Industrial And General Insurance Plc

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

ANNUAL REPORT AND ACCOUNTS 2015

Industrial And General Insurance Plc

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COMPANY REGISTRATION NUMBER: RC 178140

DIRECTORS, PROFESSIONAL ADVISERS, ETC

DIRECTORS:

Gen. Dr Yakubu Gowon GCFR, PhD, psc jssc	Chairman (retired w.e.f 19/04/16)
Mahmud Yayale Ahmed, CFR, BSc, MPA, LLD (Hons)	Director (appointed Chairman w.e.f 19/4/16)
Rotimi Fashola, MBA, ACII, ACIarb	Managing Director (retired w.e.f 2/10/17)
Sina Elusakin BSc, MBA, AIIN MEI	Deputy Managing Director (retired w.e.f 30/09/17)
Apostle Hayford I. Alile OFR, Hon D.Sc, BA, MBA	Director (retired w.e.f 19/04/16)
Olubunmi Olowude (Mrs.) AIMLT	Director (retired w.e.f 19/04/16)
Professor Oladapo Afolabi, OON, CFR, MSc, PhD	Director
Augustine Olorunsola BSc	Director (appointed w.e.f 19/04/16)
Awuneba Ajumogobia (Mrs.) BSc, FCA	Director (appointed w.e.f 19/04/16) (resigned w.e.f. 18/05/17)
Gaffar Kayode Animashawun Jnr. BL, LLM	Director (appointed w.e.f 19/04/16)
Kanayo Chuks Okoye BL, LLM	Director (appointed w.e.f 19/04/16)
Yinka Obalade BSc, MBA, FCA	Executive Director (retired w.e.f 1/09/17)
Kenneth Aigbinode, MSc	Executive (resigned w.e.f 25/3/16)
Foluso Gbadamosi (Mrs.) BSc, MSc	Executive Director (resigned w.e.f 30/08/17)
Bayo Folayan MBA, BSc	Ag. Managing Director
Shade Ajayi BSc	Ag. Deputy Managing Director

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

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

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

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

REGISTRARS
GTL Registrars Limited
2, Burma Road
Apapa, Lagos

RE-INSURERS

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

COMPANY REGISTRATION NUMBER: RC 178140

DIRECTORS, PROFESSIONAL ADVISERS, ETC

ACTUARIES	HR Nigeria Limited
MAJOR BANKERS	Access Bank Plc Citibank Nigeria Limited Ecobank Nigeria Limited First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Plc Global Trust Savings & Loans Limited Heritage Bank Plc Keystone Bank Limited Llyods Bank Uk Sterling Bank Plc Skye Bank Plc Standard Chartered Bank Limited Union Bank Plc United Bank of Africa Plc Wema Bank Plc Zenith Bank Plc
FRC REGISTRATION NO:	**FRC/2013/0000000000644**

REPORT OF THE DIRECTORS

For the year ended 31 December 2015

The Directors have pleasure in presenting their report on the affairs of Industrial and General Insurance Plc ("the Company") together with the Subsidiaries Audited Financial Statements and Auditors' report for the year ended 31 December 2015.

CORPORATE STRUCTURE AND BUSINESS

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

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

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

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

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

The Company has both local and foreign subsidiaries, namely:

Local

Global Trust Savings and Loans Limited, International Health Management Services Limited, Monarch Communications Limited, IGI Pension Funds Managers Limited and All Crown Registrars Limited

Foreign

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

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

PRINCIPAL ACTIVITIES

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

<u>Results at a Glance</u>

	Group		Company	
	2015	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Gross premium income	7,915,395	10,593,822	3,481,655	6,764,584
Underwriting results	795,462	2,657,550	(493,629)	1,703,582
Investment income	597,669	802,987	179,725	528,402
Management expenses	(5,262,426)	(4,071,427)	(3,418,948)	(1,832,702)
Impairment of receivables and investments	(1,587,455)	(607,352)	(1,059,145)	(2,459,356)
Loss before taxation	(3,814,487)	(536,617)	(3,765,441)	(3,786,631)
Net Assets	7,211,270	11,512,993	6,952,176	10,729,929

DIRECTORS AND DIRECTORS' INTERESTS *For the year ended 31 December 2015*

a. The names of the current Directors are listed on page 1

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

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

	Number of shares as at 31 December	
	2015	**2014**
General Dr. Yakubu Gowon	202,099,971	202,099,971
Apostle Hayford I. Alile	107,632,597	107,632,597
Olubunmi Olowude (Mrs.)	773,910,236	773,910,236
Mahmud Yayale Ahmed, CFR	-	-
Prof. Oladapo Afolabi, OON, CFR	-	-
Rotimi Fashola	122,114,382	122,114,382
Sina Elusakin	4,455,000	4,455,000
Yinka Obalade	1,815,000	1,815,000
Kenneth Aigbinode	-	-
Foluso Gbadamosi	110,071,588	110,071,588

APPOINTMENT OF NEW DIRECTORS

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

ANALYSIS OF SHAREHOLDING

The shareholding pattern of the Company is as follows:

Share Range			Number Of Shareholders	% of Shareholder	Number Of Holdings	% Shareholding
1	-	1,000	15	0.15	6,357	0.00
1,001	-	5,000	45	0.45	89,150	0.00
5,001	-	10,000	12	0.12	68,500	0.00
10,001	-	50,000	3,497	34.76	109,966,437	0.77
50,001	-	100,000	2,030	20.18	131,997,322	0.93
100,001	-	500,001	2,788	27.71	571,717,660	4.02
500,001	-	1,000,000	675	6.71	436,806,790	3.07
1,000,001	-	5,000,000	770	7.65	1,397,393,958	9.82
5,000,001	-	100,000,000	207	2.06	3,821,269,066	26.85
100,000,001	-	500,000,000	16	0.16	3,098,659,646	21.77
500,000,001	-	And Above	6	0.06	4,663,262,398	32.77
TOTAL :-			**10,061**	**100.00**	**14,231,237,284**	**100.00**

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

RESEARCH AND DEVELOPMENT

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

DONATIONS

Charitable gifts and donations during the year amounted to N794,217 (2014 – N1,404,000) and were made to the underlisted. No donation was made to any political organization during the year.

NAME	Naira
Enugu State University of Science & Technology	100,000
Chartered Insurance Institute of Nigeria	160,000
Nigerian National Bureau	534,217
	794,217

EMPLOYMENT AND EMPLOYEES

a) **Employment of physically challenged persons:** It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop. The Company had no disabled person in its employment as at 31 December, 2015.

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

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

INVESTMENT IN SUBSIDIARIES

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS *For the year ended 31 December 2015*

The consolidated results for the year ended 31 December 2015 were prepared in compliance with International Financial Reporting Standards (IFRS).

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

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

The financial statements of the subsidiaries undergoing liquidation as discussed above were not consolidated because they had all ceased operations and had been reported as discontinued operations in the consolidated financial statements for the years ended 31 December 2014 and 31 December, 2013.

RELATED PARTY TRANSACTIONS

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

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

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

iii. The Company provides insurance related services to its local subsidiaries in competition with other insurers at competitive market rates available in the industry.

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

FINANCIAL PERFORMANCE AND RESULTS

The Group recorded a decrease of 17% in Gross Written Premium from N9.32 billion in 2014 billion to N7.74 billion in 2015 while Gross Premium Income decreased by 25% from N10.59 Billion recorded in 2014 to N7.92 billion in 2015. Reinsurance cost for 2015 decreased by 39% to N1.563 billion from N2.544 billion recorded in 2014 as a result of the decrease in revenue for the year.

Net claims incurred decreased by 31% from N3.737 billion in 2014 to N2.577 billion in 2015. Underwriting expenses increased by 22% from N2.245 billion in 2014 to N2.74 billion in 2015.

POST REPORTING DATE EVENTS

General Yakubu Gowon, GCFR, Apostle Hayford Alile, OFR and Mrs. Olubunmi Olowude all retired by rotation at the last AGM held on 19th April 2016 and did not offer themselves for re-election.

Mr. Kenneth Aigbinode retired as a Director of the Company with effect from 25th March 2016.

Mr. Augustine Olorunsola, Mr. Gaffar Kayode Animashawun Jnr, Mr. Kanayo Ch uks Okoye and Mrs. Awuneba Ajumogobia were appointed as Non-Executive Directors of the Company at the last AGM of the Company.

AUDITORS

The Auditors, Deloitte & Touche were appointed as the Auditors of the Company at the last AGM of the Company. Their services have been satisfactory and they will be seeking reappointment.

A resolution shall be proposed at the Annual General Meeting to fix their remuneration.

ABIODUN AJIFOLAWE
COMPANY SECRETARY
FRC/2013/NBA/0000000/3830
LAGOS, NIGERIA
15 May, 2018

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

We the undersigned hereby certify the following with regards to our audited financial statements for the year ended 31 December 2015 that:

a) We have reviewed the report;

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

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

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

d) We;

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

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

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

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

Bayo Folayan
Ag. Managing Director
FRC/2017/CIIN/00000017527
15 May, 2018

Emmanuel Udoh
Ag.Chief Finance Officer
FRC/2017/ICAN/00000017529
15 May, 2018

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2015 AUDITED ACCOUNTS

To the Members of Industrial and General Insurance Plc

The membership of the Board Audit and Compliance Committee changed at the Annual General Meeting of the Company held on the 19th of April 2016 following the retirement of Apostle Hayford Alile, OFR and the appointment of Mrs. Awuneba Ajumogobia as a Director.

New members of the Committee elected are as stated below: The Committee at its meeting subsequently elected Professor Oladapo Afolabi, OON, as its Chairman.

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

- We have reviewed the scope and planning of the audit for the year ended 31 December 2015 and we confirm that they were adequate.
- The Company's reporting and accounting policies as well as the internal control systems conform to legal requirements and agreed ethical practices.
- We are satisfied with the departmental responses to the External Auditors' findings on management matters for the year ended 31 December 2015

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

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

15 May 2018

Members of the Committee are:-

Prof. Oladapo Afolabi, OON, CFR	Chairman
Awuneba Ajumogobia (Mrs.)	Member
Yinka Obalade	Member
Kayode Agboola	Member
Dr. Gbenga Ogunkoya	Member
Dr. Abba Njoku	Member

1. INTRODUCTION

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

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

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

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

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

2. GOVERNANCE STRUCTURE AND ORGANIZATION

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

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

2.1 Annual General Shareholders' Meeting

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

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

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

2.2 Communication with Interest holders and with the Public

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

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

2.3 The Board of Directors

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

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

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

Board Composition

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

CONSTITUTION OF THE BOARD

	Name	Non-Executive	Executive	Remark
1	Gen. Dr. Yakubu Gowon, GCFR	●		
2	Rotimi Fashola		●	
3	Apostle Hayford Alile, OFR	●		
4	Mrs. Bunmi Olowude	●		
5	Mahmud Yayale Ahmed, CFR	●		
6	Prof. Oladapo Afolabi, OON, CFR	●		
7	Sina Elusakin		●	
8	Yinka Obalade		●	
9	Kenneth Aigbinode		●	
10	Foluso Gbadamosi		●	

2.4 Duties and Responsibilities of the Board

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

- selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
- performing all statutory roles as required by law; through decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the full Board;
- ratifying duly approved recommendations and decisions of the Board Committees;
- ensuring that proper accounting records are maintained;
- instituting internal control procedures which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- ensuring that applicable accounting policies are adopted and consistently applied;
- confirming that judgements and estimates made are reasonable and prudent; and
- ensuring that the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

BOARD MEETINGS

Attendance of Members at Board Meetings and Board Committees meetings for year 2015 is set out below:

Name of Directors	Board	Audit and Compliance Committee	Investment Committee	Corporate Governance Committee	Business Devt. & External Relations Committee	Enterprise Risks Management Committee*
No of Meetings	**6**	**4**	**4**	**1**	**1**	
Gen. Dr. Yakubu Gowon, GCFR	3					
Rotimi Fashola	6		4	1	1	
Apostle Hayford Alile, OFR	6	2	4		1	
Mrs. Bunmi Olowude	6		4	1	1	
Prof. Oladapo Afolabi, OON, CFR	4	4				
Mahmud Yayale Ahmed, CFR	2					
Sina Elusakin	6			1	1	
Yinka Obalade	6	3	4			
Kenneth Aigbinode	4		3	1		
Foluso Gbadamosi	4					

*There was no Enterprise Risk Management Committee meeting held during the year 2015.

3. BOARD APPRAISAL

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

4. BOARD COMMITTEES

During the year ended 31 December 2015, the Board delegated some of its responsibilities to the following committees:-

a) Audit and Compliance Committee (ACC)

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

Membership

Apostle Hayford I. Alile OFR (Chairman)	Non-Executive Director (retired w.e.f 19/04/16)
Prof. Oladapo Afolabi, OON, CFR	Non-Executive Director
Yinka Obalade	Executive Director (retired w.e.f 1/09/17)
Dr. Michael Ogunkoya	Shareholder
Dr. Abba Njoku	Shareholder
Kayode Agboola	Shareholder

Duties and Responsibilities

The ACC is responsible for:

- the review of the integrity of the data and information provided in the Audit and/or Financial Reports;
- ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- reviewing the scope and planning of audit requirements;
- reviewing the findings on management matters and departmental responses thereon in conjuction with the external auditors
- keeping under review the effectiveness of the Company's system of accounting and internal control; The Committee has oversight responsibilities for the Company's financial statements

- making recommendations to the Board of Directors in regard to the appointment, removal and remuneration of the external auditors of the company;
- authorizing the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee'
- consider other issues and matters as defined by the Board of Directors.

b) Investment Committee (IC)

Membership

Apostle Hayford I. Alile OFR	- Chairman (retired w.e.f 19/04/16)
Mrs. Olubunmi Olowude	(retired w.e.f 19/04/16)
Rotimi Fashola	(retired w.e.f 2/10/17)
Yinka Obalade	(retired w.e.f 1/09/17)
Kenneth Aigbinode	(resigned w.e.f 25/3/16)
Doyin Adebambo (in attendance)	

Duties and Responsibilities

The IC is responsible for:

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

c) Corporate Governance Committee (CGC)

Membership

Mahmud Yayale Ahmed, CFR	-	Chairman
Mrs. Olubunmi Olowude		(retired w.e.f 19/04/16)
Rotimi Fashola		(retired w.e.f 2/10/17)
Sina Elusakin		(retired w.e.f 30/09/17)
Kenneth Aigbinode		(resigned w.e.f 25/3/16)

Duties and Responsibilities

The CGC undertakes the following duties and responsibilities:

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

d) Business Development & External Relations Committee (BDERC)

Membership

Prof. Oladapo Afolabi, OON, CFR - Acting Chairman
Mahmud Yayale Ahmed, CFR
Apostle Hayford I. Alile, OFR (retired w.e.f 19/04/16)
Rotimi Fashola (retired w.e.f 2/10/17)
Sina Elusakin (retired w.e.f 30/09/17)

Duties and Responsibilities

The BDERC is responsible for:

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

e) Enterprise Risk Management Committee (ERMC)

Membership

Prof. Oladapo Afolabi, CFR - Chairman
Rotimi Fashola (retired w.e.f 2/10/17)
Sina Elusakin (retired w.e.f 30/09/17)
Kenneth Aigbinode (resigned w.e.f 25/3/16)
Foluso Gbadamosi
Rotimi Adebiyi (in attendance)

Duties and Responsibilities

The responsibilities of the ERMC include:

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

2015 CORPORATE SOCIAL INVESTMENTS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors of **Industrial and General Insurance PLC** are responsible for the preparation of the group financial statements that give a true and fair view of the financial position of the Group as at 31 December 2015 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act CAP 117 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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

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

The Directors are responsible for:

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

Going Concern:

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

The consolidated financial statements of the Group and company for the year ended 31 December 2015 were approved by the board of directors on 15May, 2017

On behalf of the Directors of the Group

Bayo Folayan	**Professor Afolabi Oladapo**
Ag. Managing Director	Director
FRC/2017/CIIN/00000017527	FRC/2017/IPAN/00000015950
15 May, 2018	15 May, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis (MD&A) has been prepared as at 31st December 2015 and should be read in conjunction with the consolidated financial statements of Industrial and General Insurance Plc. These statements reflect management's current belief and are based on information available to the Group which is subject to certain risks, uncertainties and assumptions.

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

Business Strategy of the Group and Overall Performance

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

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

Operating Results

Our Performance is measured by eight (8) financial metrics which demonstrates how efficient our business has been.

	Group			Company		
	2015 N'000	2014 N'000	%Chg	2015 N'000	2014 N'000	%Chg
Gross premium written	7,743,350	9,324,695	(17)	3,455,994	5,423,549	(36)
Net Premium Income	6,352,620	8,049,758	(21)	2,512,620	4,818,981	(48)
Underwriting results	795,462	2,657,550	(70)	(493,629)	1,703,582	(129)
Investment income	597,669	802,987	(26)	179,725	528,402	(66)
Management expenses	(5,262,426)	(4,071,427)	29	(3,418,948)	(1,832,702)	87
Impairment provisions	(1,587,455)	(607,352)	161	(1,059,145)	(2,459,356)	(57)
Loss before tax	(3,814,487)	(536,617)	611	(3,765,441)	(3,786,631)	(1)
Earnings per share (kobo)	(27.63)	(25.66)		(26.55)	(19.79)	

The Group experienced a reduction of 17% (Company reduced by 36%) in Gross premium written when compared to prior year's result. This is attributable to external economic factors as well as some changes within the group. We expect a positive change in this trend as structures have been put in place to address this.

Investment income for the group decreased by 26% from N803million in 2014 to N598million in 2015. Investment income for the company dropped from N528million in 2014 to 181million in 2015 representing a decrease of 66%.

Management expenses for the group increased by 29% to N5.3 billion from N4.07billion incurred in 2014 while the Company experienced an increase of 87% from N1.83billion recorded in 2014 to N3.4 billion incurred during the year under review.

The Group is currently restructuring its investment portfolio from a robust Long term portfolio to a more liquid balance. This will enable the company to meet policyholders' obligations as well as improving profitability and cash flow requirements. However, the Parent Company's qualifying assets cover based on the regulator's measurement of admissible assets discloses a shortfall of N8.374billion. This is as a result of its huge investment in real estate over the years. This matter is being addressed through restructuring of statement of financial position and injection of fresh capital.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

INDUSTRIAL AND GENERAL INSURANCE PLC

Report on the Financial Statements
We have audited the accompanying consolidated and separate financial statements of **INDUSTRIAL AND GENERAL INSURANCE PLC ("the company") and its subsidiaries (together referred to as "the Group")** which comprise the consolidated and separate statement of financial position as at 31 December 2015 and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP I17 LFN 2004, the Financial Reporting Council of Nigeria Act 2011,and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of **INDUSTRIAL AND GENERAL INSURANCE PLC and its subsidiaries** as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Emphasis of Matter
Without qualifying our opinion, we draw attention to the following notes in the financial statements:

- Note 3(a)(vi) regarding deficit in assets cover (Hypothecation of assets) for Policy Holders Fund for General Business, Life Business and Deposit Administration Fund of N1.73 billion, N2.40 billion and N4.23 billion respectively.

- Note 3(g)(ii) regarding a shortfall of N3.643billion in the Company's Solvency Margin.

These conditions indicate the existence of an uncertainty on the Group's ability to continue as a going concern.

Deloitte.

Other Matter
The consolidated and separate financial statements of Industrial and General Insurance Plc and its subsidiaries for the year ended 31 December 2014 and 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 20 October 2015.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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

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

iii) The consolidated and separate statement of financial position and its consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contravention
The Company contravened certain sections of PENCOM and NAICOM circulars and guidelines during the year, the particulars thereof and penalty paid are as disclosed in Note 62 to the financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
18 May, 2018

Engagement Partner: Joshua Ojo
FRC/2013/ICAN/00000000849

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.0 General Information

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

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

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

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

1.1 Going concern

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

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

2 Basis of presentation

2.1 Statement of compliance

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

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

2.2 Basis of measurement

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

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

These financial statements have being prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.
The financial statements for the year ended 31 December 2015 were approved for issue by the Board of Directors on November, 2017.

2.3 Business Combinations

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

Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Consolidation procedures

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. New and amended standards adopted by the group

The group has applied the following standards and amendments for their annual reporting period commencing 01 January 2015:-

(i) Annual Improvements to IFRSs 2010 to 2012 and 2011 to 2013 cycles - effective 1 July 2014

The following amendments were made by IASB:

IFRS 1 - confirms that first-time adopters can adopt standards that are not yet mandatory, but do not have to do so.

IFRS 2 - clarifies the definition of 'vesting condition' and now distinguishes between 'performance condition' and 'service condition'.

i) IFRS 3 - clarifies that an obligation to pay contingent consideration is classified as financial liability or equity under the principles in IAS 32 and that all non-equity contingent consideration (financial and non-financial) is measured at fair value at each reporting date.

IFRS 3 - clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement.

IFRS 8 - requires disclosure of the judgements made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported.

IFRS 13 - confirms that short-term receivables and payables can continue to be measured at invoice amounts if the impact of discounting is immaterial.
IAS 16 and IAS 38 - clarifies how the gross carrying amount and accumulated depreciation are treated where an entity measures its assets at revalued amounts.

IAS 24 - where an entity receives management personnel services from a third party (a management entity), the fees paid for those services must be disclosed by the reporting entity, but not the compensation paid by the management entity to its employees or directors.

IAS 40 - clarifies that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner- occupied property and determining whether the acquisition of an investment property is a business combination.

(ii) Defined Benefit Plans: Employee Contributions (Amendments to [AS 19) - effective 1 July 2014

The amendments clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits.

Under the previous version of IAS 19, contributions were allowed to be deducted from the cost of the benefits earned in the year the contributions were paid. However, the treatment under the 2011 revised standard was not so clear. It could be quite complex to apply, as it requires an estimation of the future contributions receivable and an allocation over future service periods.

To provide relief, changes were made to IAS 19. These allow contributions that are linked to service, but that do not vary with the length of employee service (e.g. a fixed % of salary), to be deducted from the cost of benefits earned in the period that the service is provided.

b. New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements, except the following set out below:

i) IFRS 9 - Financial instruments - effective 1 January 2018

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments:

Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.
All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model.

With these amendments, IFRS 9 is now complete. The changes introduce:
a third measurement category (FVOCI) for certain financial assets that are debt instruments a new expected credit loss (ECL) model which involves a three- stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method.

A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial years commencing before 1 February 2015, entities can elect to apply IFRS 9 early for any of the following:

- the own credit risk requirements for financial liabilities
- classification and measurement (C&M) requirements for financial assets
- C&M requirements for financial assets and financial liabilities, or
- C&M requirements for financial assets and liabilities and hedge accounting.
- After 1 February 2015, the new rules must be adopted in their entirety.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

ii) IFRS 15 - Revenue from contract with customers - effective 1 January 2018

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and;
- recognise the revenue as each performance obligation is satisfied.

•• Annual Improvements to IFRSs 2012-2014 Cycle - various standards.
•• Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).
•• Disclosure Initiative (Amendments to IAS 1).

Key changes to current practice of IAS 18 and IAS 11 are:

Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.

The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
There are new specific rules on licenses, warranties, non- refundable upfront fees and, consignment arrangements. There are also increased disclosures.
There is a choice of full retrospective application, or prospective application with additional disclosures.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

iii) IFRS 16 - Leases - effective 1 January 2019

Early adoption of this standard is permitted if IFRS 15 is also adopted at or before application of IFRS 16.
IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carried forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of this standard is currently being assessed.

Annual Improvements to IFRSs 2012 to 2014 cycle - effective 1 January 2016

This annual improvements clarify the following:

IFRS 5 - when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such IFRS 7 - specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition.

IFRS 7 - that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34.

IAS 19 - that when determining the discount rate for post- employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise

IAS 34 - what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

The impact of this standard is currently being assessed.

v) Disclosure initiative - Amendments to IAS 1 - effective 1 January 2016
The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

Disaggregation and subtotals - line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Notes - confirmation that the notes do not need to be presented in a particular order.

OCI arising from investments accounted for under the equity method -the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The impact of this standard is currently being assessed.

4. The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*
IFRS 14 Regulatory Deferral Accounts.
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
Equity Method in Separate Financial Statements (Amendments to IAS 27).

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5 Accounting Policies

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

6 Consolidation

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

7 Subsidiaries

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

Control is usually present when an entity has:

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

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction (transaction with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

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

Intercompany transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

8 Segment reporting

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

9 Foreign currency translation

a) Functional and presentation currency

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

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

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

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

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

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

i.) assets and liabilities of each foreign operation are translated at the rates of exchange ruling at the reporting date.
ii.) income and expenses of each foreign operation are translated at the average exchange rate for the period, unless this average is not a reasonable approximation of the rate prevailing on translation date in which case income and expenses are translated at the exchange rate ruling at transaction date and
iii.) all resulting exchange differences are recognised in other comprehensive income and are classified as equity and recognised in the foreign currency translation reserve.

