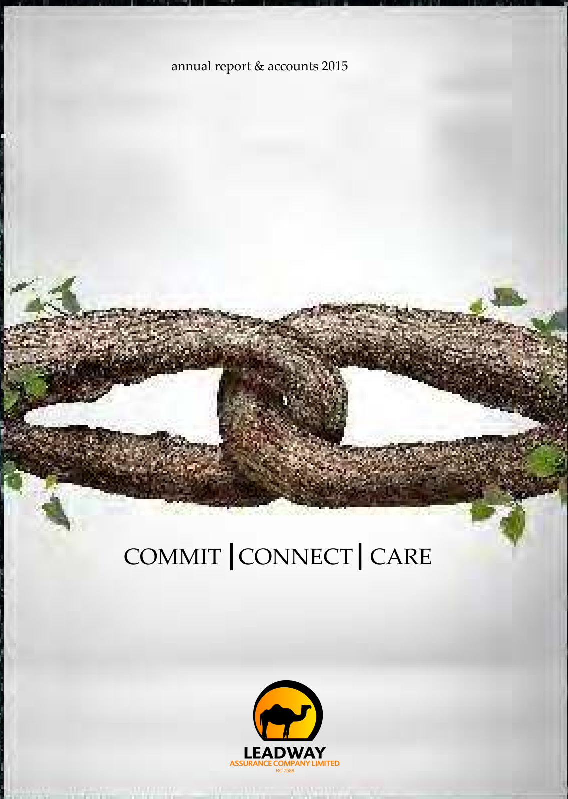
annual report & accounts 2015

COMMIT | CONNECT | CARE

LEADWAY
ASSURANCE COMPANY LIMITED
RC 7588



COMMIT
CONNECT
CARE

" COMMITMENT UNLOCKS THE DOORS OF IMAGINATION, ALLOWS VISION, AND GIVES US THE RIGHT STUFF TO TURN OUR DREAMS INTO REALITY "

- JAMES WOMACK

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LEADWAY
ASSURANCE COMPANY LIMITED

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COMMIT CONNECT CARE

We commit to doing the right things, we connect to doing the best we can and we care about noble ideals which help us attain our corporate goals.

OUR COMMITMENT

We believe that by acting responsibly, professionally and in line with best practices, we can continue to create sustainable superior value for all our stakeholders. Although the economic environment may be challenging, we are committed to delivering on our strategic corporate goals and promises as an institution driven by integrity, service, customer focus, openness, respect for the individual and excellence. We thank you all for your continued support as we together commit, connect and care for an even brighter future.

MR. OYE HASSAN-ODUKALE, mfr

CHIEF EXECUTIVE OFFICER

VISION STATEMENT

To be a leading insurance company and non- banking financial solutions provider in Nigeria, leveraging on our strategic capabilities in other selected markets.

MISSION STATEMENT

To be a service provider of choice, bringing insurance as a risk management tool to the consciousness of all; adding value to our clients and other stakeholders in an efficient and reliable manner.

Overview

IN THIS SECTION

What we do

Leadway offers insurance services in life and general businesses (property & casualty). Leadway also offers allied financial services like bond, secured credit, miscellaneous financial losses and fund/portfolio management.

Leadway enjoys the patronage of clients spanning all the major industries including Construction & Engineering, Manufacturing, Oil and Gas, Shipping, Government Establishments, Ministries and Parastatals. Leadway increasingly attracts patronage from retail clients from a wide variety of backgrounds.

Our responsibilities

In discharging our responsibilities, we pledge that come what may - rain or shine, dull or bright - the Company must always meet its financial obligations to all its customers, primary of which is claims. Without claims there will be no insurance business.

The conceptual basis of our Camel logo is rested on the slogan of the company being an Efficient and Reliable carrier of financial burden/obligations which in turn ensures the happiness of its customers.

Our culture

The Leadway Assurance has come a long way since its establishment in 1970 to carry on business as a composite insurer.

Its Board of Directors comprises of men and women of integrity with several decades of experience in financial services and other diverse fields in between them.
The Board is collectively responsible for the success of the company and works with management to achieve company objectives.

"iSCORE"

...core values for your success

With Leadway, the only thing life can be is beautiful.

Corporate Office:

121/123 Funso Williams Avenue, Iponri
G.P.O. Box 6437, Marina, Lagos.
Tel: (01)2700700
E-mail: insure@leadway.com

Registered Office:

NN 28/29 Constitution Road
Kaduna

Website: www.leadway.com

Connect with us on:

LEADWAY
ASSURANCE COMPANY LIMITED

Notice of the 44th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of LEADWAY ASSURANCE COMPANY LIMITED will convene at the Meeting Room, First Floor, Leadway House, 121/123, Funsho Williams Avenue, Iponri, Surulere, Lagos on Friday 6th May, 2016 at 11am to transact the following businesses

Ordinary Business

1. To adopt the reports of the Directors and Auditors, including the statement of accounts for the year ended 31st December 2015.
2. To declare a dividend.
3. To re-elect Directors of the Company.
4. To authorize the Directors to fix the Auditor's remuneration.

Special Business

5. To consider and if thought fit pass the following resolutions:

I. To consider and ratify the investment transaction with Swiss Re Direct Investments Company Ltd in the manner following:

a. That the Shareholders hereby ratify the Shareholders Agreement (The SHA) entered into among: (i) the Company; (ii) Swiss Re Direct Investments Company Ltd; (iii) Leadway Capital & Trusts Limited; and (iv) the Sponsors (being together the Sir Hassan O. Odukale Trust, the Sir Hassan O. Odukale Trust Fund, Book Holdings I Limited, Mr. Oye Hassan-Odukale and OHO Investments Limited).

b. That the Shareholders hereby ratify the Subscription Agreement entered into among: (i) the Company; (ii) Swiss Re Direct Investments Company Ltd; and (iii) the Sponsors (being together the Sir. Hassan O. Odukale Trust, the Sir. Hassan O. Odukale Trust Fund, Book Holdings I Limited, Mr. Oye Hassan-Odukale and OHO Investments Limited).

c. That subject to the Subscription Agreement dated 5th April, 2016, the Directors are hereby authorized to issue 585,306,225 Ordinary shares of 50 kobo each out of the un-issued shares of the Company to Swiss Re Direct Investment Company Ltd and each Shareholder hereby waives all rights of pre-emption affecting such shares.

d. That the Shareholders hereby ratify the appointment of Mr. Eugene Curley as a Director of the Company following the resolution of the Board at its meeting dated 30th March, 2016.

II. That the Articles of Association of the Company be amended in the manner set out below:

i. By introducing a new Article 3 as follows:

The Company shall, to the extent possible, observe Environmental, Social and Governance (ESG) standards, including the United Nations Environment Programme Finance Initiative's Principles for Responsible Investments (the UN ESG Principles), in their decision making in relation to the Company.

ii. By introducing new Articles 5,6,7,8,9 and 10 as follows:

PRE-EMPTIVE RIGHTS OF SHAREHOLDERS OF THE COMPANY

For the purpose of this section of the Articles,

Anti-Bribery Laws means any Applicable Law relating to the prevention of bribery, corruption, fraud, money laundering or similar or related activities in which the Group operates;

Anti-Corruption Procedures means policies, procedures, processes and systems designed to ensure compliance with applicable Anti-Bribery Laws;

Applicable Laws means all applicable constitutions, treaties, statutes, laws, ordinances, regulations, directives, codes, decrees, orders, by-laws, and common law or any other rule or requirement having the force of law;

Group means the Company and its subsidiaries from time to time;

Key Shareholders means any shareholder that may be designated as such by the Company pursuant to any written agreement that may from time to time regulate the relationship between significant shareholders inter se and the Company;

Prohibited Person means a person:

(a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;

(b) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;

(c) otherwise a target of Sanctions (**target of Sanctions** signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities);

(d) who is otherwise likely to detrimentally impact the value of any of the Key Shareholders' interests in the Company;

(e) who, if they became a shareholder, would give any Key Shareholder reasonable grounds to believe that it may result in non-compliance with (or penalties arising from) such Key Shareholder's legal or regulatory obligations or that such Key Shareholder would have to incur significant additional expenditure in order to avoid being in non-compliance with (or incurring penalties arising from) such legal or regulatory obligations or which may result in a material risk of investigation by any governmental or regulatory authority in any jurisdiction; or

(f) who does not maintain Anti-Corruption Procedures for the purpose of ensuring its compliance with all applicable Anti-Bribery Laws (including compliance with the relevant laws of Nigeria) or whose Anti-Corruption Procedures are not, in the reasonable belief of any Key Shareholder, at least equivalent to those of the Company and consistent with applicable legal obligations of the Company.

Sanctions means the economic sanctions, laws, regulations, embargoes or restrictive measures imposed, administered, enacted or enforced by:

(a) the United States government;

(b) the United Nations;

(c) the European Union;

(d) the United Kingdom; or

(e) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (OFAC), the United States Department of State, the US Department of Commerce, the US Department of the Treasury, the United Nations Security Council and Her Majesty's Treasury (HMT) (together, the Sanctions Authorities)

Sanctions List means the **Specially Designated Nationals and Blocked Persons** list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities, in each case as the same may be amended, supplemented or substituted from time to time.

Article 5

The Company shall not create, issue or allot (or grant any option or interest in) any new or unissued shares or securities convertible or exchanged for shares (**New Securities**) to any person or agree to do any of the foregoing, unless the same are offered in the first instance to all the existing shareholders of the Company in accordance with Articles 6 to 10

Article 6

All New Securities to be issued by the Company must be offered to each shareholder according to its percentage of the total equity share capital of the Company held by that shareholder for the time being (Relevant Percentage), at the same price and on the same terms.

Article 7

Any offer of New Securities shall be made in writing by the Company (Offer Notice) to each of the Shareholders and must be open for acceptance for a period of at least 20 Business Days from the date of the Offer Notice (Offer Period).

Article 8

A shareholder may accept its Relevant Percentage of such New Securities (and may also offer to subscribe for any additional New Securities (**Additional New Securities**) not taken up by the other Shareholders) by notice in writing to the Company within the Offer Period.

Article 9

At the end of the Offer Period, the New Securities shall be issued in accordance with the shareholders' acceptances (including any Additional New Securities if these have not been taken up by the shareholders first entitled to them and in the event of over-subscription for Additional New Securities, the Board shall fairly and equitably scale back the allocation of the Additional New Securities to the shareholders who have accepted such Additional New Securities). Any New Securities which are not the subject of acceptances may be offered by the Company to any person, at the same price and on the same terms, at its absolute discretion, for a period of 60 Business Days, provided that any new shareholder:

(a) is not a Prohibited Person;
(b) has entered into a deed of adherence in the form set out in the prescribed form; and
(c) has been approved as a Reserved Matter in accordance with Article 30.

Article 10

Articles 5, 6, 7, and 9 above are not alterable except by a resolution of members representing 80% by nominal value of issued shares in the capital of the Company

iii. By amending Article 5 now Article 12 as follows:

Save in respect of a transfer of shares by a Key Shareholder, the Directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares to any person provided always that:

(a) a fee not exceeding five thousand naira is paid to the Company in respect of the registration of any transfer; and

(b) the instrument of transfer is accompanied by certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the Directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of their refusal.

iv. By amending Article 9 now Article 16 as follows:

Subject to the provisions of the Act, the Company shall not without obtaining a resolution of members representing 80% by nominal value of issued shares in the capital of the Company:

(a) increase the share capital of the Company;

(b) consolidate, sub-divide, convert, reduce, redeem or cancel any share capital of the Company; or

(c) approve the capitalization, repayment or other form of distribution of any amount standing to the credit of any reserve of the Company, including but not limited to the reduction of any amount standing to the credit of a capital redemption fund or any share premium account.

v. By introducing a new Article 18 as follows:

The Company shall not create or establish any equity or share based incentivisation or reward scheme or any equivalent arrangements, except to the extent approved by a resolution of members representing 80% by nominal value of issued shares in the capital of the Company.

vi. By amending Article 14 now Article 22 as follows:

No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business and for the purposes hereof, unless it is otherwise provided, members representing 50% of nominal value of issued shares in the capital of the Company, present either in person or by proxy shall form a quorum.

vii. By amending Article 22 now Article 31 as follows:

The first Directors of the Company were appointed by the subscribers to the memorandum of Association.

viii. By introducing a new Article 30 as follows:

RESERVED MATTERS

Except as may be provided by a resolution of members representing 80% of nominal value of issued shares in the capital of the Company, the Company shall not:

(a) amend the memorandum of association of the Company or these Articles or any rights attaching to any issued shares of the Company from time to time;

(b) make any material change in the nature or scope of its business, including through the introduction or discontinuance of any field of activity or the relocation or expansion of the business of the Company or any of its subsidiaries or by the commencement of any new business which is not ancillary or incidental to the existing business of the Company or such subsidiaries;

(c) participate in any partnership or joint venture (whether incorporated or not) or any revenue or profit sharing arrangement;

(d) amalgamate or merge with any other company or legal entity or enter into any agreement to do so.

ix. By amending Article 23 now Article 32 as follows:

Unless and until otherwise determined by the Company in General Meeting by a resolution of members representing 80% by nominal value of issued shares in the capital of the Company, the number of Directors shall not be less than eight or more than ten.

x. By amending Article 24 now Article 34 as follows:

Subject to the other provisions of these Articles and the requirements of any contract to which the Company is a party, the Directors shall have power at any time and from time to time to appoint a person as an additional director.

xi. By inserting a new Article 35 as follows:

Each shareholder who holds 20% of nominal value of issued share in the capital of the Company or group of shareholders who together hold 20% by nominal value of issued share in the capital of the Company shall be entitled to appoint and maintain in office a Director.

xii. By inserting a new Article 36 as follows:

Each shareholder who holds 18.5% or more of nominal value of issued share in the capital of the Company shall be entitled to appoint and maintain in office an Observer. Such Observer shall be entitled to attend, speak at and receive notice of and copies of all papers for each Board Meeting, but shall not count in the quorum or vote at any Board Meeting. An Observer may only be removed by written notice given by the shareholder who appointed such Observer to the Company.

xiii. By inserting a new Article 37 as follows:

In addition, the Company shall appoint and retain up to 4 independent directors who shall

(a) not be employed by the Company or any subsidiary of the Company or have been so employed within the past 5 years;

(b) not have, or had within the last 5 years, a business relationship (other than as a retail customer of the Company in the ordinary course of business) with the Company or any subsidiary of the Company, whether as a partner, director or shareholder;

(c) not be affiliated with any non-profit organisation which receives significant funding from the Company or any subsidiary of the Company;

(d) not receive and has not received within the last 5 years any additional remuneration from the Company or any subsidiary of the Company other than his director fee and such director fee does not constitute a significant portion of his annual income;

(e) not be a participant in any share option scheme or pension scheme of the Company or any subsidiary of the Company;

(f) not be employed by any company in relation to which any executive director of the Company is a member of the board of directors of such company;

(g) is not and has not been within the last 5 years an auditor of the Company or any subsidiary of the Company;

(h) not hold a material interest whether as a partner, shareholder, director, officer or other senior employee of the Company or any subsidiary of the Company;

(i) not be a member of the immediate family or a personal representative of any individual who does not meet the criteria set out in paragraphs (a) to (h); and

(j) not have served on the Board for more than 10 years.

xiv. By amending Article 27 now Article 39 as follows:

Subject to these Articles and the prior approval in writing of members representing 80% of nominal value of issued shares in the capital of the Company, the Directors from time to time and at any time, may delegate (i) any of the powers which are conferred on them under the Articles to such person or Board Committee, by such means (including by power of attorney) and to such an extent, in relation to such matters or territories and on such terms and conditions as they think fit, including but not limited to any Attorneys or Agencies in relation to the management of the affairs of the Company outside Nigeria, and may appoint any persons to be members of such Board Committees or as attorneys or agents and may remove any person so appointed and appoint others in their place, and may fix their remuneration.

xv. By amending Article 28 now Article 40 as follows:

The Directors may, from time to time and at any time, delegate to any such Board Committee, Attorneys or Agents any of the powers, authorities and discretions for the time being vested in the Directors, other than the power to make calls, forfeit shares, borrow money or issue debentures and any such delegation may be made on such terms and subject to such conditions as the directors may think fit, and the directors may at any time annul or vary such delegation, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

xvi. By inserting a new Article 41 as follows:

Board Committees, Attorneys or Agents to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors. The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

xvii. By amending Article 29 now Article 42 as follows:

Any Director may at any time and from time to time, appoint any other Director to be his alternate and may at any time remove such alternate Director appointed by him, and appoint another in his place. Any Director may appoint any other person to be his alternate provided that any alternate appointed by the Chairman and an independent Director who is not already a Director shall be approved by the Nominations Committee. An alternate Director shall not be entitled to receive any remuneration from the Company nor shall it be necessary for him to acquire or hold any qualification share, but he shall be entitled to receive notice of meetings of the Directors and to attend any vote as a Director at any such meeting at which the Director appointing him is not present and at such meetings to exercise all powers, duties and authorities of the Director appointing him. A Director who is also an alternate Director shall be entitled in addition to his vote, to a separate vote on behalf of the Director he is representing as an alternate Director and to be counted as part of the quorum of the Board on his own account and in respect of the Director for whom he is an alternate. If his appointor ceases for any reason to be a Director, an alternate Director shall ipso facto cease to be an alternate Director. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. All appointments and removals of an alternate Director made by any Director in pursuance of this Article shall be in writing under the hand of the Director making the same and shall be sent or left at the registered office of the company.

xviii. By introducing a new Article 47 as follows:

The Directors shall constitute a Nominations Committee which shall comprise at least 3 Directors.

xix. By introducing a new Article 48 as follows:

The unanimous approval of the Nominations Committee shall be required for the appointment of and/or approval of the terms of any service agreement with any Director or senior employee carrying on management functions (including but not limited to the Chief Executive Officer, Chief Financial Officer, Chief Underwriting Officer, Chief Risk Officer, Chief Operating Officer, Chief Executive Officer of the Company's Non-Life Business, Chief Executive Officer of the Company's Life Business and any other employee whose total remuneration from the Company or its relevant subsidiary is in excess of USD 150,000 per annum) or any variation in the terms of service of any such person. On all other matters the Nominations Committee shall vote on all matters by way of majority decision.

xx. By introducing a new Article 50 as follows:

The Directors shall not borrow any money from any person or agree to any change in the banking or other borrowing arrangements of the Company (including early repayment or a change in bank mandates) which would result in the Company having a debt to equity ratio in excess of 20%, unless the prior approval in writing of members representing 80% of nominal value of issued shares in the capital of the Company has been obtained.

xxi. By introducing a new Article 51 as follows:

The Directors shall not permit the creation or redemption of any mortgage, charge, lien (other than a lien arising in the ordinary course of business) or other encumbrance on any material assets or any material part of the business or undertaking of the Company or any subsidiary of the Company, unless the prior approval in writing of members representing 80% of nominal value of issued shares in the capital of the Company has been obtained.

xxii. By introducing a new Article 52 as follows:

The Board may decide to pay dividends in accordance with the Company's dividend policy.

xxiii. By introducing a new Article 53 as follows:

The Company may declare dividends otherwise than in accordance with the Company's dividend policy by resolution in writing of members representing 80% of nominal value of issued shares in the capital of the Company.

xxiv. By introducing a new Article 54 as follows:

Except as provided by Articles 52 and 53, the Company may not declare or pay any dividend or other distribution.

xxv. By amending Article 37 now Article 55 as follows:

A Director may hold any other office or place of profit under the Company, except that of Auditors, upon such terms as to remuneration, tenure of office and otherwise as may be determined by the Nominations Committee.

xxvi. By amending Article 39 now Article 59 as follows:

The Company may by resolution in writing of members representing 80% of nominal value of issued shares in the capital of the Company remove any Director and appoint another person in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

xxvii. By introducing a new Article 60 as follows:

Unless otherwise determined by a resolution of members representing 80% of nominal value of issued shares in the capital of the Company, the Directors shall convene a meeting of the Board at least once every quarter, to be held at any venue agreed by the Directors.

xxviii. By introducing new Article 61 as follows:

At least 14 Business Days' written notice of a Board Meeting shall be given to each Director and his alternate (if any), provided that a Board Meeting may be held on not less than 48 hours' notice if the interests of the Company would be likely to be adversely affected to a material extent if the business to be transacted at such Board Meeting were not dealt with as a matter of urgency or on less than 48 hours' notice if all Directors or their respective alternates agree. Notice of any meeting of the Board must indicate its proposed date and time where it is to take place. An agenda in the agreed form identifying in reasonable detail the issues to be considered by the Directors at any such meeting (and copies of any relevant papers to be discussed at the meeting) shall be distributed in advance of the meeting to all Directors and their alternates not less than five Business Days prior to the date fixed for such meeting (or, in the case of a meeting convened by giving less than five Business Days' notice, as soon as reasonably practicable).

xxix. By amending Article 40 now Article 62 as follows:

The quorum necessary for the transaction of the business of the Directors shall be three. If within half an hour from the time appointed for a meeting of the Board a quorum is not present, the meeting shall be adjourned to the same time and place on such date as may be determined by the Chairman, being not earlier than fourteen (14) days nor later than twenty one (21) days thereafter and at such adjourned meeting those Directors present shall constitute a quorum.

xxx. By introducing a new Article 64 as follows:

Except to the extent otherwise provided by these Articles or any contract to which the Company is party, no resolution of the Directors proposed at any Board Meeting shall be effective unless it is voted in favour of by a majority of the Directors present at such Board Meeting, and except as may be agreed in any particular case, no resolution or business shall be passed or transacted at any Board Meeting except as was fairly disclosed in the agenda for such Board Meeting

xxxi. By introducing a new Article 68 as follows:

The appointment of and any change to the auditors shall be approved by resolution in writing of members representing 80% of nominal value of issued shares in the capital of the Company.

xxxii. By introducing a new Article 69 as follows:

The making of any petition or passing of any resolution for the winding-up of the Company shall not be effective unless passed by way of a resolution in writing by members representing 80% of nominal value of the issued shares in the capital of the Company.

xxxiii. By introducing a new Article 70 as follows:

The making of or any arrangement with creditors generally or any application for an administration order or for the appointment of a receiver or administrator shall not be effective unless approved in advance by a resolution in writing of members representing 80% by nominal value of the issued shares in the capital of the Company.

xxxv. By replacing the words "Companies and Allied Matters Act, 1990" in Articles 1 and 2 with the words "Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004.

xxxvi. By amending Article 4 (now Article 11) to read as follows:

"Subject to the provisions hereinafter contained, shares in the Company will be transferable by written instrument in the common form signed by both the transferee and the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof."

xxxvii. By amending Article 6 (now Article 13) to read as follows:

"The personal representatives of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more persons, the survivors, or survivor, or the personal representatives of the deceased survivor, shall be only persons recognized by the Company as having any title to the share."

xxxviii. By amending Article 15 (now Article 23) to read as follows:

"If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from time appointed for the meeting, the members of present in person or by proxy shall be a quorum."

xxxix. By inserting the words "Subject to Article 48," at the start of Articles 30 (now Article 43) and 33 (now Article 46)

xl. By amending Article 34 (now Article 49), to read:

"Subject to Articles 5, 50 and 51, the Directors may exercise all the powers of the Company to borrow money from any person and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party."

xli. By deleting paragraph (f) of Article 36 (now Article 56).

xlii. By amending Article 46 (now Article 71) as follows:

"Without prejudice to Articles 69 or 70, in winding up the Company the liquidator may, with the sanction of a special resolution of the members of the Company, distribute all or any of the assets in specie among the members in such proportions and manner as may be determined by such resolution, provided always that if any such distribution is determined to be made otherwise than in accordance with the existing rights of the members, every member shall have the same rights of dissent and other ancillary rights as if such resolution were a Special Resolution passed pursuant to Section 457 of the Act."

6. To transact any other business that may be transacted at the meeting.

By Order of the Board

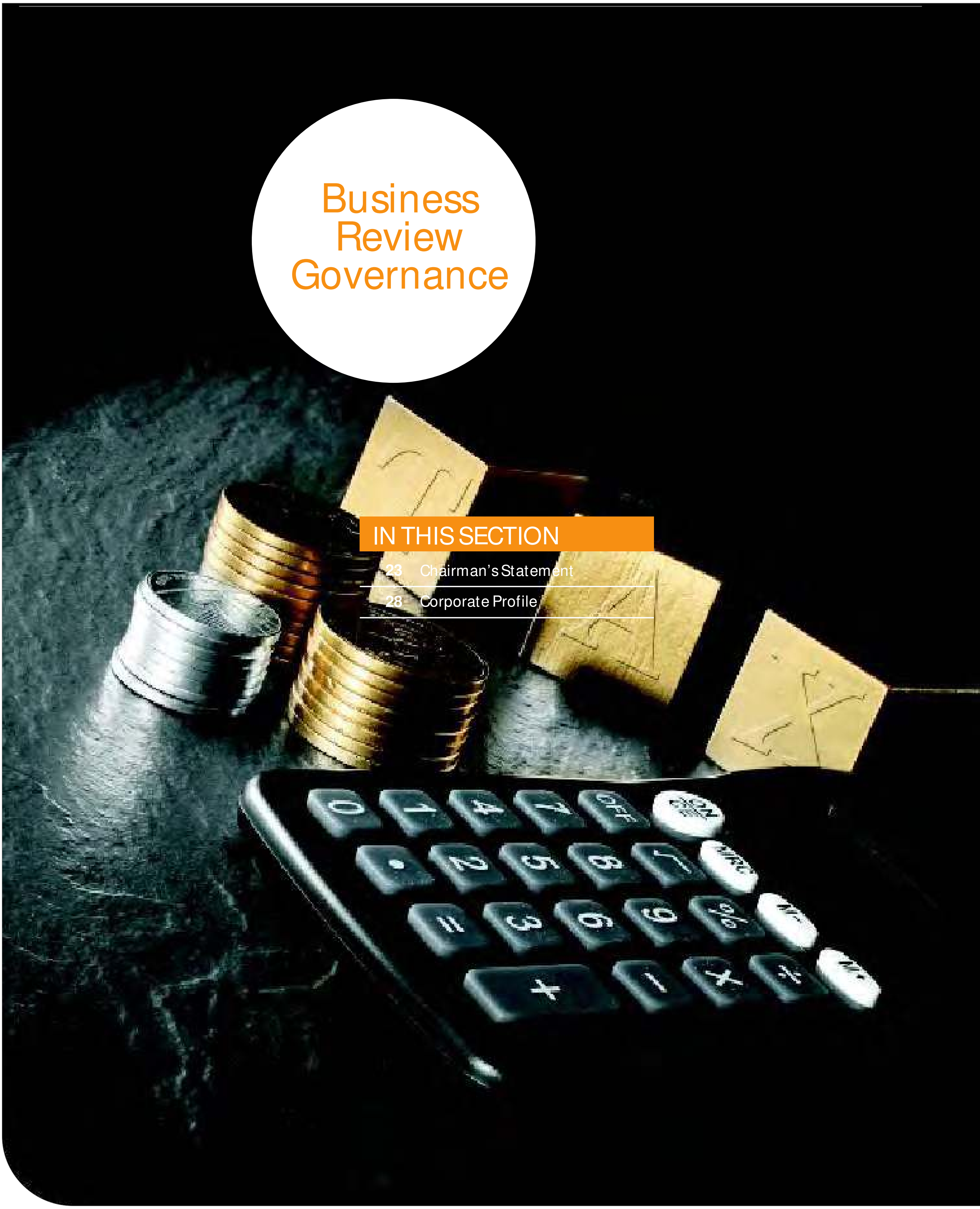
Sunday Oroleke
Company Secretary

Notes:

1. Any member entitled to attend and vote at the meeting may appoint a proxy (who need not be a member) to attend and vote in his place. A form of proxy is enclosed. In order to be valid, an instrument appointing a proxy must be deposited at the Office of the Company Secretary, Leadway House, 121/123 Funsho Williams Avenue, Surulere, Lagos, not later than 24 hours before the time appointed for the meeting.

2. The Register of Members and their shareholding is available for inspection, at the office of the Company Secretary during normal business hours, from the date of this notice until the close of business on Wednesday May 4, 2016.

Business Review Governance



IN THIS SECTION

Chairman's Statement

> "The overwhelming confidence of the public in your company for over four decades in the face of the multi-facet political and socio-economic challenges can only be attributed to the enduring support and patronage of our revered customers, brokers, agents and other stakeholders."

Mallam Umar Yahaya
Chairman

Chairman's Statement

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I am very pleased to welcome you to the 44th Annual General Meeting of our company, and to present to you our financial statements and reports for the year ended December 31, 2015.

OPERATING ENVIRONMENT

The year 2015 was greatly impacted by the continued activities of terrorism in some parts of the country and the political tension in the run-up to the election coupled with the anxiety of a likely post-election crisis. The uncertainty of the political and economic policies following the general elections created a lull in the economic activities in the country.

Despite the effect of low oil price on the fiscal programmes of the federal and state governments; monetary policies, scarcity of input such as forex, fuel, electricity, imported raw materials for industries, the data released by the National Bureau of Statistics shows that the Real Gross Domestic Product (GDP) grew by 2.79% compared to the 6.22% in 2014.

The major stimulus for growth of the economy was the non-oil sector which recorded a 3.75% growth in real terms compared with the 7.18% recorded in 2014 and this was attributed to activities recorded in Services, Agriculture, and Trade sectors.

Further data from the National Bureau of Statistics (NBS) revealed that Nigeria's inflation rate increased from 8.2% in the preceding year to 9.5% in the year 2015 despite measures taken by the CBN to tighten liquidity and strengthen the Naira. The rise in the inflation rate was propped by the effect of currency depreciation given the country's import dependency and the sporadic fuel scarcity nationwide in 2015.

In addition to the socio-political challenges, the Nigerian All Share Index closed the year with a decline of 17.4% at 28,642 compared with 34,657.15 recorded in 2014 with all sectors and indices closing negative due to a combination of factors including political risk, currency volatility and fall of crude oil prices and its negative influence on external reserves.

Notwithstanding the challenging operating environment, the country witnessed some positive developments occasioned by the smooth transitioning which followed a peaceful general elections and the success recorded by the military in its campaign against terrorism in the Northern part of the country.

INSURANCE INDUSTRY

The efforts of the National Insurance Commission at reforming the insurance industry yielded remarkable returns in the year 2015 with the final release of the Prudential Guidelines and Market Conduct Guidelines for Insurance Institutions in Nigeria at the twilight of the administration of the former Commissioner of Insurance, Mr. Fola Daniels.

There was a change of guard at the National Insurance Commission with the appointment of Alhaji Mohammed Kari following the expiration of the tenure of Mr. Fola Daniels as Commissioner of Insurance.

His appointment was followed with the inauguration of the Insurers' Committee similar to the Bankers' Committee which comprises all the Chief Executive Officers of insurance companies in Nigeria and creates a platform to engage the Commission on the issues and challenges of the sector and proffer solutions to foster insurance penetration.

With various guidelines aimed at reinforcing standards and encouraging confidence in the Nigerian insurance industry, the company remains poised to take advantage of emerging growth opportunities to compete effectively within its immediate market and the larger global markets.

FINANCIAL RESULTS

The company recorded a 20% increase in Gross Premium Written from N39.0billion in 2014 to N46.6billion in 2015, this is largely attributable to the significant increase in premiums written under annuity business. The Net underwriting income also increased by 31% from N31.1billion in 2014 to N40.8billion in 2015, due partly to the prior year's premium written earned in the current year as well as a result of significant growth in the annuity book.

There was an increase in claims expenses in 2015 by 13% from N12.7billion in 2014 to N14.3billion in 2015. This was attributed to annuity payments and higher claims paid under the General Business segment. Overall, underwriting expenses increased from N3.4billion in 2014 to N5billion in 2015, an increase of 48%. The business recorded a -531% decrease in underwriting profit from N3billion in 2014 to a loss of N12.9billion in 2015 owing to growth in annuity reserves.

Despite the political risk, currency volatility and uncertainty in the global crude oil price, investment income increased by 33% from N7.4billion in 2014 to N9.9billion in 2015, translating to a significant increase in profit after tax for the year by 125% from N2.8.billion in 2014 to N6.3billion in 2015.

The Company's assets recorded a 37% growth from N100.5billion in 2014 to N137.3billion in 2015 following significant growth in retained earnings and increase in contingency reserves.

"...investment income increased by 33% from ₦7.4billion in 2014 to ₦9.9billion in 2015, translating to a significant increase in profit after tax for the year by 125% from ₦2.8.billion in 2014 to ₦6.3billion in 2015."

Chairman's Statement

DIVIDEND

In realization of our commitment to regularly reward our distinguished shareholders for their investments in the company, your board recommends a dividend of N1billion which translates to 11 kobo per share subject to withholding tax at the prevailing rate.

FUTURE OUTLOOK

As the Nigerian polity itself becomes restructured to tackle the myriads of socio-political, economic and infrastructural challenges facing it, the opportunity for increase in insurance penetration and contribution to GDP should increase. On our part we will maximize our resources to remain competitive within the virgin retail space and in the face of softening commercial insurance rates.

As we explore local and international opportunities with higher level of risk capital, we are creating room for strategic and foreign inward investment to boost our portfolio and to this end, I wish to inform you of the acquisition of 25% shares in the share capital of your company by Swiss Re Direct Investments Company Limited. The acquisition became imperative following the exit of the International Finance Corporation (IFC) and the need to replace them with an investor of global brand repute coupled with our desire for robust capital base in preparedness for the future. At the appropriate time, you will be required to pass specific resolutions approving the transaction in the course of the meeting.

We are resilient and undeterred to use the evolving business and marketing channels to deepen insurance penetration towards rapid increase of our market share and overall contribution to our country's GDP. We will harness our strength and experience to remain the premier of the insurance industry.

CONCLUSION

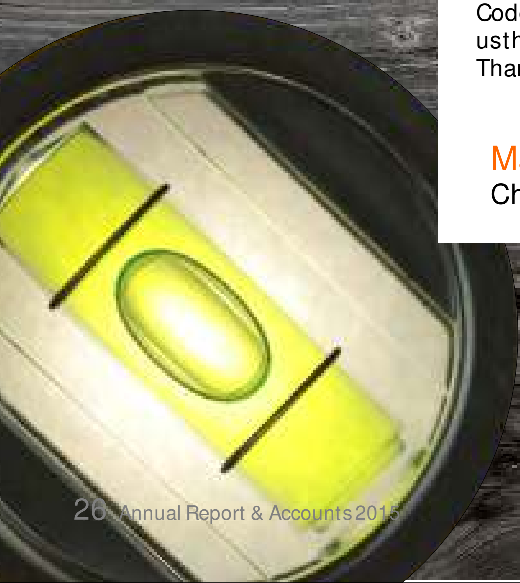
The overwhelming confidence of the public in your company for over four decades in the face of the multi-facet political and socio-economic challenges can only be attributed to the enduring support and patronage of our revered customers, brokers, agents and other stakeholders. We express our heartfelt gratitude for your loyalty and reassure you of our unwavering commitment to please you with our impeccable services.

I also express my deep appreciation to the diligence, devotion and teamwork of our management and staff in achieving the laudable feat we have attained. I am optimistic that with our collective efforts, we shall sustain our global brand repute.

In concluding, I would like to inform you of my retirement alongside Dr. Konyinsola Ajayi and Dr. A.B.C. Orjiako following the expiration of our term and in compliance with the 2009 NAICOM Code of Good Corporate Governance. I thank you all for granting us the opportunity to serve you.

Thank you.

Mallam Umar Yahaya
Chairman



The only time life should tear you up is when it's beautiful.

Corporate Office:

121/123 Funso Williams Avenue, Iponri
G.P.O. Box 6437, Marina, Lagos.
Tel: (01)2700700
E-mail: insure@leadway.com

Registered Office:

NN 28/29 Constitution Road
Kaduna

Website: www.leadway.com

Connect with us on:

LEADWAY
ASSURANCE COMPANY LIMITED

Corporate Profile

Certificate of
incorporation number
RC 7588

Date of incorporation
22 September, 1970

NAICOM
License Number
RIC-025

Bankers and other professional advisors

Secretary
Sunday Oroleke
FRC/2014/NBA/00000007297

Registered office
NN 28/29 Constitution road,
Kaduna State Nigeria
www.leadway.com

Auditors
PricewaterhouseCoopers Chartered Accountants
5B, Landmark Towers,
Water Corporation Road,
Victoria Island, Lagos
Tel:(01) 2711700
www.pwc.com/ng

Bankers
Citibank Nigeria Limited
First Bank of Nigeria Plc
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited

Reinsurers
African Reinsurance Corporation
Continental Reinsurance Plc
GIC Re South Africa Limited
Hannover Reinsurance Company Limited
Munich Reinsurance of Africa Limited
Swiss Reinsurance Africa Limited

Actuaries
HR Nigeria Limited
FRC/NAS/00000000738

Estate Surveyor and valuer
Funsho Oladimeji & Co.
FRC/2013/NIES/00000001304

Directors

Mallam Umar Yahaya	Chairman	Retired as at 30 March 2016
Mr. Oye Hassan-Odukale	Managing Director	
Mr. Tunde Hassan-Odukale	Executive	
Ms. Adetola Adegbayi	Executive	
Mr. Jeremy Rowse	Non- Executive	
Dr. Konyinsola Ajayi	Non- Executive	Retired as at 30 March 2016
Dr. A. B. C. Orjiako	Non- Executive	Retired as at 30 March 2016
Mrs. Mowunmi Sotubo	Non- Executive	
Alhaji Ibrahim Hadejia	Non- Executive	Resigned wef 25 May 2015

LEADWAY

Governance

IN THIS SECTION

Board Of Directors

Mallam Umar Yahaya
Chairman

- Managing Director, Associate Haulages (Nigeria) Limited
- Former Director, First Bank of Nigeria Plc
- Former Director, New Africa Merchant Bank Ltd
- AMP Alumnus, Harvard Business School, U S A
- EMP Alumnus, Stamford Graduate School of Business, U S A
- Alumnus Ahmadu Bello university, Zaria

Mr. Oye Hassan-odukale, mfr
Chief Executive Officer

- Director, FBN Holdings Plc.
- Chairman, FBN Bank (UK) Limited
- Chairman, Leadway Pensure PFA Limited
- Member, Board of Governing Council, Babcock University, Ilisan - Remo Ogun State, NG.
- Past Chairman, Nigeria Insurers Association
- Former Member, Executive Committee of the Africa Insurance Organization
- Former Member, Federal Government of Nigeria's committee for the review of Insurance Laws
- Munich Re Fellow, Georgia State University
- Alumnus, University of Houston, Texas USA
- Alumnus of the Harvard Business School, USA
- Chairman LSSTF

Mr. Jeremy Rowse
Director

- Director, Nedgroup Life Assurance Company (South Africa), Nedgroup Insurance Company (South Africa),
- Nedbank Insurance Holdings (South Africa)
- Former Group Chief Executive, African Life Assurance, South Africa
- Former Member, Board of the Life Offices Association, South Africa
- Former Member, Ghana Investors' Advisory Council
- Alumnus, Rhodes University, South Africa
- Alumnus, University of Cape Town, South Africa

LEADWAY

Board Of Directors

Mrs. Mowunmi Sotubo
Director

- Director, Leadway Properties and Investment Limited
- Managing Director, Sables Nigeria Limited
- Alumnus, Ahmadu Bello University, Zaria

Dr. Konyinsola Ajayi, SAN
Director

- Managing Partner, Olaniwun Ajayi LP.
- Adviser, Nigerian Economic Summit Group
- Member, International Bar Association
- Alumnus, University of Cambridge, England
- Alumnus, Harvard Law School, USA
- Alumnus, University of Ife, NG

Dr. A. B. C. Orjiakor, ofr
Director

- Chairman, SEPLAT Petroleum Development Co. Plc.
- President, Shabah E&P Company Limited
- Chairman/CEO, Ordrec Group Limited
- Chairman Zebbra Energy Limited
- Chairman/ Medical Director, Rebs Memorial Specialist Hospital
- Alumnus, Harvard Business School, USA
- Fellow, West Africa College of Surgeons
- Member, Institute of Directors
- Alumnus, College of Medicine, University of Calabar, NG

Board Of Directors

Alhaji Ibrahim Hadejia
Director

- Managing Director, Securicor Emergency & Safety Systems Ltd.
- Former Deputy Governor, Jigawa State
- Former Attorney-General and
- Commissioner of Justice, Jigawa State
- Director, Prudent Healthcare Limited (HMO)
- Director, Petrollink Nigeria Limited
- Alumnus, Ahmadu Bello University, Zaria
- Alumnus, Oxford University, UK
- Associate, Chartered Institute of Arbitrators, UK

Mr. Tunde Hassan-Odukale
Executive Director

- Chairman, Total Health Trust Ltd
- Chairman, Leadway Hotels Ltd
- Director, First Bank Nigeria Limited
- Director, Leadway Pensure PFA Limited
- Alumnus, London Business School, London
- Alumnus, Harvard Business School, USA
- Alumnus, Gordon Institute of Business Science, Johannesburg
- Alumnus, City University London, London
- Alumnus, University of London, London
- Alumnus, Insead

Ms. Adetola Adegbayi
Executive Director

- Director, Leadway Hotels Ltd
- Director, Nigeria Liability Insurance Pool
- Alumnus, University of Bristol
- Alumnus, University of South Wales
- Associate, Chartered Insurance Institute, London
- Associate, Chartered Institute of Arbitrators, UK

What do you need to *Protect* your business?

