LEADWAY ASSURANCE

ANNUAL REPORT 2016

We take pride in what we stand for because with it we have gotten to where we are.

LEADWAY
ASSURANCE COMPANY LIMITED
RC 7588

Insuring happiness since 1970


LEADWAY
...leading the way to
what lies beyond.
That's where we are
headed; the next frontier

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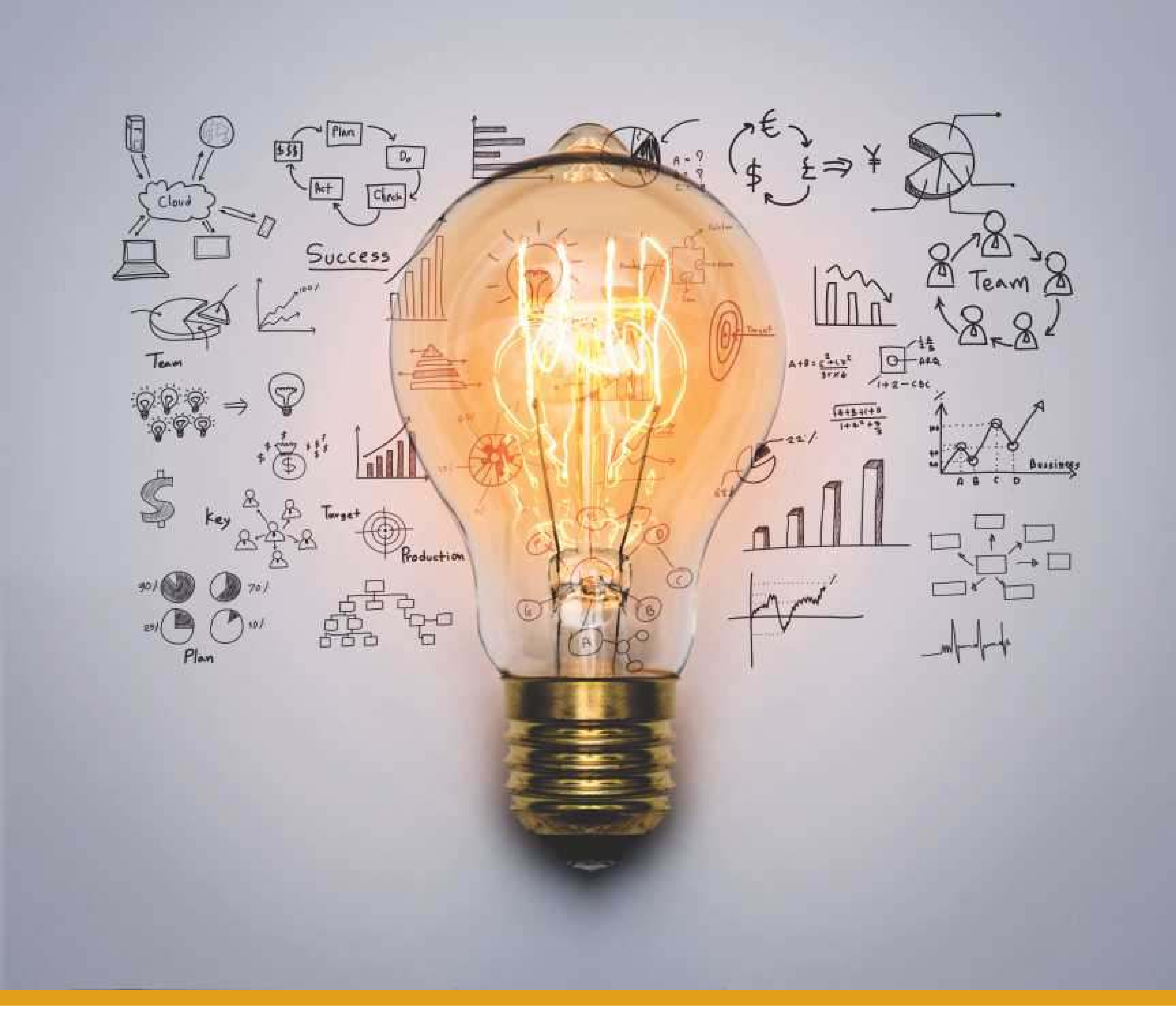
The current realities of our operating environment appears dire and continues to test us on all fronts. However, we continue to find ways to deepen penetration of insurance by educating the public and encouraging them to #thinkleadway once they have decided to buy insurance.

We have been deliberate as a team and as individuals in our commitment to providing exceptional client service. We have striven to live up to our core values of dealing with integrity while being service oriented and customer friendly in an atmosphere of openness and respect, ensuring excellence in all our interactions. All these have provided the fulcrum for pushing possibilities beyond limits.

Our vision energizes our intentions. I am proud of our yesterday and excited about the tomorrow of Leadway Assurance Company Limited.

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:

An introduction to the report covering who we are, notable events, and a snapshot of where and how we do business.

One's art, skill and decision making abilities kind of change as one gets older, by nature of the fact that you're hopefully gaining wisdom and you're starting to watch things with a better overview.

Anonymous

HOW WE DO IT

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

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.

Integrity | Service | Customer Focus | Openness | Respect For The Individual | Excellence

"iSCORE"

...our core values for success

8th May, 2017.

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th 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 Thursday 1st June, 2017 at 11am for the following purposes:

Ordinary Business

1. To adopt the reports of the directors and auditors, including the statement of accounts for the year ended 31 December 2016.
2. To declare a dividend.
3. To re-elect Directors of the Company.
4. To authorize the Directors to fix the auditor's remuneration.
5. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Sunday Oroleke
Company Secretary

Notes:

1. **A 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. In order to be valid, an instrument appointing a proxy must be deposited at the Office of the Company Secretary at Leadway House, 121/123 Funsho Williams Avenue, Iponri, Surulere, Lagos, or at Leadway House, NN28/29, Constitution Road, Kaduna not later than 48 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 close of business on 25th of May, 2017.**

Business Review

In this section:

The chairman's reflections on the year, and a summary Of the corporate profile.

CHAIRMAN'S STATEMENT

Gen. Martin Luther Agwai

CHAIRMAN

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I am very pleased to welcome you to the 45th Annual General Meeting of our company, and to present to you our financial statements and reports for the year ended 31 December 2016.

OPERATING ENVIRONMENT

The operating environment in the year 2016 was significantly impacted by the recessionary state of the economy which was itself caused by decline in government revenue, shortage of inflow of major foreign currencies into the economy, rise in interest rates, inflation etc. While the terrorism in most parts of the Northern Nigeria abated, the South-Southern part of the country witnessed renewed attacks on oil installations and restiveness by the Niger Delta Militants, which all compounded the challenges for the already stressed Nigerian economy. The impact of the monetary policy responses to these economic shocks are believed to have been mixed. With the various challenges within the year, the data released by the National

Notwithstanding the depressed economic environment, investment income increased by 27% from N9.9billion in 2015 to N12.9billion in 2016. In addition, the company recorded significant income from foreign exchange gains following the devaluation of the Naira.

Bureau of Statistics showed that the Real Gross Domestic Product (GDP) contracted by -1.51% compared to +2.79% in 2015.

The major driver of the economy, though with a depressed performance, was the non-oil sector which recorded a -0.33% decline in real terms compared with the +3.14% recorded in 2015. This was credited to the significant downward contribution in Manufacturing, Construction and Trade activities, though moderated by the continued growth in Agriculture. The data obtained from the National Bureau of Statistics (NBS) indicated that Nigeria's inflation rate increased from +9.6% in the preceding year to +18.55% in the year 2016 due to import inflation and rising food costs as incidences of insurgency and drought continued to ravage Nigeria's North Eastern plains. The various measures by the Central Bank of Nigeria (CBN) did not achieve much in tackling rising inflation.

Despite the prevailing economic challenges, the Nigerian All Share Index closed the year with a decline of -6.2% at 26,874 compared with 28,642 recorded in 2015 with all sectors and indices closing negative with the exception of the NSE Banking index, due to the uncertainly of foreign exchange availability and the ambiguity of the various monetary policies.

Notwithstanding the harsh operating environment, the country recorded some positive developments which included the implementation of Treasury Single Account System thereby providing a clear status of the revenue of the Federal Government and potentially plugging leakages, the anti-corruption war of the Federal Government and successes recorded by the Nigerian Army over the terrorism that plagued the Northern part of the country.

INSURANCE INDUSTRY

The insurance industry was not immune from the impact of the economic recession as purchasing power for personal and commercial customers with attendant impact on premium income without corresponding reduction in claims, thereby compelling insurance operators to grapple for market share within weakening insurance penetration rate

The efforts of the National Insurance Commission at reinforcing standards has been commendable with the release of the draft roadmap for transition to Risk Based Insurance Solvency regime in Nigeria. With the proposed migration from the capital regime to the Economic Capital Module, insurance operators would assume the level of exposure that corresponds to their capital outlay and posit their solvency levels.

The steady growth of the insurance industry was slightly impaired in 2016 due to the impasse between the insurance and bank regulators on the bancassurance model of sale of insurance as both regulators failed to reach a consensus on the framework for the referral model adopted by the CBN.

A similar impasse was experienced between the insurance and pension regulators with the Pension Commission seeking to enforce the law and ensure that Pension Funds and Assets (annuity inclusive) are held with a Pension Fund Custodian, thereby halting the sale of annuity for a few months.

With a quick resolution to the lingering regulatory challenges, the Nigerian insurance industry can, notwithstanding the challenging operating environment, channel its efforts towards insurance penetration, contribute significantly to the GDP and focus on attaining the standard and rating of global insurance industries.

FINANCIAL RESULTS

The company recorded a 13% increase in Gross Premium Written from N46.6billion in 2015 to N52.7billion in 2016, this is largely attributable to the significant increase in premiums written under annuity business. The Net underwriting income slightly increased by 3% from ₦39.9billion in 2015 to ₦41.2billion in 2016, mainly due to the prior year's premium written earned in the current year.

There was a significant increase in claims expenses in 2016 by 61% from ₦14.3billion in 2015 to ₦23.0billion in 2016. This came largely from increase in reserves held for our Specialty lines. In addition, translation of dollar-denominated reserves for outstanding claims in General Insurance Specialty line increased the claims incurred position together with increase in annuity reserves. Overall, the business recorded improvement in underwriting profit from a loss position of (₦12.9billion) in 2015 to ₦10.2billion in 2016. The improvement came largely from positive movements in transfer to Life funds and reduced yield in annuity investment.

Notwithstanding the depressed economic environment, investment income increased by 27% from ₦9.9billion in 2015 to ₦12.9billion in 2016. In addition, the company recorded significant income from foreign exchange gains following the devaluation of the Naira. The overall performance of the Company after tax increased marginally by 4% from ₦6.3billion in 2015 to ₦6.6billion in 2016.The Company's assets grew by 21% from ₦137.3billion in 2015 to ₦166billion in 2016 following significant investment in bonds as well as gains recorded in foreign currency translation.

DIVIDEND

In fulfilment of our undertaking to ensure competitive returns to our distinguished shareholders for their equity investments in the company, your board recommends a dividend of ₦1.5billion which translates to 16 kobo per share subject to withholding tax at the prevailing rate.

FUTURE OUTLOOK

We join others in being hopeful that the country will emerge from recession in 2017. However, the economic conditions would still feel recessionary because of prospects for weak growth. Under this scenario, your company will remain alert to opportunities to take advantage of the next wave of growth by tooling to achieve operational nimbleness and efficiencies.

We will garner the collective ideas of the new age and preserve the experience of the old to remain a competitive brand of repute in our industry and able partner to all of our stakeholders.

Following the retirement of Mallam Umar Yahaya, Dr. Konyinsola Ajayi and Dr. A.B.C. Orjiako in compliance with the 2009 NAICOM Code of Good Corporate Governance, the Board gained three seasoned men of proven integrity to fill the vacancy created by the retirement of the erstwhile directors. General (retired) Martin Luther Agwai was appointed a Non-Executive Director effective 3rd August 2016 and subsequently, Chairman effective 10th November 2016 while Mr. Odein Ajumogobia and Mr. Seyi Bickersteth were appointed Non-Executive Directors effective 1st January 2017. Their appointments will be presented to shareholders for ratification in the course of the meeting.

CONCLUSION

We are consistently inspired by the doggedness, unflinching support and patronage of our revered customers, brokers, agents and other stakeholders. We thank you for your unsullied loyalty and pledge our improved services to your contentment.

I also express my special appreciation to the creativity, prudence, diligence, dedication and teamwork of our management and staff in the effective running of your company's affairs. I am confident that your company will continually succeed in its aspirations.

I thank you all for trusting us to serve you.

Gen. Martin Luther Agwai
CHAIRMAN

Corporate Profile

Directors

Mallam Umar Yahaya	Chairman (Retired 31 March, 2016)
Gen. Martin Luther Agwai	Chairman (Appointed 10 November, 2016)
Mr. Oye Hassan-Odukale	Managing Director
Mr. Tunde Hassan-Odukale	Executive Director
Ms. Adetola Adegbayi	Executive Director
Mr. Jeremy Rowse	Non-Executive Director
Dr. Konyinsola Ajayi	Non-Executive Director (Retired 31 March, 2016)
Dr. A.B.C Orjiako	Non-Executive Director (Retired 31 March, 2016)
Mrs. Mowunmi Sotubo	Non-Executive Director
Mr. Eugene Curley	Non-Executive Director
Mr. Seyi Bickersteth	Non-Executive Director (Appointed 1 January, 2017)
Mr. Odein Ajumogobia	Non-Executive Director (Appointed 1 January, 2017)

Certificate of Incorporation Number
RC 7588

Date Of Incorporation
22 September 1970

NAICOM License Number
RIC-025

Bankers and other professional advisors

Company secretary:
Sunday Oroleke

FRC/2014/NBA/00000007297

Registered Office:
NN 28/29 Constitution Road, Kaduna State, Nigeria

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

Bankers:
Access Bank Plc
Citibank Nigeria Limited
Diamond Bank Plc
FBN Bank (Uk) Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
FSDH Merchant Bank Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Nigeria Limited
Mainstreet Bank Limited
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith bank Plc

Reinsurers
African Reinsurance Corporation
Continental Reinsurance Plc
WAICA Reinsurance
Hannover Reinsurance Company Limited
Munich Reinsurance of Africa Limited
Swiss Reinsurance Africa Limited
AIG Europe
Kiln Syndicate
Ace Global

Actuaries
HR Nigeria Limited
FRC/NAS/00000000738

Estate Surveyor and Valuer
Diya Fatimilehin & Co.
FRC/2013/NIESV/00000002773

Governance

In this section:

The governance framework, including the role and effectiveness of the Board and the alignment of the interests of management with long term value creation.

The biggest determinant in our lives is culture, where we are born, what the environment looks like. But the second biggest determinant is probably governance, good governance or a certain kind of governance makes a huge difference in our lives.

Nicolas Berggruen

BOARD OF DIRECTORS

Gen. Martin Luther Agwai
CHAIRMAN

- Visiting Professor, African Leadership Center, London
- Former Chief of Army Staff, Nigerian Army.
- Former Chief of Defense Staff, Nigerian Army.
- Former Chairman, Subsidy Reinvestment Programme.
- Alumnus, National Defense University, Washington DC, USA
- Alumnus, Administrative Staff College of Nigeria

Mr. Oye Hassan-Odukale, mfr
CHIEF EXECUTIVE OFFICER

- Member, Executive Committee of the African Insurance Organization
- Past Chairman, Nigerian Insurers Association
- 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, Harvard Business School, USA

Mr. Tunde Hassan-Odukale
EXECUTIVE DIRECTOR

- Director, First Bank of Nigeria Plc.
- Member, Royal Society of Mathematics and the Institute of Actuaries
- Alumnus, University of London
- Alumnus, City University, London
- Alumnus, Harvard Business School, USA
- Former Director, Stanbic IBTC Bank Plc.
- Former Director, Union Assurance

Ms. Adetola Adegbayi
EXECUTIVE DIRECTOR

- Director, Leadway Hotels Limited
- Alumnus, University of Bristol
- Alumnus , University of South Wales.
- Associate, Chartered Insurance Institute, London
- Associate, Chartered Institute of Arbitrators, UK.

Mr. Jeremy Rowse
NON-EXECUTIVE DIRECTOR

- Director, Santam South Africa
- Former Chief Executive, African Life Assurance, Johannesburg, South Africa
- Former Member, Board of the Life Offices Association of South Africa
- Former Member, Ghana Investment Advisory Council
- Alumnus, Rhodes University South Africa
- Alumnus, University of Cape Town, South Africa

Mrs. Mowunmi Sotubo
NON-EXECUTIVE DIRECTOR

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

BOARD OF DIRECTORS

Mr. Eugene Curley

NON-EXECUTIVE DIRECTOR

- Managing Director, CTF Solutions, UK
- Former UK Diplomat

Mr. Oluseyi Bickersteth

NON-EXECUTIVE DIRECTOR

- Director, Nigeria-South Africa Chamber of Commerce.
- Director, Nigerian Economic Summit Group
- Former National Senior Partner, KPMG Nigeria
- Former Chairman KPMG Africa
- Alumnus, York University, Canada.
- Fellow, Institute of Chartered Accountants of Nigeria (FCA).

Mr. Odein Ajumogobia

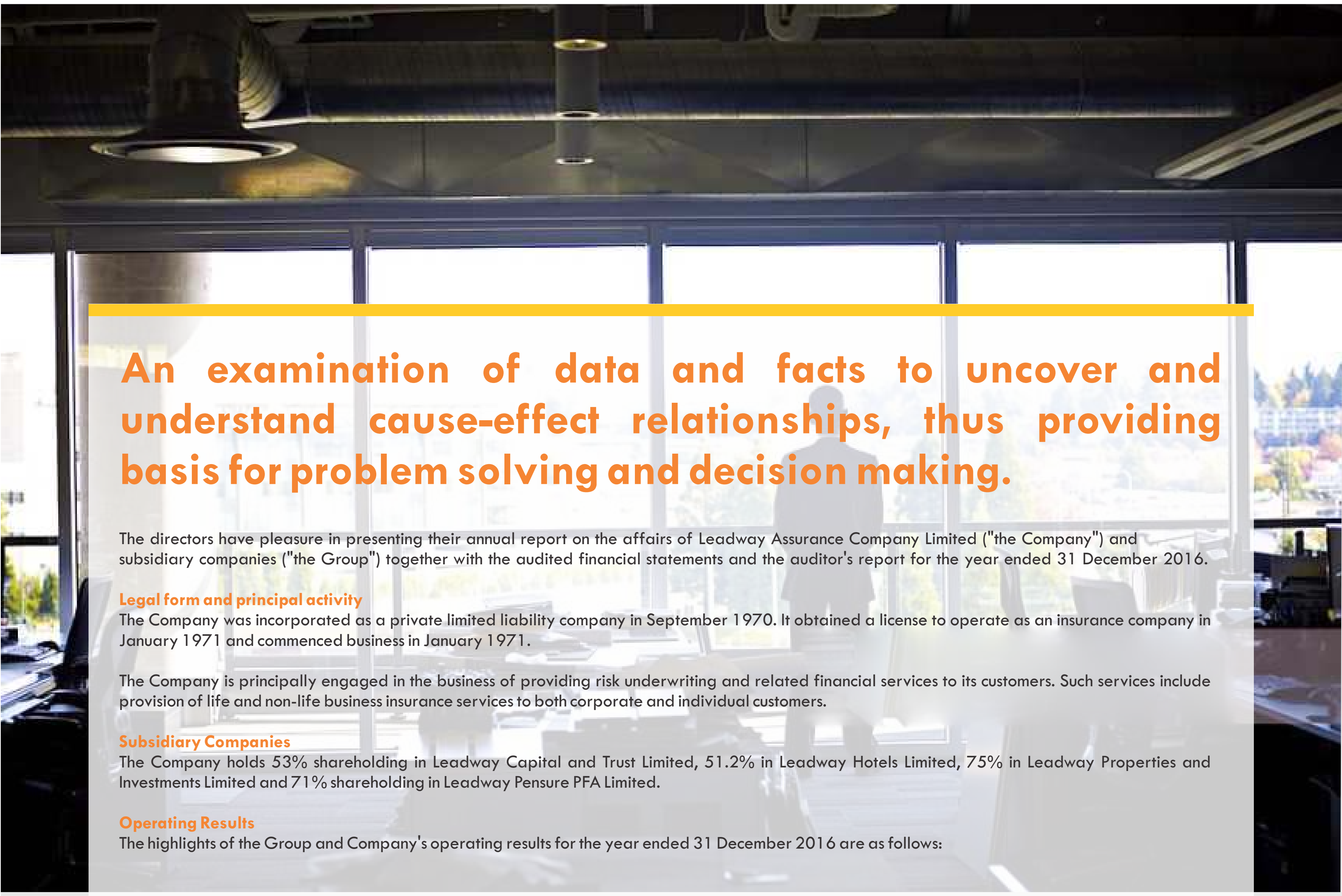
NON-EXECUTIVE DIRECTOR

- Former Attorney General and Commissioner of Justice, Rivers State.
- Former Minister of State for Petroleum Resources.
- Former Minister of Foreign Affairs
- Member, Nigerian Bar Association
- Alumnus, Harvard Law School Massachusetts.
- Fellow, Chartered Institute of Arbitrators (FCI) Arb London


Because Education Is Their Future
Education protection plan
Ensures your child's education is not cut short no matter what happens.
Help them live their dream with EPP.

Directors' Report

For the year ended 31 December 2016



An examination of data and facts to uncover and understand cause-effect relationships, thus providing basis for problem solving and decision making.

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 2016.

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 Companies

The Company holds 53% shareholding in Leadway Capital and Trust Limited, 51.2% in Leadway Hotels Limited, 75% in Leadway Properties and Investments Limited and 71% shareholding in Leadway Pensure PFA Limited.

Operating Results

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

	Group 31-Dec-16 ₦'000	Group 31-Dec-15 ₦'000	Company 31-Dec-16 ₦'000	Company 31-Dec-15 ₦'000
Gross Premium Written	52,700,272	46,640,828	52,718,567	46,648,918
Profit before tax	**8,791,606**	**9,301,030**	**7,361,449**	**6,484,941**
Income tax expense	(1,206,754)	(413,974)	(699,492)	(105,012)
Profit for the year	**7,584,852**	**8,887,056**	**6,661,957**	**6,379,929**
Other Comprehensive Income	**1,371,798**	**(1,243,922)**	**1,425,012**	**(1,187,527)**
Total Comprehensive Income	**8,956,650**	**7,643,134**	**8,086,969**	**5,192,402**
Earnings per Share (kobo) – Basic/diluted	**84**	**108**	**72**	**73**
Profit attributable to:				
- Owners of the Company	7,143,178	8,711,508	6,661,957	6,379,929
- Non – controlling interest	441,674	175,548	-	-
	7,584,852	**8,887,056**	**6,661,957**	**6,379,929**
Appropriation of profit attributable to owners of the company				
Transfer to:				
- Contingency reserve	1,448,231	1,031,113	1,357,793	943,301
- Retained earnings	5,694,947	7,680,395	5,304,164	5,436,628
-	**7,143,178**	**8,711,508**	**6,661,957**	**6,379,929**

Dividends
The dividends paid in 2016 and 2015 were ₦1,000,000,000 (₦11.39kobo per share) and ₦850,000,000 (10 kobo per share) respectively.

A dividend in respect of the year ended 31 December 2016 of ₦16.02kobo per share, amounting to a total dividend of ₦1.5 billion 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, together with their direct and indirect interests in the Shares of the company, were as follows:

	(Number of 50k ordinary shares held in thousands)				
		Direct	**Indirect**	**Direct**	**Indirect**
		31-Dec-16	31-Dec-16	31-Dec-15	31-Dec-15
Gen. Martin Luther Agwai**	Chairman	-	-	-	-
Mallam Umar Yahaya*	Chairman	2,506	-	2,495	-
Mr. Oye Hassan-Odukale	Managing Director	20,682	1,205,856	20,605	1,201,403
Mr. Tunde Hassan-Odukale	Executive Director	-	452,197	-	537,554
Ms. Adetola Adegbayi	Executive Director	12,203	-	12,203	-
Mr. Jeremy Rowse	Non-Executive Director	-	-	-	-
Dr. Konyinsola Ajayi*	Non-Executive Director	-	14,437	-	14,372
Dr. A.B.C. Orjiako**	Non-Executive Director	-	-	-	-
Mrs. Mowunmi Sotubo	Non-Executive Director	291,673	-	290,404	-
Mr. Eugene Curley***	Non-Executive Director	-	-	-	-
Mr. Seyi Bickersteth**	Non-Executive Director	-	-	-	-
Mr. Odein Ajumogobia**	Non-Executive Director	-	-	-	-

Retirement and Appointment of Directors
* Having spent a cumulative period of nine years on the Board, three of our directors; Mallam Umar Yahaya (Chairman), Dr. Konyinsola Ajayi, and Dr. A.B.C. Orjiako retired as Non-Executive Directors with effect from 30th March 2016.

** Following the retirement of the Chairman, Mallam Umar Yahaya, the board of directors of the Company appointed Gen. Martin Luther Agwai (rtd) as the new Chairman of the Company with effect from 10th November 2016.

Mr. Seyi Bickersteth and Mr. Odein Ajumogobia were also appointed as Independent Non-Executive Directors effective 1st January 2017.

*** During the year, Swiss Re-Direct Investments Company Limited acquired 25% of the shares of Leadway Assurance Company Limited. Following this transaction, Mr. Eugene Curley was appointed as Director to represent Swiss Re's interest on the Board. The appointment took effect from 5th May 2016.

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

	31 December 2016			
	No of Shareholders	**Percentage of shareholders**	**No of holdings ('000)**	**Percentage of holdings**
Share range				
Above 400,000,000	5	11%	6,546,333	70%
200,000,001 - 400,000,000	6	15%	1,914,578	20%
100,000,001 - 200,000,000	2	5%	278,728	3%
50,000,001 - 100,000,000	6	15%	441,843	5%
Below 50,000,000 Total	22	54%	183,418	2%
Total	**41**	**100%**	**9,364,900**	**100%**

	31 December 2015			
	No. of Shareholders	**Percentage of shareholders**	**No. of holdings ('000)**	**Percentage of holdings**
Share range				
Above 400,000,000	5	11%	5,413,196	62%
200,000,001 - 400,000,000	6	15%	1,895,645	21%
100,000,001 - 200,000,000	2	5%	277,940	3%
50,000,001 - 100,000,000	6	15%	441,219	5%
Below 50,000,000 Total	22	54%	751,593	9%
Total	**41**	**100%**	**8,779,593**	**100%**

Property and equipment
Information relating to changes in property and equipment is given in Note 13 to these financial statements.

LEADWAY ASSURANCE COMPANY LIMITED RC 7588

Donations and charitable gifts

A total sum of N32,780,000 (2015 : ₦16,437,682) 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:

Beneficiaries *(All amounts in absolute)*	**31 Dec 16**	**31 Dec 15**
Committee Encouraging Corporate Philanthrophy (CECP - Nigeria)	1,000,000	-
Lagos State Security Trust Fund	5,000,000	5,000,000
Little Saints Orphanage	300,000	-
The Nigerian Stock Exchange	500,000	-
Sebeccly Cancer Care & Support Centre	500,000	500,000
Chartered Insurance Institute of Nigeria	2,350,000	2,560,000
Nigeria Insurance Association	1,000,000	-
Nigeria Bar Association	5,300,000	-
University of Ibadan	-	50,000
Sickle Cell Foundation of Nigeria	300,000	-
The Bridge Foundation for Youth Leadership	500,000	-
Special Persons Association of Nigeria	-	200,000
Franco-Nigerian Chamber Of Com. & Ind.	1,500,000	-
American University of Nigeria	1,500,000	500,000
Havard Business School Ass. of Nigeria	500,000	-
National Association Nigeria Travel Agencies (NANTA)	500,000	-
Women Technology Empowerment Center	-	100,000
Nigerian-American Chamber of Commerce	250,000	-
Disabled Sport	-	106,000
Down Syndrome Foundation	200,000	-
Genotype Foundation	200,000	-
Federal Road Safety Commission Iponri Unit	200,000	150,000
Professional Insurance Ladies Association	250,000	-
Women in Business (WIMBIZ)	1,500,000	-
Kaduna Polo Club	1,000,000	-
Kaduna Chambers of Commerce	300,000	-
Lagos Motor Boat Club	1,000,000	-
Apapa Boat Club	300,000	-
Risk Managers Society of Nigeria	250.000	-
E-Health Africa	-	400,000
Rotary Club of Falomo	-	400,000
Nigerian Police Force	500,000	500,000
Lydia Women Foundation	1,100,000	550,000
Modupe Cole & Ile Anu Orphanage	-	667,000
Special Olympics of Nigeria	-	796,000
Society for Corporate Governance Nigeria	300,000	-
Uplift Development Foundation	-	1,000,000
Others	4,680,000	2,958,682
	32,780,000	**16,437,682**

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 a 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

18 April 2017

Statement of Directors' Responsibilities

For the year ended 31 December 2016

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2016

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 safeguard 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
FRC/2013/IODN/00000001963
18 April 2017

Ms. Adetola Adegbayi
Executive Director
FRC/2013/CIIN/00000002071
18 April 2017

Corporate Governance Report

For the year ended 31 December 2016

Introduction

Leadway Assurance Company Limited Group is committed to adhering to 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 the 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 a total of seven directors as at 31 December 2016. This includes the Chairman, (who is a Non-Executive Director), the Managing Director, two Executive Directors and three 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 five 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	5
Names	4th February 2016	30th March, 2016	5th May, 2016	3rd August, 2016	10th November, 2016
Mr. Oye Hassan-Odukale	√	√	√	√	√
Mr. Tunde Hassan-Odukale	√	√	√	√	√
Mallam Umar Yahaya	*	√	NLD	NLD	NLD
Dr. Konyinsola Ajayi	√	√	NLD	NLD	NLD
Mr. Jeremy Rowse	√	√	√	√	√
Mrs. Mowunmi Sotubo	√	√	√	*	√
Ms. Adetola Adegbayi	√	√	√	√	√
Dr. A.B.C. Orjiako	√	√	NLD	NLD	NLD
Mr. Eugene Curley	NYA	NYA	√	√	√
Gen. Martin Luther Agwai (rtd)	NYA	NYA	NYA	√	*

Key:

√ Present *** Apology** **NLD - No Longer A Director** **NYA - Not Yet**

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 an 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. Enterprise Risk Management 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 2016:

- 2 February 2016
- 5 May 2016
- 1 August 2016
- 8 November 2016

b. Finance, Investment and General Purpose 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. The Committee had four meetings in 2016:

- 2 February 2016
- 4 May 2016
- 2 August 2016
- 9 November 2016

c. Audit and Compliance 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. The Committee had two meetings in 2016:

- 3 February 2016
- 4 May 2016

d. Nomination and Remuneration Committee:

The membership of this committee includes two non-executive directors, one of which is the chairman. Its responsibility includes identifying and nominating for approval candidates to fill board vacancies, constitution of board committees or change of its terms of reference, review of the structure, size, and composition of the Board, consideration of succession planning, board performance evaluation and the remuneration of the board.