10 Cash and cash equivalents

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

11 Financial assets

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

11.1 Initial recognition and measurement
Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

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

11.2 Reclassification of financial assets

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

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

11.3 Subsequent measurement

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

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

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

i Available –for–sale financial assets

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

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

ii Financial assets at fair value through profit or loss

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

iii Loans and receivables

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

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

iv Held-to-maturity financial assets

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

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

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

11.4 Impairment of Financial Assets

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

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

11.5 Financial assets carried at amortized cost

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

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

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

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

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

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

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

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

11.7 Assets classified as available for sale

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

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

11.8 Impairment of non-financial assets

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

11.9 Impairment of other non-financial assets

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

11.9.1 Derecognition of financial assets

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

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

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

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

11.10 Offsetting of financial instruments

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

11.11 Fair value of financial instruments

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

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

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

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

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

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

12 Policy Loans

The group grants cash loans to Policy holders in line with the policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value.

The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholder upon cancellation of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is not beyond the policy duration and such policy must be in force and has acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed periodically. The rate is determined after due consideration on interest rate used by then actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings.

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

13 Staff Loans

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

14 Trade receivables

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

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

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

15 Other receivables and prepayments

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

16 Reinsurance Assets

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

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

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

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

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is calculated following the same method used for these financial assets carried at amortized cost.

Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business.

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

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

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

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

17 Deferred acquisition costs (DAC)

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

A proportion of commission payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

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

18 Loans and advances

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

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

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

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

Impairment losses on loans and advances
The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the profit and loss account, the group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the

decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Bank. As at 31 December 2015, an IAS 39 provision was computed for both unidentified and identified impairment and impairment loss was measured on the basis of the present value of estimated future cash flows discounted at the original effective interest rate. Future expected cash flows were determined based on the value of the collateral held for which the Group's interest was registered.

19.1 Investment in subsidiaries

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

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

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

20 Investment property

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

21 Deferred Taxation

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

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

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

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

22 Intangible assets and Goodwill

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

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

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

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

22.2 Goodwill
Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. The Company performs its annual impairment test of goodwill as at 31 December.

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

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

When goodwill forms part of a cash-generating unit (or group of cash generating units) and part of the operations within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation to determine the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

23 Property, plant and equipment

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

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

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

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

De-recognition of Property, plant and equipment

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

Depreciation of property, plant and equipment

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

24 Statutory deposit

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

25 Insurance contract liabilities

25.1 Insurance contracts

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

Types of Insurance Contracts

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

a) Non-life insurance contracts

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

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

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

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

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

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the income statement by setting up a provision for premium deficiency.

b) Life insurance business

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

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation administration expenses, policyholder options and guarantees, which are directly related to the contract, method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is calculated adopting current financial and decrement assumptions. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for claims outstanding.

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

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. Discounted cash flows model is used in the valuation. The interest rate applied is based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in the statement of profit or lossand other comprehensive income by establishing an additional insurance liability for the remaining loss. In subsequent periods, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

26 Technical reserves

These are computed incompliance with the provisions of Sections 20, 21 and 22 of the Insurance Act 2003 as follows:

26.1 Non-Life insurance contracts

26.1.1 Reserves for unearned premium

In compliance with Section 20 (1)(a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

26.1.2 Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") at each reporting date. The Reserve for outstanding claims is based on the liability adequacy test carried out by an Actuary on the insurance contract liabilities using the **"Inflation Adjusted Basic Chain Ladder Method"** which is considered as being representative of the liability.

26.1.3 Reserves for unexpired risk

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR).

26.2 Life business

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

26.3 Contingency reserves

26.3.1 Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

26.3.2 Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

26.4 Liability adequacy test

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

27 Investment contracts

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

Investment contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated statement of profit or loss and other comprehensive income. The liability is derecognized when the contract expires, is discharged or is cancelled.

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

28 Managed funds

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

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

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

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

29 Trade payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

30 Derecognition of insurance payables

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

31 Other Payables and Accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

32 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognized.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

33 Borrowing costs

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

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

34 Borrowings

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

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

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

35 Dividends

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

36.1 Share capital

The Company's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

36.2 Share Premium

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

37 Asset Revaluation Reserve

Subsequent to initial recognition, an item of property, plant and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which case it is recognised in the statement of profit or loss and other comprehensive income. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in the income statement.

38 Available-for-Sale Reserve

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

39 Statutory reserves

39.1 Regulatory reserve

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

39.2 Capital reserve

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

40 Taxation

Current and deferred income tax

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

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

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

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

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

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

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

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

41 Related party transactions

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

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

42 Income Recognition and measurement

Premium income

a. Non-Life insurance business

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

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

b. Life insurance business

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

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

Salvages

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

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

Subrogation

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

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

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

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

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

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

44 Salvage and subrogation reimbursements

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

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

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

45 Reinsurance cost

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

46 Reinsurance claims

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

47 Underwriting Expenses

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

48 Investment and other income

48.1 Interest income

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

48.2 Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognized over those future periods.

48.3 Investment income

Interest income is recognized in the statement of profit or loss and other comprehensive income as it accrues and is calculated by using the effective interest method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

48.4 Realized gains and losses

Realized gains and losses recorded in the statement of profit or loss and other comprehensive income on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

49 Finance cost

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

50 Management Expenses

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

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

51 Employee benefits

Short-term benefits

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

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

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

52 Income tax expense

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

53 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company but the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	Group 2015 N'000	Restated Group 2014 N'000	Group 2013 N'000
ASSETS				
Cash and cash equivalents	5	2,790,712	3,701,179	5,779,061
Financial Assets:				
At Fair value through Profit or Loss	6 (a)	398,789	730,763	982,787
Available for sale	6 (b)	1,396,167	1,572,424	3,160,438
Held to Maturity	6 (c)	346,697	357,822	334,022
Loans and Receivables	6 (d)	384,867	349,387	483,624
Trade receivables	7	441,449	659,625	827,788
Reinsurance Assets	8	3,686,538	2,902,474	3,511,613
Deferred acquisition costs	9	216,306	255,003	221,221
Other receivables and Prepayments	16	967,499	34,965	572,922
Loans and advances	10	539,873	160,544	3,765,330
Non-current Assets held for sale	11	3,222,112	3,280,000	1,280,000
Investment Property	13	25,326,450	22,912,944	23,277,815
Deferred Income Tax	26 (b)	32,808	126,068	249,937
Intangible Assets	14	238,488	242,112	704,779
Property plant and equipment	15	6,671,407	6,659,596	6,894,779
Statutory deposits	18	556,345	520,383	550,165
TOTAL ASSETS		**47,216,507**	**44,465,289**	**52,596,281**
LIABILITIES				
Insurance Contract Liabilities	19	12,637,126	11,071,751	12,255,927
Investment Contract Liabilities	20	12,176,417	11,202,965	8,419,540
Trade payable	21	1,668,853	1,039,580	254,651
Other payables and Accruals	22	5,699,033	2,922,288	8,104,106
Placement from other banks	23	-	-	554,254
Income tax payable	24 (b)	1,754,462	1,578,654	1,701,577
Dividend payable	25	11,227	15,812	82,916
Deferred tax liabilities	26 (a)	1,741,915	1,454,750	2,122,398
Deposit for shares	27	1,169,783	1,163,501	30,857
Loans and Borrowings	28	3,146,421	2,502,995	2,308,515
TOTAL LIABILITIES		**40,005,237**	**32,952,296**	**35,834,741**
EQUITY				
Share capital	29	7,115,619	7,115,619	7,115,619
Share premium	30	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	31	4,830,206	4,607,005	6,623,187
Fair value reserve	32	362,816	473,326	514,415
Contingency reserve	33	2,891,889	2,768,734	2,750,742
Capital reserve	34	64,214	55,382	65,715
Retained earnings	35	(17,210,912)	(12,740,365)	(7,703,640)
Foreign Exchange Reserve	36	218,521	246,332	(1,407,175)
Statutory (regulatory) reserve	37	114,032	124,604	501,255
SHAREHOLDERS' FUNDS		6,917,166	11,181,418	16,990,899
NON-CONTROLLING INTEREST	38	294,104	331,575	(229,359)
		7,211,270	**11,512,993**	**16,761,540**
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		**47,216,507**	**44,465,289**	**52,596,281**

The Group Financial Statements for the year ended 31 December 2015 were approved by the Board of Directors on 15 May, 2018 and signed on its behalf by:

Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

Bayo Folayan
Ag. Managing Director
FRC/2017/CIIN/00000017527

Emmanuel Udoh
Ag. Chief Finance Officer
FRC/2017/ICAN/00000017529

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

SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	Company 2015 N'000	Company 2014 ₦'000
ASSETS			
Cash and cash equivalents	5	245,544	1,418,395
Financial Assets;			
At Fair value through Profit or Loss	6 (a)	13,393	24,334
Available for sale	6 (b)	202,658	202,658
Loans and Receivables	6 (d)	355,139	323,419
Trade receivables	7	13,124	63,348
Reinsurance Assets	8	2,709,529	2,274,292
Deferred acquisition costs	9	135,838	172,453
Other receivables and Prepayments	16	424,011	1,019,314
Investment in Subsidiaries	12	5,590,678	5,590,678
Investment Properties	13	15,915,506	14,662,420
Intangible Assets	14	-	17,568
Property plant and equipment	15	4,670,928	4,765,168
Statutory deposits	18	500,000	500,000
TOTAL ASSETS		**30,776,348**	**31,034,047**
LIABILITIES			
Insurance Contract Liabilities	19	8,942,173	7,902,723
Investment Contract Liabilities	20	8,649,161	8,125,379
Trade payable	21	1,312,637	777,242
Other payables and Accruals	22	2,456,983	1,511,178
Income tax payable	24 (b)	1,484,161	1,343,017
Deferred tax liabilities	26 (a)	854,951	477,637
Loans and Borrowings	28	124,106	166,942
TOTAL LIABILITIES		**23,824,172**	**20,304,118**
EQUITY			
Share capital	29	7,115,619	7,115,619
Share premium	30	8,530,781	8,530,781
Assets revaluation reserve	31	4,509,788	4,113,310
Fair value reserve	32	132,833	132,833
Contingency reserve	33	2,695,929	2,613,412
Retained earnings	35	(16,032,774)	(11,776,026)
		6,952,176	**10,729,929**
TOTAL LIABILITIES AND EQUITY		**30,776,348**	**31,034,047**

The Financial Statements for the year ended 31 December 2015 were approved by the Board of Directors on 15 May, 2018 and signed on its behalf by

Professor Afolabi Oladapo
Director
FRC/2017/IPAN/00000015950

Bayo Folayan
Ag. Managing Director
FRC/2017/CIIN/00000017527

Emmanuel Udoh
Ag. Chief Finance Officer
FRC/2017/ICAN/00000017529

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

		GROUP	
	Note	2015 N'000	2014 N'000
INCOME			
Gross premium written	39	7,743,350	9,324,695
Changes in unearned premium	40	172,045	1,269,127
Gross Premium Income		7,915,395	10,593,822
Reinsurance cost	41	(1,562,775)	(2,544,064)
Net Premium Income		6,352,620	8,049,758
Fees and commission income	42	457,768	307,269
Net underwriting income		**6,810,388**	**8,357,027**
Claims expenses (Gross)	44	3,567,337	4,334,863
Recovered & recoverable from reinsurers	44 (a)	(989,645)	(597,056)
Net claims incurred	45	2,577,692	3,737,807
Underwriting expenses	43	2,743,245	2,245,517
Changes in contract liabilities	46	693,989	(283,847)
		6,014,926	5,699,477
Underwriting Profit		**795,462**	**2,657,550**
Investment income	47	552,335	755,237
Gain/(Loss) on disposal of investment properties		45,334	47,750
Interest income	48	156,432	453,424
Other income	49	531,447	2,048,902
Fair value gain through Profit or loss	50	1,788,560	464,797
Loss on investment contract	55	(439,888)	(2,081,695)
Net operating income		**3,429,682**	**4,345,965**
Finance cost	51	(394,288)	(203,803)
Management expenses	53	(5,262,426)	(4,071,427)
Impairment of receivables and Investments	54	(1,587,455)	(607,352)
Loss before taxation		(3,814,487)	(536,617)
Taxation	24 a	(532,476)	589,472
(Loss)/Profit after taxation from continuing operations		(4,346,963)	52,855
Discontinued Operations:			
Loss on discontinued operations	52	-	(5,195,837)
Income tax on discontinued operations		-	-
Loss after tax on discontinued operations		-	(5,195,837)
Loss for the year		(4,346,963)	(5,142,982)
Attributable to Shareholders		(4,373,305	(5,017,135)
Attributable to non-controlling interest		26,342	(125,851)

Other comprehensive income (net of tax)			
Items within OCI that may be reclassified to Profit or Loss:			
Fair value gain on available for sale assets		(240,805)	176,220
Exchange difference on translation of foreign operations		(48,027)	1,520,436
Income tax relating to items that may be reclassified subsequently to profit or loss		68,855	(49,583)
		(219,977)	1,647,073
Items within OCI that will not be reclassified to Profit or Loss:			
Actuarial surplus/ transfer from life fund		55,702	-
Fair value gain on property		780,221	377,195
Income tax relating to items that will not be reclassified subsequently to profit or loss		(199,925)	-
		635,998	3,671,341
Other comprehensive income for the year, net of income tax		416,021	5,318,414
Total comprehensive result for the year		(3,930,942)	175,432
Attributable to Shareholders		(3,931,392)	(3,651,994)
Attributable to non-controlling interest		450	3,908
Earnings per share			
Basic	56	(27.63)	(25.66)

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Company 2015 N'000	2014 N'000
Gross premium written	39	3,455,994	5,423,549
Changes in unearned premium	40	25,661	1,341,035
Gross Premium Income		3,481,655	6,764,584
Reinsurance cost	41	(969,035)	(1,945,603)
Net Premium Income		2,512,620	4,818,981
Fees and commission income	42	120,723	161,245
Net underwriting income		**2,633,343**	**4,980,226**
Claims expenses (Gross)	44	1,722,448	1,873,515
Changes in claims recoveries	44 (a)	(547,575)	(206,524)
Net claims incurred	45	1,174,873	1,666,991
Underwriting expenses	43	1,346,458	1,893,500
Changes in contract liabilities	46	605,641	(283,847)
		3,126,972	3,276,644
Underwriting (loss)/profit		**(493,629)**	**1,703,582**
Investment income	47	206,633	462,652
Gain/(Loss) on disposal of investment properties		(26,908)	65,750
Other income	49	214,465	27,893
Loss on investment contract	55	(529,179)	(2,081,695)
Fair value gain through Profit or loss	50	1,555,092	392,262
Net operating income		**926,474**	**570,444**
Finance cost	51	(213,822)	(65,017)
Management expenses	53	(3,418,948)	(1,832,702)
Impairment of receivables and Investments	54	(1,059,145)	(2,459,356)
Loss before taxation		(3,765,441)	(3,786,631)
Taxation	24 a	(408,790)	614,208
Loss for the year		(4,174,231)	(3,172,423)
Other comprehensive income (net of tax)			
Items within OCI that may be reclassified to Profit or Loss:			
Fair value gain /(loss) on available for sale assets		-	1,447
Exchange difference on translation of foreign operations		-	-
Items within OCI that will not be reclassified to Profit or Loss:			
Fair value gain on property, plant and equipment.		566,146	394,265
Income tax relating to items that will not be reclassified subsequently to profit or loss		(169,668)	(39,426)
Total other comprehensive income for the year		396,478	356,286
Total comprehensive loss for the year		(3,777,753)	(2,816,136)
Loss per share			
Loss per share	55	(26.55)	(19.79)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital	Share premium	Assets Revaluation reserve	Retained Earnings	Contingency reserve	Fair value reserve	Regulatory & capital reserves	Foreign exchange reserve	Non controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At start of year 2014	7,115,619	8,530,781	6,623,187	(7,703,640)	2,750,742	514,415	566,970	(1,407,175)	(229,356)	16,761,543
Loss for the year				(5,017,135)						(5,017,135)
Other comprehensive income										
Fair value gain on property			529,706							529,706
Gain on available for sale financial assets						235,223				235,223
Deferred tax			(49,583)			(42,253)				(91,836)
Foreign exchanges gains/ (loss)								1,520,436		1,520,436
Total comprehensive income for the year	-	-	480,123	(5,017,135)	-	192,970	-	1,520,436	-	(2,823,606)
Transactions with equity holders, recorded directly in equity:										
Contingency reserve for the year	-	-	-	(178,382)	178,382	-	-	-	-	-
Transfer to statutory and capital reserves				(10,843)			10,843			-
Transfer from life fund				(20,597)	58,279					37,682
Transfer from revaluation reserves	-	-	(988,697)	988,697	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-
Actuarial surplus										-
Consolidation adjustments			(1,507,608)	(798,465)	(218,669)	(234,059)	(397,827)	133,071		(3,023,557)
Minority share of capital & reserves	-	-	-		-	-	-	-	560,931	560,931
Total contributions by and distributions to owners	-	-	(2,496,305)	(19,590)	17,992	(234,059)	(386,984)	133,071	560,931	(2,424,944)
Balance at 31 December 2014	**7,115,619**	**8,530,781**	**4,607,005**	**(12,740,365)**	**2,768,734**	**473,326**	**179,986**	**246,332**	**331,575**	**11,512,993**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Assets Revaluation reserve	Retained Earnings	Contingency reserve	Fair value reserve	Regulatory & capital reserves	Foreign exchange reserve	Non controlling interest	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At start of year 2015	7,115,619	8,530,781	4,607,005	(12,740,365)	2,768,734	473,326	179,986	246,332	331,575	11,512,993
Loss for the year	-	-	-	(4,373,305)	-	-	-	-	26,342	(4,346,963)
Other comprehensive income										
Fair value gain on property	-		733,090						47,131	780,221
Actuarial surplus/ transfer from life fund					36,040				19,662	55,702
Net gain/(loss) on available for sale financial assets	-					(154,749)			(86,056)	(240,805)
Income tax	-		(188,898)			44,239			13,589	(131,245)
Foreign exchanges gains/ (loss)	-	-	-		-	-	-	(27,811)	(20,216)	(48,027)
Total comprehensive income for the year	-	-	544,192	(4,373,305)	36,040	(110,510)	-	(27,811)	452	(3,930,942)
Contributions by and distributions to owners										
Contingency reserve for the year	-	-	-	(87,115)	87,115	-	-	-	-	-
Transfer to statutory and capital reserves				(8,832)	-	-	8,832	-	-	-
Adjustment to regulatory reserve	-	-	-	(259)	-	-	(10,572)	-	-	(10,831)
Reversal of revaluation			(320,991)						(4,138)	(325,129)
Dividend paid				-					(33,094)	(33,094)
Actuarial surplus				(1,036)	-	-		-	(691)	(1,727)
Minority share of capital & reserves	-	-	-		-	-	-	-		-
Total contributions by and distributions to owners	-	-	(320,991)	(97,242)	87,115	-	(1,740)	-	(37,923)	(370,781)
Balance at 31 December 2015	**7,115,619**	**8,530,781**	**4,830,206**	**(17,210,912)**	**2,891,889**	**362,816**	**178,246**	**218,521**	**294,104**	**7,211,270**

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital N’000	Share premium N’000	Assets Revaluation reserve N’000	Retained Earnings N’000	Contingency reserve N’000	Fair value reserve N’000	Total N’000
At start of year 2014	7,115,619	8,530,781	4,605,505	(9,317,887)	2,480,662	131,386	13,546,066
Loss for the year	-	-	-	(3,172,423)	-	-	(3,172,423)
Other comprehensive income							
Gain on valuation of PPE	-		394,265				394,265
Transfer to deferred tax			(39,426)				(39,426)
Gain on available for sale financial assets	-					1,447	1,447
Total comprehensive income for the year	-	-	354,839	(3,172,423)	-	1,447	(2,816,137)
Transactions with equity holders, recorded directly in equity:							
Valuation surplus on property transferred to retained earnings	-		(847,034)	847,034			-
Contingency reserve for the year	-	-	-	(132,750)	132,750	-	-
Total contributions by and distributions to owners	-	-	(847,034)	714,284	132,750	-	-
Balance at 31 December 2014	**7,115,619**	**8,530,781**	**4,113,310**	**(11,776,026)**	**2,613,412**	**132,833**	**10,729,929**
At start of year 2015	7,115,619	8,530,781	4,113,310	(11,776,026)	2,613,412	132,833	10,729,929
Loss for the year	-	-	-	(4,174,231)	-	-	(4,174,231)
Other comprehensive income							
Gain on valuation of PPE	-		566,146				566,146
Transfer to deferred tax			(169,668)				(169,668)
Valuation surplus on property transferred to retained earnings	-		-	-			-
Gain on available for sale financial assets	-					-	-
Total comprehensive income for the year	-	-	396,478	(4,174,231)	-	-	(3,777,753)
Transactions with equity holders, recorded directly in equity:							
Contingency reserve for the year	-	-	-	(82,517)	82,517	-	-
Transfer to statutory and capital reserves				-	-	-	-
Transfer from life fund	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-
Actuarial surplus				-	-	-	-
Total contributions by and distributions to owners	-	-	-	(82,517)	82,517	-	-
Balance at 31 December 2015	**7,115,619**	**8,530,781**	**4,509,788**	**(16,032,774)**	**2,695,929**	**132,833**	**6,952,176**

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		Group		Company	
		2015	**2014**	**2015**	**2014**
Cash flows from operating activities.	**Notes**	**N'000**	**N'000**	**N'000**	**N'000**
Premium received on insurance contract		7,764,151	9,725,465	3,506,221	5,755,593
Net inflow from deposit Admin contract		536,260	707,548	(5,395)	-
Reinsurance Premium paid		(1,091,848)	(1,492,315)	(478,501)	(892,237)
Commission received	42	457,768	307,269	120,723	161,245
Commission paid	43 (b i)	(717,858)	(1,021,538)	(265,312)	(343,330)
Maintenance cost paid	43 (c)	(1,986,690)	(1,257,761)	(1,044,531)	(382,120)
Other Income	49	561,675	2,066,434	169,900	27,874
Investment income	47	391,428	466,809	122,739	528,421
Claims paid	45	(2,523,906)	(4,205,091)	(1,262,981)	(1,263,542)
Reinsurance recovery received		363,927	939,375	157,199	248,489
Operating costs and payments to employee		(4,914,645)	(7,315,027)	(2,800,660)	(2,997,273)
Dividend received		17,568	97,516	-	-
Other operating cashflows		(107,453)	(4,819,745)	-	(736,985)
Tax paid	24 (b)	(66,968)	(151,791)	(60,000)	(90,000)
Net cash (used in)/generated by operating activities.		(1,316,591)	(5,952,852)	(1,840,598)	16,135
Cash flows from investing activities.					
Held to maturity investments		11,125	(23,800)	-	-
Loan and receivable investments		(463,700)	3,480,603	(31,720)	
Available for sale financial assets		-	(132,313)	-	(132,313)
Acquisition of investment properties	13	(845,144)	(443,113)	-	-
Purchase of non-current asset held for sales		(4,140)	(2,000,000)	-	-
Disposal of non-current asset held for sales		21,898	-	-	-
Liquidation/(Purchase of treasury bills)		-	1,376,036	-	-
Interest received		345,769	686,963	98,669	-
Purchase of quoted equities		(84,152)	(7,644)	-	-
Proceed from disposal of quoted equities		429,188	316,742	12,525	238,639
Proceeds from disposal of available for sale Fin assets		-	335,253	-	335,253
Proceeds from disposal of investment property		398,985	849,250	326,743	964,250
Purchase of property, plant and equipment	15	(164,025)	(511,566)	(11,784)	(26,488)
Proceeds from disposal of property, plant & equipment		562,873	11,547	529,973	-
Purchase of intangible assets	14 (a)	(13,945)	(22,769)	-	-
Net cash flows generated by investing activities		194,732	3,915,189	924,406	1,379,341
Cash flows from financing activities.					
Interest paid		(417,438)	(229,487)	(235,819)	(65,017)
Dividend paid	25	(37,745)	(39,290)	-	(8,821)
Bank loan obtained	28	872,001	416,905	175,499	-
Repayment of loans	28	(205,426)	(188,347)	(196,339)	(603,192)
Net cash (used in)/generated by financing activities		211,392	(40,219)	(256,659)	(677,030)
Net (decrease)/increase in cash and cash equivalents		(910,466)	(2,077,882)	(1,172,851)	718,446
Cash and Cash equivalents at 1 January		3,701,179	5,779,061	1,418,395	699,949
Cash and cash equivalent at 31 December	5	2,790,712	3,701,179	245,544	1,418,395

1 General Information

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

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

2 Critical accounting estimates

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

i) Future benefit payments from long-term business contracts

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

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

ii) Fair value of equity investments

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

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

iii) Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

Fair value of financial assets and liabilities

Group

At 31 December 2015	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial assets	398,789	-	2,127,731	2,526,520
At 31 December 2014				
Financial assets	730,763	-	2,279,633	3,010,396

Company

At 31 December 2015	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial assets	13,393	-	557,797	571,190
At 31 December 2014				
Financial assets	24,334	-	526,077	550,411

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

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

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

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

3 Management of insurance and financial risk

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

This section summarises the way the Company manages key risks:

(a) Insurance risk

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

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

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

Claims Data

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

The combined claims data, for all lines of business between 2007 and 31 December2015, are summarized below. A further summary of this data for each individual class of business is detailed in tables 3.1.11 to 3.1.21 of this report.

