311,621	**2,484,028**	**3,795,649**

Analysis of reinsurance assets per business segment:	Non-life 31 December 2016 ₦'000	Life 31 December 2016 ₦'000	Total 31 December 2016 ₦'000
Reinsurers' share of IBNR	289,866	83,885	373,751
Reinsurers' share of outstanding claims recoverable	245,971	75,575	321,546
Total claims recoverable (see note (c) below)	535,837	159,460	695,297
Recoverables from reinsurers' on claims paid	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

(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 claims recoverable

The movement in reinsurance recoverable is as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance beginning of year	695,297	267,171
Movement during the year (see note 32)	1,942,913	428,126
Balance, end of year	**2,638,210**	**695,297**

(d) Movement in reinsurers' share of unearned premium reserve

The movement in reinsurers' share of unearned premium reserve is as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance beginning of year	367,644	269,341
Movement during the year	743,077	98,303
Balance, end of year	**1,110,721**	**367,644**

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance beginning of year	36,544	166,208
Recoverables on claims paid	1,538,264	386,505
Recovery on claims paid from reinsurance	(1,528,090)	(516,169)
Balance, end of year	**46,718**	**36,544**

9 Deferred acquisition costs

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Non-life business		
Oil	23,677	32,814
Fire	32,724	27,214
General accident	12,952	11,150
Motor	21,537	17,456
Aviation	5,412	1,959
Engineering	16,826	17,117
Marine Cargo	1,717	1,024
Marine Hull	1,987	1,941
	117,240	**110,675**
Life business		
Group life	58,837	10,504
	176,077	**121,179**
Current	176,077	121,179
Non Current	-	-
	176,077	**121,179**

b) Movement in deferred acquisition costs

	Non-life ₦'000	Life ₦'000	Total ₦'000
At 1 January 2016	68,318	17,445	85,763
Commission expense (see note 34(a)(ii))	414,075	68,236	482,311
Amortisation to profit or loss (see note 34(a)	(371,718)	(75,177)	(446,895)
At 31 December 2016	110,675	10,504	121,179
Commission expense (see note 34(a)(ii))	460,154	263,463	723,617
Amortisation to profit or loss (see note 34(a)	(453,589)	(215,130)	(668,719)
At 31 December 2017	**117,240**	**58,837**	**176,077**

10 Prepayments and other receivables

		31 December 2017 ₦'000	31 December 2016 ₦'000
(a)	Prepayments	72,609	200,962
	Other receivables (see note (c) below)	537,660	685,147
		610,269	**886,109**
	Less: allowance for impairment - other receivables	(493,454)	(582,566)
		116,815	**303,541**
	Current	78,545	200,962
	Non Current	38,270	102,579
		116,815	**303,541**

Prepayments include rent expense of ₦153 million (2016: ₦114.5million) in respect of commercial leases for office premises. These leases have an average life of 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 2017 ₦'000	31 December 2016 ₦'000
	Balance, beginning of the year	582,566	493,154
	(Reversals)/Charge during the year*	(89,112)	89,412
	Closing balance at the end of the year	**493,454**	**582,566**

*Reversal of impairment was due to the full recovery of receivables from Union Homes Savings and Loans Limited (now owned by Aso Savings and Loans Limited) which had been previously impaired. See Note 11(a)(i) for details.

(c)	**Below is an analysis of other receivables**	31 December 2017 Balance ₦'000	31 December 2016 Balance ₦'000	31 December 2017 Impairment ₦'000	31 December 2016 Impairment ₦'000
	Balance with CDL Asset Management	435,274	435,274	435,274	435,274
	Legacy claims receivables	52,930	52,930	52,930	52,930
	Witholding tax recoverable	11,611	11,611	-	-
	Balance with Triumph Bank	4,950	4,950	4,950	4,950
	Service charge recoverable	1,457	5,533	300	-
	Balance from Union Homes	-	89,412	-	89,412
	Dividend receivable from UBN Properties	-	74,250	-	-
	Others	31,438	11,187	-	-
		537,660	**685,147**	**493,454**	**582,566**

11 Investment properties

Movement in investment properties are shown below:	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of the year	2,425,000	2,740,000
Transfer of property from Aso Savings & Loans Ltd (note a)(below)	139,412	-
Disposal of Investment property-Alakoro	-	(265,000)
Fair value gain/(loss) on investment properties (note 38)	29,688	(50,000)
	2,594,100	**2,425,000**
Current	-	-
Non Current	2,594,100	2,425,000
	2,594,100	**2,425,000**

a

The analysis of investment properties is as follows:	31 December 2017 ₦'000	31 December 2016 ₦'000
Plot 294A Cadastral Zone, B04 Jabi Abuja	200,000	190,000
Plot 38 Cadastral Zone, 07-05 Kubwa Abuja	100,000	130,000
Block B, Plot 25, Dideolu Estate, VI, Lagos	430,000	430,000
95 Broad Street Marina, Lagos	1,600,000	1,550,000
98 New Lagos Road, Benin City	125,000	125,000
Tejuosho shops (note a)(i) below)	139,100	-
	2,594,100	**2,425,000**

Refer to Note 35(a) for rental income generated on the investment properties during the year. Direct operating expenses generating rental income (included within operating and administrative expenses) arising in respect of such properties during the year was ₦18.77million (2016: ₦14.7million).

(i) Tejuosho shops - debt settlement by Union Homes Savings and Loans Limited

"In 2016, the tripartite cash placement restructured agreement beween Ensure Insurance and Union Homes Savings and Loans Limited (recently acquired by Aso Savings and Loans Limited) matured. Therefore, based on the assessment of the Directors of the Company, the portion of placement deemed doubtful of recovery was reclassified to other receivables and prepayment and therefore full impairment was recognised on the doubtful balance of ₦89.4million. In 2017, an agreement was reached between Aso Savings and Loans Limited and Ensure to repay the amounts owed with property. Therefore, the ownership of 13 shops (located at Tejuosho Ultramodern Shopping Complex, Yaba, Lagos State) was transferred to the Company in full and final settlement, with all requisite agreements and documents signed and executed. The property has been valued by Benson Omoruyi & Co., our real estate valuers, to be worth ₦139.1million as at 31 December 2017. See note 11(c) for valuation details.

Analysis of the movement in Tejuosho Shops	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of the year	-	-
Reclassification from other receivables	50,000	-
Write-back and reclassification of impairment	89,412	-
Fair value loss on investment property	(312)	-
	139,100	**-**

31 December 2017 Property details	Balance as at 1 January 2017 ₦'000	Addition ₦'000	Fair value gain/(loss) ₦'000	Balance as at 31 December 2017 ₦'000
Plot 294A Cadastral Zone, B04 Jabi Abuja	190,000	-	10,000	200,000
Plot 38 Cadastral Zone, 07-05 Kubwa Abuja	130,000	-	(30,000)	100,000
Block B, Plot 25, Dideolu Estate, Victoria Island	430,000	-	-	430,000
95 Broad Street Marina, Lagos	1,550,000	-	50,000	1,600,000
98 New Lagos Road, Benin City	125,000	-	-	125,000
Tejuosho shops	-	139,412	(312)	139,100
	2,425,000	**139,412**	**29,688**	**2,594,100**

31 December 2016 Property details	Balance as at 1 January 2016 ₦'000	Disposal ₦'000	Fair value loss ₦'000	Balance as at 31 December 2016 ₦'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, VI, Lagos	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**

c Details of the Valuer

The investment properties were independently valued 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 • Valued at ₦80,000 per square metre • 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. • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in total value by ₦20million

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 • Valued at ₦20,721 per square metre • 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. • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in total value by ₦10million
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 • Valued at ₦153,025 per square metre • Rate of development in the area: The neighbourhood is predominantly 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. • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in total value by ₦43million
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 • Valued at ₦138,204 per square metre • 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. • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in the total value by ₦12.5million

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 • Valued at ₦582,707 per square metre • 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 • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in total value by ₦155million
Tejuosho Shops: Tejuosho Ultramodern Shopping Complex, Yaba, Lagos State	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 171 square metres • Valued at ₦813,450 per square metre • Located on the busy commercial axis of Yaba, with easy access from all areas of the state. • Good road network which is tarred and motorable • Close to notable places such as the University of Lagos, Yaba College of Technology and the Yaba Neuropsychiatric Hospital as well as residential estates in the area • Quality of the building: The property is constructed with concrete block walls reinforced with concrete columns and finished in paint. All the shops have steel roller shutters, ceramic floor tiles and provision of electrical sockets and prepaid metres. • The Company has 13 shops located on the 4th floor of the Complex with varying sizes, ranging from 9 to 18 square metres. • Sensitivity: A 10% increase or decrease in the value per square metre will result in an increase or decrease in the total value by ₦13.91million"

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 2017				
Investment properties	-	-	2,594,100	2,594,100
31 December 2016				
Investment properties	-	-	2,425,000	2,425,000

12 Intangible assets

	31 December 2017 ₦'000	31 December 2016 ₦'000
Software		
Cost		
Balance, beginning of year	385,725	385,725
Balance, end of year	**385,725**	**385,725**
Accumulated amortisation		
Balance, beginning of year	380,414	363,441
Amortisation charge (Note 40)	5,311	16,973
Balance, end of year	**385,725**	**380,414**
Net book value	**-**	**5,311**

13 Property and equipment

As at 31 December 2017

(a)	Office Equipment ₦'000	Motor Vehicles ₦'000	Furniture & Fittings ₦'000	Computer Equipment ₦'000	Total ₦'000
Cost					
Balance, beginning of year	**185,414**	**136,224**	**268,382**	**172,326**	**762,346**
Additions	350	97,258	4,906	33,494	136,008
Disposals	-	-	-	(218)	(218)
Balance, end of year	**185,764**	**233,482**	**273,288**	**205,602**	**898,136**
Accumulated depreciation					
Balance, beginning of year	**111,084**	**108,123**	**210,044**	**139,428**	**568,677**
Charge for the year	30,094	45,430	24,170	28,542	128,236
Disposals	-	-	-	(72)	(72)
Balance, end of year	**141,178**	**153,553**	**234,214**	**167,898**	**696,841**
Net book value:					
At 31 December 2017	**44,586**	**79,929**	**39,074**	**37,704**	**201,102**
At 31 December 2016	**74,331**	**28,103**	**58,341**	**32,896**	**193,671**

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 (2016: Nil)

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

13 Property and equipment

As at 31 December 2016

(b)	Office Equipment ₦'000	Motor Vehicles ₦'000	Fixture & Fittings ₦'000	Computer Equipment ₦'000	Total ₦'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	32,458	20,056	110,133
Balance, end of year	**111,084**	**108,123**	**210,044**	**139,428**	**568,677**
Net book value:					
At 31 December 2016	**74,331**	**28,103**	**58,341**	**32,896**	**193,671**
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.

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 2017 ₦'000	31 December 2016 ₦'000
Statutory deposits	500,000	500,000
	500,000	500,000
Current		
Non Current	500,000	500,000
	500,000	500,000

15 Borrowings

	31 December 2017 ₦'000	31 December 2016 ₦'000
Bank overdraft	134,345	-
Other short term facilities	119,863	-
	254,208	**-**

All borrowings are stated at amortised cost. It is assumed that the carrying value of these borrowings approximate fair value. Bank overdraft is not an integral part of the Company's cash management and thus, is not included as a component of cash and cash equivalents.

The Company obtained a revolving overdraft facility from Union Bank PLC. The overdraft facility has a maximum limit of ₦150 million with a tenor of 12 months and 15.5% interest rate per annum. The purpose of the facility is to support operational activities.

Other short term facilities are made up of:

- An outstanding obligation to Capital Field Investment was converted into a 10-day 5% loan, granted on 29 December 2017 to the Company. The loan was fully repaid on 9 January 2018, after the reporting date.
- The core investor, Greenoaks Global Holdings (GGH) advanced the sum of ₦60million to the Company on 28 December 2017 to meet working capital requirements. The advance is interest free and payable on conversion of the irredeemable convertible note in escrow.

16 Insurance contract liabilities

Insurance contract liabilities comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Unearned premium:		
Unearned premium - Non- life business (See note (a)(i) below)	793,159	706,481
Unearned premium - Group life business (See note (a)(ii) below)	1,000,566	122,218
	1,793,725	828,699
Individual life insurance contract liabilities (see note (b) below)	**1,905,715**	1,955,952
Outstanding claims:		
Outstanding claim -Life business (see note (c) below)	1,862,215	493,051
Outstanding claim -Non-life business (see note (c)(i) below)	1,879,797	1,361,920
	3,742,012	1,854,971
Total insurance contract liabilities	**7,441,452**	4,639,622
Current	5,535,737	2,683,670
Non Current	1,905,715	1,955,952
	7,441,452	**4,639,622**

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 2017 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.