- 10 November 2016

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 and Feedback

For the year ended 31 December 2016

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 Channel

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 the 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.

Customer's 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 Customer's 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 delivered 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.

Report of complaints received and resolved by the organization between January-December 2016.

Month	Complaints received during the year	Number of complaints resolved	Number Complaints unresolved	Number of unresolved complained with SLA*
January	27	27	-	-
February	13	13	-	-
March	18	18	-	-
April	10	10	-	-
May	20	20	-	-
June	39	39	-	-
July	17	17	-	-
August	14	14	-	-
September	7	7	-	-
October	5	5	-	-
November	3	3	-	-
December	3	3	-	-
	176	**176**	-	-

* *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 2016

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, 2016 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 statements 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 remains a series of measures, initiatives, and target aimed at profitable growth and market leadership across our businesses. We will 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 2016 - 2017 will be to continue to deliver on the series of initiatives and actions - that we have identified in prior years 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-16	31-Dec-15	% change	31-Dec-16	31-Dec-15	% change
Gross Premium	52,700,272	46,640,828	13%	52,718,567	46,648,918	13%
Net Premium	41,256,760	39,939,075	3%	41,275,055	39,947,166	3%
Total Underwriting Income	43,110,613	40,845,569	6%	43,128,908	40,853,660	6%
Investment Income	10,762,301	12,210,264	-12%	10,490,455	9,955,505	5%
Claims expenses	13,464,887	8,324,568	-62%	13,465,180	8,324,918	-62%
Annuity Claim	9,597,747	6,039,540	-59%	9,597,747	6,039,540	-59%
Underwriting expenses	5,041,651	4,956,757	-2%	5,041,651	4,956,757	-2%
Underwriting Profit	10,534,358	(12,992,951)	181%	10,552,360	(12,992,951)	181%
Operating expenses	5,628,190	4,929,240	-14%	4,286,250	3,495,726	-23%
Profit before tax	8,791,606	9,301,030	-5%	7,361,449	6,484,941	14%
Earnings per share	83kobo	108kobo		66kobo	73kobo	

Performance ratios (based on Gross Written Premium)

	%	%	%	%
Underwriting expenses ratio	10	11	10	11
Claims ratio	44	31	26	18
Operating expenses ratio	11	11	8	7
Combined ratio	64	52	43	36
Underwriting profit ratio	20	(28)	20	(28)
Profitability ratio	17	20	14	14

Performance ratios (based on Net Written Premium)

	%	%	%	%
Underwriting expenses ratio	12	12	12	12
Claims ratio	33	21	33	21
Operating expenses ratio	14	12	10	9
Combined ratio	58	46	55	42
Underwriting profit ratio	26	(33)	26	(33)
Profitability ratio	21	23	18	16

The Group experienced a growth of 13% in Gross written premium 3% 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 3% growth when compared with prior year performance. The Group paid out ₦23.1billion in claims and insurance benefits, an increase of 61% over previous year's payout. The claims ratio was a bit high for the period under review at 44% of Gross premium compared with 31% 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 a ₦10.1billion profit when compared to a loss of ₦12.9billion recorded in the prior year ended December 2015.

Investment Income

Investment income for the year amounted to ₦12.9 billion, while prior year stood at ₦12.2 billion which translates to an increase of 6% 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 ₦6billion as against ₦4.9 billion in the prior year. This represents an increase of 23%.

Foreign exchange revaluation gain

The extraordinary impacts of exchange rate were driven by macro events in the economy. This resulted in exchange gains moving up significantly as stated in the financial statements, while at the same time, liabilities denominated in foreign currencies were also translated at the closing rate to reflect a conservative position of these liabilities thus reducing the impact of exchange gains on the bottom line in the financial statements. The foreign currencies liabilities are well- matched as the assets supporting them were also held in foreign currencies as at 31st December 2016.

Similarly, bond yields also moved up from 11.16% in 2015 to 15.28% in 2016 thereby producing lower valuation and higher fair value loss in the accounts due to inverse relationship between bond yield and value. However, the impact of fair value loss was adjusted against the carrying value for our Life Business Insurance funds to reflect the lower value.

Independent auditor's report

To the Members of Leadway Assurance Company Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and Separate financial position of Leadway Assurance Company Limited ("the company") and its subsidiaries (together "the group") as at 31 December 2016, and of their consolidated and separate financial performance and their consolidated and separate 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.

What we havve audited

Leadway Assurance Company Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2016;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Directors Report, Corporate Governance Report, Statement of Directors' Responsibilities, Statement of Value Added and Five Year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's complete Annual report and Chairman's Statement, which are expected to be made available to us after that date.

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

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is Materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's complete Annual report and Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements.

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

pwc

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Companies arid 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 statement 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

20 April 2017

Company Information and Summary of Significant Accounting Policies

For the year ended 31 December 2016

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), 51.2% in Leadway Hotels Limited, 100% in Leadway Properties and Investments Limited and 69.53% shareholding in Leadway Pensure PFA Limited.

The consolidated financial statements of the Group for the year ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as" Group entities"). These financial statements were authorized for issue by the directors on the 18 April 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 judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment 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 2016 that would be expected to have a material impact on the group.

2.2.2 New standards and interpretations not yet effective

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 2016 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 asignificant impact on the Group operations and financial position. The group is currently yet to assess IFRS 9's full impact.

IFRS	Effective Date	Key Requirements
Amendments to IAS 7 Statement of Cash Flows	1 January 2017	Amends IAS 7 to include disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

IFRS	Effective Date	Key Requirement
IFRS 16, 'Leases'	1 January 2019	This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.
IFRS 15, 'Revenue from contracts with customers'	1 January 2017	IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are Identification of the contract with the customer, Identification of the performance obligations in the contract, Determination of the transaction price, Allocation of the transaction price to the performance obligations in the contracts, and Recognition of revenue when (or as) the entity satisfies a performance obligation.
IFRS 9, 'Financial instruments'	1 January 2018	IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. The entity is yet to assess the impact of this standard on the group.

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 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		
Financial Assets	Financial assets at fair value through profit or	Financial assets at fair value through profit or loss	Listed Debt Securities	Treasury bills with 90 days maturity Federal Government of Nigeria bonds
			Listed Equity Securities	Shares
	Loans and receivables	Cash and cash equivalents		Cash in hand and bank Placements Treasury bills with 90 days
		Loans and advances		Commercial loans Loans to policyholders Agency loans
				Advances under finance lease
		Trade receivable	Insurance Receivables	Due from contract, brokers, agents and insurance companies
		Reinsurance Assets		Due from reinsurers
		Other Receivables		Other receivables
	Available for sale	Investment Securities	Listed Equity	Shares
			Unlisted Equity	Shares
	Held to maturity	Held to maturity financial assets	Listed Debt Securities	State Government bonds
				FGN Treasury bills
				Corporate bonds
				Eurobonds
				FGN bonds
Financial liabilities	Financial liabilities at fair value through P&L	NIL	NIL	NIL
	Financial liabilities at amortised cost	Trade Payables		Reinsurance payable
				Insurance payable
		Other liabilities		Commission payable
				Due to employees
				Accrued expenses
		Insurance contract liabilities		Outstanding claims
				Life funds
		Borrowings		Term loans Others

2.6.1 Financial Assets:

Initial recognition

Regular-way purchases and sales of financial assets are recognized 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 amortized cost, depending on their classification:

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

This category has two sub-categories: Financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified as 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 recognizing the gains and losses on them on different bases.

Upon initial recognition, attributable transaction costs are recognized in the 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 recognized initially at fair value plus any directly attributable transaction costs and are subsequently carried at amortized 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 the income statement. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized 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 recognized in the 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, policyholders loan and loans to agents. These are managed in accordance with a documented policy.

Loans and receivables are measured at amortized 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 policyholders represent loans availed to life insurance policy holders and are recognized at amortized cost.

Reinsurance and Co-insurance recoverable
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 comprises the share of gross written premiums transferred to reinsurers based on agreed arrangements. Reinsurance arrangements does not relieve the Group from its direct obligation to policyholders.

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 capitalized 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.

(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 recognized 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 amortized 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 reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a 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 amortized 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 amortized 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 recognized 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 recognized (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized 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 the 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.

(iii) Trade receivables

Trade receivables, are a significant part of loans and receivables, are initially recognized at fair value and subsequently measured at amortized cost less provision for impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which considers the loss given default for each customer, probability of default and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reverse date. Any subsequent reversal of an impairment loss is recognized in the income statement.

In respect of other receivables, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

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 recognized initially at fair value and subsequently measured at amortized 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 realize the asset and settle the liability simultaneously.

2.6.4 Derecognition 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.

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, canceled 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 amortized 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 the commission which is incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated on a time apportionment basis over the tenor of the policies.

2.9 Investment property

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

The Group's 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 the cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognized in the 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 an 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 the 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 groups operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognized in the statement of comprehensive income within investment income.

2.11 Intangible assets

(a) Goodwill

The 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 amortization 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 capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized 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 recognized in the 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. Land is however not depreciated.

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 recognized 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 recognized as an expense in the 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 IFRS 5.

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 recognized 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 of other assets and groups. Impairment losses are recognized 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.

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 policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder 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 is at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and accounts for these as insurance contracts in accordance with IFRS 4.

(a) Types of insurance contracts
The Group classifies 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 risks
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 protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on the 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 recognized. 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 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. Policyholders make a lump sum payment recognized 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 recognized 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.

(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 comprises 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 policyholders.

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 recoverable are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurers policies 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 an 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 represents 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 recoverable 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 policyholders' 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 is deferred as an asset and recognized in the subsequent period. They are recognized 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 recognized 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 cash flows 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. The 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 historically 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 historically 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 allowed 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 runoff 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 were 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 recognized 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 recognized. 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 the 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.

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 a fair value less transaction cost that is incremental and directly attributable to the acquisition or issue of the contract.

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

2.17 Trade and other payables
Trade and other payables are recognized initially at fair value and subsequently measured at amortized 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 recognized 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 recognized 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 recognized 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 voluntary 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 of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 realized.

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

2.21 Share capital and reserves

Share capital

The Group classifies ordinary shares and shares premium as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to the issue of shares are recognized as deductions from equity net of any tax effects.

Dividend on ordinary shares

Dividend distribution to the Group's shareholders is recognized 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 recognized 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 the gross premium and 10% of profit after taxation.

(b) Assets revaluation reserves

Assets revaluation reserves represent 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 of. 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 are 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 of services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognized 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 realized and unrealized 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 is recognized 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 recognized in the accounting period in which the services are rendered.

Fee income consists primarily of investment management fees and pension administration fees. These fees are recognized 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 recognized on an accrual basis.

2.25 Inventories
Inventories are stated at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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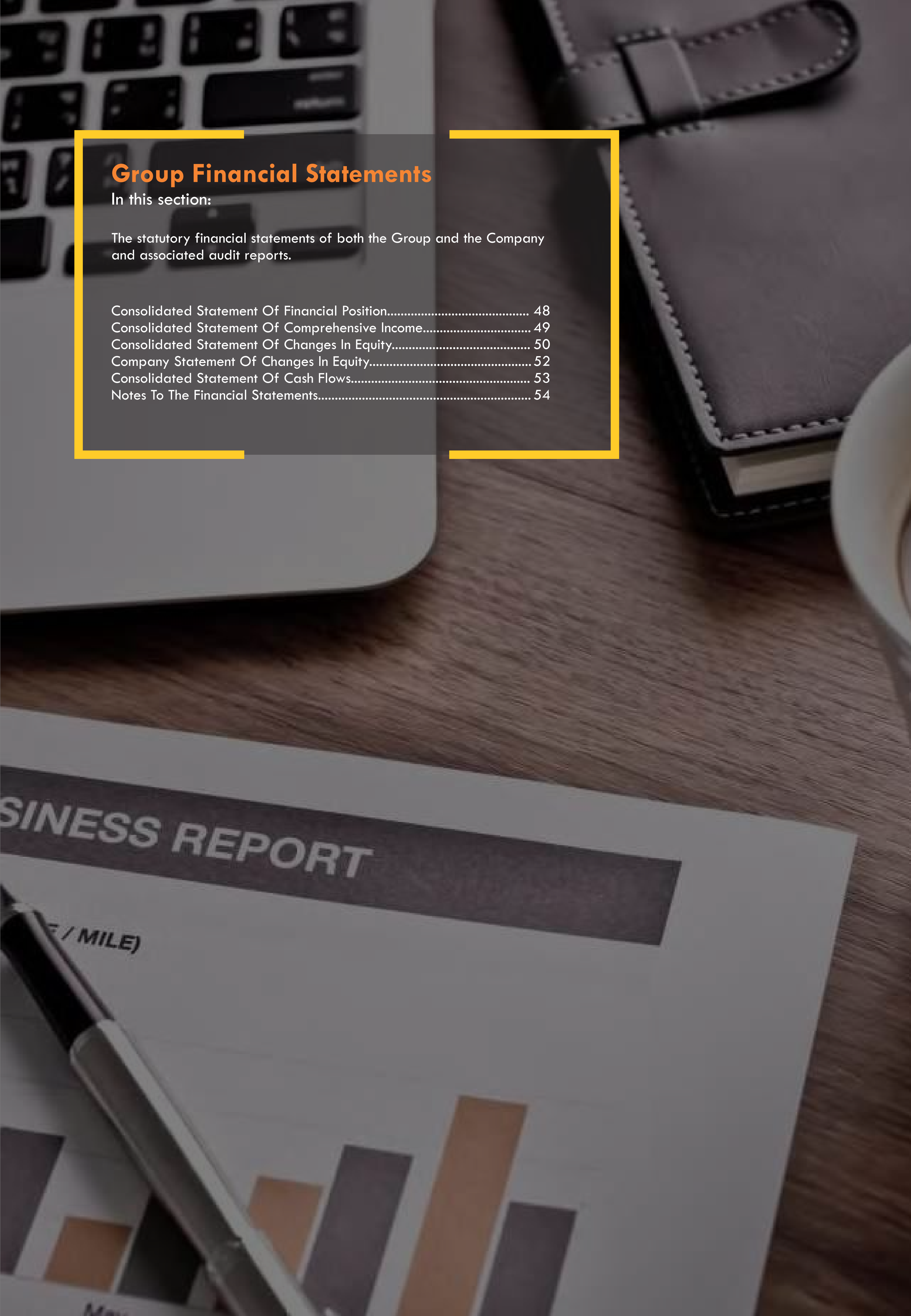

Group Financial Statements

In this section:

The statutory financial statements of both the Group and the Company and associated audit reports.

Consolidated Statement of Financial Position

As at 31 December 2016
(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-2016	Group 31-Dec-2015	Company 31-Dec-2016	Company 31-Dec-2015
ASSETS					
Cash and cash equivalents	6	26,018,694	17,031,040	24,189,697	14,656,941
Trade receivables	7	169,761	543,971	169,761	543,971
Investment securities	8				
- Financial assets at fair value through profit or loss	8.1	69,429,589	66,322,015	69,326,992	66,214,502
- Available for sale financial assets	8.2	11,210,932	9,603,510	11,206,175	9,598,753
- Held to maturity financial assets	8.3	32,952,921	16,478,385	30,508,078	15,697,784
Reinsurance assets	9	11,720,783	11,405,947	11,720,783	11,405,947
Deferred acquisition cost	10	486,416	423,123	486,416	423,123
Other receivables and prepayments	11	2,137,103	2,281,698	1,115,754	1,114,898
Loans and advances	12	2,463,338	1,919,857	797,368	1,217,079
Property and equipment	13	6,063,939	5,977,671	3,645,335	3,760,439
Investment properties	14	8,820,070	9,537,000	8,159,419	8,795,000
Investment in subsidiaries	15		-	3,637,495	3,294,467
Deferred tax assets	16	286,446	114,129	286,446	114,129
Intangible assets	17	3,899,894	3,640,910	313,804	31,308
Statutory deposits	18	500,000	500,000	500,000	500,000
TOTAL ASSETS		**176,159,886**	**145,779,256**	**166,063,523**	**137,368,341**
LIABILITIES					
Trade payables	19	2,754,639	2,714,107	2,754,639	2,714,107
Current income tax liabilities	20	1,535,019	1,122,772	900,143	651,998
Other liabilities	21	8,964,205	5,355,278	7,097,390	3,895,636
Borrowings	22	204,623	118,446	-	-
Insurance contract liabilities	23	104,757,646	93,785,535	104,757,646	93,785,535
Investment contract liabilities	24	18,294,287	15,459,507	18,294,287	15,459,507
Deferred tax liabilities	16	825,997	741,772	728,673	556,356
TOTAL LIABILITIES		**137,336,416**	**119,297,417**	**134,532,778**	**117,063,139**
EQUITY					
Issued and paid up share capital	25	4,682,450	4,389,798	4,682,450	4,389,798
Share premium	25	4,233,748	387,826	4,233,748	387,826
Retained earnings	25	15,624,296	10,838,357	11,537,043	7,232,879
Other reserves	25	11,621,100	8,774,791	11,077,504	8,294,699
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	-	**36,161,594**	**24,390,772**	**31,530,745**	**20,305,202**
Non-controlling interest	26	2,661,876	2,091,067	-	-
TOTAL EQUITY		**38,823,470**	**26,481,839**	**31,530,745**	**20,305,202**
TOTAL EQUITY AND LIABILITIES		**176,159,886**	**145,779,256**	**166,063,523**	**137,368,341**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 18 APRIL 2017 BY:

Mr. Oye Hassan-Odukale
FRC/2013/IODN/00000001963
Group Chief Executive Officer

Ms. Adetola Adegbayi
FRC/2013/CIIN/00000002071
Executive Director

Mr. David Ayodele Onilado
FRC/2012/ICAN/00000000482
Chief Financial Officer

The notes on pages 54 to 133 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

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

	Notes	Group 31-Dec-2016	Group 31-Dec-2015	Company 31-Dec-2016	Company 31-Dec-2015
Gross premium written		**52,700,272**	**46,640,828**	**52,718,567**	**46,648,918**
Gross premium income	27	53,655,158	51,064,481	53,673,453	51,072,571
Reinsurance expenses	28	(12,398,398)	(11,125,406)	(12,398,398)	(11,125,406)
Net premium income		41,256,760	39,939,075	41,275,055	39,947,165
Fees and commission income	29	1,853,853	906,494	1,853,853	906,494
Underwriting income		43,110,613	40,845,569	43,128,908	40,853,659
Claims expenses	30	(23,062,634)	(14,364,108)	(23,062,927)	(14,364,461)
Increase in Annuity fund		(4,429,557)	(33,954,433)	(4,429,557)	(33,954,433)
Increase in individual life fund		(42,413)	(570,962)	(42,413)	(570,962)
Underwriting expenses	31	(5,041,651)	(4,377,614)	(5,041,651)	(4,377,614)
Total underwriting expense		(32,576,255)	(53,267,117)	(32,576,548)	(53,267,470)
Total underwriting profit / (loss)		10,534,358	(12,421,548)	10,552,360	(12,413,811)
Investment income	32	10,762,301	9,595,339	10,490,455	7,340,580
Profit/loss on investment contracts		(355,520)	875,718	(355,520)	875,718
Net fair value gain/(loss) on assets at fair value	33	(17,500,004)	14,927,625	(17,415,674)	14,756,257
Other operating income	34	14,885,700	3,617,631	10,736,521	1,041,750
Employee benefit expenses	35	(3,331,627)	(2,330,501)	(1,989,513)	(1,512,531)
Other operating expenses	36	(5,628,190)	(4,763,710)	(4,286,250)	(3,330,195)
		9,367,018	9,500,554	7,732,379	6,757,768
Finance cost	37	(155,829)	(30,948)	-	-
Net impairment gains/(losses)	38	(419,583)	(369,753)	(370,930)	(272,827)
Share of profit of investments accounted for using the equity method		-	201,177	-	-
Profit before tax		8,791,606	9,301,030	7,361,449	6,484,941
Income tax expense	39	(1,206,754)	(413,974)	(699,492)	(105,012)
Profit for the year		**7,584,852**	**8,887,056**	**6,661,957**	**6,379,929**
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		1,386,418	(1,442,418)	1,386,864	(1,441,382)
Net amount transferred to the income statement		(30,353)	-	(30,353)	-
Items within OCI that will not be **reclassified to the profit or loss:**					
Gain on revaluation of properties and equipment net of tax		15,733	198,496	68,501	253,855
Other comprehensive income for the year		**1,371,798**	**(1,243,922)**	**1,425,012**	**(1,187,527)**
Total comprehensive income for the year		**8,956,650**	**7,643,134**	**8,086,969**	**5,192,402**
Profit attributable to:					
- **Owners of the Company**		**7,143,178**	**8,711,508**	**6,661,957**	**6,379,929**
- Non-controlling interest		441,674	175,548	-	-
Profit for the year		**7,584,852**	**8,887,056**	**6,661,957**	**6,379,929**
Total Comprehensive income attributable to:					
- Owners of the Company		8,540,727	7,494,712	8,086,969	5,192,402
- Non-controlling interest		415,923	148,422	-	-
Total comprehensive income for the year		**8,956,650**	**7,643,134**	**8,086,969**	**5,192,402**
Earnings per Share (kobo): -					
-Basic/diluted	40	84	108	72	73

The notes on pages 54 to 133 are an integral, part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

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

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2016	Share capital	Share premium	Retained earnings	Fair value reserve on available for sale financial assets	Contingency reserve
As at 1 January 2016	**4,389,798**	**387,826**	**10,838,357**	**503,438**	**6,790,001**
Profit for the year	-	-	7,143,178	-	-
Transfer to contingency reserve	-	-	(1,448,231)	-	1,448,231
Other comprehensive income					
Net changes in fair value of AFS Financial instruments	-	-	-	1,386,418	-
Net amount transferred to income statement	-	-	-	(30,353)	-
Fair value gain on Properly and equipment net of tax	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**5,694,947**	**1,356,065**	**1,448,231**
Transaction with owners:					
Contributions of equity net of transaction costs	292,652	3,845,822	-	-	-
Transfer on decrease in non controlling interests	-	-	12,999	-	-
Proceeds from rights issue	-	-	-	-	-
Dividend paid to equity holders	-	-	(921,478)	-	-
Movement in treasury shares	-	-	(529)	-	-
Total transactions with owners	**292,652**	**3,845,922**	**(909,008)**	**-**	**-**
As at 31 December 2016	**4,682,450**	**4,233,748**	**15,624,296**	**1,859,503**	**8,238,232**

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2015	Share capital	Share premium	Retained earnings	Fair value reserve on available for sale financial assets	Contingency reserve
As at 1 January 2015	**4,389,798**	**387,826**	**4,092,358**	**1,945,833**	**5,537,907**
Profit for the year	-	-	8,711,5088	-	-
Transfer to contingency reserve	-	-	(1,031,113)	-	1,031,113
Other comprehensive income					
Acquired subsidiary at acquisition	-	-	-	-	220,981
Net changes in fair value of AFS Financial instruments	-	-	-	(1,442,418)	-
Fair value gain on Properly and equipment net of tax	-	-	-	-	-
Change in NCI	-	-	-	-	-
Fair value changes of AFS financial instruments held by Associates	-	-	-	23	-
Total comprehensive income/or the year	-	-	**7,680,395**	**(1,442,395)**	**1,252,094**
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**	**6,790,001**

Asset revaluation reserve	Treasury shares	Total	Non - controlling interest	Total
1,561,569	**(80,217)**	**24,390,772**	**2,091,067**	**26,481,839**
-	-	7,143,178	441,674	**7,584,852**
-	-	-	-	-
-	-	1,386,418	-	**1,386,418**
-	-	(30,353)	-	**(30,353)**
41,484	-	41,484	(25,751)	**15,733**
41,484	**-**	**8,540,727**	**415,923**	**8,956,650**
-	-	4,138,574	-	**4,138,574**
-	-	12,999	(12,999)	**-**
-	-	-	312,902	**312,902**
-	-	(921,478)	(145,017)	**(1,066,495)**
-	529	-	-	**-**
-	**529**	**3,230,095**	**154,886**	**3,384,981**
1,603,053	**(79,688)**	**36,161,594**	**2,661,876**	**38,823,470**

Asset revaluation reserve	Treasury shares	Total	Non - controlling interest	Total
1,335,947	**(80,780)**	**17,608,889**	**1,110,488**	**18,719,377**
-	-	8,711,508	175,548	**8,887,056**
-	-	-	-	**-**
		-		**-**
-	-	220,981	881,694	**1,102,675**
-	-	(1,442,418)	-	**(1,442,418)**
225,622	-	225,622	(27,126)	**198,496**
-	-	-	-	**-**
-	-	23	-	**23**
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)**
1,561,569	**(80,217)**	**24,390,772**	**2,091,067**	**26,481,839**

Company Statement of Changes in Equity

For the year ended 31 December 2016

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

Company 2016	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 2016	4,389,798	387,826	7,232,879	518,549	6,481,209	1,294,941	20,305,202
Profit for the year	-	-	6,661,957	-	-	-	6,661,957
Transfer to contingency reserve	-	-	(1,357,793)	-	1,357,793	-	-
Other comprehensive income							
Net changes in fair value of AFS Financial instruments	-	-	-	(1,386,864)	-	-	(1,386,864)
Net amount transferred to income statement	-	-	-	(30,353)	-	-	(30,353)
Fair value gain on Properly and equipment net of tax						68,501	68,501
Total comprehensive income for the year	-	-	5,304,164	1,356,511	1,357,793	68,501	8,086,969
Transaction with owners:							
Contributions of equity net of transaction cost	292,652	3,845,922	-	-	-	-	4,138,574
Dividend paid	-	-	(1,000,000)	-	-	-	(1,000,000)
Total transactions with owners of equity	292,652	3,845,922	(1,000,000)	-	-	-	3,138,574
As at 31 December 2016	4,682,450	4,233,748	11,537,043	1,875,060	7,839,002	1,363,442	31,530,745

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
Movement Entries							
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 Properly 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

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

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

	Notes	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Operating activities					
Insurance premium received	27	52,700,272	46,391,355	52,718,567	46,399,445
Reinsurance premium paid	28	(11,299,753)	(7,021,137)	(11,299,753)	(7,021,137)
Reinsurance commission received	29	1,853,853	906,494	1,853,853	906,494
Insurance benefits and claims paid	30	(19,178,830)	(12,704,338)	(19,179,123)	(12,704,691)
Deposit received on investment contracts	24	5,051,290	3,983,855	5,051,290	3,983,855
Claims paid on investment contracts	24	(3,653,975)	(2,247,956)	(3,653,975)	(2,247,956)
Reinsurance claims received	30	2,024,611	373,080	2,024,611	373,080
Commission paid		(3,843,378)	(4,950,917)	(3,843,378)	(4,950,917)
Premium received in advance		3,136,602	-	3,136,602	-
Cash paid to insurance brokers and reinsurers	10	(1,485,844)	(2,426,036)	(1,485,844)	(2,426,036)
Cash paid to external parties		(1,370,394)	(6,662,899)	(1,515,845)	(4,507,440)
		23,934,454	**15,641,501**	**23,807,005**	**17,804,697**
Corporate tax paid	20	(533,416)	(572,570)	(451,347)	(428,951)
Net cash used in operating activities		**23,401,038**	**15,068,931**	**23,355,658**	**17,375,746**
Cash flows from investing activities					
Investment income received		11,396,068	8,023,359	11,383,072	5,492,430
Purchase of investment property	14	(9,156)	(663,984)	(6,176)	(464,569)
Dividend received		725,486	-	725,486	-
Other income received		2,526,298	3,136,270	390,618	594,969
Proceeds on disposal of property and equipment		18,742	6,199	14,919	6,199
Payments for Financial assets designated at fair value	8.1	(27,147,171)	(20,505,311)	(27,152,086)	(20,505,311)
Payments for available for sale financial asset	8.2	(727,635)	(1,209,302)	(727,635)	(1,037,481)
Payments for Held to Maturity Investment Securities	8.3	(17,318,396)	(2,812,999)	(15,788,823)	(2,812,999)
Payments for Loans and Receivables		(2,644,368)	(952,326)	(804,453)	(434,964)
Payments for intangible assets	17	(372,866)	-	(366,213)	-
Purchase of property and equipment	13	(1,197,489)	(682,213)	(223,198)	(324,111)
Proceeds on disposal of Investment Securities		8,267,717	5,473,893	8,267,717	5,205,030
Loans repayment received		2,024,001	-	905,159	-
Proceeds from disposal of associates		-	997,489	-	997,489
Payment for right issue to subsidiary		-	-	(178,500)	-
Payment for acquisition of subsidiary, net of cash acquired		-	(1,973,604)	-	(2,000,000)
Net cash used in investing activities		**(24,458,769)**	**(11,162,529)**	**(23,560,113)**	**(15,283,318)**
Cash flows from financing activities					
Dividend paid to equity holders (parents)		(921,478)	(934,396)	(1,000,000)	(850,000)
Dividend paid to equity holders (NCI) Proceeds from rights issue		(145,017)	(49,537)	-	-
Repayments of borrowings		312,902	-	-	-
Additions to borrowings	22	(118,446)	-	-	-
Proceeds from issue of shares	22	204,623	55,290	-	-
		4,138,574	-	4,138,574	-
Net cash used in financing activities		**3,471,158**	**(928,643)**	**3,138,574**	**(850,000)**
Net increase in cash and cash equivalents		2,413,427	2,977,758	2,934,119	1,242,428
Effect of exchange rate fluctuations on cash held		6,495,082	451,033	6,519,492	447,493
Cash and cash equivalents at beginning of year	6	17,110,185	13,681,394	14,736,086	13,046,165
Cash flows from investing activities	6	**26,018,694**	**17,110,185**	**24,189,697**	**14,736,086**

ENTERPRISE RISK MANAGEMENT (ERM) STATEMENT

3. Introduction
Leadway Assurance Company Limited (Leadway) applies an entity-wide approach to its risk management process such that both existing and anticipated risks are identified upfront and appropriate responses are applied to reduce the likelihood of the risk downside while exploiting the opportunities inherent in the risks, thus creating value. The ERM framework has assisted all levels of operation in achieving the company's strategic objectives through systematic and portfolio approach to evaluating and improving on the effectiveness of risk management and control.

Purpose
The general purpose of Leadway's ERM Framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits we envisage gaining from our ERM framework are to:

- Protect and strengthen the company's capital base such that risk acceptances are guided by our Risk Appetite Framework and exposures are curtailed within tolerance limits.
- Give reasonable assurance to our policyholders and the regulators about our ability to pay promptly claims to arise now and in the future.
- 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.
- Reduce Leadway's susceptibility to systemic risks generated by other sectors in the financial system.
- Make our capital requirements more risk- sensitive and to improve the alignment of our company's capital standards.
- 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
- Our risk management philosophy and culture represent our shared values, attitude, and practice of how we consider risk in our day-to-day operations across all levels. As insurers, we anticipate risks and in advance, respond appropriately.
- We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities.
- We observe prudence in underwriting and limit risks to our appetite and set tolerances beyond which we object to unguided.
- We weigh the risk and reward inherent in our daily transactions and pursue those that support value creation to all customers and shareholders.
- We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals.