- *Business Offices and Content Insurance?*
- *Motor vehicle Insurance?*
- *Employees' Life Insurance?*
- *Occupiers' Liability Insurance for visitors?*
- *Other assets and liabilities Insurance?*
- *Everything, all in one, for one premium?*

INTRODUCING L-BOSS

In today's highly competitive environment, we understand the importance of protecting your assets and liabilities. This is why we created L-BOSS (Leadway Business Owners Support Scheme), the innovative insurance product that provides tailored risk protection for professsional firms and SME business in one tidy plan.

Call Zara on 0800CALLZARA or email easier@leadway.com to get started.

BUSINESS OFFICES AND CONTENT | COMPANY MOTOR VEHICLES | EMPLOYEES | ASSETS AND LIABILITIES | VISITORS

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Corporate Office:
121/123 Funsho Williams Avenue, Iponri
G.P.O. Box 6437, Marina, Lagos
Tel: (01) 2700700

Registered Office:
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Kaduna
www.leadway.com

Connect with us on:

LEADWAY
ASSURANCE COMPANY LIMITED

Director's Report

For The Year Ended 31 December 2015

The directors have pleasure in presenting their annual report on the affairs of Leadway Assurance Company Limited ("the Company") and subsidiary companies ("the Group") together with the audited financial statements and the auditor's report for the year ended 31 December 2015.

Legal form and principal activity

The Company was incorporated as a private limited liability company in September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life business insurance services to both corporate and individual customers.

Subsidiary and associated companies

The Company holds 53% shareholding in Leadway Capital and Trust Limited (formerly Leadway Trustees Limited), 51% in Leadway Hotels Limited, 100% in Leadway Properties and Investments Limited and 69.53% shareholding in Leadway Pensure PFA Limited. The share holding of Leadway Pensure was increased during the year by acquiring an additional 24.44% equity of the company from a minority shareholder on 31 May 2015.The Company fully disposed its interest in Total Health Trust Limited during the year 2015 . The Company previously held 25% in Total Health Trust Limited as an associated company.

The financial results of all the subsidiaries have been consolidated in these financial statements. Total Health Trust Limited, being an associate up till 17 December 2015 when it was disposed, has been accounted for using the equity method of accounting up till the date of disposal.

Operating results

The highlights of the Group and Company's operating results for the year ended 31 December 2015 are as follows:

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 31-Dec-15 =N'000	Group 31-Dec-14 =N'000	Company 31-Dec-15 =N'000	Company 31-Dec-14 =N'000
Gross premium written	46,640,828	38,969,943	46,648,918	39,008,139
Profit before tax	9,301,030	3,362,899	6,484,941	3,394,793
Income tax expense	(413,974)	(707,539)	(105,012)	(585,215)
Profit for the year	8,887,056	2,655,360	6,379,929	2,809,578
Other comprehensive income	(1,243,922)	(1,369,790)	(1,187,527)	(1,563,948)
Total comprehensive income	7,643,134	1,285,570	5,192,402	1,245,630
Earnings per share (kobo) - Basic/diluted	108	32	73	32
Profit attributable to:				
- Owners of the Company	8,711,508	2,558,020	6,379,929	2,809,578
- Non-controlling interest	175,548	97,340	-	-
	8,887,056	2,655,360	6,379,929	2,809,578
Appropriation of profit attributable to owners of the company				
Transfer to:				
- Contingency reserve	1,031,113	758,747	943,301	758,747
- Retained earnings	7,680,395	1,799,273	5,436,628	2,050,831
	8,711,508	2,558,020	6,379,929	2,809,578

Dividends

The dividends paid in 2015 and 2014 were N850,000,000 (10 kobo per share) and N750,000,000 (8.5 kobo per share) respectively. A dividend in respect of the year ended 31 December 2015 of 11.39kobo per share, amounting to a total dividend of N1,000Million is to be proposed at the annual general meeting. These financial statements do not reflect this dividend payable.

Directors and their interest

The directors who held office during the year, together with their direct and indirect interests in the shares of the company, were as follows:

Director's Report

For The Year Ended 31 December 2015

(Number of 50k ordinary shares held in thousands)

		Direct 31-Dec-15	Indirect 31-Dec-15	Direct 31-Dec-14	Indirect 31-Dec-14
Mallam Umar Yahaya	Chairman	2,495	-	2,494	-
Mr. Oye Hassan-Odukale	Managing Director	20,605	1,201,403	20,580	1,199,953
Mr. Tunde Hassan-Odukale	Executive	-	537,554	-	536,314
Mr. Jeremy Rowse	Non -executive	-	-	-	-
Dr. Konyinsola Ajayi	Non -executive	-	14,372	-	14,339
Dr. A.B.C Orjiako	Non -executive	-	-	-	-
Mrs. Mowunmi Sotubo	Non -executive	290,404	-	290,066	-
Ms Adetola Adegbayi	Executive	12,203	-	12,203	-
Mr. Ibrahim Hadejia	Non -executive (resigned effective from 28th May 2015)	-	349,605	-	346,554

Retirement and appointment of Directors

Following the election of Mr. Ibrahim Hadejia as Deputy Governor of Jigawa State Nigeria, he resigned from the Board of Leadway Assurance Company Limited. His resignation took effect from the 28th of May 2015.

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

31 December 2015

Share range	No of shareholders	Percentage of shareholders	No of holdings ('000)	Percentage of holdings
Above 400,000,000	5	12%	5,413,196	68%
200,000,001 - 400,000,000	6	14%	1,895,645	22%
100,000,001 - 200,000,000	2	5%	277,940	3%
50,000,001 - 100,000,000	6	14%	441,219	5%
Below 50,000,000	22	55%	751,593	2%
Total	**41**	**100%**	**8,779,593**	**100%**

31 December 2014

Share range	No of shareholders	Percentage of shareholders	No of holdings ('000)	Percentage of holdings
Above 400,000,000	5	12%	5,949,960	68%
200,000,001 - 400,000,000	6	14%	1,889,029	22%
100,000,001 - 200,000,000	2	5%	277,540	3%
50,000,001 - 100,000,000	6	14%	441,062	5%
1,000,001 - 50,000,000	23	55%	222,002	2%
Total	**42**	**100%**	**8,779,593**	**100%**

Property and equipment

Information relating to changes in property and equipment is given in Note 18 to these financial statements.

Donations and charitable gifts

A total sum of ₦16,437,682 (2014 : ₦9,769,525) was donated to non-political and charitable organizations, in order to identify with the aspirations of the community and the environment within which the Group operates. Details of such donations and charitable contributions are as follows:

Director's Report

For The Year Ended 31 December 2015

Beneficiaries
(All amounts in absolute)

	31-Dec-15	31-Dec-14
Committee Encouraging Corporate Philanthrophy (CECP - Nigeria)	-	3,000,000
Lagos State Security Trust Fund	5,000,000	2,000,000
Ile aanu & Modupe Cole Orphanage homes & others	-	1,017,400
Ministry of Trade, Investment and Cooperative	-	1,000,000
Petroleum Training Institute	-	500,000
Loyola Jesuit College	-	250,000
The Peculiar saints orphanage building project	-	250,000
Sebeccly Cancer Care & Support Centre	500,000	210,000
Chartered Insurance Institute of Nigeria	2,560,000	105,000
University of Ibadan	50,000	-
Special Persons Association of Nigeria	200,000	-
American University of Nigeria	500,000	-
Women Technology Empowerment Center	100,000	-
Disabled Sport	106,000	-
Federal Road Safety Commission Iponri Unit	150,000	-
E Health Africa	400,000	-
Rotary Club of Falomo	400,000	-
Nigerian Police Force	500,000	-
Lydia Women Foundation	550,000	-
Modupe Cole & Ile Anu Orphanage	667,000	-
Special Olympics of Nigeria	796,000	-
Uplift Development Foundation	1,000,000	-
Others	2,958,682	1,437,125
	16,437,682	**9,769,525**

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the group has 1 person in its employment with physical disability.

Health, safety and welfare of employees

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

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Thus, the Group provides opportunities for employees to deliberate on issues affecting them, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, employees are sponsored for various training courses both locally and internationally.

Directors' interests in contracts

In accordance with section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year (2015: Nil).

Auditors

Messrs PricewaterhouseCoopers has indicated their willingness to continue in office as auditors in compliance with section 357(2) of the Companies and Allied Matters Act of Nigeria.

BY ORDER OF THE BOARD

Sunday Oroleke
FRC/2014/NBA/00000007297
Company Secretary
121/123 Funso Williams Avenue
Iponri
Lagos

30 March 2016

LEADWAY ASSURANCE COMPANY LIMITED

Statement Of Directors' Responsibilities

For The Year Ended 31 December 2015

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2015

The directors accept responsibility for the preparation of the consolidated and separate financial statement that give a true and fair view of the statement of affairs of the Group and Company at the reporting date and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria and the Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

- Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Insurance Act;

- Establishes adequate internal controls to safe-guard its assets and to prevent and detect fraud and other irregularities; and

- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.

- The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with,

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);

- The requirements of the Insurance Act; relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and - The requirements of the Companies and Allied Matters Act; and

- Financial Reporting Council of Nigeria Act.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

Mr. Oye Hassan Odukale Managing Director	Ms. Adetola Adegbayi Executive Director
FRC/2013/IODN/00000001963 30 March 2016	FRC/2013/CIIN/00000002071 30 March 2016

Corporate Governance Report

For The Year Ended 31 December 2015

Introduction

Leadway Assurance Company Limited Group is committed to adhering with high standards of good corporate governance at all levels of its operations. The Board of Directors has continued to ensure the implementation of corporate governance principles that guarantee fairness, accountability and transparency in all its dealing within and outside the Company and its subsidiaries. Leadway complies with all laws, regulations, rules and guidelines, applicable to insurance business, including the Code of Business Ethics and Principles on Good Corporate Governance issued by the National Insurance Commission (NAICOM).

Board Structure

The Board of Leadway comprises of a total of eight directors as at 31 December 2015. This includes the Chairman, (who is a Non-Executive Director), the Managing Director, two Executive Directors and four Non-Executive Directors. The members of the Board are reliable, skilled and experienced. Their level of expertise has manifested in the high quality of management policies formulated over the years.

Board responsibility

The Board is saddled with the responsibility of making policies for the company, reviewing corporate performance, monitoring strategic decisions while ensuring regulatory compliance, safeguarding shareholders' interest and fulfilling the expectations of stakeholders. The Board met four times in the last financial year and through their leadership, the company was able to achieve its set objectives. The record of the attendance is provided below:

Meetings Held	1	2	3	4
Names	28th January, 2015	7th May, 2015	5th August, 2015	11th November, 2015
Mr. Oye Hassan-Odukale	✓	×	✓	✓
Mr. Tunde Hassan-Odukale	✓	✓	✓	✓
Mallam Umar Yahaya	✓	✓	✓	✓
Dr. Konyinsola Ajayi	✓	×	×	✓
Mr. Jeremy Rowse	✓	✓	×	✓
Mrs. Mowunmi Sotubo	×	✓	✓	×
Ms. Adetola Adegbayi	✓	✓	✓	✓
Dr. A.B.C. Orjiakor	✓	✓	✓	✓
Mr. Ibrahim Hadejia	×	✓	NLD	NLD

Key:
✓ Present × Apology NLD - No Longer a Director

Separation of role of Chairman from the Managing Director

The way and manner the company structured the roles of the Chairman and the Managing Director has assisted in averting overlaps of roles. The Chairman who is first among equals is responsible for the overall leadership of the Board and for creating enabling environment for the effectiveness of individual directors, while the Managing Director is responsible for the day-to-day running of the company to achieve overall efficiency of management controls. This is done in accordance with the NAICOM's guidelines on Code of Good Corporate Governance for Insurance Industry.

Tenure of directors

The tenure of each of the company's non-executive director is for a defined period. A non-executive director can be re-elected for additional terms subject to satisfactory performance and approval by the shareholders. Over the years, the board has observed well-defined appointment process for the appointment of new directors.

Conflict of interest

To maintain high ethical standards for the conduct of its business, the company ensures that each director and employee discloses to the board his/her interest in any other company within the insurance industry and in position where their self- interests conflict with their duty to act in the best interest of the company.

Committees of the board

The Board committees have been engineered to ensure proper coordination and effectiveness and these committees are saddled with responsibilities which are aimed at enhancing the operations of the company. Over the years, the committees have rendered immense assistance to the board through regular reporting. Below are the committees and their roles:

a. Risk and Technical Committee:

This committee monitors risk, risk responses and activities. It also oversees the group risk management and effectiveness of technical controls and reports. In recent times, the committee has assisted the board in the monitoring of the quality, integrity and reliability of the risk management process. It comprises five directors with three as Non-Executive Directors. The committee is chaired by a Non-Executive Director and held four meetings in 2015:

- 27 January 2015
- 6 May 2015
- 4 August 2015
- 10 November 2015

b. Finance and Investment Committee:

This committee is saddled with the responsibility of assisting the Board in its financial oversight functions. It assists in the periodic review of management accounts, corporate finance, investment portfolio performance assessment, budgeting and budgetary control, capital investment appraisal and compliance with relevant accounting standards. It consists of 4 directors with two as non-executives directors. One of the non-executives is the chairman.

Corporate Governance Report

For The Year Ended 31 December 2015

The Committee had four meetings in 2015:

- 28 January 2015
- 7 May 2015
- 5 August 2015
- 11 November 2015

c. Audit and Establishment Committee:
The membership of this committee includes two non-executive directors, one of which is the chairman. Over the years, the committee has made significant impact in the review of financial statements and internal audit work plan. It serves as a bridge between the board and external auditors as it takes delivery of audit reports and other statements from the external auditors.

Relationship with shareholders
The company has adopted an efficient accounting reporting system which is aimed at achieving transparency. This has helped in keeping the shareholders in the know of the effectiveness of the enterprise and the future prospects. This singular act has over time reinvigorated the confidence the shareholders have in the company.

Social responsibility
The company has impacted tremendously on the lives of the less privileged in the society through its corporate social responsibility. It has provided support in education, health and community welfare, to mention but a few.

Complaints Channels

For The Year Ended 31 December 2015

Introduction

Leadway Assurance Company Limited considers clients and customers as important stakeholders in its business. One of our main selling points at Leadway Assurance Company Limited over the years has been our excellent customer service. We therefore consider customers' feedback as a necessary and important factor in our drive to always treat customers fairly.

Complaints Channels

We have provided various channels for customers to provide feedback on our products and services.

These platforms include:

- Our Leadway Assurance Company Limited Customer Service front desks, corporate office and designated branches for walk in customers
- Complaint e-mail channel; insure@leadway.com
- Our Leadway Assurance Company Limited hotline; 01-2700700, 01-2800700
- Our website platform; www.leadway.com
- Correspondence from customers; lcs@leadway.com
- Social media
  - Facebook - www.facebook.com/LeadwayAssurance/
  - Twitter - @LeadwayInsure
  - Google Plus - Plus.google.com/+LeadwayAssurance
  - Linkedin - www.linkedin.com/company/leadway-assurance-co--ltd"

Resolution Mechanism

At Leadway Assurance Company Limited, we have put in place a standard system to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Customer Service Department (CSD) which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The Customer Service Department liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints. The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- If such complaint cannot be resolved at the first level, the customer care officer creates a case on our Dynamics CRM (Customer Relationship Management) application. This will in turn generate a Case ID number for escalation and tracking of case to resolution.
- Customer Care officer forwards and follow-up on the complaint with the appropriate unit in the organization to handle.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The case is closed and marked as resolved.

In addition to our present process, we are currently building a more robust CRM to adequately manage all complaints and to give the best response time in this area of our services.

Customers' opinion on products

To enrich our customers experience we also periodically evaluate public/customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers
- Interviews with selected customers
- Online Customer Feedback Survey and Questionnaires administered to customers.

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on Customers' Complaints to Leadway Assurance

Feedback on customers' complaints is provided to Management and other relevant Units in the organization.

The feedback gathered ensures that:

- Leadway Assurance Company Limited retains her customers as customers feel appreciated and respected,
- The quality service delivery at Leadway Assurance Company Limited is maintained and made uniform across board.
- A reliable source of identifying improvement opportunities is presented to management.
- A reliable source of data on customers' complaints and expectations is collated.

The feedbacks are circulated to management staff through the company's internal information channel for the general information of all staff.

Complaints Channels

For The Year Ended 31 December 2015

Report of complaints received and resolved by the organization between January-December 2015.

Month	Complaints received during the year	Number of complaints resolved	Number complaints unresolved	Number of unresolved complaints with SLA*
January	41	41	-	-
February	96	96	-	-
March	52	52	-	-
April	42	42	-	-
May	30	30	-	-
June	19	19	-	-
July	11	11	-	-
August	24	24	-	-
September	23	23	-	-
October	9	9	-	-
November	41	41	-	-
December	37	37	-	-
	425	**425**	-	-

** Service Level Agreements*

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error).

Management's Discussion And Analysis

For The Year Ended 31 December 2015

Management Discussion and Analysis

Leadway Group is made up of Leadway Assurance Company Limited, (parent company) and 4 subsidiaries. The group is registered and incorporated in Nigeria and its major business activities are: Insurance risk underwriting provisions of leisure and trusteeship services, and asset, pension and fund management services to corporate, retail sector and individuals in Nigeria. The Group is also established and run in such a way that it will become the biggest insurance company in Nigeria with future outlook to expand to other part of African countries.

Part of the Group's strategy is also to use technology and international best practice to provide its customers with tailor made solutions, superior services and specially designed programs to assist its patrons through a network of regional and agency offices spread all over Nigeria.

This 'Management Discussion and Analysis'" (MD&A) has been prepared as at December 31, 2015 and should be read in conjunction with the consolidated financial statement account of Leadway Assurance Company Limited and subsidiary companies.

Forward Looking Statements

The MD&A contains factual statements relating to Leadway Assurance Company Limited Group's financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties.

These statement reflect management's current belief and are based on information available to Leadway Assurance Company Limited and are subject to certain risk, uncertainties and assumptions.

Business Strategy of the Company and Overall Performance

The Strategy of the Company has not changed in 2015. It remains a series of measures, initiatives and target aimed at profitable growth and market leadership across our businesses. We aspire to maintain market leadership in corporate businesses while aggressively investing to take advantage of emerging opportunities in retail, as the future of insurance in Nigeria.

Our focus for 2015 - 2016 will be to continue to deliver on the series of initiatives and actions - that we have identified in 2013 and to which we continue to tweak for relevance - that we anticipate will take us to the goals we have set.

Financial Performance

	Group			Company		
	31-Dec-15	31-Dec-14	% change	31-Dec-15	31-Dec-14	% change
Gross Premium	46,640,828	38,969,943	20%	46,648,918	39,008,139	20%
Net Premium	39,939,075	29,863,524	34%	39,947,166	29,901,720	34%
Total Underwriting Income	40,845,569	31,142,830	31%	40,853,660	31,181,027	31%
Investment Income	12,210,264	7,485,093	63%	9,955,505	7,493,484	33%
Claims expenses	8,324,568	12,729,528	-35%	8,324,918	9,102,170	-9%
Annuity Claim	6,039,540	3,356,085	80%	6,039,540	3,629,794	66%
Underwriting expenses	4,956,757	4,283,380	16%	4,956,757	3,356,086	48%
Underwriting Profit	(12,992,951)	3,016,615	-531%	(12,992,951)	3,016,615	-531%
Operating expenses	4,929,240	4,283,380	15%	3,495,726	5,297,250	-34%
Profit before tax	9,301,030	3,362,899	177%	6,484,941	3,394,793	91%
Earnings per share	108kobo	32kobo		73kobo	32kobo	

Performance ratios

	%	%	%	%
Underwriting expenses ratio	12	14	12	11
Claims ratio	36	54	36	43
Operating expenses ratio	12	14	9	18
Combined ratio	61	83	57	72
Underwriting profit ratio	(33)	10	(33)	10
Profitability ratio	23	11	16	11

Management's Discussion And Analysis

For The Year Ended 31 December 2015

The Group experienced a growth of 20% in Gross written premium and 34% in net premium when compared to prior year result. The major growth recorded came from annuity business.

Revenue and Underwriting Result

The increase recorded in the Group's earned income for the year positively impacted the net premium performance with the line posting 34% growth when compared with prior year performance. The Group paid out ₦14.3 billion in claims and insurance benefits, an increase of 13% over previous year's payout. The claims ratio was fairly high for the period under review at 31% of Gross premium compared with 33% in prior year. The increase came largely from annuity payments to annuitants as well as higher claims paid on some non-life policies.

The underwriting result at the end of the year amounted to (₦13.3)billion loss when compared to ₦2.90 billion earned during the year ended December 2014. The huge claim payout as well as massive movement to Life reserve funds on the Life Business side negatively impacted the underwriting result.

Investment Income

Investment income for the year amounted to ₦12.2 billion, while prior year stood at ₦7.48 billion; an increase of 63% when compared with prior year. Investment Income continues to play an important part in our income strategy.

Operating Expenses

The Group total Operating expenses for the year stood at ₦7 billion as against ₦5.9 billion in prior year. This represents an increase of 19%. The increase recorded came from consolidation of Leadway Pensure which just became a subsidiary of Leadway Assurance Company Ltd.

INDEPENDENT AUDITORS' REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LEADWAY ASSURANCE COMPANY LIMITED

Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of Leadway Assurance Company Limited ("the company") and its subsidiaries (together, "the group"). These financial statements comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and the Nigerian Insurance Act and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on the 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 our audit to obtain reasonable assurance that 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 judgement, 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 control 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 the 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 opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company and the group at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Nigerian Insurance Act and the Financial Reporting Council of Nigeria Act.

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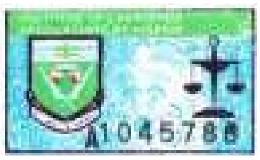
Report on other legal requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us; and
iii) the company's statements of financial position and comprehensive income are in agreement with the books of account.

Anthony Oputa

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Anthony Oputa
FRC/2013/ICAN/00000000980



4 April 2016

Company Information And Summary Of Significant Accounting Policies

For The Year Ended 31 December 2015

1 General information

Leadway Assurance Company Limited is a company incorporated and domiciled in Nigeria. The address of its registered office is 28/29 Constitution Road, Kaduna State, Nigeria. The Company was incorporated as a private limited liability company on 22 September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life underwriting insurance risks to both corporate and individual customers.

The Company holds 53% shareholding in Leadway Capital and Trust Limited (formerly, Leadway Trustees Limited), 51% in Leadway Hotels Limited, 100% in Leadway Properties and Investments Limited and 69.53% shareholding in Leadway Pensure PFA Limited.

The Company acquired additional 24.44% shareholdings of Leadway Pensure PFA Limited in May 2015 being 802,942,498 shares previously held by the Custodian and Allied Insurance Plc. This increased the Company's shareholding from 44.92% to 69.53%.

The consolidated financial statements of the Group for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). These financial statements were authorised for issue by the directors on the 30 March 2016.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Leadway Assurance Company Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by:

i. Financial instruments at Fair value through profit or loss

ii. Available for sale financial assets

iii. Investment properties

iv. Revaluation of land and buildings

v. Valuation of insurance liabilities

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Changes in accounting policy and disclosures

2.2.1 New and amended standards adopted by the group

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have a material impact on the group.

2.2.2 New standards and interpretations not yet adopted

The following new or revised standards and amendments which have a potential impact on the Group are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these consolidated financial statements. The Group also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Group's assessments of the new standards and amendments are that they are not expected to have significant impact on the Group operations and financial position. The group is currently yet to assess IFRS 9's full impact.

Company Information And Summary Of Significant Accounting Policies

For The Year Ended 31 December 2015

IFRS	Effective Date	Key Requirements
Amendment to IAS 27, 'Separate financial statements' regarding the equity method	1 January 2016	The amendment permits entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements
IFRS 15, 'Revenue from contracts with customers'	1 January 2017	This is the converged standard on revenue recognition. It replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:• i) Step 1: Identify the contract(s) with a customer.• ii) Step 2: Identify the performance obligations in the contract.• iii) Step 3: Determine the transaction price.• iv) Step 4: Allocate the transaction price to the performance obligations in the contract.• v) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
"IFRS 9, 'Financial instruments'	1 January 2018 Earlier application is permitted. If an entity elects to early apply it must apply all of the requirements at the same time with the following exception: Entities with a date of initial application before 1 February 2015 continue to have the option to apply the standard in phases	The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39."

2.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiary companies are carried at cost less any accumulated impairment losses in the Company's separate financial statements.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages (Step acquisition), the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in income statement.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in income statement or as a change to other comprehensive income. If the contingent consideration is outside the scope of IAS 39, it is accounted for in accordance with IAS 37 or the appropriate IFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

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

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the income statement of the investee after the date of acquisition. The Group's investment in associates include goodwill identified on acquisition (when applicable).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Investments in associate are carried at cost less any accumulated impairment losses in the Company's separate financial statements.

2.4 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors.

2.5 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

Company Information And Summary Of Significant Accounting Policies

For The Year Ended 31 December 2015

environment in which the entity operates (the 'functional currency'). Except otherwise stated the consolidated financial statements are presented in thousands of Naira (NGN), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the fair value of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in income statement; other changes in carrying amount are recognised in 'other comprehensive income'.

Translation differences on non-monetary financial assets and liabilities held at fair value through income statement are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'.

2.6 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (including derivative financial instruments) have to be recognised in the consolidated financial statements and measured in accordance with their assigned categories.

Category		Classes as determined by the Group		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	Listed Debt Securities	Treasury Bills
				Federal Government of Nigeria Bonds
			Listed Equity securities	Shares
	Loans and receivables	Cash and cash equivalents		Cash in hand and bank
				Tenored deposits
		Loans and advances to Banks		Commercial Loans
				Loans to Policyholders
				Agency Loans
		Trade Receivables	Insurance Receivables	Due from Contract holders, brokers, agents and insurance companies
		Reinsurance Assets		Due from reinsurers
				Prepaid reinsurance
				Reinsurance Recoverable
		Other Receivables		Prepayment
				Advances under finance leases
				Others
	Available for sale	Investment Securitas	Listed Equity	Shares
			Unlisted Equity	Shares
	Held to maturity	Held to maturity financial assets	Listed Debt Securities	State Government Bonds
				Federal Government of Nigeria Treasury bills
				Corporate Bonds
				Eurobonds
				Federal Government of Nigeria Bonds
Financial liabilities	Financial liabilities at fair value through profit and loss	NIL	NIL	NIL
	Financial liabilities at amortized cost	Trade Payables		Reinsurance payable
				Insurance payable
				Premium deposits
		Other Liabilities		Commission payable
				Due to employees
				Accrued expenses
		Insurance contact Liabilities		Outstanding claims
				Life funds
		Borrowings		Term Loans
				Others

Company Information And Summary Of Significant Accounting Policies

For The Year Ended 31 December 2015

2.6.1 Financial Assets:

Initial recognition
Regular-way purchases and sales of financial assets are recognised on the settlement date i.e. the date on which the group receives value for a purchase sale of assets. All financial assets are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified as at fair value through income statement. Financial instruments are derecognized when the rights to receive cash flows from the financial instruments have expired or where the group has transferred substantially all risks and rewards of ownership.

Subsequent measurement
Subsequent measurement of financial instruments depends on their classification. Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

(a) Financial assets held at fair value through profit or loss
This caterory 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 into the financial assets at fair value through profit or loss category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short -term profit taking, or if so designated by management.

Financial assets designated as fair value through profit or loss at inception are those that are held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Upon initial recognition, attributable transaction costs are recognised in income statement as incurred. Subsequent to initial recognition, they are remeasured at fair value, with gains and losses arising from changes in this value recognized in Net fair value gains/(losses) in the income statement in the period in which they arise. The fair values of quoted investments in active markets are based on current bid prices.

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

Financial assets at fair value through profit or loss are presented within Operating activities as part of changes in working capital in the statement of cash flows.

(b) Held-to-maturity
Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:
- those that the Group upon initial recognition designates as at fair value through income statement;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held to maturity investments include corporate and government bonds. Interests on held-to-maturity investments are included in the consolidated financial statement and reported as interest income within investment income.

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs and are subsequently carried at amortised cost, using the effective interest method, less any accumulated 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 financial assets as held-to-maturity for the current and the following two financial years.

(c) Available-for-sale
Available for sale financial investments include equity and debt securities. The Group classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

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

Dividends received on available-for-sale instruments are recognised in income statement when the Group's right to receive payment has been established.

(d) Loans and receivables
Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through income statement or available-for-sale. Loans and advances consist primarily of trade receivables, commercial loans, staff loans, policy holders loan and loans to agents. These are managed in accordance with a documented policy.

Loans and receivables are measured at amortised cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

- 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 (See 2.6f(iii)) for the accounting policy on impairment of trade receivables).

- *Loans to policy holders*

Loans to policy holders represents loans availed to life insurance policy holders and are recognised at amortised cost.

- *Reinsurance and Co-insurance recoverables*

The group cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss through the transfer of risks. Premium ceded comprise gross written premiums. Reinsurance arrangements does not relieve the Group from its direct obligation to policy holders.

- *Finance Lease*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessee are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The Group's financial liabilities includes investment contract liabilities, trade payables, borrowings, accruals and managed funds.

(e) Fair value measurement

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the balance sheet date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in a setting price.

(f) Impairment of financial assets

(i) Financial assets carried at amortised cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. 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 becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cashflow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

For financial assets measured at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. 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. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. 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 recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(ii) Assets classified as available-for-sale

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 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.

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

Subsequent decreases in the amount relating to an impairment loss, that can be linked objectively to an event occurring after the impairment loss was recognized in the income statement, is reversed through the income statement. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the income statement but accounted for directly in equity.

2.6.2 Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or fair value through profit and loss.

Trade and Other Payables

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

2.6.3 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, there is a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6.4 De-recognition of financial instruments

A financial asset is derecognized when the contractual rights of the Group to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

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Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.7 Cash and cash equivalents

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

2.8 Deferred acquisition costs

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

2.9 Investment property

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

Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in income statement. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

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

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

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

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

2.10 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognised in statement of comprehensive income within investment income.

2.11 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Purchased software

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

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

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

2.12 Property and equipment

Recognition & measurement

Property and equipment comprise land and buildings and other properties owned by the Group.
Items of Property and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

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

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

Subsequent measurement

All items of Property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

Land and buildings
Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date.

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

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

When Land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Depreciation
Depreciation is calculated on property and equipment excluding land on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS5.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	-	50 years
Office equipment	-	5 years
Computer equipment	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years

Capital work in progress is not depreciated. The Group's capital work in progress relates to capital expenditure on properties to be for the company's activities. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

De-recognition
Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the income statement in the year of de-recognition.

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in income statement.

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

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2.14 Classification of insurance contracts
The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS4.

(a) Types of insurance contracts
The Group classify insurance contracts into life and non-life insurance contracts. The group also makes a distinction between Short and Long term insurance contracts as follows:

	Short Term	**Long Term**
Non- Life contracts	Most non- life insurance contract policies	Some insurance contracts under special risk
Life Contracts	Group life insurance contract policies	Insurance contract policies over human life

(i) Non life insurance contract
These contracts are accident, 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.

Non-life insurance contracts protects 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 insured. There are no maturity or surrender benefits.

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

-Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover risk within one year. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit

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payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts
These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts- Recognition and measurement

(i) Premiums
Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is recognised gross of commission expense.

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

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

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

Specifically, provision for unexpired risk for marine business, is based on 50% of the gross premium.

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

(iii) Reinsurance
The Group cedes out insurance risks in the normal course of business for the purpose of limiting its net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Group from its direct obligations to its policy holders.

Premium ceded, claims reimbursed and commission recovered are presented in the income statement and balance sheet separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised at cost.

Reinsurance recoverables are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the income statement as a result of an event that occurred after its initial recognition, for which the Group may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(iv) Commission income
Commissions are recognized on ceding business to the reassurer, and are credited to the income statement account.

(v) Underwriting expenses
Underwriting expenses are made up of acquisition and maintenance expenses.

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

(vi) Claims incurred
Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represent the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses.

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

Reinsurance recoverables are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in the income statement.

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policy holders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(vii) Deferred acquisition costs
Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of Non- Life insurance insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognised in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

(viii) 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 client's property (i.e. subrogation right). Salvage

recoveries are presented net of the claim expense.

(ix) 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 receivables when the liability is settled and the Group has the right to receive future cash flow from the third party.

2.15 Insurance contract liabilities

The recognition and measurement of Insurance contract liabilities is determined as follows:

(I) Non-life business

(a) Reserves for unearned premium and unexpired risk

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year with the exception of construction all risk policies where the risk increases with term and progress on the project at hand. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(b) Reserves for outstanding claims

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

(c) Liabilities Adequacy Test

The net liability for insurance contracts is tested annually for adequacy by actuarial valuation. This is carried out by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs.

Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the income statement for the year. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.

Reserving methodology and assumptions

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

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Analysis was conducted by line of business.

Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into 6 years cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns for 6 years was studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

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

The resulting claims estimated is discounted to the valuation date using a discount factor raised by years as a result of applying historical inflation rates to determine the appropriate discount rate to allow for a margin of prudence.

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

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

- The future claims follows a trend pattern from the historical data
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- The run off period is six (6) years and hence the method assumes no more claims will be paid subsequently.

Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special risk reserves were estimated based on this method. Under this method, the ultimate claims was obtained by assuming loss ratio of 50%, where loss ratio is defined as claims incurred divided by earned premiums. Outstanding claims is stated as amount estimated less paid claims.

(II) Life business

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the unexpired insurance risk of the contracts in force or, for annuities in force, in line with the amount of future benefits expected to be paid.

The liabilities are recalculated at each balance sheet date using the assumptions established at inception of the contracts.

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising therefore are charged to the income statement while the surplus is appropriated to the shareholders and credited to the income statement.

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2.16 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts with guaranteed and fixed terms are initially measured at fair value less transaction cost that are incremental and directly attributable to the acquisition or issue of the contract.

The Group re-estimates at each reporting date the expected future cashflows and recalculate the carrying amount of the financial laibility by calculating the present value of estimated future cashflows using the financial liability's original effective interest rate. Any adjustment is immediately recoginsed as income or expense in the income statement.

2.17 Trade and other payables

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

2.18 Provisions

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

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

2.19 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 balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the 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 contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay the same fixed percentage to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognised in the income statement.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.20 Income tax

(i) Current tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

(ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

2.21 Share capital and reserves

Share capital

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

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

Dividend on ordinary shares

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(a) Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for non-life business. Contingency reserve for life business is credited with the higher of 1% of gross premium and 10% of profit after taxation.

(b) Assets revaluation reserves

Assets revaluation reserves represents the fair value differences on the revaluation of items of Property and equipment as at the balance sheet date.

(c) Fair value reserves
Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through equity.

(d) Treasury shares
Where the company or any member of the Group purchases the company's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.22 Earnings per share
The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the group by the number of shares outstanding during the year.

Earnings per share is determined by dividing the income statement attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

2.23 Revenue recognition
Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

(i) Insurance contracts:
See accounting policy 2.14 b(i) for recognition of premium on insurance contracts.

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

Other operating income comprise of fee income and profit on disposal of property and equipment.

(iii) Dividend income
Dividend income for available for sale equities are recognised when the right to receive payment is established.

(iv) Rendering of Services
Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.

Fee income consist primarily of investment management fees and pension administration fees. These fees are recognised in the period in which the services are rendered.

2.24 Management expense
Management expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

2.25 Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Financials

IN THIS SECTION

Consolidated Statement Of Financial Position

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
ASSETS					
Cash and cash equivalent	6	**17,031,040**	13,681,394	**14,656,941**	13,046,165
Trade receivables	8	**543,971**	63,665	**543,971**	63,665
Investment securities					
- Financial assets at fair value through profit or loss	7.1	**66,322,015**	32,611,259	**66,214,502**	32,481,495
- Available for sale financial assets	7.2	**9,603,510**	10,175,445	**9,598,753**	10,170,690
- Held to maturity financial assets	7.3	**16,478,385**	13,542,479	**15,697,784**	13,482,180
Reinsurance assets	10	**11,405,947**	15,883,296	**11,405,947**	15,883,296
Deferred acquisition cost	11	**423,123**	428,964	**423,123**	428,964
Other receivables and prepayments	12	**2,412,120**	1,191,812	**1,114,898**	661,101
Loans and advances	9	**1,789,435**	1,220,651	**1,217,079**	1,129,468
Intangible assets	17	**3,640,910**	145,898	**31,308**	130,285
Property and equipment	18	**5,977,671**	5,693,635	**3,760,439**	3,627,637
Investment properties	15	**9,537,000**	7,800,000	**8,795,000**	7,450,000
Investment in associates	13	**-**	1,516,753		788,209
Investment in subsidiaries	14	**-**	-	**3,294,467**	541,258
Deferred tax assets	25	**114,129**	200,235	**114,129**	200,235
Statutory deposits	16	**500,000**	500,000	**500,000**	500,000
TOTAL ASSETS		**145,779,256**	**104,655,486**	**137,368,341**	**100,584,648**
LIABILITIES					
Trade payables	19	**3,479,923**	5,761,236	**3,479,923**	5,761,236
Current income tax liabilities	24	**1,122,772**	746,198	**651,998**	672,859
Other liabilities	22	**4,589,463**	3,525,484	**3,129,820**	2,552,426
Borrowings	23	**118,446**	60,000	**-**	-
Insurance contract liabilities	20	**93,785,535**	62,024,023	**93,785,535**	62,024,023
Investment contract liabilities	21	**15,459,507**	12,665,763	**15,459,507**	12,665,763
Deferred tax liabilities	25	**741,772**	1,153,404	**556,356**	945,541
TOTAL LIABILITIES		**119,297,418**	**85,936,108**	**117,063,139**	**84,621,848**
EQUITY					
Issued and paid up share capital	26	**4,389,798**	4,389,798	**4,389,798**	4,389,798
Share premium	26	**387,826**	387,826	**387,826**	387,826
Retained earnings	26	**10,838,357**	4,092,358	**7,232,879**	2,646,251
Other reserves	26	**8,774,790**	8,738,908	**8,294,699**	8,538,925
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**24,390,771**	**17,608,890**	**20,305,202**	**15,962,800**
Non controlling interest	27	**2,091,067**	1,110,488	-	-
TOTAL EQUITY		**26,481,838**	**18,719,378**	**20,305,202**	**15,962,800**
TOTAL EQUITY AND LIABILITIES		**145,779,256**	**104,655,486**	**137,368,341**	**100,584,648**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 30 MARCH 2016 BY:

Mr. Oye Hassan Odukale	**Ms. Adetola Adegbayi**	**Mr. David Ayodele Onilado**
FRC/2013/IODN/00000001963	FRC/2013/CIIN/00000002071	FRC/2012/ICAN/00000000482
Group Chief Executive Officer	Executive Director	Chief Financial Officer

The notes on pages 69 to 173 are an integral part of these consolidated financial statements.