	Incremental Chain Ladder -Yearly projections N'000								
Accident Year	1	2	3	4	5	6	7	8	9
2007	-	80,196	2,940	182	6,523	-	15	44,861	-
2008	261,329	78,392	14,010	18,303	2,560	58,749	-	2,776	-
2009	156,696	1,256,076	98,329	2,065	117,709	58	3,883	-	-
2010	227,651	222,152	106,092	21,566	6,472	1,543	-	-	-
2011	3,053,710	147,504	303,815	66,986	110,895	-	-	-	-
2012	165,067	236,663	102,307	14,655	-	-	-	-	-
2013	1,418,909	309,705	59,995	-	-	-	-	-	-
2014	68,672	374,161	-	-	-	-	-	-	-
2015	46,407	-	-	-	-	-	-	-	-

i. Valuation Methods

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

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

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

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

The following official inflation index were adopted.

Table 3.1.1

Year	Inflation Index
2007	6.60%
2008	15.10%
2009	13.90%
2010	11.80%
2011	10.30%
2012	12.00%
2013	8.00%
2014	8.30%
2015	9.60%
2016	10.00%

The calculations are also on two bases;

- By discounting the claims estimated to the valuation date at a discount rate of 10% p.a which at valuation date was close to the weighted average of FGN Bonds with outstanding term of 4 years or less.
- With no discounting.

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

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

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

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

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

Assumptions underlying the Valuation Methods

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

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

- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged in to the future.
- We assume gross claim amount includes all related claim expenses. If this is not the case, we will hold a separate reserve to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Under the Average Cost per claim method, we assumed the early years e.g. accident years 2006 and 2007 are fully developed

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

Table 3.1.2

Class of Business	Large Loss	Comment on Derivation
General Accident	10,000,000	10m Assumed
Engineering	11,568,330	Mean + 3SD of Losses
Fire	17,248,418	Mean + 3SD of Losses
Marine	16,999,007	Mean + 3SD of Losses
Motor	5,000,000	5m Assumed
Bond	N/A	Expected Loss Method
Oil and Gas	N/A	Expected Loss Method

NOTES TO THE FINANCIAL STATEMENTS

ii. Valuation Results

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

- Basic Chain Ladder– **with claims discounted and undiscounted**
- Inflation Adjusted Basic Chain Ladder– **with claims discounted and undiscounted**

Basic Chain Ladder – Result Table

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

Table 3.1.3 Basic Chain Ladder Method

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	**₦**	**₦**	**₦**
General Accident	370,883,641	(32,173,983)	338,709,658
Engineering	244,146,297	(115,189,785)	128,956,512
Fire	757,228,972	(557,135,220)	200,093,751
Marine	149,628,766	(25,166,967)	124,461,798
Motor	173,905,202	(14,659,825)	159,245,378
Oil and Gas*	2,348,382,853	(995,195,525)	1,353,187,328
TOTAL	**4,044,175,731**	**(1,739,521,305)**	**2,304,654,425**

** Oil & Gas were estimated using Expected loss ratio method*

Table 3.1.4 Discounted Basic Chain Ladder Method

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	**₦**	**₦**	**₦**
General Accident	350,168,407	(30,492,997)	319,675,410
Engineering	230,323,988	(108,746,464)	121,577,524
Fire	711,857,939	(527,960,814)	183,897,125
Marine	141,943,820	(23,921,487)	118,022,334
Motor	162,038,571	(13,508,176)	148,530,396
Oil and Gas*	2,118,813,222	(897,908,718)	1,220,904,505
TOTAL	**3,715,145,947**	**(1,602,538,655)**	**2,112,607,293**

** Oil & Gas were estimated using Expected loss ratio method*

Inflation Adjusted Chain Ladder Method – Result Table

Table 3.1.5 Inflation Adjusted Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims ₦	Estimated Reinsurance Recoveries ₦	Net Outstanding Claims ₦
General Accident	393,797,931	(35,545,447)	358,252,484
Engineering	245,396,625	(127,037,226)	118,359,399
Fire	778,914,688	(616,354,860)	162,559,828
Marine	157,441,171	(27,537,115)	129,904,056
Motor	195,970,277	(15,545,490)	180,424,787
Oil and Gas*	2,348,382,853	(995,195,525)	1,353,187,328
TOTAL	**4,119,903,545**	**(1,817,215,663)**	**2,302,687,883**

* Oil & Gas were estimated using Expected loss ratio method

Table 3.16 Discounted Inflation /Adjusted Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims ₦	Estimated Reinsurance Recoveries ₦	Net Outstanding Claims ₦
General Accident	372,436,991	(33,744,082)	338,692,910
Engineering	231,719,109	(120,812,066)	110,907,044
Fire	732,601,924	(584,328,349)	148,273,575
Marine	149,619,273	(26,192,912)	123,426,361
Motor	184,677,359	(14,464,693)	170,212,667
Oil and Gas*	2,118,813,222	(897,908,718)	1,220,904,505
TOTAL	**3,789,867,880**	**(1,677,450,820)**	**2,112,417,061**

* Oil & Gas were estimated using Expected loss ratio method

UPR (Gross and Reinsurance UPR) – Result Table

Table 3.1.7 Estimated UPR (net of reinsurance)

Class of Business	Gross UPR ₦	Reinsurance UPR ₦	NET UPR ₦
General Accident	62,804,739	-	62,804,739
Engineering	261,031,038	(23,757,545)	237,273,493
Fire	75,413,922	(23,067,834)	52,346,088
Marine	129,982,675	(62,956,054)	67,026,621
Motor	183,690,112	-	183,690,112
Oil and Gas	266,270,160	(124,651,433)	141,618,727
TOTAL	**979,192,647**	**(234,432,866)**	**744,759,780**

Additional Unexpired Risk Reserve (AURR)

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

Loss Ratio Table

Class of Business	Assumed Loss Ratio
General Accident	35%
Engineering	25%
Fire	43%
Marine	6%
Motor	17%
Bond	0%
Oil and Gas	30%
Aviation	0%

Conclusion

The table below show a range of calculated gross claim reserves of N3.72 billion to N4.12 billion.

Table 3.1.9 Gross Estimate of Outstanding Claims

Valuation Method	Full Value (No Discounting)	Present Value (Discounting)
BCL	4,044,175,731	3,715,145,948
IABCL	4,119,903,545	3,789,867,880

We are adopting the Inflation Adjusted Basic Chain Ladder (Discounted) Method which presents a gross claims reserve of N3.79 billion and reinsurance recoveries estimate N1.68 billion (a net position of N2.11 billion) as being representative of the liability.

This figure:

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

Technical Reserves

We estimate the claims reserve net of reinsurance asset as N2.11 Billion and net UPR as N745 million, leading to a total Net Liability of N2.86 Billion as shown below, and this estimate meets the Liability Adequacy Test.

Table 3.1.10

	Gross (₦)	Reinsurance Assets (N'000)	Net (N)
Claims	3,789,867,880	(1,677,450,819)	2,112,417,061
Unexpired Premium Reserve	979,192,647	(234,432,866)	744,759,780
Total	4,769,060,527	(1,911,883,686)	2,857,176,841

Table3.1.11 - Cumulative Claims Development Pattern: General Accident

	Incremental Chain ladder -Yearly Projections (N'000)								
Accident Year	1	2	3	4	5	6	7	8	9
2007	-	11,394	1,934	165	728	-	15	30	-
2008	69,412	27,328	4,458	3,510	1,524	118	-	188	-
2009	15,010	23,566	17,125	354	2,775	58	211	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	-	-
2011	13,849	22,712	9,650	7,566	1,240	-	-	-	-
2012	14,469	31,414	19,021	8,974	-	-	-	-	-
2013	19,342	36,842	23,141	-	-	-	-	-	-
2014	9,110	15,125	-	-	-	-	-	-	-
2015	3,493	-	-	-	-	-	-	-	-

Cumulative table for attritional losses - General Accident

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	11,394	13,328	13,493	14,222	14,222	14,237	14,267	14,267
2008	69,412	96,740	101,199	104,708	106,232	106,351	106,351	106,539	-
2009	15,010	38,576	55,701	56,055	58,829	58,887	59,098	-	-
2010	23,887	65,965	68,535	70,554	77,009	77,059	-	-	-
2011	13,849	36,562	46,212	53,778	55,017	-	-	-	-
2012	14,469	45,883	64,904	73,878	-	-	-	-	-
2013	19,342	56,184	79,325	-	-	-	-	-	-
2014	9,110	24,235	-	-	-	-	-	-	-
2015	3,493	-	-	-	-	-	-	-	-
Loss Dev Factors		2.275	1.222	1.065	1.043	1.001	1	1	1

Table 3.1.13- Cumulative Claims Development Pattern: FIRE
Table of claims paid excluding large claims (Attritional Table)

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

Table 3.1.14 Cumulative table for attritional losses – FIRE

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	12,076	12,076	12,076	12,126	12,126	12,126	12,158	12,158
2008	9,594	24,906	30,816	44,508	44,508	44,508	44,508	44,508	**44,508**
2009	12,306	34,272	47,696	47,710	47,760	47,760	47,760	**48,721**	**48,721**
2010	8,530	13,614	15,489	16,153	16,153	16,606	**19,856**	**19,856**	**19,856**
2011	6,410	39,980	41,760	58,717	58,717	**84,549**	**84,549**	**84,549**	**84,549**
2012	10,215	15,177	17,237	20,173	**54,352**	**54,352**	**54,352**	**54,352**	**54,352**
2013	2,602	20,045	28,200	**54,531**	**54,561**	**54,561**	**54,561**	**54,561**	**54,561**
2014	7,694	23,041	**52,858**	**63,793**	**63,829**	**63,829**	**63,829**	**63,829**	**63,829**
2015	2,680	**38,646**	**39,224**	**47,339**	**47,366**	**47,366**	**47,366**	**47,366**	**47,366**

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Table 3.1.15- Cumulative Claims Development Pattern: MOTOR
Table of claims paid excluding large claims (Attritional Table)

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

Table 3.1.16 Cumulative table for attritional losses – MOTOR

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	44,768	44,768	44,785	44,785	44,785	44,785	44,785	44,785
2008	59,766	80,702	82,560	83,662	84,697	86,727	86,727	89,315	**92,235**
2009	90,961	133,604	150,088	151,785	154,809	154,809	158,481	**161,091**	**161,091**
2010	79,331	185,558	211,223	211,966	211,966	213,005	**223,374**	**223,374**	**223,374**
2011	93,760	165,439	172,718	180,373	185,543	**202,009**	**203,606**	**203,606**	**203,606**
2012	73,639	127,641	130,179	130,179	**134,069**	**135,359**	**136,429**	**136,429**	**136,429**
2013	71,365	115,962	119,363	**131,303**	**133,104**	**134,385**	**135,447**	**135,447**	**135,447**
2014	36,887	70,069	**100,961**	**102,392**	**103,707**	**104,795**	**105,624**	**105,624**	**105,624**
2015	28,835	**86,764**	**92,580**	**93,893**	**95,181**	**96,096**	**96,856**	**96,856**	**96,856**

Appendix 1- Cumulative Claims Development Pattern: MARINE

Table of claims paid excluding large claims (Attritional Table)

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

Cumulative table for attritional losses - MARINE

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	
2007	-	-	-	-	-	-	-	-	
2008	12,518	12,518	12,518	12,518	12,518	12,518	12,518	12,518	**12,518**
2009	312	312	312	312	312	312	312	**312**	**312**
2010	51,664	51,664	51,664	51,664	51,664	51,664	**51,664**	**51,664**	**51,664**
2011	73,725	73,725	73,725	79,335	79,335	**79,335**	**79,335**	**79,335**	**79,335**
2012	26,563	48,445	57,664	60,166	**75,366**	**75,366**	**75,366**	**75,366**	**75,366**
2013	42	12,121	12,121	**22,905**	**22,905**	**22,905**	**22,905**	**22,905**	**22,905**
2014	18	5,068	**31,875**	**33,195**	**33,195**	**33,195**	**33,195**	**33,195**	**33,195**
2015	578	**24,220**	**25,344**	**26,393**	**26,393**	**26,393**	**26,393**	**26,393**	**26,393**

Appendix 1- Cumulative Claims Development Pattern: ENGINEERING

Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	6	-	-	-	-	-	-	
2008	-	-	-	-	-	-	-		
2009		-	-	-	-	-			
2010	19,202	-	-	-	-				
2011	9,481	-	-	-					
2012	7,181	1,201	4,138	-					
2013	704	1,140	1,044						
2014	8,187	2,664							
2015	552								

Cumulative table for attritional losses - ENGINEERING

	Cumulative Chain ladder-Annual Projections (N'000)								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
2007	-	6	6	6	6	6	6	6	6
2008	-	-	-	-	-	-	-	-	
2009	-	-	-	-	-	-	**-**	**-**	
2010	19,202	19,202	19,202	19,202	19,202	19,202	**19,202**	**19,202**	**19,202**
2011	9,481	9,481	9,481	9,481	9,481	**13,508**	**13,508**	**13,508**	**13,508**
2012	7,181	8,382	12,520	12,520	**13,490**	**13,490**	**13,490**	**13,490**	**13,490**
2013	704	1,845	2,880	**4,265**	**4,265**	**4,265**	**4,265**	**4,265**	**4,265**
2014	8,187	10,851	**13,151**	**13,151**	**13,151**	**13,151**	**13,151**	**13,151**	**13,151**
2015	552	**13,297**	**16,114**	**16,114**	**16,114**	**16,114**	**16,114**	**16,114**	**16,114**

Expected Loss ratio method - OIL and GAS claims

	Gross Earned Premium	Claims Paid till date	Total O/S as at 31/12/2014	Current Incurred	Current Loss ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claims Reserves
Accident Year	**N'000**	**N'000**	**N'000**	**N'000**	**%age**	**%age**	**N'000**	**N'000**
2010	2,060,248	21,015	3,943	24,958	1%	2%	36,416	15,401
2011	3,123,472	3,212,933	336,998	3,549,930	114%	125%	3,904,340	691,407
2012	3,384,452	172,701	194,270	366,971	11%	21%	711,118	538,417
2013	3,047,691	1,495,546	0	1,495,546	49%	49%	1,495,944	398
2014	2,765,860	34,417	492,547	526,964	19%	35%	969,376	934,960
2015	798,615	0	6,878	6,878	1%	21%	167,800	167,800
TOTAL			**1,034,635**				**8,592,033**	**2,348,383**
							Discounted	**2,118,813**

For the 2015 accident year, we used the average ultimate loss ratio between 2012 and 2015 to determine the ultimate loss ratio.

iii. Life Valuation Methodology and Assumptions Report 31 December 2015

VALUATION METHODS & ASSUMPTIONS

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

Valuation Methods

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

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

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

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

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

Liability Adequacy Test

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

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

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

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

The proposed methodology is as follows:

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

Notes:

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

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

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

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

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

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

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

Assumptions

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

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

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

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

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

* The basis is a single set of realistic long term assumptions expected to reflect the average future experience of the business.
* Adjustments are then made to the individual assumptions for prudence and other considerations.

Valuation interest rate

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

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

As at 31 December 2015, the average yield on 20 year FGN bonds was 11.15%. By comparison, long term bonds were yielding around 15% at December 2014.

For the purpose of determining the valuation of interest rate we have considered a 0.25% deduction from the long term yield to arrive at a gross valuation interest rate of 10.9%. This makes some allowance for the volatility of the "risk free" yields.

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

When setting the valuation interest rate for annuity business we have taken into account that the annuity liability duration is longer than the duration of the longest available Government bonds. The longer term introduces uncertainty – which typically will be reflected in higher yield/reward demand by investors. The duration mismatch between available bonds and the liabilities also implies there is a reinvestment risk. We have made a provision for this by deducting a margin of 0.25% of the gross yield.

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

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

* Per policy maintenance charges
* Allocated operating expenses

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

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

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

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

Expense Assumptions	Current Valuation	Previous valuation
Risk	N9,000 p.a	N8,100 p.a
DA	N9,000 p.a	N5,400 p.a

Expense inflation & other inflation measures
We propose to maintain the inflation assumption at the rate used in the previous valuation of 9.5%.

Commission
Commission rates are set at the rates payable.

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

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

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

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

Additional Reserves
We propose the following additional contingency reserves to be held using the assumptions summarised in the table below:

All business Group	Current Valuation	Previous valuation
Expense overrun	0.00%	10.00%
Worsening of mortality experience	0.00%	10.00%

We have removed the 12 month expense and mortality contingency reserve calculations. Given that the base mortality table appears to be prudent there is less concern for mortality risk. We also consider the need for expense contingencies as part of the review of global expense reserve requirements.

Other liabilities such as data contingencies reserves will be estimated as necessary using the information available and reported in the main valuation.

These contingencies are considered as standard for the 12 months following the valuation date, i.e. short term contingency only. Other liabilities such as data contingencies reserves will be estimated as necessary using the information available and reported in the main valuation.

Reinsurance Agreements
Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves will be reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately

iv. FORM 16
ACTUARIAL VALUATION OF LIFE INSURANCE BUSINESS

(Under the Insurance Act 2003)
SUMMARY AND VALUATION OF THE POLICIES OF
INDUSTRIAL AND GENERAL INSURANCE PLC AS AT 31 DECEMBER 2015

Description of Transaction	Number of Policies	Amount of Sum Insured	Amount of Bonuses	Amount of Office Yearly Premiums	Amount OF Single Premium	DA liability (Account Balance)	Risk Liability	Total Liabilities
INDIVIDUAL BUSINESS		₦	₦	₦	₦			₦
Deposit Based Policies								
Dividend Plus Plan-Active	5,952	12,696,744,746	-	224,599,071	-	3,858,349,880	200,088,856	4,058,438,736
Dividend Plus Plan Paid up	8,579	12,243,526,725				2,548,940,737	154,422,000	2,703,362,737
Total Deposit Based	14,531	24,940,271,471	-	224,599,071	-	6,407,290,617	354,510,856	6,761,801,473
Individual with Participation in Profits								
Anticipated Endowments	2,667	1,917,538,436	208,394,078	187,874,351	-	-	737,145,986	737,145,986
Educational Endowments	1	280,000	88,200	12,235	-	-	162,686	162,686
Endowments Assurances	-	-	-	-	-	-	-	-
Continuous Educational Endowment	74	27,033,036	5,517,892	1,128,597	-	-	24,448,647	24,448,647
Individual without Participation in profits								-
Mortgage	160	307,578,513	-	12,968,596	-	-	14,306,331	14,306,331
Term Assurance	13	28,015,160	-	53,468	-	-	1,116,078	1,116,078
Total risk	2,915	2,280,445,145	214,000,170	202,037,247	-	-	777,179,728	777,179,728
Total Individual Business	17,446	27,220,716,616	214,000,170	426,636,318	-	6,407,290,617	1,131,690,584	7,538,981,201
Group Deposit Based Business								
Group Deposit Administration	32	2,241,870,341				2,241,870,341		2,241,870,341
Total Group Deposit Based business	32	2,241,870,341				2,241,870,341		2,241,870,341
Group Life	286	157,047,350,491		625,671,942			776,856,553	776,856,553
Total Group Business	318	159,289,220,832		625,671,942		2,241,870,341	776,856,553	3,018,726,894
Additional reserve							197,994,207	197,994,207
Unallocated premium							-	-
Grand Total	17,764	186,509,937,448	214,000,170	1,052,308,260	-	8,649,160,958	2,106,541,344	10,755,702,302

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

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

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

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

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

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

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

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

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

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

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

3. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770).

4. The rate of interest used in the valuation is 10.25%.

5. Expenses for individual risk business were reserved for explicitly at N8,100 pa and individual deposit based business at N9,000 pa, both increasing with inflation at 9.5% pa.

6. The basis to be adopted for the distribution of profits among policyholders and shareholders is determined by the Directors, on the advice of the Actuary, bearing in mind the distribution of profits to with-profits policyholders.

7a) The principles upon which any distribution of profits to policyholders will be made are determined by the Directors, acting upon the advice of the Actuary.

7b) Reversionary bonuses are allotted in respect of each full year's premium paid.

7c) Reversionary bonuses vest on the policy anniversary.

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

	Gross liability (N)	Reinsurance (N)	Net liability (N)
Individual Traditional	1,131,690,582	-	1,131,690,582
Individual DA	6,407,290,616	-	6,407,290,616
Group DA	2,241,870,341	-	2,241,870,341
Group Life- UPR	153,006,796	(6,293,032)	146,713,764
Group Life- IBNR	623,849,757	(74,743,355)	549,106,402
Additional reserves	197,994,207	-	197,994,207
Total	10,755,702,299	(81,036,387)	10,674,665,912

An additional reserve of N197,994,207 was held representing a cautionary contingent reserve against an expense overrun at the valuation date.