- We have recorded visible improvement in our risk management strategy that has helped us sustain our leadership position in the Nigerian insurance market and surpass stakeholders' expectations.

- Leadway will continue to pursue value-based risk management objective that strives for an optimal trade- off between risk and reward.

Risk Management Strategy

Our risk management methodology recognizes that there cannot be the total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk events through appropriate responses. We have deployed an ERM policy that focuses on taking an enterprise-level view of the inter-relationship among various risks with a view to providing effective responses to managing the material risks that present the greatest threats to our existence and operations as an insurance and investment company. In so doing we will, in the long run, manage risks that are less significant.

We adopt the following strategies in managing risks in Leadway:

i) Incorporate risk management principles into all functions and ensure an environment in which the Board and senior management set the tone for effective controls.
ii) Establish well-defined risk management process for risk identification, assessment, controlling, monitoring and reporting.
iii) Entrench a structured and disciplined approach to assets balancing that will prevent concentration of risk in any sector, industry, instrument, product or entity.
iv) Formulation of policies and procedures that ensure that appropriate risk response, as well as other entity directives, internal policies and control procedures are carried out.
v) Ensure good corporate governance and pursue zero tolerance for non-compliance with regulatory compliance.

External Perspectives

Leadway has continued to be in the forefront of many industry initiatives that seek to ensure setting and adhering to global best practice. This informed its involvement in the trade, association and regulatory levels in setting the tone for compliance with legislation, regulations, guidelines, and standards designed for global ratings among insurers. The interest of regulators and notable rating agencies in bringing about the required reforms that will make insurance business more attractive to investors informed Leadway's pro-activeness to becoming the co-chair on the National Risk Assessment Group under the Presidency. We are conversant with the regulatory direction and we (re)position our business to proactively respond to both local and global insurance standards and regulations.

Risk Governance, Roles & Responsibilities

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

Risk Management Strategy

Our risk management methodology recognizes that there cannot be the total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk events through appropriate responses.

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 an appropriate structure that recognizes 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 is 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.

Enterprise Risk Management Division

- Responsible for facilitation and coordination 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 analyzes 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 program, 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.

Risk Landscape

The company's risk landscape comprises of the core risks around our business operations and other risks that are external to them. The key risk classifications that have been reported include:

(I) Insurance Risk - the risk of loss as a result of improper pricing or/and inadequate reserving. The risk may arise as the insurers are exposed to the risk of timing and expectation of claims and benefit payments. The risk is mitigated through a strong reinsurance program and effective underwriting strategy that diversifies through the appropriate mix.

(ii) Operational Risk - the company is exposed to risks associated with process inefficiencies, system failure, human errors and external events. In mitigating the risk we deployed strategies for mining operational loss data and institute effective internal controls to minimize both the occurrence and severity of the operational risk.

(iii) Market/Financial Risk - the risk of volatility in the financial market that can expose our income streams to market fluctuations, and assets value being jeopardized due to falling stock prices.

(iv) Regulatory/Compliance Risk - the risk of loss arising from regulatory infractions that attract fines and penalties. The company deploys appropriate training aimed at achieving the status of 'most significantly- compliant insurer'. The company Governance and Compliance Policies are periodically audited.

(v) Competition Risk: the risk of losing business and market share arising from voluntary customer attrition, price war. inefficient work process and poor service delivery. Our company is able to manage this risk through efficient, technology driven premium service delivery and prompt resolution of customer complaints that has enabled the company to sustain its market leadership status.

(vi) Emerging Risk — these are risks that are developing or/and existing risks that are changing to develop other dependencies. We have envisaged that country risk and product risks will become noticeable in the ensuing periods due to the company's strategic, expansion and business growth. We have scanned the environment and have started putting in place, appropriate structures and commensurate capital charge for possible crystallization of these potential risks.

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimize the structure and sources of capital to ensure that it consistently maximizes 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.

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

	Group 31-Dec-16 ₦'000	Group 31-Dec-15 ₦'000	Company 31-Dec-16 ₦'000	Company 31-Dec-15 ₦'000
Maximum authorized capital	5,000,000	5,000,000	5,000,000	5,000,000
Paid up share capital	4,682,450	4,389,798	4,682,450	4,389,798

The Group has different requirements depending on the specific operations which it engages in. The Group's main businesses are insurance, property development, pension and asset management, hospitality and trusteeship. The insurance business is divided into life and non-life business. Note 25a 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 fewer reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever 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 company's solvency margin as at 31 December 2016 is as follows:

December 2016 **ASSETS**	**TOTAL** **₦'000**	**ADMISSIBLE** **₦'000**	**INADMISSIBLE** **₦'000**
Cash and Cash Equivalents	24,189,697	21,167,975	3,021,722
Trade Receivable	169,761	169,761	-
Investment Securities	111,041,245	111,041,245	-
Reinsurance Asset	11,720,783	11,720,783	-
Deferred Acquisition Cost	486,416	486,416	-
Other Receivables and Prepayments	1,115,754	797,368	1,115,754
Loans and Advances	797,368	313,804	-
Intangible assets	313,804	3,645,335	-
Property & Equipment	3,645,335	3,645,335	-
Investment Properties	8,159,419	8,159,419	-
Investment in Associates	-	-	-
Investment in Subsidiaries	3,637,495	3,637,495	-
Deferred Tax Assets	286,446	-	286,446
Statutory Deposit	500,000	500,000	-
Total Assets	**166,063,523**	**161,639,601**	**4,423,922**

December 2016 **LIABILITIES**	**TOTAL** **₦'000**	**ADMISSIBLE** **₦'000**	**INADMISSIBLE** **₦'000**
Trade payables	2,754,629	2,754,639	-
Current Income Tax Liabilities	900,143	900,143	-
Other Liabilities	7,097,390	7,097,390	-
Borrowings	-	-	-
Insurance Contract Liabilities	104,757,646	104,757,646	-
Investment Contract Liabilities	18,294,287	18,294,287	-
Deferred Tax Liabilities	728,673	-	728,673
Total **Liabilities**	**134,532,778**	**133,804,105**	**728,673**

	Excess of admissible assets over liabilities	**27,835,496**
Text I	Gross Premium	53,673,453
	Less: Reinsurance expense	(12,398,398)
	Net premium	41,275,055
	15% thereof	6,191,258
Text II	Minimum paid-up capital	5,000,000
	The higher thereof:	
	SURPLUS OF SOLVENCY	**21,644,238**
	Solvency ratio	450%

LEADWAY
ASSURANCE COMPANY LIMITED
RC 7588

December 2015			
ASSETS	TOTAL ₦'000	ADMISSIBLE ₦'000	INADMISSIBLE ₦'000
Cash and Cash Equivalents	14,656,941	14,656,941	-
Trade Receivable	543,971	543,971	-
Investment Securities	91,511,939	91,511,039	-
Reinsurance Asset	11,405,947	11,405,947	-
Deferred Acquisition Cost	423,123	423,123	-
Other Receivables and Prepayments	1,114,898	-	1,114,898
Loans and Advances	1,217,079	1,217,079	-
Intangible assets	31,308	31,308	-
Property & Equipment	3,760,439	3,760,439	-
Investment Properties	8,795,000	8,795,000	-
Investment in Associates	-	-	-
Investment in Subsidiaries	3,294,477	3,294,467	-
Deferred Tax Assets	114,129	-	114,129
Statutory Deposit	500,000	500,000	-
Total Assets	**137,368,341**	**136,139,314**	**1,229,027**

December 2015			
LIABILITIES	TOTAL ₦'000	ADMISSIBLE ₦'000	INADMISSIBLE ₦'000
Trade payables	3,479,923	3,479,923	-
Current Income Tax Liabilities	651,998	651,998	-
Other Liabilities	3,129,820	3,120,820	-
Borrowings	-	-	-
Insurance Contract Liabilities	93,785,535	93,785,535	-
Investment Contract Liabilities	15,459,507	15,459,507	-
Deferred Tax Liabilities	556,356	-	556,356
Total Liabilities	**117,063,139**	**116,506,783**	**556,356**

	Excess of admissible assets over liabilities	**19,632,531**
Text I	Gross Premium	51,072,571
	Less: Reinsurance expense	(11,125,406)
	Net premium	39,947,165
	15% thereof	5,992,075
Text II	Minimum paid-up capital	5,000,000
	The higher thereof:	
	SURPLUS OF SOLVENCY	**13,640,457**
	Solvency ratio	328%

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3.2 Asset and liability management

The Group is exposed to a range of financial risks through its financial assets, financially abilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient lo 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 rule 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 the portfolio, legal entity and asset and liability class level that are circulated lo the Group's key management personnel. The principal technique of the Group's ALM is lo 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 oilier 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 lo the classes and portfolios used in the Group's ALM framework.

(a) HYPOTHECATION OF ASSETS
As at 31 December 2016
(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY

	Shareholder's Fund	Non – Life Policy holder's Fund	Others	Shareholder's Fund	Life Deposit Admin. Fund
TOTAL	**20,423,637**	**30,572,177**	**9,471,488**	**11,107,112**	**18,294,287**
INVESTMENTS:					
Fixed Assets:					
Real Estate	2,836,453	3,134,223	-	641,199	2,098,260
Office Equipments	161,108	-	-	36,816	-
Motor Vehicles	139,013	-	-	78,353	-
Furniture and Fittings	16,788	-	-	1,498	-
Intangible Assets	312,306	-	-	-	-
Others Investments	-	-	-	398,572	-
Commercial loans	155,380	-	-	-	-
Loans to Policy holders	-	-	-	200,000	251,165
Statutory Deposit	300,000	-	-	-	-
Treasury Bills	-	-	-	3,431,165	2,071,044
Government Bonds	-	-	-	413,246	8,261,146
Corporate bonds	-	12,873,341	-	888,828	3,100,893
Quoted Securities	4,311,011	-	-	923,801	1,700,380
Unquoted Securities	3,233,173	-	-	216,984	72,504
Bank Placements	2,987,161	14,564,613	-	452,611	695,650
Bank and Cash Balances	2,364,270	-	-	2,953,521	43,246
Related Companies Securities	683,974	-	-	-	-
Related Companies Loans	-	-	-	435,549	-
Other assets (see "A" below)	2,955,934	-	9,468,909		-
TOTAL	**20,423,637**	**30,572,177**	**9,468,909**	**11,107,115**	**18,294,288**

OTHER DETAILS (A)

	NONLIFE BUSINESS	LIFE BUSINESS
Intangible assets		
Prepaid Reinsurance St Recoverable	11,384,279	336,504
Deferred Acquisition Expenses	486,416	-
Premium Debtors	164,616	5,145
Deferred Tax Assets	198,765	87,682
Other assets: (Staff loans, prepayments, and sundry	190,766	1,182,982
TOTAL	**12,424,842**	**1,612,313**

Annuity fund	Policy holder's fund (LIFE)	Others	TOTAL
67,976,792	**6,208,674**	**2,266,936**	**166,321,103**
1,469,293	335,680	822,598	11,337,706
-	-	-	197,924
-	-	-	217,366
-	-	-	51,760
-	-	-	313,804
-	-	-	-
-	-	-	557,170
-	-	3,218	251,165
-	-	-	500,000
2,469,569	25,398	-	4,566,011
60,974,782	4,340,735	21,071	77,028,899
181,758	208,702	42,576	16,820,516
866,660	221,912	-	7,988,791
288,382	25,500	112,643	4,656,003
1,505,832	763,591	61,941	20,795,772
220,516	287,156	26,123	3,393,922
-	-	-	3,637,495
-	-	-	-
-	-	1,176,764	14,037,156
67,976,792	**6,208,674**	**2,266,934**	**166,351,460**

(a) HYPOTHECATION OF ASSETS

As at 31 December 2015

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

COMPANY

	Shareholder's Fund	Non – Life Policy holder's Fund	Others	Shareholder's Fund	Life Deposit Admin. Fund
TOTAL	**14,382,955**	**24,030,217**	**5,836,896**	**5,922,240**	**15,459,506**
INVESTMENTS:					
Fixed Assets:					
Real Estate	2,896,000	3,400,000		391,135	2,634,594
Office Equipments	216,706	-	-	51,612	-
Motor Vehicles	137,045	-	-	91,785	-
Furniture and Fittings	62,521	-	-	39,693	-
Intangible Assets	19,869	-	-	11,440	-
Others Investments	-	-	-	-	-
Commercial loans	134,427	-	-	727,985	-
Loans to Policyholders	-	-		-	219,975
Statutory Deposit	300,000	-		200,000	-
Treasury Bills	-	-		-	495,436
Government Bonds	-	-	-	102.517	7,830,731
Corporate bonds	-	8,290,178	-	103,225	725,890
Quoted Securities	4,090,455	-	-	136,554	1,375,913
Unquoted Securities	2,613,511	-		446,914	396,98,5
Bank Placements	-	7,428,377	-	54,134	1,686,791
Bank and Cash Balances	-	1,390,841	-	97,241	93,191
Related Companies Securities	340,946	-	-	2,721,421	-
Related Companies Loans	-	-		-	-
Other assets (see "A" below)	3,571,475	3,520,821	5,836,896	746,593	
TOTAL	**14,382,955**	**24,030,217**	**5,836,896**	**5,922,249**	**15,459,506**

OTHER DETAILS (A)

	NON-LIFE BUSINESS	LIFE BUSINESS
Intangible assets		
Prepaid Reinsurance St Recoverable	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	795,324	824,967
TOTAL	**12,929,191**	**1,119,635**

Annuity fund	Policy holder's fund (LIFE)	Others	TOTAL
63,547,234	**6,2078,082**	**2,577,952**	**137,965,901**
1,967,345	402,338	264,589	11,956,001
-	-	-	268,318
-	-	-	228,830
-	-	-	102,214
-	-	-	31,309
-	-	-	-
-	-	284,758	1,147,170
-	-	-	219,975
-	-	-	500,000
-	-	-	495,436
57,045,369	3,306,942	340,123	68,625,682
1,918,392	331,880	-	11,369,565
781,226	575,364	394	6,959,906
-	223,812	379,227	4,060,449
1,834,902	1,367,746	203,592	12,575,542
-	-	500,124	2,081,397
-	-	232,100	3,294,467
-	-	-	-
-	-	373,045	14,048,830
63,547,234	**6,208,082**	**2,577,952**	**137,965,091**

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

3.3.1 Credit risks

Credit risks arise from the default of a counter-party to fulfill 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, policyholder, 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 counter-party or group of counter-parties, 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 counter-parties 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.

3.3.1.1 Maximum exposure to credit risk

	Note	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Cash and cash equivalents (excl. cash on hand)	6	26,014,889	17,028,033	24,186,451	14,655,333
Investment securities:					
- Fair value through profit or loss (excl. equity investments)	8.1	67,888,375	64,792,901	67,888,375	64,792,900
- Held to maturity	-				
Trade receivables	8.3	32,952,921	16,478,385	30,508,078	15,697,784
Loans and advances	7	169,761	543,971	169,761	543,971
Reinsurance receivable	12	3,365,178	2,728,337	9,1901,64	1,901,427
Other receivables (excl. prepayments)	9	338,532	471,660	338,532	471,660
	11	753,860	943,105	315,285	552,485
Statutory deposits	18	500,000	500,000	500,000	500,000
Total assets exposed to credit risk		**131,983,516**	**103,486,392**	**125,555,672**	**99,115,560**

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

3.3.1.2 Counter-party Risk
(a) Cash and cash equivalent
The group and company's counter-party exposure of its cash and cash equivalent is represented below;

Counterparty	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
National banks	22,788,068	16,002,031	20,959,630	13,629,331
Foreign banks	3,021,722	999,110	3,021,722	999,110
Government	-	-	-	-
Investment house	205,099	26,892	205,099	26,892
	26,014,889	**17,028,033**	**24,186,451**	**14,644,333**

Counterparty	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
National banks	87%	94%	87%	93%
Foreign banks	12%	6%	12%	7%
Government	0%	0%	0%	0%
Investment house	1%	0%	1%	0%
	100%	**100%**	**100%**	**100%**

(a) Investment securities
The group and company's counter-party exposure of its investment securities is represented below:

Counterparty	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Federal Government in Nigeria	84,949,317	70,856,377	82,504,473	70,142,244
State Government in Nigeria	753,387	923,004	753,387	923,004
Corporate with acceptable risk ratings	15,138,592	9,491,905	15,138,593	9,425,436
	100,841,296	**81,271,286**	**98,396,453**	**80,490,684**

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(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 gives 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 the 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**
A reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. Management monitors the creditworthiness 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.

3.3.1.3 Credit quality

Group 2016	AA+/AA	A+/A	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl. cash on hand)	10,239,028	7,709,134	7,468,341	598,386	26,041,889
Investment securities:					
Investment securities FVTPL (excl. equity)	1,494,522	295,750	65,946,012	152,091	67,888,375
Investment securities - HTM	2,924,927	476,923	27,108,244	2,294,473	32,804,567
Trade receivables	-	-	-	169,761	169,761
Loans and advances	-	-	-	3,365,178	3,365,178
Reinsurance receivable (excl. IBNR and prepaid reinsurance)	-	-	-	338,352	338,532
Other receivables (excl. prepayments)	-	-	-	753,860	753,860
Statutory deposits	-	-	-	500,000	500,000
Past due and impaired			-		
Investment securities - HTM	-	-	-	148,354	148,354
Loans and advances	-	-	-	169,280	169,280
	14,658,477	**8,481,807**	**100,522,597**	**8,489,915**	**132,152,796**

Group 2015	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	3,748,680	17,028,033
Investment securities FVTPL (excl. equity)	751,151	425,640	561,595	63,052,515	64,792,901
Investment securities - HTM	405,415	774,957	6,613,673	8,684,340	16,478,385
Loans and advances	-	-	-	2,462,898	2,462,898
Trade receivable Other receivables (excl. prepayments)	-	-	-	943,105	943,105
Statutory deposits	-	-	-	500,000	500,000
Reinsurance assets (excel; IBNR and prepaid reinsurance	-	-	-	471,660	471,660
Past due and impaired					
Loans and advances	-	-	-	265,439	265,439
Trade receivables	-	-	-	63,665	63,665
	5,096,444	**8,432,088**	**9,285,253**	**80,736,273**	**103,550,057**

Company 2016

	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired					
Cash and cash equivalents (excl . cash on hand)	8,413,836	7,709,134	7,468,341	595,140	24,186,451
Investment securities FVTPL (excl. equity)	1,494,522	295,750	65,946,012	152,091	67,888,375
Investment securities - HTM	480,083	476,923	28,672,950	729,768	30,359,724
Trade receivables	-	-	-	169,761	169,761
Loans and advances	-	-	-	628,088	628,088
Other receivables (excl. prepayments)	-	-	-	315,285	315,285
Statutory deposits	-	-	-	500,000	500,000
Reinsurance assets (excel; IBNR and prepaid reinsurance	-	-	-	338,532	338,532
Past due and impaired					
Investment securities – HTM	-	-	-	148,354	148,354
Loans and advances	-	-	-	169,280	169,280
	10,388,441	**8,481,807**	**102,087,303**	**3,746,299**	**124,703,850**

Company 2015

	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	1,958,842	14,655,333
Investment securities FVTPL (excl. equity)	751,150	427,640	561,595	63,052,515	64,792,900
Investment securities - HTM	405,416	774,957	6,594,161	7,923,250	15,697,784
Trade receivable	-	-	-	543,971	543,971
Loans and advances	-	-	-	1,697,572	1,697,572
Other receivables (excl. prepayments)	-	-	-	552,485	552,485
Statutory deposits	-	-	-	500,000	500,000
Past due and impaired					
Loans and advances	-	-	-	203,855	203,855
Reinsurance assets (excel; IBNR and prepaid reinsurance	-	-	-	471,660	471,660
	4,799,527	**8,146,160**	**9,265,723**	**76,904,150**	**99,115,560**

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.

LEADWAY ASSURANCE COMPANY LIMITED

Concentration of credit risk

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

Group 2016	Financial institution	Manufacturing/ Telecom	Public sector	Others	Total
Cash and cash equivalents	26,014,889	-	-	-	26,014,889
Investment securities - FVTPL (excl. equity)	623,223	-	66,225,421	1,039,731	67,888,375
Investment securities – HTM	7,887,268	201,669	24,416,761	447,223	32,952,921
Trade receivables	-	-	-	169,762	169,762
Loans and advances	-	-	-	3,365,178	3,365,178
Other receivables (excl.	-	-	-	753,860	753,860
Statutory deposits	500,000	-	-	-	500,000
Reinsurance assets (excl. IBNR and prepaid resinurance)	338,532	-	-	-	338,532
Total	**35,363,912**	**201,669**	**90,642,182**	**5,775,754**	**131,983,516**

Group 2015	Financial institution	Manufacturing/ telecom	Public sector	Others	Total
Cash and cash equivalents	17,028,033				17,028,033
Investment securities - FVTPL (excl. equity)	1,944,129	-	62,848,772	-	64,792,901
Investment securities - HTM	9,868,52	-	6,609,860		16,478,385
Trade receivable				543,971	543.971
Loans and advances				2,728,337	2,728,337
Other receivables (excl.	-	-	-	943,105	943,105
Statutory deposits	500.000	-	-		500,000
Reinsurance assets (excl. IBNR and prepaid resinurance)	471,66	-	-	-	471,660
Total	**29,812,347**		**69,458,632**	**4,215,413**	**103,486,391**

Company 2016	Financial institution	Manufacturing/ Telecom	Public sector	Others	Total
Cash and cash equivalents	24,189,697	-	-	-	24,189,697
Investment securities - FVTPL (excl. equity)	623,223	-	66,225,421	1,039,731	67,888,375
Investment securities - HTM	7,887,268	201,669	21,971,917	447,224	30,508,078
Trade receivable	-	-	-	169,761	169,761
Loans and advances	-	-	-	1,649,190	1,649,190
Other receivables (excl.	-	-	-	315,285	315,285
Statutory deposits	500,000	-	-	-	500,000
Reinsurance assets (excl. IBNR and prepaid resinurance)	338,532	-	-	-	338,532
Total	**33,538,720**	**201,669**	**88,197,338**	**3,621,191**	**125,558,918**

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 (excl equity)	1,944,129	-	62,848,771	1,421,602	66,214,502
Investment securities - HTM	6,827,399	155,629	8,714,756	-	15,697,784
Trade receivable	-	-	-	543,971	543,971
Loans and advances	-	-	-	1,901,427	1,901,427
Other receivables (excl.	-	-	-	552,485	552,485
Statutory deposits	500,000	-	-		500,000
Reinsurance assets (excl. IBNR and prepaid resinurance)	471,660	-	-	-	471,660
Total	**24,196,035**	**155,629**	**71,563,527**	**4,621,971**	**100,537,161**

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 uncollateralized.

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 outflows 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 specifies' 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 recognized 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.

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 outflows 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.

Group
Residual contractual maturities of financial assets and liabilities

31 December 2016	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	24,189,697	24,256,995	24,256,995	-	-	-	-
Trade receivables	7	169,761	169,762	169,762	-	-	-	-
Investment securities - FVTPL	8.1	69,326,992	217,872,091	6,234,461	10,577,148	37,890,951	11,468,464	151,701,068
Investment securities - Available for sale	8.2	11,206,175	12,925,027	6,550,173	-	-	-	6,374,854
Investment securities - Held to maturity	8.3	30,508,078	32,036,735	497,265	1,184,238	5,505,029	14,150,770	10,699,433
Reinsurance assets (Due from reinsurers)	9	6,538,834	6,461,895	6,461,895	-	-	-	-
Other receivables - financial assets	11	135,169	135,169	-	-	135,169	-	-
Loans and advances	12	797,368	1,912,148	68,864	75,165	346,294	1,421,825	-
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**143,372,074**	**296,269,822**	**44,239,415**	**11,836,551**	**43,877,443**	**27,041,059**	**169,275,355**
Trade payables	19	2,754,639	2,754,639	2,754,639	-	-	-	-
Other liabilities - financial liabilities	21	2,372,725	2,372,725	-	-	2,372,725	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	23	91,371,054	91,371,054	-	-	-	20,497,935	70,873,119
Investment contract liabilities	24	18,294,287	19,462,007	423,555	399,450	1,187,965	15,571,064	1,879,973
Total financial liabilities		**114,792,705**	**115,960,425**	**3,178,194**	**399,450**	**3,560,690**	**36,068,999**	**72,753,092**
Gap		**28,579,369**	**180,309,397**	**41,061,220**	**11,437,101**	**40,316,753**	**(9,027,940)**	**96,522,262**

Group
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
Cash and cash equivalents	6	17,031,040	17,103,383	14,785,804	562,012	1,755,567	-	-
Trade receivables	7	543,971	543,971	543,971	-	-	-	-
Investment securities - FVTPL	8.1	66,322,015	175,781,233	1,421,601	-	62,575	2,031,429	172,265,628
Investment securities - Available for sale	8.2	9,603,510	9,509,816	5,545,296	-	-	-	3,964,520
Investment securities - Held to maturity	8.3	16,478,385	21,611,909	79,145	3,629,172	1,320,691	8,502,319	8,080,582
Reinsurance assets (Due from reinsurers)	9	471,660	471,660	471,660	-	-	-	-
Other receivables - financial assets	11	918,395	918,395	918,395	-	-	-	-
Loans and Advances	12	1,919,857	3,611,676	490,803	270,485	87,477	2,762,911	
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**113,788,833**	**230,052,042**	**24,256,675**	**4,461,669**	**3,226,310**	**13,296,659**	**184,810,730**
Trade payables	19	2,714,107	2,714,107	2,714,107	-	-	-	-
Other liabilities - financial liabilities	21	2,973,278	3,369,635	1,980,723	-	1,388,912	-	-
Borrowings	22	118,446	118,446	-	-	-	118,446	-
Insurance contract liabilities (excl. IBNR and unearned premium))	23	91,371,054	91,371,054	-	-	91,371,054	-	-
Investment contract liabilities	24	15,459,507	16,473,787	358,522	338,118	1,005,563	13,180,264	1,591,320
Total financial liabilities		**112,636,392**	**114,047,029**	**5,053,352**	**338,118**	**93,765,529**	**13,298,710**	**1,591,320**
Gap		**1,152,441**	**116,005,013**	**19,203,323**	**4,123,551**	**(90,539,219)**	**(2,051)**	**183,219,410**

Company
Residual contractual maturities of financial assets and liabilities

31 December 2016 Assets	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Cash and cash equivalents	6	24,189,697	24,189,697	24,189,697	-	-	-	-
Trade receivables	7	169,761	169,762	169,762	-	-	-	-
Investment securities - FVTPL	8.1	69,326,992	217,872,091	-	-	114,000	11,461,919	206,296,172
Investment securities - Available for sale	8.2	11,206,175	12,925,027	6,550,173	-	-	-	6,374,854
Investment securities - Held to maturity	8.3	30,508,078	32,036,735	497,265	1,184,238	5,505,029	14,150,770	10,699,433
Reinsurance assets (Due from reinsurers)		6,538,834	6,461,895	6,461,895	-	-	-	-
Other receivables - financial assets	11	135,169	135,169	-	-	135,169	-	-
Loans and advances	12	797,368	1,649,190	-	-	79,437	1,569,753	-
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**143,372,074**	**296,939,566**	**37,868,792**	**1,184,238**	**5,833,635**	**27,182,442**	**223,870,459**
Trade payables	19	2,754,639	2,754,639	2,754,639	-	-	-	-
Other liabilities - financial liabilities	21	2,372,725	2,372,725	-	-	2,372,725	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	23	91,371,054	91,371,054	-	-	-	20,497,935	70,873,119
Investment contract liabilities	24	18,294,287	18,294,287	-	-	-	18,294,287	-
Total financial liabilities		**114,792,705**	**114,792,705**	**2,754,639**	**-**	**2,372,725**	**38,792,222**	**70,873,119**
Gap		**28,579,369**	**181,146,861**	**35,114,153**	**1,184,238**	**3,460,910**	**(11,609,780)**	**152,997,340**

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
Cash and cash equivalents	6	14,656,941	14,656,941	14,656,941	-	-	-	-
Trade receivables	7	543,971	543,971	543,971	-	-	-	-
Investment securities - FVTPL	8.1	66,214,502	175,781,233	-	62,575	-	2,031,429	173,687,229
Investment securities - Available for sale	8.2	9,598,753	9,722,053	5,538,305	-	-	-	4,183,748
Investment securities - Held to maturity	8.3	15,697,784	20,897,776	79,145	3,040,563	1,320,691	8,502,319	7,955,058
Reinsurance assets (Due from reinsurers)	9	471,660	471,660	471,660	-	-	-	-
Other receivables - financial assets	11	552,485	552,485	-	-	552,485	-	-
Loans and advances	12	1,217,079	1,901,427	-	-	87,056	1,814,371	-
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**109,453,175**	**225,027,546**	**21,290,022**	**3,103,138**	**1,960,232**	**12,348,119**	**186,326,035**
Trade payables	19	2,754,639	3,304,699	3,304,699	-	-	-	-
Other liabilities - financial liabilities	21	1,253,064	1,253,064	1,253,064	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	23	80,342,220	101,060,687	3,702,621	4,175,770	8,806,520	47,528,012	36,847,764
Investment contract liabilities	24	15,459,507	16,473,787	358,522	338,118	1,005,563	13,180,264	1,591,320
Total financial liabilities		**99,809,430**	**122,092,237**	**8,618,906**	**4,513,888**	**9,812,083**	**60,708,276**	**38,439,084**
Gap		**9,643,745**	**102,935,309**	**12,671,116**	**(1,410,750)**	**7,851,851)**	**(48,360,157)**	**147,886,951**

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

3.2.3 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 a 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 fall.

(a) 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 recognized assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarizes 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 December 2016.