Sensitivity analysis of valuation inputs

Valuation input	Individual risk ₦'000	Annuity ₦'000
Valuation interest rate:		
• 1% increase	(63,283)	(3,630)
• 1% decrease	68,806	4,051
Expenses:		
• 10% increase	12,748	186
• 10% decrease	(12,586)	(186)
Expense inflation:		
• 2% increase	11,419	451
• 2% decrease	(8,440)	(330)
Mortality:		
• 5% increase	1,362	-
• 5% decrease	(2,315)	-
Longevity:		
• 5% increase	-	392
• 5% decrease	-	(379)

(a) Unearned premium- Non life business comprises:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Oil and gas	171,186	179,634
Motor	188,013	165,668
Fire	169,371	139,903
Aviation	95,078	68,593
General accident	73,395	58,876
Engineering	75,759	77,537
Marine	20,358	16,271
	793,159	**706,481**

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	706,481	425,711
Movement in unearned premium (see note 28(a))	86,678	280,770
Balance, end of year	**793,159**	**706,481**

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	122,218	225,574
Movement in unearned premium (see note 28(b))	878,348	(103,356)
Balance, end of year	**1,000,566**	**122,218**

(b) Life insurance contract liabilities comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Individual life reserve	1,834,583	1,885,779
Annuity contract reserve	71,132	70,173
	1,905,715	**1,955,952**

(i) The movement in individual life reserve is as follows:	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	1,955,952	2,290,484
Transfer of annuity portfolio to other underwriters	(8,415)	(26,356)
Decrease in individual life reserve	(51,194)	(263,480)
Movement in annuity reserve	9,372	(44,696)
Balance, end of year	**1,905,715**	**1,955,952**

(c) Outstanding claims- Life

Outstanding claims relating to life contract comprises:

	Gross Claims Outstanding 31 December 2017 ₦'000	Provision for IBNR 31 December 2017 ₦'000	Gross claims Total 31 December 2017 ₦'000
Group life	795,340	1,021,145	1,816,485
Death claims payable - Individual Life	19,406	-	19,406
Benefits payable - Individual Life	26,324	-	26,324
	841,070	**1,021,145**	**1,862,215**

	Gross Claims Outstanding December 2016 ₦'000	Provision for IBNR December 2016 ₦'000	Gross claims Total December 2016 ₦'000
Group life	237,700	238,694	476,394
Death claims payable - Individual Life	16,657	-	16,657
Benefits payable - Individual Life	-	-	-
	254,357	**238,694**	**493,051**

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

(i) Outstanding claims- Non-life

	Gross claims Outstanding 31 December 2017 ₦'000	Provision for IBNR 31 December 2017 ₦'000	Gross claims Total 31 December 2017 ₦'000
Outstanding claims relating to general business comprise:			
Motor	47,759	57,685	105,444
Fire	290,732	123,896	414,628
General accident	225,572	7,503	233,075
Marine	8,304	18,870	27,174
Aviation	37,552	454,217	491,769
Engineering	82,519	102,352	184,871
Oil and Gas	342,548	80,288	422,836
	1,034,986	**844,811**	**1,879,797**

	Gross claims Outstanding 31 December 2016 ₦'000	Provision for IBNR 31 December 2016 ₦'000	Gross claims Total 31 December 2016 ₦'000
Motor	38,978	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	51,535	270,633	322,168
Bond	5,050	-	5,050
Engineering	68,409	41,387	109,796
Oil and Gas	101,014	112,526	213,540
	677,183	**684,737**	**1,361,920**

(ii) The ageing analysis for outstanding claims for the life business is as follows:

Outstanding claims per claimant	0 - 90 days ₦'000	91 - 180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
1-250,000	28,106	14,801	28,949	76,135	147,991
250,001 - 500,000	10,311	6,588	14,883	23,057	54,838
500,001 -1, 500,000	38,034	30,897	13,262	41,743	123,937
1,500,001 -2, 500,000	7,376	1,848	7,335	13,451	30,010
2,500,001 -5,000,000	20,876	10,631	12,450	29,630	73,587
5,000,001 and above	225,663	82,662	35,987	260,311	604,623
	330,366	**147,428**	**112,865**	**444,327**	**1,034,986**

Outstanding claims (number of claimants)	0 - 90 days ₦'000	91 - 180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
1-250,000	40	29	22	55	146
250,001 - 500,000	64	6	6	31	107
500,001 -1, 500,000	41	22	7	35	105
1,500,001 -2, 500,000	4	5	2	5	16
2,500,001 -5,000,000	6	12	-	4	22
5,000,001 and above	12	3	1	0	16
	167	**77**	**38**	**130**	**412**

The ageing analysis for outstanding claims for the non-life business is as follows:

Outstanding claims per claimant	0 - 90 days ₦'000	91 - 180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
1-250,000	18,869	3,770	2,277	8,513	33,429
250,001 - 500,000	37,989	2,116	2,207	12,241	54,553
500,001 -1, 500,000	34,162	22,462	8,281	28,328	93,234
1,500,001 -2, 500,000	6,804	10,636	4,325	10,569	32,335
2,500,001 -5,000,000	17,607	44,969	-	11,208	73,784
5,000,001 and above	468,204	64,616	20,915	-	553,735
	583,635	**148,569**	**38,006**	**70,860**	**841,070**

Outstanding claims (number of claimants)	0 - 90 days ₦'000	91 - 180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000	Total ₦'000
1-250,000	350	329	420	940	2,039
250,001 - 500,000	25	15	38	58	136
500,001 -1, 500,000	39	27	14	42	122
1,500,001 -2, 500,000	4	1	4	7	16
2,500,001 -5,000,000	6	3	4	8	21
5,000,001 and above	6	6	2	9	23
	430	**381**	**482**	**1,064**	**2,357**

The reasons for having outstanding claims exceeding 90 days in our records are as follows: awaiting claim support documents, awaiting death support documents, awaiting discharge vouchers, awaiting clarification from lead insurers, awaiting adjusters reports, e.t.c.

17 Investment contract liabilities

The movement in liability for deposit administration during the year is as follows:	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	1,215,719	1,252,195
Deposits received	163,349	308,838
Guaranteed interest (see note 36)	82,854	69,677
	1,461,921	**1,630,710**
Less: withdrawals	(406,834)	(414,991)
Balance, end of year	**1,055,087**	**1,215,719**
Current	503,887	303,930
Non Current	551,200	911,789
	1,055,087	**1,215,719**

18 Trade payables

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Trade payables	542,370	959,341
	542,370	**959,341**
The breakdown of trade payables is as follows:		
Unallocated premium	283,324	53,213
Due to reinsurers (see note 18(b))	128,121	852,742
Deferred commission income (see note 18(c))	115,343	53,386
Commission payable (see note 18(a))	15,570	-
Due to insurance companies	12	-
	542,370	**959,341**
Current	542,370	959,341
Non Current	-	-
	542,370	**959,341**

(a)

Movement in commision payable	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance as at the beginning of the year	-	5,332
Commission expense (see note 34(a)(ii))	723,617	482,311
Commission paid	(708,047)	(487,643)
Balance as at the end of the year	**15,570**	**-**

(b)

Movement in due to reinsurers	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance as at the beginning of the year	852,742	208,749
Reinsurance premium cost	5,332,891	2,083,821
Reinsurance premium paid	(6,057,512)	(1,439,828)
Balance as at the end of the year	**128,121**	**852,742**

(c)

Movement in deferred commission income	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance as at the beginning of the year	53,386	56,633
Movement during the year (see note below)	61,957	(3,247)
Balance as at the end of the year	**115,343**	**53,386**

i) Breakdown of movement during the year is as follows:

	Non-life ₦'000	Life ₦'000	Total ₦'000
At 1 January 2016	40,564	18,929	59,493
Additions	218,821	35,022	253,843
Released to profit or loss	(219,024)	(40,926)	(259,950)
At 31 December 2016	40,361	13,025	53,386
Additions	13,898	112,049	125,947
Released to profit or loss	(6,950)	(57,040)	(63,990)
At 31 December 2017	47,309	68,034	115,343

ii) During the year, deferred commission income was reclassified from Accruals and Other Payables to Trade Payables for better presentation. See breakdown below:

	Trade Payables 31 December 2016 ₦'000	Accruals and Other Payables 31 December 2016 ₦'000
Closing balance prior to reclassification	905,955	465,882
Reclassification	53,386	(53,386)
Balance after reclassification	**959,341**	**412,496**

This reclassification does not have a material effect on the information in the statement of financial position at the beginning of the preceeding period as both report to the same element on the financial statements.

19 Accruals and other payables:

Accruals and other creditors is made up of:	31 December 2017 ₦'000	31 December 2016 ₦'000
WHT payable	16,474	19,412
NITDA payables	13,976	14,060
Provision for audit fees	14,600	14,020
Other accrued expenses	211,043	189,144
Unpresented cheques	40,715	38,191
Sundry creditors	-	10,285
VAT payable	28,934	-
Other payables	182,219	96,252
Rent received in advance	13,036	31,132
Fines and penalties payable(Note 46iii)	1,499,931	-
	2,020,928	**412,496**
Current	2,020,928	412,496
Non Current	-	-
	2,020,928	**412,496**

Rent received in advance include 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. The sum of ₦3.4million was received as rent in the year and ₦15.67million was unwound into rental income.

Other accrued expenses comprise provision for consultancy, legal and professional services as well as general office administration.

Other payables include provisions made on clearing of investment property as well as other outstanding obligations.

Fines and penalties payable relates to penalties payable to the National Insurance Commission (NAICOM) for a violation of the Section 72(4) of the Insurance Act 2003. See note 46 for further details.

20 Current income tax payable

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	69,194	102,988
Charge for the year:		
- General business	22,006	23,033
- Life business	20,959	14,179
Payments during the year	(29,077)	(71,006)
Prior year under- provision	80,000	-
Balance, end of year	**163,082**	**69,194**

21 Deferred tax (assets)/liabilities

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:

	Statement of financial position	
Deferred tax (asset)/ liabilities:	**31 December 2017 ₦'000**	**31 December 2016 ₦'000**
Investment properties	2,969	(5,000)
Unrealised exchange gain	1,332,664	647,443
Trade receivables - impairment	(436,076)	(436,076)
Prepayment and other receivables	(148,037)	-
Property and equipment	(210,552)	(132,193)
Unrelieved losses	(706,347)	(30,671)
Net deferred tax (assets)/ liabilities	**(165,379)**	**43,503**
Deferred tax asset not recognised	165,379	-
	-	**43,503**

	Statement of profit or loss and other comprehensive income	
Deferred tax (income)/expense	**31 December 2017 ₦'000**	**31 December 2016 ₦'000**
Investment properties	7,969	(3,096)
Unrealised exchange gain	685,221	407,846
Trade receivables - impairment	-	(436,076)
Prepayment and other receivables	(148,037)	-
Property and equipment	(78,359)	(123,212)
Unrelieved losses	(675,676)	154,538
Total deferred tax (income)/expense	**(208,882)**	**-**
Deferred tax not recognised	165,379	-
Deferred tax (income)/expense	**(43,503)**	**-**

The Company has a deferred tax liability of ₦1,335,632,200 and a deferred tax asset of ₦1,501,011,254 . The Company has elected to recognise its deferred tax asset to the extent of its deferred liability. The excess shall not be recognised due to uncertainties regarding the timing and amount of future taxable profits.

At 31 December 2017, the deferred tax assets that the Company has chosen not to recognise amounts to ₦165,379,054 (2016: ₦151,285,247). These tax losses are not expected to expire.

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

	31 December 2017 ₦'000	**31 December 2016 ₦'000**
Balance, beginning of year	43,503	43,503
Write back to profit or loss account for the year (see note 42)	(43,503)	-
Balance, end of year	**-**	**43,503**

22 Share capital

	31 December 2017	**31 December 2016**
Share capital comprises:	**₦'000**	**₦'000**
(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 2017 ₦'000	31 December 2016 ₦'000
7,515,098,000 ordinary shares of 50k each:	3,757,549	3,757,549
Non-life business: 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 ₦0.50k upon receipt of all regulatory consents and relevant corporate approvals.

	31 December 2017 ₦'000	31 December 2016 ₦'000
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**

23 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 2017 ₦'000	31 December 2016 ₦'000
Non-life business	417,839	417,839
Life business	447,063	447,063
	864,902	864,902

24 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. 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 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	1,114,958	925,129
Transfer during the year	167,759	189,829
Balance, end of year	**1,282,717**	**1,114,958**

25 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 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	13,093	33,375
Fair value gain/(loss) on available for sale financial assets (Note 6 (b)(iii))	17,956	(20,282)
Balance, end of year	**31,049**	**13,093**

26 Asset revaluation reserve

Asset revaluation reserve is the accumulation of revaluation gains on land and building revalued by the Company.

(a)

Movement in asset revaluation reserve	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of year	280,551	280,551
Movement during the year	-	-
Balance, end of year	**280,551**	**280,551**

27 Accumulated losses

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Balance, beginning of the year	(3,865,077)	(4,727,991)
(Loss)/profit for the year	(834,083)	1,052,743
Transfer to statutory contingency reserve	(167,759)	(189,829)
Balance, end of the year	**(4,866,919)**	**(3,865,077)**

(b) (Loss)/earnings per share	31 December 2017 ₦'000	31 December 2016 ₦'000
(Loss)/profit attributable to the Company's equity holders	(834,083)	1,052,743
Weighted average number of ordinary shares in issue	7,515,098	7,515,098
Basic (loss)/earnings per share	(11.10)	14.01
Weighted average number of ordinary and dilutive shares in issue	15,638,314	15,638,314
Diluted (loss)/earnings per share	(5.33)	6.73

Basic earnings per share amounts are calculated by dividing the profit 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 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.

28 Gross premium written

Gross premium written comprises:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Non-life business	4,554,345	3,250,273
Life business	3,112,511	934,752
Annuity business	402	9,757
Gross premium written	**7,667,258**	**4,194,782**

(a) Non-life business

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

	Gross Premium Written 31 December 2017 ₦'000	Movement in Unearned premium 31 December 2017 ₦'000	Gross premium income 31 December 2017 ₦'000
Aviation	2,052,956	(26,479)	2,026,477
Oil and gas	827,475	10,636	838,111
Fire	561,589	(29,469)	532,120
Motor	477,825	(22,345)	455,480
General Accident	306,658	(15,486)	291,172
Engineering	222,274	1,776	224,050
Marine Hull	40,493	(5,382)	35,111
Workmens compensation	12,879	(1,223)	11,656
Marine Cargo	52,196	1,294	53,490
	4,554,345	**(86,678)**	**4,467,667**

	Gross premium written 31 December 2016 ₦'000	Movement in Unearned premium 31 December 2016 ₦'000	Gross premium income 31 December 2016 ₦'000
Oil and gas	815,511	(92,199)	723,312
Aviation	999,740	(67,533)	932,207
Fire	450,905	3,561	454,466
Motor	436,996	(55,995)	381,001
General Accident	292,681	(20,055)	272,626
Engineering	154,246	(55,422)	98,824
Marine Hull	37,333	7,286	44,619
Marine Cargo	48,909	(413)	48,496
Workmen	13,953	-	13,953
	3,250,273	**(280,770)**	**2,969,504**

(b) Life and Annuity business

The analysis of the gross premium income is as follows:

	Gross premium written 31 December 2017 ₦'000	Movement in unearned premium 31 December 2017 ₦'000	Gross premium income 31 December 2017 ₦'000
Individual life	295,571	-	295,571
Group life	2,816,940	(878,348)	1,938,592
Annuity contract	402	-	402
	3,112,913	**(878,348)**	**2,234,565**

	Gross premium written 31 December 2016 ₦'000	Movement in unearned premium 31 December 2016 ₦'000	Gross premium earned 31 December 2016 ₦'000
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**

29 Gross premium income

The Gross premium income is analyzed as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Gross premium written	7,667,258	4,194,782
Decrease in unearned premium - Non -life (See note 28(a))	(86,678)	(280,770)
(Decrease)/increase in unearned premium-Group Life (See note 28(b))	(878,348)	103,356
Gross premium income	**6,702,232**	**4,017,370**

30 Reinsurance premium expenses

Reinsurance cost comprises:	31 December 2017 ₦'000	31 December 2016 ₦'000
Reinsurance premium cost	5,332,891	2,083,821
Changes in prepaid reinsurance expenses	(743,077)	(98,303)
	4,589,814	**1,985,518**

31 Fees and commission income

Fees and commission income comprises:	31 December 2017 ₦'000	31 December 2016 ₦'000
Direct commission	158,286	299,767
Reinsurance commission	497,761	-
Changes in deferred commission income (Note 18(c))	(61,957)	3,247
	594,090	**303,014**

32 Net claims expenses

Claims expenses comprise:	31 December 2017 ₦'000	31 December 2016 ₦'000
Claims paid	2,471,270	1,285,108
Changes in outstanding claims: Group life business	1,340,092	4,692
Changes in outstanding claims and benefits: Individual life business	29,072	(21,884)
Changes in outstanding claims: Non-life business	517,892	598,165
Total claims	4,358,326	1,866,081
Changes in claims recoverable	(1,538,264)	(386,486)
Recoverable from re-insurance (See note 8 (c))	(1,942,913)	(428,126)
Net claims expenses	**877,149**	**1,051,468**

33 Benefit payments

	31 December 2017 ₦'000	31 December 2016 ₦'000
Payments on individual life	394,344	341,540
Payments on annuity	15,093	13,385
	409,437	**354,925**

Benefit payments comprise payments on maturity of policies, annuity payments and surrenders.