The solvency level at the valuation date was 101.5%. That is, the assets representing the Life and Deposit Administration Funds on the company's statement of financial position were 101.5% of the actuarially determined net liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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

POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2015

	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	₦	₦	₦
ANTICIPATED ENDOWMENT			
Year of Maturity			
2016 -2020	227,930,895	34,796,048	-
2021 -2025	1,178,441,167	141,886,982	-
2026-2030	489,540,321	29,666,510	-
2031-2035	21,626,053	2,044,539	-
TOTAL	1,917,538,436	208,394,079	-
EDUCATION ENDOWMENT ASSURANCES			
Year of Maturity			
2016-2020	-	-	
2021 -2025	-	-	
2026-2030	280,000	88,200	
2031-2035	-	-	
TOTAL	280,000	88,200	
CONTINUOUS EDUCATIONAL ENDOWMENT			
Year of Maturity			
2016-2020	20,219,585	4,277,080	-
2021 -2025	5,813,451	1,015,812	-
2026-2030	1,000,000	225,000	-
2031-2035	-	-	-
TOTAL	27,033,036	5,517,892	-

vi. HYPOTHECATION OF ASSETS AS AT 31ST DECEMBER, 2015

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

HYPOTHECATION OF ASSETS OF 2014

AS AT DECEMBER, 2014	General Business			Life Business				
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY								
TOTAL	**5,131,591**	**4,651,619**	**5,420,039**	**5,598,345**	**8,125,379**	**3,251,105**	**1,269,088**	**33,447,166**
								-
ASSETS:								**-**
Investment Property	5,977,129	1,162,905	-	3,540,616	2,439,017	1,542,753	-	**14,662,420**
Land and Building	**-**	-	2,371,970	-	-	-	2,296,397	**4,668,367**
Leasehold Improvement	**-**	-	2	-	-	-	1,799	**1,801**
Office Equipment	**-**	-	2,831	-	-	-	986	**3,817**
Motor Vehicles	**-**	-	18,623	-	-	-	6,439	**25,062**
Furniture and Fittings	**-**	-	46,968	-	-	-	19,169	**66,137**
Trade Receivables	**-**	63,348	-	-	-	-	-	**63,348**
Reinsurance Assets	**-**	1,678,605	-	-	-	595,687	-	**2,274,292**
Loans to Policy Holders	**-**	-	-	-	-	302,967	-	**302,967**
Statutory Deposits	300,000	-	-	200,000	-	-	-	**500,000**
Financial Assets - Held through P or L	-	15,916	-	-	-	8,418	-	**24,333**
- Available for	-	32,698	-	-	-	169,960	-	**202,658**
Bank Placements		771,995						**771,995**
Cash & cash equivalents	624,507	-	-	-	-	21,893	-	**646,400**
Investment in Subsidiaries	-	-	1,009,239	3,511,525	-	-	1,069,914	**5,590,677**
Other Assets	187,376	-	939,138	2,510,851	-	-	5,527	**3,642,892**
TOTAL	**7,089,012**	**3,725,467**	**4,388,771**	**9,762,992**	**2,439,017**	**2,641,678**	**3,400,231**	**33,447,166**
Surplus/(Deficit)	**1,957,421**	**(926,152)**	**(1,031,268)**	**4,164,647**	**(5,686,362)**	**(609,427)**	**2,131,143**	**-**

Other Assets:	**General**	**Life**
Loans and Receivables-Staff	20,450	**-**
Other Receivables and Prepayment	921,570	2,510,851
Deferred Acquisition Cost	166,926	5,527
Deferred Income Tax	-	-
Intangible Assets	17,568	-
TOTAL	**1,126,514**	**2,516,378**

(b) Financial risk management

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

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

i. Market risk

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

Market risk measurement techniques

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

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

ii. Credit risks

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Maximum exposure to credit risk	**Note**	**Group**		**Company**	
		2015	**2014**	**2015**	**2014**
		N'000	**N'000**	**N'000**	**N'000**
Cash and cash equivalents (excl. cash on hand)	5	2,790,712	3,701,179	245,544	1,418,395
Investment Securities:					
At Fair value through Profit or Loss	6(a)	398,789	730,763	13,393	24,334
Available for sale	6(b)	1,396,167	1,572,424	202,658	202,658
Held to Maturity	6(c)	346,697	357,822	-	-
Loans and Receivables	6(d)	384,867	349,387	355,139	323,419
Trade receivables	7	441,449	659,625	13,124	63,348
Reinsurance Assets	8	3,686,538	2,902,474	2,709,529	2,274,292
Other receivables and Prepayments	16	967,499	34,965	424,011	1,019,314
Statutory deposits	18	556,345	520,383	500,000	500,000
Total assets exposed to credit risk		**10,969,063**	**10,829,022**	**4,463,398**	**5,825,760**

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

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

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

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

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

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

Maximum exposure to credit risk before collateral held

	2015		2014	
	Group	**Company**	**Group**	**Company**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Trade receivables	441,449	13,124	659,625	63,348
Reinsurance assets	3,686,538	2,709,529	2,902,474	2,274,292
Loans and receivables	384,867	355,139	349,387	323,419
Other receivables	967,499	424,011	34,965	1,019,314
Deposits with financial institutions	2,317,675	-	3,442,171	771,995
Cash and bank balances	473,037	245,544	259,008	646,400
	8,271,065	**3,747,347**	**7,647,630**	**5,098,768**

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

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

- receivables arising out of reinsurance arrangements

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

	Receivables arising out of direct insurance arrangements		**Receivables arising out of reinsurance arrangements**	
	2015	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	13,124	395,392	-	-
Past due but not impaired	-	-	-	-
Impaired	-	-	149,064	149,064
Gross	13,124	395,392	149,064	149,064
Less: allowance for impairment	-	-	149,064	149,064
Net	**13,124**	**395,392**	-	-

Financial assets past due but not impaired:

	Receivables arising out of direct insurance arrangements		**Receivables arising out of reinsurance arrangements**	
	2015	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Past due but not impaired:				
- by 91 to 180 days	-	-	-	-

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

Financial assets individually impaired

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

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2015 ₦'000	2014 ₦'000	2015 ₦'000	2014 ₦'000
Individually assessed impaired receivables	-	-	-	-
-direct clients	-	67,129	-	-
-agency	-	-		
-insurance brokers	-	328,263	149,064	149,064
	-	**395,392**	**149,064**	**149,064**

iii Sensitivity analysis - interest-rate risk

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

	2015			
	N'000	N'000	N'000	N'000
Assets	**Carrying amount**	**Fixed rate**	**Floating rate**	**Non-interest bearing**
Cash and cash equivalent	245,544	(400,858)	-	646,400
Trade receivable	13,124	-	-	13,124
Reinsurance Assets	2,709,529	-	-	2,709,529
	2,968,197	**(400,858)**	**-**	**3,369,053**
Liabilities				
Non-life insurance liability	5,353,115	-	-	5,353,115
Other liabilities	15,215,911	8,125,379	-	7,090,532
Bank Overdraft	124,106	124,106	-	-
	20,693,132	**8,249,485**	**-**	**12,443,647**

	2014			
	N'000	N'000	N'000	N'000
Assets	**Carrying amount**	**Fixed rate**	**Floating rate**	**Non-interest bearing**
Cash and cash equivalent	1,418,395	730,139	-	688,256
Trade receivables	63,348	-	-	63,348
Reinsurance Assets	2,274,292	-	-	2,274,292
	3,756,035	**730,139**	**-**	**3,025,896**
Liabilities				
Non-life insurance liability	5,353,115	-	-	5,353,115
Other liabilities	9,473,910	5,591,759	-	3,882,151
Bank Overdraft	770,134	770,134	-	-
	15,597,159	**6,361,893**	**-**	**9,235,266**

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

iv. Sensitivity analysis - equity risk

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

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

As at 31 December 2015, the market value of quoted securities held by the Company is N13 Million (2014: N24 million). If the all share index of the NSE moves by 100 basis points at 31 December 2015, the effect on profit or loss would have been N0.1 million (2014: N0.2 million).

The Company holds a number of investments in unquoted securities with a market value of N203 million as at 31 December 2015 (2014: N203 million).

v. Foreign exchange risk

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

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

At 31 December 2015, if the Nigeria Naira had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre- tax profit for short term insurance for the year would have been Naira 45.8 million (2014: Naira 13.728 million) higher/lower and pre- tax loss for long-term business for the year would have been Naira 95.136 million (2014: Naira 1.364 million), mainly as a result of US dollar receivables and bank balances.

vi. Price risk

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

At 31 December 2015, if the NSE Index had increased/decreased by 10 % with all other variables held constant and all the Company's equity instruments moved according to the historical correlation to the index, pre-tax profit for short term insurance for the year would have been Naira 3.3 million (2014: N1.5 million), higher/lower, and equity for long -term business would have been Naira 16.9 million (2014: N8.4 million) higher/lower.

(c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

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

General insurance:

	1-12 months ₦'000
At 31 December 2015:	
Liabilities	
Insurance contract liabilities	4,506,480
Other payables	5,383,118
Total financial liabilities	**9,889,597**

	1-12 months ₦'000
At 31 December 2014:	
Liabilities	
Insurance contract liabilities	4,651,619
Other payables	5,017,962
Total financial liabilities	**9,669,581**

In certain circumstances, short term insurance contract liabilities are settled over periods exceeding those shown above.

Life business :

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2015:				
Insurance contract liabilities	2,329,152	421,308	1,685,234	4,435,694
Payable under investment contracts	864,916	1,729,832	6,054,413	8,649,162
Other payables	-	1,070,058	-	1,070,058
Total financial liabilities	**3,194,068**	**3,221,199**	**7,739,647**	**14,154,914**

	1-3 months ₦'000	3-12 months ₦'000	1-5 years ₦'000	Total ₦'000
At 31 December 2014:				
Insurance contract liabilities	1,834,101	13,822	55,289	1,903,212
Payable under investment contracts	812,538	1,625,076	5,687,765	8,125,378
Other payables	-	(3,506,784)	-	(3,506,784)
Total financial liabilities	**2,646,639**	**(1,867,886)**	**5,743,054**	**6,521,806**

Liquidity risk

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

GROUP	**2015**			**2014**		
	Current ₦'000	**Non-current ₦'000**	**Total ₦'000**	**Current ₦'000**	**Non-current ₦'000**	**Total ₦'000**
ASSETS						
Cash and cash equivalents	2,790,712	-	2,790,712	3,701,179	-	3,701,179
Financial Assets	2,179,824	346,697	2,526,520	2,652,573	357,823	3,010,396
Trade receivables	441,449	-	441,449	659,625	-	659,625
Reinsurance Assets	3,686,538	-	3,686,538	2,902,474	-	2,902,474
Deferred acquisition costs	216,306	-	216,306	255,003	-	255,003
Loans and advances	431,898	107,975	539,873	128,435	32,109	160,544
Non-current assets held for sale	3,222,112	-	3,222,112	3,280,000	-	3,280,000
Investment Property	-	25,326,450	25,326,450	-	22,912,944	22,912,944
Deferred Income Tax	-	32,808	32,808	-	126,068	126,068
Intangible Assets	-	238,488	238,488	-	242,112	242,112
Property plant and equipment	-	6,671,407	6,671,407	-	6,659,596	6,659,596
Other receivables and prepayments	967,499	-	967,499	34,965	-	34,965
Statutory deposits	-	556,345	556,345	-	520,383	520,383
TOTAL ASSETS	**13,936,338**	**33,280,169**	**47,216,507**	**13,614,254**	**30,851,034**	**44,465,289**
LIABILITIES						
Insurance Contract Liabilities	7,582,276	5,054,850	12,637,126	8,311,554	2,760,197	11,071,751
Investment Contract Liabilities	7,305,850	4,870,567	12,176,417	6,721,779	4,481,186	11,202,965
Trade Payable	1,668,853		1,668,853	1,039,580		1,039,580
Other payables and accruals	5,699,033	-	5,699,033	2,922,288	-	2,922,288
Placement from other banks	-	-	-	-	-	-
Income tax payable	-	1,754,462	1,754,462	-	1,578,654	1,578,654
Dividend payable	11,227	-	11,227	15,812	-	15,812
Deferred tax liabilities	-	1,741,915	1,741,915	-	1,454,750	1`,454,750
Deposit for shares	1,169,783	-	1,169,783	1,163,501	-	1,163,501
Loans and Borrowings	-	3,146,421	3,146,421	71,307	2,431,688	2,502,995
TOTAL LIABILITIES	**23,437,022**	**16,568,215**	**40,005,237**	**20,245,821**	**12,706,475**	**32,952,296**
GAP	**(9,500,683)**	**16,711,953**	**7,211,270**	**(6,631,566)**	**18,144,559**	**11,512,993**

Liquidity risk

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

COMPANY		**2015**			**2014**	
	Current ₦'000	**Non-current ₦'000**	**Total ₦'000**	**Current ₦'000**	**Non-current ₦'000**	**Total ₦'000**
ASSETS						
Cash and cash equivalents	245,544	-	245,544	1,418,395	-	1,418,395
Financial Assets	571,190	-	571,190	550,411	-	550,411
Trade receivables	13,124	-	13,124	63,348	-	63,348
Reinsurance Assets	2,709,529	-	2,709,529	2,274,292	-	2,274,292
Deferred acquisition costs	135,838	-	135,838	172,453	-	172,453
Investment in Subsidiaries	-	5,590,678	5,590,678	-	5,590,678	5,590,678
Investment Property	-	15,915,506	15,915,506	-	14,662,420	14,662,420
Intangible Assets	-	-	-	-	17,568	17,568
Property plant and equipment	-	4,670,928	4,670,928		4,765,168	4,765,168
Other receivables and prepayments	424,011	-	424,011	1,019,314	-	1,019,314
Statutory deposits	-	500,000	500,000	-	500,000	500,000
TOTAL ASSETS	**4,099,236**	**26,677,112**	**30,776,348**	**5,498,213**	**25,535,834**	**31,034,047**
LIABILITIES						
Insurance Contract Liabilities	6,460,014	2,482,159	8,942,173	4,651,619	3,251,104	7,902,723
Investment Contract Liabilities	3,459,664	5,189,497	8,649,161	3,250,152	4,875,227	8,125,379
Trade Payable	1,312,637		1,312,637	777,242		777,242
Other payables and accruals	2,456,983	-	2,456,983	1,511,178	-	1,511,178
Income tax payable	-	1,484,161	1,483,803	-	1,343,017	1,343,017
Deferred tax liabilities	-	854,951	854,951	-	477,637	477,637
Deposit for shares	-	-	-	-	-	-
Loans and Borrowings	-	124,106	124,106	-	166,942	166,942
TOTAL LIABILITIES	**13,689,298**	**10,134,874**	**23,824,172**	**10,190,191**	**10,113,927**	**20,304,118**
GAP	**(9,590,062)**	**16,542,238**	**6,952,175**	**(4,691,978)**	**15,421,906**	**10,729,929**

(d) Strategic risk management

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

The company's strategic risks are:

i. **Business risks** – risks that derive from the decisions that the Board takes about the creation of new products for future business developments for the company. They include risks associated with developing and marketing these products, economic risks affecting the products and risks arising from changes in the technological environment which impact on revenue generation.
ii. **Non-business risks** – risks that do not derive from the products developed for the business. For example, risks associated with the long-term sources of finance used.

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

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

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

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

Managing strategic risks
Strategic risks are often risks that company may have to take in order to expand, and even to continue in the long term. For example, the risks connected with developing a new product may be very significant – the technology may be uncertain, and the competition facing the company may severely limit premium generation.
However, the alternative strategy may be to persist with products in mature markets, the marketing of which are static and ultimately likely to decline.

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

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

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Company standards for the management of operational risks in the following areas:

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

(f) Compliance risk management

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

Quantity of Compliance Risk Indicators

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

Low

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

Moderate

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

High

Violations or non-compliance expose the company to significant impairment of reputation, value, earnings, or business opportunity.
The company has an unsatisfactory record of compliance. Compliance management systems are deficient, reflecting an inadequate commitment to risk management

Quality of Compliance Risk Management Indicators

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

Strong

- Management fully understands all aspects of compliance risk and exhibits a clear commitment to compliance. The commitment is communicated throughout the institution.
- Authority and accountability for compliance are clearly defined and enforced.
- Management anticipates and responds well to changes of a market, technological, or regulatory nature.
- Compliance considerations are incorporated into product and system development and modification processes, including changes made by outside service providers or vendors.

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

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

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

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

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

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

The deficit in asset cover of N1.734 billion (2014: Deficit of N926 million) in respect of general business and N6.640 billion (2014: N6.295 billion) for Life business totaling N8.374 billion recorded in Hypothecation under the Insurance and Investment Contracts Liabilities as at the reporting date arose as a result of the restrictions placed on investment of the policy holders funds by the Insurance Act 2003 and NAICOM regulations, as the Company has adequate assets to provide cover to the liabilities. The Directors have commenced the process of restructuring the investment portfolio towards liquidity and admissibility by placing some assets for sale and have obtained the permission of the Financial Reporting Council of Nigerian accordingly.

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

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

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

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

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

i. Minimum Capital Requirement

Industrial and General Insurance Plc complied with the minimum capital requirement of N5 billion for composite business. This is shown under Shareholders' fund in the statement of financial Position.

ii Solvency Margin

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

Section 24 of the Insurance Act 2003 defines Solvency margin of a general business insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3billion) whichever is higher. This however is to be applied on Composite Business according to the current regulation of NAICOM.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company had a solvency margin of N1.356billion and a shortfall of N3.643billion in its solvency margin for the year ended 31 December 2015. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations.

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

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	245,544	245,544	-
Financial Assets -			
- At fair value through profit or loss	13,393	13,393	-
- Available for sale	202,658	202,658	-
- Loans and Receivables	355,139	355,139	-
Trade Receivables	13,124	13,124	-
Deferred acquisition cost	135,838	135,838	-
Reinsurance assets	2,709,529	2,709,529	-
Investment in subsidiaries	5,590,678	1,390,435	(4,200,243)
Investment properties	15,915,506	14,089,606	(1,825,900)
Statutory deposits with CBN	500,000	500,000	-
Other receivables and prepayments	424,011	-	(424,011)
Property, plant & equipment	4,670,928	4,670,928	-
	30,776,348	24,326,194	(6,450,154)
Less:			
Admissible liabilities			
Insurance contract liabilities	8,942,173	8,942,173	
Investment Contract Liabilities	8,649,161	8,649,161	
Trade payable	1,312,637	1,312,637	
Other payables and accruals	2,456,983	2,456,983	
income tax payable	1,484,161	1,484,161	
Deferred tax liabilities	854,951	-	(854,951)
Loans and Borrowings	124,106	124,106	
	23,824,172	22,969,221	(854,951)
Solvency margin		1,356,973	
15% of Net Premium	376,893		
Minimum Capital Base	5,000,000	5,000,000	
Shortfall in solvency margin		(3,643,027)	
Solvency ratio		27.13	

(h) Enterprise-wide Risk Management Principles

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

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

Enterprise-wide Risk Management Framework

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

Risk Appetite

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

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

Risk management Approach

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

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

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

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

vi. The Group's internal audit function reports to the Board Audit committee and provides independent validation of the business units compliance with risks policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and international best practices. Training, individual responsibility and accountability, together with a disciplined and cautious culture of control, lie at the heart of the Group's management of risk.
The Board of Directors is committed to managing compliance with a robust compliance framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.

4 SEGMENT INFORMATION-GROUP

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements. Group financing, including finance cost and income taxes are managed on group basis and are not allocated to individual operating segments.
No inter-segment transactions occurred in the year. If any transaction were to occur, transfer prices between operating segments are set on arm's length basis in manner similar to transaction's with third parties, segment income, expenses and results will then include those transfers between business segments which will then be eliminated on consolidation.

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

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

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

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

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

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

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

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

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

ASSETS	Note	IGI Plc Nigeria N'000	NIC Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Sonarwa Holdings Ltd Rwanda N'000	All Crown Registrars Ltd N'000	IGI PFM Ltd N'000	GTSL Ltd N'000	IHMS Ltd N'000	Monarch Communications Limited N'000	Elimination adjustment	Total N'000
Cash and cash equivalents	5	245,544	50,405	12,018	1,048,352	4,382	1,002,677	68,413	368,144	20,543	(29,766)	2,790,712
Financial Assets;												-
At Fair value through Profit or Loss	6 (a)	13,393	103,301		277,618	59,227	-				(54,750)	398,789
Available for sale	6 (b)	202,658	217,811		960,218	19,190					(3,710)	1,396,167
Held to Maturity	6 (c)		277,211		68,384						1,102	346,697
Loans and Receivables	6 (d)	355,139	10,113	1,637			733	5,206	12,039			384,867
Trade receivables	7	13,124	268,731	14,234	143,054						2,306	441,449
Reinsurance Assets	8	2,709,529	363,434	31,320	573,018						9,237	3,686,538
Deferred acquisition costs	9	135,838	12,893	-	66,502						1,073	216,306
Investment in Subsidiaries	12	5,590,678									(5,590,678)	-
Investment in Related Parties		-										-
Other receivables and Prepayments	16	424,011	140,146	12,920	442,677	30,071	167,562	6,939	189,958		(446,785)	967,499
Loans and advances	10	-	-	-				539,873				539,873
Non-current Assets held for sale	11	-	-	-				3,222,112				3,222,112
Investment Property	13	15,915,506	3,733,605	-	4,175,029	115,000			1,320,000		67,311	25,326,450
Deferred Income Tax	26 (b)	-	-	-	17,853			14,667			288	32,808
Intangible Assets	14	-	-	-	38,373						200,115	238,488
Property plant and equipment	15	4,670,928	245,647	179,715	1,020,449	3,171	1,629	1,377	404,138	16,500	127,853	6,671,407
Statutory deposits	18	500,000	45,934	10,411								556,345
TOTAL ASSETS		**30,776,348**	**5,469,231**	**262,255**	**8,831,526**	**231,041**	**1,172,601**	**3,858,587**	**2,294,279**	**37,043**	**(5,716,404)**	**47,216,507**
LIABILITIES												-
Insurance Contract Liabilities	19	8,942,174	940,566	43,610	2,615,012				53,605		42,159	12,637,126
Investment Contract Liabilities	20	8,649,162	988,165		2,498,804						40,286	12,176,417
Trade payables	21	1,312,637	180,050	28,300	-						147,866	1,668,853
Other payables and Accruals	22	2,456,979	605,266	38,453	577,689	76,346	69,647	730,126	289,289	1,572,779	(717,539)	5,699,032
Placement from other banks	23											-
Income tax payable	24 (b)	1,484,161	53,479	1,944		1,186		208,042	5,649			1,754,462
Dividend payable	25		60,655								(49,428)	11,227
Deferred tax liabilities	26 (a)	854,951	427,742		448,492		2,099	1,400			7,231	1,741,915
Deposit for shares	27			29,505					2,000	1,138,275		1,169,783
Loans and Borrowings	28	124,105	267,663					379,892	1,199,760	1,175,000		3,146,421
TOTAL LIABILITIES		**23,824,169**	**3,523,587**	**141,812**	**6,139,997**	**77,532**	**71,746**	**1,319,460**	**1,550,303**	**3,886,054**	**(529,425)**	**40,005,237**
NET ASSETS		**6,952,179**	**1,945,644**	**120,443**	**2,691,530**	**153,509**	**1,100,857**	**2,539,129**	**743,979**	**(3,849,010)**	**(5,186,980)**	**7,211,270**
EQUITY												
Share capital	29	7,115,619	411,904	21,019	838,203	168,556	1,000,000	1,100,000	444,080	1,000,000	(4,983,762)	7,115,619
Share premium	30	8,530,781	209,875	11,705			375,000	1,000,000	5,183		(1,601,763)	8,530,781
Assets revaluation reserve	31	4,509,788	11,554	151,669	762,196				113,219		(718,219)	4,830,206
Fair value reserve	32	132,833	6,984		566,376						(343,376)	362,816
Contingency reserve	33	2,695,930	224,306	18,086	149,180						(195,614)	2,891,889
Capital reserve	34		106,980								(42,765)	64,214
Retained earnings	35	(16,032,772)	851,927	(149,021)	375,574	(15,047)	(291,069)	279,697	181,497	(4,849,010)	2,437,313	(17,210,912)
Foreign Exchange Reserve	36		122,114	66,984							29,423	218,521
Statutory (regulatory) reserve	37						16,926	159,432			(62,327)	114,030
SHAREHOLDERS' FUNDS		6,952,179	1,945,644	120,443	2,691,529	153,509	1,100,857	2,539,129	743,979	(3,849,010)	(5,481,090)	6,917,166
NON-CONTROLLING INTEREST	38										294,103	294,104
		6,952,179	**1,945,644**	**120,443**	**2,691,529**	**153,509**	**1,100,857**	**2,539,129**	**743,979**	**(3,849,010)**	**(5,186,980)**	**7,211,270**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

	Note	IGI Plc Nigeria N'000	NIC Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Sonarwa Holdings Ltd Rwanda N'000	All Crown Registrars Ltd N'000	IGI PFM Ltd N'000	GTSL Ltd N'000	IHMS Ltd N'000	Monarch Communications Limited N'000	Elimination adjustment	Total N'000
INCOME												
Gross premium written	39	3,455,994	672,782	95,983	2,086,140	-	-	-	1,432,451	-		7,743,350
Changes in unearned premium	40	25,661	(90,091)	(1,777)	238,252	-	-	-	-	-		172,045
Gross earned premium		3,481,655	582,691	94,206	2,324,392	-	-	-	1,432,451	-		7,915,395
Reinsurance expenses	41	(969,035)	(176,076)	(19,321)	(398,343)	-	-	-	-	-		(1,562,775)
Net earned premium		2,512,620	406,615	74,885	1,926,049	-	-	-	1,432,451	-		6,352,620
Fees and commission income	42	120,723	36,292	51,493	249,260	-	-	-	-	-		457,768
Net underwriting income		2,633,343	442,907	126,378	2,175,309	-	-	-	1,432,451	-		6,810,388
Claims expenses (Gross)	44	1,722,448	216,935	17,677	1,369,833	-	-	-	240,444	-	-	3,567,337
Recovered & recoverable from reinsurers	44(a)	(547,575)	(154,820)	(15,102)	(272,148)	-	-	-	-	-		(989,645)
												-
Net claims incurred		**1,174,873**	**62,115**	**2,575**	**1,097,685**	**-**	**-**	**-**	**240,444**	**-**		**2,577,692**
												-
Underwriting expenses	43	1,346,458	207,876	18,472	258,864	-	-	-	911,575	-		2,743,245
Changes in contract liabilities	46	605,641	8,637	-	79,711	-	-	-	-	-		693,989
		3,126,972	278,628	21,047	1,436,261	-	-	-	1,152,019	-	-	6,014,926
Underwriting (Loss)/Profit		(493,629)	164,279	105,331	739,048	-	-	-	280,432	-		795,462
Investment income	47	206,633	111,031	-	231,421	-	-	3,250	-	-		552,335
Gain/ (Loss) on disposal of investment properties		(26,908)						72,242				45,334
Interest income	48	-	864	2,657	-	-	14,128	138,783	-	-	-	156,432
Other income	49	214,465	68,146	5,702	107,272	14,617	18,162	25,299	-	95,006	(17,222)	531,447
Fair value gain through Profit or loss	50	1,555,092	267,764	-	(34,296)	-	-	-	-	-		1,788,560
Profit/(loss) on investment Contracts	55	(529,179)	-	-	-	-	-	-	89,291	-		(439,888)
Net operating income		926,474	612,084	113,690	1,043,445	14,617	32,290	239,574	369,723	95,006	(17,222)	3,429,682
Finance cost	51	(213,822)	-	(2,356)	(9,338)	-	-	(163,640)	(5,132)	-		(394,288)
Management expenses	53	(3,418,948)	(345,276)	(112,348)	(790,988)	(17,222)	(162,013)	(79,250)	(251,158)	(102,445)	17,222	(5,262,426)
Impairment of receivables and Investments	54	(1,059,145)	(71,335)	-	(246,004)	-	-	(48,891)	(162,080)	-	-	(1,587,455)
(Loss)/Profit before taxation		(3,765,441)	195,473	(1,014)	(2,885)	(2,605)	(129,723)	(52,207)	(48,647)	(7,439)		(3,814,487)
Taxation	24 a	(408,790)	(81,334)	(2,333)	(21,911)	(292)	(5,342)	(6,825)	(5,649)	-	-	(532,476)
												-
(Loss)/Profit after taxation from continued operations		(4,174,231)	114,139	(3,347)	(24,796)	(2,897)	(135,065)	(59,032)	(54,296)	(7,439)		(4,346,963)