Group 31 December 2016	**Notes**	**Naira (N)**	**US Dollars (USD)**	**UK Pound Sterling (GBP)**	**Euro**	**Rand (ZAR)**	**Total**
Assets							
Cash and cash equivalents	6	5,366,938	20,309,325	126,555	215,697	179	26,018,694
Trade receivables	7	169,761	-	-	-	-	169,761
Investment securities - FVTPL	8.1	69,429,589	-	-	-	-	69,429,589
Investment securities - Available for sale	8.2	8,542,508	2,668,424	-	-	-	11,210,932
Investment securities - Held to maturity	8.3	18,891,120	14,061,801	-	-	-	32,952,921
Reinsurance assets (Due from reinsurers)	9	338,532	-	-	-	-	338,532
Other receivables - financial assets	11	569,577	-	-	-	-	569,577
Loans and advances	12	2,239,360	223,978	-	-	-	2,463,338
Statutory deposits	18	500,000	-	-	-	-	500,000
Total financial assets		**106,047,385**	**37,263,528**	**126,555**	**215,697**	**179**	**143,653,344**
Trade payables	19	2,754,639	-	-	-	-	2,754,639
Other liabilities - financial liabilities	21	3,772,280	-	-	-	-	3,772,280
Borrowings	22	204,623	-	-	-	-	204,623
Insurance contract liabilities (excl. IBNR and unearned premium))	23	77,783,622	13,587,432	-	-	-	91,371,054
Investment contract liabilities	24	18,294,287	-	-	-	-	18,294,287
Total financial liabilities		**102,809,451**	**13,587,432**	**-**	**-**	**-**	**116,396,883**
Net FCY exposure			**23,676,096**	**126,555**	**215,697**	**179**	**27,256,461**

Group 31 December 2015	**Note**	**Naira (N)**	**US Dollars (USD)**	**UK Pound Sterling (GBP)**	**Euro**	**Rand (ZAR)**	**Total**
Cash and cash equivalents	6	8,132,639	8,612,703	141,838	143,681	179	17,031,040
Trade receivables	7	543,971	-	-	-	-	543,971
Investment securities - FVTPL	8.1	66,271,177	50,838	-	-	-	66,322,015
Investment securities - Available for sale	8.2	6,170,517	3,432,993				9,603,510
Investment securities - Held to maturity	8.3	8,203,677	8,274,708	-	-	-	16,478,385
Reinsurance assets (Due from reinsurers)	9	5,125,351	-	-	-	-	5,125,351
Other receivables - financial assets	11	1,048,817	-	-	-	-	1,048,817
Loans and advances	12	1,657,989	131,446	-	-	-	1,789,435
Statutory deposits	18	500,000	-	-	-	-	500,000
Total financial assets		**97,654,138**	**20,502,688**	**141,838**	**143,681**	**179**	**118,442,524**
Trade payables	19	2,714,107	-	-	-	-	2,714,107
Other liabilities - financial liabilities	21	2,973,278	-	-	-	-	2,973,278
Borrowings	22	118,446	-	-	-	-	118,446
Insurance contract liabilities (excl. IBNR and unearned premium))	23	71,851,602	8,490,618				80,342,220
Investment contract liabilities	24	15,459,507	-	-	-	-	15,459,507
Total financial liabilities		**93,116,940**	**8,490,618**	**-**	**-**	**-**	**101,607,558**
Net FCY exposure			**12,012,070**	**141,838**	**143,681**	**179**	**16,834,966**

Company 31 December 2016	Note	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Rand (ZAR)	Total
Cash and cash equivalents	6	3,537,940	20,309,325	126,556	215,697	179	24,189,697
Trade receivables	7	169,761	-	-	-	-	169,761
Investment securities - FVTPL	8.1	69,326,992	-	-	-	-	69,326,992
Investment securities - Available for sale	8.2	8,537,751	2,668,424	-	-	-	11,206,175
Investment securities - Held to maturity	8.3	16,446,277	14,061,801	-	-	-	30,508,078
Reinsurance assets (Due from reinsurers)	9	338,532	-	-	-	-	338,532
Other receivables - financial assets	11	135,169	-	-	-	-	135,169
Loans and advances	12	573,390	223,978	-	-	-	797,368
Statutory deposits	18	500,000					500,000
Total financial assets		**99,565,812**	**37,263,528**	**126,556**	**215,697**	**179**	**137,171,772**
Trade payables	19	2,754,639	-	-	-	-	2,754,639
Other liabilities - financial liabilities	21	2,372,725	-	-	-	-	2,372,725
Insurance contract liabilities (excl. IBNR and unearned premium))	23	77,783,622	13,587,432	-	-	-	91,371,054
Investment contract liabilities	24	18,294,287	-	-	-	-	18,294,287
Total financial liabilities		**101,205,273**	**13,587,432**	**-**	**-**	**-**	**114,792,705**
Net FCY exposure		**(1,639,461)**	**23,676,096**	**126,556**	**215,697**	**179**	**22,379,067**

Company 31 December 2015	Note	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Rand (ZAR)	Total
Cash and cash equivalents	6	5,758,540	8,612,703	141,838	143,681	179	14,656,941
Trade receivables	7	543,971	-	-	-	-	543,971
Investment securities - FVTPL	8.1	66,163,664	50,838	-	-	-	66,214,502
Investment securities - Available for sale	8.2	6,165,760	3,432,993	-	-	-	9,598,753
Investment securities - Held to maturity	8.3	7,423,076	8,274,708	-	-	-	15,697,784
Reinsurance assets (Due from reinsurers)	9	471,660	-	-	-	-	471,660
Other receivables - financial assets	11	545,473	-	-	-	-	545,473
Loans and advances	12	1,085,633	131,446	-	-	-	1,217,079
Statutory deposits	18	500,000	-	-	-	-	500,000
Total financial assets		**88,657,777**	**20,502,689**	**141,838**	**143,681**	**179**	**109,446,163**
Trade payables	19	2,714,107		-	-	-	2,714,107
Other liabilities - financial liabilities	21	2,170,505	-	-	-	-	2,170,505
Insurance contract liabilities (excl. IBNR and unearned premium))	23	71,851,602	8,490,618	-	-	-	80,342,220
Investment contract liabilities	24	15,459,507	-	-	-	-	15,459,507
Total financial liabilities		**92,195,721**	**8,490,618**	**-**	**-**	**-**	**100,686,339**
Net FCY exposure		**(3,537,944)**	**12,012,071**	**141,838**	**143,681**	**179**	**8,759,824**

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Foreign currency sensitivity

The tables below show 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 year's behavior, it is reasonable to assume too basis points appreciation and 100 basis points depreciation of the Naira holding ail other variables constant.

Group

Currency	Change in variables	31 December 2016 Impact on profit before tax	31 December 2016 Impact on equity	31 December 2015 Impact on profit before tax	31 December 2015 Impact on equity
US Dollar	+100 basis points	5,085,096	3,559,567	1,201,207	840,845
Pound Sterling	+ 100 basis points	12,656	8,859	14,184	9,929
Euro	+ 100 basis points	21,570	15,099	14,368	10,058
US Dollar	-100 basis points	(2,367,610)	(1,657,327)	(1,201,207)	(840,845)
Pound Sterling	-100 basis points	(12,656)	(8,859)	(14,184)	(9,929)
Euro	-100 basis points	(21,570)	(15,099)	(14,368)	(10,058)

Company

Currency	Change in variables	31 December 2016 Impact on profit before tax	31 December 2016 Impact on equity	31 December 2015 Impact on profit before tax	31 December 2015 Impact on equity
US Dollar	+100 basis points	2,367,610	1,6.57,327	1,201,207	840,845
Pound Sterling	+ 100 basis points	12,656	8,859	14,184	9,929
Euro	+ 100 basis points	21,570	15,099	14,368	10,058
US Dollar	-100 basis points	(2,367,610)	(1,657,327)	(1,201,207)	(840,845)
Pound Sterling	-100 basis points	(12,656)	(8,859)	(14,184)	(9,929)
Euro	-100 basis points	(21,570)	(15,099)	(14,368)	(10,058)

(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 the 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 2016 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.

Group
31 December 2016

	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents	3,868,030	22,150,664	-	-	-	-	26,018,694
Investment securities - FVTPL	1,541,215	-	-	92,670	7,202,115	60,593,589	64,429,589
Investment securities - Held to maturity	-	532,439	1,261,903	7,867,020	13,523,6868	9,767,873	32,952,921
Loans and advances	48,491	-	-	72,458	381,433	1,960,956	2,463,338
Statutory deposits	-	-	-	-	-	500,000	500,000
Interest bearing assets	**5,457,736**	**22,683,103**	**1,261,903**	**8,032,148**	**21,107,234**	**72,822,418**	**131,364,542**
Investment contract liabilities	-	-	-	-	18,294,287	-	18,294,287
Borrowings	-	-	-	-	204,623	-	204,623
Interest bearing liabilities	**-**	**-**	**-**	**-**	**18,498,910**	**-**	**18,498,910**
Gap	**5,457,736**	**22,683,103**	**1,261,903**	**8,032,148**	**21,107,234**	**72,822,418**	**131,364,542**
Cumulative gap	**5,457,736**	**22,683,103**	**1,261,903**	**8,032,148**	**21,107,234**	**72,822,418**	**131,364,542**
Impact on profit before tax		2,268,310	126,190	803,215	260,832	7,282,242	**10,740,789**
Taxation at 30%		680,493	37,857	240,965	78,250	2,184,673	**3,222,237**
Impact on equity		1,587,817	88,333	562,251	182,582	5,097,569	**7,518,552**

Group
31 December 2015

	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents	-	-	-	-	-	-	-
Investment securities - FVTPL	1,472,232	-	-	88,522	6,879,758	57,881,502	66,322,015
Investment securities - Held to maturity	-	266,251	631,025	3,933,969	6,762,633	4,884,507	16,478,385
Loans and advances	37,793	-	-	56,472	297,278	1,528,314	1,919,857
Statutory deposits	-	-	-			500,000	500,000
Interest bearing assets	**1,510,025**	**266,251**	**631,025**	**4,078,963**	**13,939,669**	**64,794,323**	**85,220,257**
Investment contract liabilities	-	-	-	-	15,459,507	-	15,459,507
Borrowings	-	-	-	-	118,446	-	118,446
Interest bearing liabilities	1,510,025	266,251	631,025	4,078,963	**13,939,669**	**64,794,323**	**85,220,257**
Gap	**1,510,025**	**266,251**	**631,025**	**4,078,963**	**(1,638,284)**	**64,794,323**	**69,642,304**
Cumulative gap	**1,510,025**	**266,251**	**631,025**	**4,078,953**	**(1,638,284)**	**64,794,232**	**69,462,304**
Impact on profit before tax		26,625	63,103	407,896	(163,828)	6,479,432	6,813,228
Taxation at 30%		7,988	18,931	122,369	(49,149)	1,943,830	2,043,989
Impact on equity		18,638	44,172	285,527	(114,680)	4,535,603	4,769,260

Company
31 December 2016

	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents	3,246	24,186,451	-	-	-	-	24,189,697
Investment securities - FVTPL	1,438,618	-	-	92,670	7,202,115	60,593,589	69,326,992
Investment securities - Held to maturity	-	532,439	1,261,903	7,867,020	11,078,843	9,706,873	30,508,078
Loans and advances	-	-	-	40,027	757,341	-	797,368
Statutory deposits	-	-	-	-	-	500,000	500,000
Interest bearing assets	**1,441,864**	**24,718,890**	**1,261,903**	**7,999,717**	**19,038,299**	**70,861,462**	**125,322,135**
Investment contract liabilities	-	-	-	-	18,294,287	-	18,294,287
Borrowings	-	-	-	-	-	-	-
Interest bearing liabilities	**-**	**-**	**-**	**-**	**18,294,287**	**-**	**18,294,287**
Gap	**1 441 864**	**24,718,890**	**1,261,903**	**7,999,717**	**744,012**	**70,861,462**	**107,027,848**
Cumulative gap	**1,441,864**	**24,718,890**	**1,261,903**	**7,999,717**	**744,012**	**70,861,462**	**107,027,848**
Impact on profit before tax	**-**	2,471,889	126,190	799,972	74,401	7,086,146	**10,558,598**
Taxation at 30%	**-**	741,567	37,857	239,992	22,320	2,125,844	**3,167,580**
Impact on equity	**-**	1,730,322	88,333	559,980	52,081	4,960,302	**7,391,019**

Company
31 December 2015

	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents	-	-	-	-	-	-	-
Investment securities - FVTPL	1,472,232	-	-	88,522	6,879,758	57,881,502	66,322,015
Investment securities - Held to maturity	-	266,251	631,025	3,933,969	6,762,633	4,884,507	16,478,385
Loans and advances	37,793	-	-	56,472	297,278	1,528,314	1,919,857
Statutory deposits	=	-	-			500,000	500,000
Interest bearing assets	1,375, 638	266,251	631,025	4,078,963	**13,939,669**	**64,794,323**	**85,220,257**
Investment contract liabilities	-	-	-		15,459,507	-	15,459,507
Borrowings	-	-	-		-	-	-
Interest bearing liabilities	1,510,025	266,251	631,025	4,078,963	**13,939,669**	**64,794,323**	**85,220,257**
Gap	**1,510,025**	**266,251**	**631,025**	**4,078,963**	**(1,638,284)**	**64,794,323**	**69,642,304**
Cumulative gap	**1,510,025**	**266,251**	**631,025**	**4,078,953**	**(1,638,284)**	**64,794,232**	**69,462,304**
Impact on profit before tax	-	26,625	63,103	407,896	(163,828)	6,479,432	6,813,228
Taxation at 30%	7,988	-	18,931	122,369	(49,149)	1,943,830	2,043,989
Impact on equity	-	18,638	44,172	285,527	(114,680)	4,535,603	4,769,260

(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 a 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 a 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.

Asset allocation to investment in equity is shown below

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

Financial assets

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
	+/-100 basis point - -	+/- 100 basis - point	+/- 100 basis - points	+/- 100 basis - points
Listed equities (FVTPL)	144,516	152,212	143,862	142,160
Listed equities (AFS)	655,017	554,530	655,017	553,830
Unlisted equities (AFS)	468,572	406,504	468,096	387,877
Impact on profit before tax	144,516	152,212	143,862	142,160
Tax charge of 30%	(43,355)	(45,664)	(43,159)	(42,648)
Impact on profit after tax	**101,161**	**106,548**	**100,703**	**99,512**
Impact on equity	**1,224,751**	**1,067,582**	**1,223,817**	**1,041,219**

3.4 Fair values of financial assets and liabilities

Accounting classifications, measurement basis, and fair values

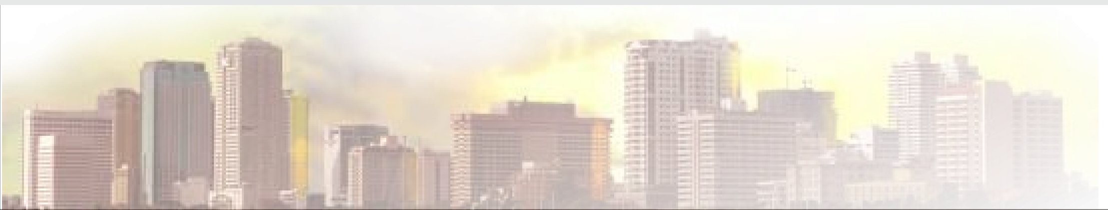
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

Group
31 December 2016

	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortized	Total carrying amount	Fair value
Assets								
Cash and cash equivalents	6	-	-	26,018,694	-	-	26,018,694	26,018,694
Trade receivables	7	-	-	169,761	-	-	169,761	169,761
Investment securities – FVTPL	8.1	69,429,589	-	-	-	-	69,429,589	69,429,589
Investment securities - Available for sale	8.2	-	-	-	11,210,932	-	11,210,932	11,210,932
Investment securities - Held to maturity	8.3	-	32,952,921	-	-	-	32,952,921	31,952,921
Reinsurance assets (Due from reinsurers)	9	-	-	338,532	-	-	338,532	338,532
Other receivables - financial assets	10	-	-	569,577	-	-	569,577	569,577
Loans and Advances	12	-	-	2,463,338	-	-	2,463,338	2,463,338
Statutory deposit	18	-	-	-	-	-	500,000	500,000
Total		**69,429,589**	**32,952,921**	**29,559,902**	**11,210,932**	**500,000**	**143,653,344**	**142,576,329**
Liabilities								
Trade payables	19	-	-	-	-	2,754,639	2,754,639	2,754,639
Other liabilities - financial liabilities	21	-	-	-	-	3,772,280	3,772,280	3,772,280
Borrowings	22	-	-	-	-	204,623	204,623	204,623
Insurance contract liabilities (excl. IBNR and unearned premium))	23	-	-	-	-	91,371,054	91,371,054	91,371,054
Investment contract liabilities	24	-	-	-	-	18,294,287	18,294,287	18,294,287
Total		**-**	**-**	**-**	**-**	**116,396,883**	**116,396,883**	**116,396,883**

Group
31 December 2015

	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortized	Total carrying amount	Fair value
Assets								
Cash and cash equivalents	6	-	-	17,031,040	-	-	17,031,040	17,031,040
Trade receivables	7	-	-	543,971	-	-	543,971	543,971
Investment securities – FVTPL	8	66,322,015	-	-	-	-	66,322,015	66,322,015
Investment securities - Available for sale	8	-	-	-	9,603,510	-	9,603,510	9,603,510
Investment securities - Held to maturity	8	-	16,478,385	-	-	-	16,478,385	16,478,385
Reinsurance assets (Due from reinsurers)	9	-	-	471,660	-	-	471,660	471,660
Other receivables	10	-	-	918,395	-	-	918,395	918,395
Loans and Advances	12	-	-	1,919,857	-	-	1,919,857	1,919,857
Statutory deposit	18	-	-	-	-	500,000	500,000	500,000
Total		**66,322,015**	**16,478,385**	**20,884,923**	**9,603,510**	**500,000**	**113,788,833**	**113,788,833**
Liabilities								
Trade payables	19	-	-	-	-	2,754,639	2,754,639	2,754,639
Other liabilities - financial liabilities	21	-	-	-	-	2,973,278	2,973,278	2,973,278
Borrowings	22	-	-	-	-	118,446	118,446	118,446
Insurance contract liabilities (excl. IBNR and unearned premium))	23	-	-	-	-	80,342,220	80,342,220	80,342,220
Investment contract liabilities	24	-	-	-	-	15,459,507	15,459,507	15,459,507
Total		**-**	**-**	**-**	**-**	**101,648,090**	**101,648,090**	**101,648,090**



Company
31 December 2016

	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortized cost	Total carrying amount	Fair value
Assets								
Cash and cash equivalents	6	-	-	24,189,697	-	-	24,189,697	24,189,697
Trade receivables	7	-	-	169,761	-	-	169,761	169,761
Investment securities – FVTPL	8	69,326,992	-	-	-	-	69,326,992	69,326,992
Investment securities – AFS	8	-	-	-	11,206,175	-	11,206,175	11,206,175
Investment securities – HTM	8	-	30,508,078	-	-	-	30,508,078	29,431,063
Reinsurance assets (Excel. prepaid reinsurance)	9	-	-	338,532	-	-	338,352	274,416
Other receivables	10	-	-	135,169	-	-	135,169	135,169
Loans and Advances	12	-	-	797,368	-	-	797,368	797,368
Statutory deposit	18	-	-	-	-	500,000	500,000	500,000
Total		**69,326,992**	**30,508,078**	**25,630,527**	**11,206,175**	**500,000**	**137,171,772**	**136,030,641**
Liabilities								
Trade payables	19	-	-	-	-	2,754,639	2,754,639	2,754,639
Other liabilities	21	-	-	-	-	2,372,725	2,372,725	2,372,725
Insurance contract liabilities (excl. IBNR and unearned premium)	23	-	-	-	-	91,371,054	91,371,054	91,371,054
Investment contract liabilities	24	-	-	-	-	18,294,287	18,294,287	18,294,287
Total		-	-	-	-	**114,792,705**	**114,792,705**	**114,792,705**

Company
31 December 2015

	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial instruments amortized cost	Total carrying amount	Fair value
Assets								
Cash and cash equivalents	6	-	-	14,655,333		-	14,655,333	14,655,333
Trade receivables	7	66,214,502	-	-		-	66,214,502	66,214,502
Investment securities – FVTPL	8	-	-	-	9,598,753	-	9,598,753	9,598,753
Investment securities – AFS	8	-	15,697,784	-		-	15,697,784	15,697,784
Investment securities – HTM	8	-	-	543,971		-	543,971	543,971
Reinsurance assets (Excel. prepaid reinsurance)	9	-	-	1,217,079		-	1,217,079	1,217,079
Other receivables	10	-	-	471,660		-	471,660	471,660
Loans and Advances	12	-	-	545,473		-	545,473	545,473
Statutory deposit	18	-	-	-		500,000	500,000	500,000
Total		**66,214,502**	**15,697,784**	**17,433,516**	**9,958,753**	**500,000**	**109,444,555**	**109,444,555**
Liabilities								
Trade payables	19	-	-	-		2,714,107	2,714,107	2,714,107
Other liabilities	21	-	-	-		1,253,064	1,253,064	1,253,064
Insurance contract liabilities (excl. IBNR and unearned premium)	23	-	-	-		80,342,220	80,342,220	80,342,220
Investment contract liabilities	24	-	-	-		15,459,507	15,459,507	15,459,507
Total		-	-	-		**99,768,898**	**99,768,898**	**99,768,898**

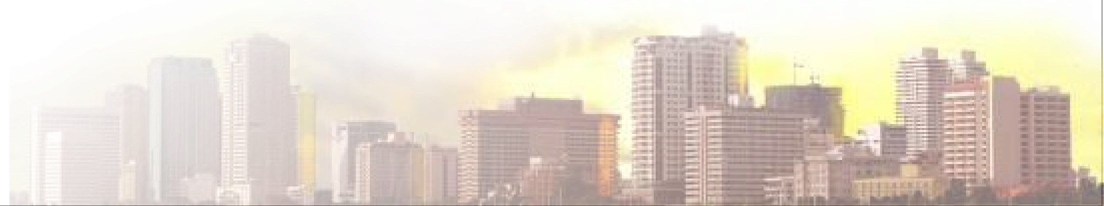
3.3.1 Fair Value Hierarchy

The Group's accounting policy on fair value measurement is disclosed in note 2.6. 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 is 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 2016. See note 4.1b for non-financial assets that are measured at fair value.

Group
31 December 2016
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	1,541,214	-	-	1,541,214
- Federal government bond	65,513,381	-	-	65,513,381
- State government	712,039	-	-	712,039
- Corporate bonds	1,510,862	152,093	-	1,662,955
Available for sale				
- Listed equity securities	6,550,172	-	-	6,550,172
- Unlisted equity securities	-	2,172,805	2,487,955	4,660,760
Total	**75,827.668**	**2,324,898**	**2,487.955**	**80,640,521**

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	61,696,884	-	-	61,696,884
- 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	1,320,681	4,065,206
Total	**71,323,203**	**3,281,641**	**1,320,681**	**75,925,525**

Company
31 December 2016
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	1,438,617	-	-	1,438,617
- Federal government bond	65,513,381	-	-	65,513,381
- State government	712,039	-	-	712,039
- Corporate bonds	1,510,862	152,093	-	1,662,955
				-
Available for sale				-
- Listed equity securities	6,550,172	-	-	6,550,172
- Unlisted equity securities	-	2,172,805	1,888,655	4,061,460
Total	**75,725,071**	**2,324,898**	**1,888,655**	**79,938,624**

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**

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

(I) Financial instruments in level I

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 maximize 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 forwarding 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 2016

All amounts are in thousands of Naira unless otherwise stated

Equity Securities - Available for sale	**Group 31-Dec-l6**	**Group 31-Dec-15**	**Company 31-Dec -16**	**Company 31-Dec-15**
Opening balance	1,320,681	325,438	1,320,681	325,438
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Reclassification from investments at cost less impairment (see note 8.2.1a)	-	181,927	-	181,927
Changes in fair value recognized in other comprehensive income	1,356,511	813,316	1,356,511	813,316
Balance, end of year	**2,677,192**	**1,320,681**	**2,677,192**	**1,320,681**

Varying valuation techniques in determining the fair value of Level 3 item, investments in AFC, Capital Bancorp, Lekky Budget Limited, Main-street 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/is 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 categorized.

Group
31 December 2016

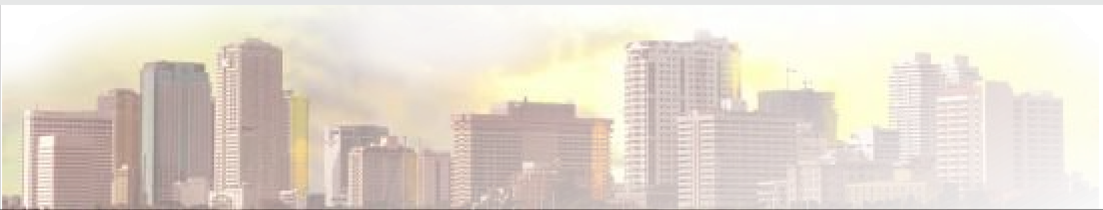
All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	`	26,018,694		26,018,694
Held to maturity investment securities:				
State bonds	-	753,387	-	753,387
Corporate bonds	-	15,138,592	-	15,138,592
Federal government bonds	10,050,088	-	-	10,050,088
Federal government treasury bills	7,010,854	-	-	7,010,854
Trade receivables	-	169761	-	169,761
Loans and advances	-	-	2.463,338	2,463,338
Reinsurance assets (Excl. prepaid reinsurance)			338,532	338,532
Other receivables	-	-	569,577	569,577
Statutory deposits	-	500,000	-	500,000
Total financial assets	**17,060,942**	**42,580,434**	**3,371,447**	**63,012,823**
Liabilities				
Investment contract liabilities	-	-	18,294,287	18,294,287
Trade payables	-	-	2,754,639	2,754,639
Other liabilities	-	-	3,772,280	3,772,280
Borrowings	-	-	204,623	204,623
Total financial liabilities	**-**	**-**	**25,025,829**	**25,025,829**

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)	-	-	471,660	471,660
Other receivables	-	-	918,395	918,395
Statutory deposits	-	500,000	-	500,000 -
Total financial assets	**6,016,641**	**27,956,734**	**3,179,490**	**37,152,865**
Liabilities				
Investment contract liabilities	-	-	15,459,507	15,459,507
Trade payables	-	-	2.714,107	2,714,107
Other liabilities	-	-	2,973,278	2,973,278
Borrowings	-	-	118,446	118,446
Total financial liabilities	**-**	**-**	**21,265,338**	**21,265.338**



Company
31 December 2016

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	24,189.697	-	24,189,697
Held to maturity investment securities:				
State bonds	-	753,387	-	753,387
Corporate bonds	-	15,138,593	-	15,138,593
Federal government bonds	10,050.088	-	-	10,050,088
Federal government treasury bills	4,566.010	-	-	4,566,010
Trade receivables	-	169,761	-	169,761
Loans and advances	-	-	797,368	797,368
Reinsurance assets (Excl. prepaid reinsurance)	-	-	274,416	274,416
Other receivables	-	-	135,169	135,169
Statutory deposits	-	500,000	-	500,000
				-
Total financial assets	**14,616,098**	**40,751,438**	**1,206,953**	**56,574.489**
Liabilities				
Investment contract liabilities	-	-	18,294,287	18,294,287
Trade payables	-	-	2,754,639	2,754,639
Other liabilities	-	-	2,372,725	2,372,725
Total financial liabilities	**-**	**-**	**23,421,651**	**23,421,651**

Company
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	-	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)	-	-	471,660	471,660
Other receivables	-	-	543,473	543,473
Statutory deposits	-	500,000	-	500,000
Total financial assets	**5,236,040**	**25,582,635**	**2,234,212**	**33,052,887**
Liabilities				
Investment contract liabilities	-	-	15,459,507	15,459.507
Trade payables	-	-	2,714,107	2,714,107
Other liabilities	-	-	1,253,064	1,253,064
				-
Total financial liabilities	**-**	**-**	**19,426,678**	**19,426,678**

The fair value of 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 and 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.

(I) **Loans and advances and borrowings**
The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected future cash flows 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 a 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.

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 the amount of the reinsurance "liabilities.

The table below shows the Group life risk exposure by industry or sector in 2016. 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.

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)

	Before Reinsurance	Share of Gross	After Reinsurance	Share of net SA
Estate Management/Insurance, banking & Financial Institutions	457,829	19%	436,277	19%
Oil & Gas	506,653	21%	484,318	21%
Civil services/Government Agency	410,796	17%	409,808	18%
Engineering & Construction	79,137	3%	63,066	3%
Marketing & Consulting/Supplies & Trading/Courier Services	57,717	2%	53,816	2%
Manufacturing	87,717	4%	84,338	4%
Radio & Television/Electronics & Telecommunication	106,716	4%	91,927	4%
Marine & Aviation	73,034	3%	71,223	3%
Education, Research & Professional Institution1	61,109	3%	58,775	3%
Foods & Beverages/Agro-allied	33,234	1%	32,870	1%
Health Service provider	25,245	1%	24,289	1%
Religious Institutions/NGO/Club & Associations	89,819	4%	86,912	4%
Hotels and Resorts/catering serves	14,602	1%	14,602	1%
Miscellaneous/Others	368,982	16%	343,152	15%
Security Personnel	7,029	1%	6,993	0%
	2,379,419		**2,262,366**	

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 flows 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 historically 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 are 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 the 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 historically 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	Accumulated Inflation Index
2007	6.6%	193.2%
2008	15.1%	175-0%
2009	13 9%	138.9%
2010	11.8%	109.8%
2011	10.3%	87.6%
2012	12.0%	70.1%
2013	8.0%	51.9%
2014	8.3%	40.6%
2015	9.6%	29.9%
2016	18.5%	18.5%

See note 23.4 for claims development tables

Key assumptions

The methods assume 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 cash flow projection approach, taking into account future office premium, expenses and benefit payments, including payments on surrender where applicable. Future cash flows 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 cash flow projection method applied in respect of individual risk is also applied to 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.