34 Underwriting expenses

(a) Underwriting expenses comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Acquisition cost (see (i) below)	668,719	446,895
Maintenance cost	164,196	188,756
	832,915	**635,651**

Other underwriting expenses comprise mainly of VAT on commission as well as management fee.

(i)

Business segment analysis of acquisition cost	31 December 2017 ₦'000	31 December 2016 ₦'000
Non life	453,589	371,718
Life	215,130	75,177
	668,719	**446,895**

(ii)

Analysis of acquisition cost	31 December 2017 ₦'000	31 December 2016 ₦'000
Commission expenses	723,617	482,311
Movement in deferred acquisition cost (see note 9 (b))	(54,898)	(35,416)
Acquisition cost	**668,719**	**446,895**

35 Investment income

(a) Investment income comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Dividend income	2,995	83,093
Interest income on cash and cash equivalents	151,552	85,239
Interest income on HTM instruments	23,184	-
Rental income	16,091	24,535
	193,822	**192,867**

(b)

Attributable to:	31 December 2017 ₦'000	31 December 2016 ₦'000
• Shareholders	1,609	2,455
• Insurance fund	172,831	171,125
• Annuity	19,382	19,287
	193,822	**192,867**

36 Loss on investment contract liabilities

	31 December 2017 ₦'000	31 December 2016 ₦'000
Interest income	11,472	45,775
Guaranteed interest (see note 17)	(82,854)	(69,677)
	(71,382)	**(23,902)**

The investment contract benefits represent 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.

37 Net realised loss on investment securities

	31 December 2017 ₦'000	31 December 2016 ₦'000
Realised loss on investment securities :		
Quoted equity securities	4,222	-
	4,222	**-**

38 Net fair value gain/(loss)

Net fair value gain/(loss) on held-for-trading financial assets:	31 December 2017 ₦'000	31 December 2016 ₦'000
Fair value gain/(loss) on quoted equities (note 6c(iii))	41,361	(62,222)
	41,361	(62,222)
Net fair value gain/(loss) on investment properties (note 11)	29,688	(50,000)
	71,049	**(112,222)**

39 Other operating income

	31 December 2017 ₦'000	31 December 2016 ₦'000
Unrealised net foreign exchange gain	1,476,383	2,147,168
Interest income from statutory deposits	74,468	51,057
Gain from disposal of property and equipment	15	3,124
Sundry income (see note (a) below)	-	47,784
	1,550,866	**2,249,133**

		31 December 2017 ₦'000	31 December 2016 ₦'000
(a)	Sundry Income:		
	Policy processing fees	-	10,298
	Other income	-	37,486
		-	**47,784**

Other income comprises excess stamp duty refunds, service fees as well as provisions no longer required.

40 Management and administrative expenses

Management expenses comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Fines and penalties (see note 46)	1,506,661	-
Staff costs (see note (i) below)	560,288	524,245
Other staff related costs	259,954	160,350
Office and branch expenses	205,883	185,844
Depreciation on property and equipment	128,236	110,133
Regulatory fees	89,543	50,299
Administration	86,013	120,649
Marketing and advertising costs	60,655	80,536
Professional fees (see note ii below)	76,502	216,186
Travel and entertainment	46,656	37,155
Finance cost / bank charges	45,395	19,328
Board of Directors expenses	42,816	38,435
Training	39,794	19,054
Vehicle running expenses	25,495	21,914
Information and technology costs	22,341	151,140
Auditors remuneration	21,000	21,000
Insurance cost	14,881	12,673
Amortization of intangible assets	5,313	16,973
Repair and maintenance	6,810	15,220
Loss on disposal of investment property	-	25,000
Commission on investment contract	-	1,280
	3,244,236	**1,827,415**

(i) Staff costs comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Wages and salaries	538,921	499,271
Contributory plan	21,367	24,974
	560,288	**524,245**

(ii) Included in professional fees is ₦12,400,000 paid to the auditors for permissible non-audit services performed during the year (2016: nil).

(iii) Included in fines and penalties is ₦1,499,931,000, incurred in respect of a contravention issued by NAICOM. The payment was made subsequent to year end. See Note 46 for further details.

41 Impairment (reversal)/charges

Impairment (reversal)/charges comprise:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Impairment reversal on trade receivables (see note 7(c))	-	(102,225)
Impairment (reversal)/charge on other receivables (see note 10(b))	(89,112)	89,414
Impairment reversal on AFS financial assets (see note 6(b)(iii))	(12,700)	-
	(101,812)	**(12,811)**

42 Income tax expense

	31 December 2017 ₦'000	31 December 2016 ₦'000
Minimum tax (see note 20) - Life	20,673	14,179
Education tax	286	-
Capital gain tax	-	2,316
	20,959	16,495
Minimum tax (see note 20) - Non-life	22,006	23,033
Education tax	-	-
Prior period unrecognised credit notes	(18,840)	-
Prior year under-provision	80,000	-
	83,166	23,033
Deferred tax (write-back)/income:		
• Non-life(see note 21)	(43,503)	22,980
• Life (see note 21)	-	(22,980)
	(43,503)	-
	60,622	**39,528**

Current income tax reconciliation	31 December 2017 ₦'000	31 December 2016 ₦'000
Profit before income tax	(773,461)	1,092,271
Income tax using the domestic corporation tax rate of 30%	(232,038)	327,680
Tax effect of:		
Non-deductible expenses	1,619,255	1,119,111
Tax exempt income	(1,430,720)	(1,446,792)
Minimum tax	42,679	37,212
Education tax	286	-
Capital gain tax rate difference	-	2,316
Prior period unrecorgnised credit notes	(18,840)	-
Prior year under-provision	80,000	-
	60,622	**39,528**

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).

43 Changes in liabilities arising from financing activities

	31 December 2017 Current interest-bearing loans and borrowings	31 December 2016 Current interest-bearing loans and borrowings
Cash flows	254,208	-
31 December 2017	**254,208**	**-**

44 Supplementary profit and loss information

(a) General information

The Company's profit before income tax for the year is stated after charging the following:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Depreciation of property and equipment (note 40)	128,236	110,133
Amortisation of intangible assets (note 40)	5,313	16,973
Gain on disposal of property and equipment (note 39)	15	3,124
Auditors' remuneration (note 40)	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 2017 Number	31 December 2016 Number
Management staff	12	9
Other staff	92	99
	104	**108**

(c) Staff and directors' costs:

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Wages and salaries	538,921	499,271
Pension costs	21,367	24,974
	560,288	**524,245**

(ii) Employees earning more than ₦300,000 per annum received salaries (excluding allowances) in the following range:

	31 December 2017 Number	31 December 2016 Number
₦500,001 - ₦600,000	14	26
₦600,001 - ₦700,000	29	25
₦700,001 - ₦750,000	19	16
₦750,001 and above	42	41
	104	**108**

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Directors' fees	36,000	30,919
Other emoluments	6,816	7,516
	42,816	**38,435**

(iv) The directors' remuneration shown above includes:

	31 December 2017 ₦'000	31 December 2016 ₦'000
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 2017 Number	31 December 2016 Number
₦500,000 - ₦1,400,000	2	2
₦1,400,001 - ₦1,500,000	2	2
₦1,500,001 - ₦1,800,000	-	-
Above ₦1,800,000	2	1
	6	**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 ₦116,707,737 (2016: ₦67,827,972) as lease expense for the year.

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Within a year	164,796	111,025
After one year but not more than two years	175,610	376,273
Above two years but not more than twenty years	137,340	-
	477,746	**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 Nil (2016: nil).

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Within a year	15,484	35,050
After one year but not more than two years	12,030	45,000
Above two years but not more than twenty years	-	45,750
	27,514	**125,800**

45 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 the Company's related parties and the transactions the Company entered into with its related parties during the year.

Name of related party

- Greenoaks Global Holdings Ltd UK
- Key management personnel

Relationship

- Parent Company
- Executive & Non-Executive Directors and close family members

Nature of transactions with related party

- 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 2017 ₦'000	31 December 2016 ₦'000
Greenoaks Global Holdings Limited, United Kingdom.	4,061,608	4,061,608
Key management personnel	-	-

(b) Premium Income

	31 December 2017 ₦'000	31 December 2016 ₦'000
Key Management personnel	761	702

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

	31 December 2017 ₦'000	31 December 2016 ₦'000
Short term benefits	41,570	42,822
Post-employment benefits: Pension	1,450	5,640

46 Contravention of laws and regulations

The Company incurred a total sum of ₦1,506,661,000 as penalties in respect of various contraventions detailed below:

i. The Company incurred and paid the sum of ₦6,725,000 (2016: Nil) as penalty for late submission of quarterly returns and annual accounts to the Securities and Exchange Commission (SEC).

ii. The sum of ₦5,000 (2016: Nil) was paid to National Insurance Commission (NAICOM) for the late submission of quarterly two(2) report.

iii. A provision of ₦1,499,931,000 was made in the books with respect to NAICOM fine for violation of Section 72(4) of the Insurance Act 2003 which relates to ceding of reinsurance to foreign insurance companies. This infraction is punishable under Section 72(3) of the Act which attracts 5 times the value of the premium involved amounting to $4,100,000 (₦1,499,931,000). Management appealed to the Commission for a withdrawal or review of the penalty on the grounds that the net premium retained was only $24,000, however, the appeal was denied. The fine has been fully paid subsequent to year end.

47 Contingent liabilities, litigation and claims

The Company in its ordinary course of business was involved in fourteen (14) cases.

Of the 14 (Fourteen) cases currently in court, the Company was sued as Defendant by various individuals and organizations in 10 (Ten) cases, while the Company is Counter-claimant in 1 (One) out of the 10 (Ten) cases instituted against it. The Company is Claimant in 1 (One) out of the 14 (Fourteen) cases, and Respondent in 2 (Two) cases in respect of which judgments were delivered in its favour. In addition, the Company's name was struck out in 1 (One) case.

The aggregate sum claimed by the Company as Claimant in the 1 (One) case instituted by it, including its Counter-Claim in 1 (One) out of the 10 (Ten) cases instituted against it is approximately ₦438,318,638 (2016: ₦436million). On the other hand, the total monetary claim against the Company in the 10 (Ten) cases instituted against it by various individuals and organizations is approximately ₦307,850,296. (2016: ₦243,780,000).

The Directors of the Company are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Company and are not aware of any other pending and/or threatened claim or litigation.

48 Events after reporting date.

Subsequent to year end, the fine detailed in note 46(iii) has been fully paid.

49 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 meet 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 2017 is as follows:

The segment information provided by Management for the reporting segments for the year ended 31 December 2017.

	Notes	Non-life ₦'000	Life ₦'000	Elimination Adjustments ₦'000	31 December 2017 ₦'000
Assets					
Cash and short term placements	5	8,269,017	358,506	-	8,627,523
Investment securities	6	557,972	271,636	-	829,608
Trade receivables	7	47,651	59	-	47,710
Reinsurance assets	8	1,311,615	2,484,034	-	3,795,649
Deferred acquisition costs	9	117,240	58,837	-	176,077
Other receivables and prepayments	10	475,701	3,941,355	(4,300,241)	116,815
Investment properties	11	-	2,594,100	-	2,594,100
Property and equipment	13	195,093	6,009	-	201,102
Deferred tax assets	21	-	186,073	(186,073)	-
Statutory deposits	14	300,000	200,000	-	500,000
Total assets		**11,274,289**	**10,100,609**	**(4,486,314)**	**16,888,584**
Liabilities					
Borrowings	15	119,863	134,345	-	254,208
Insurance contract liabilities	16	2,672,956	4,768,496	-	7,441,452
Investment contract liabilities	17	-	1,055,087	-	1,055,087
Trade payables	18	462,201	80,169	-	542,370
Accruals and other payables	19	4,487,139	1,834,030	(4,300,241)	2,020,928
Current income tax payable	20	122,425	40,657	-	163,082
Deferred tax liabilities	21	186,073	-	(186,073)	-
Total liabilities		**8,050,657**	**7,912,784**	**(4,486,314)**	**11,477,127**
Net assets		**3,223,632**	**2,187,825**	**-**	**5,411,457**
Equity					
Share capital		2,225,454	1,532,095	-	3,757,549
Share premium	23	417,838	447,064	-	864,902
Irredeemable convertible notes	22c	3,267,608	794,000	-	4,061,608
Statutory contingency reserve	24	1,076,980	205,737	-	1,282,717
Fair value reserve	25	24,581	6,468	-	31,049
Asset revaluation reserve	26	-	280,551	-	280,551
Accumulated losses	27	(3,788,829)	(1,078,090)	-	(4,866,919)
Total equity		**3,223,632**	**2,187,825**	**-**	**5,411,457**

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

	Notes	Non-life	Life	Elimination Adjustments	31 December 2016
		₦'000	₦'000	₦'000	₦'000
Assets					
Cash and short term placements	5	7,493,755	190,283	-	7,684,038
Investment securities	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**	**7,478,825**	**(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	152,420	-	959,341
Accruals and other payables	18	2,991,086	1,205,253	(3,783,843)	412,496
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**
Equity					
Share capital		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)
Total equity		**3,942,150**	**2,285,434**	**-**	**6,227,584**

The segment information provided by the Management for the reorting segments for the year ended 31 December 2017.