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

ASSETS	Notes	Life Business 2015 ₦'000	General Business 2015 ₦'000	Intra company adjustment ₦'000	Total ₦'000	2014 ₦'000
Cash and cash equivalents	5	17,846	227,698		245,544	1,418,395
Financial Assets;						
At Fair value through Profit or Loss	6 (a)	9,655	3,738		13,393	24,334
Available for sale	6 (b)	169,960	32,698		202,658	202,658
Held to Maturity	6 (c)				-	-
Loans and Receivables	6 (d)	326,705	28,434		355,139	323,419
Trade receivables	7	-	13,124		13,124	63,348
Reinsurance Assets	8	797,645	1,911,884		2,709,529	2,274,292
Deferred acquisition costs	9	32,290	103,548		135,838	172,453
Other receivables and Prepayments	16	1,165,399	333,901	(1,075,289)	424,011	1,019,314
Investment in Subsidiaries	12	4,581,440	1,009,238		5,590,678	5,590,678
Investment Properties	13	8,005,575	7,909,930		15,915,505	14,662,420
Deferred Income Tax	25 (b)	-	-		-	-
Intangible Assets	14	-	-		-	17,568
Property plant and equipment	15	2,522,874	2,148,054		4,670,928	4,765,168
Statutory deposits	18	200,000	300,000		500,000	500,000
TOTAL ASSETS		**17,829,390**	**14,022,247**		**30,776,348**	**31,034,047**
LIABILITIES						
Insurance Contract Liabilities	19	4,435,694	4,506,479		8,942,173	7,902,723
Investment Contract Liabilities	20	8,649,161	-		8,649,161	8,125,379
Trade Payable	21	615,090	697,547		1,312,637	
Other payables and Accruals	22	248,153	3,284,119	(1,075,289)	2,456,983	2,288,420
Income tax payable	24(b)	206,815	1,277,346		1,484,161	1,343,017
Dividend payable	25				-	-
Deferred tax liabilities	26(a)	284,253	570,698		854,951	477,637
Deposit for shares	27				-	-
Loans and Borrowings	28	-	124,106		124,106	166,942
TOTAL LIABILITIES		14,439,166	10,460,295		23,824,172	20,304,118
EQUITY						
Share capital	29	2,650,806	4,464,813		7,115,619	7,115,619
Share premium	30	3,871,731	4,659,050		8,530,781	8,530,781
Assets revaluation reserve	31	3,364,316	1,145,472		4,509,788	4,113,310
Fair value reserve	32	(2,121)	134,954		132,833	132,833
Contingency reserve	33	248,337	2,447,592		2,695,929	2,613,412
Retained earnings	35	(6,742,846)	(9,289,928)		(16,032,774)	(11,776,026)
		3,390,223	**3,561,953**		**6,952,176**	**10,729,929**
TOTAL LIABILITIES AND EQUITY		**17,829,390**	**14,022,247**		**30,776,348**	**31,034,047**

4.4	REVENUE	Fire N'000	General Accident N'000	Motor N'000	Marine N'000	Engineering N'000	Oil & Energy N'000	General Business N'000	Life Business N'000	2015 N'000	2014 N'000
	Direct Premium	210,787	220,571	471,921	324,928	211,199	840,140	2,279,546	1,058,117	3,337,663	5,374,784
	Inward Premium	71,559	9,756	555	22,203	14,258	-	118,329	-	118,329	48,765
	Gross Premium Written	282,347	230,327	472,476	347,131	225,457	840,140	2,397,877	1,058,117	3,455,994	5,423,549
	Changes in Unearned Premium	47,022	54,351	47,006	(14,581)	24,013	(48,255)	109,556	(83,895)	25,661	1,341,037
	Gross Premium Earned	**329,369**	**284,678**	**519,482**	**332,550**	**249,470**	**791,885**	**2,507,433**	**974,222**	**3,481,655**	**6,764,586**
	Outward Reinsurance	(146,630)	(20,667)	(20,549)	(171,695)	(59,098)	(571,453)	(990,093)	(17,510)	(1,007,603)	(1,629,222)
	Changes in prepaid reinsurance cost	(3,305)	(217)	-	24,652	5,535	11,903	38,568	-	38,568	(316,381)
	Net Premium Earned	**179,433**	**263,794**	**498,933**	**185,507**	**195,906**	**232,335**	**1,555,906**	**956,712**	**2,512,620**	**4,818,983**
	Commission received	18,283	-	828	27,923	18,613	51,430	117,077	3,646	120,723	161,245
	Total income	**197,716**	**263,794**	**499,761**	**213,430**	**214,520**	**283,765**	**1,672,986**	**960,358**	**2,633,344**	**4,980,228**
	EXPENSES										
	Gross claims paid	30,147	52,422	98,980	161,312	125,759	145,695	614,316	1,143,717	1,758,033	1,263,542
	Changes in outstanding claims	50,932	50,932	(171,994)	(148,639)	(217,305)	87,881	(35,585)		(35,585)	326,127
	Gross claims incurred	**81,079**	**(119,572)**	**(49,659)**	**(55,993)**	**213,640**	**509,235**	**578,731**	**1,143,717**	**1,722,448**	**1,589,669**
	Reinsurance claims recovery	(20,291)	(1,654)	(12,024)	(33,947)	(24,530)	(101,126)	(193,572)	(78,256)	(271,828)	(248,490)
	Changes in reinsurance share of Outstanding claims	(12,980)	19,142	7,950	8,964	(34,202)	(81,524)	(92,650)	(183,097)	(275,747)	41,965
	Net claims incurred/(recovered)	**47,808**	**(102,084)**	**(53,733)**	**(80,976)**	**154,908**	**326,585**	**292,509**	**882,364**	**1,174,873**	**1,383,144**
	Acquisition and maintenance cost	130,472	170,060	295,636	118,552	159,836	216,244	1,090,800	861,299	1,952,099	1,893,501
	Total expenses	**178,280**	**67,976**	**241,903**	**37,576**	**314,744**	**542,829**	**1,383,309**	**1,743,660**	**3,126,972**	**3,276,645**
	Underwriting results	**19,436**	**195,818**	**257,858**	**175,854**	**(100,224)**	**(259,064)**	**289,676**	**(783,302)**	**(493,629)**	**1,703,583**

5 Cash and cash equivalents

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

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
Cash on hand	28,414	23,510	-	-
Bank balances	444,623	235,498	245,544	646,400
Short term deposits/placements with other banks	2,317,675	3,442,171	-	771,995
	2,790,712	**3,701,179**	**245,544**	**1,418,395**

6 Financial assets

a Fair value through Profit or Loss:

Quoted Equity				
As at 1 January	730,763	982,787	24,333	274,417
Investment during the year	84,152	7,644	-	-
Disposal	(429,283)	(316,723)	(10,445)	(238,619)
Fair value gain/(loss)	(62,602)	(14,696)	(495)	(11,464)
Translation Adjustment	75,759	71,751	-	
At 31 December	**398,789**	**730,763**	**13,393**	**24,334**
Current	**398,789**	**730,763**	**13,393**	**24,334**
Non-Current	**-**	**-**	**-**	**-**

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

ii) Stocks amounting to N334 million were pledged as collateral to some banks for the facilities obtained to finance working capital requirements of the Company.

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
b Available for sale:				
Unquoted Equity	**1,396,167**	**1,572,424**	**202,658**	**202,658**
Current	**1,396,167**	**1,572,424**	**202,658**	**202,658**
Non-Current	-	-	-	-

Movement in unquoted equities	GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
At 1 January	1,572,424	1,784,402	202,658	404,151
Additions during the year	-	132,313	-	132,313
Disposal	-	(335,253)	-	(335,253)
Fair value (loss)/ gains	(275,768)	(9,038)	-	1,447
Translation adjustment	99,511	-	-	-
At 31 December	**1,396,167**	**1,572,424**	**202,658**	**202,658**

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

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

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

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

		GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
c	Held to Maturity:				
	Government Securities	346,697	316,534	-	-
	Corporate Securities	-	41,288	-	
		346,697	**357,822**	**-**	**-**
	Current	-	-	-	-
	Non-Current	**346,697**	**357,822**	-	-

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

	GROUP		COMPANY	
d Loans and Receivables:	**2015**	**2014**	**2015**	**2014**
	N'000	**N'000**	**N'000**	**N'000**
Staff Loans	286,023	285,437	259,980	251,997
Policy loans	332,492	308,567	326,705	302,967
	618,515	594,004	586,685	554,965
Impairment Charge	(233,648)	(244,617)	(231,546)	(231,546)
	384,867	**349,387**	**355,139**	**323,419**
Current	**384,867**	**349,387**	**355,139**	**323,419**
Non-Current	**-**	**-**	**-**	**-**
Movement in impairment of Assets:				
At 1 January	244,617	240,387	231,546	240,387
No longer required	(10,890)	(8,841)	-	(8,841)
Charge for the year	-	13,071	-	-
Translation Adjustment	(79)	-	-	-
At 31 December	233,648	244,617	231,546	231,546
Total Financial assets	**2,526,520**	**3,010,396**	**571,190**	**550,411**

Policy Loans

The Group grants cash loans to policyholders in line with the policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholder upon cancellation of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted

The tenor of the loan is not beyond the policy duration and such policy must be in force and has acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed periodically. The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings.

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

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
7	**Trade receivables**				
	Premium receivables	639,909	1,287,381	13,124	63,348
	Impairment	(198,460)	(627,756)	-	-
		441,449	**659,625**	**13,124**	**63,348**
	Current	**441,449**	**659,625**	**13,124**	**63,348**
	Non-Current	-	-	-	-
	Movement in impairment:				
	At 1 January	627,756	722,017	-	-
	Recoveries	(48,654)	(40,797)	-	-
	Additions during the year	233,415	64,698	-	-
	Written off	(459,028)	(78,649)	-	-
	Translation adjustment	(155,029)	(39,513)	-	-
	At 31 December	198,460	627,756	-	-
8	**Reinsurance assets**				
	Prepaid Reinsurance	512,189	353,843	240,726	195,865
	Estimated reinsurance recoveries on claims	2,375,228	1,808,936	1,752,194	1,511,261
	Receivables from reinsurers/co-insurers	799,121	739,695	716,609	567,166
		3,686,538	**2,902,474**	**2,709,529**	**2,274,292**
	Current	3,686,538	2,902,474	2,709,529	2,274,292
	Non-Current	-	-	-	-
	Movement in receivables from reinsurers				
	At 1 January	739,695	466,191	567,166	-
	movement during the year	59,426	273,504	149,443	567,166
	At 31 December	**799,121**	**739,695**	**716,609**	**567,166**

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

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

9 Deferred acquisition costs

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

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Motor	42,954	52,745	21,082	24,226
Fire	39,152	46,636	14,914	22,415
Marine	21,627	26,199	20,073	21,421
Accident	10,187	20,068	10,187	15,160
Engineering	7,725	50,948	7,725	50,948
Oil and Energy	29,567	32,756	29,567	32,756
Others	65,094	25,651	32,290	5,527
	216,306	**255,003**	**135,838**	**172,453**

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

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
At 1 January	255,003	221,221	172,453	135,047
Acquisition cost for the year	375,838	1,021,538	265,312	725,450
Translation adjustment	1,074	-	-	-
Total acquisition cost for the year	631,915	1,242,759	437,765	860,497
Amortization during the year	(415,609)	(987,756)	(301,927)	(688,044)
At 31 December	**216,306**	**255,003**	**135,838**	**172,453**
Current	**216,306**	**255,003**	**135,838**	**172,453**
Non-Current	-	-	-	-

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
10 Loans and advances				
Bank overdraft	1,042,492	585,039	-	-
Personal loans	-	33,178	-	-
Mortgage	-	-	-	-
Commercial loans	17,044	-	-	-
	1,059,536	618,217	-	-
Impairment	(519,663)	(457,673)	-	-
	539,873	**160,544**	**-**	**-**
Current	431,898	33,027	-	-
Non-Current	107,975	127,517	-	-
Movements in impairment:				
At 1 January	457,673	613,253	-	-
Write-back/(write-off)	13,099	-		
Discontinued Operations	-	(400,929)		
additions during the year	48,891	245,349	-	-
At 31 December	**519,663**	**457,673**	**-**	**-**

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

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

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

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

	GROUP		COMPANY	
	2015	2014	2015	2014
11 Non-current Assets held for sale	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	3,280,000	1,280,000	-	-
Additions during the year	4,140	2,000,000	-	-
Transfer from inv. Property & PPE	285,000	-	-	-
Revaluation reserve	(325,130)	-	-	-
Disposal during the year	(21,898)	-	-	-
At 31 December	**3,222,112**	**3,280,000**	-	**-**
Current	3,222,112	3,280,000	-	-
Non-Current	-	-	-	-

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

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

*The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value.

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
12 Investment in Subsidiaries				
Cost of investments	-	-	12,496,090	12,496,090
Impairment	-	-	(6,905,412)	(6,905,412)
	-	-	**5,590,678**	**5,590,678**
Movements in impairment:				
At 1 January	-	-	6,905,412	4,711,752
Additions during the year	-	-	-	2,193,660
At 31 December	-	-	**6,905,412**	**6,905,412**

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

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	HOLDINGS (%) 2015	HOLDINGS (%) 2014
Monarch Communications Ltd	Nigeria	56.86	56.86
Global Trust Savings & Loans Ltd	Nigeria	98.73	98.73
IGI Pension Fund Managers Ltd	Nigeria	100.00	100.00
All Crown Registrars Ltd	Nigeria	80.00	80.00
Intl Health Mgt Services Ltd	Nigeria	90.84	90.84
NIC Holdings. Ltd (Uganda)	Uganda	64.95	64.95
Global Trust Bank Ltd, Uganda	Uganda	100.00	100.00
IGI Gamstar Ins Co. Ltd, Gambia	Gambia	60.00	60.00
SONARWA (Rwanda)	Rwanda	64.25	64.25
IGI Life Assurance Ghana Ltd	Ghana	60.00	60.00
Industrial and General Insurance (Ghana) Company Ltd	Ghana	60.00	60.00

All shares in subsidiary undertakings are ordinary shares.

12b Principal Activities of Subsidiary Companies

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

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

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

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

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

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

As at 31 December 2014, IGI Plc owns 60% of NIC, Uganda through Corporate Holdings Limited, A special purpose vehicle created solely for the acquisition.

IGI Pension Fund Managers Limited was incorporated as a private liability company on November 9, 2007

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

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

Monarch Communications Limited was incorporated as a limited liability company on January 2nd, 1997. It commenced business on 1st June, 2005.

The company was granted a telecommunication licence by the Nigerian Communication Commission (NCC) under section 12 of Act No 75 of 1992 to provide private Network Links (fixed telephony) in Nigeria.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

13 Investment properties

	GROUP		COMPANY	
	2015	2014	2015	2014
At valuation:	N'000	N'000	N'000	N'000
At 1 January	22,912,944	23,277,815	14,662,420	15,159,894
Additions	845,144	443,113	51,150	-
Transfer from PPE	158,797	-	-	-
Reclassification to Other assets	(17,833)	-	-	-
Transfer to non-current assets held for sale (note 11)	(285,000)	-	-	-
Revaluation surplus	1,851,162	481,529	1,555,587	403,726
Disposals	(353,651)	(801,500)	(353,651)	(898,500)
Write off	-	(2,700)	-	(2,700)
Translation adjustment	214,887	(485,313)	-	-
At 31 December	**25,326,450**	**22,912,944**	**15,915,506**	**14,662,420**

13a Of the investment properties, the following relates

Policyholder Fund	-	-	4,241,106	2,705,658
Shareholders fund	-	-	4,113,164	9,517,745
Deposit Administration	-	-	6,137,448	2,439,017
Others	-	-	1,423,788	-
Total	-	-	15,915,506	14,662,420

The following properties; Building at 4 H NIG. Maiyegun, Lekki, Building along Oyemekun road, Akure, Land at plot 3C, block IV, IBARA, GRA Kaduna, Land at 44E Gerard Road, Ikoyi, Lagos valued at N51,500,000 were reclassified to Investment Property during the year. The purpose of the transfer is to hold for capital appreciation. The properties are not being occupied by the company.

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

The transfer to subsidiaries represents cost incurred on purchase of property on behalf of Global Trust Savings and Loans Plc previously included in the books of Industrial and General Insurance Plc.

During the year, the Company disposed some Investment Properties valued at N353 million.

Certain Land and Buildings were revalued in December 2015 by Messrs. Ora Egbunike & Associates chartered surveyors and valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N1.556 billion which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS

Company

Description of properties	At 1 January	Transfer from PPE	Disposals	Fair value gain	At 31 December
			2015		
					34,560,000
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	32,000,000		-	2,560,000	19,980,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	18,500,000	-		1,480,000	97,200,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	90,000,000			7,200,000	8,800,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	8,000,000			800,000	1,968,500,000
Building at 4 H NIG.Maiyegun Property, Lekki	1,850,000,000	28,000,000		90,500,000	351,900,000
Building at No 2, Joseph Str. Lagos Island, Lagos	345,000,000			6,900,000	51,840,000
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	48,000,000			3,840,000	16,200,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	15,000,000			1,200,000	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	15,000,000			1,200,000	19,400,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	18,000,000			1,400,000	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	18,000,000			1,400,000	23,760,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	22,000,000			1,760,000	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	22,000,000			1,760,000	48,600,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	45,000,000			3,600,000	37,800,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	35,000,000			2,800,000	24,840,000
Building at Property along Oyemekun Road, Akure	23,000,000	12,000,000		(10,160,000)	65,000,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	62,000,000			3,000,000	255,554,538
Land at Plot 310 Ubumwe Village, Remera, Kigali City	226,657,028			28,897,510	0
Land at Landed property in Uganda - $60,000 @ N151.5	13,651,600		(13,651,600)	-	450,000,000
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	450,000,000			-	7,370,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	6,700,000			670,000	511,282,586
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali	456,082,670	-		55,199,916	18,000,000
Land at Ajah Village Land	18,000,000				168,300,000
Land at Ikorodu Industrial Estate, Ikorodu	165,000,000			3,300,000	97,200,000
Building at Block A14, Flat 3 Games Village, Abuja	90,000,000			7,200,000	1,100,000,000
Land at Property At Tourism Zone Goshen Estate, Lekki, Lagos	850,000,000			250,000,000	203,800,000
Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	190,000,000			13,800,000	32,940,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	30,500,000			2,440,000	10,450,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	9,500,000			950,000	693,600,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	680,000,000			13,600,000	0
Land at Plot 3, Block 1, Oniru Chieftancy Family Estate lekki, Lagos	140,000,000		(140,000,000)	-	714,000,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	350,000,000			364,000,000	539,243,109
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	539,243,109			-	3,960,000
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	3,600,000			360,000	4,510,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	4,100,000			410,000	30,780,400
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	28,500,000	10,500,000		(8,219,600)	34,560,000

Description of properties	At 1 January	Transfer from PPE	Disposals	Fair value gain	At 31 December
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	4,800,000			480,000	5,280,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	34,500,000	-		2,760,000	37,260,000
Building at NO 119, Broad Str. Lagos Island, Lagos	365,000,000			7,300,000	372,300,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	125,000,000			2,500,000	127,500,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	5,000,000			500,000	5,500,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	5,250,000			525,000	5,775,000
Land at LASG ALASIA LEKKI-EPE PROPERTY	25,000,000				25,000,000
Land at Plot 2, Block 1, Oniru Chieftancy Land, Lekki, Lagos	404,085,440			45,914,560	450,000,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	1,800,000,000			18,000,000	1,818,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	58,000,000			4,640,000	62,640,000
Land at 7 Quthing Close of Adetokunbo Ademola Street, Abuja.	200,000,000		(200,000,000)	-	0
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	1,700,000,000			217,000,000	1,917,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	121,000,000			2,420,000	123,420,000
Land at Land at Alasia Sangotedo in Lekki	13,250,000				13,250,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	50,000,000			10,000,000	60,000,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	350,000,000			335,000,000	685,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	500,000,000			10,000,000	510,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	1,350,000,000	650,000		12,850,000	1,363,500,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	325,000,000			6,500,000	331,500,000
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	35,000,000			2,800,000	37,800,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	6,700,000			670,000	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	6,700,000			670,000	7,370,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	6,700,000			670,000	7,370,000
Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	6,700,000			670,000	7,370,000
Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	6,700,000			670,000	7,370,000
	14,662,419,847	**51,150,000**	**(353,651,600)**	**1,555,587,386**	**15,915,505,633**

Company - 2014

	At 1 January	Disposals	Write off	Fair value gain	At 31 December
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	30,000,000	-	-	2,000,000	32,000,000
Land at 308, Aba road, Port Harcourt (2 wing duplex)	89,500,000	(89,500,000)	-	-	-
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	16,600,000	-	-	1,900,000	18,500,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	87,000,000	-	-	3,000,000	90,000,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	7,500,000	-	-	500,000	8,000,000
Building at 4 H NIG.Maiyegun Property, Lekki	2,185,000,000	-	-	(335,000,000)	1,850,000,000
Building at No 2, Joseph Str. Lagos Island, Lagos	340,000,000	-	-	5,000,000	345,000,000
Land at Monarch Comm. Awodiora Landed Property	322,500,000	(322,500,000)	-	-	-
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	38,000,000	-	-	10,000,000	48,000,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	11,000,000	-	-	4,000,000	15,000,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	11,000,000	-	-	4,000,000	15,000,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	11,000,000	-	-	7,000,000	18,000,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	11,000,000	-	-	7,000,000	18,000,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	17,000,000	-	-	5,000,000	22,000,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	17,000,000	-	-	5,000,000	22,000,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	41,000,000	-	-	4,000,000	45,000,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	30,000,000	-	-	5,000,000	35,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	470,000,000	(470,000,000)	-	-	-
Land at Gerard Road Ikoyi (No. 44E)	920,000,000	(920,000,000)	-	-	-
Land at Property at 3B Oroke Drive Ikoyi (2B Oroke Drive)	210,000,000	(210,000,000)	-	-	-
Building at Property along Oyemekun Road, Akure	22,000,000	-	-	1,000,000	23,000,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	62,000,000	-	-	-	62,000,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	226,657,028	-	-	-	226,657,028
Land at Landed property in Uganda - $60,000 @ N151.5	13,651,600	-	-	-	13,651,600
Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	450,000,000	-	-	-	450,000,000
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	6,500,000	-	-	200,000	6,700,000
Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village Kacyiru, Kigali	456,082,670	-	-	-	456,082,670
Land at Block XVI, Plot 9-14, withinNITEL/MTEL Carrier station, Ikorodu	33,000,000	(33,000,000)	-	-	-
Land at Block VII Plot 17, withinNITEL/MTEL Carrier station, Ikorodu	168,000,000	-	-	(3,000,000)	165,000,000
Building at Block A14, Flat 3 Games Village, Abuja	85,000,000	-	-	5,000,000	90,000,000
Land at Block X, Plot 5, withinNITEL/MTEL Carrier station, Ikorodu	6,500,000	(6,500,000)	-	-	-
Land at Block X, Plot 6, withinNITEL/MTEL Carrier station, Ikorodu	6,500,000	(6,500,000)	-	-	-
Land at Property At Tourism Zone Goshen Estate, Lekki, Lagos	925,000,000	-	-	(75,000,000)	850,000,000
Building at FumtaJetty, 1st Avenue, Festac Town, Lagos	195,000,000	-	-	(5,000,000)	190,000,000
Land at Block X, Plot 6, withinNITEL/MTEL Carrier station, Ikorodu	70,000,000	(70,000,000)	-	-	-
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	18,000,000	-	-	12,500,000	30,500,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	7,000,000	-	-	2,500,000	9,500,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	650,000,000	-	-	30,000,000	680,000,000
Land at Plot 2, Block 1, Oniru ChieftancyLand, Lekki, Lagos	145,000,000	-	-	(5,000,000)	140,000,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	322,500,000	-	-	27,500,000	350,000,000
Land at No. 3,GLOVER ROAD, Ikoyi, Lagos	539,243,109	-	-	-	539,243,109
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	3,500,000	-	-	100,000	3,600,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	3,945,000	-	-	155,000	4,100,000
Land at Ajah Village Land	18,000,000	(18,000,000)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