Consolidated Statement Of Comprehensive Income

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross premium written	28	**46,640,828**	**38,969,943**	**46,648,918**	**39,008,139**
Gross premium income	28	**51,064,481**	42,073,415	**51,072,571**	42,111,612
Reinsurance expenses	29	**(11,125,406)**	(12,209,891)	**(11,125,406)**	(12,209,891)
Net premium income		**39,939,075**	**29,863,524**	**39,947,165**	**29,901,721**
Fees and commission income	30	**906,494**	1,279,306	**906,494**	1,279,306
Net underwriting income		**40,845,569**	**31,142,830**	**40,853,659**	**31,181,027**
Claims expenses	31	**(14,364,108)**	(12,729,528)	**(14,364,461)**	(12,731,964)
Increase in annuity fund		**(33,954,433)**	(11,808,420)	**(33,954,433)**	(11,808,420)
Increase in individual life fund		**(570,962)**	(267,943)	**(570,962)**	(267,943)
Underwriting expenses	32	**(4,956,758)**	(3,356,085)	**(4,956,758)**	(3,356,085)
Net underwriting expenses		**(53,846,261)**	**(28,161,976)**	**(53,846,614)**	**(28,164,412)**
Total underwriting (loss) / profit		**(13,000,692)**	**2,980,854**	**(12,992,955)**	**3,016,615**
Investment income	33	**12,210,264**	7,485,093	**9,955,505**	7,493,484
Net fair value gain on assets at fair value	34	**15,059,361**	(2,039,370)	**14,887,993**	(1,597,477)
Other operating income	35	**3,617,631**	2,114,497	**1,041,750**	1,322,272
Employee benefit expenses	36	**(2,371,883)**	(1,660,057)	**(1,553,913)**	(1,479,106)
Other operating expenses	37	**(4,929,240)**	(4,283,380)	**(3,495,725)**	(3,818,144)
Result of operating activities		**10,585,441**	**4,597,637**	**7,842,655**	**4,937,644**
Finance cost	38	**(1,115,835)**	(563,069)	**(1,084,887)**	(538,955)
Net impairment gains/(losses)	39	**(369,753)**	(1,058,468)	**(272,827)**	(1,003,896)
Share of profit of investments accounted for using the equity method	13	**201,177**	386,799	**-**	-
Profit before tax		**9,301,030**	**3,362,899**	**6,484,941**	**3,394,793**
Income tax expense	40	**(413,974)**	(707,539)	**(105,012)**	(585,215)
Profit for the year		**8,887,056**	**2,655,360**	**6,379,929**	**2,809,578**
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in available-for-sale financial assets net of taxes		**(1,442,418)**	(2,039,828)	**(1,441,382)**	(2,020,914)
Share of other comprehensive income of investments accounted for using the equity method		**-**	(23)	**-**	-
Items within OCI that will not be reclassified to the profit or loss:					
Gain on revaluation of properties and equipment net of tax		**198,496**	670,061	**253,855**	456,966
Other comprehensive income for the year		**(1,243,922)**	**(1,369,790)**	**(1,187,527)**	**(1,563,948)**
Total comprehensive income for the year		**7,643,134**	**1,285,570**	**5,192,402**	**1,245,630**
Profit attributable to:					
- Owners of the Company		**8,711,508**	2,558,020	**6,379,929**	2,809,578
- Non-controlling interest		**175,548**	97,340	-	-
Profit for the year		**8,887,056**	**2,655,360**	**6,379,929**	**2,809,578**
Total Comprehensive income attributable to:					
- Owners of the Company		**7,494,712**	1,080,292	**5,192,402**	1,245,630
- Non-controlling interest		**148,422**	205,278	**-**	-
Total comprehensive income for the year		**7,643,134**	**1,285,570**	**5,192,402**	**1,245,630**
Earnings per share (kobo):					
-Basic/diluted	41	**108**	32	**73**	32

The notes on pages 69 to 173 are an integral part of these consolidated financial statements.

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2015	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets
As at 1 January 2015	**4,389,798**	**387,826**	**4,092,358**	**1,945,833**
Profit for the year	-	-	8,711,508	-
Transfer to contingency reserve	-	-	(1,031,113)	-
Acquired subsidiary at acquisition	-	-	-	-
Other comprehensive income				
Net changes in fair value of AFS financial instruments Fair value gain on	-	-	-	(1,442,418)
Property and equipment net of tax	-	-	-	-
Change in NCI	-	-		-
Transfer of AFS reserve to Income statement on the disposal of Associate	-	-	-	23
Total comprehensive income for the year	**-**	**-**	**7,680,395**	**(1,442,395)**
Transaction with owners:				
Dividend paid to equity holders	-	-	(934,396)	-
Movement in treasury shares			-	
Total transactions with owners	**-**	**-**	**(934,396)**	**-**
As at 31 December 2015	**4,389,798**	**387,826**	**10,838,357**	**503,438**

Contingency reserve	Asset revaluation reserve	Treasury shares	Total	Non controlling interest	Total
5,537,907	**1,335,947**	**(80,780)**	**17,608,889**	**1,110,488**	**18,719,377**
-	-	-	8,711,508	175,548	**8,887,056**
1,031,113	-	-	-		**-**
220,981			220,981	881,694	**1,102,675**
-	-	-	(1,442,418)	-	**(1,442,418)**
			-		
-	225,622	-	225,622	(27,126)	**198,496**
-	-	-	-		**-**
-	-	-	23	-	**23**
1,252,094	**225,622**	**-**	**7,715,716**	**1,030,116**	**8,745,832**
-	-	-	(934,396)	(49,537)	**(983,933)**
		563	563		**563**
-	**-**	**563**	**(933,833)**	**(49,537)**	**(983,370)**
6,790,001	**1,561,569**	**(80,217)**	**24,390,772**	**2,091,067**	**26,481,838**

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2014

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	ATTRIBUTABLE TO OWNERS OF THE PARENT			
Group 2014	**Share capital**	**Share premium**	**Retained earnings**	**Fair value reserve on Available for sale financial assets**
As at 1 January 2014	**4,389,798**	**387,826**	**2,988,579**	**3,975,180**
Profit for the year	-	-	2,558,020	-
Transfer to contingency reserve	-	-	(758,747)	-
Other comprehensive income				
Net changes in fair value of AFS financial instruments	-	-	-	(2,029,324)
Fair value gain on Property and equipment net of tax	-	-	-	-
Change in NCI	-	-	(6,302)	-
AFS financial instruments held by	-	-	-	(23)
Total comprehensive income for the year	**-**	**-**	**1,792,971**	**(2,029,347)**
Transaction with owners:				
Dividend paid to equity holders	-	-	(688,977)	-
Movement in treasury shares	-	-	(215)	-
Total transactions with owners	**-**	**-**	**(689,192)**	**-**
As at 31 December 2014	**4,389,798**	**387,826**	**4,092,358**	**1,945,833**

LEADWAY ASSURANCE COMPANY LIMITED

Contingency reserve	Asset revaluation reserve	Treasury shares	Total	Non controlling interest	Total
4,779,160	**767,522**	**(80,995)**	**17,207,070**	**962,748**	**18,169,818**
-	-	-	2,558,020	97,340	2,655,360
758,747	-	-	-	-	-
-	-	-	(2,029,324)	-	(2,029,324)
-	568,425	-	568,425	101,636	670,061
-	-	-	(6,302)	6,302	-
-	-	-	(23)	-	(23)
758,747	**568,425**	**-**	**1,090,796**	**205,278**	**1,296,074**
-	-	-	(688,977)	(57,538)	(746,515)
-	-	215	-	-	-
-	**-**	**215**	**(688,977)**	**(57,538)**	**(746,515)**
5,537,907	**1,335,947**	**(80,780)**	**17,608,889**	**1,110,488**	**18,719,377**

Company Statement Of Changes In Equity

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2015	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2015	**4,389,798**	**387,826**	**2,646,251**	**1,959,931**	**5,537,908**	**1,041,086**	**15,962,800**
Profit for the year	-	-	6,379,929	-	-	-	6,379,929
Transfer to contingency reserve	-	-	(943,301)	-	943,301	-	-
Other comprehensive income							
Net changes in fair value of AFS financial instruments	-	-	-	(1,441,382)	-	-	(1,441,382)
Fair value gain on property and equipment net of tax	-	-	-	-	-	253,855	253,855
Total comprehensive income for the year	**-**	**-**	**5,436,628**	**(1,441,382)**	**943,301**	**253,855**	**5,192,402**
Transaction with owners:							
Dividend paid	-	-	(850,000)	-	-	-	(850,000)
Total transactions with owners of equity	**-**	**-**	**(850,000)**	**-**	**-**	**-**	***(850,000)***
As at 31 December 2015	**4,389,798**	**387,826**	**7,232,879**	**518,549**	**6,481,209**	**1,294,941**	**20,305,202**

LEADWAY ASSURANCE COMPANY LIMITED

Company Statement Of Changes In Equity

For The Year Ended 31 December 2014

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2014	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2014	**4,389,798**	**387,826**	**1,345,420**	**3,980,845**	**4,779,161**	**584,120**	**15,467,170**
Movement entries			**-**				**-**
Profit for the year	-	-	2,809,578	-	-	-	2,809,578
Transfer to contingency reserve	-	-	(758,747)	-	758,747	-	**-**
Other comprehensive income							
Net changes in fair value of AFS financial instruments	-	-	-	(2,020,914)	-	-	(2,020,914)
Fair value gain on property and equipment net of tax	-	-	-	-	-	456,966	456,966
Total comprehensive income for the year	**-**	**-**	**2,050,831**	**(2,020,914)**	**758,747**	**456,966**	**1,245,630**
Transaction with owners:							
Dividend paid	-	-	(750,000)	-	-	-	(750,000)
Total transactions with owners of equity	**-**	**-**	**(750,000)**	**-**	**-**	**-**	**(750,000)**
As at 31 December 2014	**4,389,798**	**387,826**	**2,646,251**	**1,959,931**	**5,537,908**	**1,041,086**	**15,962,800**

Consolidated Statement Of Cash Flows

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Operating activities					
Insurance premium received		46,391,355	39,735,807	46,399,445	39,774,003
Direct credits not yet receipted		-	-	-	-
Reinsurance premium paid		(7,021,137)	(8,628,749)	(7,021,137)	(8,628,749)
Reinsurance commission received		906,494	1,279,306	906,494	1,279,306
Insurance benefits and claims paid		(12,704,338)	(9,344,019)	(12,704,691)	(9,346,454)
Net inflow from deposit admin		1,735,899	1,020,472	1,735,899	1,020,472
Reinsurance claims received		373,080	813,945	373,080	813,945
Commission paid		(4,950,917)	(3,452,812)	(4,950,917)	(3,452,812)
Cash paid to insurance brokers and reinsurers		(2,426,036)	(11,725,693)	(2,426,036)	(11,725,693)
Cash paid to employees, intermediaries and other suppliers		(6,662,899)	(5,351,229)	(4,507,440)	(4,943,825)
		15,641,501	**4,347,028**	**17,804,697**	**4,790,193**
Corporate tax paid		(572,570)	(731,849)	(428,951)	(549,609)
Net cash used in operating activities		**15,068,931**	**3,615,179**	**17,375,746**	**4,240,584**
Cash flows from investing activities					
Investment income received		8,023,359	2,032,236	5,492,430	1,927,808
Additions to investment property		(663,984)	(3,021,821)	(464,569)	(3,021,821)
Dividend received		-	710,302	-	830,294
Other income received		3,136,270	1,248,699	594,969	455,194
Proceeds on disposal on sale of property and equipment		6,199	7,617	6,199	7,417
Proceeds on disposal on investment property		-	1,606,783	-	1,606,783
Payments for Financial assets designated at fair value		(20,505,311)	(15,295,685)	(20,505,311)	(15,295,685)
Payments for Held to Maturity Investment Securities		(2,812,999)	(2,929,550)	(2,812,999)	(2,929,550)
Payments for Loans and Receivables		(952,326)	160,420	(434,964)	(160,931)
Payments for available for sale financial asset		(1,209,302)	(1,443,317)	(1,037,481)	(1,443,318)
Payments for intangible assets		-	(58,256)	-	(47,795)
Purchase of property and equipment		(682,213)	(736,327)	(324,111)	(263,101)
Proceeds on disposal of Investment securities		5,473,893	6,004,192	5,205,030	5,904,545
Proceeds on disposal on disposal of associates		997,489	-	997,489	-
Payment for acquisition of subsidiary, net of cash acquired		(1,973,604)	-	(2,000,000)	-
Net cash used in investing activities		**(11,162,530)**	**(11,714,709)**	**(15,283,319)**	**(12,430,161)**
Cash flows from financing activities					
Dividend paid to equity holders (parents)		(934,396)	(688,977)	(850,000)	(750,000)
Dividend paid to equity holders (NCI)		(49,537)	(57,538)	-	-
Payments of borrowings		-	(139,189)	-	-
Additions to borrowings		55,290	60,000	-	-
Net cash used in financing activities		**(928,643)**	**(825,704)**	**(850,000)**	**(750,000)**
Net (decrease)/ increase in cash and cash equivalents		2,977,757	(8,925,234)	1,242,427	(8,939,578)
Effect of exchange rate fluctuations on cash held		451,034	864,743	447,494	866,058
Cash and cash equivalents at beginning of year		13,681,394	21,741,885	13,046,165	21,119,684
Cash and cash equivalent at end of year		**17,110,185**	**13,681,394**	**14,736,086**	**13,046,165**

LEADWAY ASSURANCE COMPANY LIMITED

ENTERPRISE RISK MANAGEMENT (ERM) STATEMENT

3 Introduction

Leadway Assurance Company Limited (Leadway) has continued to ensure that risk management remains at the centre of its executive programme and it forms the underlying consideration for its risk acceptances and underwriting operations. We strive to surpass regulatory requirements for Enterprise Risk Management and attain to global best practice within record time. Leadway's risk management framework envisages the potential value that both the Solvency II and Risk Based Supervision would bring to the Nigeria Insurance Industry and as such has continued to build the required capacity that will position it to meet the regulatory stipulations that may follow their implementation and enforcement.

As part of its risk-mitigation measures, Leadway has enhanced its risk assumption capacity by strengthening its reinsurance backing and expanding retention for its own account. This measure has enhanced its risk appetite limits and has positioned it to compete favourably both locally and internationally.

Purpose

Through the implementation of our ERM Framework, we have continued to earn the confidence of all our stakeholders by ensuring that both the potential and actual threats to the strategic and operational objectives of the company are effectively managed to deliver on their expectations. This we have been able to do through compliance with applicable legislation and guidelines that demand that the industry is compliant with global best practices. This resolve has brought to our internal and external stakeholders the expected gains and has revealed to our ERM Team, the improvements required in the implementation of our ERM programme.

- Growing confidence and capacity to pay all certified claims and meet other obligations arising from its normal course of business and other ancillary activities.
- Demonstrating to regulators and foreign partners the company's risk-adjusted capitalisation that provides it with the reinforcement to enhance its special risks portfolio.
- Communicate the risks being taken by the company to the investors and ensure that the objectives of the organization are aligned with the expectations of capital providers.
- Increased immunity to systemic and contagion risks generated by other sectors in the financial system.
- Financial soundness achieved through disciplined approach to risk management and determination of appropriate appetite and tolerances that guide it in the pursuit of its strategic objectives and business goals.
- Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.

Enterprise Risk Management Culture and Philosophy

The Board and Management of Leadway has continued to promote risk awareness across all levels within the company. There are risk champions at business units that help sustain the risk identification and risk assessment process so that all employees can reasonably weigh the risk opportunities against the threats they pose to the company. We expose the staff to relevant trainings and understudies are groomed to fill any knowledge/skill gap that exit of any of the risk champion can throw up.

Our risk philosophy is adopted by our subsidiaries and emphasis is laid on curtailing risk within the tolerance levels and ensuring compliance with regulations in their respective industries. We continue to observe ethical standards and leverage strategic advantage offered by our collective brand combination to gain market competitiveness for our respective organisations.

- Leadway will continue to reinforce its risk mitigation measures by making risk management function a key factor in its decision making process.
- Leadway will continue to provide assurance to its stakeholders about its ability and capability to deliver value through application of efficient risk management strategies.
- Leadway will institute appropriate risk management strategy that adequately protects investors' interests and increases policy holders' confidence in our security.
- It will be part of our risk management philosophy to avoid any projects/businesses that offer short-term, unfamiliar opportunities at the detriment of long-term growth and value sustainability for our capital providers
- We will sustain the culture that makes all staff to think risk and deploy the risk management strategies/tools to exploit risk opportunities.
- Leadway will continue to pursue value-based risk management objective that strives for an optimal trade- off between risk and reward.

Risk Management Strategy

In Leadway, we continue to apply the Committee of Sponsoring Organisations' (COSO) risk management principles to our governance, risk and compliance strategy. The principles challenges us to integrate risk management into decision-making process at strategic, tactical and operational levels. The principles have helped us to simplify the risk management activity circle and allow quick comprehension of the risk management process by all our internal stakeholders. In the course of implementing our ERM policy, we have enhanced the strategy by:

- Gaining better understanding of the risks inherent in our business and adjusting strategies at reducing their effect should they materialise.
- Achieving enhanced commitment of the Board and Management through appropriate reporting of key risk indicators and establishment of overall risk appetite relative to capital.
- The Risk Management Function is better positioned to critique the judgement underlying some decision taking on risk management.
- Holistic view of risks has provided the opportunity to assessing the effect of risks inherent in the operations of the company's subsidiaries and associates.
- Ensuring guided segregation of duties between the risk management function and the marketing-facing business units.

We have continued with risk management process that has helped us to appreciate the threats to our business growth and have been able to effectively managed the risks with significant impact on our objectives.

Internal Environment considers the company's history, culture, philosophy organisational structure, strategy, policies and procedures. It helps us to determine our attitude to risk taking and to avoid unguided opportunity search.

Objective Setting – we identify risk attaching to our corporate objectives and formulate strategies to mitigate the risks, taking cognisance of our capacity and the tolerance limits we have set for the business.

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Event Identification – using appropriate methodologies, we identify risk events that are capable of thwarting the achievement of our objectives. Risk apetite across the entire risk spectrum are established and communication process is put in place to monitor and report the behaviour of identified risks.
Risk Assessment – we consistently apply appropriate risk assessment methodologies for risk profiling and measurement. This has enabled us to score our risks and determine the tolerance limits required for the pursuit of our strategic objectives.

Risk Response is determined for each risk event and trend identified by considering the company's risk tolerance. Typical risk responses will include avoidance, reduction, transferring, sharing and acceptance.

Control Activities include establishing key control activities and monitoring their effectiveness or otherwise. From the policies and benchmarks formulated by the Board Committees, we ensure that Leadway's exposures are adequately identified, measured and managed.

Information & Communication – we communicate our top risks with the conviction that applying the recommeded remedial actions, the risk can be managed or reduced. Top Risks are the risk with high degree of crystalisation.

Monitoring – we open our risk management programme to both internal and external monitoring so we can identify areas of our risk management programme that require improvement.

Risk Governance Structure

Our risk governance focuses on directing and controlling the management of risks within the company by spelling out the roles and responsibilities for the board, management and employees. The policy adopts the three-lines-of-defence model of risk management governance that revolves round the Board, Risk Management Committee and the Audit Committee.

Roles and Responsibilities

The Board

The board has the ultimate accountability for the risk and the related control environment and as such, is responsible for the following:

- To approve the risk management framework, set the risk appetite/tolerance level and the risk management strategy escalated to it, from time to time.
- To appraise the risk management process and the internal controls for effectiveness, appropriateness and adequacy.
- To ensure that the company's ERM Framework is subject to periodic audit by competent personnel independent of the company's risk management functions.

Board Risk & Technical committee

- To review risk management framework and policies and present same for board's approval.
- Ensure that the ERM framework takes a portfolio view of risk and that strategy and objectives formulation are predicated on sound understanding and assessment of major risks.
- To challenge risk information and examine the appropriateness of the judgments underlying the setting of the company's risk tolerance/limits.

Risk Management Committee

- To establish appropriate structure that recognises the required level of independence between the risk management officers and those engaged in the normal insurance operations.
- Put in place, a well-resourced risk management department with clearly defined responsibilities and authorities for the company's risk management activities.
- Develop risk management initiatives and regularly review the company's methodology for risk identification, assessment, measurement, mitigation and report escalation.
- Design and document risk policies and procedures that reflect changes in entity-risk portfolio and ensure their enterprise-wide implementation.

Business Units

Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks. Specifically, business are responsible for the following:

- To carry out a weekly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures.
- Apply appropriate control measures to manage identified risks and solicit the involvement of the Risk Management & Compliance Department in the escalation of material risks to Risk Management Committee.
- Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives.
- Produce risk management reports input for consolidation into the overall report repository domiciled in the Risk Management & Compliance Department.
- Provide information towards the development of new approaches to risk management in its domain and collaborate with RMCD Department to prepare appropriate risk mitigation plans for the unit.

Risk Management & Compliance Division

- Responsible for facilitation and co-ordination of risk management activities across the company.
- Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.
- Reviews and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.
- Develop Key Risk Indicators (KRIs) for monitoring key drivers associated with identified major risks and regular liaison with regulators on compliance issues
- Prepare for the Risk Management Committee's review, necessary exception reports with recommendations for improvement of the entire risk management and reporting system.

- Monitor compliance with the company's ERM policies/procedures on risk limit and access the impact of regulatory requirements will have on the company's operations.

Internal Audit

- To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization.
- Evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems.
- Develop internal audit plans that identify and assess risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment.
- To contribute to the effectiveness of the enterprise risk management, by participating in separate evaluations of internal controls and the ERM programme, and recommending improvements.
- To provide advice in the design and improvement of control systems and risk mitigation strategies.
- To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

Key Risks Reported in 2015

In course of 2015, some risks were prominently reported and because of their potential re-occurrence in the ensuing years, we have strengthened the internal controls to adequately manage and mitigate the risks. The risk are: operational risk, market risk, regulatory/ compliance risk, financial risk.

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Leadway's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The Group's primary source of capital includes its equity shareholders' funds and borrowings. Leadway also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

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The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of business and/or products.

The table below summarises the maximum authorized capital across the group and the paid up capital held as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Maximum authorized capital	5,000,000	10,000,000	5,000,000	10,000,000
Paid up share capital	4,389,798	4,389,798	4,389,798	4,389,798

The Group has different requirements depending on the specific operations which it engages in. The four main businesses are insurance, property development, hospitality and trusteeship. The insurance business is divided into life and non life business. Note 26a shows the authorized and paid up capital for the life and non life businesses.

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital which ever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

The Parent company has two (2) businesses i.e major lines, life and non-life businesses and they are required to prepare solvency margin computation separately.

The solvency margin for non-life business as at 31 December 2015 is as follows:

	December 2015			December 2014		
	TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and Cash Equivalents	14,656,941	14,656,941	-	13,046,165	13,046,165	-
Trade Receivables	543,971	543,971	-	63,665	63,665	-
Investment Securities	91,511,039	91,511,039	-	56,134,365	56,134,365	-
Reinsurance Asset	11,405,947	11,405,947	-	15,883,296	15,883,296	-
Deferred Acquisition Cost	423,123	423,123	-	428,964	428,964	-
Other Receivables and Prepayments	1,114,898	-	1,114,898	661,101	-	661,101
Loans and Advances	1,217,079	1,217,079	-	1,129,468	1,129,468	-
Intangible assets	31,308	31,308	-	130,285	130,285	-
Property & Equipment	3,760,439	3,760,439	-	3,627,637	3,627,637	-
Investment Properties	8,795,000	8,795,000	-	7,450,000	7,450,000	-
Investment in Associates	-	-	-	788,209	788,209	-
Subsidiaries	3,294,467	3,294,467	-	541,258	541,258	-
Deferred Tax Assets	114,129	-	114,129	200,235		200,235
Statutory Deposit	500,000	500,000	-	500,000	500,000	-
Total Assets	**137,368,341**	**136,139,314**	**1,229,027**	**100,584,648**	**99,723,312**	**861,336**

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	December 2015			December 2014		
	TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
LIABILITIES						
Trade payables	3,479,923	3,479,923	-	5,761,236	5,761,236	-
Current Income Tax						
Liabilities	651,998	651,998	-	672,859	672,859	-
Other Liabilities	3,129,820	3,129,820	-	2,552,426	2,552,426	-
Borrowings	-	-	-	-	-	-
Insurance Contract						
Liabilities	93,785,535	93,785,535	-	62,024,023	62,024,023	-
Investment Contract						
Liabilities	15,459,507	15,459,507	-	12,665,763	12,665,763	-
Deffered Tax Liabilities	556,357	-	556,357	945,541	-	945,541
Total Liabilities	**117,063,140**	**116,506,783**	**556,357**	**84,621,848**	**83,676,307**	**945,541**
SOLVENCY MARGIN (ADMISSIBLE ASSETS MINUS ADMISSIBLE LIABILITIES)		19,632,531			16,047,005	
Subject to higher of:						
15% OF NET PREMIUM	5,992,074	5,992,074		4,485,258	5,000,000	
OR		OR			OR	
Minimum paid-up capital	5,000,000			5,000,000		
EXCESS SOLVENCY MARGIN		**13,640,457**			**11,047,005**	

3.2 Asset and liability management

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk. The Group manages these positions within an ALM framework that has been developed to achieve long term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Group's ALM 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 class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities. The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework.

The following tables reconcile the consolidated statement of financial statements to the classes and portfolios used in the Group's ALM framework.

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3.2 ASSET AND LIABILITY MANAGEMENT

(a) HYPOTHECATION OF ASSETS

As at 31 December 2015
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COMPANY

	Non Life		
	Shareholder's fund	**Policy holder's Fund**	**Others**
TOTAL	**14,382,955**	**24,030,217**	**5,836,896**
INVESTMENTS:			
Fixed Assets:			
Real Estate	2,896,000	3,400,000	-
Office Equipments	216,706	-	-
Motor Vehicles	137,045	-	-
Furniture and Fittings	62,521	-	-
Intangible Assets	19,869	-	-
Others Investments:	-	-	-
Commercial loans	134,427	-	-
Loans to Policy holders	-	-	-
Statutory Deposit	300,000	-	-
Treasury Bills	-	-	-
Government Bonds	-	-	-
Corporate bonds	-	8,290,178	-
Quoted Securities	4,090,455	-	-
Unquoted Securities	2,613,511	-	-
Bank Placements	-	7,428,377	-
Bank and Cash Balances	-	1,390,841	-
Related Companies Securities	340,946	-	-
Related Companies Loans	-	-	-
Other assets (see A)	3,571,475	3,520,821	5,836,896
TOTAL	**14,382,955**	**24,030,217**	**5,836,896**

OTHER DETAILS (A)

	NON LIFE BUSINESS	**LIFE BUSINESS**
Intangible assets		
Prepaid Reinsurance & Recoverables	11,113,773	292,175
Deferred Acquisition Expenses	423,122	-
Premium Debtors	541,478	2,493
Deferred Tax Assets	55,494	
Other assets: (Staff loans, prepayments, and sundry debtors)	795,324	824,967
TOTAL	**12,929,191**	**1,119,635**

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LIFE					
Shareholder's fund	**Deposit Admin. Fund**	**Annuity Fund**	**Policy holder's Fund (LIFE)**	**Others**	**TOTAL**
5,922,249	**15,459,506**	**63,547,234**	**6,208,082**	**2,577,952**	**137,965,091**
391,135	2,634,594	1,967,345	402,338	264,589	11,956,001
51,612	-	-	-	-	268,318
91,785	-	-	-	-	228,830
39,693	-	-	-	-	102,214
11,440	-	-	-	-	31,309
-	-	-	-	-	-
727,985	-	-	-	284,758	1,147,170
-	219,975	-	-	-	219,975
200,000	-	-	-	-	500,000
-	495,436	-	-	-	495,436
102,517	7,830,731	57,045,369	3,306,942	340,123	68,625,682
103,225	725,890	1,918,392	331,880	-	11,369,565
136,554	1,375,913	781,226	575,364	394	6,959,906
446,914	396,985	-	223,812	379,227	4,060,449
54,134	1,686,791	1,834,902	1,367,746	203,592	12,575,542
97,241	93,191	-	-	500,124	2,081,397
2,721,421	-	-	-	232,100	3,294,467
-	-	-	-	-	-
746,593	-	-	-	373,045	14,048,830
5,922,249	**15,459,506**	**63,547,234**	**6,208,082**	**2,577,952**	**137,965,091**

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3.2 ASSET AND LIABILITY MANAGEMENT

(b) HYPOTHECATION OF ASSETS

As at 31 December 2014
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COMPANY

	Non Life		
	Shareholder's fund	**Policy holder's Fund**	**Others**
TOTAL	**12,958,698**	**27,364,135**	**8,423,804**
INVESTMENTS:			
Fixed Assets:			
Investment property	2,689,072	2,900,000	-
Office Equipments	200,212	-	-
Motor Vehicles	151,800	-	-
Furniture and Fittings	113,316	-	-
Intangible Assets	101,695	-	-
Others Investments:	-	-	-
Commercial loans	141,795	-	-
Loans to Policy holders	-	-	-
Statutory Deposit	300,000	-	-
Government Bonds	-	-	-
Corporate bonds	-	7,831,772	-
Quoted Securities	5,258,517	-	-
Unquoted Securities	2,042,458	-	-
Bank Placements	-	9,002,594	-
Bank and Cash Balances	-	889,759	-
Related Companies Securities	377,946	-	-
Related Companies Loans	-	-	-
Other assets (see A)	1,581,887	6,740,010	8,423,804
TOTAL	**12,958,698**	**27,364,135**	**8,423,804**

OTHER DETAILS (A)

	NON LIFE BUSINESS	**LIFE BUSINESS**
Intangible assets		
Prepaid Reinsurance & Recoverables	15,462,279	421,016
Deferred Acquisition Expenses	428,964	-
Premium Debtors	24,155	39,511
Deferred Tax Assets	55,494	144,741
Other assets: (Staff loans, prepayments, and sundry debtors)	774,809	400,592
TOTAL	**16,745,701**	**1,005,860**

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LIFE					
Shareholder's fund	**Deposit Admin. Fund**	**Annuity Fund**	**Policy holder's Fund (LIFE)**	**Others**	**TOTAL**
2,999,789	**12,665,764**	**29,592,801**	**5,067,087**	**1,931,118**	**101,003,196**
1,028,694	1,403,702	259,379	1,097,319	1,093,228	10,471,394
56,182	-		-	-	256,394
47,877	-		-	-	199,677
26,688	-		-	-	140,004
28,589	-		-	-	130,284
-	-		-	-	-
87,572	208,755	98,076	190,000	95,000	821,198
-	222,688		-	-	222,688
200,000	-		-	-	500,000
101,549	5,011,626	28,153,721	1,040,669	-	34,307,565
103,513	811,241	742,123	347,450	-	9,836,099
109,596	2,421,307	208,717	803,368	150,235	8,951,740
293,729	478,959	-	223,812		3,038,958
114,943	775,965	50,479	1,096,376	-	11,040,357
100,010	667,640	80,306	268,093	-	2,005,808
378,098	573,424		-	-	1,329,468
-	-		-	-	-
322,749	90,457		-	592,655	17,751,562
2,999,789	**12,665,764**	**29,592,801**	**5,067,087**	**1,931,118**	**101,003,196**

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3.3 Financial risk management

The Group is exposed to a range of financial risks through its financial instrument, reinsurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks

3.31 Credit risks

Credit risks arise from the default of a counterparty to fulfil its on and/or off- balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counter party including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor.

The Group has policies in place to mitigate its credit risks.

(i) 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.

Net exposure limits are set for each counterparty or group of counterparties, geographical and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

(ii) The Group further restricts its credit risk exposure by entering into master netting arrangements with counterparties with which it enters into significant volumes of transactions. However, such arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with such balances is reduced in the event of a default, when such balances are settled on a net basis. The Group's reinsurance treaty contracts involve netting arrangements.

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

(iv) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the management and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

(v) The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long–term credit ratings and worthiness.

(vi) The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

3.311 Maximum exposure to credit risk

	Note	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cash and cash equivalents (excl. cash on hand)	6	17,028,033	13,677,723	14,655,333	13,044,862
Investment securities:					
- Fair value through profit or loss	7.1	64,792,901	30,661,486	64,792,900	30,661,486
- Held to maturity	7.3	16,478,385	13,542,479	15,697,784	13,482,180
Trade receivables	8	543,971	63,665	543,971	63,665
Loans and advances	9	1,789,435	1,220,651	1,217,079	1,129,468
Reinsurance receivable	10	5,125,351	5,498,431	5,125,351	5,498,431
Other receivables	12	1,048,817	427,704	545,473	161,794
Statutory deposits	16	500,000	500,000	500,000	500,000
Total assets exposed to credit risk		**107,306,893**	**65,592,139**	**103,077,891**	**64,541,886**

The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

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3.312 Counterparty risk

(a) Cash and cash equivalent

The group and company's counterparty exposure of its cash and cash equivalent is represented below:

Counterparty	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
National banks	**16,002,031**	10,970,702	**13,629,331**	10,489,634
Foreign banks	**999,110**	357,970	**999,110**	357,970
Discount houses	**-**	2,234,803	**-**	2,083,010
Investment house	**26,892**	114,248	**26,892**	114,248
	17,028,033	**13,677,723**	**14,655,333**	**13,044,862**

Counterparty	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
National banks	94%	80%	93%	80%
Foreign banks	6%	3%	7%	3%
Discount houses	0%	16%	0%	16%
Investment house	0%	1%	0%	1%
	100%	**100%**	**100%**	**100%**

(b) Investment securities

The group and company's counterparty exposure of its investment securities is represented below:

Counterparty	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Federal Government of Nigeria	67,654,273	32,158,939	66,940,140	32,098,640
State Government in Nigeria	2,182,823	1,025,879	2,182,823	1,025,879
Corporates with acceptable risk ratings	11,434,190	11,019,147	11,367,721	11,019,147
	81,271,286	**44,203,965**	**80,490,684**	**44,143,666**

(c) Trade receivables

Credit risk exposure to trade receivables arises from the 30 days window given by NAICOM in the "No Premium No Cover" policy. This give the brokers latitude to withhold premium collected from the insured for 30 days before remittance. However, they are expected to issue their credit note and remit the premium on or before the expiration of the 30 days grace period. Brokers who fail to remit are reported on a quarterly basis to NAICOM and are subject to the downgrading process in line with the Group's policy. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

(d) Loans and advances

Credit risk exposure to direct business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

(e) Reinsurance receivable

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

Notes To The Financial Statements

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.313 Credit quality

Group 2015	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl. cash on hand)	7,832,751	4,959,091	3,272,503	963,688	17,028,033
Investment securities - FVTPL	2,006,588	318,191	62,187,013	281,109	64,792,901
Investment securities - HTM	1,159,996	462,787	14,009,279	846,323	16,478,385
Trade receivables	-	-	-	543,971	543,971
Loans and advances	-	-	-	1,789,435	1,789,435
Other receivables	-	-	-	1,048,817	1,048,817
Statutory deposits	-	-	-	500,000	500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	-	-	-	5,125,351	5,125,351
Past due and impaired					
Loans and advances	-	-	-	169,280	169,280
	10,999,335	**5,740,069**	**79,468,795**	**11,098,694**	**107,306,893**

Group 2014	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl. cash on hand)	3,939,878	7,229,490	2,109,985	398,370	13,677,723
Investment securities - FVTPL	751,151	427,640	561,595	28,921,100	30,661,486
Investment securities - HTM	405,415	774,957	6,613,673	5,748,434	13,542,479
Loans and advances	-	-	-	1,220,651	1,220,651
Other receivables	-	-	-	427,704	427,704
Statutory deposits	-	-	-	500,000	500,000
Past due and impaired					
Loans and advances	-	-	-	265,439	265,439
Trade receivables	-	-	-	63,665	63,665
Reinsurance assets - due from reinsurers and reinsurance recoverable	-	-	-	5,498,431	5,498,431
	5,096,444	**8,432,087**	**9,285,253**	**37,545,364**	**60,359,148**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2015	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl. cash on hand)	5,943,457	4,814,162	3,171,985	725,729	14,655,333
Investment securities - FVTPL	2,006,587	318,191	62,187,013	281,109	64,792,900
Investment securities - HTM	381,236	462,787	14,007,437	846,324	15,697,784
Trade receivables	-	-	-	543,971	543,971
Loans and advances	-	-	-	1,047,799	1,047,799
Other receivables	-	-	-	545,473	545,473
Statutory deposits	-	-	-	500,000	500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	-	-	-	5,125,351	5,125,351
Past due and impaired					
Loans and advances	-	-	-	169,280	169,280
	8,331,280	**5,595,140**	**79,366,435**	**9,785,036**	**103,077,891**

Company 2014	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl. cash on hand)	3,642,961	6,943,563	2,109,967	348,371	13,044,862
Investment securities - FVTPL	751,151	427,640	561,595	28,921,100	30,661,486
Investment securities - HTM	405,416	774,957	6,594,161	5,707,646	13,482,180
Loans and advances	-	-	-	925,613	925,613
Other receivables	-	-	-	161,794	161,794
Statutory deposits	-	-	-	500,000	500,000
Past due and impaired					
Loans and advances	-	-	-	203,855	203,855
Trade receivables	-	-	-	63,665	63,665
Reinsurance assets - due from reinsurers and reinsurance recoverable	-	-	-	5,498,431	5,498,431
	4,799,528	**8,146,160**	**9,265,723**	**42,330,475**	**64,541,886**

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As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Global Corporate Rating (GCR)'s rating symbols and Definitions

AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA+ AA AA-	Has very strong financial security characteristics, differing only slightly from those rated higher.
A+ A A-	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB+ BBB BBB-	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.
BB+ BB BB-	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.
B+ B B-	Possessing substantial risk that obligations will not be paid when due. Judged to be speculative to a high degree.

Concentration of credit risk

All credit risks are concentrated across many industries in Nigeria. The Group monitors concentration of credit risk by sector

Group 2015	Financial institution	Manufacturing /telecom	Public sector	Others	Total
Cash and cash equivalents	17,028,033	-	-	-	17,028,033
Investment securities - FVTPL	1,944,129	-	62,848,772	-	64,792,901
Investment securities - HTM	9,868,525	-	6,609,860		16,478,385
Trade receivable				543,971	543,971
Loans and advances				1,789,435	1,789,435
Other receivables	-	-	-	1,048,817	1,048,817
Statutory deposits	500,000	-	-		500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	5,125,351	-	-	-	5,125,351
Total	**34,466,038**	**-**	**69,458,632**	**3,382,223**	**107,306,893**

Group 2014	Financial institution	Manufacturing /telecom	Public Sector	Other	Total
Cash and cash equivalents	13,677,723	-	-	-	13,677,723
Investment securities - FVTPL	742,156	-	29,919,330	-	30,661,486
Investment securities - HTM	6,930,777	-	6,611,702		13,542,479
Trade receivable				63,665	63,665
Loans and advances				1,220,651	1,220,651
Other receivables	-	-	-	427,704	427,704
Statutory deposits	500,000	-	-	-	500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	5,498,431	-	-	-	5,498,431
Total	**27,349,087**	**-**	**36,531,032**	**1,712,020**	**65,592,139**

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2015	Financial institution	Manufacturing /telecom	Public sector	Others	Total
Cash and cash equivalents	14,452,847	-	-	202,486	14,655,333
Investment securities - FVTPL	1,944,129	-	62,848,771	-	64,792,900
Investment securities - HTM	6,827,399	155,629	8,714,756	-	15,697,784
Trade receivable	-	-	-	543,971	543,971
Loans and advances	-	-	-	1,217,079	1,217,079
Other receivables	-	-	-	545,473	545,473
Statutory deposits	500,000	-	-	-	500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	5,125,351	-	-	-	5,125,351
Total	**28,849,726**	**155,629**	**71,563,527**	**2,509,009**	**103,077,891**

Company 2014	Financial institution	Manufacturing /telecom	Public Sector	Other	Total
Cash and cash equivalents	13,044,862	-	-	-	13,044,862
Investment securities - FVTPL	742,156	-	29,919,330	-	30,661,486
Investment securities - AFS	-	-	-	-	-
Investment securities - HTM	6,930,777	-	6,551,403	-	13,482,180
Trade receivable	-	-	-	63,665	63,665
Loans and advances	-	-	-	1,129,468	1,129,468
Other receivables	-	-	-	161,794	161,794
Statutory deposits	500,000	-	-	-	500,000
Reinsurance assets - due from reinsurers and reinsurance recoverable	5,498,431	-	-	-	5,498,431
Total	**26,716,226**	**-**	**36,470,733**	**1,354,927**	**64,541,886**

Collateral held and other credit enhancements and their financial effect

The Group does not hold collateral against their commercial loans. The loans and advances are uncollateralised.