	Notes	Non-life ₦'000	Life ₦'000	2017 ₦'000
Gross premium written	28	4,554,345	3,112,913	7,667,258
Gross premium income	29	4,467,667	2,234,565	6,702,232
Reinsurance premium expense	30	(2,930,878)	(1,658,936)	(4,589,814)
Net premium income		1,536,789	575,629	2,112,418
Fees and commission income	31	331,610	262,480	594,090
Net underwriting income		1,868,399	838,109	2,706,508
Changes in individual life reserve		-	41,823	41,823
Net claims expenses	32	(637,926)	(239,223)	(877,149)
Benefit payments	33	-	(409,437)	(409,437)
Underwriting expenses	34	(614,364)	(218,551)	(832,915)
Underwriting profit		616,109	12,721	628,830
Management and administrative expenses	40	(1,683,892)	(1,560,344)	(3,244,236)
Impairment charges	41	-	101,812	101,812
Operating loss		**(1,067,783)**	**(1,445,811)**	**(2,513,594)**
Investment income (policyholders' funds)	35	168,532	23,681	192,213
Investment income (shareholders' funds)	35	1,609	-	1,609
Loss on investment contract liabilities	36	-	(71,382)	(71,382)
Net realised (loss)/gain on investment securities	37	(12,359)	8,137	(4,222)
Net fair value gains	38	21,408	49,641	71,049
Other operating income	39	195,624	1,355,242	1,550,866
Loss before income tax		(692,969)	(80,492)	(773,461)
Loss before income tax from reportable segment		(692,969)	(80,492)	(773,461)
Income tax expense	42	(39,663)	(20,959)	(60,622)
Loss after tax		**(732,632)**	**(101,451)**	**(834,083)**

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

	Notes	Non-life ₦'000	Life ₦'000	2016 ₦'000
Gross written premium	28	3,250,273	944,509	4,194,782
Gross premium income	29	2,969,504	1,047,865	4,017,370
Reinsurance premium expense	30	(1,628,936)	(356,582)	(1,985,518)
Net premium income		1,340,568	691,283	2,031,852
Fees and commission income	31	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	32	(670,523)	(735,870)	(1,406,393)
Underwriting expenses	34	(548,908)	(86,743)	(635,651)
Underwriting profit		373,209	227,789	600,998
Management expenses	40	(1,630,280)	(197,134)	(1,827,414)
Impairment charges	41	479	12,332	12,811
Operating loss		**(1,256,592)**	**42,988**	**(1,213,605)**
Investment income	35	191,724	1,143	192,867
Guaranteed Interest on investment contract liabilities	36	-	(23,902)	(23,902)
Net fair value loss	38	(35,059)	(77,163)	(112,222)
Other operating income		1,991,484	257,649	2,249,133
Profit before income tax		891,557	200,714	1,092,271
Profit before income tax from reportable segment		891,557	200,714	1,092,271
Income tax (expense)/credit		(46,012)	6,484	(39,528)
Profit after tax		**845,545**	**207,198**	**1,052,743**

50 Financial Risk Management Framework

50.1 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, and reputation risk,

50.1.1 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 is 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.

50.1.2 Risk appetite

Risk appetite is often described as the level of risk the organization 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 is zero tolerance to risk acceptance which will materially impair its reputation and value. In addition, much emphasis is 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.

50.1.3 Key risk appetite parameters

The Company's Risk Appetite shall be 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 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 • Reviw of all claiims • 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 organizations • 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.

50.1.4 Risk management approach

In being proactive towards risk occurence and management, the Company has so far developed long-lasting 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 Framenwork (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 organizations 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 robust compliance framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies. 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 sound organisation.

50.1.5 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:

- Develop and implement procedures and practices that translate the Board's goals, objectives, and risk tolerances into operating standards that are well understood by staff.

- Establish lines of authority and responsibility for managing individual risk elements in line with the Board's overall direction.
- Risk identification, measurement, monitoring and control procedures.
- Establish effective internal controls that cover each risk management process.
- Ensure that the Company's risk management processes are properly documented.
- Create adequate awareness to make risk management a part of the corporate culture of the Company.
- Ensure that risk remains within the boundaries established by the Board.
- Ensure that business lines comply with risk parameters and prudent limits established by the Board.

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.

50.2 Financial Risk Management

Ensure Insurance has exposure to the following risk financial risk:

- Credit risk
- Market risk
- Liquidity risk

50.2.1 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, investments in counterparties, as well as funds granted to policyholders with existing investment plans, 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. The Company is also exposed to credit risk from its financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

50.2.2 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

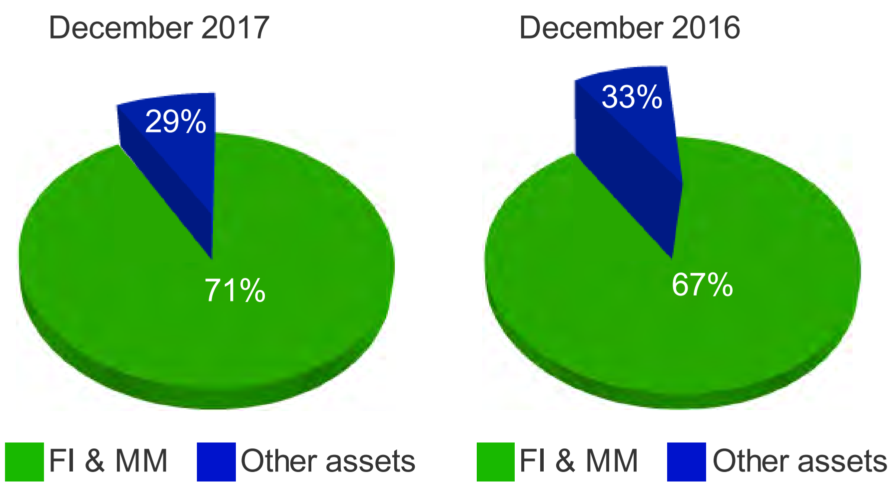
In addition to the above, we have put in place a conservative limits structure which is monitored from time to time in order to limit our risk exposures on these securities.

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 (69%) of the investments as at 31 December 2017.

The Company's maximum exposure to credit risk for the components of the statement of financial position as at 31 December 2017 and 2016 is the carrying amounts as presented in Note 5.

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



Money Market Securities

Credit rating	31 December 2017 ₦'000	31 December 2016 ₦'000
AA	211,995	250,875
A	835	-
B	8,414,693	7,428,234
BBB	-	4,929
Total	**8,627,523**	**7,684,038**

Source: *Global Credit Rating list as at 31 December 2017*

Fixed Income Securities

in thousands of Naira	PLACEMENT LIMIT	CREDIT RATING	TOTAL PLACEMENT 31 December 2017 ₦'000	TOTAL PLACEMENT 31 December 2016 ₦'000
FGN Bonds	Unlimited	A	202,505	200,821
State Bonds	-	BBB+	-	-
Total			**202,505**	**200,821**

Source: Global Credit Rating list as at 31 December 2017

The counter-party exposure as at the end of the year is represented below:

31 December 2017

	Notes	Financial Institutions	Public Sector	Others	Total
Cash and short term placements	5	8,627,523	-	-	8,627,523
Held-to-maturity financial assets	6(a)	-	202,505	-	202,505
Loans & receivables	6(d)	-		50,932	50,932
Trade receivables	7	47,710	-	-	47,710
Re-insurance assets	8	-	-	3,795,649	3,795,649
Other receivables	10(c)	-	-	537,660	537,660
		8,675,233	202,505	4,384,241	13,261,979

31 December 2016

		Financial Institutions	Public Sector	Others	Total
Cash and short term placements	5	7,684,038	-	-	7,684,038
Held to Maturity	6(a)	-	200,821	-	200,821
Loans & receivables	6(d)		-	109,475	109,475
Trade receivables	7	111,736.00	-	-	111,736
Re-insurance assets	8	-	-	1,099,485	1,099,485
Other receivables	10(c)	-	-	685,147	685,147
		7,795,774	200,821	1,894,107	9,890,702

50.2.3 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 the 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 2017 is as follows:

	31 December 2017 ₦'000	31 December 2016 ₦'000
A	5,917	56,928
A+	(48,410)	85,392
BBB+	8,554	88,106
B+	(18,770)	8,593
AA-	(226,286)	-
A-	1,009	-

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+ A	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
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.

50.2.4 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 a 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.

50.2.5 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.

50.2.6 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 2017	AA+/- ₦'000	A+/- ₦'000	BBB+/BB/B+ ₦'000	Unrated ₦'000
Cash and short term placements	211,995	835	8,414,693	
Held-to-maturity financial assets	-	202,505	-	-
Loans and receivables	-	-	-	50,932
Trade receivables	-	-	-	47,710
Re-insurance assets	-	-	3,795,649	-
Other receivables	-	-	-	14,258
	211,995	**203,340**	**12,210,342**	**112,900**

in thousands of Naira

31 December 2016	AA/A+ ₦'000	A ₦'000	BBB+/BB/B+ ₦'000	Unrated ₦'000
Cash and short term placements	250,857	-	7,433,163	-
Held-to-maturity financial assets	-	200,821	-	-
Loans and receivables	-	-	-	109,475
Trade receivables	-	-	-	111,736
Re-insurance assets	-	-	1,099,485	-
Other receivables	-	-	-	14,927
	250,857	**200,821**	**8,532,648**	**236,138**

50.2.7 Ageing analysis

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

in thousands of Naira

31 December 2017	0-3 Months	3-6 Months	6-12 Months
Trade receivables	47,710	-	-
Re-insurance assets	46,718	-	-
	94,428	-	-

in thousands of Naira

31 December 2016	0-3 Months	3-6 Months	6-12 Months
Trade receivables	111,736	-	-
Re-insurance assets	36,544	-	-
	148,280	-	-

50.2.8 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 2017

	Trade receivables	Other receivables
Gross amount	1,501,299	65,933
Impairment	(1,453,589)	(15,001)
	47,710	50,932

in thousands of Naira

31 December 2016

	Trade receivables	Other receivables
Gross amount	1,565,325	124,476
Impairment	(1,453,589)	(15,001)
	111,736	109,475

50.2.9 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.

50.2.10 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 PLC 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.

50.3 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.The Company disposed all its quoted equity investments duirng the year and so those not have equity price risk exposure as at the end of 2017.

50.3.1 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, yearic 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%

50.3.2 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 ultimately exposure to market volatility if the price of any of the stocks should drastically drop.

As at 31 December 2017, the Company is not exposed to market risk via equity price risk as it has disposed quoted stocks during the year.

31 December 2016	Cost	Market value	Sectorial Proportion	Loss Limit Benchmark	Weighted Ave. Loss Limit	% Gain/ (Loss)	Sectorial WA Gain/ (Loss)
	₦'000	₦'000	%	%	%	%	%
Banking	69,176	71,952	27%	30%	8%	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%
	329,907	267,686					

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 0% (2016: 5%) of the entire investment portfolio as at 31 December 2017.

50.3.3 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, the fluctuation in interest earned on interest-earning financial assets as well as interest on bank overdraft facility.. Ensure Insurance PLC currently maintains a 4% guaranteed interest on interest-bearing 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 2017	1-3 Months	3-12 Months	12 Months & Above	Total
Total interest earning assets	₦'000	₦'000	₦'000	₦'000
Short term placements	1,142	-	-	1,142
Cash in hand and at bank	8,626,381	-	-	8,626,381
Held to maturity	-	202,505	-	202,505
Loans and receivables	50,932	-	-	50,932
Statutory deposits	-	-	500,000	500,000
	8,678,455	202,505	500,000	9,380,960
Total interest bearing liabilities				
Borrowings	-	254,208	-	254,208
Investment contract liabilities	211,017	292,870	551,200	1,055,087
	211,017	547,078	551,200	1,309,295
Gap	8,467,438	(344,573)	(51,200)	8,071,665
Increase by 2%	169,349	(6,891)	(1,024)	161,433
Increase by 4%	338,698	(13,783)	(2,048)	322,867
Decrease by 2%	(169,349)	6,891	1,024	(161,433)
Decrease by 4%	(338,698)	13,783	2,048	(322,867)

31 December 2016

	1-3 Months	3-12 Months	12 Months & Above	Total
	₦'000	₦'000	₦'000	₦'000
Short term placements	4,929	-	-	4,929
Cash in bank & hand	7,679,109	-	-	7,679,109
Held to maturity	-	-	200,821	200,821
Loans & 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**
Total 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)

50.3.4 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 limits its foreign exchange exposure to 69% 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 financial assets and liabilities by major currencies:

31 December 2017

In thousands of Naira	Note	Total ₦'000	Naira ₦'000	US Dollars ₦'000	Euro ₦'000	Pound Sterling ₦'000
Assets						
Cash and short term placements	5	8,627,523	5,219	8,620,586	1,568	150
Held-to-maturity financial assets	6(a)	202,505	202,505	-	-	-
Available-for-sale financial assets	6(b)	576,171	511,518	64,653	-	-
Loans and receivables	6(d)	50,932	50,932	-	-	-
Trade receivables	7	47,710	47,710	-	-	-
Reinsurance assets	8	3,795,649	3,795,649	-	-	-
Other receivables	10	44,206	44,206	-	-	-
Total		**13,344,696**	**4,657,739**	**8,685,239**	**1,568**	**150**
Liabilities						
Borrowings	15	254,208	254,208	-	-	-
Investment contract liabilities	17	1,055,087	1,055,087	-	-	-
Trade payables	18	542,370	54,237	488,133	-	-
Accruals and other payables	19	2,020,928	2,020,928	-	-	-
Total		**3,872,593**	**3,384,460**	**488,133**	**-**	**-**

31 December 2016

In thousands of Naira	Note	Total ₦'000	Naira ₦'000	US Dollars ₦'000	Euro ₦'000	Pound Sterling ₦'000
Assets						
Cash and short term placements	5	7,684,038	35,366	7,615,586	32,534	553
Held-to-maturity financial assets	6(a)	200,821	200,821	-	-	-
Available-for-sale financial assets	6(b)	545,515	495,000		-	-
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	10	102,581	685,147	-	-	-
Total		**10,121,338**	**3,004,717**	**7,615,586**	**32,534**	**553**
Liabilities						
Insurance contract liabilities	16	4,639,622	4,639,622			
Investment contract liabilities	17	1,215,719	1,215,719	-	-	-
Trade payables	18	959,341	959,341	-	-	-
Accruals and other payables	19	412,496	412,496	-	-	-
Total		**7,227,178**	**7,227,178**	**-**	**-**	**-**

The following table details the effect of foreign exchange risk on the profit or loss as at 31 December 2017.

Foreign exchange sensitivity

In thousands of Naira

31 December 2017

Financial assets exposed to foreign exchange risk	US Dollars ₦'000	Euro ₦'000	Pound Sterling ₦'000
Effect on profit or loss			
Increase by 1%	82,265	16	(293)
Decrease by 1%	(82,265)	(16)	293

31 December 2016

Financial assets exposed to foreign exchange risk	US Dollars ₦'000	Euro ₦'000	Pound Sterling ₦'000
Effect on profit or loss			
Increase by 1%	76,156	325	6
Decrease by 1%	(76,156)	(325)	(6)

50.4 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 minimum limit of 60% of the Company's investment portfolio 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.