(i) Sensitivity analysis on insurance contract liabilities

The analysis which follows is performed for 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 on the next page;

LEADWAY
ASSURANCE COMPANY LIMITED

Life insurance contract liabilities

	Base	Interest rate +1%	Interest rate 1%	Expenses + 10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Lapses +10%
Individual Traditional (excluding annuity)	2,686,270	2,639,426	2,738,512	2,736,643	2,637,330	2,718,746	2,659,854	2,674,159
Annuity	67,976,792	64,871,919	71,398,057	68,121,969	67,831,615	68,263,511	67,756,732	67,976,792
Individual Investment Linked	8,361,419	8,361,419	8,361,419	8,361,419	8,361,419	8,361,419	8,361,419	8,361,419
Group DA	10,402,304	10,402,304	10,402,304	10,402,304	10,402,304	10,402,304	10,402,304	10,402,304
Group Life – UPR	520,844	520,844	520,844	520,844	520,844	520,844	520,844	520,844
Group Life – IBNR	788,423	788,423	788,423	788,423	788,423	788,423	788,423	788,423
Other Group Risk	10,057	10,025	10,089	10,692	9,426	10,095	10,018	10,045
Additional reserves	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Reinsurance	(75,795)	(75,795)	(75,795)	(75,795)	(75,795)	(75,795)	(75,795)	(75,795)
Net liability	**90,870,314**	**87,718,565**	**94,343,853**	**91,066,499**	**90,675,566**	**91,189,547**	**90,623,799**	**90,858,191**
% change in liability		-3.47%	3.82%	0.22%	-0.21%	0.35%	-0.27%	-0.01%

Summary	Base	Interest rate +1%	Interest rate 1%	Expenses + 10%	Expenses - 10%	Expense Inflation + 2%	Expense Inflation -2%	Lapses+10%
Individual	79,224,482	76,072,764	82,697,988	79,420,032	79,030,364	79,543,676	78,978,005	79,212,370
Group	11,645,832	11,645,801	11,645,865	11,646,467	11,645,202	11,645,871	11,645,794	11,645,821
Net liability	**90,870,314**	**87,718,565**	**94,343,853**	**91,066,499**	**90,675,566**	**91,189,547**	**90,623,799**	**90,858,191**
% change in liability	**-**	**-3%**	4%	**0%**	**0%**	**0%**	0%	**0%**

- The mortality stress has been applied in the opposite direction for annuities. For example, the 5% strengthening of the mortality assumption was modeled as 5% lighter mortality for annuitants
- All stresses were applied independently
- All stresses were applied independently

(b) Non-life insurance contract liabilities

Class of business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
Accident	962,137	985,545	938,730	971,426	952,918	954,936	969,504
Engineering	464,561	479,605	449,517	467,113	462,040	460,284	468,960
Fire	2,057,531	2,216,024	1,899,039	2,069,611	2,045,499	2,045,213	2,070,082
Marine	1,421,832	1,453,574	1,390,089	1,431,368	1,412,318	1,414,358	1,429,430
Motor	975,814	1,074,647	876,980	98,5,774	965,897	969,883	981,859
Bond	421,579	493,514,	381,614	421,579	421,579	421,579	421,579
Special Risks	15,709,923	15,920,040	15,499,805	15,709,923	15,709,923	15,709,923	15,709,923
Total	22,013,377	22,622,949	21,435,774	22,056,794	21,970,174	21,976,176	22,051,337
Account outstanding	18,494,853	18,494,853	18,494,853	18,494,853	18,494,853	18,494,8,53	18,494,853
Difference	3,518,524	4,128,096	2,940,921	3,561,941	3,475,321	3,481,323	3,556,484
Percentage change		**2.8%**	**-2.6%**	**0.2%**	**-0.2%**	**-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 an 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.

Lapses -10%	Mortality +5%	Mortality - 5%
2,698,955	2,708,937	2,663,516
67,976,792	68,275,450	67,687,294
8,361,419	8,361,419	8,361,419
10,402,304	10,402,304	10,402,304
520,844	520,844	520,844
788,423	788,423	788,423
10,068	10,168	9,947
200,000	200,000	200,000
(75,795)	(75,795)	(75,795)
90,883,010	**91,191,750**	**90,557,952**
0.01%	0.35%	-0.34%

Lapses 10%	Mortality +5%	Mortality - 5%
79,237,166	79,545,806	78,912,229
11,645,844	11,645,944	11,645,723
90,883,010	**91,191,750**	**90,557,952**
0%	0%	**0%**

Longevity
Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's experience.
An appropriate, but not an 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.

The following table outlines 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.

S/N	Name	Features
1	Leadway Immediate Annuity Plan	Designed to help with the cost of retirement by providing a guaranteed income for the rest of the policyholder's life. The annual payments can be made monthly, quarterly or annually. During the stated g uarantee period, the annuity period payment will continue whether the annuitant is alive or not. If the annuitant dies before the end of the guarantee period the present value of the outstanding payment due within the guarantee period shall be payable in a lump sum to the named beneficiary or to the estate of the annuitant under probate.
2	Comfort5plus plan	It offers protection against the unexpected for full 5 years.The benefit is only paid when the risk (death, critical illness, and accidental medical expenses) occurs. If none of these crystallizes, nothing is paid to the beneficiary. **Two options are available:** Option A: Payment of Sum Assured and a 10-year quarterly immediate annuity of 20% Sum Assured upon death. Upon Critical Illness, thebenefit is 300% of sum assured and termination of policy afterward. On injury due to personal accident medical expenses up to a maximum of 100,000 is paid per annum. Option B: Payment of Sum Assured and a 10-year quarterly immediate annuity of 20% Sum Assured up on death. Upon Critical Illness, the benefit is 300% of sum assured. If critical illness leads to death, an extra benefit of 80% of sum assured is paid. On injury due to personal accident, medical expenses up to a maximum of 100,000 is paid per annum.

3	Annuity certain	Policyholder buys into this product and pays a lump -sum premium. The policyholder, in turn, receives predefined payments throughout the term of the policy. If the policyholder dies within the annuity period, the balance in the annuity is payable to the beneficiary, but if he survives the annuitant (policyholder) gets the annuity.
4	Education	The Policy covers payment of fees for the named beneficiary children or ward whilst in school or college in the event of death, total permanent disabl ement (optional cover) or critical illness (optional cover) of the named parent and/or Policyholder. The policy has a term of one year and is renewable subject to underwriting terms. Premium payment can be made in installments subject to a maximum of three times annually. The benefit shall be payable to the named school through the named guardian for the unexpired school years as stated in the schedule.
5	Family Benefit Plan	Leadway's Funeral Insurance Cover Plan. Designed to address any unforeseen financial worries in the event of the loss of an insured life or death of the policyholder. They provide funeral insurance cushion which can be extended to your spouse, parents and/or parents-in-laws. The policy benefits can be extended to cover Critical Illnes s and Accidental Permanent and Total Disability (Optional). - A whole Life Assurance that pays the sum assured on death on policyholder or any of the parents or spouse insured. - Policy terminates on the first death. - Additional grocery voucher of N25,00 0 on the death of any member and a family support benefit payable for 6 months in installments of N20, 000 on the death of the policyholder
6	Family Benefit Plan Plus	Whole Life Assurance that pays the sum assured on the death of each of the members including the policyholder and spouse. Pays benefit for deaths of all the lives insured up to the death of the policyholder. Additional grocery voucher of N25,000on the death of any member and a family support benefit payable for 6 months in installments of N20,000 on the death of the policyholder.
7	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 ter minated 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.
8	Credit Life	Credit Life Protection that pays outstanding loan amount on death
9	Personal Loan Protection Plan	Credit Life Protection that pays outstanding loan amount, 6 months job loss and PTD Rider in the event of a claim.
10	Term Assurance	The Leadway Term Assurance product is a simple but flexible life insurance product that pays out a lump sum if death occurs during the period of cover.
11.	Mortgage Protection Plan	Credit life protection that pays outstanding loan amount on death. It also has a PTD rider benefit.
12	REN Credit Life	Credit Life Protection that pays outstanding loan amount on death. It also has a PTD rider benefit
13	RSL Credit Life Insurance	Credit Life Protection that pays outstanding loan amount on death, critical illness, and Permanent Disability with 6 months job loss cover
14	Vehicle Loan Protection Plan	Credit Life Protec tion that pays outstanding loan amount on Death and Permanent Disability with 6 months job loss cover
15	Heritage Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death and Permanent Disability with 3 months job loss cover
16	Heritage Personal Protection Plan	Credit Life Protection that pays outstanding loan amount on Death and Permanent Disability- with 6 months job loss cover
17	Small and Medium Enterprise	Credit Life Protection that pays outstanding loan amount ondeath or named Critical Illness
18	Credit Card Protection	Credit Life Protection that pays outstanding loan amount on death

19	GTB Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death and Permanent Disability with 6 months job loss cover
20	Persona] Credit Loan	Credit Life Protection that pays outstanding loan amount with one month Job loss
21	erm Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death, Critical Illness or Permanent Total Disability
22	Group Credit Life	Credit Life Protection that pays outstanding loan amount on Death and Critical Illness, 6 months job loss and PTD Rider
23	Group Mortgage Protection	Credit Life Protection that pays outstanding loan amount on death,or PTD, with 12 months Job loss
24	Private Health Plan	Designed to provide covers for Healthcare Total Permanent Disability and Funeral Expenses in the event of death. Funeral and Accidental Total Permanent Disability cover is a fixed benefit chosen by policyholder, with a minimum of ₦200.000
25	Leadway Lifestyle Protection Plan	Leadway Lifestyle Protection is a life insurance plan that provides you with a life cover and also optionally protects you against Critical Illness, Permanent Total Disability and Job Loss. The product pays a sum assured onoccurrence of the insured risks within the policy term. The minimum policy term is one year. For having consecutive claim -free years, you receive a cash -back payment which is a rate on the premiums paid in the year.

Investment contract liabilities -
The following table outlines the deposit based (DA) products)

S/N	Name	Features
1.	Deferred annuity plan	This product meets protection and savings needs of a policyholder towards funding an annuity pension at retirement. Contributions from policy holder are to be invested in a fund. The accumulated return on the investment aswell as the invested amount is due on maturity. Payment of Sum Assured + Savings account balance upon death. Minimum policy term is 3 years. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
2	Leadway Investment Plan	A death benefit where the benefit payable is 125% of the investment premium (with the 25% subject to a maximum of N 5 million) or the value of the account balance, whichever is higher. A guaranteed amount (known at inception) is paid upon maturity of the investment. Policyholders can avail additional Life Cover, Critical illness and PTD cover.
3	Personal Savings Plan	Deposit Based Savings. Death benefit is half the account balance subject to be a maximum of Ni million.
4	Education Savings Plan	Payment of Sum Assured (Target amount) upon Death and Maturity. Policy terminates after payment of any benefit. Critical illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.
5	Leadway Target Plan	Endowment Assurance. Maturity benefit is Sum Assured payable in advance for 4 years after maturity. On death, waiver of premium and 150% sum assured is payable. On critical illness, 100% of sum assured is payable and waiver of premiums.
6	Education Savings Plan	Payment of Sum Assured + Savings account balance upon death, Minimum policy term is 5 years, on choosing critical illness and/or PTD riders, payment of sum assured on the riders.

7	Leadway Savings Plan	Payment of Sum Assured + Savings account balance upon death. At maturity, account deposit balance is paid. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
8	Custodian	Deposit based savings. Risk component is the outstanding premium payable. It is thus a decreasing term assurance with start sum assured equal to contracted total premium. Risk benefit is funded by the Nil and partial allocations on the premiums. The structure for Nil and Partial allocation. Year 1 - 75% allocation. Year 2 to year 4 90% allocation. Year 6 afterwards - 97% allocation. The product is running off.
9	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 4 months 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 policyholder's account for investment purpose. When policyholder dies, the balance in the policyholder's account plus total premium due after death and before maturity is payable to the beneficiary. If the policyholder surrenders or terminates the policy; the balance in the policyholder's account 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.
10	Pearl	Deposit based savings. No risk cover. The product is running off. No new business.
11	Group Deposit Admin	Guaranteed interest (renewable 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. **Pension option:** In the event of the benefit becoming payable; it could be applied in whole or in part to secure a Pension. This pension is payable at equal intervals to the member until he dies, however the payment is guaranteed for a predefined period. 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. If a member dies before the expiration of the guaranteed period a cash sum shall be payable.

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 analyzed 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 organized into five operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. 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 invest men I 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 a 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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The consolidated financial data for the reporting segments for the year ended 31 December 2016 is as follows:

SEGMENT INCOME STATEMENT

31-Dec-16	Non life	Life	Trusteeship	Hospitality	Property management	Pension fund management
Revenue from external customers:						
Gross premium income	21,539,968	32,133,485	-	-	-	-
Reinsurance expenses	(12,213,623)	(184,775)	-	-	-	-
Net premium revenue	**9,326,345**	**31,948,710**				
Commission income from insurance contracts	1,825,376	28,477	-	-	-	-
Net fair value gain/(loss) on assets at fair value	(208,587)	(17,207,088)	-	-	-	(84,329)
Investment income	2,100,826	8,389,629	-	-	-	323,992
Other operating income	10,086,595	649,927	531,649	785,817	44,648	3,265,660
Net income	**23,130,555**	**23,809,655**	**531,649**	**785,817**	**44,648**	**3,505,323**
Claims expenses	(10,023,855)	(13,039,071)	-	-	-	-
Underwriting expenses	(3,238,505)	(1,803,147)	-	-	-	-
Increase in annuity fund	-	(4,429,557)				
Increase in individual life fund	-	(42,413)				
Employee benefit and other operating expenses	(4,016,532)	(2,259,228)	(95,607)	(871,714)	(24,525)	(1,978,279}
Interest expense - finance cost	-	-	(155,829)	-	-	-
Net impairment (losses)/gains	(27,520)	(343,410)	(39,784)	(7,607)	-	-
Income tax charge	(614,626)	(84,866)	(54,115)	46,862	(13,528)	(486,481)
Net Expense	**(17,921,038)**	**(22,001,692)**	**(345,335)**	**(832,459)**	**(38,053)**	**(2,464,760)**
Reportable segment profit	5,209,517	1,807,963	186,314	(46,642)	6,595	1,040,563
Other segment disclosures:						
Depreciation and amortization expense	**(312,951)**	**(83,927)**	**(2,060)**	**(119,856)**	**(68)**	**(99,295)**

Total segment income	Inter-segment income and consolidation adjustments	Total
53,673,453	(18,295)	53,655,158
(12,398,398)	-	(12,398,398)
41,275,055	**(18,295)**	**41,256,760**
1,853,853	-	1,853,853
(17,500,004)	-	(17,500,004)
10,814,447	(52,146)	10,762,301
15,364,296	(478,596)	14,885,700
51,807,647	**(549,037)**	**51,258,610**
(23,062,926)	292	(23,062,634)
(5,041,652)	-	(4,429,557)
(4,429,557)	-	(4,429,557)
(42,413)	-	(42,413)
(9,245,885)	286,068	(8,959,817)
(155,829)	0	(155,829)
(418,321)	-	(419,583)
(1,206,754)	-	(1,206,754)
43,603,337	**286,360**	**(43,318,238)**
8,204,310	**(262,677)**	**7,940,372**
(618,157)	**-**	**(732,040)**

SEGMENT ASSETS AND LIABILITIES

31-Dec-16	Non-life	Life	Trusteeship	Hospitality	Property management	Pension fund management
Reportable segment assets						
Cash and cash equivalent	19,916,045	4,273,651	265,487	325,141	330,651	907,719
Investment securities	20,417,525	90,623,722	181,804	-	6,545	2,444,842
Trade receivables	164,616	5,145	-	-	-	-
Reinsurance assets	11,384,279	336,504	-	-	-	-
Deferred acquisition cost	486,416	-	-	-	-	-
Other receivables and prepayments	315,791	1,854,912	2,317,943	103,705	190,390	863,075
Investment in subsidiaries	683,974	2,953,521	-	-	-	-
Investment properties	3,134,223	5,025,196	-	-	-	660,651
Deferred tax asset	198,765	87,682	-	-	-	-
Intangible assets	312,306	1,498	11,774	2,545	-	50,192
Property and equipment	3,153,362	491,971	5,235	2,214,899	38	198,434
Statutory deposits	300,000	200,000	-	-	-	-
Total reportable segment assets						
Reportable segment liabilities	**60,467,302**	**105,853,802**	**2,782,243**	**2,646,290**	**527,624**	**5,124,913**
Insurance contract liabilities	30,572,177	74,185,467	-	-	-	-
Investment contract liabilities	-	18,294,287	-	-	-	-
Trade payables and other liabilities	8,226,443	1,883,176	1,096,638	408,247	32,344	476,940
Borrowings	-	-	746,592	95,472	222,336	-
Current tax liabilities	647,887	252,256	55,602	12,752	23,944	-
Deferred tax liabilities	597,158	131,504	1,111	75,038	-	21,176
Total reportable segment liabilities	**40,043,665**	**94,746,690**	**1,899,943**	**591,509**	**278,624**	**498,116**
NET ASSETS	**20,423,637**	**11,107,112**	**882,300**	**2,054,781**	**249,000**	**4,626,797**
Other segment disclosure:						
Addition to property and equipment	**230,667**	**164,676**	**34,392**	**157,442**	**2,740**	**92,296**

STATEMENT OF COMPREHENSIVE INCOME

31December 2015	Non-life	Life	Trusteeship	Hospitality	Property management	Pension fund management
Revenue from external customers:						
Gross premium income	19,512,935	31,559,6,37	-	-	-	-
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	-	-	-	192,586
Investment income	1,561,413	8,393,381	-	-	-	148,099
Other operating income	911,719	130,743	305,798	726,602	54,521	1,788,469
Share of profit of investments accounted for using the equity method	-	-	-	-	-	-
Net income	**12,868,655**	**53,870,252**	**305,798**	**726,602**	**54,521**	**2,129,154**
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)	(29,916)	(1,225,482)
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	20,383	266,847
Net Expense	**(9,815,578)**	**(50,543,398)**	**(247,329)**	**(798,975)**	**(50,299)**	**(1,492,329)**
Reportable segment profit	**3,053,077**	**3,326,854**	**58,469**	**(72,373)**	**4,222**	**636,825**
Other segment disclosures:						
Depreciation and amortization expense	(363,478)	(93,749)	(9,101)	(27,723)	(12)	(77,679)

Total segment income	Consolidation/ inter-segment balances	Total
26,018,694	(0)	26,018,694
113,674,438	(80,996)	113,593,442
169,761	-	169,761
11,720,783	-	11,720,783
486,416	-	486,416
5,645,816	(1,045,375)	4,600,441
3,637,495	(3,637,495)	-
8,820,070	-	8,820,070
286,447	(1)	286,446
378,315	3,521,579	3,899,894
6,063,939	(0)	6,063,939
500,000	-	500,000
177,402,174	**(1,242,288)**	**176,159,886**
104,757,644	-	104,757,646
18,294,287	-	18,294,287
12,123,788	(404,944)	11,718,844
1,064,400	(859,777)	204,623
992,441	542,578	1,535,019
825,987	10	825,997
138,058,547	**(722,131)**	**137,336,416**
39,343,627	**(520,157)**	**38,823,470**
682,213	**-**	**1,197,489**

Total segment income	-segment income and consolidation adjustments	Total
51,072,572	(8,901)	51,064,481
(11,125,406)	(0)	(11,125,406)
39,947,166	**(8,091)**	**39,939,075**
906,494	-	906,494
(15,080,577)	(152,952)	14,927,625
10,102,893	(507,554)	9,595,339
3,917,852	(300,221)	3,617,631
-	201,177	201,177
69,954,982	**(767,641)**	**69,187,341**
(14,364,457)	349	(14,364,108)
(4,956,758)	-	(4,377,614)
(33,954,433)	-	(33,954,433)
(570,962)	-	(570,962)
(7,195,865)	101,654	(7,094,211)
(1,121,706)	1,090,758	(30,948)
(369,753)	-	(369,753)
(413,974)	-	(413,974)
(62,947,908)	**1,771,905**	**(61,176,003)**
7,007,074	**1,004,264**	**8,011,338**
(571,742)	-	(571,742)

SEGMENTS, ASSETS AND LIABILITIES

31-Dec-15	Non-life	Life	Trusteeship	Hospitality	Property management	Pension Fund
Reportable segment assets						
Cash and cash equivalent	8,819,219	5,837,723	312,209	143,718	307,762	1,760,407
Investment securities	14,994,143	76,516,894	186,273	66,470	6,991	714,133
Trade receivables	541,477	2,494	-	-	-	-
Loans and advances	-	-	-	-	-	-
Reinsurance assets	11,113,773	292,174	-	-	-	-
Deferred acquisition cost	423,123	-	-	-	-	-
Other receivables and prepayments	929,676	1,999,050	1,418,683	152,220	161,243	829,588
Investment in subsidiaries	340,946	2,953,521	-	-	-	-
Investment properties	3,400,000	5,395,000	-	-	-	742,000
Deferred tax asset	-	58,635	-	-	-	-
Intangible assets	19,869	11,440	7,740	5,632	-	74,562
Property and equipment	3,312,350	448,091	6,154	2,030,744	107	179,228
Statutory deposits	300,000	200,000	-	-	-	-
Total reportable segment assets	**44,194,576**	**93,715,022**	**1,931,059**	**2,398,784**	**476,103**	**4,299,918**
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	23,975	390,060
Borrowings	-	-	605,556	320,000	220,000	-
Current tax liabilities	374,781	277,218	28,884	(1)	23,526	-
Deferred tax liabilities	453,896	102,458	1,321	134,683	-	42,148
Total reportable segment liabilities	**29,867,113**	**87,792,777**	**1,218,244**	**952,843**	**267,501**	**432,208**
NET ASSETS	**14,327,463**	**5,922,245**	**712,815**	**1,445,941**	**208,602**	**3,867,710**
Other segment disclosures:						
Additions to property and equipment	230,667	164,676	34,392	157,442	2,740	92,296
Current tax liabilities	374,781	277,218	28,884	(1)	23,526	-
Deferred tax liabilities	453,896	102,458	1,321	134,683	-	42,148

The group is domiciled in Nigeria. No geographical segment information has been provided in these financial statements as there in 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 they are closely monitored by the Chief operating decision maker as potential growth segments and arc expected lo materially contribute lo group revenue in the near future.

No single customer contributed up to 5% of the Croup's revenue in the year (2015: Nil).

Total segment balances	Consolidation/ Inter-segment balances	Total
17,181,038	(149,998)	17,031,040
92,484,904	(80,994)	92,403,910
543,971	-	543,971
-	-	
11,405,947	-	11,405,947
423,123	-	423,123
5,490,460	(1,288,905)	4,201,555
3,294,467	(3,294,467)	-
9,537,000	-	9,537,000
58,635	55,494	114,129
119,243	3,521,667	3,640,910
5,976,674	997	5,977,671
500,000	-	500,000
147,015,462	**(1,236,206)**	**145,779,256**
93,785,535	-	93,785,535
15,459,507	-	15,459,507
8,701,174	(631,789)	8,069,385
1,145,556	(1,027,110)	118,446
704,408	418,364	1,122,772
734,506	7,266	741,772
120,530,686	**(1,233,269)**	**119,297,417**
26,484,776	**(2,937)**	**26,481,839**
682,213	-	682,214
704,408	418,364	1,122,772
734,506	7,266	741,772

6. Cash and cash equivalents

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Cash on hand	3,805	3,007	3,246	1,608
Cash at bank	3,864,225	2,305,207	3,390,677	2,101,703
Tenored deposits	22,150,664	14,722,826	20,795,774	12,553,630
	26,018,694	**17,031,040**	**24,189,697**	**14,656,941**

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 cash flow purpose includes the following:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Cash on hand	3,805	3,007	3,246	1,608
Cash at bank	3,864,225	2,305,207	3,390,677	2,101,703
Tenored deposits	22,150,664	14,722,826	20,795,774	12,553,630
Treasury bills with initial matutiry 90 days	-	79,145	-	79,145
	26,018,694	**17,110,185**	**24,189,697**	**14,736,086**

7. Trade receivables

(a) Trade receivable comprises the following:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Non-life assurance receivables	164,616	541,478	164,616	541,478
Life insurance receivables	5,145	2,493	5,145	2,493
	169,761	**543,971**	**169,761**	**543,971**
Current	169,761	543,971	169,761	543,971
	169,761	543,971	169,761	543,971

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Analysis of premium debtors in days 0-30 days	169,761	543,971	169,761	543,971
	169,761	**543,971**	**169,761**	**543,971**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance beginning of year	-	230,833	-	230,833
Allowance no longer required (see note 38)	-	(230,833)	-	(230,833)
Balance end of year	-	-	-	-

8. Investment Securities

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Financial assets at fair value through profit or loss (see note 8.1 below)	69,429,589	66,322,015	69,326,992	66,214,502
Available for sale (see note 8.2 below)	11,210,932	9,603,510	11,206,175	9,598,753
Held to maturity (see note 8.3 below)	32,952,921	16,478,385	30,508,078	15,697,784
	113,593,442	**92,403,910**	**111,041,245**	**91,511,039**
Current	83,112,655	74,897,875	83,112,655	74,897,875
Non-current	30,480,787	17,506,035	27,928,590	16,613,164
	113,593,442	**92,403,910**	**111,041,245**	**91,511,039**

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

8.1 Financial assets at fair value through profit or loss

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Designated at fair value through profit or loss				
Debt securities				
- Listed	67,888,375	64,792,901	67,888,375	64,792,900
Equity securities:				
- Listed	1,445162	1,428,592	1,438,617	1,421,602
	69,333,537	**66,221,493**	**69,326,992**	**66,214,502**
Held for trading				
Equity securities	96,052	100,522		
- Listed				
	96,052	100,522		
Total financial assets at fair value through profit or loss.	**69,429,589**	**66,322,015**	**69,326,992**	**66,214,502**
Current	69,429,589	66,322,015	69,326,992	66,214,502
	69,429,589	**66,322,015**	**69,326,992**	**66,214,502**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Opening balance				
Additions	66,322,015	32,611,259	66,214,502	32,481,495
Disposals	27,147,172	23,520,041	27,152,086	23,521,076
Accrued Interest	(7,418,865)	(3,875,631)	(7,418,865)	(3,875,631)
Interest received	8,702,831	2,935,585	8,702,831	2,936,620
Fair value changes	(8,268,679)	(2,935,585)	(8,268,679)	(2,936,620)
Opening balance	(17,054,884)	14,066,346	(17,054,883)	14,087,562
	69,429,589	**66,322,015**	**69,326,992**	**66,214,502**

8.2 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.

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Equity securities at fair value				
- Listed	6,550,172	5,538,305	6,550,172	5,538,305
- Unlisted (see note a(i) below)	4,066,217	3,165,808	4,061,460	3,161,051
Unlisted (see note a(ii) below)	619,503	924,357	619,503	924,357
	11,235,892	9,628,470	11,231,135	9,623,713
Less allowance for impairment loss (see note (b) below)	(24,960)	(24,960)	(24,960)	(24,960)
Total available for sale financial assets	**11,210,932**	**9,603,510**	**11,206,175**	**9,598,753**
Current	6,550,172	5,538,305	6,550,172	5,538,305
Non-Current	4,660,760	4,065,205	4,656,003	4,060,448
	11,210,932	**9,603,510**	**11,206,175**	**9,598,753**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
At fair value				
Africa Finance Corporation	1,113,963	775,329	1,113,963	775,329
African Reinsurance Company Limited	1,371,461	835,099	1,371,461	835,099
Capital Bancorp	148,351	227,194	148,351	227,194
Food Concept Limited	6,300	7,700	6,300	7,700
Lekky Budget Limited	49,113	12,094	49,113	12,094
Mainstreet Technologies	380,103	124,137	380,103	124,137
MTN	795,044	886,169	795,044	886,169
Oakwood Park Limited	66,714	70,846	66,714	66,714
West African Milk Company Limited	55,250	44,688	55,250	44,688
JDI investment company Ltd	44,688	87,409	44,688	86,784
Nigeria Liability Insurance Pool	30,473	95,143	30,473	95,143
Others	4,757	-	-	-
A	**4,066,217**	**3,165,808**	**4,061,460**	**3,161,051**

a (ii) At cost

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Lagos Building Investment Company Ltd	49,920	49,920	49,920	49,920
Energy and Allied Insurance Pool of Nigeria	183,000	114,480	183,000	114,480
Verod Capital Management Ltd	370,579	743,953	370,579	743,953
Others	16,004	16,004	16,004	16,004
B	**619,503**	**924,357**	**619,503**	**924,357**
Less: Specific allowance for impairment (unquoted equity securities)	(24,960)	(24,960)	(24,960)	(24,960)
C				
Total unlisted equities (A+B+C)	**4,660,760**	**4,065,205**	**4,656,003**	**4,060,448**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	24,960	249,007	24,960	249,007
Charge for the year	-	-	-	-
Write off	-	(224,047)	-	(224,047)
Balance, end of year	**24,960**	**24,960**	**24,960**	**24,960**

Movement in Financial assets designated at available for sale

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Opening balance				
Additions	9,603,510	10,175,445	9,598,753	10,170,690
Disposals	727,635	1,458,308	727,635	1,286,487
Fair value changes	(476,724)	(338,819)	(476,724)	(168,036)
Impairment	1,356,511	(1,442,418)	1,356,511	(1,441,382)
Write-offs	-	(24,960)	-	(24,960)
Closing balance	-	(224,046)	-	(224,046)
	11,210,932	**9,603,510**	**11,206,175**	**9,598,753**

8.3 Held to maturity financial asserts

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Debt securities:	32,952,921	16,478,385	30,508,078	15,697,784
- Listed				
	32,952,921	16,478,385	30,508,078	15,697,784
Current	7,235,491	3,145,068	7,235,491	3,145,068
Non – current	25,717,430	13,333,317	23,272,587	12,552,716
	32,952,921	16,478,385	30,508,078	15,697,784

The entity's investment in Dana bonds was impaired by ₦18.97million (2015: Nil). Held to maturity assets are analyzed below:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Federal Government Debt Securities				
10.70% FGN May 2018	681,337	657,794	681,337	657,794
7.00% FGN Oct 2019	241,785	225,530	241,785	225,530
10.00% FGN Jul 2030	1,216,670	1,211,488	1,216,670	1,211,488
15.10% FGN Apr 2017	1,693,966	1,478,228	1,693,966	1,478,228
16.00% FGN Jun 2019	120,103	120,101	120.103	120.101
13.05% FGN AUG 2016	-	833,077	-	833,077
15.54% FGN Feb 2020	843,602	327,690	843,602	327,690
l6.39%FGN Jan 2022	-	125,524	-	-
14.5% FGN JUL 2021	945,301	-	945,301	-
12.50% FGN JAN 2026	1,326,479	-	1,326,479	-
12.40% FGN MAR 2036	2,781,482	-	2,781,482	-
12.1493% FGN JUL 2034	199,363	-	199,363	-
FGN treasury bill	7,010,854	1,084,044	4,566,010	495,436
	17,060,942	**6,063,476**	**14,616,098**	**5,349,344**
State Government Bonds				
Lagos State bonds	480,083	551,280	480,083	551,280
Bayelsa State bonds	30,423	49,344	30,423	49,344
Benue State bonds	-	5,002	-	5,002
Delta State bonds	80,150	112,787	80,150	112,787
Ekiti State bonds	9,842	13,822	9,842	13,822
Osun State bonds	152,889	190,769	152389	190,769
	753,387	**923,004**	**753,387**	**923,004**
Corporate Bonds				
Federal Mortgage of Nigeria Bond	5,280	25,228	5,280	25,228
Lafarg'e WAPCO bond	201,669	-	201,669	-
Local Contractor Bond Series III	639,155	652,079	639,155	652,079
United Bank for Africa Pic Bond	154,838	154,855	154,838	154,855
Dana Group of Companies Bond	129,382	129,750	129,382	129,750
Forte Oil	104,305	-	104,305	-
	1,234,629	**961,912**	**1,234,629**	**961,912**
Eurobonds				
GTB Finance BV, 750%, 2016	-	2,505,478	-	2,439,009
Access Bank Eurobond 7.25%, 2017	52,896	1,130,009	52,896	1,130,009
FBN Finance BV 2020 8.25%	1,111,880	553,317	1,111,880	553,317
First Bank 8% Jul, 2021	2,039,217	1,022,039	2,039,217	1,022,039
FGN 6.75% Eurobond, 2021	2,358,551	1,562,612	2,358,551	1,562,612
ETI 8.75% Aug 2021	1,564,705	1,020,041	1,564,705	1,020,041
Access Bank Eurobond 9.25%, 2021	592,737	419,746	592,737	419,746
FGN 6.38% Eurobond, 2023	4,243,879	204,764	4,243,879	204,764
GTB 6.00% Nov 2018	87,402	53,271	87,402	53,271
Zenith 6.25% Apr 2019	89,778	58,716	89,778	58,716
Access 10.50% Oct 2021	1,762,918	-	1,762,919	-
	13,903,963	**8,529,993**	**13,903,964**	**8,463,524**
Grand Total	**32,952,921**	**16,478,385**	**30,508,078**	**15,697,784**

The debt securities are interest bearing and have stated interest rates of 7 to 16.4 per cent for government bonds and 6.75 to 17.25 per cent for the corporate bonds. The contractual maturity dates are 1 to 20 years for the government securities and 1 to 7 years for the corporate bonds.