	At 1 January	Disposals	Write off	Fair value gain	At 31 December
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	27,300,000	-	-	1,200,000	28,500,000
Land at Land at plot 7&9 Owode close Agbara Estate	20,500,000	(20,500,000)	-	-	-
Land at Block VI Plot 2, withinNITEL/MTEL Carrier station, Ikorodu	6,500,000	(6,500,000)	-	-	-
Land at Block VIII Plot 12, withinNITEL/MTEL Carrier station, Ikorodu	6,500,000	(6,500,000)	-	-	-
Land at Consent Fee For Land - Lasg	6,500,000	(6,500,000)	-	-	-
Land at Land at Alasia Sangotedo in Lekki	13,250,000	(13,250,000)	-	-	-
Land at LASG Alasia Lekki - Epe Property	25,000,000	(25,000,000)	-	-	-
Land at Premium on NITEL / MTEL Land at Okeafa	2,700,000		(2,700,000)	-	-
Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	4,500,000	-	-	300,000	4,800,000
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	33,000,000	-	-	1,500,000	34,500,000
Building at PC 9 Idowu Taylor St V/I Lagos	425,000,000	(425,000,000)	-	-	-
Building at NO 119, Broad Str. Lagos Island, Lagos	360,879,950	-	-	4,120,050	365,000,000
Building at No. 24, Awolowo Way,by J. Allen, Dugbe, Ibadan)	120,000,000	-	-	5,000,000	125,000,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	4,700,000	-	-	300,000	5,000,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	5,000,000	-	-	250,000	5,250,000
Building at 42 Awolowo Road, Ikoyi (3 storey of 6 flats) Lagos	152,000,000	(152,000,000)	-	-	-
Land at Plot 3, Block 1, Oniru ChieftancyFamilyEstate lekki, Lagos	404,085,440	-	-	-	404,085,440
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	2,000,000,000	-	-	(200,000,000)	1,800,000,000
Building at Plot 498 Shiroro Road Tunga, Minna	56,000,000	-	-	2,000,000	58,000,000
Land at Plot 16 Block 133 Ayodele Odubiyi Street Lekki 1 Lagos	65,000,000	(65,000,000)	-	-	-
Land at 3A, Choba Road, Off Aba Road, PH, Rivers State	63,000,000	(63,000,000)	-	-	-
Land at 7 Quthing Close of Adetokunbo Ademola Street, Abuja.	190,000,000	-	-	10,000,000	200,000,000
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	1,500,000,000	-	-	200,000,000	1,700,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	118,800,000	-	-	2,200,000	121,000,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	48,000,000	-	-	2,000,000	50,000,000
Land at Plot 4 Block 111 RingRoad Presidential Scheme Ibadan	13,500,000	(13,500,000)	-	-	-
Land at Monarch Comm. Awodiora Landed Property	-	322,500,000	-	27,500,000	350,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	-	470,000,000	-	30,000,000	500,000,000
Land at No. 44E Gerard Road, Ikoyi, Lagos	-	920,000,000	-	430,000,000	1,350,000,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	-	210,000,000	-	115,000,000	325,000,000
Land at Block XVI, Plot 9-14, withinNITEL/MTEL Carrier station, Ikorodu	-	33,000,000	-	2,000,000	35,000,000
Land at Block X, Plot 5, withinNITEL/MTEL Carrier station, Ikorodu	-	6,500,000	-	200,000	6,700,000
Land at Block X, Plot 6, withinNITEL/MTEL Carrier station, Ikorodu	-	6,500,000	-	200,000	6,700,000
Land at Ajah Village Land	-	18,000,000	-	-	18,000,000
Land at Block X, Plot 7, withinNITEL/MTEL Carrier station, Ikorodu	-	6,500,000	-	200,000	6,700,000
Land at Block X, Plot 9, withinNITEL/MTEL Carrier station, Ikorodu	-	6,500,000	-	200,000	6,700,000
Land at Consent Fee For Land - Lasg	-	6,500,000	-	200,000	6,700,000
Land at Land at Alasia Sangotedo in Lekki	-	13,250,000	-	-	13,250,000
Land at LASG Alasia Lekki - Epe Property	-	25,000,000	-	-	25,000,000
	15,159,894,797	**(898,500,000)**	**(2,700,000)**	**403,725,050**	**14,662,419,847**

NOTES TO THE FINANCIAL STATEMENTS

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

	DESCRIPTION	2015 Value N'000	2014 Value N'000
1	Monarch Comm. Awodiora Landed Property	-	350,000
2	Onikoyi Road, Parkview Estate, Ikoyi, Lagos	-	500,000
3	Gerrard Road Ikoyi	1,363,500	1,350,000
4	Property at 2B, Oroke Drive, off Queens Drive, Ikoyi, Lagos.	331,500	325,000
5	NITEL/MTEL Staff Pension Fund Property,Ikorodu (Block XVI, Plot 9 -14, within Nitel/Mtel Carrier, Station Ikorodu	37,800	35,000
6	Blk X, Plot 5 within NITEL/MTEL Carrier, Station Ikorodu	7,370	6,700
7	Blk X, Plot 6 within NITEL/MTEL Carrier, Station Ikorodu	7,370	6,700
8	Ajah Village Land	18,000	18,000
9	NITEL/MTEL Carrier staff Pension(Block VI, plot 2, within Nitel/Mtel Carrier Station, Ikorodu,Lagos)	7,370	6,700
10	NITEL/MTEL Carrier Staff Pension(Block VII, plot 17, within Nitel/Mtel Carrier Station, Ikorodu,Lagos)	7,370	6,700
11	Consent Fee for Land- LASG(Block VIII, Plot 12, within Nitel/Mtel Carrier Station, Ikorodu).	7,370	6,700
12	Land at Alasia Sangotedo in Lekki	13,250	13,250
13	LASG Alasia Lekki-Epe Property	25,000	25,000
		1,825,900	**2,649,750**

		GROUP		COMPANY	
		2015	**2014**	**2015**	**2014**
		N'000	**N'000**	**N'000**	**N'000**
14	**Intangible Assets**				
	Goodwill(note 14b)	201,774	201,774	-	-
	Computer Software (note 14a)	36,714	40,338	-	17,568
		238,488	**242,112**	**-**	**17,568**
	Current	-	-	-	-
	Non-Current	238,488	242,112	-	17,568
a	**Computer Software**				
	At 1 January	100,360	420,878	70,100	70,100
	Additions during the year	13,945	22,769	-	-
	Discontinued operations	-	(343,287)	-	
	At 31 December	114,305	100,360	70,100	70,100
	Amortization				
	At 1 January	60,023	331,758	52,532	35,016
	Charge during the year	17,568	17,526	17,568	17,516
	Discontinued operations	-	(289,261)	-	-
	At 31 December	77,591	60,023	70,100	52,532
	Carrying amount (31 December)	**36,714**	**40,338**	**-**	**17,568**

	GROUP		COMPANY	
	2015	2014	2015	2014
b Goodwill	N'000	N'000	N'000	N'000
Cost				
At 1 January	549,851	1,882,034	-	-
Discontinued operations	-	(1,332,183)	-	-
At 31 December	549,851	549,851	-	-
Accumulated impairment				
At 1 January	348,077	1,266,375	-	-
Discontinued operations	-	(918,298)	-	-
At 31 December	348,077	348,077	-	-
Carrying amount (31 December)	**201,774**	**201,774**	**-**	**-**

Goodwill represents the excess of the purchase consideration over the fair value of the aggregate net assets of the subsidiary companies. Goodwill arising has been subjected to tests for impairment as at 31 December, 2013 in accordance with the provision of the International Accounting Standards (IAS).

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

NOTES TO THE FINANCIAL STATEMENTS

15 Property, plant and equipment

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

Group	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor vehicles N'000	Furniture, fittings and equipment N'000	Office equipment N'000	Computer equipment N'000	Tele communication equipment N'000	Total N'000
At 1 January, 2014									
Cost or revaluation	2,441,969	3,921,412	319,081	1,498,545	939,723	675,130	819,741	2,381,192	12,996,793
Additions	-	397,311	-	56,214	26,066	4,460	27,515	-	511,566
Revaluation surplus	-	69,483	-	-	-	-	-	-	69,483
Disposal	-	-	(55,307)	-	-	-	(163)	-	(55,470)
Consolidation adjustments	-	-	-	-	214,273	(549,331)		(18,159)	(353,217)
Discontinued operations	-	(14,171)	(114,428)	(87,707)	-	-	(178,455)	-	(394,761)
As at 31 December, 2014	2,441,969	4,374,035	149,346	1,467,052	1,180,062	130,259	668,638	2,363,033	12,774,394
Depreciation									
At 1 January, 2014	-	180,361	209,707	1,425,840	664,187	541,991	720,611	2,359,317	6,102,014
Charge for the year	-	93,431	307	64,508	72,465	6,337	24,915	10,537	272,500
Disposal	-	-	(34,656)	(812)	-	-	(23)	(8,432)	(43,923)
Discontinued operations	-	169,837	(26,536)	(132,945)	326,985	(431,794)	(121,340)	-	(216,003)
As at 31 December, 2014	-	443,629	148,822	1,356,591	1,063,637	116,534	624,163	2,361,422	6,114,798
Net Book Value as at 31 December, 2014	**2,441,969**	**3,930,406**	**524**	**110,459**	**116,425**	**13,725**	**44,475**	**1,611**	**6,659,596**

NOTES TO THE FINANCIAL STATEMENTS

15.1 Property and equipment – (continued)

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

The following properties; Building at 4 H NIG. Maiyegun, Lekki, Building along Oyemekun road, Akure, Land at plot 3C, block IV, IBARA, GRA Kaduna, Land at 44E Gerard Road, Ikoyi, Lagos valued at N51,500,000 were reclassified to Investment Property during the year. The purpose of the transfer is to hold for capital appreciation. The properties are not being occupied by the company.

15.1 Property and equipment – (continued)

Company	Land	Buildings	Leasehold improvements	Motor Vehicles	Furniture, Fittings and Equipment	Computer Equipment	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation at 1 January, 2014	2,387,019	2,137,734	148,452	1,140,944	912,720	383,854	7,110,723
Additions	-	-	-	9,891	12,651	3,946	26,488
Revaluation Surplus	38,450	355,815	-	-	-	-	394,265
Year ended 31 December 2014	2,425,469	2,493,549	148,452	1,150,835	925,371	387,800	7,531,476
Depreciation							
At 1 January, 2014	-	206,622	147,621	1,077,360	799,836	374,558	2,605,997
Charge for the year	-	42,755	307	48,422	59,308	9,519	160,311
Year ended 31 December 2014	-	249,377	147,928	1,125,782	859,144	384,077	2,766,308
Net Book Value as at 31 December, 2014	**2,425,469**	**2,244,172**	**524**	**25,053**	**66,227**	**3,723**	**4,765,168**

Fair Values of Land and Building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. As at December 2015, the fair values of the Land and Buildings have been determined by Messrs. Ora Egbunike & Associates Chartered Surveyors and Valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N566.146 million which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate. The revaluation surplus net of applicable deferred income taxes was credited to Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
16	**Other receivables and Prepayments**				
	Prepayments	78,421	111,555	10,391	30,277
	Amount due from related companies	3,710,417	1,287,034	4,009,712	3,654,562
	Prepaid income tax	115,351	161,776	-	-
	Rent receivable	135,709	65,168	39,577	-
	Income & withholding tax recoverable	132,095	73,856	-	-
	Other receivables	1,262,385	2,245,306	1,098,139	989,022
	Commission receivable on reinsurance ceded	163,934	-	16,998	85,927
	Deposit for shares	500,000	500,000	500,000	500,000
	Accrued income	50,966	20,833	48,814	-
	Sundry debtors	368,828	3,461	-	-
		6,518,106	4,468,989	5,723,631	5,259,788
	Impairment	(5,550,607)	(4,434,024)	(5,299,620)	(4,240,474)
		967,499	**34,965**	**424,011**	**1,019,314**
	Current	967,499	34,965	424,011	1,019,314
	Non-Current	-	-	-	-
	Movement in impairment:				
	At 1 January	4,434,024	4,063,680	4,240,474	3,965,937
	Additions during the year	1,305,149	293,075	1,059,146	274,537
	Written off	(188,566)			
	Reclassified to loans and receivables & reinsurance assets	-	79,626	-	-
	Translation Adjustment	-	(2,357)	-	-
	At 31 December	**5,550,607**	**4,434,024**	**5,299,620**	**4,240,474**

The deposit for shares were made in subsidiary companies whose operations have long ceased, hence the amount is doubtful of recovery

Analysis of impairment loss by assets

GROUP

	2015				
	Asset	**Impairment**			
Description of assets	**At 31 Dec**	**At 1 Jan**	**Additions**	**At 31 Dec**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Amount Due from Related Parties	4,767,703	3,502,324	671,583	4,173,907	593,796
Other Receivables	1,201,589	827,886	-	827,886	373,703
Deposit for Shares	500,000	55,000	445,000	500,000	-
Accrued Income	48,814	48,814	-	48,814	-
	6,518,106	**4,434,024**	**1,116,583**	**5,550,607**	**967,499**

	2014				
	Asset	**Impairment**			
Description of assets	**At 31 Dec**	**At 1 Jan**	**Additions**	**At 31 Dec**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Amount Due from Related Parties	2,392,786	3,151,139	351,185	3,502,324	(1,109,537)
Other Receivables	1,527,389	921,964	(94,078)	827,886	699,503
Deposit for Shares	500,000	55,000	-	55,000	445,000
Accrued Income	48,814	48,814	-	48,814	-
	4,468,989	**4,176,917**	**257,107**	**4,434,024**	**34,965**

COMPANY

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

	2014				
	Asset	**Impairment**			
Description of assets	**At 31 Dec**	**At 1 Jan**	**Additions**	**At 31 Dec**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Amount Due from Related Parties	3,183,586	2,947,485	368,615	3,316,100	(132,513)
Other Receivables	1,527,389	914,639	(94,078)	820,561	706,828
Deposit for Shares	500,000	55,000	-	55,000	445,000
Accrued Income	48,814	48,814	-	48,814	-
	5,259,789	**3,965,938**	**274,537**	**4,240,475**	**1,019,314**

17 Related party disclosures

a Transactions with related parties

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

	GROUP		COMPANY	
	2015	2014	2015	2014
b Sale of:	N'000	N'000	N'000	N'000
Insurance contracts to Andrew Robins Ltd	-	-	-	-
Insurance contracts to AGIB Ltd	-	-	-	-
Insurance and investment contracts to All Crown Registrars Ltd	101,445	25,064	101,445	25,064
Insurance and Professional contracts to Apex Airlines Ltd	-	4,126	-	4,126
Insurance and investment contracts to Monarch Comm. Ltd	245,975		245,975	
Reinsurance, Consultancy & other services to NIC Uganda	-	-	-	-
Insurance and investment contracts to Associated Loss Adjuster Ltd	-	4,175	-	4,175
Consultancy & Professional services to Sonarwa Holdings Ltd	-	-	-	-
Insurance and investment contracts to Global Trust Savings & Loans Ltd	22,483	-	22,483	-
Consultancy & Professional services to IGI Gamstar Ltd	-	-	-	-
Insurance and consultancy contracts to Industrial Energy Company Ltd	4,500	13,938	4,500	13,938
Insurance and investment contracts to Industrial Trustees Ltd	-	-	-	-
Insurance and investment contracts to Int'l Health Management Services Ltd	30,007	60,300	30,007	60,300
Consultancy & Professional services to Investment Managers Ltd	-	-	-	-
Consultancy & Professional services to IGI Ghana Ltd	-	-	-	-
Insurance and investment contracts to Perfect Structures Ltd	-	77,766	-	77,766
	404,410	**185,369**	**404,410**	**185,369**

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
c Purchase of				
Estate Management Services from Chancellor's Property	-	62,809	-	62,809
Professional services from All crown Registrars Ltd	59,362	-	59,362	-
Professional services from Global Trust Savings & Loans Ltd	337	-	337	-
Professional services from Int'l Health Management Services Ltd	185,129	-	185,129	-
Professional services from Perfect Structures Ltd	98,936	-	98,936	-
	343,764	**62,809**	**343,764**	**62,809**

d Balances with related parties

Receivables from and payable to related parties are as follows:

	GROUP 2015	GROUP 2014	COMPANY 2015	COMPANY 2014
Receivables from related parties				
IGI Gamstar	-	272,355	-	272,355
Sonarwa Holdings Limited	-	-	-	-
Monarch Comm. Ltd	433,466	1,876,775	433,466	1,876,775
Global Trust Savings & Loans Ltd	212	119,687	212	119,687
IGI PFA	7,144	-	7,144	-
National Insurance Corporation, Uganda	-	-	-	-
Industrial Energy Company	251,206	246,706	251,206	246,706
Industrial Trustee Ltd	389	-	389	-
Int'l Health Mgt. Services	90,315	-	90,315	-
Investment Managers Ltd	83	-	83	-
IGI Ghana Limited	41,852	-	41,852	-
Perfect Structures Ltd	2,940	-	2,940	-
Plumtree Trading Company, Sierra Leone	-	-	-	-
	827,605	**2,515,523**	**827,605**	**2,515,523**

	GROUP		COMPANY	
	2015	2014	2015	2014
	N'000	N'000	N'000	N'000
Payables to related parties				
National Insurance Corporation, Uganda	-	-	-	-
Chancellor Property	-	-	-	-
Investment Profiles Limited	-	-	-	-
Orbital Computer Services	-	-	-	-
NIC (Southern Sudan) Limited	-	-	-	-
Due to directors-Sonarwa	-	-	-	-
Sonarwa Holdings Limited	-	-	-	-
IGI Gamstar Limited	-	-	-	-
International Health Management Services	204,500	49,378	204,500	49,378
All crown registrars	19,170	-	19,170	-
Investment PFA	145,112	-	145,112	-
Perfect Structures Ltd	-	98,936	-	98,936
	368,782	**148,314**	**368,782**	**148,314**

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

	GROUP		COMPANY	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
18 Statutory deposit				
At 1 January	520,383	550,165	500,000	500,000
Additions/(withdrawals) during the year	598	(31,002)	-	-
Interest earned	4,480	1,220	-	-
Translation adjustment	30,884	-	-	-
At 31 December	**556,345**	**520,383**	**500,000**	**500,000**
Current	-	-	-	-
Non-Current	556,345	520,383	500,000	500,000

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2015 (2014: N500,000,000), in accordance with Section 9(1) and Section 10(3) of Insurance Act 2003. Interest income earned on this deposit is included in Investment income.

	GROUP		COMPANY	
	2015	2014	2015	2014
19 Insurance Contract Liabilities	N'000	N'000	N'000	N'000
Reserve for reported claims by policyholders	6,103,811	5,697,275	4,486,921	4,430,866
Provision for claims incurred but not reported	1,603,127	966,232	1,369,644	966,232
Outstanding claims provision	7,706,938	6,663,507	5,856,565	5,397,098
Reserve for life fund	2,041,882	1,347,893	1,953,535	1,347,893
Unearned Premium	2,003,071	2,174,239	979,066	1,088,621
Unexpired life insurance contract fund	885,235	886,112	153,007	69,111
Total insurance contract liabilities	**12,637,126**	**11,071,751**	**8,942,173**	**7,902,723**
Current	7,582,276	6,963,752	6,460,014	4,651,619
Non-current	5,054,850	4,107,999	2,482,159	3,251,104

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
(i.)	**(a) Outstanding Claims** **General business**	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
	Fire	1,038,739	969,524	732,602	681,670
	General accident	464,227	645,882	372,437	544,431
	Motor	1,141,903	1,147,052	184,677	333,316
	Engineering	231,719	143,838	231,719	143,838
	Marine & aviation	312,028	388,470	149,619	366,924
	Medical	1,188	1,837	-	-
	Oil and energy	1,856,359	1,492,819	1,856,359	1,492,819
	Others	211,252	-	-	-
		5,257,415	**4,789,422**	**3,527,413**	**3,562,998**
(ii.)	**Life business**				
	Group business	1,913,164	1,496,937	1,792,795	1,456,952
	Individual business	536,359	377,148	536,357	377,148
		2,449,523	1,874,085	2,329,152	1,834,100
	Total	**7,706,938**	**6,663,507**	**5,856,565**	**5,397,098**
	At 1 January	6,663,507	6,533,735	5,397,098	5,427,763
	(Decrease)/additions during the year	1,043,431	129,772	459,467	(30,665)
	At 31 December	**7,706,938**	**6,663,507**	**5,856,565**	**5,397,098**
	(b) Unearned premium and unexpired risk				
(i.)	**General business**				
	Fire	271,202	311,330	75,414	122,436
	General accident	155,425	239,017	62,805	117,155
	Motor	658,171	745,831	183,690	230,696
	Engineering	261,030	285,044	261,031	285,044
	Marine & aviation	262,655	186,985	129,856	115,275
	Medical	693	623	-	-
	Oil and energy	266,270	218,015	266,270	218,015
	Others	127,625	187,394	-	-
		2,003,071	**2,174,239**	**979,066**	**1,088,621**
(ii.)	**Life business**				
	Individual business	732,228	655,053	-	-
	Group business	153,007	231,059	153,007	69,111
		885,235	886,112	153,007	69,111
	Total unearned premium and unexpired risk	**2,888,306**	**3,060,351**	**1,132,073**	**1,157,732**
(iii.)	**Movement in unexpired risks account during the year was as follows:**				
	At 1 January	3,060,351	4,731,090	1,157,732	2,498,767
	Decrease in unexpired risk during the year	(172,045)	(1,670,739)	(25,659)	(1,341,035)
	At 31 December	**2,888,306**	**3,060,351**	**1,132,073**	**1,157,732**

(c) Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2015. The actuarial value of the net liability of the fund was N2,106,541,000 (2014:N1,834,349,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2015 was carried out by HR Nigeria Limited, FRC/2012/NAS/00000000738 - a recognized actuarial valuation firm. The valuation was done based on the following principles:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2015 N'000
20	**Investment contract liabilities**				
a	**Deposit administration**				
	At 1 January	11,138,382	8,349,139	8,125,378	5,591,759
	Additions during the year	2,665,585	3,967,447	2,033,588	3,072,826
	Actuarial surplus/deficit during the year	75,497	1,834,350	(98,356)	1,834,349
	Guaranteed interest	684,096	397,825	684,096	352,771
		14,563,560	14,548,761	10,744,706	10,851,705
	Withdrawals during the year	(2,614,966)	(3,378,515)	(2,095,544)	(2,726,326)
	Admin fee	(6,531)	-	-	-
	other income	172,467	(31,864)	-	-
	At 31 December	12,114,530	11,138,382	8,649,162	8,125,379
b	**Managed funds**	61,887	64,583	-	-
	Total investment contract liabilities	**12,176,417**	**11,202,965**	**8,649,161**	**8,125,379**
	Current	7,305,850	6,721,779	3,459,664	3,250,152
	Non-Current	4,870,567	4,481,186	5,189,497	4,875,227

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

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2015 N'000
21	**Trade payables**				
	Due to reinsurance	1,235,935	207,916	879,719	153,737
	Due to co-insurance	432,918	831,664	432,918	623,505
		1,668,853	**1,039,580**	**1,312,637**	**777,242**
22	**Other Payables and Accruals**				
	Information technology development levy	20,686	20,686	20,686	20,686
	Accruals and provisions	658,179	679,536	170,306	475,618
	Deposits and other customers' accounts	474,681	32,620	-	
	Withholding tax	189,686	221,239	174,414	221,239
	Sundry creditors	804,864	807,542	272,701	148,032
	Health Management Services	204,500	-	204,500	
	Pension Contribution	768,437	-	765,982	
	Amount due to related companies	1,405,471	160,685	349,612	163,545
	Provision for litigation	-	345,393	-	31,500
	National Housing Fund	56,296	-	56,296	-
	Sundry sum insured	85,689	-	85,689	-
	Audit fees	54,016	95,993	44,900	84,491
	Commissions & other payables to brokers	67,912	22,753	11,327	22,753
	Others	401,194	97,472	46,879	-
	Unclaimed dividend	74,562	95,055	-	-
	Pay As You Earn	109,192	71,396	82,803	71,396
	Rent received in advance	54,231	78,774	53,972	78,774
	Other statutory payment	195,064	94,350	42,542	94,350
	Deferred acquisition revenue	45,024	-	45,024	-
	NAICOM supervisory levy	29,349	98,794	29,349	98,794
		5,699,033	**2,922,288**	**2,456,983**	**1,511,178**
	Current	**5,699,033**	**2,922,288**	**2,456,983**	**1,511,178**
	Non-Current	**-**	**-**	**-**	**-**