50.4.1 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 statement of financial position 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 sress conditions and describe actions to be taken in the event of difficulties arigins 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.

50.4.2 Below is a summary of the contractual repricing or maturity dates (whichever is earlier) of financial assets matched with financial liabilities

31 December 2017

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 short term placements	5	8,627,523	8,627,523	8,627,523	-	-	-	-
Held-to-maturity financial assets	6(a)	202,505	200,000	-	-	202,505	-	-
Available-for-sale financial assets	6(b)	576,171	576,171	-	-	-	-	576,171
Financial assets at fair value through profit or loss	6(c)	-	-	-	-	-	-	-
Loans and receivables	6(d)	50,932	45,839	-	-	50,932	-	-
Trade receivables	7	47,710	47,710	47,710	-	-	-	-
Reinsurance assets	8	3,795,649	3,795,649	3,795,649	-	-	-	-
Other receivables	20	116,815	116,815	17,522	17,522	23,363	58,408	-
		13,417,305	13,409,707	12,488,404	17,522	276,800	58,408	576,171
Financial Liabilities								
Borrowings	15	254,208	254,208	14,952	239,256			
Trade payables	18	542,370	542,370	-	542,370	-	-	-
Insurance contract liabilities	16	7,441,452	7,441,452	2,926,445	1,274,404	103,465	1,056,888	2,080,248
Investment contract liabilities	17	1,055,087	949,578	211,017	58,030	234,840	126,610	424,590
Accruals and other payables	19	2,020,928	2,020,928	-	2,020,928	-	-	-
		11,314,044	11,208,535	3,152,413	4,134,987	338,304	1,183,497	2,504,836
Excess of assets over liabilities		**2,103,261**	**2,201,172**	**9,335,991**	**(4,117,465)**	**(61,504)**	**(1,125,090)**	**(1,928,665)**

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 cash equivalents	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	93,054	-	-	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	20	102,579	102,579	15,387	15,387	20,516	51,289	-
		10,121,336	7,200,433	8,910,646	283,074	129,991	252,110	545,515
Financial Liabilities								
Insurance contract liabilities	16	4,639,622	4,639,622	1,824,590	794,570	64,509	658,952	1,297,000
Investment contract liabilities	17	1,215,719	1,094,147	54,707	66,865	36,472	145,886	911,789
Trade payables	19	959,341	959,341	-	959,341	-	-	-
		6,814,682	6,693,110	1,879,297	1,820,776	100,981	804,838	2,208,789
Excess of assets over liabilities		**3,306,654**	**507,323**	**7,031,349**	**(1,537,702)**	**29,010**	**(552,728)**	**(1,663,274)**

51.1 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 a 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.

51.1.1 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.

51.1.2 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's 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.

51.1.3 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.

51.1.4 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
- Monthly underwriting Risk Committee meetings where result and performances are discussed

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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
- Monthly underwriting Risk Committee meetings where result and performances are discussed

51.1.5 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.

51.1.6 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, a 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:

- Age and gender of the insured driver or operator;
- Value of the item(s) to be covered;
- Use of the item(s) to be insured, for example, premium rates distinguish business and personal use for vehicle cover;
- Physical condition of the item(s) to be insured;
- Safety and security features installed; and
- Past claims experience, for example, the premium rate payable on vehicle cover reflects the past claims experience on the vehicle and driver to be insured

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.

51.1.7 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;
- 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:

- Claims assessment processes to ensure only valid claims are paid;
- Reinsurance to limit liability on particularly large claims or substandard risks; and
- Concentration risk is reduced by diversification of business over a large number of independent lives, as well as by taking out catastrophe reinsurance.

(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 systems 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.

51.1.8 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.

51.1.9 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 ₦1.880 billion (2016 - ₦1,361.92 million) for general business and ₦1.862 billion (2016 - ₦493.05 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 reserves 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 ultmate values for each accident year. The difference between the estimated ultimate values and the cumulative historical paid claims forms the expected gross claim reserves. These are then inflated by the corresponding inflation index from payment years to the future year of payment of the outstanding claims.

Year	Inflation Index
2007	6.60%
2008	15.10%
2009	13.90%
2010	11.80%
2011	10.30%
2012	12.00%
2013	8.00%
2014	8.30%
2015	9.60%
2016	18.48%
2017	15.37%

The calculation are on two bases;

- By discounting the claims estimated to the valuation date at a discount rate of 15% p.a (2016: 16%)
- 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 reserves.

(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 busines.
- 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 reserves.

(c) Valuation Approach/Methodology

The valuation approach/methodology is similar to those adopted in the last valuation cycle (see table below for valuation methodology)

Class of Business	
Motor	Discounted IABCL
General Accident	Discounted IABCL
Marine	Discounted IABCL
Engineering	Discounted IABCL
Avaition	Expected Loss Ratio
Oil & Gas	Expected Loss Ratio
Bond	Expected Loss Ratio

(d) Large Loss Threshold

The table below shows the large loss cut off level assumed for each class of business. SD below means Standard Deviation of the claim distribution.

Class of business	Large Loss	Comment on Derivation
General Accident	5,334,623	Mean + 3SD
Engineering	16,802,323	Mean + 3SD
Fire	24	Mean + 3SD
Marine	24	Mean + 3SD
Motor	4,000,000	4m assumed
Aviation	N/A	Not Applicable
Bond	N/A	Not Applicable
Oil & Gas	N/A	Not Applicable

Claims development tables

Incremental Chain Ladder (Table of claims paid excluding large claims (Attritional Table))

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
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	9,150	5,655	3,604	1,843	221	10	199	-	-
2010	37,664	46,863	10,425	4,367	2,470	374	254	-	-	-	-
2011	55,050	44,937	14,316	10,140	1,925	3,314	309	-	-	-	-
2012	53,118	55,904	155	1,938	1,688	293	-	-	-	-	-
2013	78,473	48,402	156	733	1025	-	-	-	-	-	-
2014	88,582	63,755	157	5,478	-	-	-	-	-	-	-
2015	30,779	30,680	159	-	-	-	-	-	-	-	-
2016	52,527	51,288	-	-	-	-	-	-	-	-	-
2017	43,148	-	-	-	-	-	-	-	-	-	-

The historical paid losses were inflated to reflect the valuation year's value using the corresponding inflation index as disclosed in the valuation assumptions section.

Inflation Adjusted Chain Ladder

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	98,201	204,385	19,072	18,577	2,725	2,024	190	5	-	-	-
2008	107,754	102,412	28,220	16,836	6,890	3,176	3,372	-	-	-	-
2009	59,167	87,266	17,957	9,909	5,847	2,762	301	11	199	-	-
2010	81,531	91,971	18,267	7,085	3,700	512	293	-	-	-	-
2011	108,039	78,742	23,227	15,191	2,631	3,824	309	-	-	-	-
2012	93,078	90,702	23,364	2,649	1,947	293	-	-	-	-	-
2013	127,320	72,512	11,343	845	1025	-	-	-	-	-	-
2014	132,707	87,148	19,303	5,478	-	-	-	-	-	-	-
2015	42,072	35,395	8,324	-	-	-	-	-	-	-	-
2016	60,601	51,288	-	-	-	-	-	-	-	-	-
2017	43,148	-	-	-	-	-	-	-	-	-	-

Cumulative Inflation Adjusted Chain Ladder

Inflation Adjusted Cumulative Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	98,201	302,586	321,659	340,236	342,961	344,985	345,175	345,181	345,181	345,181	345,181
2008	107,754	210,166	238,385	255,221	262,111	265,287	268,659	268,659	268,659	268,659	
2009	59,167	146,434	164,391	174,300	180,147	182,909	183,210	183,222	183,420		
2010	81,531	173,502	191,769	198,854	202,554	203,066	203,359	203,359			
2011	108,039	186,780	210,007	390,671	227,830	231,653	231,963				
2012	93,078	183,780	207,144	209,793	211,741	212,034					
2013	127,320	199,832	211,175	212,021	213,046						
2014	132,707	219,855	239,158	244,635							
2015	42,072	77,467	85,792								
2016	60,601	51,288									
2017	43,148										

Loss Dev										
Factors	1.99	1.10	1.04	1.02	1.01	1.00	1.00	1.00	1.00	1.00

Projected Table

Cumulative Chain ladder-Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	98,201	302,586	321,659	340,236	342,961	344,985	345,175	345,181	345,181	345,181	345,181
2008	107,754	210,166	238,385	255,221	262,111	265,287	268,659	268,659	268,659	268,659	268,659
2009	59,167	146,434	164,391	174,300	180,147	182,909	183,210	183,222	183,420	183,420	183,420
2010	81,531	173,502	191,769	198,854	202,554	203,066	203,359	203,359	203,359	203,359	203,359
2011	108,039	186,780	210,007	225,199	227,830	231,653	231,963	232,423	232,423	232,423	232,423
2012	93,078	183,780	207,144	209,793	211,741	212,034	215,115	215,120	215,120	215,120	215,120
2013	127,320	199,832	211,175	212,021	213,046	215,207	216,241	216,246	216,246	216,246	216,246
2014	132,707	219,855	239,158	244,635	248,948	251,845	253,232	253,239	253,239	253,239	253,239
2015	42,072	77,467	85,792	121,379	123,745	125,335	126,096	126,100	126,100	126,100	126,100
2016	60,601	111,889	124,683	131,667	134,658	136,667	137,629	137,634	137,634	137,634	137,634
2017	43,148	119,194	133,564	141,407	144,767	147,024	148,103	148,109	148,109	148,109	148,109

From the above tables, we illustrate the total expected payment for each future year as follows:

Incremental

Accident Year	(₦'000)
2018	125,368
2019	22,426
2020	9,742
2021	3,763
2022	1,718
2023	503
2024	2
Attritional Losses	**163,522**
Large Loss	**69,553**
Total	**233,075**

Gross Claim Reserving - Fire

Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
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	63	-	-	-	-	-	-	-
2015	28,132	9,123	868	-	-	-	-	-	-	-	-
2016	34,007	46,761	-	-	-	-	-	-	-	-	-
2017	45,096	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	44,260	63,530	10,222	56	965	266	43	-	-	-	-
2008	60,143	107,003	20,941	14,789	30	365	45	-	-	-	-
2009	65,300	96,163	20,677	12,500	453	3,207	-	-	-	-	-
2010	69,405	60,703	8,709	7,556	143	-	-	-	-	-	-
2011	89,948	88,063	26,084	1,840	253	1,135	-	-	-	-	-
2012	58,851	83,331	14,140	1,237	5,367	-	-	-	-	-	-
2013	122,856	66,189	17,645	1,757	-	-	-	-	-	-	-
2014	56,764	57,172	2,005	63	-	-	-	-	-	-	-
2015	38,454	10,525	868	-	-	-	-	-	-	-	-
2016	39,234	46,761	-	-	-	-	-	-	-	-	-
2017	45,096	-	-	-	-	-	-	-	-	-	-

Projected Inflation Adjusted Chain Ladder Table

Cumulative Chain ladder-Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	44,260	107,790	118,012	118,068	119,033	119,299	119,342	119,342	119,342	119,342	119,342
2008	60,143	167,146	188,087	202,876	202,906	203,271	203,315	203,315	203,315	203,315	203,315
2009	65,300	161,463	182,140	194,640	195,094	198,300	198,300	198,300	198,300	198,300	198,300
2010	69,405	130,107	138,817	146,373	146,516	146,516	146,516	146,516	146,516	146,516	146,516
2011	89,948	178,011	204,095	205,934	206,187	207,322	207,322	207,322	207,322	207,322	207,322
2012	58,851	142,182	156,322	157,560	162,926	162,926	162,945	162,945	162,945	162,945	162,945
2013	122,856	189,046	206,691	208,448	208,448	209,602	209,630	209,630	209,630	209,630	209,630
2014	56,764	113,935	115,941	116,004	123,573	124,353	124,372	124,372	124,372	124,372	124,372
2015	38,454	48,979	49,847	63,970	64,450	64,907	64,918	64,918	64,918	64,918	64,918
2016	39,234	85,995	164,640	170,842	172,256	173,604	173,636	173,636	173,636	173,636	173,636
2017	45,096	143,175	160,060	166,673	168,181	169,618	169,652	169,652	169,652	169,652	169,652

Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Incremental IABCL - Annual Projections(₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	44,260	107,790	118,012	118,068	119,033	119,299	119,342	119,342	119,342	119,342	119,342
2008	60,143	167,146	188,087	202,876	202,906	203,271	203,315	203,315	203,315	203,315	203,315
2009	65,300	161,463	182,140	194,640	195,094	198,300	198,300	198,300	198,300	198,300	198,300
2010	69,405	130,107	138,817	146,373	146,516	146,516	146,516	146,516	146,516	146,516	146,516
2011	89,948	178,011	204,095	205,934	206,187	207,322	207,322	207,322	207,322	207,322	207,322
2012	58,851	142,182	156,322	157,560	162,926	162,926	162,944	162,944	162,944	162,944	162,944
2013	122,856	189,046	206,691	208,448	208,448	209,525	209,547	209,547	209,547	209,547	209,547
2014	56,764	113,935	115,941	116,004	123,062	123,695	123,708	123,708	123,708	123,708	123,708
2015	38,454	48,979	49,847	63,016	63,406	63,729	63,735	63,735	63,735	63,735	63,735
2016	39,234	85,995	159,332	164,361	165,358	166,184	166,201	166,201	166,201	166,201	166,201
2017	45,096	136,555	150,246	154,910	155,834	156,600	156,616	156,616	156,616	156,616	156,616

Summary of Results

Accident Year	Paid to date (₦'000)	Latest Paid Large Loss (₦'000)	Total Ultimate (₦'000)	Gross Claims Reserve (₦'000)	Gross Earned Premium (₦'000)	Ultimate Loss Ratio (₦'000)
2007	119,342	26,179	145,521	-	455,501	32%
2008	203,315	202,619	405,935	-	455,501	89%
2009	198,300	91,891	290,191	-	455,728	64%
2010	146,516	12,758	159,274	-	531,518	30%
2011	207,322	34,743	242,065	-	438,181	55%
2012	162,926	33,782	196,726	17	566,361	35%
2013	208,448	25,313	234,860	1,099	569,294	41%
2014	116,004	415,578	539,286	7,704	572,214	94%
2015	49,847	-	63,735	13,888	367,845	17%
2016	85,995	81,351	387,039	219,694	309,543	125%
2017	45,096	17521	234,843	172,226	535,174	44%
Total				**414,628**		