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3.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk:

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity 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.

- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.

- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

The table that follows summarizes the maturity profile of the non–derivative financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Repayments which are subject to notice are treated as if notice were to be given immediately.

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Maturity analysis (contractual undiscounted cash flow basis for non–derivatives)

Using the behavioural pattern of our funding sources over time, the Group's expected cash flows on some financial assets and liabilities to vary significantly from the contractual cash flows. As part of management of liquidity risk arising from financial liabilities, the Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The table below shows the undiscounted cash flow on the Group's financial assets and liabilities and on the basis of the earliest possible contractual maturity. The gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities. Whilst the table below have been prepared based on the contractual maturities, the maturity profile based on the behavioural pattern of the assets and liabilities observed over a very long period (five years) presents management with a reliable basis to manage the inherent liquidity risks.

Group			Residual contractual maturities of financial assets and liabilities					
31 December 2015	**Notes**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	6	17,031,040	17,103,383	14,785,804	562,012	1,755,567	-	-
Investment securities - FVTPL	7.1	66,322,015	175,781,233	1,421,601	-	62,575	2,031,429	172,265,628
Investment securities - Available for sale	7.2	9,603,510	9,509,816	5,545,296	-	-	-	3,964,520
Investment securities - Held to maturity	7.3	16,478,385	21,611,909	79,145	3,629,172	1,320,691	8,502,319	8,080,582
Trade receivables	8	543,971	543,971	543,971	-	-	-	-
Loans and Advances	9	1,789,435	3,611,676	490,803	270,485	87,477	2,762,911	
Reinsurance assets (Excl. prepaid reinsurance)	10	5,125,351	5,125,351	5,125,351	-	-	-	-
Other receivables - financial assets	12	1,048,817	1,048,817	1,048,817				
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000
Total financial assets		**118,442,524**	**234,836,156**	**29,040,788**	**4,461,669**	**3,226,310**	**13,296,659**	**184,310,730**
Liabilities								
Investment contract liabilities	21	15,459,507	16,473,787	358,522	338,118	1,005,563	13,180,264	1,591,320
Trade payables	19	3,304,699	3,304,699	3,304,699	-	-	-	-
Other liabilities - financial liabilities	22	2,055,837	2,055,837	1,980,723	-	75,114	-	-
Borrowings	23	118,446	118,446	-	-	-	118,446	-
Total financial liabilities		**20,938,489**	**21,952,769**	**5,643,944**	**338,118**	**1,080,677**	**13,298,710**	**1,591,320**
Net financial assets/(liabilities)		**97,504,035**	**212,883,387**	**23,396,844**	**4,123,551**	**2,145,633**	**(2,051)**	**182,719,410**
Less: Insurance contract liabilities	20	93,785,535	101,060,687	3,702,621	4,175,770	8,806,520	47,528,012	36,847,764
Net policyholders' assets/(liabilities)		**3,718,500**	**111,822,700**	**19,694,223**	**(52,219)**	**(6,660,887)**	**(47,530,063)**	**145,871,646**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group		Residual contractual maturities of financial assets and liabilities						
31 December 2014	**Note**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	6	13,681,394	13,681,813	10,098,548	3,583,265	-	-	-
Investment securities - FVTPL	7.1	32,611,259	104,622,127	1,943,174			1,447,938	101,231,015
Investment securities - Available for sale	7.2	10,175,445	10,242,970	9,569,251	-	-	-	673,719
Investment securities - Held to maturity	7.3	13,542,479	20,717,169	-	-	-	10,657,602	10,059,567
Trade receivables	8	63,665	63,665	63,665	-	-	-	-
Loans and Advances	9	1,220,651	1,219,183	299,888	919,295			
Reinsurance assets (Excl. prepaid reinsurance)	10	5,498,431	5,125,351	5,125,351	-	-	-	-
Other receivables - financial assets	12	427,704	427,704	427,704				
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000
Total financial assets		**77,721,028**	**156,599,982**	**27,527,581**	**4,502,560**	**-**	**12,105,540**	**112,464,301**
Liabilities								
Investment contract liabilities	21	12,665,763	15,313,456	427,764	385,454	697,166	4,668,707	9,134,365
Trade payables	19	5,543,349	5,543,349	5,543,349	-	-	-	-
Other liabilities - financial liabilities	22	1,697,394	1,713,117	1,395,973	-	317,144	-	-
Borrowings	23	60,000	69,600	-	-	69,600		-
Total financial liabilities		**19,966,506**	**22,639,522**	**7,367,086**	**385,454**	**1,083,910**	**4,668,707**	**9,134,365**
Net financial assets/(liabilities)		**57,754,522**	**133,960,459**	**20,160,495**	**4,117,106**	**(1,083,910)**	**7,436,833**	**103,329,936**
Less: Insurance contract liabilities	20	62,024,023	64,165,418	16,560,464	942,055	3,261,052	43,401,847	-
Net policyholders' assets/(liabilities)		**62,024,023**	**69,795,041**	**16,560,464**	**942,055**	**3,261,052**	**43,401,847**	**-**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company			Residual contractual maturities of financial assets and liabilities					
31 December 2015	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Assets								
Cash and cash equivalents	6	14,656,941	14,656,941	14,656,941	-	-	-	-
Investment securities - FVTPL	7.1	66,214,502	175,781,233	-	62,575	-	2,031,429	173,687,229
Investment securities - Available for sale	7.2	9,598,753	9,722,053	5,538,305	-	-	-	4,183,748
Investment securities - Held to maturity	7.3	15,697,784	20,897,776	79,145	3,040,563	1,320,691	8,502,319	7,955,058
Trade receivables	8	543,971	543,971	543,971	-	-	-	-
Loans and advances	9	1,217,079	2,204,544	490,803	270,485	87,066	1,356,190	-
Reinsurance assets (Excl. prepaid reinsurance)	10	5,125,351	5,164,318	5,164,318	-	-	-	-
Other receivables - financial assets	12	545,473	545,473	545,473	-	-	-	-
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000
Total		**114,099,854**	**230,016,309**	**27,018,956**	**3,373,623**	**1,407,757**	**11,889,938**	**186,326,035**
Liabilities								
Investment contract liabilities	21	15,459,507	16,473,787	358,522	338,118	1,005,563	13,180,264	1,591,320
Trade payables	19	3,304,699	3,304,699	3,304,699	-	-	-	-
Other liabilities - financial liabilities	22	1,253,064	1,253,064	1,253,064	-	-	-	-
Total	23	**20,017,270**	**21,031,550**	**4,916,285**	**338,118**	**1,005,563**	**13,180,264**	**1,591,320**
Net financial assets/(liabilities)		**94,082,584**	**208,984,759**	**22,102,671**	**3,035,505**	**402,194**	**(1,290,326)**	**184,734,715**
Less: Insurance contract liabilities		93,785,535	101,060,687	3,702,621	4,175,770	8,806,520	47,528,012	36,847,764
Net policyholders' assets/(liabilities)		**297,049**	**107,924,072**	**18,400,050**	**(1,140,265)**	**(8,404,326)**	**(48,818,338)**	**147,886,951**

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Company			Residual contractual maturities of financial assets and liabilities					
31 December 2014	**Note**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	6	13,046,165	13,048,952	9,465,687	3,583,265	-	-	-
Investment securities - FVTPL	7.1	32,481,495	104,492,362	1,813,409	-	-	1,447,938	101,231,015
Investment securities - Available for sale	7.2	10,170,690	10,238,213	10,148,552	-	-	-	89,661
Investment securities - Held to maturity	7.3	13,482,180	20,656,868	-	-	-	10,657,602	9,999,266
Trade receivables	8	63,665	63,665	63,665	-	-	-	-
Loans and advances	9	1,129,468	1,214,512	295,217	919,295	-	-	-
Reinsurance assets (Excl. prepaid reinsurance)	10	5,498,431	5,125,351	5,125,351	-	-	-	-
Other receivables - financial assets	12	161,794	517,594	517,594	-	-	-	-
Statutory deposit	16	500,000	500,000	-	-	-	-	500,000
Total		**76,533,888**	**155,857,517**	**27,429,475**	**4,502,560**	**-**	**12,105,540**	**111,819,942**
Liabilities								
Investment contract liabilities	21	12,665,763	15,313,456	427,764	385,454	697,166	4,668,707	9,134,365
Trade payables	19	3,485,400	4,108,229	4,108,229	-	-	-	-
Other liabilities - financial liabilities	22	1,210,589	367,724	367,724	-	-	-	-
Total	23	**17,361,752**	**19,789,409**	**4,903,717**	**385,454**	**697,166**	**4,668,707**	**9,134,365**
Net financial assets/(liabilities)		59,172,136	136,068,108	22,525,758	4,117,106	(697,166)	7,436,833	102,685,575
Less: Insurance contract liabilities		62,024,023	64,165,417	16,959,573	942,055	3,261,052	43,401,847	-
Net policyholders' assets/(liabilities)		**(2,851,887)**	**71,902,691**	**5,566,185**	**3,175,051**	**(3,958,218)**	**(35,965,014)**	**102,685,575**

It is not expected that cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(g) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

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

- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

- The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

(h) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar.

The Group's financial assets are primarily denominated in the same currencies as its insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Group's financial assets and liabilities by major currencies. Note that irrespective of the currency in which the assets are held, the amounts disclosed against individuals currencies are the Naira equivalent of the respective currencies. The exchange rates applied for each of the listed currencies have been obtained from reliable sources depicting reliable market transactions on 31 Decembers 2015.

Group							
31 December 2015	**Notes**	**Naira (₦)**	**US Dollars (USD)**	**UK Pound Sterling (GBP)**	**Euro**	**Rand (ZAR)**	**Total**
Assets							
Cash and cash equivalents	6	8,132,639	8,612,703	141,838	143,681	179	17,031,040
Investment securities - FVTPL	7.1	66,271,177	50,838	-	-	-	66,322,015
Investment securities - Available for sale	7.2	6,170,517	3,432,993				9,603,510
Investment securities - Held to maturity	7.3	8,203,677	8,274,708	-	-	-	16,478,385
Trade receivables	8	543,971	-	-	-	-	543,971
Loans and advances	9	1,657,989	131,446	-	-	-	1,789,435
Reinsurance assets (Excl. prepaid reinsurance)	10	5,125,351	-	-	-	-	5,125,351
Other receivables - financial assets	12	1,048,817	-	-	-	-	1,048,817
Statutory deposits	16	500,000	-	-	-	-	500,000
Total		**97,654,138**	**20,502,688**	**141,838**	**143,681**	**179**	**118,442,524**
Liabilities							
Investment contract liabilities	21	15,459,507	-	-	-	-	15,459,507
Trade payables	19	3,304,699	-	-	-	-	3,304,699
Other liabilities - financial liabilities	22	2,055,837	-	-	-	-	2,055,837
Borrowings	23	118,446	-	-	-	-	118,446
Total		**20,938,489**	**-**	**-**	**-**	**-**	**20,938,489**

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Group 31 December 2014	Notes	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Rand (ZAR)	Total
Assets							
Cash and cash equivalents	6	4,977,485	8,506,520	75,770	121,440	179	13,681,394
Investment securities - FVTPL	7.1	32,560,513	50,745	-	-	-	32,611,258
Investment securities - Available for sale	7.2	7,542,781	2,632,664				10,175,445
Investment securities - Held to maturity	7.3	5,341,436	8,201,036	-	-	-	13,542,472
Trade receivables	8	63,665	-	-	-	-	63,665
Loans and advances	9	1,220,651	-	-	-	-	1,220,651
Reinsurance assets (Excl. prepaid reinsurance)	10	5,166,646	331,776	-	-	-	5,498,422
Other receivables - financial assets	12	427,704	-	-	-	-	427,704
Statutory deposits	16	500,000	-	-	-	-	500,000
Total		**57,800,881**	**19,722,739**	**75,770**	**121,440**	**179**	**77,721,011**
Liabilities							
Investment contract liabilities	21	12,665,764	-	-	-	-	12,665,764
Trade payables	19	4,217,095	-	1,026,117	-	300,137	5,543,349
Other liabilities - financial liabilities	22	1,697,394	-	-	-	-	1,697,394
Borrowings	23	60,000	-	-	-	-	60,000
Total		**18,640,253**	**-**	**1,026,117**	**-**	**300,137**	**19,966,507**

Company 31 December 2015	Notes	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Rand (ZAR)	Total
Assets							
Cash and cash equivalents	6	5,758,540	8,612,703	141,838	143,681	179	14,656,941
Investment securities - FVTPL	7.1	66,163,664	50,838	-	-	-	66,214,502
Investment securities - Available for sale	7.2	6,165,760	3,432,993				9,598,753
Investment securities - Held to maturity	7.3	7,423,076	8,274,708	-	-	-	15,697,784
Trade receivables	8	543,971	-	-	-	-	543,971
Loans and advances	9	1,085,633	131,446	-	-	-	1,217,079
Reinsurance assets (Excl. prepaid reinsurance)	10	5,125,351	-	-	-	-	5,125,351
Other receivables - financial assets	12	545,473	-	-	-	-	545,473
Statutory deposits	16	500,000	-	-	-	-	500,000
Total		**93,311,468**	**20,502,688**	**141,838**	**143,681**	**179**	**114,099,854**
Liabilities							
Investment contract liabilities	21	15,459,507	-	-	-	-	15,459,507
Trade payables	19	3,304,699	-	-	-	-	3,304,699
Other liabilities - financial liabilities	22	1,253,064	-	-	-	-	1,253,064
Total		**20,017,270**	**-**	**-**	**-**	**-**	**20,017,270**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2014	Notes	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Rand (ZAR)	Total
Assets							
Cash and cash equivalents	6	4,372,015	8,487,081	66,019	120,871	179	13,046,165
Investment securities - FVTPL	7.1	32,430,750	50,745	-	-	-	32,481,495
Investment securities - Available for sale	7.2	7,470,501	2,700,189				10,170,690
Investment securities - Held to maturity	7.3	5,341,436	8,140,744	-	-	-	13,482,180
Trade receivables	8	63,665	-	-	-	-	63,665
Loans and advances	9	973,908	155,560	-	-	-	1,129,468
Reinsurance assets (Excl. prepaid reinsurance & reinsurance recoverable)	10	5,166,646	331,776	-	-	-	5,498,422
Other receivables - financial assets	12	161,794	-	-	-	-	161,794
Statutory deposits	16	500,000	-	-	-	-	500,000
Total		**56,480,715**	**19,866,095**	**66,019**	**120,871**	**179**	**76,533,879**
Liabilities							
Investment contract liabilities	21	12,665,764	-	-	-	-	12,665,764
Trade payables	19	4,217,095		1,026,117	-	300,137	5,543,349
Other liabilities - financial liabilities	22	1,210,589	-	-	-	-	1,210,589
Total		**18,093,448**	**-**	**1,026,117**	**-**	**300,137**	**19,419,702**

Foreign currency sensitivity

The tables below shows the sensitivity of the Group's profit before tax to appreciation or depreciation of the naira in relation to other currencies. Based on the past years behaviour, it is reasonable to assume 100 basis points appreciation and 100 basis points depreciation of the Naira holding all other variables constant.

	Group 31-Dec-15 Increase/ (Decrease by 100Bp	Group 31-Dec-14 Increase/ (Decrease by 100Bp	**Company 31-Dec-15 Increase/ (Decrease by 100Bp**	Company 31-Dec-14 Increase/ (Decrease by 100Bp
Assets				
Cash and cash equivalents	**870,391**	870,391	**889,840**	867,415
Investment securities - FVTPL	**5,084**	5,075	**5,084**	5,075
Investment securities - AFS	**343,299**	270,019	**343,299**	270,019
Investment securities - HTM	**827,471**	807,450	**827,471**	807,450
Trade receivables	**-**	-	**-**	-
Reinsurance assets (Excl. prepaid reinsurance)	**-**	33,178	**-**	33,178
Liabilities				
Investment contract liabilities	**-**	-	**-**	-
Trade payables	**-**	(132,625)	**-**	(132,625)
Impact on profit before tax	**2,046,245**	**1,853,488**	**2,065,694**	**1,850,512**
Tax charge of 30%	(613,873)	(556,046)	(619,708)	(555,153)
Impact on profit after tax	**1,432,372**	**1,297,442**	**1,445,986**	**1,295,359**

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(i) Interest rate risks:

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed .

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The table below details the interest rate sensitivity analysis of the Group as at 31 December 2015 holding all other variables constant. Based on historical data, 100 basis points change is deemed to be reasonably possible and are used when reporting interest rate risk.

Interest bearing assets:	Group 31-Dec-15 Increase/ (Decrease by 100Bp	Group 31-Dec-14 Increase/ (Decrease by 100Bp	Company 31-Dec-15 Increase/ (Decrease by 100Bp	Company 31-Dec-14 Increase/ (Decrease by 100Bp
Cash and cash equivalents	1,487,283	1,154,788	1,255,363	1,104,014
Investment securities - FVTPL	6,479,290	3,066,149	6,479,290	3,066,149
Investment securities - Held to maturity	1,650,445	1,341,594	1,572,385	1,335,564
Loans and advances	178,944	122,065	121,708	112,947
Other receivables	104,883	104,532	54,547	52,872
Statutory deposits	50,000	50,000	50,000	50,000
Total interest bearing asset	**9,950,845**	**5,839,128**	**9,533,293**	**5,721,546**
Interest bearing liabilities				
Investment contract liabilities	1,551,451	1,266,576	1,551,451	1,266,576
Borrowing	11,845	6,000	-	-
Total interest bearing liabilities	**1,563,296**	**1,272,576**	**1,551,451**	**1,266,576**
Gap	8,387,549	4,566,552	7,981,842	4,454,970
Cumulative gap	8,387,549	4,566,552	7,981,842	4,454,970
Impact on profit before tax	8,387,549	4,566,552	7,981,842	4,454,970
Taxation at 30%	2,516,265	1,369,965	2,394,553	1,336,491
Impact on profit after tax	5,871,284	3,196,586	5,587,289	3,118,479
Impact on equity	5,871,284	3,196,586	5,587,289	3,118,479

(j) Equity price risk

The Group manages its exposure to equity price risk through adherence to investment in eligible stocks as approved by the Board and in line with NAICOM investment guidelines. Management Investment Committee establishes and approves a list of eligible stocks in line with approval as approved by the Board through its Board Investment Committee. The investment decisions are subject to authorization(s) levels;

Management Investment Committee

1. An investment which would result in exposure to the invested company for not greater than 5% of the issue under consideration i.e. Equities, Bonds etc.

2. Investment in any unquoted stock with value less than N50m.

Board Investment Committee

i. An investment which would result in exposure to the invested company for greater than 5% of the issue under consideration.

ii. Any investment where the value of total exposure to the invested corporate on completion, as a percentage of total Leadway's Asset Under Management will exceed 5% as at the time of the investment.

iii. Single obligor for any licensed bank over 5% of the bank's total deposit or invested fund.

iv. An Investment in any unquoted stock with value greater than N50m.

v. Investment in a start-up venture.

vi. Investments in a company, which will result in the Leadway having control of management.

vii. Investments denominated in currencies other than Naira and Eurobonds Securities.

viii. Securities lending, leveraged investments, derivatives or hedging.

LEADWAY ASSURANCE COMPANY LIMITED

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Asset allocation to investment in equity is shown below;

ALLOCATION TARGET	QUOTED EQUITIES	UNQUOTED EQUITIES
Annuity fund	1%	0%
Life business shareholders fund	9%	4%
non-life business insurance fund	0%	0%
non-life business shareholders fund	2%	8%

The equity price changes are monitored by the investment committee and holdings are adjusted when there is a deviation from the investment policy. The Group manages its exposure to equity price risk using sensitivity analysis to assess potential changes in the value of its investment in equities and impact of such changes on the Group's investment income.

There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

A reasonably possible change was determined from one year daily fluctuation in market prices of equities. This indicates that significant proportion of changes in market prices falls in the range of ± 100 basis points.

For the purpose of sensitivity analysis we have made a conservative assumption that the equities could increase or decrease by 100basis points in value.

Financial assets	Group 31-Dec-15 Increase/ (Decrease by 100Bp	Group 31-Dec-14 Increase/ (Decrease by 100Bp	Company 31-Dec-15 Increase/ (Decrease by 100Bp	Company 31-Dec-14 Increase/ (Decrease by 100Bp
Listed equities (FVTPL)	152,212	194,977	142,160	182,001
Listed equities(AFS)	554,530	719,926	553,830	719,926
Unlisted equities (AFS)	406,504	304,371	387,877	303,896
Impact on profit before tax	152,212	194,977	142,160	182,001
Tax charge of 30%	(45,664)	(58,493)	(42,648)	(54,600)
Impact on profit after tax	**106,548**	**136,484**	**99,512**	**127,401**
Impact on equity	**1,067,582**	**1,160,781**	**1,041,219**	**1,151,222**

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3.4 Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values

Group

31 December 2015	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	17,031,040	-	-	17,031,040	17,031,040
Investment securities - FVTPL	7.1	66,322,015	-	-	-	-	66,322,015	66,322,015
Investment securities - Available for sale	7.2	-	-	-	9,603,510	-	9,603,510	9,603,510
Investment securities - Held to maturity	7.3	-	16,478,385	-	-	-	16,478,385	15,898,362
Trade receivables	8	-	-	543,971	-	-	543,971	543,971
Loans and advances	9			1,789,435			1,789,435	1,583,949
Reinsurance assets (Excl. prepaid reinsurance)	10	-	-	5,125,351	-	-	5,125,351	5,164,318
Other receivables	12	-	-	1,048,817	-	-	1,048,817	1,048,817
Statutory deposits	16	-	-	-	-	500,000	500,000	500,000
Total		**66,322,015**	**16,478,385**	**25,538,614**	**9,603,510**	**500,000**	**118,442,524**	**117,695,982**
Liabilities								
Investment contract liabilities	21	-	-	-	-	15,459,507	15,459,507	15,459,507
Trade payables	19	-	-	-	-	3,304,699	3,304,699	3,304,699
Other liabilities	22	-	-	-	-	2,055,837	2,055,837	2,055,837
Borrowings	23	-	-	-	-	118,446	118,446	118,446
Total		**-**	**-**	**-**	**-**	**20,938,489**	**20,938,489**	**20,938,489**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group

31 December 2014	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	13,681,394	-	-	13,681,394	13,681,394
Investment securities - FVTPL	7.1	32,611,259	-	-	-	-	32,611,259	32,611,259
Investment securities - Available for sale	7.2	-	-	-	10,175,445	-	10,175,445	10,175,445
Investment securities - Held to maturity	7.3	-	13,542,479	-	-	-	13,542,479	11,524,616
Trade receivables	8	-	-	63,665	-	-	63,665	63,665
Loans and advances	9			1,220,651			1,220,651	1,220,651
Reinsurance assets (Excl. prepaid reinsurance)	10	-	-	5,498,431	-	-	5,498,431	5,498,431
Other receivables	12	-	-	427,704	-	-	427,704	427,704
Statutory deposits	16	-	-	-	-	500,000	500,000	500,000
Total		**32,611,259**	**13,542,479**	**20,891,845**	**10,175,445**	**500,000**	**77,721,028**	**75,703,165**
Liabilities								
Investment contract liabilities	21	-	-	-	-	12,665,763	12,665,763	12,665,763
Trade payables	19	-	-	-	-	5,543,349	5,543,349	5,543,349
Other liabilities	22	-	-	-	-	1,697,394	1,697,394	1,697,394
Borrowings	23	-	-	-	-	60,000	60,000	60,000
Total		**-**	**-**	**-**	**-**	**19,966,506**	**19,966,506**	**19,966,506**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company

?	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortised cost	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	14,656,941	-	-	14,656,941	14,656,941
Investment securities - FVTPL	7.1	66,214,502	-	-	-	-	66,214,502	66,214,502
Investment securities - Available for sale	7.2	-	-	-	9,598,753	-	9,598,753	9,598,753
Investment securities - Held to maturity	7.3	-	15,697,784	-	-	-	15,697,784	15,117,761
Trade receivables	8	-	-	543,971	-	-	543,971	543,971
Loans and advances	9	-	-	1,217,079	-	-	1,217,079	1,011,593
Reinsurance assets (Excl. prepaid reinsurance)	10	-	-	5,125,351	-	-	5,125,351	5,164,318
Other receivables	12	-	-	545,473	-	-	545,473	545,473
Statutory deposits	16	-	-	-	-	500,000	500,000	500,000
Total		**66,214,502**	**15,697,784**	**22,088,815**	**9,598,753**	**500,000**	**114,099,854**	**113,353,312**
Liabilities								
Investment contract liabilities	21	-	-	-	-	15,459,507	15,459,507	15,459,507
Trade payables	19	-	-	-	-	3,304,699	3,304,699	3,304,699
Other liabilities	22	-	-	-	-	1,253,064	1,253,064	1,253,064
Total	23	**-**	**-**	**-**	**-**	**20,017,270**	**20,017,270**	**20,017,270**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company

31 December 2014	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities amortised cost	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	13,046,165	-	-	13,046,165	13,046,165
Investment securities - FVTPL	7.1	32,481,495	-	-	-	-	32,481,495	32,481,495
Investment securities - Available for sale	7.2	-	-	-	10,170,690	-	10,170,690	10,170,690
Investment securities - Held to maturity	7.3	-	13,482,180	-	-	-	13,482,180	13,482,180
Trade receivables	8	-	-	63,665	-	-	63,665	63,665
Loans and advances	9	-	-	1,129,468	-	-	1,129,468	1,129,468
Reinsurance assets (Excl. prepaid reinsurance)	10	-	-	5,498,431	-	-	5,498,431	5,498,431
Other receivables	12	-	-	161,794	-	-	161,794	161,794
Statutory deposits	16	-	-	-		500,000	500,000	500,000
Total		**32,481,495**	**13,482,180**	**19,899,523**	**10,170,690**	**500,000**	**76,533,888**	**76,533,888**
Liabilities								
Investment contract liabilities	21	-	-	-	-	12,665,763	12,665,763	12,665,763
Trade payables	19	-	-	-	-	5,543,349	5,543,349	5,543,349
Other liabilities	22	-	-	-	-	1,210,589	1,210,589	1,210,589
Total	23	**-**	**-**	**-**		**17,361,752**	**17,361,752**	**17,361,752**

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3.3.1 Fair value hierarchy

The Group's accounting policy on fair value measurement is discussed under note 2.6.1.e. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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). These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (that is, unobservable inputs).

(a) The following table presents the financial assets and liabilities that are measured at fair value as 31 December 2015. See note 4.1b for non-financial assets that are measured at fair value.

Group

31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	1,421,602	-	-	1,421,602
- Federal government bond	61,696,885	-	-	61,696,885
- State government	1,259,820	-	-	1,259,820
- Corporate bonds	1,406,593	537,116	-	1,943,709
Available for sale				
- Listed equity securities	5,538,304	-	-	5,538,304
- Unlisted equity securities	-	2,744,525	1,320,680	4,065,205
Total	**71,323,204**	**3,281,641**	**1,320,680**	**75,925,525**

Group

31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	1,739,796	-	-	1,739,796
- Federal government bond	29,177,243	-	-	29,177,243
- State government	952,065	-	-	952,065
- Corporate bonds	231,305	510,850	-	742,155
Available for sale				
- Listed equity securities	7,199,256	-	-	7,199,256
- Unlisted equity securities	-	2,230,793	325,438	2,556,231
Total	**39,299,665**	**2,741,643**	**325,438**	**42,366,746**

Company

31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	1,421,602	-	-	1,421,602
- Federal government bond	61,588,952	-	-	61,588,952
- State government	1,259,820	-	-	1,259,820
- Corporate bonds	1,407,012	537,116	-	1,944,128
Available for sale				
- Listed equity securities	5,538,305	-	-	5,538,305
- Unlisted equity securities	-	2,739,767	1,320,681	4,060,448
Total	**71,215,691**	**3,276,883**	**1,320,681**	**75,813,255**

Company

31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	1,820,009	-	-	1,820,009
- Federal government bond	28,967,266	-	-	28,967,266
- State government	952,065	-	-	952,065
- Corporate bonds	231,305	510,850	-	742,155
Available for sale				
- Listed equity securities	7,404,480	-	-	7,404,480
- Unlisted equity securities	-	2,440,772	325,438	2,766,210
Total	**39,375,126**	**2,951,622**	**325,438**	**42,652,185**

There were no transfers between levels 1 and 2 during the year

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(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.Specific valuation techniques used to value financial instruments include:

(i) Quoted market prices or dealer quotes for similar instruments;

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's level 2 corporate bonds, state bonds and unlisted equities were valued using quoted market prices for similar instruments at the measurement date.

(iii) Financial instruments in level 3

The following table presents the changes in Level 3 instruments for the year ended 31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Equity securities - Available for sale	**Group 31-Dec-15**	**Group 31-Dec-14**	**Company 31-Dec-15**	**Company 31-Dec-14**
Opening balance	325,438	642,743	325,438	642,743
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Reclassification from investments at cost less impairment (see note 7.2.1a)	181,927	147,209	181,927	147,209
Changes in fair value recognised in other comprehensive income	813,316	(464,514)	813,316	(464,514)
Balance, end of year	**1,320,681**	**325,438**	**1,320,681**	**325,438**

Varying valuation techniques in determining the fair value of Level 3 item, investments in AFC, Capital Bancorp, Lekky Budget Limited, Mainstreet Technologies, Oakwood Park Limited, are as follows:

Valuation technique	**Unobservable inputs**	**Range of unobservable inputs (probability - weighted average)**	**Relationship of unobservable inputs to fair value**
Adjusted fair value comparison approach	P/E multiples P/BV multiples	10% illiquidity discount	the higher the illiquidity discount the lower the fair value

EV/EBITDA or P/E valuation multiple - the company determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The company then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the quoted price of the comparable company by its net income (P/E). The trading multiple is then adjusted for discounts/premiums with regards to such consideration as illiquidity and other differences, advantages and disadvantages between the company's investee company and the comparable public companies based on company-specific facts and circumstances.

A reasonable change in the illiquidity discount will not result in a material change to the fair value of the investment.

Financial instruments not measured at fair value

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

Group
31 December 2015
All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		17,031,040		17,031,040
Held to maturity investment securities:				
State bonds	-	1,280,672	-	1,280,672
Corporate bonds	-	8,601,051	-	8,601,051
Federal government bonds	5,960,294	-	-	5,960,294
Federal government treasury bills	56,347	-	-	56,347
Trade receivables		543,971		543,971
Loans and advances			1,789,435	1,789,435
Reinsurance assets (Excl. prepaid reinsurance)			5,164,318	5,164,318
Other receivables			1,048,817	1,048,817
Statutory deposits		500,000		500,000
Total financial assets	**6,016,641**	**27,956,734**	**8,002,570**	**41,975,945**
Liabilities				
Investment contract liabilities			15,459,507	15,459,507
Trade payables			3,304,699	3,304,699
Other liabilities			2,055,837	2,055,837
Borrowings			118,446	118,446
Total financial liabilities	**-**	**-**	**20,938,489**	**20,938,489**

Group
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All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		13,681,394		13,681,394
Held to maturity investment securities:				
State bonds	-	1,137,581	-	1,137,581
Corporate bonds	-	8,933,339	-	8,933,339
Federal government bonds	3,176,128	-	-	3,176,128
Federal government treasury bills	79,812	-	-	79,812
Trade receivables		63,665		63,665
Loans and advances			1,220,651	1,220,651
Reinsurance assets (Excl. prepaid reinsurance)			5,498,431	5,498,431
Other receivables			427,704	427,704
Statutory deposits		500,000		500,000
Total financial assets	**3,255,940**	**24,315,979**	**7,146,786**	**34,718,705**
Liabilities				
Investment contract liabilities			12,665,763	12,665,763
Trade payables			5,543,349	5,543,349
Other liabilities			1,697,394	1,697,394
Borrowings			60,000	60,000
Total financial liabilities	**-**	**-**	**19,966,506**	**19,966,506**

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Company
31 December 2015
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Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		14,656,941		14,656,941
Held to maturity investment securities:				
State bonds	-	1,280,672	-	1,280,672
Corporate bonds	-	8,601,051	-	8,601,051
Federal government bonds	5,179,693	-	-	5,179,693
Federal government treasury bills	56,347	-	-	56,347
Trade receivables		543,971		543,971
Loans and advances			1,217,079	1,217,079
Reinsurance assets (Excl. prepaid reinsurance)			5,164,318	5,164,318
Other receivables			545,473	545,473
Statutory deposits		500,000		500,000
Total financial assets	**5,236,040**	**25,582,635**	**6,926,870**	**37,745,545**
Liabilities				
Investment contract liabilities			15,459,507	15,459,507
Trade payables			3,304,699	3,304,699
Other liabilities			1,253,064	1,253,064
Total financial liabilities	**-**	**-**	**20,017,270**	**20,017,270**

Company
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Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		13,046,165		13,046,165
Held to maturity investment securities:				
State bonds	-	1,137,581	-	1,137,581
Corporate bonds	-	8,867,329	-	8,867,329
Federal government bonds	3,176,128	-	-	3,176,128
Federal government treasury bills	79,812	-	-	79,812
Trade receivables		63,665		63,665
Loans and advances			1,129,468	1,129,468
Reinsurance assets (Excl. prepaid reinsurance)			5,498,431	5,498,431
Other receivables			161,794	161,794
Statutory deposits		500,000		500,000
Total financial assets	**3,255,940**	**23,614,740**	**6,789,693**	**33,660,373**
Liabilities				
Investment contract liabilities			12,665,763	12,665,763
Trade payables			5,543,349	5,543,349
Other liabilities			1,210,589	1,210,589
Total financial liabilities	**-**	**-**	**19,419,701**	**19,419,701**

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

Included in the balances of cash and cash equivalents are cash and balances with banks, short term placement. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) Held to maturity investment securities

The fair value of held to maturity treasury bills and bonds are determined with reference to quoted prices in active market for identical assets, valued using market prices of individual securities at the reporting date. Where this information is not available, fair value is estimated using quoted market prices for securities with similar characteristics.

(iii) Loans and advances and borrowings

The estimated fair value of loans and advances represents the discounted amount of estimated future cashflows expected to be received. Expected future cashflows are discounted at the current market rate to determine the fair value.

(iv) Trade receivables, Other Receivables, Reinsurance Assets (Excl. prepaid reinsurance), Trade payables and Other liabilities

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or received on demand. The carrying amounts are reasonable approximation of their fair values which are payable on demand.

(v) Investment contract liabilities

Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer. The carrying amount of investment contract liability is a reasonable approximation of fair value.

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3.5 Management of insurance risk

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

Insurance Risk

The risk in any insurance contract is the possibility that the event insured against occurs, resulting in a claim. This risk is very random and unforeseeable. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits 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.

Our insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Non-life Insurance Contracts

(a) Frequency and severity of claims- The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of claims costs. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

Insurance risk concentration per class of business showing the type of risk, carrying amount of the reinsurance liabilities.

The table below shows the Group life risk exposure by industry or sector in 2015. The table shows that the company's exposure is highly skewed towards Civil Service/Government agency followed by Oil and Gas and Estate Management/Insurance, Banking & Financial Institutions respectively.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Industry/Sector	Before Reinsurance	Share of Gross	After Reinsurance	Share of net SA
Estate Management/Insurance, banking & Financial Institutions	371,851	11%	349,257	11%
Oil & Gas	799,017	23%	774,766	24%
Civil Service/Government Agency	1,144,680	33%	1,075,506	33%
Engineering & Construction	141,371	4%	138,346	4%
Marketing & Consulting/Supplies & Trading/Courier Services	80,176	2%	74,780	2%
Manufacturing	69,079	2%	66,765	2%
Radio & Television/ Electronics & Telecommunications	110,909	3%	92,467	3%
Marine & Aviation	74,320	2%	71,669	2%
Education, Research & Professional Institutions	118,635	3%	117,078	4%
Foods & Beverages/Agro-allied	50,490	1%	48,358	1%
Health Service provider	39,452	1%	34,236	1%
Religious institutions/NGO/Clubs& Associations	56,140	2%	54,355	2%
Hotels and Resorts/catering services	18,187	1%	18,066	1%
Miscellaneous/Others	202,590	6%	186,295	6%
Security Personnel	155,286	5%	155,286	5%
	3,432,183		**3,257,230**	

(All amounts in thousands of Nigerian Naira unless otherwise stated)

b) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash fows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The reserves held for these contracts comprises of a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) Process used to decide on assumptions

Non-life insurance contract liabilities- The discounted inflation adjusted chain ladder method (IABCL) was applied for reserving in respect of non-life risk, with the exception of special risk policies reserved using the Expected Loss Ratio Approach. The discounted inflation adjusted chain ladder method (IABCL) method involves historical paid losses being inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. The projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future.

The Expected Loss Ratio Approach was adopted for the special risk sub-category of non-life risks due to the volume of data available being too small to be credible when using a statistical approach. Under this method, the ultimate claims is obtained by assuming loss ratio. Paid claims already emerged is then deducted for from the estimated ultimate claims.

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2008 has been adopted in building the historical claims. The reserve was calculated using the inflation adjusted chain ladder method. Under this method, the historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims. The following official inflation index below was adopted:

Year	Inflation index
2007	6.6%
2008	15.1%
2009	13.9%
2010	11.8%
2011	10.3%
2012	12.0%
2013	8.0%
2014	8.3%
2015	9.6%

See note 18.4 for claims development tables

Key assumptions

The methods assumes that future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus 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.

- The run off period is six (6) years.
- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into 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.
- The BF method assumes past experience is not fully representative of the future.
- Historical average loss ratio under gross Special Risk is 26% and 6.5% is the proportion of recoveries to ceded premiums, we have assumed loss ratio of 50% and 20% respectively.

Life insurance contract liabilities- Individual risk business comprises whole life assurances, endowment assurances and term assurances of descriptions, including mortgage protection and credit life. For all individual risk business the gross premium method of valuation was adopted. Reserves were calculated via a cashflow projection approach, taking into account future office premium, expenses and benefit payments, including payments on surrender where applicable. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

An unexpired premium reserve was included for Group life business, after allowing for acquisition expenses . An additional unexpired risk reserve was also held for any inadequacies in the unexpired risk reserve for meeting claims in respect of the expired period. The claim rates underlying the additional unexpired risk reserve were based on pooled historical scheme claims experience.

An allowance was made for incurred but not reported (IBNR) claims in group life to take care of delay in reporting claims. This was based on a loss ratio, which uses historical claims rates, from which the IBNR is determined. The cashflow projection method applied in respect of individual risk is also applied for the group life.

Key assumptions

Material judgment is required in determining the liabilities and, in particular, in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable reserves are set aside to meet liabilities.