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
22 (a)	Below is the breakdown of deposits and other customers' accounts;				
	Savings account	25,314	-	-	-
	Current account	89,073	32,620	-	-
	Fixed deposit accounts	356,896	-	-	-
	Interest payable	3,398	-	-	-
		474,681	**32,620**	**-**	**-**
22 (b)	Below is the breakdown of deposits and other customers' accounts;				
	National Housing Fund	63,722	40,831	45,472	40,492
	National Social Ins. Trust Fund	7,518	1,612	3,188	1,612
	PAYE	93,338	59,808	71,396	37,245
	Accrued expense	389,014	309,505	17,868	20,360
	Information technology levy	29,534	50,963	20,686	18,694
	Staff Pension	72,228	245,818	35,316	22,563
	Rent received in advance	149,510	99,005	78,775	7,066
		804,864	**807,542**	**272,701**	**148,032**
24	**Taxation**				
24 a	**Per profit and loss account**				
	Income tax	270,266	106,431	175,264	65,289
	Information technology levy	-	-	-	-
	Education tax	25,991	7,824	25,880	7,065
	Deferred taxation expense/(credit)	185,697	(703,728)	207,646	(686,562)
	Capital gain tax	7,224	-	-	-
	Over provision for deferred tax	43,298	-	-	-
		532,476	**(589,472)**	**408,790**	**(614,208)**
24 (b)	**Per balance sheet**				
	At 1 January	1,578,653	1,701,577	1,343,017	1,360,663
	Income tax charged for the year	210,618	106,398	175,264	65,289
	Education tax	25,880	7,824	25,880	7,065
	Payments during the year	(66,968)	(151,791)	(60,000)	(90,000)
	Reclassified to income tax assets	(2,531)	-	-	-
	Under/(over) provision of prior years	9,358	1,399	-	-
	Discontinued operations	-	(82,705)	-	-
	Translation adjustment	(848)	(4,048)	-	-
	At 31 December	**1,754,462**	**1,578,654**	**1,484,161**	**1,343,017**
24 (c)	**Reconciliation of effective tax rate**				
	Loss/(profit) for the year after tax	(4,346,963)	52,855	(4,174,231)	(3,172,423)
	Total tax expense;				
	Income	270,266	106,431	175,264	65,289
	Education	25,991	7,824	25,880	7,065
	Deferred	185,697	(703,728)	207,646	(686,562)
	Others	50,522	34	-	-
		532,476	(589,472)	408,790	(614,208)
	Loss for the year before tax	**(3,814,487)**	**(536,617)**	**(3,765,441)**	**(3,786,631)**
	Effective tax rate	(14)	110	(11)	16

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

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
25	**Dividend payable**				
	At 1 January	15,812	82,916	-	8,821
	Amount declared during the year	34,713	-	-	-
	Payments during the year	(37,745)	(39,290)	-	(8,821)
	Translation adjustment	(1,553)	(27,814)	-	-
	At 31 December	**11,227**	**15,812**	**-**	**-**
	Current	**11,227**	**15,812**	**-**	**-**
	Non-Current	-	-	-	-
26	**Deferred tax**				
a	**Deferred taxation (liability)**				
	At 1 January	1,454,750	2,122,397	477,637	1,131,885
	Increase/(write back) to profit or loss account	403,442	(640,464)	377,314	(686,562)
	Other comprehensive income	4,848	40,520	-	39,426
	Credit to deposit administration plan	(19,771)	-	-	-
	Credit to equity	(75,504)	42,031	-	-
	Transfer from deferred tax asset	(61,906)	(7,112)	-	(7,112)
	Translation Adjustment	36,056	(102,622)	-	-
	At 31 December	**1,741,915**	**1,454,750**	**854,951**	**477,637**
b	**Deferred taxation (assets)**				
	At 1 January	126,068	249,937	-	7,112
	Reclassification from deferred tax liability	(61,906)	-	-	-
	Income tax charge/ (Credit)	(39,266)	24,711	-	-
	Credit to equity	1,654	-	-	(7,112)
	Consolidation adjustments	-	(146,377)	-	-
	Translation adjustment	6,258	(2,203)	-	-
	At 31 December	**32,808**	**126,068**	**-**	**-**

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2014: 30%). As at 31 December 2015, the company had a nil net deferred income tax asset, (2014: nil).

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
27	**Deposit for shares**	**1,169,783**	**1,163,501**	**-**	**-**
	At 1 January	1,163,501	30,858	-	-
	Adjustment from prior year(s)	-	1,140,275	-	-
	Transfer to equity during the year	-	(3,556)	-	-
	Consolidation adjustments	-	(4,006)	-	-
	Translation adjustment	6,282	(70)	-	-
	Balance at 31 December	**1,169,783**	**1,163,501**	**-**	**-**
	Current	**1,169,783**	**1,163,501**	**-**	**-**
	Non-Current	-	-	-	-

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2014 N'000
28	**Loans and borrowings**				
	Term loan	2,796,421	2,081,688	124,106	166,942
	Bank overdraft	-	71,307	-	-
	Debenture loan	350,000	350,000	-	-
	Balance at the end of the year	**3,146,421**	**2,502,995**	**124,106**	**166,942**
	Movement in loans & borrowings				
	At 1 January	2,502,996	2,308,515	166,942	770,134
	Addition during the year	872,001	416,905	175,499	-
	Repayments during the year	(205,426)	(188,347)	(196,339)	(603,192)
	Interest on repayment during the year	(23,150)	(25,684)	(21,996)	-
	Consolidation adjustments	-	(8,394)	-	-
	At 31 December	**3,146,421**	**2,502,995**	**124,106**	**166,942**
	Current	-	71,307	-	-
	Non-Current	3,146,421	2,431,688	124,106	166,942

28.1 Term loans

Term Loans were obtained from Access Bank Plc and United Bank for Africa (UBA) Plc by the Parent Company and NIC Holdings Limited, Uganda on 26th January 2015 and 30th December 2015 at 19.4% and 21% p.a. respectively.

28.2 Bank overdraft

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

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2014 N'000
29	**Share capital**				
	Authorised:				
	24,000,000,0000 ordinary shares of 50 kobo per share	**12,000,000**	**12,000,000**	**12,000,000**	**12,000,000**
	Issued and fully paid:				
	At 31 December	**7,115,619**	**7,115,619**	**7,115,619**	**7,115,619**
30	**Share premium**				
	At 31 December	**8,530,781**	**8,530,781**	**8,530,781**	**8,530,781**

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

		GROUP 2015 N'000	GROUP 2014 N'000	COMPANY 2015 N'000	COMPANY 2014 N'000
31	**Assets revaluation reserve**				
	At 1 January of the year	4,607,005	6,623,187	4,113,310	4,605,505
	Additions during the year	733,090	529,706	566,146	394,265
	Deferred tax	(188,898)	(49,583)	(169,668)	(39,426)
	Reversal of revaluation	(320,991)	-	-	-
	Consolidation adjustment	-	(1,507,608)	-	-
	Transfer to revenue reserve	-	(988,697)	-	(847,034)
	At 31 December	**4,830,206**	**4,607,005**	**4,509,788**	**4,113,310**

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

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
32	**Fair value reserve**				
		-			
	At 1 January	473,326	514,415	132,833	131,386
	Utilized during the year	-	-	-	-
	Arising during the year	(154,749)	235,223	-	1,447
	Deferred tax	44,239	(42,253)	-	-
	Consolidation adjustment	-	(234,059)	-	-
	At 31 December	**362,816**	**473,326**	**132,833**	**132,833**

Equity fair value reserve shows the effects from the fair value measurement of equity instruments to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated profit or loss and other comprehensive income.

		GROUP		COMPANY	
		2015	2014	2015	2014
		N'000	N'000	N'000	N'000
33	**Contingency reserve**				
	At 1 January	2,768,734	2,750,742	2,613,412	2,480,662
	Consolidation adjustment	-	(218,669)	-	-
	Transfer from life fund	36,040	58,279	-	-
	Transfer to/from revenue reserve	87,115	178,382	82,517	132,750
	At 31 December	**2,891,889**	**2,768,734**	**2,695,929**	**2,613,412**

As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life assurance contracts underwritten by the group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21 (2) and 22 (1) of the insurance Act 2003. The reserve is calculated at the higher of 3% of gross premium and 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriation are charged to the life fund.

Except for Uganda, the contingency reserve is set up under Section 47 (2) (c.) of the Insurance Statute of 1996. The reserve is provided for at the greater of 2% of the gross premium income and 15% of the net profit each year effective from 1996 and is required to accumulate until it reached the greater of either minimum paid up capital or 50% of the net premiums written. The contingency reserve for life insurance business is set up under Section 47(3) (b) of the Insurance Statute of 1996 and provides contingency reserve at 1% of the premiums written.

		GROUP	GROUP	COMPANY	COMPANY
34	**Capital reserve**	2015	2014	2015	2014
		N'000	N'000	N'000	N'000
	At 1 January	55,382	65,715	-	-
	Transfer from/to revenue reserve	8,832	4,708	-	-
	Consolidation adjustments	-	(15,041)	-	-
	At 31 December	**64,214**	**55,382**	**-**	**-**

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

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2014 N'000
35	**Retained earnings**				
	At 1 January	(12,740,365)	(7,703,639)	(11,776,026)	(9,317,887)
	Transfer from profit or loss	(4,373,305)	(5,017,135)	(4,174,231)	(3,172,423)
	Transfer to statutory and capital reserves	(8,832)	(10,843)	-	-
	Adjustment	(259)	-	-	-
	Transfer to contingency reserve	(87,115)	(178,382)	(82,517)	(132,750)
	Transfer to life funds	-	(20,597)	-	-
	Actuarial surplus for the year	(1,036)	-	-	-
	Transfer from assets revaluation reserve	-	988,697	-	847,034
	Consolidation adjustments	-	(798,466)		
	At 31 December	**(17,210,912)**	**(12,740,365)**	**(16,032,774)**	**(11,776,026)**
36	**Foreign exchange reserve**				
	At 1 January	246,332	(1,407,175)	-	-
	Movement during the year	(27,811)	1,520,436	-	-
	Consolidation adjustment	-	133,071	-	-
	At 31 December	**218,521**	**246,332**	**-**	**-**
37	**Statutory/regulatory reserve**				
	At 1 January	124,604	501,255	-	-
	Transfer from revenue reserve	-	6,135	-	-
	Consolidation adjustments	(10,572)	(382,786)	-	-
		114,032	**124,604**	**-**	**-**
38	**Non-controlling interest**				
	At 1 January	331,575	(229,359)	-	-
	Profit for the year	26,342	(125,851)	-	-
	Other comprehensive income	(25,892)	129,759	-	-
	Appropriation	(37,920)	-		
	Consolidation adjustment	-	557,026	-	-
		294,104	**331,575**	**-**	**-**

		GROUP		COMPANY	
		2015 N'000	2014 N'000	2015 N'000	2014 N'000
39	**Gross premium written**				
	Fire	700,277	702,516	282,346	292,676
	General accident	381,913	442,533	230,327	276,698
	Motor	1,706,066	1,602,399	472,476	511,195
	Engineering	225,456	506,923	225,456	506,923
	Marine & aviation	659,671	588,540	347,131	397,829
	Oil & energy	840,140	1,940,422	840,140	1,940,422
	Medical	-	983,827	-	-
	Others	1,748,404	749,762	-	-
		6,261,927	**7,516,922**	**2,397,876**	**3,925,743**
	Individual life	725,802	753,470	432,446	530,047
	Group Life	755,621	1,054,303	625,672	967,759
		7,743,350	**9,324,695**	**3,455,994**	**5,423,549**

Gross premium on life is recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective. Gross general insurance premium written comprises the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognized on the date on which the policy commences.

		GROUP		COMPANY	
		2015	2014	2015	2014
40	**Changes in unearned premium**	N'000	N'000	N'000	N'000
	Fire	195,893	(13,479)	47,022	(13,909)
	General accident	51,256	(49,865)	54,351	(26,694)
	Motor	75,209	87,991	47,006	60,169
	Engineering	24,013	(153,224)	24,013	(153,224)
	Marine & aviation	(40,936)	59,241	(14,581)	64,866
	Oil & energy	(48,255)	919,072	(48,255)	919,072
	Others	(14,499)	3,166	-	
		242,681	**852,902**	**109,556**	**850,279**
	Individual life	13,259		-	-
	Group Life	(83,895)	416,225	(83,895)	490,756
		172,045	**1,269,127**	**25,661**	**1,341,035**
41	**Reinsurance cost**				
	Reinsurance paid	1,072,241	1,492,315	478,501	892,237
	Changes in prepaid reinsurance	(44,861)	266,820	(44,861)	316,381
	Changes in reinsurance payable	535,395	784,929	535,395	736,985
		1,562,775	**2,544,064**	**969,035**	**1,945,603**
	Reinsurance cost by product:;				
	Fire	347,324	266,943	149,936	93,323
	General accident	50,679	40,904	20,884	14,191
	Motor	43,673	109,735	20,549	24,011
	Engineering	53,563	51,862	53,563	51,871
	Marine & aviation	324,560	313,136	147,043	191,706
	Oil & energy	559,550	1,543,852	559,550	1,543,852
	Others	133,285	168,125	-	-
		1,512,634	**2,494,557**	**951,525**	**1,918,954**
	Individual life	612	767	-	
	Group Life	49,529	48,740	17,510	26,649
		1,562,775	**2,544,064**	**969,035**	**1,945,603**

The Company has a reinsurance agreement with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement is being modified on yearly basis.

		GROUP		COMPANY	
		2015	2014	2015	2014
42	**Fees and commission income**	₦'000	N'000	₦'000	N'000
	Fire	95,822	83,937	18,283	30,966
	General accident	58,087	25,580	-	-
	Motor	19,150	17,080	828	-
	Engineering	36,613	14,126	18,613	14,126
	Marine & aviation	88,790	43,734	27,923	32,516
	Oil & energy	69,430	79,068	51,430	79,068
	Others	45,070	35,319	-	-
		412,962	**298,844**	**117,077**	**156,676**
	Individual life	21,712	108	3,646	-
	Group life	23,094	8,317	-	4,569
		457,768	**307,269**	**120,723**	**161,245**

		GROUP		COMPANY	
		2015	2014	2015	2014
		₦'000	N'000	₦'000	N'000
43	**Underwriting expenses**				
(a)	**Commission paid**				
	Fire	105,927	115,525	26,663	51,066
	General accident	55,527	91,614	26,089	48,022
	Motor	140,115	153,582	30,900	63,315
	Engineering	16,291	85,572	16,291	85,572
	Marine & aviation	64,352	126,711	32,584	122,282
	Oil & energy	96,891	211,089	96,891	211,089
	Others	160,197	62,132	-	-
		639,300	**846,225**	**229,418**	**581,346**
	Individual life	66,340	41,280	35,894	37,595
	Group life	12,220	134,033	-	106,509
		717,860	**1,021,538**	**265,312**	**725,450**
(bi)	**Movement in Deferred acquisition**				
	At 1 January	255,002	221,221	172,453	135,047
	Acquisition cost for the year	717,860	1,021,538	265,312	725,450
	Deferred acquisition cost at the end of the year	(216,307)	(255,003)	(135,838)	(172,453)
		756,555	**987,756**	**301,927**	**688,044**
(bii)	**Movement in deferred acquisition cost by class**				
	Fire	8,228	(3,298)	7,501	(1,665)
	General accident	5,163	(14,956)	4,973	(2,493)
	Motor	(5,988)	16,941	3,143	6,531
	Engineering	43,223	(35,545)	43,223	(35,545)
	Marine & aviation	14,721	(6,452)	1,348	(8,880)
	Oil & energy	3,190	10,173	3,190	10,173
	Others	(29,842)	(645)	(26,763)	(5,527)
		38,695	**(33,782)**	**36,615**	**(37,407)**
	Total Commission expense	**756,555**	**987,756**	**301,927**	**688,043**
(c.)	**Maintenance expenses**				
	Fire	85,100	44,091	79,815	44,091
	General accident	141,904	58,787	115,312	58,789
	Motor	304,655	145,374	217,920	124,924
	Engineering	70,257	66,136	70,257	66,136
	Marine & aviation	97,208	58,788	83,149	58,788
	Oil & energy	96,279	382,120	96,279	382,120
	Others	807,225	31,856	-	-
		1,602,628	**787,152**	**662,732**	**734,848**
	Individual life	206,171	254,129	206,171	254,129
	Group Life	177,891	216,480	175,628	216,480
		1,986,690	**1,257,761**	**1,044,531**	**1,205,457**
	Underwriting expenses	**2,743,245**	**2,245,517**	**1,346,458**	**1,893,500**

		GROUP		COMPANY	
		2015	**2014**	**2015**	**2014**
		₦'000	**N'000**	**₦'000**	**N'000**
44	**Claims expenses**				
	Fire	245,336	23,320	59,505	(197,345)
	General accident	112,682	173,503	78,723	138,269
	Motor	862,275	965,330	129,577	198,897
	Engineering	141,583	(17,605)	141,583	(17,605)
	Marine & aviation	247,210	202,312	186,248	186,738
	Medical	-	802,393	-	-
	Oil & energy	(16,905)	441,500	(16,905)	441,500
	Others	480,159	181,778	-	-
		2,072,340	**2,772,531**	**578,731**	**750,454**
	Individual life	867,200	1,165,801	593,281	966,081
	Group life	627,797	396,531	550,436	156,980
		3,567,337	**4,334,863**	**1,722,448**	**1,873,515**
44 (a)	**Reinsurance claims recoveries**				
	Fire	246,656	(61,056)	20,291	(124,615)
	General accident	21,095	46,448	1,654	21,424
	Motor	27,214	239,016	12,024	44,716
	Engineering	24,530	(11,050)	24,530	(11,050)
	Marine & aviation	81,868	(69,507)	33,947	(72,646)
	Oil & energy	101,126	(272)	101,126	(272)
	Others	314,919	(21,076)	194,710	-
		817,408	**122,503**	**388,282**	**(142,443)**
	Individual life	5,349	-	-	-
	Group life	166,888	474,553	159,293	348,967
		989,645	**597,056**	**547,575**	**206,524**
44(b)	**Reinsurance claims recoveries**				
	Receipt from reinsurance on claims paid	363,927	939,375	306,642	815,655
	Changes in estimated reinsurance	566,292	(615,823)	240,933	(609,131)
	Changes in reinsurers/co-insurers	59,426	273,504	-	-
		989,645	**597,056**	**547,575**	**206,524**
45	**Claims Expenses**				
	Claims paid during the year	2,523,906	4,205,091	1,262,980	1,263,542
	Changes in outstanding claims reserve	1,043,431	129,772	459,468	609,973
	Gross claims incurred	3,567,337	4,334,863	1,722,448	1,873,515
	Reinsurance recoveries	(989,645)	(597,056)	(547,575)	(206,524)
	Net claims incurred	**2,577,692**	**3,737,807**	**1,174,873**	**1,666,991**
46	**Changes in Contract Liabilities**				
	Changes in life fund	**693,989**	**(283,847)**	**605,641**	**(283,847)**

		GROUP		COMPANY	
		2015	2014	2015	2014
47	**Investment income**	**N'000**	**N'000**	**N'000**	**N'000**
	Rent income	334,802	281,202	98,860	140,007
	Interest on fixed deposits	130,488	147,604	59,803	40,300
	Interest on treasury bills and bonds	19,983	8,787	-	-
	Income on other investment	10,628	142,980	9,104	142,980
	Interest on loans and advances	38,866	77,148	38,866	77,148
	Dividends	17,568	97,516	-	62,217
		552,335	**755,237**	**206,633**	**462,652**
47(a)	**Analysis of investment income**				
	Investment attributable:				
	Policyholders' fund	432,914	485,304	147,329	316,525
	Shareholders' fund	119,421	269,933	59,304	146,127
		552,335	**755,237**	**206,633**	**462,652**
48	**Interest income**				
	Interest charges - banking operations	-	241,737	-	-
	Interest on loans and advances	137,137	6,447	-	-
	Interest from placement with banks	17,649	176,866	-	-
	Government securities	-	2,243	-	-
	Interest - others	1,646	26,131	-	-
		156,432	**453,424**	**-**	**-**
49	**Other income**				
	Exchange gain/loss	56,070	1,790	42,485	-
	Administrative charges on policies	63,855	114,411	612	-
	(Loss)/Gain on disposal of equity investment	1,486	82	-	
	Administrative charges on customers account	33,967	45,787	-	-
	Administrative charges on registrar services	2,190	2,079	-	-
	Interest on policy loan	-	27,874	-	27,874
	Fee income on deposit administration	37,266	5,398	-	-
	Sundry receipts (other operating income)	287,014	151,692	169,288	-
	Gains/loss on disposal of quoted shares	(95)	19	2,080	19
	Gain on bargain purchase -capital reserve	-	1,658,973	-	-
	Bad debt recovered (Note a)	49,694	40,797	-	-
		531,447	**2,048,902**	**214,465**	**27,893**
49 a	**Bad debt recovered**				
	Recovery on trade receivables	-	40,797	-	-
50	**Fair value gain/loss through profit or loss;**				
	Quoted stock	(62,602)	(16,731)	(495)	(11,463)
	Investment properties	1,851,162	481,528	1,555,587	403,725
		1,788,560	**464,797**	**1,555,092**	**392,262**

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

		GROUP		COMPANY	
		2015 ₦'000	**2014 N'000**	**2015 ₦'000**	**2014 N'000**
51	**Finance cost**				
	Interest expenses	33,691	179,489	21,997	65,017
	Bank charges and commission	199,833	24,314	191,825	-
	Customer deposits	72,248	-	-	-
	Inter-bank borrowings	88,516	-	-	-
		394,288	**203,803**	**213,822**	**65,017**
	Individual life	-	-	-	-
	Group life	-	-	-	-
		394,288	**203,803**	**213,822**	**65,017**

52 Discontinued Operations

Global Trust Bank, Uganda (GTB, Uganda), was closed down and its license revoked by the Bank of Uganda (BOU) on 25th July, 2014 as a result of persistent losses. The liquidation process is on-going but adequate impairment has been carried out in the Group Financial Statements.

In December 2014, the Group discontinue its operations in Global Trust Bank Uganda which is the only operation presented as discontinued operation in 2014.