Gross Claim Reserving - Engineering

Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	1,228	6,278	536	113	-	-	-	-	-	-	-
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	-	1,272	-	-	-	-
2012	11,897	14,546	199	62	-	8,744	-	-	-	-	-
2013	17,069	11,414	999	37	4,160	-	-	-	-	-	-
2014	15,910	29,090	413	4,363	-	-	-	-	-	-	-
2015	19,351	38,360	194	-	-	-	-	-	-	-	-
2016	19,495	15,285	-	-	-	-	-	-	-	-	-
2017	33,280	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	3,897	17,306	1,298	244	-	-	-	-	-		-
2008	12,441	52,083	17,556	-	-	-	-	-	-		-
2009	10,940	20,639	-	-	-	7,470	-	-	-		-
2010	621	30,113	3,448	-	-	-	-	-	-		-
2011	14,704	29,180	15,517	6,402	1,424	-	1,272	-	-		-
2012	20,847	23,601	298	85	-	8,744	-	-	-		-
2013	27,695	17,099	1,366	43	4,160	-	-	-	-		-
2014	23,835	39,763	476	4,363	-	-	-	-	-		-
2015	26,451	44,256	194	-	-	-	-	-	-		-
2016	22,491	15,285	-	-	-	-	-	-	-		-
2017	33,280	-	-	-	-	-	-	-	-		-

Projected Inflation Adjusted Chain Ladder Table

Cumulative Chain ladder-Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	3,897	21,204	22,501	22,745	22,745	22,745	22,745	22,745	22,745	22,745	22,745
2008	12,441	64,524	82,080	82,080	82,080	82,080	82,080	82,080	82,080	82,080	82,080
2009	10,940	31,579	31,579	31,579	31,579	39,049	39,049	39,049	39,049	39,049	39,049
2010	621	30,734	34,182	34,182	34,182	34,182	34,182	34,182	34,182	34,182	34,182
2011	14,704	43,884	59,401	65,803	67,227	67,227	68,499	68,614	68,614	68,614	68,614
2012	20,847	44,448	44,746	44,832	44,832	53,576	53,576	53,576	53,576	53,576	53,576
2013	27,695	44,794	46,159	46,202	50,362	50,362	50,362	50,362	50,362	50,362	50,362
2014	23,835	63,598	64,074	68,437	68,721	68,721	68,721	68,721	68,721	68,721	68,721
2015	26,451	70,707	70,902	72,316	72,660	72,660	72,660	72,660	72,660	72,660	72,660
2016	22,491	37,776	42,358	43,316	43,549	43,549	43,549	43,549	43,549	43,549	43,549
2017	33,280	90,445	102,020	104,441	105,030	105,030	105,030	105,030	105,030	105,030	105,030

Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Incremental IABCL - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	3,897	21,204	22,501	22,745	22,745	22,745	22,745	22,745	22,745	22,745	22,745
2008	12,441	64,524	82,080	82,080	82,080	82,080	82,080	82,080	82,080	82,080	82,080
2009	10,940	31,579	31,579	31,579	31,579	39,049	39,049	39,049	39,049	39,049	39,049
2010	621	30,734	34,182	34,182	34,182	34,182	34,182	34,182	34,182	34,182	34,182
2011	14,704	43,884	59,401	65,803	67,227	67,227	68,499	68,606	68,606	68,606	68,606
2012	20,847	44,448	44,746	44,832	44,832	53,576	53,576	53,576	53,576	53,576	53,576
2013	27,695	44,794	46,159	46,202	50,362	50,362	50,362	50,362	50,362	50,362	50,362
2014	23,835	63,598	64,074	68,437	68,702	68,702	68,702	68,702	68,702	68,702	68,702
2015	26,451	70,707	70,902	72,221	72,500	72,500	72,500	72,500	72,500	72,500	72,500
2016	22,491	37,776	42,049	42,826	42,990	42,990	42,990	42,990	42,990	42,990	42,990
2017	33,280	86,587	95,973	97,680	98,041	98,041	98,041	98,041	98,041	98,041	98,041

Summary of Results

Accident Year	Paid to date (₦'000)	Latest Paid Large Loss (₦'000)	Total Ultimate (₦'000)	Gross Claims Reserve (₦'000)	Gross Earned Premium (₦'000)	Ultimate Loss Ratio
2007	22,745	-	22,745	-	60,533	38%
2008	82,080	-	82,080	-	60,533	136%
2009	39,049	-	39,049	-	188,108	21%
2010	34,182	-	34,182	-	162,305	21%
2011	68,499	71,782	140,388	107	207,247	68%
2012	53,576	-	53,576	-	189,420	28%
2013	50,362	37,166	87,528	-	143,412	61%
2014	68,437	112,355	181,057	265	157,540	115%
2015	70,902	-	122,500	51,598	87,290	140%
2016	37,776	-	42,990	5,214	86,893	49%
2017	33,280	-	160,967	127,687	225,918	71%
Total				**184,871**		

Gross Claim Reserving - Motor

Table of claims paid excluding large claims (Attritional Table)

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
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	3,297	-	-	-	-	-	-	-	-
2016	113,999	44,510	-	-	-	-	-	-	-	-	-
2017	146,332	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	181,396	84,607	6,278	-	-	-	-	-	-	-	-
2008	276,969	152,378	326	-	1,169	-	-	-	-	-	-
2009	308,676	155,350	2,430	9,407	183	-	-	-	-	-	-
2010	211,874	93,063	6,468	1,436	3,677	2,024	-	-	-	-	-
2011	247,528	146,116	5,768	171	-	-	-	-	-	-	-
2012	246,913	95,671	947	-	-	-	-	-	-	-	-
2013	222,024	67,153	12,316	480	-	-	-	-	-	-	-
2014	163,321	78,812	1,038	-	-	-	-	-	-	-	-
2015	119,175	37,172	3,297	-	-	-	-	-	-	-	-
2016	131,521	44,510	-	-	-	-	-	-	-	-	-
2017	146,332	-	-	-	-	-	-	-	-	-	-

Projected Inflation Adjusted Chain Ladder Table

Projected Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	181,396	266,003	272,281	272,281	272,281	272,281	272,281	272,281	272,281	272,281	272,281
2008	276,969	429,347	429,672	429,672	430,841	430,841	430,841	430,841	430,841	430,841	430,841
2009	308,676	464,026	466,456	475,863	476,046	476,046	476,046	476,046	476,046	476,046	476,046
2010	211,874	304,936	311,404	312,840	316,517	318,541	318,541	318,541	318,541	318,541	318,541
2011	247,528	393,644	399,412	399,583	399,583	399,583	399,583	399,583	399,583	399,583	399,583
2012	246,913	342,584	343,531	343,531	343,531	343,531	343,531	343,531	343,531	343,531	343,531
2013	222,024	289,176	301,492	301,972	301,972	302,286	302,286	302,286	302,286	302,286	302,286
2014	163,321	242,133	243,171	243,171	243,726	244,017	244,017	244,017	244,017	244,017	244,017
2015	119,175	156,348	159,645	160,407	160,828	161,049	161,049	161,049	161,049	161,049	161,049
2016	131,521	176,031	178,755	179,735	180,275	180,559	180,559	180,559	180,559	180,559	180,559
2017	146,332	222,506	226,289	227,650	228,401	228,795	228,795	228,795	228,795	228,795	228,795

Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Incremental IABCL - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	181,396	266,003	272,281	272,281	272,281	272,281	272,281	272,281	272,281	272,281	272,281
2008	276,969	429,347	429,672	429,672	430,841	430,841	430,841	430,841	430,841	430,841	430,841
2009	308,676	464,026	466,456	475,863	476,046	476,046	476,046	476,046	476,046	476,046	476,046
2010	211,874	304,936	311,404	312,840	316,517	318,541	318,541	318,541	318,541	318,541	318,541
2011	247,528	393,644	399,412	399,583	399,583	399,583	399,583	399,583	399,583	399,583	399,583
2012	246,913	342,584	343,531	343,531	343,531	343,531	343,531	343,531	343,531	343,531	343,531
2013	222,024	289,176	301,492	301,972	301,972	302,265	302,265	302,265	302,265	302,265	302,265
2014	163,321	242,133	243,171	243,171	243,688	243,924	243,924	243,924	243,924	243,924	243,924
2015	119,175	156,348	159,645	160,356	160,697	160,852	160,852	160,852	160,852	160,852	160,852
2016	131,521	176,031	178,571	179,366	179,747	179,921	179,921	179,921	179,921	179,921	179,921
2017	146,332	217,365	220,433	221,392	221,852	222,062	222,062	222,062	222,062	222,062	222,062

Summary of Results

Accident Year	Paid to date (₦'000)	Latest Paid Large Loss (₦'000)	Total Ultimate (₦'000)	Gross Claims Reserve (₦'000)	Gross Earned Premium (₦'000)	Ultimate Loss Ratio
2007	272,281	-	272,281	-	691,073	39%
2008	430,841	16,059	446,900	-	691,073	65%
2009	476,046	14,691	490,737	-	914,030	54%
2010	318,541	28,299	346,840	-	702,012	49%
2011	399,583	15,684	415,267	-	687,033	60%
2012	343,531	4,688	348,219	-	1,015,423	34%
2013	301,972	-	302,265	293	903,276	33%
2014	243,171	35,768	279,693	753	688,107	41%
2015	159,645	39266	200,119	1,208	404,495	49%
2016	176,031	29,317	209,238	3,890	266,477	79%
2017	146,332	34,529	280,161	99,300	442,602	63%
Total				**105,444**		

Gross Claim Reserving - Marine

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
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	164	-	-	-	-	-	-	-	-
2016	12,792	6,551	-	-	-	-	-	-	-	-	-
2017	8,436	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	10,806	865	-	-	-	-	-	-	-	-	-
2008	3,516	32,990	-	-	-	-	-	-	-	-	-
2009	34,907	47,030	-	-	-	-	-	-	-	-	-
2010	48,732	68,050	-	2,604	-	-	-	-	-	-	-
2011	25,734	10,843	191	-	-	-	-	-	-	-	-
2012	22,289	69,485	105	-	-	-	-	-	-	-	-
2013	21,493	1,686	132	-	-	-	-	-	-	-	-
2014	15,078	13,260	-	-	-	-	-	-	-	-	-
2015	12,387	14,469	164	-	-	-	-	-	-	-	-
2016	14,758	6,551	-	-	-	-	-	-	-	-	-
2017	8,436	-	-	-	-	-	-	-	-	-	-

Projected Inflation Adjusted Chain Ladder Table

Projected Inflation Adjusted Chain Ladder - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	10,806	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671
2008	3,516	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506
2009	34,907	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937
2010	48,732	116,782	116,782	119,387	119,387	119,387	119,387	119,387	119,387	119,387	119,387
2011	25,734	36,577	36,768	36,768	36,768	36,768	36,768	36,768	36,768	36,768	36,768
2012	22,289	91,775	91,879	91,879	91,879	91,879	91,879	91,879	91,879	91,879	91,879
2013	21,493	23,179	23,312	23,312	23,312	23,312	23,312	23,312	23,312	23,312	23,312
2014	15,078	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338
2015	12,387	26,856	27,020	27,151	27,151	27,151	27,151	27,151	27,151	27,151	27,151
2016	14,758	21,309	32,724	32,724	32,724	32,724	32,724	32,724	32,724	32,724	32,724
2017	8,436	18,729	18,763	18,763	18,763	18,763	18,763	18,763	18,763	18,763	18,763

Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Incremental IABCL - Annual Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	10,806	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671	11,671
2008	3,516	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506	36,506
2009	34,907	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937	81,937
2010	48,732	116,782	116,782	119,387	119,387	119,387	119,387	119,387	119,387	119,387	119,387
2011	25,734	36,577	36,768	36,768	36,768	36,768	36,768	36,768	36,768	36,768	36,768
2012	22,289	91,775	91,879	91,879	91,879	91,879	91,879	91,879	91,879	91,879	91,879
2013	21,493	23,179	23,312	23,312	23,312	23,312	23,312	23,312	23,312	23,312	23,312
2014	15,078	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338	28,338
2015	12,387	26,856	27,020	27,142	27,142	27,142	27,142	27,142	27,142	27,142	27,142
2016	14,758	21,309	31,954	31,954	31,954	31,954	31,954	31,954	31,954	31,954	31,954
2017	8,436	18,034	18,062	18,062	18,062	18,062	18,062	18,062	18,062	18,062	18,062

Summary of Results

Accident Year	Paid to date (₦'000)	Latest Paid Large Loss (₦'000)	Total Ultimate (₦'000)	Gross Claims Reserve (₦'000)	Gross Earned Premium (₦'000)	Ultimate Loss Ratio
2007	11,671	47,335	59,006	-	178,499	33%
2008	36,506	14,494	51,000	-	178,499	29%
2009	81,937	-	81,937	-	450,649	18%
2010	119,387	37,130	156,517	-	462,932	34%
2011	36,768	18,394	55,163	-	364,449	15%
2012	91,879	-	91,879	-	234,119	39%
2013	23,312	25,457	48,769	-	237,028	21%
2014	28,338	-	28,338	-	195,657	14%
2015	27,020	-	27,142	122	145,690	19%
2016	21,309	-	31,954	10,645	57,037	56%
2017	8,436	-	24,843	16,407	88,602	28%
Total				**27,174**		

Gross Claim Reserving - Oil & Gas

The table shown is the output of the Expected Loss Ratio Method used in estimating Gross Claim Reserve for Oil & Gas:

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (₦'000)	Claims Paid till date (₦'000)	Total O/s as at 31 Dec 2016 (₦'000)	Current Incurred (₦'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N' (₦'000)	O/s Claim Reserves (₦'000)
2009	20,939	167	-	167	1%	1%	167	-
2010	43,804	13,018	-	13,018	30%	30%	13,018	-
2011	54,536	22,084	4,000	26,084	48%	48%	26,084	4,000
2012	103,589	74,044	5,920	79,964	77%	77%	79,964	5,920
2013	278,449	10,342	500	10,842	4%	4%	10,842	500
2014	290,293	34,489	4,507	38,996	13%	13%	38,996	4,507
2015	198,530	323	9,880	10,203	5%	5%	10,203	9,880
2016	665,745	117,529	89,471	207,000	31%	35%	230,767	113,238
2017	855,159	11632	228,270	239,903	28%	35%	296,423	284,791
Total			**342,548**					**422,836**

Expected Loss Ratio Method Table

Accident Year	Gross Earned Premium (₦'000)	Claims Paid till date (₦'000)	Total O/s as at 31 Dec 2016 (₦'000)	Current Incurred (₦'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N' (₦'000)	O/s Claim Reserves (₦'000)
2007	-	-	-	-	0%	0%	-	-
2008	5,115	-	-	-	0%	0%	-	-
2009	8,344	196	-	196	2%	2%	196	-
2010	16,490	1,250	-	1,250	8%	8%	1,250	-
2011	37,523	14,014	-	14,014	37%	37%	14,014	-
2012	61,457	63,083	5,235	68,318	111%	111%	68,318	5,235
2013	115,574	21,563	20	21,583	19%	19%	21,583	20
2014	105,353	112,936	4,400	117,336	111%	111%	117,336	4,400
2015	128,436	1,884	305	2,190	2%	2%	2,190	305
2016	919,876	3,868	26,356	30,223	3%	16%	151,659	147,791
2017	2,038,255	2,026	1,236	3,262	0%	16%	336,044	334,018
Total			**37,552**					**491,769**

51.2 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.