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(i) Sensitivity analysis on insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Sensitivities were not applied to the Reinsurance for individual life business as its value is immaterial. Also, Mortality sensitivity tests were applied in the opposite direction for the annuity business. These are as shown below:

Life insurance contract liabilities

N'000m	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%
Individual Traditional (excluding annuity)	2,783,914	2,498,298	3,087,378	2,825,491	2,742,449
Annuity	63,547,235	59,852,632	67,715,730	63,731,321	63,372,600
Individual Investment Linked	6,492,556	6,492,556	6,492,556	6,492,556	6,492,556
Group DA	8,966,951	8,966,951	8,966,951	8,966,951	8,966,951
Group Life – UPR incl AURR	1,065,375	1,065,375	1,065,375	1,065,375	1,065,375
Group Life – IBNR	795,901	795,901	795,901	795,901	795,901
Additional reserves	70,000	70,000	70,000	70,000	70,000
Reinsurance	(113,474)	(113,474)	(113,474)	(113,474)	(113,474)
Net liability	**83,608,457**	**79,628,238**	**88,080,416**	**83,834,120**	**83,392,357**
% change in liability	**-**	**-4.76%**	**10.61%**	**-4.82%**	**-0.53%**

Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%
Individual	72,893,705	68,913,485	77,365,664	73,119,368	72,677,605
Group	10,714,752	10,714,752	10,714,752	10,714,752	10,714,752
Net liability	**83,608,457**	**79,628,238**	**88,080,416**	**83,834,120**	**83,392,357**
% change in liability	**-**	**-4.76%**	**10.61%**	**-4.82%**	**-0.53%**

- The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuitants
- The stresses were not applied to the reinsurance asset on individual business as the impact would not be significant and would not affect the shape of the results.
- All stresses were applied independently

Changes in key assumptions used to value insurance contracts would result in increases or decreases to the insurance contract provisions recorded, with impact on profit/(loss) and/or shareholders' equity.
The net increase or decrease to insurance contract provisions recorded as of 31 December 2015 has been estimated as follows:

The changes in insurance contract liabilities shown are calculated using the specified increase or decrease to the rates, with no change in charges paid by policyholders.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Expense Inflation +2%	Expense Inflation -2%	Surrenders +10%	Surrenders -10%	Mortality +5%	Mortality -5%
2,801,862	2,765,996	2,851,215	2,719,894	2,827,133	2,740,555
63,987,387	63,230,022	63,547,235	63,547,235	63,997,944	63,123,693
6,492,556	6,492,556	6,492,556	6,492,556	6,492,556	6,492,556
8,966,951	8,966,951	8,966,951	8,966,951	8,966,951	8,966,951
1,065,375	1,065,375	1,065,375	1,065,375	1,065,375	1,065,375
795,901	795,901	795,901	795,901	795,901	795,901
70,000	70,000	70,000	70,000	70,000	70,000
(113,474)	(113,474)	(113,474)	(113,474)	(113,474)	(113,474)
84,066,557	**83,273,327**	**83,675,758**	**83,544,437**	**84,102,385**	**83,141,555**
0.81%	**-0.94%**	**0.48%**	**-0.16%**	**0.67%**	**-1.14%**

Expense Inflation +2%	Expense Inflation -2%	Surrenders +10%	Surrenders -10%	Mortality +5%	Mortality -5%
73,351,805	72,558,574	72,961,005	72,829,684	73,387,633	72,426,803
10,714,752	10,714,752	10,714,752	10,714,752	10,714,752	10,714,752
84,066,557	**83,273,327**	**83,675,758**	**83,544,437**	**84,102,385**	**83,141,555**
0.81%	**-0.94%**	**0.48%**	**-0.16%**	**0.67%**	**-1.14%**

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(b) Non-Life insurance contract liabilities

Class of Business	Base	5% Loss Ratio	(-5%) Loss Ratio	1% Inflation Rate	(-1)% Inflation Rate	1% Discount Rate	(-1)% Discount Rate
General Accident	821,201,534	888,715,743	742,307,947	832,574,338	809,948,341	815,719,040	826,805,075
Engineering	478,622,122	541,003,129	428,394,488	482,549,083	474,731,047	475,468,432	481,840,678
Fire	1,348,757,420	1,554,016,043	1,129,631,706	1,363,726,023	1,333,912,360	1,340,665,913	1,356,998,007
Marine	1,018,289,419	1,142,451,622	886,012,397	1,027,059,679	1,009,541,768	1,012,791,637	1,023,882,887
Motor	786,122,620	1,077,101,013	594,113,026	794,084,593	778,192,209	781,478,636	790,853,323
Bond	539,263,144	585,982,662	502,088,824	539,263,144	539,263,144	539,263,144	539,263,144
Special Risks	11,217,095,490	11,497,685,584	10,936,505,395	11,217,095,490	11,217,095,490	11,217,095,490	11,217,095,490
Total	**16,209,351,749**	**17,286,955,796**	**15,219,053,783**	**16,256,352,350**	**16,162,684,359**	**16,182,482,292**	**16,236,738,604**
Account Outstanding	12,447,102,161	12,447,102,161	12,447,102,161	12,447,102,161	12,447,102,161	12,447,102,161	12,447,102,161
IBNR	3,762,249,587	4,839,853,634	2,771,951,622	3,809,250,189	3,715,582,198	3,735,380,131	3,789,636,443
Percentage Change		**6.6%**	**-6.1%**	**0.3%**	**-0.3%**	**-0.2%**	**0.2%**

The key assumptions to which the estimation of liabilities is particularly sensitive to are as follows:

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's experience.
An appropriate, but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in rates will lead to a larger number of expected claims (and claims could occur sooner than anticipated), which will increase the reserve and reduce reported profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's experience.

An appropriate, but not excessive prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type

An increase in longevity rates will lead to an increase in the expected number of annuity payments to be made, which will increase the reserve and reduce reported profits for the shareholders.

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long–term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to a reduction in reserves and an increase in reported profits for the shareholders.

Expenses

Operating expense assumption reflects the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expected expenditure thereby reducing reported profits for the shareholders.

Lapses and surrender rates

Lapses relate to the termination of risk policies or investment policies that have not acquired a value due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on the long term risk free rate plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude.

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The following table outline the general form of terms and conditions that apply to contracts sold in each category of business, and the nature of the risk incurred by the Group.

Name	Features
Personal annuity plan	Personal annuity plan can be bought with proceeds from Retirement Savings Account (RSA) There is an option to choose a pension plan with increment of 5% or 7.5%. Guarantee period of income for dependents after death. Money can be paid to policy holder either monthly or quarterly
Comfort5plus plan	It offers protection against the unexpected for full 5 years. Benefit is only paid when the risk (death, critical illness, accidental medical expenses) occurs. If none of these crystallises, nothing is paid to the beneficiary. Two options are available: Option A: if critically ill, a lump-sum of N750,000 is paid and the cover terminates. Option B: if critically ill, a lump-sum of N750,000 is paid but the policy continues till expiry date, if critical illness leads to death , a sum of N200,000 is payable to the beneficiary
Group life	Sum assured is payable in the event of death of a member while in the service of the employer and before retirement. Refund of premium: in the event of the assurance on the life of a member being terminated before the normal retirement date from any cause other than death, the Company will pay to the employer a rebate in respect of the relative premium proportionate to the unexpired portion of the then current year of assurance. Rates of premium used in determining contributions and sum assured are guaranteed for 12 months, Leadway has the right to charge extra premiums on medical grounds
Whole Life	If policy holder dies from unnatural causes, the following benefits would be paid: • if policy holder dies in the 1st policy year, benefit will be equivalent to the sum assured. • if policy holder dies after 1st policy year, benefit will be equivalent to twice the sum assured. If policy holder dies from natural causes, the following benefits will be paid: • if policy holder dies in the 1st policy year, benefit will be limited to a full refund of all premiums paid by the life assured. • if policy holder dies after 1st policy year, benefit will be the full sum assured.
Annuity certain	Policy holder buys into this product and pays a lump-sum premium. If policy holder dies within the annuity period, the balance in the annuity is payable to the beneficiary, but if he survives the annuitant (policy holder) gets the annuity.

Investment contract liabilities

The following table outlines the Group's products under the investment contract liability:

Name	Features
Deferred annuity plan	• Monthly contribution of an agreed amount. • Contributions from policy holder are to be invested in a fund. The accumulated return on the investment as well as the invested amount is due on maturity. • Guaranteed return is Leadway rate (2% above average Nigerian bank savings rate).
Individual deposit Admin	The life cover granted during the policy shall be future unpaid premiums up to cessation date provided the policy is in force. This policy has nil allocation between 4months to 8 months during which the overhead cost of the Company are met. If term assurance is not opted for, 100% premium will be transferred to the policy holder's account for investment purpose. There is guaranteed investment return based on Government financial regulation, the rate payable is close to Central Bank's minimum re-discount rate. When policy holder dies, the balance in the policy holder's account plus total premium due after death and before maturity is payable to the beneficiary. If the policy holder surrenders or terminates the policy; the balance in the policy holder's account less charges is payable. On maturity, accumulated balance in the policy holder's account is paid or instalment payment of the maturity benefit through the period of child's education.
Pearl	It pays the total credit balance in the account at maturity. It pays benefit assured on the term assurance contract plus total credit balance in the investment at death, if death occurs before maturity date. Interest is credited based on the prevailing rate on 1st of April of each year. 30 days of grace on term assurance cover. Policy can be surrendered after 3yrs of regular premium payment.
Group Deposit Admin	The average guarantee in 2015 of all schemes in the portfolio was 3.4%. The guaranteed return rates are reviewable annually on all deposits received from employer. Contribution to the fund can be on individual basis or on pool basis. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member.

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4 Critical accounting estimates and judgement.

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.

These disclosures supplement the commentary on enterprise risk management (see note 3). Estimates where management has applied judgements are:

(a) Ultimate liability arising from claims made under insurance contracts

(b) Determination of fair value of level 3 financial instruments.

(c) Assessment of impairment of goodwill on acquired subsidiaries

(a) The ultimate liability arising from claims made under insurance contracts

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

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

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

See note 3.5 (i) for sensitivity analysis on insurance contract liabilities.

(b) Determination of fair value of level 3 financial instruments.

Investments in unquoted equity securities that are classified as equity securities at fair value available for sale financial instrument in line with the accounting policies as set out in note 2.6e of the statement of significant accounting policies. See note 3.41a for the valuation methodology for the determining the fair value and the sensitivity analysis of unobservable input.

(c) Assessment of impairment of goodwill on acquired subsidiaries

Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 16.8% and a cash flow growth rate of 18% over a period of 5 years. The Group determined the appropriate discount rate at the end of the reporting period. See note 17 for further details.

5 SEGMENT INFORMATION

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The board of directors is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purpose of allocating resources and assessing performance from the product and services perspective. Segment information is presented in respect of the Group's business segments and is based on the Group's management and reporting structure. The Group is organised into five operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programmes. Management identifies its reportable operating segments by based on the Group's management and reporting structure. These segments and their respective operations are as follows:

Non life insurance business

This component offers protection against different forms of risk (i.e. Engineering, fire, general accident, bond and marine) to individuals and corporate customers. Its revenue stream is driven by premium income and investment income from investment securities. The policies issued are usually short tenored.

Life insurance business

This component offers life assurance for individuals and groups (i.e. Death, permanent disability or critical illness), and acquisition of annuities. Deposits are also accepted for investment contracts with guaranteed interest. Its revenue stream is driven by premium income, annuities, and investment income from investment securities. The policies issued are usually long tenored.

Trusteeship

This component is principally engaged in the business of providing Trust Management, Investment Management and related financial services to its customers. Such services include provision of loans and advances to both corporate and individual customers by way of commercial loans or lease. Its revenue stream is driven by interest on deposits and loans and trustee fees.

Hospitality

This component owns an hotel "Leadway Hotel Limited". Its revenue stream is driven by room occupancy.

Property management

This component is involved in the property management, outsourcing services, software application provision, hotel development and real estate acquisition.

Pension fund management

This component carry on the business of pension fund management and administration in line with the Pension Reform Act 2014.

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As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The consolidated financial data for the reporting segments for the year ended 31 December 2015 is as follows:

SEGMENT INCOME STATEMENT

31-Dec-15	Non-life	Life	Trusteeship	Hospitality
Revenue from external customers:				
Gross premium income	19,512,935	31,559,637	-	-
Reinsurance expenses	(10,899,216)	(226,190)	-	-
Net premium revenue	**8,613,719**	**31,333,447**	**-**	**-**
Commission income from insurance contracts	877,632	28,862	-	-
Net fair value gain/(loss) on assets at fair value	904,172	13,983,819	-	
Investment income	1,561,413	8,393,381		
Other operating income	911,719	130,743	305,798	726,602
Share of profit of investments accounted for using the equity	-	-	-	-
Net income	**12,868,655**	**53,870,252**	**305,798**	**726,602**
Claims expenses	(4,425,413)	(9,939,044)	-	-
Underwriting expenses	(2,034,621)	(2,922,137)	-	-
Increase in annuity fund	-	(33,954,433)		
Increase in individual life fund	-	(570,962)		
Employee benefit and other operating expenses	(3,618,484)	(1,431,155)	(88,964)	(801,864)
Interest expense - finance cost	-	(1,084,887)	(36,819)	-
Net impairment (losses)/gains	199,615	(472,443)	(94,987)	(1,938)
Income tax charge	63,325	(168,337)	(26,559)	4,827
Net expense	**(9,815,577)**	**(50,543,399)**	**(247,327)**	**(798,974)**
Reportable segment profit	**3,053,078**	**3,326,853**	**58,471**	**(72,372)**
Other segment disclosures:				
Depreciation and amortization expense	(363,478)	(93,749)	(9,101)	(27,723)

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Property management	Pension management Fund	Total segment income	Inter-segment income & consolidation adjustments	Total
-	-	51,072,572	(8,091)	51,064,481
-	-	(11,125,406)	-	(11,125,406)
-	**-**	**39,947,166**	**(8,091)**	**39,939,075**
-	-	906,494	-	906,494
-	192,586	15,080,577	(21,216)	15,059,361
	148,099	10,102,893	2,107,371	12,210,264
54,521	1,788,469	3,917,852	(300,221)	3,617,631
-	-	-	201,177	201,177
54,521	**2,129,154**	**69,954,982**	**1,979,020**	**71,934,002**
-	-	(14,364,457)	349	(14,364,108)
-	-	(4,956,758)	-	(4,956,758)
		(33,954,433)	-	(33,954,433)
		(570,962)	-	(570,962)
(29,916)	(1,225,482)	(7,195,865)	(105,258)	(7,301,123)
-	-	(1,121,706)	5,871	(1,115,835)
-	-	(369,753)	-	(369,753)
(20,383)	(266,848)	(413,974)	-	(413,974)
(50,300)	**(1,492,331)**	**(62,947,908)**	**(99,037)**	**(63,046,946)**
4,221	**636,823**	**7,007,074**	**1,879,982**	**8,887,056**
(12)	(77,679)	(571,742)	-	(571,742)

Notes To The Financial Statements

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SEGMENT ASSETS AND LIABILITIES

31-Dec-15	Non-life	Life	Trusteeship	Hospitality
Reportable segment assets				
Cash and cash equivalent	8,819,219	5,837,723	312,209	143,718
Investment securities	14,994,143	76,516,894	186,273	66,470
Trade receivables	541,477	2,493	-	-
Reinsurance assets	11,113,773	292,175	-	-
Deferred acquisition cost	423,123	-	-	-
Other receivables and prepayments	929,676	1,999,050	1,418,683	152,220
Investments in associate	-	-	-	-
Investment in subsidiaries	340,946	2,953,521	-	-
Investment properties	3,400,000	5,395,000	-	-
Deferred tax asset	-	58,635	-	-
Intangible assets	19,869	11,440	7,740	5,632
Property and equipment	3,312,350	448,091	6,154	2,030,744
Statutory deposits	300,000	200,000	-	-
Total reportable segment assets	**44,194,574**	**93,715,022**	**1,931,059**	**2,398,784**
Reportable segment liabilities				
Insurance contract liabilities	24,030,217	69,755,318	-	-
Investment contract liabilities	-	15,459,507	-	-
Trade payables and other liabilities	5,008,219	2,198,276	582,483	498,161
Borrowings	-	-	605,556	320,000
Current tax liabilities	374,781	277,218	28,884	(1)
Deferred tax liabilities	453,896	102,458	1,321	134,683
Total reportable segment liabilities	**29,867,113**	**87,792,777**	**1,218,244**	**952,843**
NET ASSETS	**14,327,461**	**5,922,245**	**712,814**	**1,445,941**
Other segment disclosures:				
Additions to property and equipment	230,667	164,676	34,392	157,442

LEADWAY ASSURANCE COMPANY LIMITED

Property management	Pension Fund management	Total segment balances	Consolidation/ Inter-segment balances	Total
307,762	1,760,407	17,181,038	(149,998)	17,031,040
6,991	714,133	92,484,904	(80,994)	92,403,910
-	-	543,970	-	543,971
-	-	11,405,948	-	11,405,947
-	-	423,123	-	423,123
161,243	829,588	5,490,460	(1,288,905)	4,201,555
-	-	-	-	-
-	-	3,294,466	(3,294,466)	-
-	742,000	9,537,000	-	9,537,000
	-	58,635	55,494	114,129
-	74,562	119,242	3,521,667	3,640,909
107	179,228	5,976,673	998	5,977,671
-	-	500,000	-	500,000
476,103	**4,299,918**	**147,015,460**	**(1,236,205)**	**145,779,255**
-	-	93,785,535	-	93,785,535
-	-	15,459,507	-	15,459,507
23,975	390,060	8,701,174	(631,788)	8,069,386
220,000	-	1,145,556	(1,027,110)	118,446
23,526	-	704,408	418,364	1,122,772
-	42,148	734,506	7,266	741,772
267,500	**432,208**	**120,530,685**	**(1,233,267)**	**119,297,418**
208,603	**3,867,710**	**26,484,774**	**(2,938)**	**26,481,837**
2,740	92,296	682,213	-	682,214

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As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

31 December 2014	Non-life	Life	Trusteeship	Hospitality
Revenue from external customers:				
Gross premium income	21,389,805	8,645,443	-	-
Reinsurance expenses	(11,812,460)	(397,430)	-	-
Net Premium Revenue	**9,577,345**	**8,248,013**	**-**	**-**
Commission income from insurance contracts	1,187,884	91,422	-	-
Net fair value gain/(loss) on assets at fair value	748,828	(2,346,305)	-	
Investment income	2,347,439	5,146,045		
Other operating income	1,258,152	64,119	322,370	688,619
Share of profit of investments accounted for using the equity method	-	-	-	-
Net income	**15,119,649**	**11,203,294**	**322,370**	**688,619**
Claims expenses	(6,984,467)	(5,747,497)	-	-
Underwriting expenses	(1,828,159)	(1,527,926)	-	-
Increase in annuity fund	-	(11,808,420)		
Increase in individual life fund	-	(267,943)		
Employee benefit and other operating expenses	(3,862,968)	(1,434,282)	(80,093)	(529,619)
Other operating expenses	-	-	-	-
Interest expense - finance cost	-	(538,955)	(37,927)	-
Net impairment (losses)/gains	(654,970)	(348,925)	(38,616)	(15,957)
Income tax charge	(659,449)	74,234	(12,307)	(83,384)
Net expense	**(13,990,013)**	**(21,599,714)**	**(168,942)**	**(628,960)**
Reportable segment profit	**1,129,636**	**(10,396,420)**	**153,428**	**59,659**
Other segment disclosures:				
Depreciation and amortization expense	(292,022)	(64,926)	(4,408)	(30,617)

LEADWAY ASSURANCE COMPANY LIMITED

Property management	Pension Fund management	Total segment income	Inter-segment income & consolidation	Total
-	-	30,035,248	12,038,167	42,073,415
-	-	(12,209,890)	(1)	(12,209,891)
-	**-**	**17,825,358**	**12,038,166**	**29,863,524**
-	-	1,279,307	(1)	1,279,306
-	-	(1,597,477)	(441,893)	(2,039,370)
	-	7,493,484	(8,391)	7,485,093
30,408	-	2,363,669	(249,172)	2,114,497
-	-	-	386,799	386,799
30,408	**-**	**27,364,340**	**11,725,509**	**39,089,849**
-	-	(12,731,965)	2,437	(12,729,528)
-	-	(3,356,085)	-	(3,356,085)
		(11,808,420)	-	(11,808,420)
		(267,943)	-	(267,943)
(20,162)	-	(5,927,123)	(16,314)	(5,943,437)
-	-	-	-	
-	-	(576,882)	13,813	(563,069)
-	-	(1,058,467)	(1)	(1,058,468)
(7,731)	-	(688,637)	(18,902)	(707,539)
(27,893)	**-**	**(36,415,522)**	**(18,967)**	**(36,434,489)**
2,515	**-**	**(9,051,181)**	**11,706,541**	**2,655,360**
(1,969)	-	(393,943)	(3,408)	(397,351)

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SEGMENT ASSETS AND LIABILITIES

31-Dec-14	Non-life	Life	Trusteeship	Hospitality
Reportable segment assets				
Cash and cash equivalent	9,892,353	3,153,811	458,671	151,603
Investment securities	15,132,747	41,001,615	207,489	60,301
Trade receivables	24,155	39,511	-	-
Loans and advances	-	-	-	-
Reinsurance assets	15,462,279	421,016	-	-
Deferred acquisition cost	428,964	-	-	-
Other receivables and prepayments	916,606	1,302,683	749,044	142,397
Investments in associate	35,000	753,210	-	-
Investment in subsidiaries	342,946	198,312	-	-
Investment properties	2,900,000	4,550,000	-	-
Deferred tax asset	-	144,741	-	-
Intangible assets	101,695	28,589	11,519	4,094
Property and equipment	3,164,568	463,069	7,617	2,056,442
Statutory deposits	300,000	200,000	-	-
Total reportable segment assets	**48,701,313**	**52,256,558**	**1,434,340**	**2,414,838**
Reportable segment liabilities				
Insurance contract liabilities	27,364,134	34,659,889	-	-
Investment contract liabilities	-	12,665,763	-	-
Trade payables and other liabilities	7,173,415	1,568,966	575,042	333,621
Borrowings	-	-	115,103	320,000
Current tax liabilities	413,166	259,694	35,323	25,252
Deferred tax liabilities	843,083	102,458	1,726	148,905
Total reportable segment liabilities	**35,793,797**	**49,256,770**	**727,194**	**827,778**
NET ASSETS	**12,907,516**	**2,999,789**	**707,146**	**1,587,060**
Other segment disclosures:				
Additions to property and equipment	266,065	67,737	1,412	121,826

The group is domiciled in Nigeria. No geographical segment information has been provided in these financial statements as there is only one geographical segment. Although the trusteeship and property management segments do not meet the quantitative thresholds required by IFRS 8 for reportable segments, management has concluded that these segments should be reported, as they are closely monitored by the Chief operating decision maker as potential growth segments and are expected to materially contribute to group revenue in the near future.

No single customer contributed up to 5% of the Group's revenue in the year (2014: Nil).

Property management	Pension Fund management	Total segment balances	Consolidation/ Inter-segment balances	Total
126,744	-	13,783,183	(101,789)	13,681,394
8,027	-	56,410,178	(80,996)	56,329,183
-	-	63,666	(1)	63,665
-	-	-	1,220,651	1,220,651
-	-	15,883,296	0	15,883,296
-	-	428,964	0	428,964
124,461	-	3,235,192	(2,043,380)	1,191,812
-	-	788,210	728,543	1,516,753
-	-	541,258	(541,258)	-
350,000	-	7,800,000	(0)	7,800,000
	-	144,741	55,494	200,235
-	-	145,898	0	145,898
938	-	5,692,636	999	5,693,635
-	-	500,000	-	500,000
610,171	**-**	**105,417,220**	**(761,735)**	**104,655,486**
-	-	62,024,023	-	62,024,023
-	-	12,665,763	-	12,665,763
206,951	-	9,857,995	(571,275)	9,286,720
220,000	-	655,103	(595,103)	60,000
12,764	-	746,198	-	746,198
-	-	1,096,172	57,232	1,153,404
439,715	**-**	**87,045,254**	**(1,109,146)**	**85,936,108**
170,455	**-**	**18,371,966**	**347,411**	**18,719,378**
105	-	457,144	279,183	736,327
			-	

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

6 Cash and cash equivalents

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cash on hand	3,007	3,671	1,608	1,303
Cash at bank	2,305,207	2,129,680	2,101,703	2,004,561
Tenored deposits	14,722,826	11,548,043	12,553,630	11,040,301
	17,031,040	**13,681,394**	**14,656,941**	**13,046,165**

Tenored deposits are made up of placements with banks and other financial institutions with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximates fair value at the reporting date.

Cash and cash equivalents for cashflow purpose includes the following:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cash on hand	3,007	3,671	1,608	1,303
Cash at bank	2,305,207	2,129,680	2,101,703	2,004,561
Tenored deposits	14,722,826	11,548,043	12,553,630	11,040,301
Treasury bills with initial maturity<90days	79,145	-	79,145	-
	17,110,185	**13,681,394**	**14,736,086**	**13,046,165**

7 Investment securities:

The Group's investment securities are summarised below by measurement category in the table below:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Financial assets at fair value through profit or loss (see note 7.1 below)	66,322,015	32,611,259	66,214,502	32,481,495
Available for sale (see note 7.2 below)	9,603,510	10,175,445	9,598,753	10,170,690
Held to maturity (see note 7.3 below)	16,478,385	13,542,479	15,697,784	13,482,180
	92,403,910	**56,329,183**	**91,511,039**	**56,134,365**
Current	74,897,875	39,834,867	74,897,875	39,834,867
Non Current	17,506,035	16,494,316	16,613,164	16,299,498
	92,403,910	**56,329,183**	**91,511,039**	**56,134,365**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The assets comprised in each of the categories above are detailed in the tables below:

7.1 Financial assets at fair value through profit or loss

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Designated at fair value through profit or loss				
Debt securities: - Listed	64,792,901	30,661,486	64,792,900	30,661,486
Equity securities: - Listed	1,428,592	1,828,035	1,421,602	1,820,009
	66,221,493	32,489,521	66,214,502	32,481,495
Held for trading				
Equity securities: - Listed	100,522	121,738	-	-
	100,522	121,738	-	-
Total Financial assets at fair value through profit or loss	**66,322,015**	**32,611,259**	**66,214,502**	**32,481,495**
Current	66,322,015	32,611,259	66,214,502	32,481,495
Non Current	-	-	-	-
	66,322,015	**32,611,259**	**66,214,502**	**32,481,495**

Movement in Financial assets designated at fair value through profit or loss

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Opening balance	32,611,259	20,049,909	32,481,495	19,942,317
Additions	20,584,456	15,295,685	20,584,456	15,295,685
Disposals	(3,875,631)	(2,340,965)	(3,875,631)	(2,340,965)
Accrued Interest	2,935,586	2,586,585	2,936,620	2,586,586
Fair value changes	14,066,345	(2,979,955)	14,087,562	(3,002,128)
Closing balance	**66,322,015**	**32,611,259**	**66,214,502**	**32,481,495**

7.2 Available for sale financial assets

Certain unquoted investment securities listed below for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these equity instruments, fair value information are therefore not available making it impracticable for the group to fair value these investments. The group does not intend to dispose any of these investments within the next financial year.

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	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Equity securities at fair value				
- Listed	5,538,305	7,131,731	5,538,305	7,131,732
- Unlisted (see note a(i) below)	3,165,808	2,912,298	3,161,051	2,911,674
Equity securities at cost				
- Unlisted (see note a(ii) below)	924,357	380,423	924,357	376,291
	9,628,470	10,424,452	9,623,713	10,419,697
Less: allowance for impairment loss (see note (b) below)	(24,960)	(249,007)	(24,960)	(249,007)
Total available for sale financial assets	**9,603,510**	**10,175,445**	**9,598,753**	**10,170,690**
Current	5,538,305	7,131,731	5,538,305	7,131,732
Non Current	4,065,205	3,043,714	4,060,448	3,038,958
	9,603,510	**10,175,445**	**9,598,753**	**10,170,690**

a (i) Analysis of unlisted available for sale financial assets:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At fair value				
Africa Finance Corporation	775,329	695,946	775,329	695,946
African Reinsurance Company Limited	835,099	651,197	835,099	651,197
Capital Bancorp	227,194	98,171	227,194	98,171
Food Concept Limited	7,700	6,000	7,700	6,000
Lekky Budget Limited	12,094	55,062	12,094	55,062
Mainstreet Technologies	124,137	105,491	124,137	105,491
MTN	886,169	1,091,528	886,169	1,090,904
Oakwood Park Limited	70,846	66,714	66,714	66,714
West African Milk Company Limited	44,688	142,189	44,688	142,189
JDI investment company Ltd	87,409	-	86,784	-
Nigeria Liability Insurance Pool	95,143	-	95,143	-
	3,165,808	**2,912,298**	**3,161,051**	**2,911,674**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

		Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
a (ii)	*At cost*				
	Afrinvest West Africa Limited (ii)	-	25,000	-	25,000
	Citrans Global Ltd Shares (ii)	-	30,000	-	30,000
	Globe Reinsurance Company Limited (ii)	-	54,090	-	54,090
	Indemnity Finance Limited (ii)	-	27,716	-	27,716
	JDI investment company Ltd	-	25,500	-	25,500
	Lagos Building Investment Company Ltd	49,920	49,920	49,920	49,920
	MP Budget Limited (ii)	-	35,120	-	35,120
	Others	16,004	57,470	16,004	53,338
	Port Hotels Ltd (ii)	-	34,607	-	34,607
	Union Assurance (ii)	-	41,000	-	41,000
	Energy and Allied Insurance pool of Nigeria	114,480	-	114,480	-
	Verod Capital Management Ltd	743,953	-	743,953	-
		924,357	380,423	924,357	376,291
	Less: Specific allowance for impairment (unquoted equity securities)	(24,960)	(249,007)	(24,960)	(249,007)
		4,065,205	**3,043,714**	**4,060,448**	**3,038,958**

(i) The group's investment in JDI investment company Ltd and Nigeria liability insurance pool were measured at cost at 31 December 2014 as there was no information to reliably measure the fair value. During the year, the group obtained sufficient information to reliably measure the fair value of the investment and have been disclosed above.

(ii) The Group's investment in the equity of Afrinvest, Citransglobal, Globe reinsurance, Indemnity finance, Port Hotels and Union Insurance amounting to N224m were written off against related impairment allowances during the period. For these investments the directors are of the view that a permanent dimunition exists and the investments are no longer recoverable.

(b) The movement in the allowance for impairment losses on available for sale unquoted equities is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	249,007	349,008	249,007	349,008
Charge for the year	-	145,462	-	145,462
Write off (see note 7bi below)	(224,047)	(245,463)	(224,047)	(245,463)
Balance, end of year	**24,960**	**249,007**	**24,960**	**249,007**

Movement in Financial assets designated at available for sale	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Opening balance	10,175,445	11,150,818	10,170,690	11,137,974
Additions	1,458,308	1,443,318	1,286,487	1,443,318
Disposals	(338,819)	(474,026)	(168,036)	(465,938)
Fair value changes	(1,442,418)	(1,695,658)	(1,441,382)	(1,695,658)
Impairment	(24,960)	(249,007)	(24,960)	(249,006)
Write-offs	(224,046)	-	(224,046)	-
Closing balance	**9,603,510**	**10,175,445**	**9,598,753**	**10,170,690**

7.3 Held to maturity financial assets

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Debt securities:				
- Listed	16,478,385	13,542,479	15,697,784	13,482,180
	16,478,385	**13,542,479**	**15,697,784**	**13,482,180**
Current	3,145,068	221,640	3,145,068	221,640
Non-current	13,333,317	13,320,839	12,552,716	13,260,540
	16,478,385	**13,542,479**	**15,697,784**	**13,482,180**

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No held to maturity assets were impaired nor past due as at the reporting date. Held to maturity assets are analysed below:

Analysis of held to maturity financial assets are as follows:	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Federal Government Debt Securities				
10.70% FGN May 2018	657,794	638,196	657,794	638,196
7.00% FGN Oct 2019	225,530	211,815	225,530	211,815
10.00% FGN Jul 2030	1,211,488	1,206,278	1,211,488	1,206,278
15.10% FGN Apr 2017	1,478,228	463,983	1,478,228	463,983
16.00% FGN Jun 2019	120,101	120,107	120,101	120,107
13.05% FGN AUG 2016	833,077	721,976	833,077	721,976
15.54% FGN Feb 2020	327,690	-	327,690	-
16.39% FGN Jan 2022	125,524	-	-	-
FGN treasury bill	1,084,044	79,812	495,436	79,812
	6,063,476	**3,442,167**	**5,349,344**	**3,442,167**
State Government Bonds				
Lagos State bonds	551,280	551,474	551,280	551,474
Bayelsa State bonds	49,344	77,177	49,344	77,177
Benue State bonds	5,002	15,000	5,002	15,000
Delta State bonds	112,787	141,376	112,787	141,376
Ekiti State bonds	13,822	17,289	13,822	17,289
Osun State bonds	190,769	223,564	190,769	223,564
	923,004	**1,025,880**	**923,004**	**1,025,880**
Corporate bonds				
Federal Mortgage of Nigeria Bond	25,228	44,612	25,228	44,612
Local Contractor Bond Series III	652,079	558,400	652,079	558,400
United Bank for Africa Plc Bond	154,855	154,829	154,855	154,829
Dana Group of Companies Bond	129,750	181,788	129,750	181,788
	961,912	**939,629**	**961,912**	**939,629**
Eurobonds				
GTB Finance BV, 7.50%, 2016	2,505,478	2,855,213	2,439,009	2,794,912
Access Bank Eurobond 7.25%, 2017	1,130,009	1,416,533	1,130,009	1,416,533
FBN Finance BV 2020 8.25%	553,317	476,445	553,317	476,445
First Bank 8% Jul, 2021	1,022,039	593,931	1,022,039	593,934
FGN 6.75% Eurobond, 2021	1,562,612	1,480,343	1,562,612	1,480,343
ETI 8.75% Aug 2021	1,020,041	952,230	1,020,041	952,229
Access Bank Eurobond 9.25%, 2021	419,746	360,108	419,746	360,108
FGN 6.38% Eurobond, 2023	204,764	-	204,764	-
GTB 6.00% Nov 2018	53,271	-	53,271	-
Zenith 6.25% Apr 2019	58,716	-	58,716	-
	8,529,993	**8,134,803**	**8,463,524**	**8,074,504**
Grand Total	**16,478,385**	**13,542,479**	**15,697,784**	**13,482,180**

The debt securities are interest bearing and have stated interest rates of 6 to 16 per cent for government bonds and 6.75 to 17.25 per cent for the corporate bonds. The contractual maturity dates are 1 to 18 years for the government securities and 1 to 7 years for the corporate bonds.

Movement in Financial assets designated as Held to Maturity

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Opening balance	13,542,479	11,877,320	13,482,180	11,819,354
Additions	2,812,999	2,929,550	2,812,999	2,929,550
Disposals	(996,379)	(3,171,193)	(996,379)	(3,171,192)
Acquisition of subsidiary	714,133	-	-	-
Accrued interest and amortised cost changes	406,995	1,906,802	400,826	1,904,468
Closing balance	**16,480,227**	**13,542,479**	**15,699,626**	**13,482,180**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

8 Trade receivables

(a) Trade receivable comprises the following:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Insurance receivables (Due from Brokers)	543,971	294,498	543,971	294,498
Less specific provision for impairment	-	(230,833)	-	(230,833)
	543,971	**63,665**	**543,971**	**63,665**
Current	543,971	63,665	543,971	63,665
Non-current	-	-	-	-
	543,971	**63,665**	**543,971**	**63,665**

(b) The age analysis of gross insurance receivables as at the end of the year is as follows:

Analysis of premium debtors in days	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
0 - 30 days	543,971	63,665	543,971	63,665
31 - 180 days	-	230,833	-	230,833
	543,971	**294,498**	**543,971**	**294,498**

(c) The movement in allowance for impairment of trade receivables is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	230,833	-	230,833	-
Addition during the year (see note 39)	-	230,833	-	230,833
Allowance no longer required (see note 39)	(230,833)	-	(230,833)	-
Balance, end of year	-	**230,833**	-	**230,833**

9 Loans and Advances

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross				
Commercial loans	1,297,228	1,236,598	1,591,179	1,127,757
Staff loans	982,120	78,432	56,122	70,893
Agency loan	30,934	41,483	30,934	41,483
Loan to policy holders	223,192	351,446	223,192	351,447
Gross Total	**2,533,474**	**1,707,959**	**1,901,427**	**1,591,580**
Specific Impairment allowance on:				
- Commercial loans	(449,443)	(304,706)	(391,646)	(282,378)
- Staff Loans	(5,481)	(5,481)	(5,481)	(5,481)
- Agency loans	(5,647)	(5,647)	(5,647)	(5,647)
- Policy holders loans	(3,217)	(117,206)	(3,217)	(117,206)
Collective Impairment allowance	(280,251)	(54,268)	(278,357)	(51,400)
Impairment Total	**(744,039)**	**(487,308)**	**(684,348)**	**(462,112)**
Net Loans and Advances	**1,789,435**	**1,220,651**	**1,217,079**	**1,129,468**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

(i) The movement in allowance for impairment of loans is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	487,308	143,215	462,112	147,219
Charge for the year (see note 39)				
- Commercial loans	378,631	344,093	344,136	314,893
- Staff Loans	-	-	-	-
- Agency loans	-	-	-	-
- Policy holders loans	3,217	-	3,217	-
Write off	-			
- Commercial loans	-	-	-	-
- Staff Loans	-	-	-	-
- Agency loans	-	-	-	-
- Policy holders loans	(125,117)	-	(125,117)	-
Balance, end of year	**744,039**	**487,308**	**684,348**	**462,112**
Current (Gross)	1,410,882	1,059,273	778,835	942,894
Non Current (Gross)	1,122,592	648,686	1,122,592	648,686
	2,533,474	**1,707,959**	**1,901,427**	**1,591,580**

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Reinsurance assets				
Prepaid reinsurance (see note (a) below)	6,280,596	10,384,865	6,280,596	10,384,865
Reinsurance recoverable (see note (b) below)	4,653,691	5,070,811	4,653,691	5,070,811
Due from reinsurers	471,660	1,973,777	471,660	1,973,777
Less allowance for impairment	**11,405,947**	**17,429,453**	**11,405,947**	**17,429,453**
(see note (c) below):				
Reinsurance recoverable	-	(448,548)	-	(448,548)
Due from reinsurers	-	(1,097,609)	-	(1,097,609)
	11,405,947	**15,883,296**	**11,405,947**	**15,883,296**
Current	11,193,888	12,878,816	11,193,888	12,878,816
Non Current	212,059	4,550,637	212,059	4,550,637
	11,405,947	**17,429,453**	**11,405,947**	**17,429,453**

(a) The movement in prepaid reinsurance is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of the year	10,384,865	13,966,007	10,384,865	13,966,007
Additions in the year	7,021,137	8,628,749	7,021,137	8,628,749
Released in the year (see note 29)	(11,125,406)	(12,209,891)	(11,125,406)	(12,209,891)
Balance, end of year	**6,280,596**	**10,384,865**	**6,280,596**	**10,384,865**

(b) The movement in reinsurance recoverable is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of the year	5,070,811	5,354,408	5,070,811	5,354,408
(Decrease)/increase during the year	(417,120)	(283,597)	(417,120)	(283,597)
Balance, end of year	**4,653,691**	**5,070,811**	**4,653,691**	**5,070,811**

(c) The movement in allowance for impairment is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	1,546,157	1,255,736	1,546,157	1,255,736
Addition during the year (see note 39)	-	290,421	-	290,421
Write-off during the year	(1,546,157)	-	(1,546,157)	-
Balance, end of year	-	**1,546,157**	-	**1,546,157**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

11 Deferred acquisition costs

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

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Motor	125,968	122,299	125,968	122,299
Fire	134,263	109,180	134,263	109,180
General accident	34,119	31,747	34,119	31,747
Marine	86,227	118,919	86,227	118,919
Bond	6,642	9,969	6,642	9,969
Engineering	35,904	36,850	**35,904**	36,850
	423,123	**428,964**	**423,123**	**428,964**

The movement in deferred acquisition costs is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	428,964	332,237	428,964	332,237
Cost incurred during the year	1,390,406	1,585,975	1,390,406	1,585,975
Amortisation for the year	(1,396,247)	(1,489,248)	(1,396,247)	(1,489,248)
Balance, end of year	423,123	428,964	423,123	428,964
Current	423,123	428,964	423,123	428,964
Non-current	-	-	-	-
	423,123	**428,964**	**423,123**	**428,964**

Other receivables and prepayments

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Financial Assets				
Finance lease receivable (see note (i) below)	194,863	242,708	-	-
Other receivables (see note (ii) below)	943,105	245,434	552,485	161,794
	1,137,968	488,142	552,485	161,794
Less: Impairment allowance on:				
Finance lease receivables	(64,441)	(8,381)	-	-
Other receivables	(24,710)	(52,057)	(7,012)	-
	1,048,817	**427,704**	**545,473**	**161,794**
Non-financial Assets				
Prepayment	266,890	144,242	118,123	130,130
Other receivables (see note (ii) below)	1,324,757	822,618	650,906	570,784
	1,591,647	966,860	769,029	700,914
Less: Impairment allowance on:				
Other receivables	(228,344)	(202,752)	(199,604)	(201,607)
	1,363,303	764,108	569,425	499,307
Total	**2,412,120**	**1,191,812**	**1,114,898**	**661,101**
Current	1,984,097	950,547	996,778	530,971
Non Current	428,023	241,265	118,120	130,130
	2,412,120	**1,191,812**	**1,114,898**	**661,101**

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(i) Finance lease receivable

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross investment in finance lease	194,863	253,490	-	-
Unearned finance income		(10,782)	-	-
Net investment in finance lease	194,863	242,708	-	-
Specific Impairment allowance	(58,211)	(5,384)	-	-
Collective impairment Allowance	(6,230)	(2,997)	-	-
	130,422	**234,327**	-	-

The movement in allowance for impairment of finance lease receivable is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	8,381	14,798	-	-
Addition during the year (see note 39)			-	-
- Specific impairment	58,444	-	-	-
- Collective impairment	-	545	-	-
Write back	(2,384)	(6,962)		
	64,441	**8,381**	-	-

(ii) Other receivables

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Financial assets:				
Accrued interest on statutory deposits	25,073	25,079	25,073	25,079
Receivable from third party	321,091	-	321,091	-
Accrued rental income	96,082	87,047	96,082	87,047
Trusteeship fee receivable	367,037	38,262	-	-
Dividend receivables	75,533	36,951	75,221	30,768
Receivable from related parties	58,289	58,095	35,018	18,900
	943,105	**245,434**	**552,485**	**161,794**
Non financial assets:				
Deposit for shares	22,000	362,500	22,000	362,500
Inventory and other consumables	171,863	171,863	-	-
Sundry Debtors	1,130,894	288,255	628,906	208,284
	1,324,757	**822,618**	**650,906**	**570,784**
Total other receivables - gross	**2,267,862**	**1,068,052**	**1,203,391**	**732,578**
Allowance for impairment losses - financial asset	(24,710)	(52,057)	(7,012)	-
Allowance for impairment losses - non financial asset	(228,344)	(202,752)	(199,604)	(201,607)
	2,014,808	**813,243**	**996,775**	**530,971**

Deposit for shares relates to shares in MV Budget exchange limited which has been fully provided for.