Movement in Financial assets designated as Held to Maturity

Opening balance	16,478,385	13,542,479	15,697,784	13,482,180
Additions	17,239,251	3,218,152	15,709,678	3,211,984
Disposals	(1,414,821)	(996,379)	(1,414,821)	(996,380)
Acquisition of subsidiary	-	714,133	-	-
Accrued interests	2,474,520	406,995	2,339,851	400,826
Interest payment	(1,824,414)	(406,995)	(1,824,414)	(400,826)
	32,952,921	**16,478,385**	**30,508,078**	**15,697,784**

LEADWAY ASSURANCE COMPANY LIMITED RC 7588

9. Reinsurance assets

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Prepaid reinsurance (see note (a) below)	5,181,949	6,280,596	5,181,949	6,280,596
Reinsurance recovera ble (see note (b) below)	6,200,302	4,653,691	6,200,302	4,653,691
Due from reinsurers	338,532	471,660	338,532	471,660
	11,720,783	11,405,947	11,720,783	11,405,947
Less allowance for impairment (see note (c) below):				
Reinsurance recoverable	-	-	-	-
Due from reinsurers	-	-	-	-
	11,720,783	**11,405,947**	**11,720,783**	**11,405,947**
Current	11,508,724	11,193,888	11,508,724	11,193,888
Non – current	212,059	212,059	212,059	212,059
	11,720,783	**11,405,947**	**11,720,783**	**11,405,947**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of the year	6,280,596	6,280,596	6,280,596	6,280,596
Additions in the year	11,299,751	11,125,406	11,299,751	11,125,406
Released in the year (see note 29)	(12,398,398)	(11,125,406)	(12,398,398)	(11,125,406)
Balance, end of year	**5,181,949**	**6,280,596**	**5,181,949**	**6,280,596**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of the year	4,653,691	4,653,691	4,653,691	4,653,691
(Decrease)/increase during the year	1,546,611	-	1,546,611	-
Balance, end of year	**6,200,302**	**4,653,691**	**6,200,302**	**4,653,691**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of the year	-	1,546,157	-	1,546,157
Write-off during the year	-	(1,546,157)	-	(1,546,157)
Balance end of year	-	-	-	-

10. Deferred acquisition costs

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Motor	120,023	125,968	120,023	125,968
Fire	159,075	134,263	159,075	134,263
General accident	56,325	34,119	56,325	34,119
Marine	96,176	86,227	96,176	86,227
Bond	4,983	6,642	4,983	6,642
Engineering	49,834	35,904	49,834	35,904
	486,416	**423,123**	**486,416**	**423,123**

The movement in deferred acquisition costs is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	423,123	428,964	423,123	428,964
Cost incurred during the year	1,485,844	1,390,406	1485,844	1,390406
Amortization for the year	(1,422,551)	(1,396,247)	(1422,551)	(1,396,247)
Balance, end of year	**486,416**	**423,123**	**486,416**	**423,123**
Current	486,416	423,123	486,416	423,123
	486,416	**423,123**	**486,416**	**423,123**

11. Other receivables and prepayments

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Financial assets:				
Accrued interest on statutory deposits	38,011	25,073	38,011	25,073
Receivable from third party	-	321,091	-	321,091
Accrued rental income	230,342	96,082	230,342	96,082
Trusteeship fee receivable	379,955	367,037	-	-
Dividend receivables	14,594	75,533	14,281	75,221
Receivable from related parties	90,958	58,289	32,651	35,018
-	**753,860**	**943,105**	**315,285**	**552,485**
Non-financial assets:				
Prepayment	120,978	266,890	99,407	118,123
Deposit for shares	540,124	22,000	540,124	22,000
Inventory and other consumables	-	171,863	-	-
Sundry Debtors	983,121	1,130,894	378,082	628,906
	1,644,223	**1,591,647**	**1,017,613**	**769,029**
Gross other receivables	**2,398,083**	**2,534,752**	**1,332,898**	**1,321,514**
Less: impairment allowance on:				
Allowance for impairment losses – financial asset	(184,283)	(24,710)	(180,116)	(7,012)
Allowance for impairment losses – non financial asset	(76,697)	(228,344)	(37,028)	(199,604)
	(260,980)	**(253,054)**	**(217,144)**	**(206,616)**
Net other receivables	**2,137,103**	**2,281,698**	**1,115,754**	**1,114,898**
Current	1,709,080	1,853,675	997,634	996,778
Non-current	428,023	428,023	118,120	118,120
	2,137,103	**2,281,698**	**1,115,754**	**1,114,898**

Deposit for shares relates to payments made for the acquisition of shares in Motorways Assets Limited which had not been allotted as at 31 December 2016.

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

Receivable from third party relates to purchase of landed property where ownership had not been transferred as at 31 December 2015. This has now been transferred to investment properties in the current year.

(iii) The movement in allowance of impairment of other receivable is as follows

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	253,054	254,809	206,616	201,607
Charge for the year (see note 38)	23,288	13,877	11,617	11,584
Allowance no longer required	(15,362)	(15,632)	(1,089)	(6,575)
Balance, end of year	260,980	253,054	217,144	206,616

12. Loans and Advances

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Gross				
Commercial loans	986,493	1,297,228	1,317,677	1,591,179
Annuity loans	1,899,915			
Mortgage loans	61,505			
Staff loans	55,304	982,120	51,155	56,122
Agency loans	28,282	30-934	28.282	30,934
Loan to policy holders	252,076	223,192	252,076	223,192
Advance under finance lease	81,603	194,863	-	-
	3,365,178	**2,728,337**	**1,649,190**	**1,901,427**
Specific impairment allowance on:				
-Commercial loans	(706.923)	(449,443)	(692,242)	(391,646)
		(6,230)		
-Staff loans	(5,481)	(5,481)	(5,481)	(5,481)
-Agency loans	(5,647)	(5,647)	(5,647)	(5,647)
-Mortgage loan	(464)	-	-	-
-Policy holders loans	(912)	(3,217)	(912)	(3,217)
-Advance under finance lease (see note (ii) below				
Collective impairment – loans	(32,352)	(58,211)	-	-
Collective impairment – advance under finance lease	(149,301)	(58,211)	(147,540)	(278,357)
	(760)	(6,230)	-	-
	(901,840)	**(808,480)**	**(851,822)**	**(684,348)**
Net loans and advances	**2,463,338**	**1,919,857**	**797,368**	**1,217,079**

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	744,039	487,308	684,348	462,112
Charge for the year (see note 38)				
- Commercial loans	126,994	378,631	169,779	344,136
- Staff Loans	-	-	-	-
- Agency loans	-	-	-	-
- Policy holders loans Write off	(2,305)	3,217	(2,305)	3,217
- Commercial loans	-	-	-	-
- Staff Loans	-	-	-	-
- Agency loans	-	-	-	-
- Policy holders loans	-	125,117	-	-
Balance, end of year	**868,728**	**744,039**	**851,822**	**684,348**

(ii) The movement in allowance for impairment of advances under finance lease is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	64,441	8,381	-	-
Addition during the year (see note 39)				
- Specific impairment	-	58,444	-	-
- Collective impairment	-	-	-	-
Write back	(31,329)	(2,384)		
	33,112	**64,441**		
Current (Gross)	2,494,823	1,410,882	778,835	778,835
Non Current (Gross)	870,355	1,317,455	870,355	1,122,592
	3,365,178	**2,728,337**	**1,649,190**	**1,901,427**

(iii) Movement in loans and advances is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	1,919,857	1,220,651	1,217,079	1,129,468
Additional loans granted	2,644,368	952,326	804,453	434,964
Loan repayment received	(2,024,001)	-	(905,159)	-
Accrued interests	178,493	154,136	227,365	160,882
Interests received	(130,690)	(150,525)	(378,897)	(285,999)
Impairment losses	(124,689)	(256,731)	(167,474)	(222,236)
Balance end of year	**2,463,338**	**1,919,857**	**797,368**	**1,217,079**

13. Property and equipment

13.1 Group – 2016

Cost or valuation	Land	Building	Office Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Capital Work in progress	Total
Balance, beginning of year	2,250,870	2,479,029	587,148	969,106	963,563	973,493	-	8,223,209
Additions	1,260	160,228	153,216	171,670	11,419	386,377	313,319	1,197,489
Revaluation surplus/(deficit)	(160,577)	135,749	-	-	-	-	-	(24,828)
Write off	-	-	-	-	(263,868)	-	-	(263,868)
Disposals	-	-	(6,238)	(14,741)	-	(108,298)	-	(129,277)
Balance, end of year	**2,091,553**	**2,775,006**	**734,126**	**1,126,035**	**711,114**	**1,251,572**	**313,319**	**9,002,725**
Accumulated depreciation								
Balance, beginning of year	-	-	390,765	780,090	425,139	649,544	-	2,245,538
Charge for the year	-	61,936	201,183	208,054	75,585	323,906	-	870,664
Reversal of accumulated depreciation due to revaluation	-	(61,936)	-		-	-	-	(61,936)
Write off	-	-	-	-	-	-	-	-
Disposals	-	-	(5,945)	(8,880)	-	(100,655)	-	(115,480)
Balance, end of year	**-**	**-**	**586,003**	**979,264**	**500,724**	**872,795**	**-**	**2,938,786**
Net book value end of year	**2,091,553**	**2,775,006**	**148,123**	**146,771**	**210,390**	**378,777**	**313,319**	**6,063,939**
Net book value beginning of year	**2,250,870**	**2,479,029**	**196,383**	**189,016**	**538,424**	**323,949**	**-**	**5,977,671**

(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 2016, the fair values of the land and buildings have been determined by Diya Fatimilehin & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/00000002773). 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 25). See note 13.4b for the analyses of land and buildings carried at fair value and the fair valuation method used.

Diya Fatimilehin & Co., a qualified independent professional estate surveyor was appointed in 2016 to replace the former valuers, Funsho Oladimeji & Co.

Consequent to the revaluation of the Group's land and buildings at 31 December 2016, 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.

(ii) The Group had no capital commitments as at the balance sheet date (31 December 2015: Nil),
(iii) No leased assets are included in property and equipment (31 December 2015: Nil)
(iv) No borrowing cost was capitalized as borrowing liability does not relate to purchase of property and equipment

For each revalued class of property, plant and equipment, the carrying amount that would have been recognized 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Land:				
Cost	153,024	153,024	153,024	153,024
Accumulated Depreciation	-	-	-	-
	153,024	**153,024**	**153,024**	**153,024**
Buildings				
Cost	164,030	164,030	164,030	164,030
Accumulated Depreciation	(38,258)	(34,978)	(38,258)	(34,978)
	125,772	**129,052**	**125,772**	**129,052**

13.2 Company – 2016

Cost or valuation	**Land**	**Building**	**Office equipment**	**Computer equipment**	**Furniture fittings**	**Motor vehicles**	**Capital work in progress**	**Total**
Balance, beginning of year	1,143,000	2,018,000	537,925	893,513	508,314	785,586	-	5,886,338
Additions	-	1,237	10,072	82,512	8,384	120,973	-	223,198
Revaluation surplus/(deficit)	(242,338)	258,364	-	-	-	-	-	16,026
Write off	-		-	-		-	-	-
Disposals	-	-	-	(14,406)	-	(21,650)	-	(36,056)
Balance, end of year	**900,662**	**2,277,621**	**547,997**	**961,619**	**516,698**	**884,909**	**-**	**6,089,506**
Accumulated depreciation								
Balance, beginning of year	-	-	406,290	756,750	406,099	556,760	-	2,125,899
Charge for the year	-	52,475	60,963	96,276	60,199	126,916	-	396,829
Reversal of accumulated depreciation due to revaluation	-	(52,475)	-		-	-	-	(52,475)
Disposals	-	-	-	(8,639)	-	(17,443)	-	(26,082)
Balance, end of year	**-**	**-**	**467,253**	**844,387**	**466,298**	**666,233**	**-**	**2,444,171**
Net book value end of year	**900,662**	**2,277,621**	**80,744**	**117,232**	**50,400**	**218,676**	**-**	**3,645,335**
Net book value beginning of year	**1,143,000**	**2,018,000**	**131,635**	**136,763**	**102,215**	**228,826**	**-**	**3,760,439**

13.3 Group – 2015

Cost or valuation	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
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	(80,000)	-	-	-	-	-	-	(80,000)
Transfer from work n progress	-	-	-	-	376,282	-	(376,282)	-
Disposals	-	-	(29,420)	(1,604)	(24,930)	(88,777)	-	(144,731)
Reveal 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)
Disposals	-	-	(24,980)	(980)	(12,689)	(32,742)	-	(71,391)
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**
Net book value beginning of year	**2,216,250**	**2,453,467**	**174,352**	**111,101**	**149,734**	**212,450**	**376,282**	**5,693,636**

13.4 Company – 2015

Cost or valuation	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
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	58,000	148,512	-	-	-	-	-	206,512
Disposals	-	-	(20,060)	(1,604)	-	(68,637)	-	(90,301)
Reclassification	(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**
Net book value beginning of year	**1,165,000**	**1,866,564**	**145,857**	**110,536**	**140,005**	**199,674**	**-**	**3,627,637**

(b) 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 categorized

Group
31 December 2016
All amounts are in thousands of Naira unless otherwise stated

	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	2,091,553	-	2,091,553
- Building	-	2,775,006	-	2,775,006
Total	**-**	**4,866,559**	**-**	**4,866,559**

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	-	2,479,029	-	2,479,029
Total	**-**	**4,729,899**	**-**	**4,729,899**

Company
31 December 2016
All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	900,662	-	900,662
- Building	-	2,277,621	-	2,277,621
Total	-	**3,178,283**	-	**3,178,283**

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**

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.

14. Investment Properties

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Office property	5,288,347	5,732,000	5,380,682	4,990,000
Residential property	3,531,723	3,805,000	2,778,737	3,805,000
	8,820,070	**9,537,000**	**8,159,419**	**8,795,000**
Non current	8,820,070	9,537,000	8,159,419	' 8,795,000
	8,820,070	**9,537,000**	**8,159,419**	**8,795,000**

(a) The movement in investment properties during the year is shown below:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of the year	9,537,000	7,800,000	8,795,000	7,450,000
Improvement to investment properties	-	350,410	-	356,410
Reclassification from other assets (see 'I' below	321,324	-	321,324	-
Reclassification to investment property	-	80,000	-	80,000
Additional cost incurred during the year	9,156	307,574	6,176	108,159
Fair value gain/(loss)	(1,047,410)	903,010	(963,081)	800,431
As at end of the year	**8,820,070**	**9,537,000**	8,159,419	**8,795,000**

The analysis of investment properties is as follow:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Cadastral Property, Abuja	2.757,185	2,200,000	2,757,185	2,200,000
Thomas Wyatt House	1,405,080	1,300,000	1,405,080	1,300,000
Ozumba Mbadiwe Property	1,144,343	1,490,000	1,144,343	1,490,000
George Street Property	849,839	1,350,000	849,839	1,350,000
Siun Property, Abeokuta	74,074	-	74,074	-
Bedwell, Ikoyi	1,729,148	2,100,000	1,729,148	2,100,000
Enugu Landed Property	44,741	85,000	44,741	85,000
Abeokuta Property	155,009	270,000	155,009	270,000
Others	660,650	742,000	-	-
	8,820,070	**9,537,000**	**8,159,419**	**8,795,000**

(i) The reclassification relates to a landed property situated at Siun, Sagamu-Abeokuta road. In 2015, the deposit for the property was recognized in other assets at cost. However, in 2016, the company obtained the necessary allocation papers from the relevant authorities and consequently reclassified to Investment property at its cost and then its fair value was determined. The fair value of the property was determined by Diya Fatimilehin & Co., Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773).

(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 Diya Fatimilehin& Co, Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773) using the Comparative approach method of valuation to arrive at the open 'market value as at 31 December 2016. 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 ₦261 million (2015: ₦176 million).

Diya Fatimilehin & Co, a qualified independent professional estate surveyor was appointed in 2016 to replace the former valuers, Funsho Oladimeji &Co.

(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 categorized.

Group
31 December 2016
All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	5,288,347	-	5,288,347
- Residential property	-	3,531,723	-	3,531,723
Total	-	**8,820,070**	-	**8,820,070**

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	-	5,372,000		5,732,000
- Residential property	-	3,805,000	-	3,805,000
Total	**-**	**9,537,000**	**-**	**9,537,000**

Company
31 December 2016

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	5,380,682	-	5,380,682
- Residential property	-	2,778,737	-	2,778,737
Total	**-**	**8,159,419**	**-**	**8,159,419**

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**

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.

15. Investment in subsidiaries

(a) The Company's investment is subsidiaries is as stated below:

	Company 31-Dec-16	Company 31-Dec 15
Leadway Capital and Trusts Limited	47,696	47,696
Leadway Hotels Limited	636,278	293,250
Leadway Properties and Investments Limited	200,312	200,312
Leadway Pensure PFA Limited	2,753,209	2,753,209
	3,637,495	3,294,467

(b) Nature of investments in subsidiaries 2016 and 2015

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 Trusts Limited	Note i	Nigeria	53	47
Leadway Hotel Limited	Note ii	Nigeria	51.2	48.8
Leadway Properties and Investments Limited	Note iii	Nigeria	100	-
Leadway Pensure PFA Limited	Note iv	Nigeria	69.5	30.5

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 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 Trusts 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. During the year, Leadway exercised its option on the rights issue made by hotel. This additional acquisition of shares resulted in a 0.2% increase in Leadway's interest in the investee company from 51% to 51.2%. The increase is attributable to the rights that were not taken up by a minority equity holder.

(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.

The table below summarizes the financial information of all to the Group's subsidiaries before any intra-group elimination. Note 5 on segment reporting shows the summarized financial information of all the subsidiaries.

	Leadway Properties		Leadway Pensure PFA		Leadway Hotel Limited		Leadway Capital & Trust Limited	
	31 December		31 December		31 December		31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Cash and cash equivalent	330,651	307,764	907,719	1,760,407	325,140	143,71S	265,487	312,210
Other receivables and prepayments	190,390	161,243	863,076	829,588	103,706	152,220	2,317,943	1,418,683
Investment securities	6,545	6,991	2,444,842	714,133	-	66,471	181,804	186,273
Deferred tax asset	4	-	-	-	-	-	-	-
Property and equipment	38	107	198,435	179,228	2,214,899	2,030,744	5,235	7,152
Intangible assets	-	-	50,192	74,562	2,545	5,632	11,774	7,741
Investment property	-	-	660,651	742,000	-	-	-	-
Total Assets	**527,628**	**476,105**	**5,124,915**	**4,299,918**	**2,646,290**	**2,398,785**	**2,782,243**	**1,932,057**
Liabilities								
Other liabilities	32,344	23,974	476,942	390,060	408,247	492,091	1,096,639	582,481
Borrowings	222,336	220,000	-	-	95,472	326,070	746,592	605,555
Current tax liability	23,944	23,526	542,577	418,366	12,752	8,063	55,602	28,884
Deferred tax liability	-	7,267	21,176	42,148	75,038	134,683	1,111	1,321
Total liabilities	**278,624**	**274,767**	**1,040,695**	**850,574**	**591,509**	**960,907**	**1,899,944**	**1,218,241**
Capital and reserves								
Share capital	2,025	2,025	1,642,361	1,642,361	75,000	75,000	440,000	440,000
Retained earnings	262,535	214,424	1,813,931	1,309,405	363,929	340,079	442,299	273,818
Share premium	-	-	53,465	53,465	500,000	500,000	-	-
Deposit for shares	-	-			641,192	-	-	-
Other reserves	(15,557)	(15,111)	574,463	444,113	474,660	522,798	-	-
Total equity	**249,003**	**201,338**	**4,084,220**	**3,449,344**	**2,054,781**	**1,437,877**	**882,299**	**713,818**
Total Liabilities and Equity	**527,628**	**476,105**	**5,124,915**	**4,299,918**	**2,646,290**	**2,398,784**	**2,782,243**	**1,932,059**

	Leadway Properties		Leadway Pensure PFA		Leadway Hotel Limited		Leadway Capital & Trust Limited	
	31 December		31 December		31 December		31 December	
	2016 (12 months)	2015 (12 months)	2016 (7 months)	2015	2016 (12 months)	2015 (12 months)	2016 (12 months)	2015 (12 months)
Revenue	43,137	31,262	3,589,355	2,129,529	729,662	723,805	531,649	305,798
Profit before income tax	61,639	60,530	1,512,181	889,823	(52,156)	(108,764)	240,428	85,027
Income tax expense/income	(13,528)	(20,383)	(471,618)	(252,619)	46,862	31,115	(54,115)	(26,559)
Profit after tax	**48,111**	**40,147**	**1,040,563**	**637,204**	**(5,294)**	**(77,649)**	**186,313**	**58,469**
Other comprehensive income	(446)	(1,036)	-	(380)	(52,768)	208,256	-	-
Total comprehensive income	**47,665**	**39,111**	**1,040,563**	**636,824**	**(58,062)**	**130,667**	**186,313**	**58,468**
Profit allocated to NCI								
Cashflows from operating activities	(21,400)	(228,166)	1,089,043	1,052,443	25,635	135,058	(853,292)	(798,078)
Cashflows from investing activities	42,776	409,184	(1,532,115)	(1,088,020)	(224,419)	(58,294)	364,345	151,517
Cashflows from financing activities	-	-	(408,291)	-	386,277	(46,413)	442,223	430,096
Net increase/decrease) in cash and cash equivalent	**21,376**	**181,018**	**(851,363)**	**(35,577)**	**187,493**	**30,351**	**(46,724)**	**(146,465)**
Dividends received from subsidiaries	-	-	**283,868**	**119,513**	**-**	**-**	**20,986**	**-**

Leadway Pensure PFA became a subsidiary of Leadway Assurance Company Limited in May 2015 through a step acquisition on that date. Consequently, an extract of the 7 month financial information for 2015 have been disclosed.

16. 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	114,129	200,235	114,129	200,235
Transfer from deferred tax liability	-	-	-	-
Credit to income statement	172,317	(86,106)	172,317	(86,106)
Charge to asset revaluation reserve	-	-	-	-
Charge to fair value reserve	-	-	-	-
Tax effect of fair value changes - investment property	-	-	-	-
	286,446	**114,129**	**286,446**	**114,129**

The movement in deferred tax liabilities account during the year was as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, Beginning of year	741,772	1,153,404	556,356	945,541
Charge to asset revaluation reserve		(13,798)	-	-
(Charge) / credit to income statement	84,225	(397,834)	172,317	(389,185)
Charge to fair value reserve	-	-	-	-
Transfer to deferred tax asset	-	-	-	-
	825,997	**741,772**	**728,673**	**556,356**

Net deferred tax liability is attributed to the following:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Assets				
Investment securities	-	(120,195)	-	80,040
Unrecouped tax losses	2,147,065	-	2,147,065	-
Deferred tax assets	**2,147,065**	**(120,195)**	**2,147,065**	**80,040**
Liabilities				
Property and equipment	268,347	281,401	171,025	296,220
Investment properties	-	47,189	-	47,189
Unrealised exchange gain	2,418,265	178,856	2,418,265	178,856
Deferred tax liabilities	**2,686,612**	**507,446**	**2,589,290**	**522,265**
Net	**(539,547)**	**(627,641)**	**(442,225)**	**(442,225)**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of ₦12.8billion (2015: ₦11.6billion) in respect of unrecouped losses amounting to ₦44.5billion (2015: ₦38.8billion) that can be carried forward against future taxable income indefinitely. The unrecognized deferred tax and unrecouped losses are from the life business results.

16.1 Movements in temporary differences during the year ended 31 December 2016

	Group				Company			
	Balance at 1 January	Recognized in profit or loss	Recognized in Other comprehensive income	Balance at 31 December	Balance at 1 January	Recognized in profit or loss	Recognized in Other comprehensive income	Balance at 31 December
Property and equipment	281,401	(84,225)	-	197,176	296,220	(125,195)	-	171,025
Investment securities	120,195	-	-	120,195	(80,040)	80,040	-	-
Investment properties	47,189	-	-	47,189	47,189	(47,189)	-	-
Unrealized exchange gain	178,856	-	(3,869)	174,987	178,856	2,239,409	-	2,418,265
Employee benefit obligation	-	-	-	-	-	-	-	-
Unrecouped tax losses	-	-	-	-	-	(2,147,065)	-	(2,147,065)
	627,641	**(84,225)**	**(3,869)**	**539,547**	**442,225**	**-**	**-**	**442,225**

Movements in temporary differences during the year ended 31 December 2015.

	Group				Company			
	Balance at 1 January	Recognized in profit or loss	Recognized in Other comprehensive income	Balance at 31 December	Balance at 1 January	Recognized in profit or loss	Recognized in Other comprehensive 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)	120,195	-	(80,040)
Investment properties	276,572	(229,383)	-	47,189	276,572	(229,383)	-	47,189
Unrealized 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**

17. Intangible assets
In thousands of Naira

	Goodwill	Group Software	Total	Company Software
31 December 2016 Cost				
Balance, beginning of year additions	3,521,668	696,968	**4,218,636**	557,118
Balance, end of year	-	372,866	**372,866**	366,213
	3,521,668	1,069,834	**4,591,502**	923,331
Accumulated amortization				
Balance beginning of year	-	577,726	**577,726**	525,810
amortization				
Balance. End of year		113,882	**113,882**	83,717
	-	691,608	**691,608**	609,527
Carrying amount as at end of year	3,521,668	378,226	**3,899,894**	**313,804**
As at beginning of year	3,521,668	119,242	3,640,910	31,308
31 December 2015 Cost				
Balance, beginning of year	3,521,668	587,004	**587,004**	557,118
Additions	-	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	-	**577,726**	**577,726**	**525,810**
Carrying amount				
As at end of year	3,521,668	119,242	3,640,910	31,308
As at beginning of year	-	145,898	145,898	130,285

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 were recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2016 was greater than its carrying amount and is thus not impaired.

The recoverable amount of ₦10.759bn 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 goodwill in 2016 are as follows:

	Group 31-Dec-16	Group 31-Dec-15
Annual growth rate	15.0%	18.0%
Long term growth rate (Terminal growth rate)	3.3%	1.5%
Discount rate	19.9%	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 15.70% 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.

Sensitivity analysis of key assumptions used

	Group 31- Dec -16		Group 31-Dec-15	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in discount rate on value-in-use computation	(519,200)	517,755	(534,512)	634,342
Impact of change in growth rate on value-in-use computation	64,675	(63,409)	29,360	(29,073)
	31-Dec-16		31-Dec-15	
In millions of Nigerian Naira				
Recoverable amount		10,759		24,234
Less: Carrying amount				
Goodwill	(3,522)		(3,522)	
Net assets	(4,082)		(6,236)	
Total carrying amount		(7,604)		(9,758)
Excess of recoverable amount over carrying amount		**3,155**		**14,476**

18. Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2016, 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
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**
Non-Current	500,000	500,000	500,000	500,000
	500,000	**500,000**	**500,000**	**500,000**

Income on statutory deposit is recognized in investment income.

19. Trade payables

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Reinsurance payable	332,949	333,516	332,949	333,516
Insurance payable	1,160,488	1,037,748	1,160,488	1,037,748
Deposit for claims	1,261,202	1,342,843	1,261,202	1,342,843
	2,754,639	**2,714,107**	**2,754,639**	**2,714,107**
Current	2,754,639	2,714,107	2,754,639	2,714,107
Non-current		-	-	-
	2,754,639	**2,714,107**	**2,754,639**	**2,714,107**

Deposit for claims payments relates to claim amounts received from other insurance companies for payments to the insured.

20. Current income tax liabilities

The movement on current income tax liabilities during the year was as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	1,122,772	746,198	651,998	672,859
Change for the year (see note (a) below)	945,663	495,621	699,492	417,349
Acquisition of subsidiary	-	453,523	-	-
Payments during the year	(533,416)	(572,570)	(451,347)	(438,210)
Balance, end of year	**1,535,019**	**1,122,772**	**900,143**	**651,998**

(a) Analysis of charge for the year is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
- Current year's income tax provision	881,916	486,363	635,745	408,091
- Withholding tax on dividend income	63,747	9,258	63,747	9,258
- Tax paid arising from back every assessment	-	-	-	-
	945,663	**495,621**	**699,492**	**417,349**

21. Other liabilities

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Financial liabilities:				
Commission payable	697	32,532	697	32,532
Sundry creditors	670,766	885,272	670,766	885,272
Due to employees	266,982	290,146	266,982	290,146
Accruals	605,615	409,645	226,448	45,114
Staff profit sharing payable	802,767	367,093	721,438	367,093
Insurance supervisory fee payable	486,394	550,348	486,394	550,348
Managed funds	939,059	438,242	-	-
	3,772,280	**2,973,278**	**2,372,725**	**2,170,505**
Non-financial liabilities:				
Deferred rental income	55,315	67,573	55,315	67,573
Premium deposits	3,727,194	590,592	3,727,194	590,592
Unearned income	184,342	175,223	184,342	175,223
Withholding tax payable	134,818	221,134	134,818	221,134
Other payables (see note (i) below)	1,090,256	1,327,478	622,996	670,609
	5,191,925	**2,382,000**	**4,724,665**	**1,725,131**
Total other liabilities	**8,964,205**	**5,355,278**	**7,097,390**	**3,895,636**
Current	6,934,890	3,563,870	6,474,394	3,225,027
Non-Current	2,029,315	1,791,408	622,996	670,609
	8,964,205	**5,355,278**	**7,097,390**	**3,895,636**

(i) Other payables

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Deferred payment for equity	200,000	-	200,000	-
Premium suspense	219,622	180,597	219,622	180,597
Payment-out cheques	63,760	-	63,760	-
PAYE and other deductions	13,413	23,947	13,413	23,947
Stale cheques	34,339	436,082	34,339	436,082
Other creditors	559,122	686,852	91,862	29,983
	1,090,256	**1,327,478**	**622,996**	**670,609**

22. Borrowings

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Terms loans	204,623	118,446	-	-
Other borrowings	-	-	-	-
	204,623	**118,446**		
Current	-	-	-	-
Non – current	204,623	118,446	-	-
	204,623	**118,446**	**-**	**-**

(a) The term loan of ₦204m represents a loan obtained from a corporate investor which is not a member of the group. Movement in term loan during the year is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	118,446	60,000	-	-
Additions	204,623	55,290	-	-
Interest capitalized	-	3,156	-	-
Payment made during the year	(118.446)	-	-	-
	204,623	**118,446**	-	-

23. Insurance contract liabilities

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Gross				
Claims reported and loss adjustment payable (see note 23.1 below)	20,497,935	13,941,071	20,497,935	13,941,071
Claims incurred but not reported - IBNR (see note 23.1 below)	4,306,948	3,408,785	4,306,948	3,408,785
Unearned premium (see note 23.2 below)	9,079,644	10,034,530	9,079,644	10,034,530
Life fund (see note 23.3 below)	70,873,119	66,401,149	70,873,119	66,401,149
	104,757,646	**93,785,535**	**104,757,646**	**93,785,535**
Reinsurance receivables				
Prepared reinsurance (see note 9a)	5,181,949	6,280,596	5,181,949	6,280,596
Claims reported & loss adjustment payable and IBNR (see note 9b)	6,200,302	4,653,691	6,200,302	4,653,691
Total reinsurance share of Insurance liabilities liabilities	**11,382,251**	**10,934,287**	**11,302,251**	**10,934,287**
Net insurance contract liability	93,375,395	82,851,248	93,375,395	82,851,248
Current (Gross)	15,631,891	13,417,573	15,631,891	13,417,573
Non-current (Gross)	89,125,755	80,367,962	89,125,755	80,367,962
	104,757,646	**93,785,535**	**104,757,646**	**93,785,535**

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 2016 and the comparative periods were done by HR Nigeria Limited (FRC/NAS/00000000738).