52.1 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 (₦3 billion and ₦2 billion respectively). 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 ₦2 billion, ₦3 billion for Non-life insurance business, ₦5 billion for composite insurance business and ₦10 billion for reinsurance business and insurers are also mandated to maintain 10% of this paid up capital with the Central Bank of Nigeria 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 ₦3.22billion for the general business (2016:₦3.94 billion) and ₦2.19 billion for the life business (2016: ₦2.29 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 for the year ended 31 December 2017 as well as the 31 December 2016 comparatives.

	31 December 2017		31 December 2016	
	₦'000	₦'000	₦'000	₦'000
Admissible assets				
Financial assets:				
Cash and cash equivalents		8,627,523		7,684,038
investment securities		829,608		1,123,498
		9,457,131		8,807,536
Other assets:				
Reinsurance assets	3,795,649		1,099,485	
Deferred acquisition costs	176,077		121,179	
Trade receivables	47,710		111,736	
		4,019,436		1,332,400
Statutory deposits		500,000		500,000
Investment properties		2,594,100		2,425,000
Property and equipment		201,102		193,671
Total admissible assets		**16,771,769**		**13,258,607**
Less: total liabilities				
Borrowings	254,208		-	
Reserve for unexpired risks	1,793,725		828,699	
Reserve for outstanding claims:	3,742,012		1,854,971	
Individual life fund	1,905,715		1,955,952	
Investment contract	1,055,087		1,215,719	
Trade payables	542,370		959,341	
Other creditors	2,020,928		412,496	
Income tax payable	163,082		69,194	
		(11,477,127)		**(7,296,372)**
Excess of admissible assets over liabilities - solvency margin		**5,294,642**		**5,962,235**
Higher of:				
Gross premium written	7,667,258		4,194,782	
Less: Reinsurance premium expenses	(4,589,814)		(1,985,518)	
Net premium	3,077,444		2,209,264	
15% of net premium	461,617		331,390	
Minimum paid-up capital	5,000,000		5,000,000	
The higher thereof:		5,000,000		5,000,000
Excess of margin of solvency over statutory minimum		294,642		962,235
Solvency ratio		106%		119%

The Company's solvency margin of ₦5,294,644,000 (2016: ₦5,962,235,000) meets the minimum capital requirement of ₦5,000,000,000 (2016: ₦5,000,000,000) 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 of that is not subjected to risk.

The Company's adjusted capital for life business for the year ended 31 December 2017 as well as year ended 31 December 2016 comparatives is shown below:

	2017	2016
Shareholders' funds	2,187,825	2,285,434

52.2 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.

52.3 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.

52.4 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.

52.5 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.

52.6 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.

52.7 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.

52.8 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.

52.9 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).

52.10 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.

52.11 Capital adequacy risk

There is a risk that the capital held by the Company to back to 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. Refer to Note 52.1 for computation on solvency margin.

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.

52.12 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.

52.13 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.

52.14 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.

52.15 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.

52.16 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.

52.17 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.

52.18 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.

54 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 2017	Non - Life			Life				
	Shareholders' Fund ₦'000	Insurance Contract ₦'000	Others ₦'000	Shareholders' Fund ₦'000	Insurance Contract ₦'000	Annuity ₦'000	Investment Contract ₦'000	Total ₦'000
INVESTMENTS								
1. Property and Equipment	195,093			6,009				201,102
2. Other Investments								
Loans & other receivables	-	-	-	50,932	-	-	-	50,932
Statutory deposits	300,000	-	-	200,000	-	-	-	500,000
Government bonds	-	-	-	202,505	-	-	-	202,505
Investment properties	-	-	-	1,600,000	994,100	-		2,594,100
Unquoted securities	311,818	264,353	-	-	-	-	-	576,171
Bank placements	-	45	-	-	1,097	-		1,142
Bank and cash balances	777,756	2,672,956	-		4,049,450	71,132	1,055,087	8,626,381
Other investments (a) - Mutual Funds	-	81,171	-	-	-	-	-	81,171
3. Other Assets (a)								
Trade receivables	47,653	-	-	57	-	-	-	47,710
Reinsurance assets	1,311,615	-	-	2,484,034	-	-	-	3,795,649
Deferred acquisition costs	117,240	-	-	58,837	-	-	-	176,077
Other receivables and prepayments	78,545	-	-	38,270	-	-	-	116,815
Total	**3,139,720**	**3,018,525**	**-**	**4,640,644**	**5,044,647**	**71,132**	**1,055,087**	**16,969,755**
Total Insurance & investment contract liabilities	**-**	**2,672,956**	**-**	**-**	**4,697,364**	**71,132**	**1,055,087**	**8,496,539**
Borrowings		**119,863**	**-**	**-**	**134,345**	**-**	**-**	**254,208**
Total	**-**	**2,792,819**	**-**	**-**	**4,831,709**	**71,132**	**1,055,087**	**8,750,747**

54 Hypothecation of assets and liabilities - continued

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 ₦'000	Insurance Contract ₦'000	Others ₦'000	Shareholders' Fund ₦'000	Insurance Contract ₦'000	Annuity ₦'000	Investment Contract ₦'000	Total
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	-	-	111,737
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**	**13,567,460**
Total Insurance & investment contract liabilities	**-**	**2,068,401**	**-**	**-**	**2,501,048**	**70,173**	**1,215,719**	**5,855,341**

55 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 2017	Note	Loans and receivables ₦'000	Fair value through profit or loss ₦'000	Available-for-sale ₦'000	Held to maturity ₦'000	Other Financial liabilities ₦'000	Total carrying amount ₦'000	Fair value ₦'000
Cash and cash equivalents	5	8,627,523	-	-	-	-	8,627,523	8,627,523
Investment securities	6	50,932	-	576,171	202,505	-	829,608	816,558
Trade receivables	7	47,710	-	-	-	-	47,710	47,710
Reinsurance assets	8	3,795,649	-	-	-	-	3,795,649	3,795,649
Other receivables	10	44,206	-	-	-	-	44,206	44,206
Statutory deposit	14	500,000	-	-	-	-	500,000	500,000
		13,066,020	**-**	**576,171**	**202,505**	**-**	**13,844,696**	**13,831,646**
Borrowings	15	-	-	-	-	254,208	254,208	254,208
Insurance contract liabilities	16						7,441,452	7,441,452
Investment contract liabilities	17	-	-	-	-	1,055,087	1,055,087	1,055,087
Trade payables	18	-	-	-	-	542,370	542,370	542,370
Accruals and other payables	19					1,754,570	1,754,594	1,754,594
		-	**-**	**-**	**-**	**3,606,235**	**11,047,711**	**11,047,711**

31 December 2016	Note	Loans and receivables	Fair value through profit or loss	Available-for-sale	Held to maturity	Other Financial liabilities	Total carrying amount	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	5	7,684,038	-	-	-	-	7,684,038	7,684,038
Investment securities	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
Other receivables	10	102,581	-	-	-	-	102,581	102,581
Statutory deposit	14	500,000	-	-	-	-	500,000	500,000
		9,607,315	**267,687**	**545,515**	**200,821**	**-**	**10,621,338**	**10,586,575**
Insurance contract liabilities	16	-	-	-	-	4,639,622	4,639,622	4,639,622
Investment contract liabilities	17	-	-	-	-	1,215,719	1,215,719	1,215,719
Trade payables	18	-	-	-	-	959,341	905,955	905,955
Accruals and other payables	19	-	-	-	-	171,141	171,141	171,141
		-	**-**	**-**	**-**	**6,985,823**	**6,932,437**	**6,932,437**

Value Added
Statement

For the year ended 31 December 2017

	31 December 2017 ₦'000	%	31 December 2016 ₦'000	%
Gross Premium (local)	7,667,258		4,194,782	
Bought in materials and services				
-Local	(7,486,928)		(2,288,729)	
Value added	180,330	100%	1,906,053	100%
Distribution of value added				
To government				
Government as taxes	60,622	34%	39,528	2%
To employees				
Employee costs	820,242	455%	684,595	36%
Retained in the business				
Depreciation and amortisation	133,549	74%	129,187	7%
(Loss)/profit for the year	(834,083)	-463%	1,052,743	55%
Value added	180,330	100%	1,906,053	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				
	2017	2016	2015	2014	2013
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of Financial position					
Assets					
Cash and cash equivalents	8,627,523	7,684,038	5,655,478	5,868,518	1,006,286
Investment securities	829,608	1,123,498	1,305,171	2,120,640	3,590,852
Trade receivables	47,710	111,736	-	-	56,642
Reinsurance assets	3,795,649	1,099,485	702,720	530,644	613,763
Deferred acquisition costs	176,077	121,179	85,763	91,223	105,141
Prepayments and other receivables	116,815	303,541	301,619	130,777	225,112
Investment properties	2,594,100	2,425,000	2,740,000	1,145,000	1,145,000
Intangible assets	-	5,311	22,284	45,414	96,936
Property and equipment	201,102	193,671	276,152	1,697,267	1,646,023
Deferred tax assets	-	-	-	52,376	-
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	16,888,584	13,567,459	11,589,187	12,181,859	8,985,755
Liabilities					
Borrowings	254,208	-	-	-	-
Insurance contract liabilities	7,441,452	4,639,622	4,221,829	4,058,294	3,533,416
Investment contract liabilities	1,055,087	1,215,719	1,252,195	1,357,506	1,145,422
Trade payables	542,370	959,341	479,054	29,205	25,508
Accruals and other payable	2,020,928	412,496	294,495	1,233,017	500,978
Income tax payable	163,082	69,194	102,988	211,112	475,154
Deferred tax liabilities	-	43,503	43,503	-	43,612
Total liabilities	11,477,127	7,339,875	6,394,064	6,889,134	5,724,090
Net assets	5,411,457	6,227,584	5,195,123	5,292,725	3,261,665
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	4,061,608	3,667,608	864,902
Irredeemable convertible note	4,061,608	4,061,608	864,902	864,902	-
Statutory contingency reserve	1,282,717	1,114,958	925,129	859,309	773,909
Fair value reserve	31,049	13,093	33,375	61,019	52,275
Asset revaluation reserve	280,551	280,551	280,551	267,786	244,975
Accumulated losses	(4,866,919)	(3,865,077)	(4,727,991)	(4,185,448)	(2,431,945)
Shareholders' fund	5,411,457	6,227,584	5,195,123	5,292,725	3,261,665

Five year Financial Summary (cont.)

	12 months				
	2017	2016	2015	2014	2013
	₦'000	₦'000	₦'000	₦'000	₦'000
Profit or Loss Account					
Gross premium written	7,667,258	4,194,782	2,875,078	3,910,673	3,671,735
Gross pemium income	6,702,232	4,017,370	2,986,992	3,952,950	4,148,784
(Loss)/profit before tax	(773,461)	1,092,271	(310,822)	(1,629,634)	(894,336)
Income tax expense	(60,622)	(39,528)	(165,901)	(38,470)	(309,620)
Profit/(loss) after tax	(834,083)	1,052,743	(476,723)	(1,668,104)	(1,203,956)

Non-Life
Revenue Account

For the year ended 31 December 2017

in thousands of Naira

	Fire ₦'000	Motor ₦'000	General Accident ₦'000	Bonds ₦'000	Marine ₦'000	Aviation ₦'000	Engineering ₦'000	Oil and Gas ₦'000	Total ₦'000
Direct Premium	515,596	470,926	298,607	-	87,998	2,052,956	214,570	785,916	4,426,569
Facultative inward	45,993	6,899	20,930	-	4,691	-	7,704	41,559	127,776
Gross premium written	**561,589**	**477,825**	**319,537**	**-**	**92,689**	**2,052,956**	**222,274**	**827,475**	**4,554,345**
Unearned premium	(29,469)	(22,345)	(16,709)	-	(4,088)	(26,479)	1,776	10,636	(86,678)
Gross premium income	**532,120**	**455,480**	**302,828**	**-**	**88,601**	**2,026,477**	**224,050**	**838,111**	**4,467,667**
Facultative outward	(21,318)	-	(14,119)	-	-	(1,845,418)	(22,858)	(405,014)	(2,308,727)
Reinsurance treaty- local	-	-	-	-	(45,615)	-	-	-	(45,615)
Reinsurance treaty -foreign	(346,690)	-	-	-	-	-	(121,477)	-	(468,167)
M&D excess of loss	(9,423)	(2,776)	(10,573)	-	(4,501)	-	-	-	(27,273)
Reinsurance cost	(377,431)	(2,776)	(24,692)	-	(50,116)	(1,845,418)	(144,335)	(405,014)	(2,849,782)
Changes in prepaid re-insurance	21,084	(4,479)	1,808	-	3,890	(44,093)	(5,432)	(53,874)	(81,096)
Reinsurance premium expenses	(356,347)	(7,255)	(22,884)	-	(46,226)	(1,889,511)	(149,767)	(458,888)	(2,930,878)
Net premium income	**175,773**	**448,225**	**279,944**	**-**	**42,375**	**136,966**	**74,283**	**379,223**	**1,536,789**
Commission income - facultative outward	2,064	-	3,801	-	-	80,251	822	11,323	98,261
Commission income treaty local	-	-	-	-	14,804	-	-	-	14,804
Commission income foreign treaty	104,004	-	-	-	-	-	39,480	-	143,484
Fees						81,000			81,000
Changes in deferred commission income	(5,608)	705	(802)	-	(1,023)	132	1,035	(378)	(5,939)
Fees & commission income	100,460	705	2,999	-	13,781	161,383	41,337	10,945	331,610
Net underwriting income	**276,233**	**448,930**	**282,943**	**-**	**56,156**	**298,349**	**115,620**	**390,168**	**1,868,399**

Non-Life Revenue Account 2017 (cont.)