Post tax loss on discontinued operations	**₦'000**	**N'000**	**₦'000**	**N'000**
Net assets disposed				
Cash and bank	-	(719,783)	-	-
Financial assets:	-	-	-	-
Treasury bills	-	(1,376,036)	-	-
Loans and advances	-	(2,822,192)	-	-
Intangible assets	-	(56,319)	-	-
Other receivables	-	(221,531)	-	-
Property, Plant and equipment	-	(390,772)	-	-
Deferred tax assets	-	(146,377)	-	-
Other payables and accruals	-	4,055,490	-	-
Placement from other banks	-	554,254	-	-
Taxation	-	29,780	-	-
Loans and borrowings	-	8,907	-	-
Reserves	-	549,754	-	-
Net Liabilities	-	(534,825)	-	-
Investment in subsidiary	-	5,730,662	-	-
Impairment in the books of parent on GTB Uganda during the year		**5,195,837**		

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2015	2014	2015	2014
		₦'000	N'000	₦'000	N'000
53	**Management and administrative expenses;**				
	Employee benefits	3,802,241	2,376,702	2,501,399	1,218,280
	Directors emoluments	134,914	195,773	16,642	52,484
	Depreciation of property plant & equipment	202,494	272,629	83,286	160,310
	Audit fee	53,179	42,003	20,000	18,000
	Amortisation of intangible assets	17,611	17,526	17,568	17,516
	Rent and Rates	74,253	110,946	18,451	46,586
	Repairs and maintenance	67,106	98,576	17,984	58,200
	Subscription	17,768	1,918	11,360	-
	Training	45,401	17,031	42,115	320
	Other operating expenses	258,911	624,485	218,022	261,006
	Insurance	41,952	760	17,592	-
	Legal and professional fees	87,884	244,891	46,283	-
	Loss on disposal of property & equipment	7,760	-	7,760	
	Travelling	24,334	26,936	6,981	-
	Postages and telephone and telex	26,532	26,188	4,276	-
	Taxes and non-deductible duties	400,096	15,062	389,229	-
		5,262,426	**4,071,427**	**3,418,948**	**1,832,702**
	The aggregate emoluments of the directors were:				
	Fees	90,250	14,913	4,050	4,050
	Other emoluments	44,664	180,860	12,592	48,434
54	**Impairment of receivables and investments**				
	Impairment of trade receivables (Note 7)	233,415	64,698	-	-
	Impairment of other receivables & prepayments (Note 16)	1,305,149	293,075	1,059,145	274,537
	Impairment of loans and advances (Note 10)	48,891	245,349	-	-
	Impairment of loans and receivables (Note 6d)	-	13,071	-	-
	Impairment of investment in subsidiaries	-	-	-	2,193,660
	Recovery on impairment on loans & advances	-	(8,841)	-	(8,841)
		1,587,455	**607,352**	**1,059,145**	**2,459,356**
55	**Loss on investment contract**				
	Income on investment contract	145,849	105,428	56,558	105,428
	Changes in investment contracts (note 20)	98,359	(1,834,350)	98,359	(1,834,350)
	Guaranteed interest paid	(684,096)	(352,772)	(684,096)	(352,772)
		(439,888)	**(2,081,695)**	**(529,179)**	**(2,081,695)**

56 (Loss)/ earning per share

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

Loss attributable to the equity holders (N'000)	(3,931,392)	(3,651,994)	(3,777,753)	(2,816,136)
Weighted average number of ordinary shares in issue (N'000)	14,231,238	14,231,238	14,231,238	14,231,238
Loss per share (Kobo)	(27.63)	(25.66)	(26.55)	(19.79)

57 **Notes to the cash flow statement**	**Group 2015 N'000**	**Group 2014 N'000**	**Company 2015 N'000**	**Company 2014 N'000**
Profit before tax	(3,814,487)	(536,617)	(3,765,441)	(3,786,631)
Adjustment for:				
Depreciation and amortisation	202,494	272,629	83,287	160,311
Fair value (losses)/ gains on investments	(62,602)	(16,731)	(495)	(11,464)
Other investment income	(561,675)	(2,066,434)	(169,900)	(34,203)
Fair value changes on Investment properties	(1,851,162)	(481,529)	(1,555,587)	(403,726)
Impairment charged on financial assets	1,587,455	607,352	1,059,145	2,459,356
Tax paid	66,968	151,791	60,000	90,000
	(4,433,009)	(2,069,539)	(4,288,991)	(1,526,357)
Movements in working capital:				
(Increase)/ decrease in financial assets - loans and receivables	(35,480)	134,237	(31,720)	125,545
Decrease in trade receivables	218,176	168,163	50,224	332,044
(Increase)/ decrease in other receivables and prepayment	(932,534)	537,957	595,303	(254,387)
(Increase)/ decrease in reinsurance assets	(784,064)	609,139	(435,237)	358,346
Decrease/ (Increase) in deferred acquisition costs	38,697	(33,782)	36,615	(37,406)
Increase/ (decrease) in insurance contract liabilities	1,565,375	(3,685,562)	228,226	(2,414,097)
Increase/ (decrease) in other payables and accruals	1,443,523	(5,181,818)	945,805	161,841
Increase/ (decrease) in investment contract liabilities	973,452	2,783,425	523,782	2,533,620
Increase/ (decrease) in trade payables	629,273	784,929	535,395	736,986
Net cash provided / (absorbed) by operating activities.	(1,316,591)	(5,952,851)	(1,840,598)	16,135

NOTES TO THE FINANCIAL STATEMENTS

58 Contingencies and Commitments

(a) Legal proceedings and regulation

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its result and financial position. The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

Currently, there are pending litigations against the company in which the plaintiffs are claiming a total sum of N461,743,195 (2014: N56,500,000). No provision has been made in these financial statements for the pending litigations because the directors are of the opinion that based on independent legal advice, the liability will not likely materialise.

(b) Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

59 Comparative figures

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

60 Restatement of prior year's financial statements

The International Accounting Standard 21, *The Effect of Changes in Foreign Exchange Rates,* provides guidance on the translation of the financial statements of a foreign subsidiary prepared in a currency other than the presentation currency of the Group.

The consolidated financial statement for the year ended 2014 were revised to ensure full compliance with the tenets of IAS 21.

Also, certain consolidation mechanics of the financial statements for the year ended 31 December, 2014 were revised to comply with the requirements of IFRS 10, *Consolidated Financial Statements*.

The amendments arising from the above issues have been effected by restating the affected financial statements' line items for the prior period. The following table summarises the impact of these corrections on the entity's consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

ASSETS	Notes	As previously reported Group 2014 N'000	Adjustments	Restated Group 2014 N'000
Cash and cash equivalents	5	3,701,179	-	3,701,179
Financial assets;				
At Fair value through profit or loss	6 (a)	670,603	60,160	730,763
Available for sale	6 (b)	1,660,573	(88,149)	1,572,424
Held to maturity	6 (c)	357,822	-	357,822
Loans and receivables	6 (d)	356,272	(6,885)	349,387
Trade receivables	7	622,583	37,042	659,625
Reinsurance assets	8	2,902,473	1	2,902,474
Deferred acquisition costs	9	255,003	-	255,003
Other receivables and prepayments	16	637,587	(602,622)	34,965
Loans and advances	10	1,280,000	(1,119,456)	160,544
Non-current assets held for sale	11	23,379,382	(20,099,382)	3,280,000
Investment property	13	207,249	22,705,695	22,912,944
Deferred income tax	26 (b)	239,821	(113,753)	126,068
Intangible assets	14	6,830,560	(6,588,448)	242,112
Property plant and equipment	15	1,274,463	5,385,133	6,659,596
Statutory deposits	18	521,403	(1,020)	520,383
TOTAL ASSETS		**44,896,973**	**(431,684)**	**44,465,289**

NOTES TO THE FINANCIAL STATEMENTS

61 Restatement of prior year's financial statements (cont'd)

LIABILITIES		As previously reported Group 2014 N'000	Adjustments	Restated Group 2014 N'000
Insurance contract liabilities	19	11,071,751	-	11,071,751
Investment contract liabilities	20	11,312,040	(109,075)	11,202,965
Trade payable	21	1,039,580		1,039,580
Other payables and accruals	22	2,987,648	(65,360)	2,922,288
Placement from other banks	23	-	-	-
Income tax payable	24	1,581,045	(2,391)	1,578,654
Dividend payable	(b) 25	43,626	(27,814)	15,812
Deferred tax liabilities	26	1,534,991	(80,241)	1,454,750
Deposit for shares	(a) 27	29,301	1,134,200	1,163,501
Loans and borrowings	28	1,969,821	533,174	2,502,995
TOTAL LIABILITIES		31,569,803	1,382,493	32,952,296
NET ASSETS		13,327,170	(1,814,177)	11,512,993
EQUITY				
Share capital	27	7,115,619	-	7,115,619
Share premium	28	8,530,781	-	8,530,781
Assets revaluation reserve	29	6,050,634	(1,443,629)	4,607,005
Fair value reserve	30	739,474	(266,148)	473,326
Contingency reserve	31	2,904,908	(136,174)	2,768,734
Capital reserve	32	70,424	(15,042)	55,382
Retained earnings	33	(12,293,422)	(446,944)	(12,740,365)
Foreign exchange reserve	34	(553,478)	799,810	246,332
Statutory (regulatory) reserve	35	590,949	(466,345)	124,604
SHAREHOLDERS' FUNDS		13,155,889	(1,974,472)	11,181,418
NON-CONTROLLING INTEREST	36	171,281	160,294	331,575
		13,327,170	(1,814,178)	**11,512,993**

62 Contravention of Laws and Regulations

During the year, the Company contravened section 2.19. (a) of the 2015 prudential guidelines for Insurers and Reinsurers of National Insurance Commission of Nigeria and a penalty of N1,590,000 was paid. Also PENCOM imposed an interest charge of N364,897,000 for non-remittance of employee and employer pension contribution for the period 2004 to 2014 which is in violation of S.11 (6) of the Pension Reform Act 2014.

63 Events after reporting date

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

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

On 3rd of July, 2017, the following Executive Management team and Board members retired and have since exited the Company:

Mr. Rotimi Fashola	–	Group Managing Director/ Chief Executive Officer
Mr. Sina Elusakin	–	Deputy Chief Executive Officer
Mr. Yinka Obalade	–	Executive Director, Finance and Investment
Mrs. Foluso Gbadamosi	–	Executive Director, Administration, Human Resources and Computer services.
Mr. Obayomi Lawal	–	Group Director, Finance and Accounts

In their place, the following individuals have been appointed in acting capacity effective 3rd July, 2017:

Mr. Bayo Folayan	–	Acting Managing Director/ Chief Executive Officer
Mr. Shade Ajayi	–	Acting Executive Director, Operations & Technical
Mr. Nnamdi Iwuoha	–	Director Technical
Mr. Bola Ashaolu	–	Director Marketing, and
Mr. Emmanuel Udoh	–	Chief Finance Officer

These appointments, which have since been approved by the National Insurance Commission, ensure that the Company's operations and business activities continue without any disruptions.

.2 Sonarwa Holdings Ltd

On 7th November, 2016, the shareholders of Sonarwa General held an Extra -Ordinary Meeting (EGM) to approve the acceptance of a proposal of capital injection of Rwf 4billion by the Rwanda Social Security Board (RSSB) through the acquisition of a Convertible Preference Shares and based on a valuation of the company to be conducted by a reputable international financial consultant. In the interim, the financial position of the company as at 30th September, 2 016 has been used to distribute Board seats and allocate key management positions as agreed by the shareholders and approved by the Bank of Rwanda, the regulatory body to become effective when the associated capital funds are disbursed.

An EGM was held by shareholders of Sonarwa Life on 23rd November, 2016 to approve additional capital injection of Rwf 3billion by RSSB in the company on similar terms and conditions.

These capital injections by RSSB would eventually lead to dilution of shareholdings and number of Board seats of other shareholders of the two companies including Industrial and General Insurance Plc.

It is however believed that the total amount of Rwf 7billion, when disbursed, would have significant positive impact on the liquidity, solvency, regulatory compliance, business generation and profitability of the two companies in moving forward.

64 GOING CONCERN

The business of IGI will continue into the foreseeable future as it continues to tap into the opportunities available in the insurance industry, overcome threats, utilise its strengths and improve on its weaknesses.

The insurance penetration is still low in Nigeria and there are abundant opportunities in the various classes of insurance business which IGI will exploit to enhance its premium generation and collection, increase market share and profitability while still pursuing cost control measures. Enforcement of the local content insurance act, compulsory insurances like motor insurance, public building insurance, carbotage law as well as the micro insurance would provide great opportunities to enhance revenue generation.

In the past, impairments have had significant effect on our profitability. These impairments are mostly that of receivables and investment assets. With the implementation of the "no premium no cover" policy, there is no need again for impairment of receivables as all premiums are now collectable within a short period of time. Some investments have also been impaired in the past and we see opportunities of recoveries in some of the impaired assets like the investment in Global Trust Bank, Uganda where we have been assured by the Bank of Uganda that the liquidation process will soon be completed since almost all liabilities have been settled with a significant balance still left for IGI as the principal shareholder.

The Board of IGI has approved the restructuring of our assets towards improving liquidity through sale of properties and shares in some subsidiaries. We have received offers from investors who are interested in purchasing shares in some of these subsidiaries including IGI Pension Fund Managers Limited, Global Trust Savings and Loans Limited and International Health Management Services Limited.

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

The liquidity generated through the asset restructuring and capital raise will be applied to grow and manage the business profitably through aggressive marketing, service delivery, efficient internal control and investment activities to the satisfaction of all stakeholders. We believe that the above action plan will help reverse the current loss position to profitability in the near future. The going concern status of the business of IGI is therefore assured.

STATEMENT OF VALUE ADDED

For the year ended 31 December 2015

	Group 31-Dec-15 N'000	%	Group 31-Dec-14 N'000	%	Company 31-Dec-15 N'000	%	Company 31-Dec-14 N'000	%
Net Premium income	6,352,620		8,049,758		2,512,620		4,818,981	
Fees and commission income	457,768		307,269		120,723		161,245	
Total underwriting expenses	6,014,926		5,699,477		3,126,972		3,276,644	
Underwriting profit	795,462		2,657,550		(493,629)		1,703,582	
Investment and other income	2,634,220		1,688,415		1,420,103		(1,133,138)	
Bought in material and services	(3,086,909)		(2,019,952)		(2,073,020)		(2,908,485)	
Value added	**342,773**	**100**	**2,326,013**	**100**	**(1,146,546)**	**100**	**(2,338,041)**	**100**
Distribution:								
Employees								
Staff cost	3,937,155	1,149	2,572,475	111	2,518,041	(220)	1,270,764	(54)
Government								
Taxes	532,476	155	(589,472)	(25)	408,790	(36)	(614,208)	26
Retained in the Company								
Depreciation and amortisation	220,105	64	290,155	12	100,854	(9)	177,826	(8)
Loss for the year	(4,346,963)	(1,268)	52,855	2	(4,174,231)	365	(3,172,423)	136
	342,773	**100**	**2,326,013**	**100**	**(1,146,546)**	**100**	**(2,338,041)**	**100**

STATEMENTS OF FINANCIAL SUMMARY - GROUP

GROUP ASSETS	2015 ₦'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Cash and cash equivalents	2,790,712	3,701,179	5,779,061	5,297,654	5,280,560
Financial assets;					
At Fair value through Profit or Loss	398,789	730,763	982,787	1,017,535	1,644,385
Available for sale	1,396,167	1,572,424	3,160,438	2,339,849	1,540,994
Held to maturity	346,697	357,822	334,022	295,962	27,008
Loans and receivables	384,867	349,387	483,624	410,507	532,780
Trade receivables	441,449	659,625	827,788	963,014	1,409,068
Reinsurance assets	3,686,538	2,902,474	3,511,613	5,323,751	4,093,141
Deferred acquisition costs	216,306	255,003	221,221	480,945	278,330
Other receivables and	967,499	34,965	572,922	535,134	3,142,107
Loans and advances	539,873	160,544	3,765,330	2,841,395	4,574,454
Non-current assets held for	3,222,112	3,280,000	1,280,000	-	-
Investment property	25,326,450	22,912,944	23,277,815	22,465,105	21,459,999
Deferred income tax	32,808	126,068	249,937	249,937	247,300
Intangible assets	238,488	242,112	704,779	526,252	803,105
Property plant and equipment	6,671,407	6,659,596	6,894,779	8,348,238	6,555,362
Statutory deposits	556,345	520,383	550,165	587,863	619,539
TOTAL ASSETS	**47,216,507**	**44,465,289**	**52,596,281**	**51,683,141**	**52,208,132**
LIABILITIES					
Insurance contract liabilities	12,637,126	11,071,751	12,255,927	13,579,737	11,828,391
Investment contract liabilities	12,176,417	11,202,965	8,419,540	7,609,161	6,574,177
Trade payables	1,668,853	1,039,580	254,651	247,899	728,848
Other payables and accruals	5,699,033	2,922,288	8,104,106	5,682,461	6,377,035
Placement from other banks	0	0	554,254	681,666	751,209
Income tax payable	1,754,462	1,578,654	1,701,577	2,173,718	2,076,136
Dividend payable	11,227	15,812	82,916	95,660	241,672
Deferred tax liabilities	1,741,915	1,454,750	2,122,398	1,980,779	1,453,743
Deposit for shares	1,169,783	1,163,501	30,857	19,894	104,879
Loans and borrowings	3,146,421	2,502,995	2,308,515	3,210,085	2,379,749
TOTAL LIABILITIES	**40,005,237**	**32,952,296**	**35,834,741**	**35,281,060**	**32,515,839**
EQUITY					
Share capital	7,115,619	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	8,530,781	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	4,830,206	4,607,005	6,623,187	5,677,000	5,339,911
Fair value reserve	362,816	473,326	514,415	308,208	156,872
Contingency reserve	2,891,889	2,768,734	2,750,742	2,598,946	2,352,593
Capital reserve	64,214	55,382	65,715	59,643	48,098
Retained earnings	(17,210,912)	(12,740,365)	(7,703,640)	(5,538,889)	(3,335,407)
Foreign exchange reserve	218,521	246,332	(1,407,175)	(2,064,589)	(516,644)
Statutory (regulatory) reserve	114,032	124,604	501,255	318,402	80,028
SHAREHOLDERS' FUNDS	**6,917,166**	**11,181,418**	**16,990,899**	**17,005,121**	**19,771,851**
Non-controlling interest	294,104	331,575	(229,359)	(603,039)	(79,557)
	7,211,270	**11,512,993**	**16,761,540**	**16,402,081**	**19,692,293**
TOTAL LIABILITIES AND EQUITIES	**47,216,507**	**44,465,289**	**52,596,281**	**51,683,141**	**52,208,132**

STATEMENT OF COMPREHENSIVE INCOME *For the year ended 31 December 2015*

GROUP	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Gross premium written	7,743,350	9,324,695	10,275,019	13,431,227	14,378,221
Gross premium earned	7,915,395	10,593,822	10,220,705	13,502,023	12,957,074
Net premium income	6,352,620	8,049,758	7,648,879	9,387,637	8,750,722
Other income	3,531,876	4,077,379	4,801,942	6,517,217	5,549,149
Total income	**9,884,496**	**12,127,137**	**12,450,821**	**15,904,854**	**14,299,871**
Net benefits and claims	(2,577,692)	(3,737,807)	(3,960,017)	(3,212,699)	(2,113,662)
Other expenses	(11,121,291)	(8,925,947)	(9,876,372)	(13,873,843)	(12,936,170)
Total expenses	**(13,698,983)**	**(12,663,754)**	**(13,836,389)**	**(17,086,542)**	**(15,049,832)**
(Loss) before taxation	(3,814,487)	(536,617)	(1,385,568)	(1,181,688)	(749,961)
Taxation	(532,476)	589,472	(334,890)	(367,155)	(979,913)
(Loss) after taxation	**(4,346,963)**	**52,855**	**(1,720,458)**	**(1,548,843)**	**(1,729,874)**

STATEMENTS OF FINANCIAL SUMMARY - COMPANY

COMPANY	2015	2014	2013	2012	2011
ASSETS	**₦'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	245,544	1,418,395	699,949	720,314	1,814,034
Financial assets;					
At Fair value through profit or loss	13,393	24,333	274,417	411,652	305,125
Available for sale	202,658	202,658	404,151	399,708	470,830
Loans and receivables	355,139	323,418	448,962	380,543	455,230
Trade receivables	13,124	63,348	395,392	397,680	998,363
Reinsurance assets	2,709,529	2,274,292	2,632,638	4,563,699	3,487,016
Deferred acquisition costs	135,838	172,453	135,047	383,686	201,596
Other receivables and prepayments	424,011	1,019,316	764,927	1,397,559	2,479,537
Investment in subsidiaries	5,590,678	5,590,678	6,745,438	6,235,966	6,944,978
Investment properties	15,915,506	14,662,420	15,159,894	14,789,397	15,077,585
Deferred tax assets	-	-	7,112	7,112.00	-
Intangible assets	-	17,568	35,084	17,500.00	-
Property plant and equipment	4,670,928	4,765,168	4,504,725	5,173,767	4,360,225
Statutory deposits	500,000	500,000	500,000	500,000	535,000
TOTAL ASSETS	**30,776,348**	**31,034,047**	**32,707,736**	**35,378,583**	**37,129,519**
LIABILITIES					
Insurance contract liabilities	8,942,173	7,902,723	8,917,634	9,885,306	8,046,692
Investment contract liabilities	8,649,161	8,125,379	5,591,759	4,243,987	3,614,772
Trade payables	1,312,637	777,242	40,257.00	40,257.00	-
Other payables and accruals	2,456,983	1,511,178	1,349,337	1,504,484	2,007,394
Income tax payable	1,484,161	1,343,017	1,360,663	1,913,297	1,722,236
Deferred tax liabilities	854,951	477,637	1,131,886	8,821	10,796
Deposit for shares	-	-	-	1,067,405	620,161
Loans and Borrowings	124,106	166,942	770,134	1,420,520	1,545,330
TOTAL LIABILITIES	**23,824,172**	**20,304,118**	**19,161,670**	**20,084,077**	**17,567,381**
EQUITY					
Share capital	7,115,619	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	8,530,781	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	4,509,788	4,113,310	4,605,505	4,025,189	3,832,796
Fair value reserve	132,833	132,833	131,386	126,943	190,953
Contingency reserve	2,695,929	2,613,412	2,480,662	2,327,322	2,105,686
Retained earnings	(16,032,774)	(11,776,026)	(9,317,887)	(6,831,348)	(2,213,699)
	6,952,176	**10,729,929**	**13,546,066**	**15,294,506**	**19,562,138**
TOTAL LIABILITIES AND EQUITY	**30,776,348**	**31,034,047**	**32,707,736**	**35,378,583**	**37,129,519**

STATEMENT OF COMPREHENSIVE INCOME

	2015	2014	2013	2012	2011
COMPANY	**N'000**	**N'000**	**N'000**	N'000	N'000
Gross premium written	3,455,994	5,423,549	6,132,024	9,109,377	10,600,015
Gross premium earned	3,481,655	6,764,584	6,216,083	9,165,740	9,385,775
Net premium income	2,512,620	4,818,981	3,941,634	5,861,012	6,044,217
Other income	1,540,826	(971,893)	2,015,791	2,332,483	3,051,767
Total income	**4,053,446**	**3,847,088**	**5,957,425**	**8,193,495**	**9,095,984**
Net benefits and claims	(3,126,972)	(3,276,644)	(1,993,915)	(2,082,650)	(1,571,484)
Other expenses	(4,691,915)	(4,357,075)	(6,151,741)	(10,335,800)	(8,053,608)
Total expenses	**(7,818,887)**	**(7,633,719)**	**(8,145,656)**	**(12,418,450)**	**(9,625,092)**
Profit/(loss) before taxation	(3,765,441)	(3,786,631)	(2,188,231)	(4,224,955)	(529,108)
Taxation	(408,790)	614,208	(144,968)	(171,061)	(858,202)
Profit/(loss) after taxation	**(4,174,231)**	**(3,172,423)**	**(2,333,199)**	**(4,396,016)**	**(1,387,310)**

RC. 178,140

PROXY FORM

24TH ANNUAL GENERAL MEETING OF INDUSTRIAL AND GENERAL INSURANCE PLC TO BE HELD AT 11AM ON THURSDAY, 8TH DECEMBER 2022 AT IGI BUILDING, 2, AGORO ODIYAN STREET, OFF ADEOLA ODEKU STREET, VICTORIA ISLAND, LAGOS STATE

I /We ____	RESOLUTION	FOR	AGAINST
of ____ being a Member of the above named Company hereby appoint Mahmud Yayale Ahmed, CFR or failing him anyone of the following persons:	**1.** To lay before the members the consolidated audited financial statements of the Company for the year ended 31st December 2015 together with the reports of the Directors, the Auditors and the Audit and Compliance Committee thereon.		
a. Prof. Oladapo Afolabi, CFR b. Augustine Olorunsola c. Gaffar Kayode Animashawun Jnr. d. Kanayo Chuks Okoye e. Kayode Agboola f. Dr. Gbenga Ogunkoya g. Sir. Sunny Nwosu h. Pa. Shotunde Shopeju i. Peter Eyanaku j. Adeleke Adebayo k. Rotimi Fashola l. Folusho Gbadamosi	**2.** To re-elect retiring Directors: a) Mahmud Yayale Ahmed, CFR b) Prof. Oladapo Afolabi, OON, CFR c) Mr. Augustine Olorunsola;		
to act as my/our Proxy and to vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on the 8th day of December 2022.	3. To authorize the Directors to determine the remuneration of the External Auditors. .		
Signed this ______ day of ________________ 2022.	4. To elect members of the Audit and Compliance Committee		
Member's Signature: ____________________________	5. To disclose remuneration of Managers.		
	6. To approve the remuneration of the Directors.		
	Please indicate with an "X" in the appropriate space above how you wish your vote to be cast on the resolutions. Unless otherwise so indicated, the proxy will vote or abstain from voting at his discretion.		
	IMPORTANT (a) The name of the Member must be written in BLOCK CAPITALS where marked. Please stamp and sign the proxy form and return to the Office of the Registrar, Greenwich Registrars and Data Solutions Limited, 274, Murtala Mohammed Way, Alagomeji, Yaba, Lagos not less than 48 hours before the time for holding the meeting. If executed by a Company, the proxy form should be sealed with the Company Seal. (b) In the case of Joint Shareholders, any one of such may complete the form but the names of all Joint Shareholders must be stated. (c) If the shareholder is a corporation, this form must be under its common seal or under the hand of its officer or attorney duly authorized in that regard.		