23.1 Claims reported and loss adjustment payable

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Non-life (see note 23-Id)	18,494,855	12,448,179	18,494,855	12,448,179
	2,003,080	1,492,892	2,003,080	1,492,892
Life (see note 23-Id)	**20,497,935**	**13,941,071**	**20,497,935**	**13,941,071**

Claims incurred but not reported

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Non – life	3,518,525	2,612,884	3,518,525	2,612,884
Life	788,423	795,901	788,423	795,901
	4,306,948	**3,408,785**	**4,306,948**	**3,408,785**

(a) The aging analysis of claims reported and loss adjusted for non-life insurance contracts

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Days				
0-90	1,058,556	509,654	1,058,556	509,654
91-180	1,226,483	1,095,127	1,226,483	1,095,127
181-270	3,446,071	1,209,282	3,446,071	1,209,282
271-365	3,463,239	1,471,114	3,463,239	1,471,114
366 and above	9,300,506	8,163,002	9,300,506	8,163,002
	18,494,855	**12,448,179**	**18,494,855**	**12,448,179**

(b) *The aging analysis of claims reported for life insurance contracts*

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Days				
0-90	514,930	318,364	514,930	318,364
91-180	102,937	75,283	102,937	75,283
181-270	203,270	175,333	203,270	175,333
271-365	200,961	81,247	200,961	81,247
366 and above	1,042,949	842,665	1,042,949	842,665
	2,065,047	**1,492,892**	**2,065,047**	**1,492,892**

© Movement in outstanding claims provision inclusive of IBNR

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	17,349,856	15,690,086	17,349,856	15,690,086
Less: movement				
- Claims incurred during the year	26,633,857	16,355,595	26,634,150	16,355,948
- Claims paid during the year (see note 30)	(19,178,830)	(14,695,825)	(19,179,123)	(14,696,178)
Net movement in the year	**7,455,027**	**1,659,770**	**7,455,027**	**1,659,770**
Balance, end of year	**24,804,883**	**17,349,856**	**24,804,883**	**17,349,856**

(d) Group and Company analysis of claims reported and IBNR by class:

	Claims reported	31-Dec-16 IBNR	Total
Non-life:			
Motor	483,596	492,218	975,814
Fire	1,878,405	179,128	2,057,533
General accident	458,953	503,185	962,138
Marine	1,216,016	205,816	1,421,832
Bond	357,937	63,642	421,579
Engineering	512,516	(47,955)	464,561
Special risk	13,587,432	2,122,491	15,709,923
	18,494,855	**3,518,525**	**22,013,380**
Life:			
Group life	1,859,377	788,423	2,647,800
Individual life	143,703	-	143,703
	2,003,080	**788,423**	**2,791,503**
Total claims	**20,497,935**	**4,306,948**	**24,804,883**

Included in “claims reported and loss adjustment payable" for the year is ₦115.5 million representing insurance claims which are subject of ongoing litigations. The provision charged is recognized in “claims and loss adjustment expense”. In the Directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2016.

Group and Company

	Claims reported	31-Dec-16 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**

23.2 Unearned premium

Group and Company analysis of unearned premium by class:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Non – life				
Motor	1,040,174	978,301	1,040,174	978,301
Fire	949,928	742,585	949,928	742,585
General accident	313,466	206,011	313,466	206,011
Marine	451,673	488,005	451,673	488,005
Bond	26,652	184,823	26,652	184,823
Engineering	335,568	197,969	335,568	197,969
Special risk	5,441,339	6,171,461	5,441,339	6,171,461
Life:				
Group life	520,844	1,065,375	520,844	1,065,375
	9,079,644	10,034,530	9,079,644	10,034,530

Movement in unearned premium is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of the year	10,034,530	14,458,184	10,034,530	14,458,184
Increase during the year	(954,886)	(4,423,654)	(954,886)	(4,423,654)
Balance, end of year	9,079,644	10,034,530	9,079,644	10,034,530

23.3 Analysis of life fund is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Individual life	2,896,327	2,853,914	2,896,327	2,853,914
Annuity	67,976,792	63,547,235	67,976,792	63,547,235
	70,873,119	66,401,149	70,873,119	66,401,149

(I) The movement on the life insurance liability during the year was as follows:

Group and Company 2016	**Individual life**	**Annuity**	**Total**
Balance, beginning of year	2,853,914	63,547,235	66,401,149
Movement during the year	42,413	4,429,557	4,471,970
Balance, end of year	**2,896,327**	**67,976,792**	**70,873,119**

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	570,962	33,954,484	34,525,396
Balance, end of year	**2,853,914**	**63,547,235**	**66,401,149**

(ii) The movement in annuity fund during the year was as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	63,547,235	29,592,801	63,547,235	29,592,801
Premium received during the year	28,119,043	26,767,776	28,119,043	26,767,776
Payments during the year	(10,226,168)	(6,416,504)	(10,226,168)	(6,416,504)
Changes in actuarial valuation	(13,463318)	13,603,162	(13,463,318)	13,603,162
Balance as at 31 Dec 2016	**67,976,792**	**63,547,235**	**67,976,792**	**63,547,235**

23.4 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	10
2007		201,283	28,568	6,997	3,493	3,640	-	-	-	-
2008	853,038	421,486	72,016	18,286	5,934	4,180	-	-	704	-
2009	744,027	497,530	55,340	11,042	1,626	2,709	-	1,497	-	-
2010	758,364	471,609	65,663	13,725	6,279	635	4,042	-	-	-
2011	839,901	406,306	39,577	3,506	13,070	3,193	-	-	-	-
2012	894,025	505,792	24,724	13,153	10,034	-	-	-	-	-
2013	907,835	612,597	23,085	38,907	-	-	-	-	-	-
2014	963,872	390,059	85,746	-	-	-	-	-	-	-
2015	1,203,606	405,774	-	-	-	-	-	-	-	-
2016	1,297,137	-	-	-	-	-	-	-	-	-

MOTOR **Table of inflated adjusted claims paid excluding large claims (attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	201,283	540,849	553,978	559,920	565,449	565,449	565,449	565,449	565,449
2008	2,038,146	2,922,296	3,057,421	3,088,527	3,097,539	3,103,418	3,103,418	3,103,418	3,104,122	-
2009	1,560,744	2,494,257	2,588,396	2,605,166	2,609,453	2,610,970	2,610,970	2,612,468	-	-
2010	1,422,914	2,225,162	2,324,893	2,344,194	2,352,348	2,353,101	2,357,142	-	-	-
2011	1,428,742	2,045,850	2,101,507	2,106,060	2,121,544	2,124,737	-	-	-	-
2012	1,357,867	2,069,172	2,101,277	2,116,860	2,126,894	-	-	-	-	-
2013	1,276,706	2,072,188	2,099,539	2,138,446	-	-	-	-	-	-
2014	1,251,627	1,713,770	1,799,515	-	-	-	-	-	-	-
2015	1,426,032	1,831,806	-	-	-	-	-	-	-	-
2016	1,297,137	-	-	-	-	-	-	-	-	-

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	565,449	-	565,449	-	3,459,782	16%
2008	3,104,122	102,653	3,206,799	24	3,459,782	93%
2009	2,612,468	71,251	2,683,718	-	3,459,782	78%
2010	2,357,142	60,074	2,417,889	673	4,005,126	60%
2011	2,124,737	35,858	2,165,353	4,758	4,005,126	54%
2012	2,126,894	40,776	2,195,612	27,942	3,961,399	55%
2013	2,138,446	142,092	2,335,762	55,224	3,248,131	72%
2014	1,799,515	129,352	2,060,192	131,325	3,465,694	59%
2015	1,831,806	174,491	2,150,003	143,706	2,954,417	73%
2016	1,297,137	91,412	1,946,009	557,460	2,819,910	69%
Total	**19,957,716**	**847,959**	**21,726,786**	**921,112**	**34,839,149**	

Engineering **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	32,204	9,310	270	-	-	722	-	-	-
2008	7,021	35,216	20,787	378	6,761	206	72	20	-	-
2009	40,790	55,128	17,683	285	575	116	319	1,713	-	-
2010	23,720	38,788	2,791	3,885	1,188	15	1,817	-	-	-
2011	20,311	56,873	43,413	7,612	3,053	-	-	-	-	-
2012	31,107	47,004	8,616	1,806	1,575	-	-	-	-	-
2013	40,346	115,740	16,278	2,690	-	-	-	-	-	-
2014	85,778	52,129	36,809	-	-	-	-	-	-	-
2015	57,910	54,315	-	-	-	-	-	-	-	-
2016	51,127	-	-	-	-	-	-	-	-	-

Engineering **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident	1	2	3	4	5	6	7	8	9	10
2007	-	19,792	40,972	43,861	45,872	45,872	45,872	45,872	45,872	
2008	16,774	90,647	129,650	130,294	140,563	140,853	140,947	140,971	140,971	-
2009	85,566	189,002	219,082	219,514	220,322	220,472	220,851	222,564	-	-
2010	44,506	110,488	114,726	120,189	121,732	121,750	123,566	-	-	-
2011	34,550	120,931	181,983	191,867	195,484	195,484	-	-	-	-
2012	47,246	113,349	124,537	126,677	128,252	-	-	-	-	-
2013	56,739	207,032	226,318	229,008	-	-	-	-	-	-
2014	111,386	173,149	209,958	-	-	-	-	-	-	-
2015	68,611	122,926	-	-	-	-	-	-	-	-
2016	51,127	-	-	-	-	-	-	-	-	-

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	97,997	-	97,997	-	593,884	**17%**
2008	140,971	21,817	162,788	-	593,884	**27%**
2009	222,564	32,923	255,487	-	593,884	**43%**
2010	123,566	112,382	237,148	1,200	550,249	**43%**
2011	195,484	136,665	334,478	2,329	550,249	**61%**
2012	128,252	77,692	233,815	27,872	716,219	**33%**
2013	229,008	102,083	342,636	11,545	687,315	**50%**
2014	209,958	312,333	546,562	24,270	980,992	**56%**
2015	122,926	61,217	348,860	164,718	817,303	**43%**
2016	51,127	-	318,183	267,055	799,904	**40%**
Total	**1,521,853**	**857,113**	**2,877,954**	**498,989**	**6,883,883**	

FIRE — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	107,972	92,652	3,492	3,087	1,947	549	-	-	463
2008	374,759	302,531	107,940	19,373	1,583	310	288	20	20	-
2009	138,680	163,929	36,520	7,903	619	-	54	4,180	-	-
2010	175,303	127,912	34,528	46,782	10,745	43	1,483	-	-	-
2011	237,670	439,609	112,765	1,627	339	4,064	-	-	-	-
2012	141,267	278,907	18,893	6,504	4,875	-	-	-	-	-
2013	304,906	174,174	21,852	37,622	-	-	-	-	-	-
2014	356,023	225,666	64,750	-	-	-	-	-	-	-
2015	277,168	261,308	-	-	-	-	-	-	-	-
2016	309,003	-	-	-	-	-	-	-	-	-

FIRE — **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident year	1	2	3	4	5	6	7	8	9	10
2007	-	201,283	452,331	458,883	464,135	467,092	467,864	467,864	467,864	468,327
2008	895,404	1,530,023	1,732,551	1,765,507	1,767,911	1,768,348	1,768,722	1,768,746	1,768,766	-
2009	290,910	598,490	660,612	672,616	673,486	673,486	673,550	677,730	-	-
2010	328,920	546,509	598,951	664,741	678,694	678,745	680,228	-	-	-
2011	404,297	1,071,986	1,230,570	1,232,683	1,233,085	1,237,149	-	-	-	-
2012	214,560	606,793	631,327	639,033	643,908	-	-	-	-	-
2013	428,796	654,968	680,859	718,481	-	-	-	-	-	
2014	462,311	729,680	794,431	-	-	-	-	-	-	-
2015	328,389	589,697	-	-	-	-	-	-	-	
2016	309,003	-	-	-	-	-	-	-	-	-

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	468,327	202,602	670,929	-	1,203,372	**56%**
2008	1,768,766	1,840,810	3,609,575	-	1,203,372	**300%**
2009	677,730	89,484	767,214	-	1,203,372	**64%**
2010	680,228	127,207	807,547	112	1,644,687	**49%**
2011	1,237,149	560,752	1,806,599	8,698	1,878,292	**96%**
2012	643,908	396,060	1,129,024	89,055	1,967,539	**57%**
2013	718,481	455,342	1,290,575	116,752	2,029,174	**64%**
2014	794,431	842,325	1,808,657	171,901	2,021,096	**89%**
2015	589,697	450,093	1,267,775	227,985	1,990,048	**64%**
2016	309,003	1,451,165	3,227,719	1,467,551	2,326,034	**139%**
Total	**7,887,720**	**6,415,840**	**16,385,614**	**2,082,054**	**17,466,986**	

MARINE — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	19,792	21,180	2,889	2,010	-	-	-	-	-
2008	183,671	72,873	23,692	3,905	6,569	30	3,865	-	-	-
2009	90,957	107,709	28,685	4,329	929	58	54	-	-	-
2010	69,958	71,656	10,320	234	2,848	-	-	-	-	-
2011	89,427	83,735	9,788	3,004	147	37	-	-	-	-
2012	143,326	114,430	6,403	450	366	-	-	-	-	-
2013	122,320	121,486	15,176	-	-	-	-	-	-	-
2014	165,869	107,548	36,603	-	-	-	-	-	-	-
2015	162,103	145,063	-	-	-	-	-	-	-	-
2016	120,585	-	-	-	-	-	-	-	-	-

MARINE Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	201,283	91,718	97,139	100,559	100,559	100,559	100,559	100,559	100,559
2008	438,841	591,707	636,159	642,802	652,779	652,821	657,839	657,839	657,839	-
2009	190,800	392,895	441,691	448,266	449,573	449,648	449,712	449,712	-	-
2010	131,261	253,154	268,828	269,158	272,856	272,856	272,856	-	-	-
2011	152,122	279,301	293,066	296,967	297,141	297,179	-	-	-	-
2012	217,687	378,613	386,927	387,460	387,826	-	-	-	-	-
2013	172,021	329,775	347,756	347,756	-	-	-	-	-	-
2014	215,388	342,811	379,414	-	-	-	-	-	-	-
2015	192,060	337,123	-	-	-	-	-	-	-	-
2016	120,585	-	-	-	-	-	-	-	-	-

MARINE Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims	Gross Earned Premium	Ultimate Loss ratio
2007	100,559	-	100,559	-	862,220	12%
2008	657,839	21,131	678,970	-	862,220	79%
2009	449,712	72,727	522,439	-	862,220	61%
2010	272,856	-	292,424	19,568	1,005,603	29%
2011	297,179	16,644	335,573	21,751	1,026,446	33%
2012	387,826	271,138	755,983	97,020	1,083,007	70%
2013	347,756	270,989	692,807	74,063	1,000,601	69%
2014	379,414	315,613	898,605	203,578	1,262,545	71%
2015	337,123	268,105	1,073,726	468,498	1,136,917	94%
2016	120,585	9,931	647,529	517,012	621,818	104%
Total	**3,350,849**	**1,246,278**	**5,998,615**	**1,401,490**	**9,723,597**	

GENERAL ACCIDENT Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10
2007	-	150,727	45,126	25,010	21,267	5,632	5,118	1,769	-	
2008	78,583	115,978	58,285	88,778	4,000	8,545	3,285	1,573	-	-
2009	62,974	98,556	47,384	33,570	6,790	2,424	3,005	118	-	-
2010	80,873	80,915	40,296	23,772	20,746	5,813	1,999	-	-	-
2011	99,785	129,214	58,716	18,214	8,526	2,777	-	-	-	-
2012	116,947	115,763	38,016	11,916	14,145	-	-	-	-	-
2013	67,883	72,208	26,216	9,508	-	-	-	-	-	-
2014	52,707	113,680	46,197	-	-	-	-	-	-	-
2015	79,920	92,493	-	-	-	-	-	-	-	-
2016	117,173	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT Cumulative table for Attritional loses)

Accident year	1	2	3	4	5	6	7	8	9	10
2007	-	201,283	454,620	501,546	537,724	546,278	553,476	555,772	555,772	555,922
2008	187,757	431,045	540,406	691,425	697,500	709,518	713,784	715,648	715,648	-
2009	132,101	317,021	397,625	448,612	458,160	461,308	464,869	464,987	-	-
2010	151,741	289,384	350,586	384,017	410,957	417,844	419,843	-	-	-
2011	169,742	365,995	448,569	472,221	482,322	485,100	-	-	-	-
2012	177,621	340,421	389,786	403,904	418,049	-	-	-	-	-
2013	95,465	189,230	220,290	229,799	-	-	-	-	-	-
2014	68,443	203,130	249,328	-	-	-	-	-	-	-
2015	94,689	187,182	-	-	-	-	-	-	-	-
2016	117,173	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT Combined result 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	555,922	62,258	618,180	-	2,322,854	**27%**
2008	715,648	231,033	947,181	500	2,322,854	**41%**
2009	464,987	175,847	640,834	-	2,322,854	**28%**
2010	419,843	375,106	797,060	2,110	1,824,950	**44%**
2011	485,100	201,389	719,149	32,660	2,021,176	**36%**
2012	418,049	218,812	734,710	97,848	1,367,701	**54%**
2013	229,799	138,183	499,221	131,239	1,196,502	**42%**
2014	249,328	96,084	496,663	151,251	1,143,149	**43%**
2015	187,182	117,519	471,070	166,369	1,183,481	**40%**
2016	117,173	-	475,819	358,646	1,175,191	**40%**
Total	**3,843,031**	**1,616,231**	**6,399,887**	**940,623**	**16,880,712**	

Expected Loss Ratio Method – Bond Claims

Accident Year	Gross Earned Premium	Claims Paid till date	Total outstanding as at 31 Dec 2016	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses
2007	272,411	1,325	500	1,825	1%	1%	1,825
2008	272,411	157,894	-	157,894	58%	58%	157,894
2009	272,411	181,383	22,608	203,992	75%	75%	203,992
2010	427,458	214,013	-	214,013	50%	50%	214,013
2011	599,336	566,068	65,507	631,575	105%	105%	631,575
2012	761,353	1,094,046	-	1,094,046	144%	144%	1,094,046
2013	593,545	358,228	-	358,228	60%	60%	358,228
2014	761,845	393,033	7,076	400,109	53%	53%	400,109
2015	728,863	203,545	3,605	207,150	28%	28%	207,150
2016	740,170	477,003	257,997	735,001	99%	108%	799,285

Expected Loss Ratio Method - Oil and Gas claims

Accident Year	Gross Earned Premium	Claims Paid till date	Total outstanding as at 31 Dec 2016	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses
2007	7,504,563	25,946	93,417	119,363	2%	2%	119,363
2008	11,687,862	32,749	1,854,993	1,887,742	16%	16%	1,887,742
2009	11,515,695	244,045	5,511	249,556	2%	2%	249,556
2010	6,616,535	633,208	20,407	653,615	10%	10%	653,615
2011	6,290,318	970,940	487,832	1,458,772	23%	23%	1,458,772
2012	12,863,770	2,838,469	4,459,000	7,297,469	57%	57%	7,297,469
2013	10,615,790	457,428	940,136	1,397,563	13%	13%	1,397,563
2014	11,748,608	366,302	1,044,352	1,410,654	12%	12%	1,410,654
2015	10,975,832	39,212	2,220,114	2,259,326	21%	25%	2,743,958
2016	12,006,726	102,825	2,461,670	2,564,496	21%	35%	4,202,354

24. Investment Contract Liabilities

Movement in investment contract liabilities is as shown below.

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Balance, beginning of year	15,459,506	12,665,764	15,459,506	12,665,764
Deposits received	5,051,291	3,983,855	5,051,291	3,983,855
Withdrawals	(3,653,975)	(2,247,956)	(3,653,975)	(2,247,956)
Guaranteed interest charged during the year	1,437,465	1,057,844	1,437,465	1,057,844
Balance, end of year	**18,294,287**	**15,459,507**	**18,294,287**	**15,459,507**
Current	1,961,010	1,657,143	1,961,010	1,657,143
Non Current	16,333,277	13,802,364	16,333,277	13,802,364
	18,294,287	**15,459,507**	**18,294,287**	**15,459,507**

25. Capital and reserves

a. Share capital

		Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
(i)	Authorised:				
	Ordinary shares of 50k each:				
	10,000,000,000 units	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**
	(2015: 10,000,000,000 units)				
		5,000,000	**5,000,000**	**5,000,000**	**5,000,000**

(I) Issued and fully paid:

The issued and fully paid up capital of the company which is a composite insurer is N4.682bn (2015: 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Ordinary shares of 50k each:				
Non -life business 6,279,596,000 units (2015: 6,279,596,000)	3,139,798	3,139,798	3,139,798	3,139,798
Life business 3,085,304,000 units (2015: 2,500,000,000)	1,542,652	1,250,000	1,542,652	1,250,000
	4,682,450	**4,389,798**	**4,682,450**	**4,389,798**

During the year, International Finance Corporation (IFC) sold its 19% interest in Leadway to Swiss Re (Swiss Re) Investment Company Limited. Leadway further allotted new ordinary shares totaling 585,306,225 to Swiss re in the period which resulted in an increase in share capital of ₦292.65 million (2015: Nil).

₦200million out of the total consideration was deferred to be-paid at a future date subject to Leadway Assurance Company fulfilling certain pre-agreed conditions. Consequently, this contingent consideration has not been recognized in share premium in this financial statements.

b. Share premium
Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution. Share premium increased by ₦3.85 billion as a result of Swiss re fresh acquisition of the ordinary shares of Leadway Assurance Company Limited. The shares were acquired at a premium.

c. Retained earnings
The retained earnings is the carried forward recognized 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Contingency reserve (see note (i) below)	8,238,232	6,790,001	7,839,002	6,481,209
Asset Revaluation reserve (see note (ii) below	1,603,053	1,561,569	1,363,442	1,294,941
Fair value reserves (see note (iii) below	1,859,503	503,437	1,875,060	518,549
Treasury shares (see note (iv) below)	(79,688)	(80,217)	-	-
	11,621,100	**8,774,790**	**11,077,504**	**8,294,699**

(i) Contingency reserves
Included in the contingency reserve is contingency reserve from Leadway Assurance Company general and life business in line with Insurance act of 2003. And statutory reserve from Leadway Pensure PFA in hue 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 contingency reserve is a statutory reserve 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.

The distribution of contingency reserve is shown below:

	Group 31-Dec-16	Group 31-Dec-15
Contingency reserves:		
Leadway assurance Company	7,839,002	6,481,209
leadway Pensure PFA	399,230	308,792
	8,238,232	**6,790,001**

(i) 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.

(ii) 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.

(iii) Treasury shares
Treasury shares represent the cost of the ordinary shares of the parent held by its subsidiary, Leadway Capital and Trust Limited. During the year, 4,631,248 units (2015: 4,978,535 units) of the 709,347,300 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, N528,806 (2015: 562,999) is included in the statement of changes in equity in these financial statements.

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Treasury shares	79,688	80,217	-	-
	79,688	**80,217**	**-**	**-**

LEADWAY ASSURANCE COMPANY LIMITED

26. Non Controlling Interest

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Leadway Capital and Trust Limited	414,680	335,494	-	-
Leadway Hotels Limited	1,002,734	704,560	-	-
Leadway Pensure PFA	1,244,462	1,051,013	-	-
	2,661,876	**2,091,067**	**-**	**-**

(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 15 (investment in subsidiaries) of these financial statements.

27. Gross Premium Written

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Gross premium				
- Non -life business	21,111,318	15,425,955	21,129,613	15,434,045
- Life business	31,588,954	31,214,873	31,588,954	31,214,873
	52,700,272	**46,640,828**	**52,718,567**	**46,648,918**
(Increase)/decrease				
- Unearned premium (see note (a) i below)	954,886	4,423,653	954,886	4,423,653
Gross premium income	**53,655,158**	**51,064,481**	**53,673,453**	**51,072,571**

Gross premium written from subsidiaries of N18.3Million (2015: N8.09million) has been eliminated in the group gross written premium.

(a) The movement in unearned premium is analyzed as follows:
(i) Non-life business

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Motor	(61,872)	4,249	(61,872)	4,249
Fire	(207,343)	(208,964)	(207,343)	(208,964)
General	(107,456)	(42,346)	(107,456)	(42,346)
Bond	36,332	107,428	36,332	107,428
Marine	158,171	(135,145)	158,171	(135,145)
Engineering	(137,599)	61,461	(137,599)	61,461
Special risk	730,122	4,292,206	730,122	4,292,206
Group life	544,531	344,764	544,531	344,764
	954,886	**4,423,653**	**954,886**	**4,423,653**

28. Reinsurance expenses

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Reinsurance premium paid	11,299,751	7,149,718	11,299,751	7,149,718
Increase in unexpired reinsurance cost	1,098,647	3,975,688	1,098,647	3,975,688
	12,398,398	**11,125,406**	**12,398,398**	**11,125,406**

29. Fees and Commission Income

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Commission earned on non-life insurance contracts	1,825,376	877,632	1,825,376	877,632
Commission earned on group life assurance contracts	28,477	28,862	28,477	28,862
	1,853,853	**906,494**	**1,853,853**	**906,494**

30. Claims expense

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Combined				
Gross benefits & claims paid (see note 23.1c)	19,178,830	14,695,825	19,179,123	14,696,178
Claims ceded to reinsurers	(2,103,706)	(2,323,485)	(2,103,706)	(2,323,485)
Change in provision for outstanding claims	7,455,025	948,663	7,455,025	948,663
Proceed from salvage and subrogation	79,095	84,796	79,095	84,796
Change in recoverable on outstanding claims	(1,546,610)	958,309	(1,546,610)	958,309
	23,062,634	**14,364,108**	**23,062,927**	**14,364,461**

Non – life business

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Gross benefits & claims paid	6,615,491	5,637,572	6,615,784	5,637,925
Claims ceded to reinsurers	(2,009,908)	(2,119,889)	(2,009,908)	(2,119,889)
Change in provision for outstanding	6,952,315	744,972	6,952,315	744,972
Proceed from salvage and subrogation	79,095	84,796	79,095	84,796
Change in recoverable on outstanding	(1,534,335)	162,408	(1,534,335)	162,408
(a)	**10,102,658**	**4,509,859**	**10,102,951**	**4,510,212**
Life business				
Gross benefits & claims paid	12,563,339	9,058,253	12,563,339	9,058,253
Claims ceded to reinsurers	(14,703)	(118,800)	(14,703)	(118,800)
Change in provision for outstanding	502,710	203,691	502,710	203,691
Change in recoverable on outstanding	(12,275)	795,901	(12,275)	795,901
(b)	**13,039,071**	**9,939,045**	**13,039,071**	**9,939,045**
(a+b)	**23,141,129**	**14,448,904**	**23,142,022**	**14,449,257**

31. 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Acquisition expenses	3,111,672	2,853,575	3,111,672	2,853,575
Maintenance expenses	1,929,979	1,524,039	1,929,979	1,524,039
	5,041,651	**4,377,614**	**5,041,651**	**4,377,614**

32. Investment income

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Rental income	171,503	178,519	291,304	176,778
Interest on loans	178,493	154,136	227,365	160,882
Interest on Finance Lease	24,185	31,073	-	-
Interest on short term deposits	1,546,374	754,438	1,332,452	643,172
Dividend income on investment securities	420,863	721,582	739,767	819,441
(Loss)/Profit on sale of investment	(1,015,912)	(247,786)	(1,048,318)	33,519
Profit on disposal of associates (see i below)	-		-	-
Fair value gain on step acquisition (see ii below)	-	2,273,592	-	-
Interest income on debt securities	8,884,352	5,448,933	8,884,352	5,448,933
Interest income on statutory deposits	55,118	44,705	50,834	44,703
Other interest income	497,325	236,147	12,699	13,152
	10,762,301	**9,595,339**	**10,490,455**	**7,340,580**

33. Net fair value gain/(loss) on assets at fair value

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Financial assets at fair value through profit or loss				
- Fair value gains on listed equity securities	17,016	(281,788)	17,017	(260,571)
- Fair value (losses)/gains on listed debt securities	(16,730,014)	14,471,651	(16,730,014)	14,471,651
- Fair value (losses)/gains on investment property	(787,006)	737,762	(702,677)	545,177
	(17,500,004)	**14,927,625**	**(17,415,674)**	**14,756,257**

34. Other operating income

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Fee income on pension administration	3,431,793	1,860,822	-	-
Hotel management income	729,662	723,805	-	-
Management fee income from related parties	-	-	18,250	34,319
Profit/ (Loss) on sale of property and equipment Foreign exchange gain/(loss)	5,055	24,692	-	(713)
- Investment securities	3,930,608	31,075	3,930,608	31,075
- Cash and cash equivalents	6,495,082	451,034	6,519,492	447,494
- Loans and advances	94,902	-	94,902	-
Gross premium recovered	-	327,386	-	327,386
Liquidation Dividend	-	69,294	-	69,294
Other income	198,598	129,523	173,269	132,895
	14,885,700	**3.617,631**	**10,736,521**	**1,041,750**

The increase in exchange income from prior year is as a result of an increase in exchange rate from ₦199/$USD in 2015 to ₦305/$USD in 2016.