The balances of Receivable from related parties relates to transactions from related party that is not a subsidiary of the group, hence the balances has not been eliminated.

Receivable from third party relates to purchase of landed property where ownership has not been transfered as at 31 December 2015.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The movement in allowance for impairment of other receivable is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	254,809	305,038	201,607	195,174
Charge for the year (see note 39)	13,877	29,104	11,584	6,433
Allowance no longer required	(15,632)	(79,333)	(6,575)	-
Balance, end of year	**253,054**	**254,809**	**206,616**	**201,607**

13 Investment in associate

The Group disposed its total investment in associates during the period. Total Health Trust was disposed in December 2015 while the Company increased its interest in Leadway Pensure PFA from 44.92% to 69.53%. As a result of the inceease in the interest in Leadway Assurance company attained control and the investment reclassified as an investment in subsidiary.

(a) Nature of investment in associates in 2015 and 2014 for both company and group

Name of entity	**Nature of business**	**Place of incorporation**	**% of ownership interest December 2015**	**% of ownership interest December 2014**
Leadway Pensure PFA Limited	Note i	Nigeria	69.53%	44.92%
Total Health Trust Limited	Note ii	Nigeria	-	25%

(i) Leadway Pensure PFA is a pension fund administrator and its principal activities is the provision of a range of retirement support services to its numerous customers in every part of Nigeria. The Company is licensed by the National Pension Commission (PenCom).

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	1,233,960	934,110	753,209	753,209
Share of current year result	167,616	299,850	-	-
Reclassification to investment in subsidiaries	-	-	(753,209)	-
Derecognition on attainment of control	(1,401,576)	-	-	-
	-	**1,233,960**	**-**	**753,209**

(ii) Total Health Trust Limited ("THT") is a leading health maintenance organization ("HMO") in the emerging health care sector of the Federal Republic of Nigeria, about 250,000 members or subscribers at December, 2011. THT provides health care to individuals and corporate organizations. The investment in this associate was disposed on 17 December 2015.

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	282,793	262,014	35,000	35,000
Share of current year result	33,561	20,779	-	-
Disposal	(316,354)		(35,000)	-
	-	**282,793**	-	**35,000**

Name of entity	Group 31-Dec-15	Group 31-Dec-14	Group 31-Dec-15	Company 31-Dec-14
Leadway Pensure PFA Limited	-	1,233,960	-	753,209
Total Health Trust Limited	-	282,793	-	35,000
	-	**1,516,753**	**-**	**788,209**
Current	-	-	-	-
Non Current	-	1,516,753	-	788,209
	-	**1,516,753**	**-**	**788,209**

Leadway Pensure PFA and Total Health Trust Limited are private companies and there are no quoted market prices available for their shares. There are no contingent liabilities relating to the Group's interest in these associates.

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(b) Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in associates is as follows:

Group 2014	Leadway Pensure PFA	Total Health Trust	Total
Balance, beginning of year	705,987	236,667	942,654
Group's share of profit for the year	264,542	39,597	304,139
Group's share of associate other comprehensive income	137	-	137
Dividend received	(36,556)	(14,250)	(50,806)
Balance, end of year	**934,110**	**262,014**	**1,196,124**

(c) The summarized financial information of the Group's associates is set out below:

Set out below are the summarised financial information for Leadway Pensure PFA Limited and Total Health Trust Limited as at Step acquisition date (31 May 2015) and disposal date (17 December 2015) respectively.

	Leadway Pensure PFA 31-May-15	Total Health Trust 17-Dec-15
Cash and cash equivalent	26,396	2,331,609
Investment securities	1,899,133	345,631
Property, plant and equipment	272,763	156,736
Intangible assets	-	-
Other assets and prepayments	1,024,103	1,305,095
Investment Property	549,414	-
Total assets	**3,771,809**	**4,139,071**
Other liabilities	365,703	2,431,879
Current tax payable	317,710	375,635
Deferred tax payable	35,204	7,952
Total liabilities	**718,617**	**2,815,466**
Net assets	**3,053,192**	**1,323,605**

Set out below are the summarised financial information for Leadway Pensure PFA Limited and Total Health Trust Limited which are accounted for using equity method.

Year ended 2014	Leadway Pensure PFA	Total Health Trust	Total
Cash and cash equivalent	1,795,984	2,042,554	3,838,538
Investment securities	330	11,012	11,342
Property, plant and equipment	236,313	179,269	415,582
Intangible assets	14,422	14,310	28,732
Other assets and prepayments	817,497	710,375	1,527,872
Investment Property	537,836	301,902	839,738
Total assets	**3,402,382**	**3,259,422**	**6,661,804**

Year ended 2014	Leadway Pensure PFA	Total Health Trust	Total
Other liabilities	315,565	1,942,940	2,258,505
Current tax payable	317,710	166,273	483,983
Deferred tax payable	35,205	19,039	54,244
Total liabilities	**668,480**	**2,128,252**	**2,796,732**
Net assets	**2,733,902**	**1,131,170**	**3,865,072**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Set out below are the summarised statement of comprehensive income (extract) for Leadway Pensure PFA Limited and Total Health Trust Limited as at Step acquisition date (31st May 2015) and disposal date (17th December 2015) respectively.

Year ended 2015	**Leadway Pensure PFA 31-May-15**	**Total Health Trust 17-Dec-15**
Revenue	1,259,932	6,153,802
Depreciation and amortisation	(51,319)	(65,900)
Interest income	64	-
Interest expense	-	-
Profit before tax	533,064	593,827
Income tax expense	(159,919)	(190,025)
Profit after tax	**373,145**	**403,802**
Other comprehensive income	-	-
Total comprehensive income	**373,145**	**403,802**
Dividends received from associates	**119,513**	**-**

Set out below are the summarised financial information for Leadway Pensure PFA Limited and Total Health Trust Limited which are accounted for using equity method.

Year ended 2014

	Leadway Pensure PFA	**Total Health Trust**	**Total**
Revenue	2,845,354	5,724,095	8,569,449
Depreciation and amortisation	(104,665)	(66,000)	(170,665)
Interest income	-	124,980	124,980
Interest expense	-	(8,054)	(8,054)
Profit before tax	1,046,943	**350,023**	1,396,966
Income tax expense	(309,971)	(125,305)	(435,276)
Profit after tax	**736,972**	**224,718**	**961,690**
Other comprehensive income	(50)	-	(50)
Total comprehensive income	**736,922**	**224,718**	**961,640**
Dividends received from associates	**59,019**	**7,920**	**66,939**

14 **Investment in subsidiaries**

(a) The Company's investment in subsidiaries is as stated below:

	Company 31-Dec-15	Company 31-Dec-14
Leadway Capital and Trusts Limited	47,696	47,696
Leadway Hotels Limited	293,250	293,250
Leadway Properties and Investments Limited	200,312	200,312
Leadway Pensure PFA Limited	2,753,209	-
	3,294,467	**541,258**

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(b) Nature of investments in subsidiaries 2015 and 2014

Name of entity	**Nature of business**	**Country of incorporation**	**Proportion of ordinary shares directly held by parent/group (%)**	**Proportion of ordinary shares held by non-controlling interest (%)**
Leadway Capital and Trust Limited	Note i	Nigeria	53	47
Leadway Hotel Limited	Note ii	Nigeria	51	49
Leadway Properties and Investments Limited	Note iii	Nigeria	100	-
Leadway Pensure PFA	Note iv	Nigeria	69.53	30.47

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiaries undertakings included in the Group.

The total non-controlling interest for the year is N2.09Billion of which N335Million is for Leadway Capital and Trust Limited, N1,050Million is for Leadway Pensure PFA and N704Million is for Leadway Hotel Limited.

The company did not provide financial support to any of its subsidiaries during the year. In addition, the directors are not aware of any significant restriction that may prevent the transfer of capital within the group

(i) Leadway Capital and Trust Limited was incorporated in 1995 as Leadway Trustees Limited but its services became commercial in 1999. The Company has been registered with the Securities and Exchange Commission since 2000. The Company provides Fund Management and Portfolio management services to retirement benefits funds, employee benefit schemes and other special funds.

(ii) Leadway Hotel Limited provides hotel and hospitality services. The hotel is managed and marketed by Protea Hotels, the largest hotel operating company in Africa.

(iii) Leadway Properties and Investments Limited is involved in property management, outsourcing services, software application provision, hotel development, real estate acquisition

(iv) Leadway Pensure PFA Limited was incorporated as Pensure PFA Limited (a limited liability company) on 25 August 2004. It was granted an operating license by PENCOM on 7 December, 2005 and commenced operations in the same month. The Company's name was changed to Leadway Pensure PFA Limited in August 2006 following a corporate re-branding exercise. The principal activity is to carry out the business of pension fund management and administration in line with the Pension Reform Act, 2004. It is the licensed Pension Fund Administrator of Leadway Pensure RSA, Retiree and other Managed Funds following the enactment of the Pension Reform Act, 2004.

There was movement in investment in subsidiaries during the year. Leadway Assurance Company Limited acquired additional 24.44% shares of Leadway Pensure PFA from Custodian and Allied Insurance Plc during the period, hence, increasing their holdings from 44.92% to 69.53% and acquiring control of the entity. The aim of the step acqusition was to increase Leadway's interest in the Leadway Pensure PFA.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The table below summarises the financial information of all the Group's subsidiaries before any intra-group elimination. Note 5 on segment reporting shows the summarised financial information of all the subsidiaries. The summarised statement of financial position of Leadway Pensure PFA was not provided for 2014 as the company was not an investment in subsidiary at that date. In addition, 7months income statement was presented as Leadway Pensure PFA was a subsidiary for only the last 7 months of 2015.

	Leadway Properties		**Leadway Pensure PFA**		**Leadway Hotel Limited**		**Leadway Capital & Trust Limited**	
	31 December		**31 December**		**31 December**		**31 December**	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Assets								
Cash and cash equivalent	307,764	126,746	1,760,407	-	143,718	151,603	312,210	458,671
Other receivables and prepayments	161,243	124,461	829,588	-	152,220	142,397	1,418,683	749,044
Investment securities	6,991	8,027	714,133	-	66,470	60,301	186,273	207,489
Deferred tax asset	-	-	-	-	-	-	-	-
Property and equipment	107	938	179,228	-	2,030,744	2,056,442	7,152	7,617
Intangible assets	-	-	74,562	-	5,632	4,094	7,741	11,519
Investment property	-	350,000	742,000	-	-	-	-	-
Total Assets	**476,105**	**610,172**	**4,299,918**	-	**2,398,784**	**2,414,837**	**1,932,059**	**1,434,340**
Liabilities								
Other liabilities	23,974	206,951	390,060	-	492,091	333,621	582,481	575,042
Borrowings	220,000	220,000	-	-	326,070	320,000	605,555	115,103
Current tax liability	23,526	12,762	418,366	-	8,063	25,252	28,884	35,323
Deferred tax liability	7,267	8,232	42,148	-	134,683	148,905	1,321	1,726
Total liabilities	**274,767**	**447,945**	**850,574**	-	**960,907**	**827,778**	**1,218,241**	**727,194**
Capital and reserves								
Share capital	2,025	2,025	1,642,361	-	75,000	75,000	440,000	440,000
Retained earnings	214,424	174,277	1,309,405	-	340,079	433,902	273,818	268,146
Share premium	-	-	53,465	-	500,000	500,000	-	-
Other reserves	(15,111)	(14,075)	444,113	-	522,798	578,157	-	-
Total equity	**201,338**	**162,227**	**3,449,344**	-	**1,437,877**	**1,587,059**	**713,818**	**708,146**
Total Liabilities and Equity	**476,105**	**610,172**	**4,299,918**	-	**2,398,784**	**2,414,837**	**1,932,059**	**1,435,340**

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	Leadway Properties		Leadway Pensure PFA		Leadway Hotel Limited		Leadway Capital & Trust Limited	
	31 December		31 December		31 December		31 December	
	2015 (12 months)	2014 (12 months)	2015 (7 months)	2014 (12 months)	2015 (12 months)	2014 (12 months)	2015 (12 months)	2014 (12 months)
Revenue	31,262	47,098	2,129,539	-	723,805	687,708	305,798	322,370
Profit before income tax	60,530	20,639	889,823	-	(108,764)	108,584	85,027	165,734
Income tax expense/income	(20,383)	(7,731)	(252,619)	-	31,115	(57,096)	(26,559)	(12,307)
Profit after tax	**40,147**	**12,908**	**637,204**	-	**(77,649)**	**51,488**	**58,468**	**153,427**
Other comprehensive income	(1,036)	(4,862)	(380)	-	208,256	208,256	-	-
Total comprehensive income	**39,111**	**8,046**	**636,824**	-	**130,607**	**259,744**	**58,468**	**153,427**
Profit allocated to NCI					(38,048)	25,229	27,480	72,111
Cashflows from operating activities	(228,166)	(48,775)	1,052,443	-	91,149	91,149	225,448	225,448
Cashflows from investing activities	409,184	178,540	(1,088,020)	-	(447,191)	(447,191)	86,455	86,455
Cashflows from financing activities	-	-	-	-	218,648	218,648	(226,825)	(226,825)
Net increase/(decrease) in cash and cash equivalents	**181,018**	**129,765**	**(35,577)**	-	**(137,394)**	**(137,394)**	**85,078**	**85,078**
Dividends received from subsidiaries	**-**	**-**	**119,513**	**-**	**-**	**36,210**	**-**	**61,022**

In line with IFRS 3 p64 qi and ii, below is a 12month total comprehensive income of Leadway Pensure PFA for the year ended 31 December 2015.

	Leadway Pensure PFA Dec-2015 (12 months)
In thousand of Naira	
Revenue	3,389,471
Profit before income tax	1,422,886
Income tax expense/income	412,538
Profit after tax	**1,835,424**
Other comprehensive income	(380)
Total comprehensive income	**1,835,044**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

15 Investment properties

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Office property	5,732,000	3,250,000	4,990,000	3,250,000
Residential property	3,805,000	4,550,000	3,805,000	4,200,000
	9,537,000	**7,800,000**	**8,795,000**	**7,450,000**
Current	-	-	-	-
Non Current	9,537,000	7,800,000	8,795,000	7,450,000
	9,537,000	**7,800,000**	**8,795,000**	**7,450,000**

(a) The movement in investment properties during the year is shown below:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of the year	7,800,000	5,400,000	7,450,000	4,550,000
Improvement to Investment properties	356,410	-	356,410	-
Reclassification from property and equipment (See note ai below)	-	-	-	-
Reclassification to investment property (see note aii below)	80,000	-	80,000	-
Additional cost incurred during the year	307,574	3,021,821	108,159	3,021,821
Disposal during the year	-	(1,506,783)	-	(1,506,783)
Fair value gain	993,016	884,962	800,431	1,384,962
As at end of the year	**9,537,000**	**7,800,000**	**8,795,000**	**7,450,000**

The analysis of investment properties is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cadastral Property, Abuja	2,200,000	2,050,000	2,200,000	2,050,000
Thomas Wyatt House	1,300,000	1,200,000	1,300,000	1,200,000
The Mews, Gerard Road, Ikoyi	-	350,000	-	-
Ozumba Mbadiwe Property	1,490,000	1,300,000	1,490,000	1,300,000
George Street property	1,350,000	1,200,000	1,350,000	1,200,000
Bedwell, Ikoyi	2,100,000	1,700,000	2,100,000	1,700,000
Enugu landed property	85,000	-	85,000	-
Abeokuta property	270,000	-	270,000	-
Others	742,000	-	-	-
	9,537,000	**7,800,000**	**8,795,000**	**7,450,000**

(ai) During the period a landed property at Enugu with a fair value of N85million was reclasified from Property, plant and Equipment.

(b) The Group's investment properties are held for the purpose of capital appreciation and rental income generation. The Group's investment properties were revalued by Funsho Oladimeji & Co., Estate Surveyors and Valuers (FRC/2013/NIESV/00000001304), a qualified independent professional estate surveyor, on 31 December 2015 using the Comparative approach method of valuation to arrive at the open market value as at 31 December 2015. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40. Rental income on investment property included in the statement of comprehensive income for the year is N176 million (2014: N173 million).

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(c) **Non financial instruments measured at fair value**

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Group
31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property		5,732,000	-	5,732,000
- Residential property		3,805,000	-	3,805,000
Total		**9,537,000**		**9,537,000**

Group
31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	3,250,000	-	3,250,000
- Residential property	-	4,550,000	-	4,550,000
Total	-	**7,800,000**	-	**7,800,000**

Company
31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	4,990,000	-	4,990,000
- Residential property	-	3,805,000	-	3,805,000
Total	-	**8,795,000**	-	**8,795,000**

Company
31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	3,250,000	-	3,250,000
- Residential property	-	4,200,000	-	4,200,000
Total	-	**7,450,000**	-	**7,450,000**

There were no transfers between levels 1 and 2 during the year

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

16 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2015, in compliance with the Insurance Act, CAP 117 LFN 2004. This amount is not available for the day-to day use in the working capital of the Company and is therefore excluded from cash and cash equivalents. Analysis of statutory deposits is as shown below:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Non-life Business	300,000	300,000	300,000	300,000
Life Business	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**
Current	-	-	-	-
Non Current	500,000	500,000	500,000	500,000
	500,000	**500,000**	**500,000**	**500,000**

17 Intangible assets

In thousands of Naira

	Group			Company	
	Goodwill	**Goodwill**	**Total**	**Goodwill**	**Software**
31 December 2015					
Cost					
Balance, beginning of year	-	587,004	587,004	-	557,118
Additions	3,521,668	109,964	3,631,632	-	-
Balance, end of year	**3,521,668**	**696,968**	**4,218,636**		**557,118**
Accumulated amortization					
Balance, beginning of year		441,106	441,106	-	426,833
Amortization	-	136,620	136,620	-	98,977
Balance, end of year	-	577,725	577,726		525,810
Carrying amount					
As at end of year	3,521,668	119,243	3,640,910	-	31,308
As at beginning of year	-	145,898	145,898	-	130,285
31 December 2014					
Cost					
Balance, beginning of year	-	528,748	528,748	-	509,323
Additions	-	58,256	58,256	-	47,795
Balance, end of year	-	**587,004**	**587,004**	-	**557,118**
Accumulated amortization					
Balance, beginning of year	-	347,002	347,002	-	337,290
Amortization	-	94,104	94,104	-	89,543
Balance, end of year	-	**441,106**	**441,106**	-	**426,833**
Carrying amount					
As at end of year	-	145,898	145,898	-	130,285
As at beginning of year	-	181,746	181,746	-	172,033

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

The determination of Goodwill arising on the acquisition of Leadway Pensure Limited is shown below

Fair Value of Consideration transferred:	**Group 31-Dec-15**
In thousands of Naira	
Cash Consideration	2,000,000
Add:	
Fair value of the company's investment in Leadway Pensure held before the business combination	3,675,165
Non-controlling interest share of Leadway Pensure net asset	943,906
	6,619,071
Less:	
Fair value of identifiable net assets	
Cash and Bank Balances (carrying amount in acquiree records: N26.4m)	26,396
Short term Investments (carrying amount in acquiree records: N1.89bn)	1,917,675
Debtors and Prepayments (carrying amount in acquiree records: N1.02bn)	1,024,103
Fixed Assets (carrying amount in acquiree records: N273m)	272,763
Land (carrying amount in acquiree records: N549m)	735,000
Creditors and Accruals (carrying amount in acquiree records: N365m)	(365,703)
Taxation (carrying amount in acquiree records: N478m)	(477,629)
Deferred tax (carrying amount in acquiree records: N35m)	(35,204)
Total identifiable net asset	**3,097,402**
Goodwill	**3,521,669**

During the year, Leadway Assurance Company acquired additional 24.44% equity interest in Leadway Pensure PFA from a minority shareholder. Consequent to this, Leadway Pensure PFA Ltd became a subsidiary. This was accounted for as a step acquisition and the Goodwill on the date control was attained was determined to be N3.52bn. Non-controlling interest as at acquisition date was determined as the share of the Net asset as at the date, the Non-controlling interest was valued at N943 million. Aside from the balances above where the fair value is different from the carrying amount, the balance disclosed approximates the fair value of all assets and liability above. As at the date of acquisition all receiveable are deemed fully recoverable.

Deferred consideration has not been discounted as the effect of discounting is immaterial as the deferral period was within 6 months. As a result of the step acquisition professional fees of N3,900,000 was paid to KPMG on services rendered.

Acquisition date	**Subsidiary**	**Percentage acquired**	**Consideration**	**Fair value of net asset acquired**	**Goodwill**
	Leadway Pensure PFA	69.53%	6,619,071	3,097,402	3,521,669
21 May 2015					

The changes in the carrying amounts of goodwill are as follows.	**Group 31-Dec-15**
Balance as of 1 January 2015, gross	-
Goodwill related to acquisition	3,521,669
	3,521,669
Accumulated impairment loss	-
Balance as at 31 December 2015	**3,521,669**

The goodwill balance of N3.52bn is attributable to the step acquisition of Leadway Pensure concluded during the period.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Impairment test of goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, and no losses on goodwill was recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2015 was greater than its carrying amount and is thus not impaired.

The recoverable amount of N7.56bn was determined using a value-in-use computation.

Goodwill is monitored by the Group on an entity by entity basis

The key assumption used in computing the value-in-use for goodwil in 2015 are as follows:

	Leadway Pensure PFA
Annual growth rate	18.0%
Long term growth rate (Terminal growth rate)	1.5%
Discount rate	16.8%

Cash Flow Forecast

Cash flows were projected based on past experience of operating results. These cashflows are based on the expected revenue growth for the entity over a 5 year period.

Discount Rate

Pre-tax discount rate of 16.80% was applied in determining the recoverable amounts for the entity with goodwill (Leadway Pensure PFA). This discount rate was estimated using the risk-free rate using the yield on FGN long term bond, equity risk premium and appropriate Beta.

Long term growth rate

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitvitiy analysis of key assumptions used	**5% increase**	**5% decrease**
Impact of change in discount rate on value-in-use computation	(534,512)	634,342
Impact of change in growth rate on value-in-use computation	29,360	(29,073)

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18 Property and equipment

18.1 Group - 2015

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
Cost or valuation								
Balance, beginning of year	2,216,250	2,453,467	559,994	781,281	517,446	745,618	376,282	7,650,338
Additions	21,870	2,924	56,574	189,429	94,765	316,652	-	682,214
Revaluation surplus/(deficit)	92,750	105,746	-	-	-	-	-	198,496
Transfer from/(to) investment property (see note 14a i)	(80,000)	-	-	-	-	-	-	(80,000)
Write off	-	-	-	-	-	-	-	-
Transfer from work in progress	-	-	-	-	376,282	-	(376,282)	-
Disposals	-		(29,420)	(1,604)	(24,930)	(88,777)	-	(144,731)
Reversal of accumulated depreciation due to revaluation	-	(83,108)	-	-	-	-	-	(83,108)
Balance, end of year	**2,250,870**	**2,479,029**	**587,148**	**969,106**	**963,563**	**973,493**	**-**	**8,223,209**
Accumulated depreciation								
Balance, beginning of year	-	-	385,642	670,180	367,712	533,168	-	1,956,702
Charge for the year	-	83,108	30,103	110,890	70,116	149,118	-	443,335
Reversal of accumulated depreciation due to revaluation	-	(83,108)	-	-	-	-	-	(83,108)
Write off	-	-	-	-	-	-	-	-
Disposals	-	-	(24,980)	(980)	(12,689)	(32,742)	-	(71,391)
Transfers								-
Balance, end of year	**-**	**-**	**390,765**	**780,090**	**425,139**	**649,544**	**-**	**2,245,538**
Net book value								
End of year	**2,250,870**	**2,479,029**	**196,383**	**189,016**	**538,424**	**323,949**	**-**	**5,977,671**
Beginning of year	**2,216,250**	**2,453,467**	**174,352**	**111,102**	**149,734**	**212,450**	**376,282**	**5,693,637**

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(I) **Fair values of land and buildings**

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 31 December 2015, the fair values of the land and buildings have been determined by Funsho Oladimeji & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/00000001304). 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 (note 26). See note 3.3.1b for the analyses of non-financial assets (including land and buildings) carried at fair value and the fair valuation method.

Consequent to the revaluation of the Group's land and buildings at 31 December 2015, the accumulated depreciation at that date was eliminated against the gross carrying amount of the properties and the net amount restated to the revalued amount in line with IAS 16 P35b.

(ii) The Group had no capital commitments as at the balance sheet date (31 December 2014: Nil).
(iii) No leased assets are included in property and equipment (31 December 2014: Nil)
(iv) No borrowing cost was capitalised as borrowing liability does not relate to purchase of property and equipment.

In line with IAS 16 P77f, for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.
If Land and Buildings were stated using the historical cost basis, the carrying value will be as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Land				
Cost	153,024	153,024	153,024	153,024
Accumulated Depreciation	-	-	-	-
	153,024	**153,024**	**153,024**	**153,024**
Building				
Cost	164,030	164,030	164,030	164,030
Accumulated Depreciation	(34,978)	(31,697)	(34,978)	(31,697)
	129,052	**132,333**	**129,052**	**132,333**

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18.2 Company - 2015

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
Cost or valuation								
Balance, beginning of year	1,165,000	1,866,564	506,072	779,092	484,070	725,218	-	5,526,016
Additions	-	2,924	51,913	116,025	24,244	129,005	-	324,111
Revaluation surplus/(deficit)	58,000	195,854	-	-	-	-	-	253,854
Transfer from work in progress	-	-	-	-	-	-	-	-
Disposals	-	-	(20,060)	(1,604)	-	(68,637)	-	(90,301)
Reversal of accumulated depreciation due to revaluation	-	(47,342)	-	-	-	-	-	(47,342)
Transfer s to Investment Property	(80,000)							(80,000)
Balance, end of year	**1,143,000**	**2,018,000**	**537,925**	**893,513**	**508,314**	**785,586**	-	**5,886,338**
Accumulated depreciation								
Balance, beginning of year	-	-	360,215	668,556	344,065	525,543	-	1,898,379
Charge for the year	-	47,342	62,540	89,174	62,034	97,161	-	358,251
Reversal of accumulated depreciation due to revaluation	-	(47,342)	-	-	-	-	-	(47,342)
Disposals	-	-	(16,465)	(980)	-	(65,944)	-	(83,389)
Balance, end of year	-	-	**406,290**	**756,750**	**406,099**	**556,760**	-	**2,125,899**
Net book value								
End of year	**1,143,000**	**2,018,000**	**131,635**	**136,763**	**102,215**	**228,826**	-	**3,760,439**
Beginning of year	**1,165,000**	**1,866,564**	**145,857**	**110,536**	**140,005**	**199,675**	-	**3,627,637**

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

18.3 Group - 2014

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
Cost or valuation								
Balance, beginning of year	1,463,000	2,158,903	588,335	670,867	477,332	687,403	323,012	6,368,852
Additions	401,250	1,835	49,537	110,414	41,644	78,377	53,270	736,327
Revaluation surplus/(deficit)	352,000	332,166	-	-	-	-	-	684,166
Reclassification	-	-	-	-	-	-	-	-
Transfer from/(to) investment property (see note 14a I)	-	-	-	-	-	-	-	-
Write off	-	-	(77,878)	-	(1,188)	(4,639)		(83,705)
Transfer from work in progress	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(342)	(15,523)	-	(15,865)
Reversal of accumulated depreciation due to revaluation	-	(39,437)	-	-	-	-	-	(39,437)
Balance, end of year	**2,216,250**	**2,453,467**	**559,994**	**781,281**	**517,446**	**745,618**	**376,282**	**7,650,338**
Accumulated depreciation								
Balance, beginning of year	-	-	324,763	621,263	292,961	478,112	-	1,717,099
Charge for the year	-	51,437	60,879	48,917	74,751	64,359	-	300,343
Reversal of accumulated depreciation due to revaluation	-	(51,437)	-	-	-	-	-	(51,437)
Write off	-	-	-	-	-	-		-
Disposals	-	-	-	-	-	(9,303)	-	(9,303)
Transfers								-
Balance, end of year	-	-	**385,642**	**670,180**	**367,712**	**533,168**	-	**1,956,702**
Net book value								
End of year	**2,216,250**	**2,453,467**	**174,352**	**111,101**	**149,734**	**212,450**	**376,282**	**5,693,636**
Beginning of year	**1,463,000**	**2,158,903**	**263,572**	**49,604**	**184,371**	**209,291**	**323,012**	**4,651,753**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

18.4 Company - 2014

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Total
Cost or valuation								
Balance, beginning of year	963,000	1,622,000	456,991	669,181	452,672	674,491	-	4,838,335
Additions	-	1,835	49,081	109,911	31,398	70,877	-	263,102
Revaluation surplus/(deficit)	202,000	282,166	-	-	-	-	-	484,166
Reclassification	-		-	-	-	-	-	-
Transfer from/(to) investment property (see note 15a i & ii)	-	-	-	-	-	-	-	-
Transfer from work in progress	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(20,150)	-	(20,150)
Reversal of accumulated depreciation due to revaluation	-	(39,437)	-	-	-	-	-	(39,437)
Balance, end of year	**1,165,000**	**1,866,564**	**506,072**	**779,092**	**484,070**	**725,218**	-	**5,526,016**
Accumulated depreciation								
Balance, beginning of year	-	-	301,219	619,860	285,923	477,161	-	1,684,163
Charge for the year	-	39,437	58,996	48,696	58,142	62,134	-	267,405
Reversal of accumulated depreciation due to revaluation	-	(39,437)	-	-	-	-	-	(39,437)
Disposals	-	-	-	-	-	(13,752)	-	(13,752)
Balance, end of year	-	-	**360,215**	**668,556**	**344,065**	**525,543**	-	**1,898,379**
Net book value								
End of year	**1,165,000**	**1,866,564**	**145,857**	**110,536**	**140,005**	**199,675**	-	**3,627,637**
Beginning of year	**963,000**	**1,622,000**	**155,772**	**49,321**	**166,749**	**197,330**	-	**3,154,172**

LEADWAY ASSURANCE COMPANY LIMITED

(b) **Non financial instruments measured at fair value**

The following table sets out fair values of non financial instruments measured at fair value and analyse them by level in the fair value hierarchy into which each fair value measurement is categorised

Group
31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	2,250,870	-	2,250,870
- Building	-	2,479,338	-	2,479,338
Total	-	**4,730,208**	-	**4,730,208**

Group
31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	2,216,250	-	2,216,250
- Building	-	2,453,467	-	2,453,467
Total	-	**4,669,717**	-	**4,669,717**

Company
31 December 2015

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	1,143,000	-	1,143,000
- Building	-	2,018,000	-	2,018,000
Total	-	**3,161,000**	-	**3,161,000**

Company
31 December 2014

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	1,165,000	-	1,165,000
- Building	-	1,866,564	-	1,866,564
Total	-	**3,031,564**	-	**3,031,564**

There were no transfers between levels 1 and 2 during the year

Valuation techniques used to derive level 2 fair values
Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

19 Trade payables

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Reinsurance payable	333,516	2,007,545	333,516	2,007,545
Insurance payable	1,037,748	1,477,855	1,037,748	1,477,855
Premium deposits	590,592	622,829	590,592	622,829
Unearned income	175,224	217,887	175,224	217,887
Deposit for claims	1,342,843	1,435,120	1,342,843	1,435,120
	3,479,923	**5,761,236**	**3,479,923**	**5,761,236**
Current	3,479,923	5,761,236	3,479,923	5,761,236
Non Current		-	-	-
	3,479,923	**5,761,236**	**3,479,923**	**5,761,236**

Deposit for claims payments relates to claim amounts received from other insurance companies for payments to the insured.

20 Insurance contract liabilities

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross				
Claims reported and loss adjustment payable (see note 20.1 below)	13,941,071	11,972,542	13,941,071	11,972,542
Claims incurred but not reported - IBNR (see note 20.1 below)	3,408,785	3,717,544	3,408,785	3,717,544
Unearned premium (see note 20.2 below)	10,034,530	14,458,184	10,034,530	14,458,184
Life fund (see note 20.3 below)	66,401,149	31,875,753	66,401,149	31,875,753
	93,785,535	**62,024,023**	**93,785,535**	**62,024,023**
Reinsurance receivables				
Prepaid reinsurance (see note 10a)	6,280,596	10,384,865	6,280,596	10,384,865
Claims reported & loss adjustment payable and IBNR (see note 10b)	4,653,691	5,070,811	4,653,691	5,070,811
Total reinsurers' share of insurance liabilities	**10,934,287**	**15,455,676**	**10,934,287**	**15,455,676**
Net insurance contract liability	**82,851,248**	**46,568,347**	**82,851,248**	**46,568,347**
Current	13,417,573	18,527,327	13,417,573	18,527,327
Non-current	80,367,962	43,496,696	80,367,962	43,496,696
	93,785,535	**62,024,023**	**93,785,535**	**62,024,023**

Outstanding claims represents the estimated cost of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test for outstanding claims liability as at 31 December 2015 and the comparative periods were done by HR Nigeria Limited (FRC/NAS/00000000738).