	Fire	Motor	General Accident	Bonds	Marine	Aviation	Engineering	Oil and Gas	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Claims paid	(187,740)	(233,008)	(156,786)	-	(14,253)	(107,648)	(65,428)	(121,249)	(886,112)
Changes in outstanding claims	(48,887)	(8,778)	(43,898)	5,050	7,960	13,982	(13,011)	(76,833)	(164,415)
IBNR	(56,648)	(18,291)	112,372	-	(12,867)	(183,583)	(62,065)	(132,462)	(353,544)
Claims handling expenses	(3,943)	(2,072)	(4,385)	-	(1,145)	(370)	(1,554)	(6,326)	(19,794)
Net claims incurred	(297,218)	(262,149)	(92,697)	5,050	(20,305)	(277,619)	(142,058)	(336,870)	(1,423,865)
Claims recoveries	80,251	-	26,504	-	2,058	51,488	23,773	27,944	212,018
Salvages	1,100	9,337	-	-	95	-	-	-	10,532
Outstanding claims recoveries	73,952	878	39,366	-	(5,404)	15,960	(16,121)	114,166	222,798
IBNR on recoverables on outstandinh claims	53,318	(83)	2,713		1,480	241,033	31,955	10,176	340,591
Recoveries	208,621	10,132	68,583	-	(1,771)	308,481	39,607	152,286	785,939
Net Claims expense	**(88,597)**	**(252,017)**	**(24,114)**	**5,050**	**(22,076)**	**30,862**	**(102,451)**	**(184,584)**	**(637,926)**
Commission expense	(109,680)	(53,148)	(61,157)	-	(14,667)	(54,185)	(47,536)	(91,024)	(431,397)
Commission paid facultative inward	(5,830)	(2,219)	(6,461)	-	(1,400)	(2,223)	(2,312)	(8,312)	(28,757)
Changes in DAC	5,510	4,081	2,209	-	740	3,453	(291)	(9,137)	6,565
Acquisition cost	(110,000)	(51,286)	(65,409)	-	(15,327)	(52,955)	(50,139)	(108,473)	(453,589)
Maintenance cost	(8,151)	1,010	(4,319)	-	(681)	2,059	(4,180)	(146,513)	(160,775)
Write-Back/(Impairment charges)	-	-	-	-	-	-	-	-	-
Underwriting expenses	**(118,151)**	**(50,276)**	**(69,728)**	**-**	**(16,008)**	**(50,896)**	**(54,319)**	**(254,986)**	**(614,364)**
Underwriting profit	**69,485**	**146,637**	**189,101**	**5,050**	**18,072**	**278,315**	**(41,150)**	**(49,402)**	**616,109**

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
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'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**
			58536130%								
Unearned premium	3,561	(55,995)		-	-	(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)	155	-	-	-	(858,046)	(18,304)	(446,944)	(1,358,913)
Reinsurance treaty- local	-	-	-	156	-	(14,527)	(16,477)	-	-		(31,004)
Reinsurance treaty -foreign	(302,269)	-	-	157	-	-	-	-	(74,083)	-	(376,352)
M&D excess of loss	(14,490)	(6,645)	(10,526)	159	-	(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**	**1,340,568**
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**	**1,592,639**

Non-Life Revenue Account 2016 (cont.)

	Fire	Motor	General Accident	Workmens Compensation	Bond	Marine - Cargo	Marine - Hull	Aviation	Engineering	Oil and Gas	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'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
					390,671						
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 expense	(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**

Life Revenue Account

For the year ended 31 December 2017

	Group life	Individual life	Annuity	Total
	₦'000	₦'000	₦'000	₦'000
Gross premium written	2,816,940	295,571	402	3,112,913
Unearned premium/changes in reserve	(878,348)	-	-	(878,348)
Gross premium income	1,938,592	295,571	402	2,234,565
Facultative premium	(2,455,444)	-	-	(2,455,444)
Reinsurance premium	(19,958)	(7,715)	-	(27,673)
Re-insurance cost	(2,475,402)	(7,715)	-	(2,483,117)
Changes in prepaid re-insurance	824,181	-	-	824,181
Reinsurance premium expenses	(1,651,221)	(7,715)	-	(1,658,936)
Net premium income	287,371	287,856	402	575,629
Commission income	25,739	323	-	26,062
Fees	281,288	11,154		292,442
Deferred commission income	(56,024)	-	-	(56,024)
Fees & commission income	251,003	11,477	-	262,480
Net underwriting income	538,374	299,333	402	838,109
Death claims paid	(1,550,082)	(15,217)	-	(1,565,299)
Claims benefits	-	(394,344)	(15,093)	(409,437)
Outstanding claims/benefit payable	(557,641)	(29,072)	-	(586,713)
IBNR	(782,451)	-	-	(782,451)
Claims incurred	(2,890,174)	(438,633)	(15,093)	(3,343,900)
Recovery -local facultative	1,311,274	4,440	-	1,315,714
Outstanding claims recoveries	502,891	2,718	-	505,609
IBNR on recoverables on outstanding claims	873,917	-	-	873,917
Recoveries	2,688,082	7,158	-	2,695,240
Net claims expense and benefit payments	(202,092)	(431,475)	(15,093)	(648,660)
Commission expense	(247,335)	(16,128)	-	(263,463)
Change In deferred acquisition cost	48,333	-	-	48,333
Maintenance cost	(1,329)	(2,092)	-	(3,421)
Underwriting expenses	**(200,331)**	**(18,220)**	**-**	**(218,551)**
Changes in individual life reserve	-	51,195	(9,372)	41,823
Underwriting profit	**135,951**	**(99,167)**	**(24,063)**	**12,721**

Life **Revenue Account**

For the year ended 31 December 2016

	Group life	Individual life	Annuity	Total
	₦'000	₦'000	₦'000	₦'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)
			24	
Net premium income	278,981	402,545	24	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	21,884	-	17,192
Claims incurred	(651,643)		(13,385)	(1,034,180)
Recovery -local facultative	220,061	7,365	-	227,426
Outstanding claims recoverable	78,398	(7,514)	155	70,884
Recoverable	298,459	(149)	156	298,310
			157	
Net claims expense and benefit payments	(353,184)	(369,301)	159	(735,870)
Commission expense	(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**

Unclaimed **Dividend**

Listing as at August 2018

NAME

1. ABUBAKAR USMAN ZAINAB (HAJIA)
2. ADEBAYO EDWARD OLUDELE (ELDER)
3. ADEKEYE O.OLASUNKANMI
4. ADEWALE ABIOLA OLAIDE
5. ADEYEMO BABATUNDE ADEYINKA
6. AGBO MONICA (MRS)
7. AGBOOLA ADESOJI SAMUEL
8. AHMAD MOHAMMAD DANASABE
9. AJEGBO OBIANUJU FRANCES (MRS)
10. AJEIGBE ESTHER ADEDOLAPO
11. AKANNI ADEYINKA (MR.)
12. AKINTOYE VICTORIA O (MRS)
13. AKPAN NEHEMIAH (MRS)
14. ALASA ZAINAB MUSA
15. ALFA SUSAN AHMED
16. ALKA RAMATU KILISHI (MRS)
17. ALUGA ALUGA OKOGBA (MR)
18. AMADI BARNABAS CHIDEBE (MR)
19. AMAEFULA CHINWEDU SUNDAY
20. AMINU RABIU
21. AMUKA ALERO PHILLIPA (MISS)
22. ANIAGO UCHE CAMMINUS (MR)
23. ASUELIMEN ANTHONY ISAIBU
24. AWOROIYI OLAYINKA O (MASTER)
25. AWURUM CHARLES CHIMEZIE
26. AZUH JESSYRITA ADAMA (MRS)
27. BALOGUN ROSELINE TAYO
28. BELABO PAUL R V
29. BENSON FELICIA (MRS)
30. BOLAJI TOLANI (MISS)
31. CHINDABA LADI ISHAYA BALA (MRS)
32. CHUKWUKA BONIFACE CHUKWUMA
33. CHUKWUKA DAVID C CHUKWUMA
34. CHUKWUKA EDITH IFEOMA
35. CHUKWUKA JOSHUA EKENEMCHUKWU
36. CHUKWUKA MARVELOUS CHINAZAM
37. DANFULANI ELIZABETH JAMES (MRS)
38. DANIEL ADEBAYO OLUYEMISI MOPELOLA (MRS)
39. DANIEL ESTHER UCHENNA
40. DAUDA ISA (MALLAM)
41. DAVID PATRICIA OUT
42. EBIDAH JOY AWUNRI (MRS)
43. EBIRE MARY FOLUKE (MRS)
44. EGEREGOR MARY (MRS)
45. EGWUIBE JUSTINA IHIOMA (MRS)
46. EKUNDAYO MARY E (MRS)
47. ELON ISAAC EVELYN (MRS)
48. EMELE ERIC CHINEDU
49. EMELE OGECHUKWU ADAEZE O.
50. ENABIFO ESTHER ONOLENMEN
51. ENOBHAYISOBO ISAAC EREMIOKHAE (MR)
52. ENYIAKA FRANCA NKEMDILIM (MRS)
53. ETOK EFFIONG JAMES (MR)
54. EZEKWES SILI ANTHONY (CHIEF)
55. FASANYA OMOTAYO O (MRS)
56. GAMBO AMINA ZUYEALI (MRS)
57. GAMBO NASIR (MR)
58. GARBA JUSTICE MUSA
59. GIWA OSAGIE MOJISOLA OMOLOLA (MRS)
60. GOFWEN BISOYE
61. HAZEL JOSEPH ONMINYI.
62. IBANGA IFURE THURSDAY
63. IBOJE ROSELINE DUMEBI (MRS)
64. IFEABUNIKE MARIA NKECHINYERE
65. IKIKIN ZAINAB (MISS)
66. IZIBILI STEPHEN INEGBE
67. JOSEPH VICTOR UFOT (MR)
68. KATUNG ABOSEDE (MRS)
69. KOBLANGYE DANKAKA BELLO
70. LAWAL GANIYU ADEBAYO
71. LEGBEYE GAYA TANKO (MR)
72. MAGAJI HUDU KATAGUM (MR)
73. NNAJI JOHN O. (ADMIN TO THE ESTATE OF NNAJI ROSELINE)
74. NTAH C S (MR)
75. NWACHUKWU ANTHONIA U
76. NWACHUKWU CHARLES IZUCHUKWU
77. NWOKAFOR AMOBI DANIEL (MR)
78. NWOKOLO JOSEPHINE MARY (MRS)
79. OBIOHA KANENE CHRISTIANA (MRS)
80. ODOEMENA HELEN UZOMA
81. OGIDIAGBA EMO EMMANUEL (MR)
82. OGUNLEYE JACOB OLAWALE
83. OGUNTOLA ADEDAYO ABDULGANIY (ALHAJI)
84. OGWUILU OBINNA
85. OJO TIMOTHY ADEBAYO
86. OKECHUKWU KENNETH (ESTATE OF OKECHUKWU)
87. OKEKE BONIFACE NNIAMIFE
88. OKEKE CHIZUBE BLESSING
89. OKOLO E. C
90. OKPALANOZIE EUNICE ELOCHI (MRS)
91. OKUOFU FELIX (MR.)
92. OKWUSOGU ANSELM IKEMEFUNE (ENGR)
93. OKWUSOGU MARY
94. OLOTU EMMANUEL ERUKOGHENE
95. OMIKUNLE JOEL AKINTUNDE (PASTOR)
96. OMOGBEME OCHUWA EDNA
97. OMOREGIE CHRISTIANA E. (MRS)
98. ONAGORUWA ABIMBOLA OLAJUMOKE (MRS)
99. ONAH EMMANUEL UWADIE (MR)
100. ONWUEGBULE LOVELYN.M
101. OPARAH GRACE JIWUAKU
102. OREPITAN OLUYEMISI EBUNOLUWA (MRS)
103. OYELEYE MARIAM AJOKE (MISS)
104. OZOH CHRISTOPHER UDEH
105. OZULUMBA GODFREY ROXY EGBUNA
106. RIMI AUWALU (ALHAJI)
107. TUBOSUN VICTOR OLAYEMI (MR)
108. UDEOGU NGOZI FIDELIA
109. UDUMGBA DANIEL-JACKSON (MRS)
110. UGORJI FELIX EMEKA
111. UKANDU CHESTER ONYEMAECHI (MR)
112. UNUBUN ALEXANDER OMOEGBE
113. UKPABI EMMANUEL AKWARI
114. UZOECHI EUGENIA UZOAMAKA
115. UZUH CHRISTOPHER CHUKWUKEZIE (MR)
116. YAKASAI GARBA ABDUKADIR
117. YAZEED ABDULLAHI MOH'D
118. YETSOLAANDA STEPHEN MOTAA
119. YOHANNA NAOMI SABAT
120. ZAKARIYA'U BALA
121. ZARO SYNDANY JOSEPH (MRS)

Proxy **Form**

19th ANNUAL GENERAL MEETING to be held at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island Lagos State, on Friday, October 26, 2018 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 ……………………………..., 2018 and at any adjournment thereof.

Dated this …….day of ……………….2018.

Signature of Shareholder…………………………………....

Name of Shareholder……………………………………………..

NUMBER OF SHARES HELD:		
RESOLUTIONS	**FOR**	**AGAINST**
ORDINARY BUSINESS		
To lay before the Members the Audited Financial Statements for the year ended December 31st, 2017 and the Reports of the Directors and the Auditors thereon		
To re-elect as Directors:		
Mr. Asue Ighodalo		
Chief Dickie Ulu		
To elect as Directors:		
Mr. Coenraad Christiaan Vrolijk		
Mr. Anuj Agarwal		
Mr. Hicham Raissi		
To authorize the Directors to appoint and fix the External 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, 2019, be and is hereby fixed at ₦33,500,000.00"*		
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; Greenwich Registrars and Data Solutions 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
19TH ANNUAL GENERAL MEETING

Please admit *---* to the 19th Annual General Meeting of the members of ENSURE INSURANCE PLC holding at the Civic Centre, Ozumba Mbadiwe Avenue, Victoria Island Lagos State, on Friday, October 26, 2018 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 ₦50
Postage Stamp
Here

GREENWICH REGISTRARS & DATA SOLUTIONS LIMITED
274, Murtala Muhammed Way, Alagomeji, Yaba,
Lagos

Printassure 08023128670

Branch Locations

Head Office:
307, Adeola Odeku Street,
Victoria Island,
Lagos.

Lagos Island Office:
95, Broad Street,
Lagos.

Abuja Office:
3, Port-Harcourt Crescent,
Garki II, Abuja.

Ikeja Office:
3, Ashabi Cole Street,
Central Business District
Alausa, Ikeja,
Lagos

Ibadan Office
No. 1, Alhaji Jimoh
Odutola Way, Dugbe
Ibadan

Port Harcourt Office:
81, Trans-Amadi Layout,
Port Harcourt,
Rivers state.

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