20.1 Claims reported and loss adjustment payable

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Non-life (see note 20.1d)	12,448,179	10,598,546	12,448,179	10,598,546
Life (see note 20.1b)	1,492,892	1,373,996	1,492,892	1,373,996
	13,941,071	**11,972,542**	**13,941,071**	**11,972,542**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Claims incurred but not reported

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Non-life	2,612,884	3,717,544	2,612,884	3,717,544
Life	795,901	-	795,901	-
	3,408,785	**3,717,544**	**3,408,785**	**3,717,544**

(a) The aging analysis of claims reported and loss adjusted for non-life insurance contracts

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Days				
0 - 90	509,654	1,455,122	509,654	1,455,122
91 - 180	1,095,127	788,852	1,095,127	788,852
181 - 270	1,209,282	1,105,650	1,209,282	1,105,650
271 - 365	1,471,114	-	1,471,114	-
366 and above	8,163,002	7,248,922	8,163,002	7,248,922
	12,448,179	**10,598,546**	**12,448,179**	**10,598,546**

(b) The aging analysis of claims reported for life insurance contracts

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Days				
0 - 90	318,364	337,277	318,364	337,277
91 - 180	75,283	267,552	75,283	267,552
181 - 270	175,333	114,690	175,333	114,690
271 - 365	81,247	-	81,247	-
366 and above	842,665	654,477	842,665	654,477
	1,492,892	**1,373,996**	**1,492,892**	**1,373,996**

(c) Movement in outstanding claims provision inclusive of IBNR:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	15,690,086	12,304,578	15,690,086	12,304,578
Less movement:				
- Claims incurred during the year	16,355,595	14,671,799	16,355,948	14,674,235
- Claims paid during the year (see note 31)	(14,695,825)	(11,286,291)	(14,696,178)	(11,288,727)
Net movement in the year	**1,659,770**	**3,385,508**	**1,659,770**	**3,385,508**
Balance, end of year	**17,349,856**	**15,690,086**	**17,349,856**	**15,690,086**

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(d) **Group and Company analysis of claims reported and IBNR by class:**

	Claims reported	31-Dec-15 IBNR	Total
Non-life			
Motor	451,738	334,385	786,123
Fire	1,182,207	166,552	1,348,759
General accident	661,826	159,376	821,202
Marine	921,428	96,861	1,018,289
Bond	367,577	118,970	486,547
Engineering	372,785	105,837	478,622
Special risk	8,490,618	1,630,903	10,121,521
	12,448,179	**2,612,884**	**15,061,063**
Life			
Group life	1,492,892	795,901	2,288,793
Individual life	-	-	-
	1,492,892	**795,901**	**2,288,793**
Total claims	**13,941,071**	**3,408,785**	**17,349,856**

Group and Company

	Claims reported	31-Dec-14 IBNR	Total
Non-life			
Motor	502,354	259,477	761,831
Fire	1,326,634	198,676	1,525,310
General accident	478,045	97,913	575,958
Marine	815,564	71,159	886,723
Bond	184,523	112,182	296,705
Engineering	454,984	122,489	577,473
Special risk	6,836,442	2,855,648	9,692,090
	10,598,546	**3,717,544**	**14,316,090**
Life			
Group life	1,373,996	-	1,373,996
Individual life	-	-	-
	1,373,996	-	1,373,996
Total claims	**11,972,542**	**3,717,544**	**15,690,086**

20.2 Unearned premium

Group and Company analysis of unearned premium by class:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Non-life				
Motor	978,301	982,550	978,301	982,550
Fire	742,585	533,621	742,585	533,621
General accident	206,011	163,665	206,011	163,665
Marine	488,005	595,433	488,005	595,433
Bond	184,823	49,678	184,823	49,678
Engineering	197,969	259,431	197,969	259,431
Special risk	6,171,461	10,463,667	6,171,461	10,463,667
Life				
Group life	1,065,375	1,410,139	1,065,375	1,410,139
	10,034,530	**14,458,184**	**10,034,530**	**14,458,184**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Movement in unearned premium is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of the year	14,458,184	17,561,656	14,458,184	17,561,656
Increase during the year (see note 28)	(4,423,654)	(3,103,472)	(4,423,654)	(3,103,472)
Balance, end of year	**10,034,530**	**14,458,184**	**10,034,530**	**14,458,184**

20.3 Analysis of life fund is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Individual life	2,853,914	2,282,952	2,853,914	2,282,952
Annuity	63,547,235	29,592,801	63,547,235	29,592,801
	66,401,149	**31,875,753**	**66,401,149**	**31,875,753**

The movement on the life insurance liability during the year was as follows:

Group and company - 2015

	Individual life	Annuity	Total
Balance, beginning of year	2,282,952	29,592,801	31,875,753
Movement during the year (see note 28)	570,962	33,954,434	34,525,396
Balance, end of year	**2,853,914**	**63,547,235**	**66,401,149**

Group and company - 2014

	Individual life	Annuity	Total
Balance, beginning of year	2,015,009	17,784,380	19,799,389
Movement during the year (see note 28)	267,943	11,808,421	12,076,364
Balance, end of year	**2,282,952**	**29,592,801**	**31,875,753**

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20 Claims development tables

The claims development table provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

MOTOR **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	187,448	28,568	6,997	3,493	3,640	-	-	-
2008	825,723	403,620	66,898	18,286	5,934	4,180	-	-	-
2009	711,488	474,350	55,395	11,402	1,626	2,709	-	-	-
2010	743,365	447,848	58,122	13,725	6,279	635	-	-	-
2011	801,295	383,265	39,577	3,506	13,070	-	-	-	-
2012	856,801	488,923	24,724	13,153	-	-	-	-	-
2013	863,447	589,965	8,967	-	-	-	-	-	-
2014	920,695	386,628	-	-	-	-	-	-	-
2015	1,146,345	-	-	-	-	-	-	-	-

MOTOR **Cumulative table for Attritional losses**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	187,448	216,017	223,014	226,507	230,148	230,148	230,148	230,148
2008	825,723	1,229,343	1,296,242	1,314,528	1,320,462	1,320,462	1,320,462	1,320,462	1,320,462
2009	711,488	1,185,838	1,241,233	1,252,635	1,254,261	1,256,970	1,256,970	1,256,970	1,256,970
2010	743,365	1,191,212	1,249,334	1,263,059	1,269,339	1,269,974	1,270,347	1,270,347	1,270,347
2011	801,295	1,184,560	1,224,137	1,227,643	1,240,712	1,242,659	1,242,659	1,242,659	1,242,659
2012	856,801	1,345,724	1,370,448	1,383,600	1,385,921	1,388,612	1,388,612	1,388,612	1,388,612
2013	863,447	1,453,412	1,462,379	1,492,234	1,500,228	1,503,142	1,503,142	1,503,142	1,503,142
2014	920,695	1,307,323	1,448,479	1,462,019	1,469,852	1,472,706	1,472,706	1,472,706	1,472,706
2015	1,146,345	1,543,753	1,623,208	1,638,382	1,647,160	1,650,358	1,650,358	1,650,358	1,650,358

MOTOR **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	230,148	13,834	243,982	-	3,459,782	7%
2008	1,324,642	152,951	1,477,593	24	3,459,782	43%
2009	1,256,970	126,554	1,383,524	-	3,459,782	40%
2010	1,269,974	106,375	1,376,349	373	4,005,126	34%
2011	1,240,712	97,504	1,338,216	1,946	4,005,126	33%
2012	1,383,600	94,869	1,478,469	5,012	3,961,399	37%
2013	1,462,379	223,229	1,685,608	48,262	3,248,131	52%
2014	1,307,323	152,438	1,459,761	171,883	3,465,694	42%
2015	1,146,345	174,975	1,321,320	525,013	2,954,417	45%
Total	**10,622,093**	**1,142,729**	**11,764,822**	**752,513**	**32,019,239**	

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MARINE Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	19,792	21,180	2,889	2,010	-	-	-	-
2008	183,671	72,873	23,692	3,905	6,569	30	3,865	-	-
2009	91,239	108,585	28,685	4,329	929	58	54	-	-
2010	69,958	71,656	10,320	234	2,848	-	-	-	-
2011	89,427	100,379	9,788	3,004	147	-	-	-	-
2012	143,495	114,430	6,403	450	-	-	-	-	-
2013	122,320	132,979	15,176	-	-	-	-	-	-
2014	168,323	112,550	-	-	-	-	-	-	-
2015	178,477	-	-	-	-	-	-	-	-

MARINE Cumulative table for Attritional losses

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	19,792	40,972	43,861	45,872	45,872	45,872	45,872	45,872
2008	183,671	256,544	280,235	284,141	290,710	290,739	294,604	294,604	294,604
2009	91,239	199,824	228,509	232,838	233,768	233,825	233,880	238,680	238,680
2010	69,958	141,613	151,933	152,168	155,016	155,016	165,239	165,239	165,239
2011	89,427	189,805	199,593	202,597	202,745	231,555	231,609	231,609	231,609
2012	143,495	257,925	264,328	264,778	305,917	307,733	307,804	307,804	307,804
2013	122,320	255,298	270,474	353,339	357,451	359,573	359,656	359,656	359,656
2014	168,323	280,873	442,651	449,723	454,958	457,658	457,764	457,764	457,764
2015	178,477	586,384	640,363	650,594	658,166	662,073	662,226	662,226	662,226

MARINE Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	45,872	-	45,872	-	862,220	
2008	294,604	21,131	315,735	-	862,220	0%
2009	233,880	71,569	305,449	4,800	862,220	35%
2010	155,016	-	155,016	10,223	1,005,603	15%
2011	202,745	-	202,745	28,864	1,026,446	20%
2012	264,778	270,969	535,747	43,026	1,083,007	49%
2013	270,474	259,496	529,970	99,182	1,000,601	53%
2014	280,873	278,475	559,348	196,891	1,262,545	44%
2015	178,477	188,979	367,456	602,573	1,136,917	32%
Total	**1,926,719**	**1,090,619**	**3,017,338**	**985,559**	**9,101,779**	

GENERAL ACCIDENT Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	150,727	45,126	25,010	21,267	5,632	5,118	1,769	-
2008	78,583	117,728	58,285	88,778	4,000	8,545	3,285	1,573	-
2009	62,874	100,904	47,384	33,570	6,790	2,424	3,005	-	-
2010	320,510	128,635	40,449	23,772	20,746	5,813	-	-	-
2011	136,850	144,519	58,716	18,214	8,526	-	-	-	-
2012	117,037	115,763	38,016	11,916	-	-	-	-	-
2013	67,883	82,531	26,216	-	-	-	-	-	-
2014	53,639	113,680	-	-	-	-	-	-	-
2015	80,230.24	-	-	-	-	-	-	-	-

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GENERAL ACCIDENT **Cumulative table for Attritional losses**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	150,727	195,852	220,862	242,129	247,762	252,880	254,648	254,648
2008	78,583	196,311	254,597	343,375	347,375	355,920	359,205	360,778	364,554
2009	62,874	163,778	211,162	244,732	251,522	253,946	256,951	259,972	259,972
2010	320,510	449,144	489,593	513,365	534,111	539,924	552,075	554,493	554,493
2011	136,850	281,368	340,085	358,299	366,825	415,374	419,658	421,496	421,496
2012	117,037	232,800	270,816	282,732	364,732	370,134	373,952	375,589	375,589
2013	67,883	150,414	176,630	277,631	284,822	289,041	292,022	293,301	293,301
2014	53,639	167,318	251,151	283,863	291,215	295,528	298,576	299,884	299,884
2015	80,230	242,413	286,669	324,007	332,399	337,323	340,802	342,294	342,294

GENERAL ACCIDENT **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	254648	62178	316826	-	2322854	14%
2008	360,778	229,284	593,838	3,776	2,322,854	26%
2009	256,951	173,599	433,571	3,021	2,322,854	19%
2010	539,924	87,596	642,089	14,568	1,824,950	35%
2011	366,825	149,020	570,516	54,672	2,021,176	28%
2012	282,732	218,722	605,111	103,658	1,367,701	44%
2013	176,630	127,860	431,961	127,471	1,196,502	36%
2014	167,318	68,427	368,311	132,565	1,143,149	32%
2015	80,230	54,249	471,354	336,875	1,183,481	40%
Total	**2,486,036**	**1,170,935**	**4,433,577**	**776,606**	**15,705,521**	

FIRE **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	107,972	93,331	3,492	3,087	1,947	549	-	-
2008	374,759	324,149	110,247	19,373	1,583	310	288	20	-
2009	138,680	163,929	36,520	8,423	619	-	54	-	-
2010	175,924	128,918	34,528	46,782	10,745	43	-	-	-
2011	253,527	495,612	112,765	1,627	339	-	-	-	-
2012	141,267	278,907	18,893	6,504	-	-	-	-	-
2013	304,906	179,029	23,848	-	-	-	-	-	-
2014	357,023	318,322	-	-	-	-	-	-	-
2015	298,871	-	-	-	-	-	-	-	-

FIRE **Cumulative table for Attritional losses**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	107,972	201,303	204,795	207,883	209,830	210,379	210,379	210,379
2008	374,759	698,908	809,155	828,528	830,112	830,422	830,710	830,730	831,573
2009	138,680	302,610	339,129	347,552	348,170	348,170	348,224	355,596	355,596
2010	175,924	304,842	339,370	386,152	396,897	396,940	410,689	410,699	410,699
2011	253,527	749,138	861,904	863,531	863,870	916,509	916,776	916,798	916,798
2012	141,267	420,175	439,068	445,572	535,359	535,479	535,634	535,647	535,647
2013	304,906	483,935	507,783	639,318	644,418	644,562	644,749	644,765	644,765
2014	357,023	675,345	868,912	900,870	908,056	908,260	908,524	908,545	908,545
2015	298,871	648,456	722,249	748,813	754,786	754,956	755,175	755,193	755,193

Notes to the Financial Statements

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

FIRE — **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	210,379	201,923	412,302	-	1,203,372	34%
2008	830,730	1,816,885	2,648,459	843	1,203,372	220%
2009	348,224	88,965	444,561	7,372	1,203,372	37%
2010	396,940	125,580	536,279	13,760	1,644,687	33%
2011	863,870	488,892	1,405,690	52,927	1,878,292	75%
2012	445,572	396,060	931,707	90,075	1,967,539	47%
2013	507,783	448,492	1,093,257	136,982	2,029,174	54%
2014	675,345	748,670	1,657,215	233,200	2,021,096	82%
2015	298,871	48,480	1,197,488	850,136	1,990,048	60%
Total	**4,577,714**	**4,363,947**	**10,326,958**	**1,385,295**	**15,140,952**	

ENGINEERING — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	32,204	9,310	270	-	-	722	-	-
2008	7,021	35,614	20,787	378	6,761	206	72	20	-
2009	40,876	64,082	17,683	285	575	307	319	-	-
2010	24,483	39,608	2,791	3,885	1,188	15	-	-	-
2011	36,426	75,787	43,413	7,832	3,053	-	-	-	-
2012	31,250	47,004	8,616	1,806	-	-	-	-	-
2013	40,346	116,128	16,278	-	-	-	-	-	-
2014	90,674	71,609	-	-	-	-	-	-	-
2015	57,910	-	-	-	-	-	-	-	-

ENGINEERING — **Cumulative table for Attritional losses**

Accident Year	1	2	3	4	5	6	7	8	9
2007	-	32,204	41,515	41,785	41,785	41,785	42,507	42,507	42,507
2008	7,021	42,634	63,421	63,800	70,561	70,767	70,840	70,860	70,860
2009	40,876	104,959	122,642	122,926	123,501	123,808	124,128	125,108	125,108
2010	24,483	64,091	66,881	70,766	71,954	71,969	74,236	74,249	74,249
2011	36,426	112,213	155,625	163,457	166,510	177,774	178,132	178,163	178,163
2012	31,250	78,255	86,871	88,677	105,118	106,156	106,370	106,388	106,388
2013	40,346	156,473	172,751	173,043	176,111	177,850	178,208	178,239	178,239
2014	90,674	162,283	219,012	224,908	228,895	231,155	231,620	231,661	231,661
2015	57,910	168,281	206,498	212,057	215,816	217,947	218,386	218,424	218,424

ENGINEERING — **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	42,507	-	42,507	-	593,884	7%
2008	70,860	21,420	92,280	-	593,884	16%
2009	124,128	23,691	148,799	980	593,884	25%
2010	71,969	110,799	213,040	30,272	550,249	39%
2011	166,510	101,416	279,579	11,653	550,249	51%
2012	88,677	77,549	196,797	30,572	716,219	27%
2013	172,751	101,696	279,935	5,488	687,315	41%
2014	162,283	252,148	499,490	85,058	980,992	51%
2015	57,910	39,607	424,562	327,045	817,303	52%
Total	**957,595**	**728,326**	**2,176,989**	**491,068**	**6,083,979**	

Notes to the Financial Statements

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Expected Loss Ratio Method - Bond Claims

Accident Year	Gross Earned Premium	Claims Paid till date	Total O/s as at 31 Dec 2015	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses
2008	272,411	157,894	76,500	234,394	58%	58%	157,894
2009	272,411	181,383	103,718	285,101	75%	75%	203,992
2010	427,458	214,013	157,119	371,133	51%	51%	216,013
2011	599,336	566,068	499,342	1,065,410	105%	105%	631,575
2012	761,353	1,094,046	772,238	1,866,284	144%	144%	1,094,046
2013	593,545	358,228	913,229	1,271,457	61%	61%	359,228
2014	761,845	392,718	230,717	623,435	53%	53%	403,340
2015	728,863	93,525	306,338	399,863	49%	73%	531,051
Total	**4,417,222**	**3,057,875**	**3,059,201**	**6,117,077**			**3,597,139**

Expected Loss Ratio Method - Oil and Gas claims

Accident Year	Gross Earned Premium	Claims Paid till date	Total O/s as at 31 Dec 2015	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses
2008	11,687,862	32,468	1,215,003	1,247,471	11%	11%	1,247,471
2009	11,515,695	244,045	109,905	353,950	3%	3%	353,950
2010	6,616,535	633,208	19,490	652,698	10%	10%	652,698
2011	6,290,318	970,940	976,393	1,947,333	31%	31%	1,947,333
2012	12,863,770	2,467,607	2,986,679	5,454,286	42%	42%	5,454,286
2013	10,615,790	455,547	616,777	1,072,323	10%	10%	1,072,323
2014	11,748,608	366,302	520,840	887,142	8%	13%	1,585,977
2015	10,975,832	12,651	1,984,456	1,997,107	18%	37%	4,025,825
Total	**82,314,410**	**5,182,768**	**8,429,543**	**13,612,310**			**16,339,863**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

21 Investment contract liabilities

Movement in investment contract liabilities is as shown below

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	12,665,764	11,106,336	12,665,764	11,106,336
Deposits received	3,983,855	3,258,623	3,983,855	3,258,623
Withdrawals	(2,247,956)	(2,238,151)	(2,247,956)	(2,238,151)
Guaranteed interest charged during the year	1,057,844	538,955	1,057,844	538,955
Balance, end of year	**15,459,507**	**12,665,763**	**15,459,507**	**12,665,763**
Current	1,657,143	1,475,745	1,657,143	1,475,745
Non Current	13,802,364	11,190,018	13,802,364	11,190,018
	15,459,507	**12,665,763**	**15,459,507**	**12,665,763**

22 Other liabilities

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Financial liabilities				
Commission payable	32,532	52,833	32,532	52,833
Sundry creditors	885,272	733,546	885,272	733,546
Due to employees (see note (a) below)	290,146	317,144	290,146	317,144
Accruals	409,645	185,150	45,114	107,066
Managed funds	438,242	408,721	-	-
	2,055,837	**1,697,394**	**1,253,064**	**1,210,589**
Non financial liabilities				
Insurance supervisory fee payable	550,347	386,315	550,347	386,315
Deferred rental income	67,573	96,203	67,573	96,203
Stale cheques	436,082	107,744	436,082	107,744
Withholding tax payable	221,134	107,839	221,134	107,839
Staff profit sharing payable	367,093	280,958	367,093	280,958
Others	891,397	849,031	234,527	362,778
	2,533,626	**1,828,090**	**1,876,756**	**1,341,837**
Total other liabilities	**4,589,463**	**3,525,484**	**3,129,820**	**2,552,426**
Current	3,259,824	2,799,619	2,895,293	2,235,282
Non Current	1,329,639	725,865	234,527	317,144
	4,589,463	**3,525,484**	**3,129,820**	**2,552,426**

(a) This represents outstanding payment from the company in respect of qualified employee whose post employment benefit was enhanced for purchase of deferred annuity. The board granted approval for the payable amount of N290m (2014: N 317m) in 2011. The outstanding balance is to be fully settled in 2016.

Notes to the Financial Statements

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

23 Borrowings

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Term loans	118,446	60,000	-	-
Other borrowings			-	-
	118,446	60,000	-	-
Current	-	-	-	-
Non-current	118,446	60,000	-	-
	118,446	**60,000**	-	-

Movement in term loan during the year is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	60,000	106,704	-	-
Additions	55,290	60,000	-	-
Interest capitalised	3,156	23,358	-	-
Payment made during the year	-	(130,062)	-	-
	118,446	**60,000**	-	-

24 Current income tax liabilities

The movement on current income tax liabilities during the year was as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	746,198	863,865	672,859	750,533
Charge for the year (see note (a) below)	495,621	582,458	417,349	471,935
Acquisition of Subsidiary	453,523	-	-	-
Payments during the year	(572,570)	(700,125)	(438,210)	(549,609)
Balance, end of year	**1,122,772**	**746,198**	**651,998**	**672,859**

(a) Analysis of charge for the year is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
- Current year's income tax provision	486,363	498,069	408,091	432,737
- Withholding tax on dividend income	9,258	25,089	9,258	6,186
- Tax paid arising from back duty assessment	-	59,300	-	33,012
	495,621	**582,458**	**417,349**	**471,935**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

25 Deferred taxation

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 taxes 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 movement on deferred tax assets account during the year was as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, beginning of year	200,235	602	200,235	-
Transfer from deferred tax liability	-	-	-	-
Credit to income statement	(86,106)	199,633	(86,106)	200,235
Charge to asset revaluation reserve	-		-	
Charge to fair value reserve	-		-	
Tax effect of fair value changes - investment property	-	-	-	-
	114,129	**200,235**	**114,129**	**200,235**

The movement on deferred tax liabilities account during the year was as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Balance, Beginning of year	1,153,404	833,214	945,541	604,826
Charge to asset revaluation reserve	(13,798)	27,200	-	27,200
(Charge) / credit to income statement	(397,834)	292,990	(389,185)	313,515
Acquisition of subsidiary	-	-	-	-
Charge to fair value reserve	-	-	-	-
Transfer to deferred tax asset	-	-	-	-
	741,772	**1,153,404**	**556,356**	**945,541**

Net deferred tax liability is attributable to the following:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Assets				
Employee benefits obligation	-	103,378	-	103,378
Investment securities	(120,195)	200,235	80,040	200,235
Deferred tax assets	**(120,195)**	**303,613**	**80,040**	**303,613**
Liabilities				
Property and equipment	281,401	312,078	296,220	299,964
Investment properties	47,189	276,572	47,189	276,572
Unrealised exchange gain	178,856	472,383	178,856	472,383
Deferred tax liabilities	**507,446**	**1,061,033**	**522,265**	**1,048,919**
Net	**(627,641)**	**(757,420)**	**(442,225)**	**(745,306)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of N11.6billion (2014: N4.39Million) in respect of unrecouped losses amounting to N38.8billion (2014: N14.65Million) that can be carried forward against future taxable income indefinitely. The unrecognised deferred tax and unrecouped losses are from the life and general business results.

Notes to the Financial Statements

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

25.1 Movements in temporary differences during the year ended 31 December 2015

	Group				Company			
	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehen sive income	Balance at 31 December	Balance at 1 January	Recognised in profit or loss	Recognised in other comprehensi ve income	Balance at 31 December
Property and equipment	312,078	(12,394)	(18,283)	281,401	299,964	(3,744)	-	296,220
Investment securities	-	120,195	-	120,195	(200,235)	120195	-	(80,040)
Investment properties	276,572	(229,383)	-	47,189	276,572	(229,383)	-	47,189
Unrealised exchange gain	472,383	(293,527)	-	178,856	472,383	(293,527)	-	178,856
Employee benefit obligation	(103,378)	103,378	-	-	(103,378)	103,378	-	-
	957,655	**(311,731)**	**(18,283)**	**627,641**	**745,306**	**(303,081)**	**-**	**442,225**

Movements in temporary differences during the year ended 31 December 2015

	Group				Company			
	Balance at 1 January	Recognised in profit or loss	in other comprehen sive income	Balance at 31 December	Balance at 1 January	Recognised in profit or loss	in other comprehensi ve income	Balance at 31 December
Property and equipment	607,892	292,990	27,200	312,078	464,300	(191,536)	27,200	299,964
Investment securities	-	(200,235)	-		-	(200,235)	-	(200,235)
Investment properties	137,901	138,671	-	276,572	137,901	138,671	-	276,572
Unrealised exchange gain	190,800	366,380	-	472,383	106,003	366,380	-	472,383
Employee benefit obligation	(103,378)	-	-	(103,378)	(103,378)	-	-	(103,378)
	833,215	**597,806**	**27,200**	**957,655**	**604,826**	**113,280**	**27,200**	**745,306**

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

26 Capital and reserves

a Share capital

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
(a) Authorised:				
Ordinary shares of 50k each: 10,000,000,000 units (2014: 10,000,000,000 units)	5,000,000	5,000,000	5,000,000	5,000,000
	5,000,000	**5,000,000**	**5,000,000**	**5,000,000**

(b) Issued and fully paid;

The issued and fully paid up capital of the company which is a composite insurer is ₦4,389bn (2014: N4,389bn). In line with regulations issued by the National Insurance Commission (NAICOM), issued and paid capital of the company is allocated as follows;

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Ordinary shares of 50k each:				
Non-life business 6,279,596,000 units (2014:6,279,596,000)	3,139,798	3,139,798	3,139,798	3,139,798
Life business 2,500,000,000 units (2014:2,500,000,000)	1,250,000	1,250,000	1,250,000	1,250,000
	4,389,798	**4,389,798**	**4,389,798**	**4,389,798**

There was no movement in share capital during the year.

b Share premium

Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution.

c Retained earnings

The retained earnings is the carried forward recognised income net of expenses plus current profit attributable to shareholders. It is the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings

d Other Reserves

Components of other reserves are as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Contingency reserve (see note (i) below)	6,790,001	5,537,908	6,481,209	5,537,908
Asset Revaluation reserve (see note (ii)	1,561,569	1,335,947	1,294,941	1,041,086
Fair value reserves (see note (iii) below	503,437	1,945,833	518,549	1,959,931
Treasury shares (see note (iv) below)	(80,217)	(80,780)	-	-
	8,774,790	**8,738,908**	**8,294,699**	**8,538,925**

(I) Contingency reserves

Included in the contigency reserve is contigency reserve from Leadway assurance company general and life business in line with Insurance act of 2003, and Statutory reserve from Leadway Pensure PFA in line with the Pension reform act, 2014.In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the net profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital. Included in the group contigency reserve is a statutory reserves from Leadway Pensure PFA in line with section 69 of Pension Reform Act, 2014. 12.5% of profit after tax has been credited to this Fund as contingency fund to meet claims for which the PFA may be liable as determined by the commission.

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The distribution of contingency reserve is shown below:

	Group	
	31-Dec-15	31-Dec-14
Contingency reserves:		
Leadway Assurance company	6,481,209	5,537,908
Leadway Pensure PFA	308,792	-
	6,790,001	**5,537,908**

(ii) Asset revaluation reserve

This reserve is the accumulation of revaluation gain on the group's land and buildings. See statement of changes in equities for movement in asset revaluation reserve.

(iii) Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired. See statement of changes in equities for movement in fair value reserve.

(iv) Treasury shares

Treasury shares represent the cost of the ordinary shares of the parent held by the its subsidiary, Leadway Capital and Trust Limited. During the year, 4,978,535 units (2014: 1,900,940 units) of the 714,325,835 units of ordinary shares of Leadway Assurance Company Ltd held by Leadway Capital and Trust (Treasury shares) were sold to a minority shareholder of the company. This movement in treasury shares, N562,999 (2014: N214,968) is included in the statement of changes in equity in these financial statements.

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Treasury shares	80,217	80,780	-	-
	80,217	**80,780**	**-**	-

27 Non controlling interest

Non controlling interest comprises:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Leadway Capital and Trust Limited	335,494	332,829	-	-
Leadway Hotels Limited	704,560	777,659	-	-
Leadway Pensure PFA	1,051,013	-	-	-
	2,091,067	**1,110,488**	**-**	-

(a) See statement of changes in equities for movement in non controlling interest during the period

(b) The financial information for the three subsidiaries with non-controlling interest are disclosed in note 14 (investment in subsidiaries) of these financial statement

28 Gross premium written

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross premium written:				
- Non-life business	15,425,955	17,800,076	15,434,045	17,838,272
- Life business	31,214,873	21,169,867	31,214,873	21,169,867
	46,640,828	38,969,943	46,648,918	39,008,139
(Increase)/decrease				
- Unearned premium (see note (a) i below)	4,423,653	3,103,472	4,423,653	3,103,473
Gross premium income	**51,064,481**	**42,073,415**	**51,072,571**	**42,111,612**

Gross premium written from subsidiaries of N8.09Million (2014: N4.5million) has been eliminated in the group gross written premium

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(a) The movement in unearned premium is analysed as follows:

(i) Non-life business

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Motor	4,249	(36,436)	4,249	(36,436)
Fire	(208,964)	(156,821)	(208,964)	(156,821)
General Accident	(42,346)	(19,678)	(42,346)	(19,678)
Bond	107,428	(176,280)	107,428	(176,280)
Marine	(135,145)	(11,112)	(135,145)	(11,112)
Engineering	61,461	(83,307)	61,461	(83,307)
Special risk	4,292,206	4,035,169	4,292,206	4,035,169
Group life	344,764	(448,062)	344,764	(448,062)
	4,423,653	**3,103,473**	**4,423,653**	**3,103,473**

Change in classification:

During the year, the board reviewed the components of unearned premium and determined that the "increase in the individual life and annuity funds" ,which relates to long term insurance contracts and included as part of the components of unearned premium, should be reclassified and disclosed separately in the statement of comprehensive income. Consequently the related balances for increase in the individual life and annuity funds for current and prior years have been disclosed and reclassified below "Net underwriting income" in the statement of comprehensive income in these financial statement.

29 Reinsurance expenses

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Reinsurance premium paid	7,149,718	8,630,199	7,149,718	8,630,199
Increase in unexpired reinsurance cost	3,975,688	3,579,692	3,975,688	3,579,692
	11,125,406	**12,209,891**	**11,125,406**	**12,209,891**

30 Fees and commission income

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Commission earned on non-life insurance contracts	877,632	1,187,884	877,632	1,187,884
Commission earned on group life assurance contracts	28,862	91,422	28,862	91,422
	906,494	**1,279,306**	**906,494**	**1,279,306**

31 Claims expense

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Combined				
Gross benefits & claims paid (see note 19.1c)	14,695,825	11,286,291	14,696,178	11,288,727
Claims ceded to reinsurers	(2,238,689)	(1,797,070)	(2,238,689)	(1,797,070)
Change in provision for outstanding claims	948,663	3,385,509	948,663	3,385,509
Proceed from salvage and subrogation	-	(444,618)	-	(444,618)
Change in recoverable on outstanding claims	958,309	299,416	958,309	299,416
	14,364,108	**12,729,528**	**14,364,461**	**12,731,964**

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		Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Non-life business					
Gross benefits & claims paid		5,637,572	5,790,418	5,637,925	5,792,853
Claims ceded to reinsurers		(2,119,889)	(1,719,712)	(2,119,889)	(1,719,712)
Change in provision for outstanding claims		744,972	2,967,646	744,972	2,967,646
Proceed from salvage and subrogation		-	(444,618)	-	(444,618)
Change in recoverable on outstanding claims		162,408	388,298	162,408	388,298
	(a)	**4,425,063**	**6,982,032**	**4,425,416**	**6,984,467**
Life business					
Gross benefits & claims paid		9,058,253	5,495,874	9,058,253	5,495,874
Claims ceded to reinsurers		(118,800)	(77,358)	(118,800)	(77,358)
Change in provision for outstanding claims		203,691	417,863	203,691	417,863
Change in recoverable on outstanding claims		795,901	(88,882)	795,901	(88,882)
	(b)	**9,939,045**	**5,747,497**	**9,939,045**	**5,747,497**
	(a+b)	**14,364,108**	**12,729,529**	**14,364,461**	**12,731,964**

32 Underwriting expenses

Underwriting expenses can be sub-divided into acquisition and other maintenance expenses. Acquisition expenses relate to commission expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in processing costs and other incidental costs such as salaries of underwriting staff.

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Acquisition expenses	3,239,427	2,645,333	3,239,427	2,645,333
Maintenance expenses	1,717,331	710,752	1,717,331	710,752
	4,956,758	**3,356,085**	**4,956,758**	**3,356,085**

33 Investment income

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Rental income	178,519	190,147	176,778	173,457
Interest on loans	154,136	169,746	160,882	146,308
Interest on Finance Lease	31,073	34,078	-	-
Interest on short term deposits	754,438	570,982	643,172	528,805
Dividend income on investment securities	721,582	710,302	819,441	830,294
Profit on sale of investment securities	163,189	149,168	163,140	144,329
Profit on disposal of associates (see i below)	681,135	-	962,489	-
Fair value gain on step acquisition (see ii below)	2,273,592	-	-	-
Interest income on debt securities	6,971,748	5,416,367	6,971,748	5,416,367
Interest income on statutory deposits	44,705	54,230	44,703	54,230
Profit/ (loss) on sale of Investment property	-	100,000	-	100,000
Other interest income	236,147	90,073	13,152	99,694
	12,210,264	**7,485,093**	**9,955,505**	**7,493,484**

(I) Profit on disposal on associates represents the gain on the disposal of investment in Total Health Trust (THT) is shown below:

Gain on disposal of Total Health Trust (THT)

	N'000
Sales Proceeds	997,489
Cost of investment	(35,000)
Gain on disposal (company)	**962,489**
Cummulative share of Profit (Equity Accounting)	(281,354)
Gain on disposal (Group)	**681,135**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(ii) The fair value gain on the step acquistion of Leadway Pensure at the date of acquisition is shown below:

Gain on previously held interest in Leadway Pensure PFA

	N'000
Fair value of previous held interest in Leadway Pensure PFA	3,675,168
Cost of investment	(1,401,576)
Gain on disposal (Group)	2,273,592

34 Net fair value gain/ (loss) on assets at fair value

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Financial assets at fair value through profit or loss	(281,788)	705,496	(260,571)	763,603
- Fair value gains on listed equity securities	14,348,133	2,220,588	14,348,133	2,220,588
- Fair value losses on listed debt securities	993,016	(886,714)	800,431	(1,386,714)
Fair value gains on investment property				
	15,059,361	**2,039,370**	**14,887,993**	**1,597,477**

35 Other operating income

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Fee income	1,860,822	76,477	-	-
Hotel management income	723,805	687,708	-	-
Management fee income from related parties	34,319	23,383	34,319	23,383
Profit/ (Loss) on sale of property and equipment	24,692	1,055	(713)	1,020
Foreign exchange gain/(loss)				
- Investment securities - held to maturity	31,075	355,207	31,075	355,207
- Cash and cash equivalents	451,034	864,743	447,494	866,058
Gross premium recovered	327,386	-	327,386	-
Liquidation Dividend	69,294	-	69,294	-
Other income	95,204	105,924	132,895	76,604
	3,617,631	**2,114,497**	**1,041,750**	**1,322,272**

36 Employee benefit expense

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Wages and salaries - staff and executive directors	1,852,296	1,235,471	1,049,032	1,065,875
Pension cost - Defined contribution plan	56,671	94,766	41,965	83,411
Termination benefits (see note (d) below)	162,916	48,862	162,916	48,862
Profit sharing expense	300,000	280,958	300,000	280,958
	2,371,883	**1,660,057**	**1,553,913**	**1,479,106**

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(a) Staff information:
Employees earning more than 100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Absolute	*Number*	*Number*	*Number*	*Number*
N101,001 - N500,000	29	21	-	-
N500,001 - N750,000	52	51	-	-
N750,000 - N1,000,000	10	18	-	1
N1,000,000 - N2,000,000	184	59	27	53
N2,000,000 - N3,000,000	103	86	83	62
Over N3,000,000	277	201	186	221
	655	**436**	**296**	**337**

(b) The average number of full time persons employed during the year was as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
	Number	*Number*	*Number*	*Number*
Executive directors	7	3	3	3
Management staff	104	98	82	90
Non-management staff	544	348	214	244
	655	**449**	**299**	**337**

(c) Directors' remuneration

(i) Remuneration paid to the directors and included in employee benefit expense is as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Salaries and wages	203,158	83,036	58,054	83,036
Directors' fees	73,833	14,381	28,175	4,025
Post-employment benefits	29,837	4,004	1,750	4,000
	306,828	**101,421**	**87,979**	**91,061**

(ii) The directors' remuneration shown above includes:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Chairman	14,038	10,118	7,100	7,100
Highest paid director	24,306	21,162	24,306	21,162

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

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
	Number	*Number*	*Number*	*Number*
Above N4,800,000	8	-	6	-
N2,300,000 - N4,800,000	5	2	-	2
N1,500,000 - N2,300,000	3	5	1	5
	16	**7**	**7**	**7**

(d) Termination benefit relates to payments made to retired management staff during the period.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

37 Other operating expenses

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Contract staff cost	111,207	124,851	111,207	124,851
Asset repairs and maintenance	301,544	229,266	193,510	199,378
Corporate expenses and gift items	312,415	315,716	268,509	314,803
Telecommunication	265,043	333,472	187,782	317,892
Advertisement	565,953	368,254	462,263	365,814
Agency related expenses	24,813	158,510	22,349	158,510
Property insurance expense	38,202	34,763	27,800	23,614
Insurance supervisory fund	469,897	353,781	469,897	353,781
Professional fees (i & ii)	189,652	102,218	151,346	65,322
Travelling and tours	170,709	93,295	97,738	89,225
Auditor's remuneration	50,480	46,387	40,000	40,000
Bank charges	67,363	39,781	65,906	38,468
Offices rates and rent	133,583	183,137	28,341	173,854
Training cost	72,493	29,495	17,478	29,195
Power and Fuel charges	220,372	240,893	142,877	171,827
Subscription and Donations	44,458	69,570	29,541	69,356
Depreciation of property and equipment	443,335	300,343	358,251	267,405
Amortisation of intangible assets	128,407	97,008	98,977	89,544
Directors' fees and allowances	54,137	45,202	9,270	45,202
Hotel management expenses	293,036	145,903	-	-
Entertainment	6,442	90,792	6,437	90,792
Investment expenses	25,947	177,123	25,947	177,123
Passage expenses	421,274	346,338	421,274	346,338
Others	518,478	357,282	259,025	265,850
	4,929,240	**4,283,380**	**3,495,725**	**3,818,144**

(i) Included in professional fees above is N18,100,000 paid to PricewaterhouseCoopers(PwC) for Non audit services performed during the year ended 31 December 2015. The services provided include IFRS refresher training and external assessment of the internal audit process.

(ii) Included in professional fees above is N3,900,000 paid to KPMG for services rendered relating to the step acquisition of Leadway Pensure PFA.

38 Finance cost

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Investment contracts (see note (a) below)	1,057,843	538,955	1,057,843	538,955
Interest expense	27,044	-	27,044	-
Interest expense on borrowings	30,948	24,114	-	-
	1,115,835	**563,069**	**1,084,887**	**538,955**

(a) Finance cost on investment contracts represents guaranteed interest which accrues to the account of investment contract holders. All these contracts are designated as financial liabilities and measured at amortised cost

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39 Net impairment losses

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Specific impairment on trade receivables (see note 8c)	-	230,051	-	230,051
Impairment on trade receivable no longer required (see note 8c)	(230,833)	-	(230,833)	-
Impairment loss on other receivables (see note 11c)	13,877	29,104	11,584	6,432
Write - off	-	116,639	-	116,639
Impairment on Premium deposit	144,723	-	144,723	-
Impairment loss on reinsurance assets	-	290,421	-	290,421
Impairment loss on investment securities	-	77,360	-	45,460
Impairment loss on commercial loans (see note 11a(i))	156,584	263,493	120,395	263,493
Allowance no longer required on commercial loans (see note 11a(i))	-	-	-	-
Specific impairment loss on finance leases receivable	58,444	-	-	-
Collective impairment loss on finance leases receivable	-	-	-	-
Collective impairment loss on loans	226,958	51,400	226,958	51,400
	369,753	**1,058,468**	**272,827**	**1,003,896**

40 Income tax expense

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Current tax on profits for the year:				
Company income tax	632,158	456,940	340,766	398,386
Education tax	11,990	6,778	-	-
Technology levy	81,554	34,351	67,325	34,351
Withholding tax on dividend income	-	25,089	-	6,186
Adjustments in respect of prior years:				
Company income tax - back duty assessment (see note (a) below)	-	59,300	-	33,012
Reversal of excessive tax provision	-	-	-	-
Total current tax	725,702	582,458	408,091	471,935
Deferred tax (credit)/charge	(311,728)	125,081	(303,079)	113,280
Income tax expense	**413,974**	**707,539**	**105,012**	**585,215**

LEADWAY ASSURANCE COMPANY LIMITED

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(a) This represents additional tax charge resulting from regulatory review of tax filing conducted during the year

(b) The tax on the group and company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Profit before income tax	9,301,030	3,362,899	6,484,941	3,394,793
Tax calculated at domestic rate applicable in Nigeria at 30% (2014: 30%)	2,790,309	1,008,870	1,945,482	1,018,438
Effect of:				
Tax exempt income	(3,570,374)	(2,582,482)	(3,382,144)	(2,423,072)
Non-deductible expenses	2,028,564	2,968,542	2,216,462	2,537,721
Education tax	-	-	-	-
Technology levy	93,010	33,629	64,849	33,946
Capital gains tax	(99,629)	(27,200)	(99,629)	-
Prior year back duty assessment	-	5,233	-	5,233
Tax assessment based on minimum tax	(340,766)	(395,005)	(340,766)	(395,004)
WHT paid on dividend	-	-	-	-
Capital allowance	(487,140)	(304,048)	(299,242)	(192,047)
Disallowed permanent differences	-	-	-	-
Total income tax expense in comprehensive income	**413,974**	**707,539**	**105,012**	**585,215**

Reconciliation of effective tax rate	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Tax calculated at domestic rate applicable in Nigeria at 30% (2014: 30%)	30.00%	30.00%	30.00%	30.00%
Effect of:				
Tax exempt income	-38.39%	-76.79%	-52.15%	-71.38%
Non-deductible expenses	21.81%	88.27%	34.18%	74.75%
Education tax	0.00%	0.00%	0.00%	0.00%
Technology levy	1.00%	1.00%	1.00%	1.00%
Capital gains tax	-1.07%	-0.81%	-1.54%	0.00%
Prior year back duty assessment	0.00%	0.16%	0.00%	0.15%
Tax assessment based on minimum tax	-3.66%	-11.75%	-5.25%	-11.64%
WHT paid on dividend	0.00%	0.00%	0.00%	0.00%
Capital allowance	-5.24%	-9.04%	-4.61%	-5.66%
Disallowed permanent differences	0.00%	0.00%	0.00%	0.00%
Effective tax rate	**4.45%**	**21.04%**	**1.62%**	**17.24%**

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41 Earnings Per Share

The calculation of basic earnings per share as at 31 December 2015 was based on the profit attributable to ordinary shares of N9,011Million (Company: N6,679 Million) and weighted average number of ordinary shares outstanding of 8,070 Million (Company: 8,779 Million), having excluded treasury shares held by a subsidiary, Leadway Capital and Trust Limited.
The company has no dilutive instruments in 2015 and 2014.

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Profit from continuing operations attributable to owners of the parent	8,711,508	2,558,020	6,379,929	2,809,578
Weighted average number of ordinary shares in issue before deducting treasury shares	8,779,596	8,779,596	8,779,596	8,779,596
Treasury shares	(709,347)	(714,326)	-	-
Weighted average number of shares in issue	8,070,249	8,065,270	8,779,596	8,779,596
Earnings per share - Basic and diluted (kobo)	**108**	**32**	**73**	**32**

42 Dividend

The dividend paid in 2015 and 2014 were N850Million (9.7Kobo per share) and N750Million (8.5Kobo per share) respectively. These dividends are in respect of the results of the preceding financial years. A dividend in respect of the year ended 31 December 2015 of 11.39kobo per share amounting to a total dividend of N1,000million is to be proposed by the directors at the annual general meeting. The dividend has not been included as liability in these financial statements.

(All amounts in thousands of Nigerian Naira unless otherwise stated)

43 Related parties

Leadway Assurance Company Limited is the ultimate parent/controlling party of the group. Related parties to the Company are as follows:

(i) *Subsidiary*

The Company has four subsidiaries as at 31 December 2015. The operating and financing activities of the company is carried out by the parent with common direction and common managements. Transactions between Leadway Assurance Company Limited and the subsidiaries also meet the definition of related party transactions.

(ii) *Key management compensation*

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key management personnel and any entity over which key management personnel exercise control. The key management personnel have been identified as the executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Leadway Assurance Company Limited. The compensation paid or payable to key management personnel for employee services is shown below:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Salaries and other short term employee benefits	50,848	49,129	50,848	49,129
Pension cost - defined contribution	7,207	4,406	7,207	4,406
Post employment benefits	-	-	-	-
Sitting allowances and other fees	-	1,200	-	1,200
	58,055	**54,735**	**58,055**	**54,735**

The following transactions were carried out with related parties. All transactions and balances with subsidiaries have been eliminated on consolidation.

		31-Dec-15	31-Dec-14
(a) Underwriting of insurance policies			
- Leadway Capital and Trust Limited	Subsidiary	1,238	688
- Leadway Investment and Properties Limited	Subsidiary	1,385	1,509
- Leadway Hotel	Subsidiary	4,830	2,346
- Leadway Pensure PFA	Subsidiary	14,337	11,055
- Total Health Trust Limited	Associate	27,232	22,598
		49,022	**38,196**
(b) Payment of claims			
- Leadway Hotel	Subsidiary	-	327
- Leadway Capital and Trust Limited	Subsidiary	-	25
- Leadway Investment and Properties Limited	Subsidiary	1,481	-
- Total Health Trust Limited	Associate	2,660	359
- Leadway Pensure PFA	Subsidiary	3,499	1,724
		7,640	**2,435**
(c) Management fee income from technical services provided			
- Leadway Capital and Trust Limited	Subsidiary	7,136	5,000
- Leadway Hotel	Subsidiary	9,000	2,250
- Leadway Pensure PFA	Subsidiary	18,900	18,900
		35,036	**26,150**
(d) Rental income			
- Leadway Pensure PFA	Subsidiary	35,867	26,038
- Leadway Capital and Trust Limited	Subsidiary	1,560	999
		37,427	**27,037**

Notes to the Financial Statements

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

		31-Dec-15	31-Dec-14
(e)Dividend received			
- Leadway Capital and Trust Limited	Subsidiary	27,982	23,085
- Leadway Investment and Properties Limited	Subsidiary	-	-
- Leadway Hotel	Subsidiary	-	32,589
-Leadway Pensure PFA	Subsidiary	119,513	59,019
- Total Health Trust Limited	Associate	10,305	7,128
		157,800	**121,821**
(f) Dividend paid			
- Leadway Capital and Trust Limited	Subsidiary	**61,808**	**61,022**
(g) Interest income earned on intercompany loans			
- Leadway Capital and Trust Limited	Subsidiary	3,428	13,813
		3,428	**13,813**

Year end balances arising from sales and purchases of services are:

Receivables from related parties (note 11c)		31-Dec-15	31-Dec-14
- Leadway Hotel	Subsidiary	9,000	5,000
- Leadway Capital and Trust Limited	Subsidiary	7,136	10,228
- Leadway Pensure PFA	Subsidiary	18,900	18,900
		35,036	**34,128**

The receivables from related parties arise mainly from technical service agreement and are due immediately services are rendered. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2014: nil). The receivables from subsidiaries have been eliminated on consolidation. There were no payable to related parties as at year end (2014: nil)

Loans to related parties

Loans to subsidiaries:	Leadway Hotel	Leadway Capital and Trust Limited	Total
As at 1 January	270,485	88,475	358,960
Loans advanced during the year	-	400,000	400,000
Loans repayments received	(26,784)	(117,619)	(144,403)
Interest charged	26,784	29,402	56,186
Interest received	-	(3,428)	(3,429)
As at 31 December	**270,485**	**396,830**	**667,314**

Other related party transactions

	31-Dec-15	31-Dec-14
Borrowings from LAC investments	55,290	-

No loan was advanced to key management personnel as at 31 December 2015 (2014: nil)

A provision of N21,200,174 was made in 2015 (2014: Nil) for the loans availed to subsidiaries.

LEADWAY ASSURANCE COMPANY LIMITED

44 Contingent liabilities, litigations and claims

No provision in relation to litigation and claims has been recognized in the consolidated financial statement, as legal advice indicates that it is not probable that a significant liability will arise.

45 Contravention of laws and regulations

The Company in 2015 paid fines totaling N1,750,000. The fines were for breach of "No Premium No Cover" rule on a single client, inadequate documentation of Treaty Reinsurance returns and misapplication of approval in principle (AIP) granted to the Company by NAICOM.

46 Events occurring after the reporting period

There were no events that occurred subsequent to the reporting date that require adjustments or disclosures in the financial statements.

APPENDIX TO FINANCIAL STATEMENTS

(OTHER NATIONAL DISCLOSURES)

Value Added Statement

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 2015	%	Group 2014	%	Company 2015	%	Company 2014	%
		%		%		%		%
Gross premium income (Local)	46,640,828		38,969,943		46,648,918		39,008,139	
Investment income								
- Local	12,210,264		7,485,093		9,955,505		7,493,484	
Other income								
- Local	3,617,631		2,114,497		1,041,750		1,322,272	
Reinsurance, claims, commission & operating expenses								
- Local	(41,918,632)		(33,844,167)		(40,700,055)		(33,584,332)	
- Foreign	(8,450,036)		(9,008,715)		(8,450,036)		(9,008,715)	
Value added	**12,100,055**	**100**	**5,716,651**	**100**	**8,496,082**	**100**	**5,230,848**	**100**
Applied to pay:								
Employee benefit expense	2,371,883	20%	1,660,057	29%	1,553,913	18%	1,479,106	28%
Government as tax	413,974	3%	707,539	12%	105,012	1%	585,215	11%
To providers of finance								
To lenders	30,948	0%	24,114	0%	-	0%	-	0%
Retained in the business								
Depreciation of Property and equipment	443,335	4%	300,343	5%	358,251	4%	267,405	5%
Amortisation of intangible assets	128,407	2%	97,008	2%	98,977	2%	89,544	2%
To augment reserve	7,861,508	65%	2,177,943	38%	5,529,929	65%	2,059,578	39%
To pay proposed dividend	850,000	7%	750,000	13%	850,000	10%	750,000	14%
Value added	**12,100,055**	**100%**	**5,717,004**	**100%**	**8,496,082**	**100%**	**5,230,848**	**100%**

LEADWAY ASSURANCE COMPANY LIMITED

Five Year Financial Summary

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

GROUP	2015	2014	2013	2012	2011
Cash and cash equivalents	17,031,040	13,681,394	21,741,885	11,328,839	9,442,965
Investment securities	92,403,910	56,329,183	43,078,047	28,136,863	15,729,022
Trade receivables	543,971	63,665	1,060,362	822,364	2,306,665
Loans and advances	1,789,435	1,220,651	1,725,164		
Reinsurance assets	11,405,948	15,883,296	20,568,804	16,685,999	6,083,404
Deferred acquisition cost	423,123	428,964	332,237	397,319	404,793
Other receivables and prepayments	2,412,120	1,191,812	765,735	2,348,804	2,391,324
Investment in associates	-	1,516,753	1,196,124	942,654	639,301
Investment properties	9,537,000	7,800,000	5,400,000	2,435,000	2,327,421
Statutory deposits	500,000	500,000	500,000	520,000	520,000
Intangible assets	3,640,909	145,898	181,746	131,658	126,161
Property and equipment	5,977,671	5,693,635	4,651,753	5,087,880	4,315,975
Deferred tax assets	114,129	200,235	602	11,775	-
Total assets	**145,779,256**	**104,655,486**	**101,202,459**	**68,849,155**	**44,287,031**
Liabilities					
Insurance contract liabilities	93,785,535	62,024,023	49,665,623	35,557,630	17,530,494
Investment contract liabilities	15,459,507	12,665,763	11,106,336	10,293,658	8,925,288
Trade payables	3,479,923	5,761,236	17,486,929	5,466,790	3,399,900
Other liabilities	4,589,463	3,525,484	2,960,843	3,225,299	1,918,880
Borrowings	118,446	60,000	115,831	326,839	538,722
Current tax liabilities	1,122,772	746,198	863,865	369,469	681,269
Deferred tax liabilities	741,772	1,153,404	833,214	580,128	586,586
Total liabilities	**119,297,418**	**85,936,108**	**83,032,641**	**55,819,813**	**33,581,139**
Capital and reserves					
Issued and paid share capital	4,389,798	4,389,798	4,389,798	4,389,798	4,389,798
Share premium	387,826	387,826	387,826	387,826	387,826
Contingency reserve	6,790,001	5,537,908	4,779,161	3,860,340	2,943,723
Retained earnings	10,838,357	4,092,358	2,988,579	1,367,448	1,694,167
Assets revaluation reserves	1,561,568	1,335,947	767,521	341,320	324,850
Fair value reserves	503,438	1,945,833	3,975,180	2,055,690	242,902
Other reserves	(80,217)	(80,780)	(80,995)	(80,995)	112,868
Shareholders funds:	**24,390,771**	**17,608,890**	**17,207,070**	**12,321,427**	**10,096,134**
Non controlling interest	2,091,067	1,110,488	962,748	707,915	609,758
Total Equity	**26,481,838**	**18,719,378**	**18,169,818**	**13,029,342**	**10,705,892**
Total equity and liabilities	**145,779,256**	**104,655,486**	**101,202,459**	**68,849,155**	**44,287,031**

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY	2015	2014	2013	2012	2011
Assets					
Cash and cash equivalents	14,656,941	13,046,165	21,119,684	10,441,485	8,349,949
Investment securities	91,511,039	56,134,365	42,899,645	27,969,458	15,566,765
Trade receivables	543,971	63,665	1,060,362	822,364	2,306,665
Loans and advances	1,217,079	1,129,468	1,283,430	-	-
Reinsurance assets	11,405,947	15,883,296	20,568,804	16,685,999	6,083,404
Deferred acquisition cost	423,123	428,964	332,237	397,319	404,793
Other receivables and prepayment	1,114,898	661,101	191,917	1,683,973	1,785,794
Investment in associates	-	788,209	788,209	788,209	788,209
Investment in subsidiaries	3,294,467	541,258	541,258	541,258	541,258
Investment properties	8,795,000	7,450,000	4,550,000	2,215,000	2,107,421
Statutory deposits	500,000	500,000	500,000	520,000	520,000
Intangible assets	31,308	130,285	172,033	118,060	108,678
Property and equipment	3,760,439	3,627,637	3,154,172	4,141,562	3,536,467
Deferred tax assets	114,129	200,235	-	-	-
Total assets	**137,368,341**	**100,584,648**	**97,161,751**	**66,324,687**	**42,099,403**
Liabilities					
Insurance contract liabilities	93,785,535	62,024,023	49,665,623	35,557,630	17,530,493
Investment contract liabilities	15,459,507	12,665,763	11,106,336	10,293,658	8,925,288
Trade payables	3,479,923	5,761,236	17,486,929	5,466,790	3,398,878
Other liabilities	3,129,820	2,552,426	2,080,333	2,305,320	1,171,727
Borrowings	-	-	-	-	-
Current tax liabilities	651,998	672,859	750,533	242,534	616,177
Deferred tax liabilities	556,356	945,541	604,826	472,229	489,190
Total liabilities	**117,063,139**	**84,621,848**	**81,694,580**	**54,338,161**	**32,131,753**
Capital and reserves					
Issued and paid share capital	4,389,798	4,389,798	4,389,798	4,389,798	4,389,798
Share premium	387,826	387,826	387,826	387,826	387,826
Contingency reserve	6,481,209	5,537,908	4,779,161	3,860,340	2,943,723
Retained earnings	7,232,879	2,646,251	1,345,421	943,741	1,686,791
Assets revaluation reserves	1,294,941	1,041,086	584,120	341,320	308,799
Fair value reserves	518,549	1,959,931	3,980,845	2,063,501	250,714
Other reserves	-	-	-	-	-
Shareholders funds:	**20,305,202**	**15,962,800**	**15,467,171**	**11,986,526**	**9,967,651**
Total equity and liabilities	**137,368,341**	**100,584,648**	**97,161,751**	**66,324,687**	**42,099,404**

Five Year Financial Summary (cont'd)

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

GROUP	2015	2014	2013	2012	2011
Gross premium written	46,640,828	38,969,943	41,751,459	36,920,537	24,085,772
Premium earned	39,939,075	29,863,524	14,176,000	13,036,325	13,147,758
Profit before taxation	9,301,030	3,362,899	4,199,486	1,431,677	1,878,265
Taxation	(413,974)	(707,539)	(1,164,308)	(275,956)	(610,699)
Profit for the year	**8,887,056**	**2,655,360**	**3,035,178**	**1,155,721**	**1,267,566**
Transfer to contingency reserve	(1,031,113)	(758,747)	(918,820)	(916,618)	(632,866)
Earnings per share (kobo)	108	32	36	13	14

COMPANY	2015	2014	2013	2012	2011
Gross premium written	46,648,918	39,008,139	41,752,673	36,920,537	24,085,772
Premium earned	39,947,165	29,901,721	14,177,214	13,036,325	13,147,758
Profit before taxation	6,484,941	3,394,793	2,732,306	826,489	1,492,946
Taxation	(105,012)	(585,215)	(1,014,227)	(152,920)	(519,122)
Profit after taxation	**6,379,929**	**2,809,578**	**1,718,079**	**673,569**	**973,824**
Transfer to contingency reserve	(943,301)	(758,747)	(918,820)	(916,618)	(632,866)
Earnings per share (kobo)	73	32	20	8	11

LEADWAY ASSURANCE COMPANY LIMITED

Non-life Business Statement of Financial Position

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group and Company 31-Dec-15	Group and Company 31-Dec-14
Assets		
Cash and cash equivalents	8,819,219	9,892,353
Investment securities	14,994,143	15,132,747
Trade receivables	541,477	24,155
Reinsurance assets	11,113,773	15,462,279
Deferred acquisition cost	423,122	428,964
Loans and other receivables	929,676	916,606
Investment in associates	-	35,000
Investment in subsidiaries	340,946	342,946
Investment properties	3,400,000	2,900,000
Deferred tax assets	55,493	55,494
Intangible assets	19,869	101,695
Property and equipment	3,312,350	3,164,568
Statutory deposits	300,000	300,000
Total assets	**44,250,068**	**48,756,807**
Liabilities		
Insurance contract liabilities	24,030,217	27,364,135
Trade payables and other liabilities	5,008,219	7,173,415
Current tax liabilities	374,781	413,166
Deferred tax liabilities	453,896	843,083
Total liabilities	**29,867,113**	**35,793,799**
Capital and reserves		
Share capital	3,139,798	3,139,798
Share premium	387,826	387,826
Contingency reserve	5,439,709	4,829,093
Retained earnings	3,380,964	1,788,501
Asset revaluation reserve	1,213,714	975,219
Fair value reserves	820,944	1,842,571
Shareholders funds:	**14,382,955**	**12,963,008**
Total equity and liabilities	**44,250,068**	**48,756,807**

Non-life Business Income Statement

For the year ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group and Company 31-Dec-15	Group and Company 31-Dec-14
Gross premium written	15,434,045	17,838,271
Add: reduction in unearned premium	4,078,890	3,551,534
Gross insurance premium revenue	**19,512,935**	**21,389,805**
Reinsurance expense	(10,899,216)	(11,812,460)
Net insurance premium earned	**8,613,719**	**9,577,345**
Commission income	877,632	1,187,884
Total revenue	**9,491,351**	**10,765,229**
Claims expenses	(4,425,413)	(6,984,467)
Underwriting expenses	(2,034,621)	(1,828,160)
Net underwriting expenses	**(6,460,034)**	**(8,812,627)**
Total underwriting profit	**3,031,317**	**1,952,602**
Investment income	1,561,413	2,347,439
Net fair value gain/(loss) on assets at fair value	904,172	748,828
Other operating income	911,719	1,258,152
Employee benefit expenses and other operating expenses	(3,618,484)	(3,862,968)
Result of operating activities	**(241,180)**	**491,451**
Finance cost	-	-
Net impairment gains/(losses)	199,615	(654,970)
Profit before tax	**2,989,753**	**1,789,083**
Income taxes	63,325	(659,449)
Profit for the year	**3,053,078**	**1,129,634**
Other comprehensive income:		
Fair value changes on available for sale financial assets	(1,021,627)	(1,025,336)
Foreign exchange difference on unquoted financial assets		
Revaluation gain on land & building	238,495	412,501
Other comprehensive income for the year, net of tax	**(783,132)**	**(612,835)**
Total comprehensive income	**2,269,946**	**516,799**

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Non-life Business Revenue Account

For the year ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	MOTOR	FIRE	GEN. ACC.	MARINE
INCOME				
Gross premium written	**2,962,502**	**2,211,192**	**1,137,379**	**1,088,482**
Less: Increase/ (decrease) in unearned premium	4,249	(208,964)	(42,346)	107,428
Gross premiums earned	**2,966,751**	**2,002,228**	**1,095,033**	**1,195,910**
Reinsurance cost	(96,839)	(935,232)	(56,693)	(372,378)
Net premium earned	**2,869,912**	**1,066,996**	**1,038,340**	**823,532**
Commissions earned	36,474	234,691	19,216	107,946
Total underwriting income	**2,906,386**	**1,301,687**	**1,057,556**	**931,478**
EXPENSES				
Gross claims paid	(1,833,013)	(1,344,955)	(397,390)	(707,485)
Increase/(decrease) in outstanding claims provision	(24,291)	176,552	(245,244)	(131,566)
Gross claims incurred	**(1,857,304)**	**(1,168,403)**	**(642,634)**	**(839,051)**
Deduct: reinsurance claims recoveries/recoverable	362,952	849,340	79,067	107,210
Net claims incurred	**(1,494,352)**	**(319,062)**	**(563,567)**	**(731,841)**
Add: Underwriting expenses:				
Commission expenses	(399,563)	(448,875)	(193,608)	(184,178)
Acquisition expenses	(153,302)	(91,930)	(65,076)	(92,574)
	(552,865)	**(540,805)**	**(258,684)**	**(276,752)**
Total expenses and claims incurred	**(2,047,217)**	**(859,868)**	**(822,251)**	**(1,008,593)**
Underwriting profit/(loss)	**859,169**	**441,820**	**235,305**	**(77,116)**

LEADWAY ASSURANCE COMPANY LIMITED

BOND	ENGINEERING	SPECIAL RISK	2015 TOTAL	2014 TOTAL
717,068	**759,775**	**6,557,647**	**15,434,045**	**17,838,271**
(135,145)	61,461	4,292,206	4,078,890	3,551,534
581,923	**821,236**	**10,849,853**	**19,512,935**	**21,389,805**
(421,209)	(323,296)	(8,693,570)	(10,899,217)	(11,812,460)
160,714	**497,940**	**2,156,283**	**8,613,718**	**9,577,345**
129,240	106,530	243,534	877,632	1,187,884
289,954	**604,470**	**2,399,817**	**9,491,350**	**10,765,229**
(277,029)	(335,471)	(742,581)	(5,637,924)	(5,792,852)
(189,842)	98,851	(429,432)	(744,971)	(2,967,646)
(466,871)	**(236,620)**	**(1,172,013)**	**(6,382,895)**	**(8,760,498)**
344,647	(51,220)	265,486	1,957,482	1,776,031
(122,225)	**(287,840)**	**(906,528)**	**(4,425,413)**	**(6,984,467)**
(23,661)	(140,519)	-	(1,390,404)	(1,555,990)
(41,420)	(41,206)	(158,709)	(644,217)	(272,170)
(65,081)	**(181,725)**	**(158,709)**	**(2,034,621)**	**(1,828,160)**
(187,306)	**(469,565)**	**(1,065,237)**	**(6,460,034)**	**(8,812,627)**
102,648	**134,905**	**1,334,581**	**3,031,316**	**1,952,602**

Financial Performance

For The Year Ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Non Life Business		
	31-Dec-15	**31-Dec-14**	**% Change**
Gross Premium	15,434,045	17,838,271	-13%
Net Premium	8,613,719	9,577,345	-10%
Total Underwriting Income	9,491,351	10,765,229	-12%
Investment Income	1,561,413	2,347,439	-33%
Claims expenses	4,425,413	6,984,467	-37%
Annuity Claim	-	-	0%
Underwriting expenses	2,034,621	1,828,160	11%
Underwriting Profit	3,031,316	1,952,602	55%
Operating expenses	2,322,910	3,862,968	-40%
Profit before tax	2,989,753	1,789,084	67%
Earnings per share	53kobo	18kobo	

Performance ratios

Underwriting expenses ratio	24%	19%
Claims ratio	51%	73%
Operating expenses ratio	27%	40%
Combined ratio	102%	132%
Underwriting profit ratio	35%	20%

LEADWAY ASSURANCE COMPANY LIMITED

Life Business Statement Of Financial Position

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group and Company 31-Dec-15	Group and Company 31-Dec-14
Assets		
Cash and cash equivalents	5,837,723	3,153,811
Investment securities	76,516,894	41,001,615
Trade receivables	2,493	39,511
Reinsurance assets	292,175	421,016
Deferred Acquisition Cost	-	-
Loans and other receivables	1,999,050	1,302,683
Investment in associates	-	753,210
Investment in subsidiaries	2,953,521	198,312
Investment properties	5,395,000	4,550,000
Deferred tax assets	58,635	144,741
Intangible assets	11,440	28,589
Property and equipment	448,091	463,069
Statutory deposits	200,000	200,000
Total assets	**93,715,022**	**52,256,557**
Liabilities		
Insurance contract liabilities	69,755,317	34,659,888
Investment contract liabilities	15,459,506	12,665,764
Trade payables and other liabilities	2,198,276	1,568,966
Retirement benefit obligation	-	-
Current tax liabilities	277,218	259,694
Deferred tax liabilities	102,458	102,458
Total liabilities	**87,792,775**	**49,256,770**
Capital and reserves		
Share capital	1,250,000	1,250,000
Share premium	-	-
Contingency reserve	1,041,500	708,815
Retained earnings	3,851,917	857,747
Asset revaluation reserve	81,227	65,866
Fair value reserves	(302,397)	117,359
Shareholders funds	**5,922,247**	**2,999,787**
Total equity and liabilities	**93,715,022**	**52,256,557**

Life Business Income Statement

For the year ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group and Company 31-Dec-15	Group and Company 31-Dec-14
Gross premium written	31,214,873	21,169,868
Add: reduction in unearned premium Group life	344,764	(448,062)
Gross insurance premium revenue	**31,559,637**	**20,721,806**
Reinsurance expense	(226,190)	(397,431)
Net insurance premium earned	**31,333,447**	**20,324,375**
Commission income	28,862	91,422
Total revenue	**31,362,309**	**20,415,797**
Gross benefits and claims paid	(9,058,253)	(5,495,874)
Increase in annuity fund	(33,954,433)	(11,808,420)
Increase in individual life fund	(570,961)	(267,943)
Claims ceded to reinsurance	(677,101)	166,240
Gross change in contract liabilities	(203,691)	(417,863)
Underwriting expenses	(2,922,136)	(1,527,926)
Net underwriting expenses	**(47,386,575)**	**(19,351,786)**
Total underwriting profit	**(16,024,266)**	**1,064,011**
Investment income	8,393,381	5,146,045
Net fair value gain/(loss) on assets at fair value	13,983,819	(2,346,305)
Other operating income	130,743	64,119
Employee benefit expenses and other operating expenses	(1,431,155)	(1,434,282)
Result of operating activities	**21,076,788**	**1,429,577**
Finance cost	(1,084,887)	(538,955)
Net impairment gains/(losses)	(472,443)	(348,925)
Profit/(loss) before tax	**3,495,192**	**1,605,708**
Income taxes	(168,337)	74,234
Profit/(loss) for the year	**3,326,855**	**1,679,942**
Other comprehensive income:		
Fair value changes on available for sale financial assets	(419,755)	(995,578)
Foreign exchange difference on unquoted financial assets		
Revaluation gain on land & building	15,360	44,466
Other comprehensive income for the year, net of tax	**(404,395)**	**(951,112)**
Total comprehensive income	**2,922,460**	**728,830**

Life Business Revenue Accounts

For the year ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Individual Life	Group Life	Annuity	2015 Total	2014 Total
Income					
Gross premium written	1,120,364	3,326,733	26,767,776	31,214,873	21,169,868
Decrease in unearned income	-	344,764	-	344,764	(448,062)
Gross Premium Income	**1,120,364**	**3,671,497**	**26,767,776**	**31,559,637**	**20,721,806**
Reinsurance expenses	(2,912)	(223,278)	-	(226,190)	(397,431)
Premium retained	**1,117,452**	**3,448,219**	**26,767,776**	**31,333,447**	**20,324,374**
Commissions earned	76	28,786	-	28,862	191,422
Investment income	76,693	236,111	5,241,347	5,554,151	3,681,028
Fair value gain/ (loss) on annuity bond	-	-	13,145,037	13,145,037	(2,632,847)
Total income	**1,194,221**	**3,713,116**	**45,154,160**	**50,061,497**	**21,563,978**
Direct claims paid	(861,851)	(1,694,277)	(376,964)	(2,933,092)	(1,785,984)
Surrenders	(85,622)			(85,622)	(80,097)
Annuity payments	-	-	(6,039,540)	(6,039,540)	(3,629,794)
Increase/(decrease) in outstanding claims	-	-	-	-	-
Gross claims incurred	**(947,473)**	**(1,694,277)**	**(6,416,504)**	**(9,058,254)**	**(5,495,875)**
Deduct:					
Reinsurance claims recoveries/recoverables	-	(677,100)	-	(677,100)	(77,358)
Provision for Outstanding Claims	-	(203,691)	-	(203,691)	(328,981)
Net claims incurred	**(947,473)**	**(2,575,068)**	**(6,416,504)**	**(9,939,045)**	**(5,902,214)**
Provision for unexpired risk	(570,962)	-	(33,954,433)	(34,525,395)	(12,076,363)
Acquisition expenses	(124,875)	(384,447)	(1,360,391)	(1,869,713)	(1,266,827)
Maintenance expenses	(193,641)	(290,461)	(306,601)	(790,703)	(411,876)
Operating expenses	(242,689)	(364,034)	(202,241)	(808,964)	(752,864)
Total expenses	**(2,079,640)**	**(3,614,010)**	**(42,240,170)**	**(47,933,820)**	**(20,410,144)**
Underwriting result	**(885,419)**	**99,106**	**2,913,990**	**2,127,677**	**1,153,834**

LEADWAY ASSURANCE COMPANY LIMITED

Life Business Revenue Account on Deposit Administration

For The Year ended 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	2015	2014
Income		
Investment Income	1,522,815	747,316
Other Income	1,223,847	233,488
	2,746,662	**980,804**
Expenses		
Acquisition expenses	385,852	261,099
Maintenance cost	193,292	81,325
Interest on Deposit Administration	1,084,887	538,955
Management Expenses	206,912	188,216
	1,870,943	**1,069,595**
PROFIT/(LOSS) FROM DEPOSIT ADMINISTRATION	**875,719**	**(88,791)**

Financial Performance

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Non Life Business		
	31-Dec-15	31-Dec-14	% Change
Gross Premium	31,214,873	21,169,868	47%
Net Premium	31,333,447	20,324,375	54%
Total Underwriting Income	31,362,309	20,415,798	54%
Investment Income	8,393,381	5,146,045	63%
Claims expenses	3,899,505	2,272,420	72%
Annuity Claim	6,039,540	3,629,794	66%
Underwriting expenses	2,922,136	1,527,926	91%
Underwriting Profit	-16,024,267	1,064,011	-1606%
Operating expenses	1,172,816	1,434,282	-18%
Profit before tax	3,495,192	1,605,709	118%
Earnings per share	1.30kobo	64kobo	

Performance ratios

Underwriting expenses ratio	9%	8%
Claims ratio	32%	29%
Operating expenses ratio	4%	7%
Combined ratio	45%	44%
Underwriting profit ratio	-51%	5%

Life Business Annuity Statement

As at 31 December 2015

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Leadway Assurance Company

Annuities' Portfolio at 31st December 2015

Annuity Business by nature, type and their operation.

Title	Number of Policies	Classification	Operations Procedure
PRA Regulated Annuities	13,502	Risk	Quotation; Provisional Agreement; NAICOM Approval; Premium Remittance By PFC; Despatch Policy Document; Administration
Annuities Certain	65	Risk	Quotation; Premium Remittance; Despatch Policy Document; Administration

Annuity Liabilities, Investment Income and Pay Out.

Title	Liability As At 31st December 2015 (N'000)	Investment Income (N'000)	Pay Out (N'000)
PRA Regulated Annuities	62,976,429	5,177,605	6,416,504
Annuities Certain	570,806	88,045	-

Note: The information above corresponds with the report of the Actuarial Valuation as at 31st December 2015

The assets backing Annuity Funds are as follows:

S/N	ASSETS TYPE	ANNUITY	%	ANNUITY CERTAIN	%
		AMOUNT (N'000)		AMOUNT (N'000)	
1	Money Market	1,545,360	2	39,542	7.980785727
2	Quoted Shares	396,965	1	80,405	16.22818968
3	Corporate Bonds	1,867,554	3	50,838	10.26066422
4	FGN/State Bonds	55,195,498	88	324,680	65.53036037
5	Real Estate	1,967,345	3		
6	Unquoted Securities	2000000	3		
7	Loans to Policy Holders	79047	0	-	
TOTAL		63,051,769	100	495,465	100

LEADWAY ASSURANCE COMPANY LIMITED

Leadway at a Glance

YEAR OF INCORPORATION	1970
COMMENCEMENT OF OPERATIONS	1971
FINANCIAL YEAR END	31st December
SHAREHOLDERS' FUNDS	₦ 20.3 Billion (as at 31 December 2015)
TOTAL ASSET BASE	₦ 137.3Billion (as at 31 December 2015)
CLASSIFICATION	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES	23 (excluding Registered office & Corporate office)
SUBSIDIARIES	Leadway Capital & Trusts Limited Leadway Properties & Investments Ltd. Leadway Hotels Limited Leadway Pensure PFA Limited
ASSOCIATE	-
NUMBER OF EMPLOYEES	299 (as at December 31, 2015)
FOUNDER	Sir Hassan O. Odukale (1926-1999)
DIRECTORS	Mallam Umar Yahaya (Chairman) Retired as at 30 March 2016 Mr. Oye Hassan-Odukale, mfr (MD/CEO) Mr. Tunde Hassan-Odukale (Executive Director) Ms. Adetola Adegbayi (Executive Director) Dr. A. B. C. Orjiako (Director) Retired as at 30 March 2016 Dr. Konyinsola Ajayi (Director) Retired as at 30 March 2016 Mr. Ibrahim Hadejia (Director) Resigned wef 28 May 2015 Mrs. Mowunmi Sotubo (Director) Mr. Jeremy Rowse (Director)
MANAGEMENT STAFF	Mr. Oye Hassan-Odukale, mfr - Managing Director/CEO Mr. Tunde Hassan-Odukale - ED - Financial Services & IT Systems Ms. Adetola Adegbayi - ED - General Business Mr. Shadrack Sivhugwana - Head of Life Business Mr. Adebayo O. Okuwobi - Divisional Director/Head, Life Commercial Mr. David A. Onilado - Divisional Director/Chief Financial Officer Mr. Adetayo A. Adekunle - Divisional Director/Head of Technical Mr. Temilolu Aduloju - Divisional Director/Chief Compliance Officer Mrs. Amara Robbins - Divisional Director/Head General Business Actuary
COMPANY SECRETARY	Mr. Sunday Oroleke

Branch Directory

1.	Abeokuta	Seriki Fadare Plaza Presidential Boulevard Oke Mosan, Abeokuta	08129997096 , 08129997097
2.	Abuja	Leadway House Plot 1061, Herbert Macaulay Way Central Business District, Cadastral Zone, Abuja	08129997114 , 08129997115
3.	Akure	NACRDB Building, Ado-Owo Road, Alagabaka Akure	08129997104 , 08129997159
4.	Benin	84 Akpakpava Street, Benin City	08129997103 , 08129997158
5.	Calabar	141, Ndidem Usang Iso Road/ Marian Road, Calabar	08129997098 , 08129997099
6.	Enugu	Akalaka House (2nd floor) 127/129 Chime Avenue New Haven, Enugu	08129997106 , 08129997161
7.	Festac*	Twin Place, Plot 2015 Block, 18A, Amuwo- Odofin Government Scheme Festac	08129997005
8.	Gboko	No. 11, J.S Tarka Way, Gboko	08129997098 , 08129997099
9.	Gombe	Doma Plaza, 1st Floor, Room 26 BIU Road, Gombe	08129997098 , 08129997099
10.	Ibadan	25, Morgaji Are Rd, Iyaganku GRA Off Moshood Abiola Way, Ibadan	08129997162 , 08129997102
11.	Ikeja*	40 Opebi Road, Adebola House, Lagos	08129997012
12.	Ilorin	163, Ajase-Ipo Road, Gaa-Akanbi Junction Road. Anu Oluwapo Complex Ilorin, Kwara State	08129997153 , 08129997157
13.	Jos	2A Ibrahim Taiwo Rd, GRA Jos	08129997122 , 08129997123
14.	Kano	Fustan House 25 Zaria Road Gyadi-Gyadi Round About, Kano	08129997112 , 08129997168
15.	Lekki*	Garnet Building Lekki-Epe Expressway, Lekki	08129997009
16.	Makurdi	Last Floor, 8 Railway bye pass, Near Zenith bank, Makurdi	08129997113
17.	Osogbo	2nd floor, Moye House Km2,Gbogan /Ibadan Road Oshogbo,Osun State	08129997108 , 08129997163
18.	Port Harcourt	8 Igbodo Street, Old GRA Port Harcourt	08129997109 , 08129997110
19.	Sagamu	136, Akarigbo Street Opposite Mobil Filling Station Ijokun, Sagamu	08129997101 , 08129997156
20.	Sokoto	15A, Kano Road Close to Central Bank of Nigeria, Sokoto.	08129997124
21.	Uyo	140, Atiku Abubakar Way Uyo	08129997100 , 08129997155
22.	Warri	Ecobank Building 60 Effurun/Sapele Road Warri	08129997111 , 08129997166
23.	Yenagoa	Imgbi Road Opp. Spring Bank, Amarata	08129997105 , 08129997160
24.	Zaria	Last floor, UBA building by PZ Kaduna Road Zaria	08129997125

* Branches in Lagos, Nigeria

Leadway Subsidiaries

Leadway Hotels Limited

Leadway Hotels Limited, incorporated March 2005, is a subsidiary of Leadway Assurance Company Limited and an up-and-coming player in the hospitality industry in Nigeria. It aims to become a distinctly recognized brand in the hospitality and service industry.

Leadway Hotels Limited is dedicated to quality and services and has a reputation for service efficiency and customers' reliability.
For almost a decade, the Leadway Hotels Limited, has honoured its hospitality commitments and has earned its reputation of excellence in this regard. All aspects of the business are approached with discipline; the recruitment of staff, the advancement of technologies and the corporate/personal service offered to its growing clientele.

Under its umbrella are three notable and thriving businesses in Lagos and Abuja, namely, Leadway Hotel in Ikeja, Léola Suites and Panache Restaurant, both in Abuja.

One of the strengths of the group is its ability to effectively coordinate these businesses with innovative prowess which is helping it carve a niche within the hospitality industry in Nigeria. These are evident in the excellent local and international cuisine offered to its diverse guests. Its Restaurants boast a menu selection that is varied enough to cater to all tastes and palates.

Where Elegance And Service Is A Priority!

Operating Address:
Leadway Hotel,Ikeja
1 Mugambo Close, Maryland Estate, Lagos. Nigeria.
Tel: + 2341 2790800/ 0802/ 0803/ 0806, Fax: + 2341 2790801,
E-mail: reservations@leadway-protea.com

Leola Suites/ Panache Restaurant
Leadway House (near NNPC Towers)
1061 Herbert Macaulay Way
Central Business District
Abuja,Nigeria.

Leadway Capital & Trusts Limited

RC268,275

Leadway Capital & Trusts was incorporated as Leadway Trustees Limited in 1995 but its services became commercial in 1999. To operate within the capital market, the company registered with the Securities and Exchange Commission in year 2000 and has maintained its registration since then.

Leadway Capital & Trusts Limited is a subsidiary of Leadway Assurance Company Limited, one of the foremost insurance service providers in Nigeria.
The reputation enjoyed by the Leadway Group has been attained and sustained by the pursuit of improvements to maintain competitive advantage.
All aspects of the business are approached with discipline - the recruitment of staff, development of products, use of advanced technology to final service delivery.

Since incorporation, the company has provided and is still providing corporate and personal trusteeship services in diverse arrangements.
Specifically, Leadway Capital & Trusts Limited provides professional services in the following areas:

» Trust of Consortium Lending
» Debenture Trusts
» Unit Trusts and Mutual Funds
» Mortgage Trusts
» Investment Trusts
» Leasing Trusts
» Employee Share Ownership Trusts
» Custodian Trusteeship
» Nominee Shareholding Management of other Trusts as Endowments, Foundations, Co-operatives
» Preparation of Wills
» Living Trusts
» Education Trusts
» Public Trusts

Services also provided are Short Term Financing for pre-qualified transactions, Equipment Leasing to selected Corporate Bodies, as well as Investing in varied transactions where management finds it expedient.

Leadway Capital & Trusts Limited is able to tap into the resources and 45-year experience of its parent company, Leadway Assurance Company Ltd.

Address: 121/123 Funso Williams Avenue, Iponri, P.O. Box 6437, Marina, Lagos
Tel: 01-2700700 Fax: 01-2700800, E-mail: trustees@leadway.com, Website: www.leadway.com

LUXURY IN A WORLD APART.

Everything exquisite is in the mix of what you get at Leadway Hotels when you come for business or leisure in Lagos or Abuja.

L'EOLA SUITES
...space to be yourself

Panache Restaurant
Have you been to d' Panache...

LEADWAY HOTELS LIMITED
618756

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Acknowledgements
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+234 0 806 006 5803
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