35. Employee benefit expense

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Wages and salaries - staff and executive directors	2,326,230	1,810,914	1,016,013	1,007,650
Pension cost - Defined contribution plan	68,959	56,671	52,228	41,965
Termination benefits (see note (d) below)	169,833	162,916	169,833	162,916
Profit sharing expense	766,605	300,000	751,439	300,000
	3,331,627	**2,330,501**	**1,989,513**	**1,512,531**

(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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Absolute	*Number*	*Number*	*Number*	*Number*
₦101,001- ₦500,000	26	29	-	-
₦500,001 - ₦750,000	86	52	-	-
₦750,000 - ₦1,000,000	36	10	-	-
₦1,000,000 - ₦2,000,000	191	184	27	27
₦2,000,000 - ₦3,000,000	87	103	77	83
Over ₦3,000,000	255	274	184	186
	681	**652**	**288**	**296**

(b) The average number of full time persons employed during the year was as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
	Number	*Number*	*Number*	*Number*
Executive directors	3	3	3	3
Management staff	110	108	82	82
Non – management staff	571	544	206	214
	684	**655**	**291**	**299**

(c) Director's remuneration

(i) Remuneration paid to the directors and included in employee benefit expense is as follows:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Salaries and wages	58,054	58,054	58,054	58,054
Director's fees	11,965	28,175	11,965	28,175
Post-employment benefits	80,800	1,750	80,800	1,750
	150,819	**87,979**	**150,819**	**87,979**

(ii) The directors' remuneration shown above includes:

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Chairman	32,600	7,100	32,600	7,100
Highest paid director	25,775	24,306	25,775	24,306

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

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
	Number	Number	Number	Number
Above N4,800,000	5	6	5	6
N2,300,000 – N4,800,000	1	-	1	-
N1,500,000 – N2,300,000	-	1	-	1
N750,000 – N1,500,000	1	-	1	
Below N750,000	1	-	1	-
	8	**7**	**8**	**7**

(d) Termination benefit relates to payments made to disengaged staff during the period.

36. Other operating expenses

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Contract staff cost	385,716	111,207	385,716	111,207
Asset repairs and maintenance	293,293	301,544	238,418	193,510
Corporate expenses and gift items	137,755	312,415	119,816	268,509
Telecommunication	637,314	265,043	539,234	187,782
Advertisement	651,371	400,423	415,449	296,733
Agency related expenses	100,354	24,813	82,367	22,349
Property insurance expense	33,225	38,202	27,583	27,800
Insurance supervisory fund	486,394	469,897	486,394	469,897
Professional fees (i)	213,173	189,652	194,546	151,346
Travelling and tours	163,866	170,709	107,269	97,738
Auditor's remuneration	104,190	50,480	45,000	40,000
Bank charges	122,197	67,363	80,563	65,906
Offices rates and rent	39,064	133,583	77,085	28,341
Training cost	106,516	72,493	106,516	17,478
Power and Fuel charges	134,308	220,372	89,278	142,877
Donations	32,780	29,541	32,780	16,438
Subscription	51,271	14,917	33,364	13,103
Depreciation of property and equipment	618,157	443,335	396,878	358,251
Amortization of intangible assets	113,883	128,407	83,718	98,977
Directors' fees and allowances	111,992	54,137	92,765	9,270
Hotel management expenses	292,994	293,036	4,853	-
Entertainment	29,791	6,442	20,691	6,437
Investment expenses	36,367	25,947	36,367	25,947
Passage expenses	379,428	421,274	379,428	421,274
Others	352,791	518,478	210,172	259,025
	5,628,190	**4,763,710**	**4,286,250**	**3,330,195**

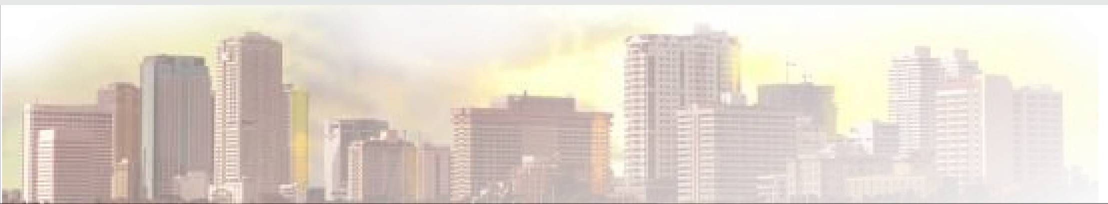
(i) Included in professional fees above is ₦8,000,000 paid to PricewaterhouseCoopers(PwC) for Non audit services performed during the year ended 31 December 2016. The services provided includes the design of a period close checklist and timetable.

37. Finance Cost

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Investment contracts (see note (a) below)	-	(27,044)	-	(27,044)
Interest expense	-	27,044	-	27,044
Interest expense on borrowings	155,829	30,948	-	-
	155,829	**30,948**	**-**	**-**

(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 amortized cost.



LEADWAY ASSURANCE COMPANY LIMITED

38. Net impairment losses

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Impairment on trade receivable no longer required (see note 7c)	_	(230,833)	_	(230,833)
Impairment loss on other receivables (see note 11iii)	23,288	13,877	11,617	11,584
Write – off	-	144,723	-	-
Impairment on Premium deposit	172,867	-	172,867	144,723
Impairment loss on reinsurance assets	-	-	-	-
Impairment loss on investment securities	23,441	156,584	18,972	-
Impairment loss on commercial loans (see note 121)	76,608	58.444	74,603	120,395
Specific impairment loss on finance leases receivable	30,508	-	-	-
Collective impairment loss on finance leases receivable	-		-	-
Collective impairment loss on loans (see note 12i)	92,871	226,958	92,871	226,958
	419,583	**369,753**	**370,930**	**272,827**

39. Income tax expense

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Current tax on profits for the year:				
Company income tax	1,197,004	622,900	635,745	331,508
Education tax	18,297	11,990	-	-
Technology levy	14,863	81,554	-	67,325
Withholding tax on dividend income	63,747	9,258	63,747	9,258
Total current tax	**1,293,911**	**725,702**	**699,492**	**408,091**
Deferred tax (credit)/charge	(87,157)	(311,728)	-	(303,079)
	1,206,754	**413,974**	**699,492**	**105,012**

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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Profit before income tax	8,791,606	9,301,030	7,361,449	6,484,941
Tax calculated at domestic rate applicable in Nigeria at 30% (2015: 30%)	2,637,482	2,790,309	2,208,435	1,945,482
Effect of:				
Tax exempt income	(6,491,866)	(3,570,374)	(6,491,866)	(3,382,144)
Non-deductible expenses	6,038,280	2,037,822	5,974,367	2,225,720
Education tax	-	-	-	-
Technology levy	87,916	93,010	73,614	64,849
Capital gains tax	(31,084)	(99,629)	(31,084)	{99,629}
Tax assessment based on minimum tax	(570,916)	(340,766)	(570,916)	(340,766)
WHT paid on dividend	(63,747)	(9,258)	(63,747)	(9,258)
Capital allowance	(399,311)	(487,140)	(399,311)	(299,242)
Total income tax expense in comprehensive income	**1,206,754**	**413,974**	**699,492**	**105,012**

Reconciliation of effective tax rate

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Tax calculated at domestic rate applicable in Nigeria at 30% (2015: 30%)	30.00%	30.00%	30.00%	30.00%
Effect of:				
Tax exempt income	-73.84%	-38.39%	-88.19%	-52.15%
Non – deductive expenses	68.68%	21.91%	81.16%	34.32%
Education tax	0.00%	0.00%	0.00%	0.00%
Technology levy	1.00%	1.00%	1.00%	1.00%
Capital gains tax	-0.35%	-1.07%	-0.42%	-1.54%
Tax assessment based on minimum tax	-6.49%	-3.66%	-7.76%	-5.25%
WHT paid on dividend	-0.73%	-0.10%	0.87%	-0.14%
Capital allowance	-4.54%	-5.24%	5.42%	-4.61%
Effective tax rate	**13.73%**	**4.45%**	**9.50%**	**1.62%**

40. Earnings Per Share

The calculation of basic earnings per share as at 31 December 2016 was based on the profit attributable to ordinary shares of N9.01billion (Company: N6.68billion) and weighted average number of ordinary shares outstanding of 8.5billion (Company: 9.2billion), having excluded treasury shares held by a subsidiary, Leadway Capital and Trust Limited. The company has no delusive instruments in 2016 and 2015.

	Group 31-Dec-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Profit from continuing operations attributable to owners of the parent.	**7,143,178**	**8,711,508**	**6,661,957**	**6,379,929**
Weighted average number of ordinary shares in issues before deducting treasury shares	9,212,561	8,779,596	9,212,561	8,779,596
Treasury shares	(704,716)	(709,347)	-	-
Weighted average number of shares I issue	**8,507,845**	**8,070,249**	**9,212,561**	**8,779,596**
Earnings per share – basic and diluted (kobo)	**84**	**108**	**72**	**73**

41. Dividend

The dividend paid in 2016 and 2015 were N1billion (11.39Kobo per share) and N850million (9.7Kobo 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 2016 of 16.02kobo per share amounting to a total dividend of N1.5billion is to be proposed by the directors at the annual general meeting. The dividend has not been included as liability in these financial statements.

42. 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 2016. 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-16	Group 31-Dec-15	Company 31-Dec-16	Company 31-Dec-15
Salaries and other short term employer benefits.	50,848	50,848	50,848	50,848
Pension cost-defined contribution	7,207	7,207	7,207	7,207
	58,055	**58,055**	**58,055**	**58,055**

The following transactions were carried out with related parties. All transactions and balances with subsidiaries have been eliminated on consolidation.

		31-Dec-16	31-Dec-15
(a) Underwriting of insurance policies			
- Leadway Capital and Trusts Limited	Subsidiary	439	1,238
- Leadway Investment and Properties Limited	Subsidiary	-	1,385
- Leadway Hotels	Subsidiary	5,415	4,830
- Leadway Pensure PFA	Subsidiary	15,648	14,337
- Total Health Trust Limited	Subsidiary	-	27,232
		21,502	**49,022**
(b) Payment of claims			
Leadway Hotels	Subsidiary	214	-
- Leadway Investment and Properties Limited	Subsidiary	-	1,481
- Total Health Trust Limited	Subsidiary	-	2,660
- Leadway Pensure PFA	Subsidiary	78	3,499
		292	**7,640**
(c) Management fee income from technical services provided			
- Leadway Capital and Trusts Limited	Subsidiary	-	7,136
- Leadway Hotels	Subsidiary	4,500	9,000
- Leadway Pensure PFA	Subsidiary	13,750	18,900
		18,250	**35,036**
(d) Rental income			
- Leadway Pensure PFA	Subsidiary	35,867	35,867
- Leadway Hotel	Subsidiary	89,615	-
- Leadway Capital and Trusts Limited	Subsidiary	3,119	1,560
		128,601	**37,427**

		31-Dec-16	31-Dec-15
(e) Dividend received			
- Leadway Capital and Trusts Limited	Subsidiary	20,986	27,982
- Leadway Pensure PFA	Subsidiary	283,867	119,513
- Total Health Trust Limited	Associate	-	10,305
		304,853	**157,800**
(f) Dividend paid			
- Leadway Capital and Trusts Limited	Subsidiary	**80,795**	**61,808**
(g) Interests income earned on intercompany loans			
- Leadway Capital and Trusts Limited	Subsidiary	53,390	3,428
- Leadway Hotels	Subsidiary	37,481	-
		90,871	**3,428**

Year and balances arising from sales and purchase of services are:

		31-Dec-16	31-Dec-15
(i) ***Receivables from related parties***			
- Leadway Hotels	Subsidiary	13,500	9,000
- Leadway Capital and Trusts Limited	Subsidiary	802	7,136
- Leadway Pensure PFA	Subsidiary	18,475	18,900
		32,777	**35,036**

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 (2015: nil). The receivables from subsidiaries have been eliminated on consolidation. There were no payable to related parties as at year end (2015: nil).

Loans to related parties

Loans to subsidiaries	**Leadway Hotel**	**Leadway Capital and Trust Limited 31-Dec-16**	**Total**
As at 1 January 2016			
Loans advanced during the year	264,364	395,142	659,506
	-	60,000	60,000
Loans repayments received Interest charged	(164,528)	(153,290)	(317,818)
Interest received	32,609	56,680	89,289
Loans repayments received Interest charged	(41,600)	(57,990)	(99,590)
	90,845	**300,542**	**391,387**

Other related party transactions

	31-Dec-16	31-Dec-15
Borrowings from IAC investments	-	55,290

No loan was advanced to key management personnel as at 31 December 2016 (2015nil).

A provision of ₦90,844,689 was made in 2016 (2015: ₦21,200,174) for the loans availed to subsidiaries based on the separate financial statements of the parent

43. Contingent liabilities, litigations and claims

During the year, the company in the ordinary course of business was involved in 75 legal cases. The directors have sought the opinion of professional legal counsels and are of the opinion that no significant liability will crystalize against the company from these cases beyond the provisions already recognized within "Provisions for outstanding claims" in these financial statements.

44. Contravention of laws and regulations

The Company in 2016 paid fines totaling ₦750,000 See table below for descriptions of the fines and amount paid.

Nos	Description of fines	Amount ₦
i	Failure to submit board resolution on approved maximum exposure on aviation risks	250,000
ii	Failure to obtain approval in principle for offshore reinsurance on an aviation policy".	500,000

45. 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.

46. Reclassification of comparatives
Certain items in the statement of financial position for the comparative period were reclassified in other to align with current year presentation which is deemed to provide information that is more relevant to users of the financial statements. The revised presentation is likely to continue, so that comparability is not impaired.
The amounts reclassified and the affected lines in the statement of financial position are as shown below:

		Group 31-Dec-15	Company 31-Dec-15
(i)	**Other receivables**		
	Amount as previously presented	2,014,808	-
	Reclassified to loans and advances	(130,422)	-
	Amount as re-presented	1,884,386	-
(ii)	**Loans and advances**		
	Amount as previously presented	1,789,435	-
	Reclassified from other receivables	130,422	-
	Amount as re-presented	1,919,857	-
(iii)	**Investment income**		
	Amount as previously presented	(12,210,264)	(9,955,505)
	Reclassified to profit/(loss) on investment contracts	2,614,925	2,614,925
	Amount as re-presented	(9,595,339)	(7,340,580)
(iv)	**Net fair value gain on assets at fair value**		
	Amount as previously presented	15,059,361	14,887,993
	Reclassified to profit/loss) on investment contracts	(131,736)	(131,736)
	Amount as re-presented	14,927,625	14,756,257
(v)	**Underwriting expense**		
	Amount as previously presented	4,956,758	4,956,758
	Reclassified to profit/(loss) on investment contracts	(579,144)	(579,144)
	Amount as re-presented	4,377,614	4,377,614
(vi)	**Interest expense**		
	Amount as previously presented	1,084,887	1,115,835
	Reclassified to profit/(loss) on investment contracts	(1,084,887)	(1,084,887)
	Amount as re-presented	-	30,948
(vii)	**Employee benefit expenses**		
	Amount as previously presented	2,371,883	1,553,913
	Reclassified to profit/floss) on investment contracts	(41,382)	(41,382)
	Amount as re-presented	2,330,501	1,512,531
(viii)	**Other operating expenses**		
	Amount as previously presented	4,929,240	3,495,725
	Reclassified to profit/(loss) on investment contracts	(165,530)	(165,530)
	Amount as re-presented	4,763,710	3,330,195
(ix)	**Profit/(loss) on investment contracts**		
	Amount as previously presented	-	-
	Reclassified from investment income	(2,614,925)	(2,614,925)
	Reclassified from Net fair value gain on assets at fair value	(131,736)	(131,736)
	Reclassified from underwriting expense	579,144	579,144
	Reclassified from interest expense	1,084,887	1,084,887
	Reclassified from employee benefit expense	41,382	41,382
	Reclassified from other operating expense	165,530	165,530
	Amount as re-presented	(875,718)	875,718

Appendix to FINANCIAL STATEMENTS (OTHER NATIONAL DISCLOSURES)

Value Added Statement

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

	Group 2016	%	Group 2015	%	Company 2016	%	Company 2015	%
Gross premium income (Local)	52,700,272		46,640,828		52,718,567		46,648,918	
Investment income								
- Local	10,762,301		12,210,264		10,490,455		9,955,505	
Other income	14,885,700		3,617,631		10,736,521		1,041,750	
- Local								
Reinsurance, claims, commission & operating expenses								
- Local	(57,593,947)		(41,918,632)		(55,929,087)		(40,700,055)	
- Foreign	8,184,898		(8,450,036)		(8,184,898)		(8,450,036)	
Value added	**12,569,428**	**100**	**12,100,055**	**100**	**9,831,558**	**100**	**(8,496,082)**	**100**
Applied to pay:								
Employee benefit expense	3,331,627	27%	2,371,883	20%	1,989,513	19%	1,553,913	19%
Government as tax	1,206,754	9%	413,974	3%	699,492	7%	105,012	1%
To providers of finance								
To lenders	155,829	1%	30,948	0%	-	0%	-	0%
Retained in the business								
Depreciation of Property and equipment	618,157	5%	443,335	4%	396,878	4%	358,251	4%
Amortization of intangible assets	113,883	1%	128,407	1%	83,718	2%	98,977	1%
To augment reserve	6,293,178	50%	7,861,508	65%	5,811,957	59%	5,529,929	65%
To pay proposed dividend	850,000	7%	850,000	7%	850,000	9%	850,000	10%
Value added	**12,569,428**	**100%**	**12,100,055**	**100%**	**9,831,558**	**100%**	**8,469,082**	**100%**

FIVE YEAR FINANCIAL SUMMARY

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

STATEMENT OF FINANCIAL POSITION

Group	2016	2015	2014	2013	2012
Cash and cash equivalents	26,018,694	17,031,040	13,681,394	21,741,885	11,328,839
Trade receivables	169,761	543,971	63,665	1,060,362	822,364
Investment securities	113,593,442	92,403,910	56,329,183	43,078,047	28,136,863
Reinsurance assets	11,720,783	11,405,947	15,883,296	20,568,804	16,685,999
Deferred acquisition cost	486,416	423,123	428,964	332,237	397,319
Other receivables and prepayments	2,137,103	2,281,698	1,191,812	765,735	2,348,804
Loans and advances	2,463,338	1,919,857	1,220,651	1,725,164	
Property and equipment	6,063,939	5,977,671	5,693,635	4,651,753	5,087,880
Investment properties	8,820,070	9,537,000	7,800,000	5,400,000	2 435 000
Investment in associates	-	-	1,516,753	1,196,124	942,654
Deferred tax assets	286,446	114,129	200,235	602	11,775
Intangible assets	3,899,894	3,640,910	145,898	181,746	131,658
Statutory deposits	500,000	500,000	500,000	500,000	520,000
Total assets	**176,159,886**	**145,779,256**	**104,655,486**	**101,202,459**	**68,849,155**
Liabilities					
Trade payables	2,754,639	2,714,107	5,761,236	17,486,929	5,466,790
Current tax liabilities	1,535,019	1,122,772	746,198	863,865	369,469
Other liabilities	8,964,205	5,355,278	3,525,484	2,960,843	3,225,299
Borrowings	204,623	118446	60,000	115,831	326,839
Insurance contract liabilities	104,757,646	93,785,535	62,024,023	49,665,623	35,557,630
Investment contract liabilities	18,294,287	15,459,507	12,665,763	11,106,336	10,293,658
Deferred tax liabilities	825,997	741,772	1,153,404	833,214	580,128
Total liabilities	**137,336,416**	**119,297,417**	**85,936,108**	**83,032,641**	**55,819,813**
Capital and reserves					
Issued and paid share capital	4,682,450	4,389,798	4,389,798	4,389,798	4,389,798
Share premium	4,233,748	387,826	387,826	387,826	387,826
Contingency reserve	8,238,232	6,790,001	5,537,908	4,779,161	3,860,340
Retained earnings	15,624,296	10,838,357	4,092,358	2,988,579	1,367,448
Assets revaluation reserves	1,603,053	1,561,569	1,335,947	767,521	341,320
Fair value reserves	1,859,503	503,438	1,945,833	3,975,180	2,055,690
Other reserves	(79,688)	(80,217)	(80,780)	(80,995)	(80,995)
Shareholders' funds:	**36,161,594**	**24,390,772**	**17,608,890**	**17,207,070**	**12,321,427**
Nan controlling interest	2,661,876	2,091,067	1,110,488	962,748	707,915
Total Equity	**38,823,470**	**26,481,839**	**18,719,378**	**18,169,818**	**13,029,342**
Total equity and liabilities	**176,159,886**	**145,779,256**	**104,655,486**	**101,202,459**	**68,849,155**

Five Year Financial Summary (cont'd)

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

COMPANY	2016	2015	2014	2013	2012
Assets					
Cash and cash equivalents	24,189,697	14,656,941	13,046,165	21,119,684	10,441,485
Trade receivables	169,761	543,971	63,665	1,060,362	822,364
Investment securities	111,041,245	91,511,039	56,134,365	42,899,645	27,969,458
Reinsurance assets	11,720,783	11,405,947	15,883,296	20,568,804	16,685,999
Deferred acquisition cost	486,416	423,123	428,964	332,237	397,319
Other receivables and prepayment	1,115,754	1,114,898	661,101	191,917	1,683,973
Loans and advances	797,368	1,217,079	1,129,468	1,283,430	-
Property and equipment	3,645,335	3,760,439	3,627,637	3,154,172	4,141,562
Investment properties	8,159,419	8,795,000	7,450,000	4,550,000	2,215,000
Investment in subsidiaries	3,637,495	3,294,467	541,258	541,258	541,258
Investment in associates	-	-	788,209	788,209	788,209
Deferred tax assets	286,446	114,129	200,235	-	-
Intangible assets	313,804	31,308	130,285	172,033	118,060
Statutory deposits	500,000	500,000	500,000	500,000	520,000
Total assets	**166,063,523**	**137,368,341**	**100,584,648**	**97,161,751**	**66,324,687**
Liabilities					
Trade payables	2,754,639	2,714,107	5,761,236	17,486,929	5,466,790
Current tax liabilities	900,143	651,998	672,859	750,533	242,534
Other liabilities	7,097,390	3,895,636	2,552,426	2,080,333	2,305,320
Insurance contract liabilities	104,757,646	93,785,535	62,024,023	49,665,623	35,557,630
Investment contract liabilities	18,294,287	15,459,507	12,665,763	11,106,336	10,293,658
Deferred tax liabilities	728,673	556,356	945,541	604,826	472,229
Total liabilities	**134,532,778**	**117,063,139**	**84,621,848**	**81,694,580**	**54,338,161**
Capital and reserves					
Issued and paid share capital	4,682,450	4,389,798	4,389,798	4,389,798	4,389,798
Share premium	4,233,748	387,826	387,826	387,826	387,826
Contingency reserve	7,839,002	6,481,209	5,537,908	4,779,161	3,860,340
Retained earnings	11,537,043	7,232,879	2,646,251	1,345,421	943,741
Assets revaluation reserves	1,363,442	1,294,941	1,041,086	584,120	341,320
Fair value reserves	1,875,060	518,549	1,959,931	3,980,845	2,063,501
Other reserves	-	-	-	-	-
Shareholders funds:	**31,530,745**	**20,305,202**	**15,962,800**	**15,467,171**	**11,986,526**
Total equity and liabilities	**166,063,523**	**137,368,341**	**100,584,648**	**97,161,751**	**66,324,687**

Five Year Financial Summary (cont'd)

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

Group	2016	2015	2014	2013	2012
Gross premium written	52,700,272	46,640,828	38,969,943	41,751,459	36,920,537
Premium earned	41,256,760	39,939,075	29,863,524	14,176,000	13,036,325
Profit before taxation	8,791,606	9,301,030	3,362,899	4,199,486	1,431,677
Taxation	(1,206,754)	(413,974)	(707,539)	(1,164,308)	(275,956)
Profit for the year	7,584,852	8,887,056	2,655,360	3,035,178	1,155,721
Transfer to contingency reserve	(1,448,231)	(1,031,113)	(758,747)	(918,820)	(916,618)
Earnings per share (kobo)	**84**	**108**	**32**	**36**	**13**

COMPANY	2016	2015	2014	2013	2012
Gross premium written	52,718,567	46,648,918	39,008,139	41,752,673	36,920,537
Premium earned	41,275,055	39,947,165	29,901,721	14,177,214	13,036,325
Profit before taxation	7,361,449	6,484,941	3,394,793	2,732,306	826,489
Taxation	(699,492)	(105,012)	(585,215)	(1,014,227)	(152,920)
Profit after taxation	6,661,957	6,379,929	2,809,578	1,718,079	673,569
Transfer to contingency reserve	(1,357,793)	(943,301)	(758,747)	(918,820)	(916,618)
Earnings per share (kobo)	**72**	**73**	**32**	**20**	**8**

Non-Life Business Statement of Financial Position

As at 31 December 2016

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

Assets	**31-Dec-16**	**31-Dec-15**
Cash and cash equivalents	19,916,045	8,819,219
Investment securities	20,417,525	14,994,143
Trade receivables	164,616	541,477
Reinsurance assets	11,384,279	11,113,773
Deferred acquisition cost	486,416	423,122
Loans and other receivables	315,791	929,676
Investment in subsidiaries	683,974	340,946
Investment properties	3,134,223	3,400,000
Deferred tax assets	198,765	55,493
Intangible assets	312,306	19,869
Property and equipment	3,153,362	3,312,350
Statutory deposits	300,000	300,000
Total assets	**60,467,302**	**44,250,068**
Liabilities		
Insurance contract liabilities	30,572,177	24,030,217
Trade payables and other liabilities Current tax liabilities	8,226,443	5,008,219
Deferred tax liabilities	647,887	374,781
Liabilities	597,158	453,896
Total liabilities	**40,043,665**	**29,867,113**
Capital and reserves		
Share capital	3,139,798	3,139,798
Share premium	387,826	387,826
Contingency reserve	6,481,612	5,439,709
Retained earnings	7,548,576	3,380,964
Asset revaluation reserve	1,202,237	1,213,714
Fair value reserves	1,663,588	820,944
Shareholders' funds:	**20,423,637**	**14,382,955**
Total equity and liabilities	**60,467,302**	**44,250,068**

Non – life Business Income Statement

For the year ended 31 December 2016

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

Assets	**31-Dec-16**	**31-Dec-15**
Gross premium written	21,129,613	15,434,045
Add: reduction in unearned premium	410,354	4,078,890
Gross insurance premium revenue	21,539,967	19,512,935
Reinsurance expense	(12,213,623)	(10,899,216)
Net insurance premium earned	**9,326,344**	**8,613,719**
Commission income	1,825,376	877,632
	11,151,720	**9,491,351**
Claims expenses	(10,023,855)	(4,425,413)
Underwriting expenses	(3,238,505)	(2,034,621)
Net underwriting expenses	**(13,262,360)**	**(6,460,034)**
Total underwritten profit	**2,110,641**	**3,031,317**
Investment income	2,100,826	1,561413
Net fair value gain/floss) on assets at fair value	(208,587)	904,172
Other operating income	10,086,595	911,719
Employee benefit expenses and other operating expenses	(4,016,532)	(3,618,484)
	7,962,302	**(241,180)**
Finance cost	-	-
Net impairment gains/(losses)	(27,520)	199,615
Profit before tax	**5,824,142**	**2,989,752**
Income Taxes	(614,626)	63,325
Profit for the Year	**5,209,516**	**3,053,077**
Other comprehensive income:		
Fair value changes on available for sale financial assets	872,996	(1,021,627)
Net amount transferred to income statement	(30,353)	-
Revaluation gain on land & building	(11,477)	238,495
Other comprehensive income for the year, net of tax	**831,166**	**783,132**
Total comprehensive income	**6,040,682**	**2,269,945**

Non – life Business Revenue Account

For the year ended 31 December 2016

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

INCOME	MOTOR	FIRE	GEN. ACC	MARINE	BOND
Gross premium written	**2,901,884**	**2,600,826**	**1,183,281**	**1,150,832**	**714,051**
Less: Increase/(decrease) in unearned premium	(61,872)	(207,343)	(107,456)	36,332	158,171
Gross premiums earned	**2,840,012**	**2,393,483**	**1,075,825**	**1,187,164**	**872,222**
Reinsurance cost	(112,981)	(1,484,392)	(147,411)	(278,740)	(485,709)
Net premium earned	**2,727,031**	**909,091**	**928,414**	**908,424**	**386,513**
Commission earned	39,351	245,385	21,100	75,113	96,207
Total underwriting income	**2,766,382**	**1,154,476**	**949,514**	**983,537**	**482,720**
EXPENSES					
Gross claims paid	(2,083,473)	(2,370,270)	(380,462)	(459,370)	(587,519)
Increase/(decrease) in outstanding claims provision	(189,691)	(708,774)	(140,936)	(403,542)	64,968
Gross claims incurred	(2,273,164)	(3,079,044)	(521,398)	(862,912)	(522,551)
Deduct: reinsurance claims recoveries/recoverable	192,549	1,976,878	134,013	349,411	36,383
Ne claims incurred	**(2,080,615)**	**(1,102,166)**	**(387,385)**	**(513,501)**	**(486,168)**
Add: underwriting expenses:					
Commission expenses	(336,759)	(457,917)	(290,672)	(192,743)	(12,506)
Acquisition expenses	(182,289)	(133,269)	(105,688)	(59,616)	(45,124)
	(519,048)	**(591,186)**	**(396,360)**	**(252,359)**	**(57,630)**
total expenses and claims incurred	**(2,599,663)**	**(1,693,352)**	**(783,745)**	**(765,860)**	**(543,798)**
Underwriting profit/(loss)	**166,719**	**(538,876)**	**165,769**	**217,677**	**(61,078)**

Non – life Business Revenue Account (Cont'd)

For the year ended 31 December 2016

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

ENGINEERING	SPECIAL RISK	2016 TOTAL	2015 TOTAL
953,269	**11,625,470**	**21,129,613**	15,434,045
(137,599)	730,122	410,354	4,078,890
815,670	**12,355,592**	**21,539,968**	**19,512,935**
(255,484)	(9,448,906)	(12,213,623)	(10,899,217)
560,186	**2,906,686**	**9,326,345**	**8,613,718**
84,212	1,264,008	1,825,376	877,632
644,398	**4,170,694**	**11,151,721**	**9,491,350**
(232,280)	(502,410)	(6,615,784)	(5,637,924)
14,061	(5,588,401)	(6,952,315)	(744,971)
(218,219)	(6,090,811)	(13,568,099)	(6,382,895)
38,016	816,994	3,544,244	1,957,482
(180,203)	**(5,273,818)**	**(10,023,855)**	**(4,425,413)**
(150,367)	-	(1,440,964)	(1,390,404)
(43,775)	(1,227,780)	(1,797,541)	(644,217)
(194,142)	**(1,227,780)**	**(3,238,505)**	**(2,034,621)**
(374,345)	**(6,501,598)**	**(13,262,360)**	**(6,460,034)**
270,053	**(2,330,903)**	**(2,110,639)**	**3,031,316**

Financial Performance

For the year ended 31 December 2016

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

	Non Life Business		
	31-Dec-16	**31-Dec-15**	**% change**
Gross Premium	21,129,613	15,434,045	37%
Net Premium	9,326,344	8,613,719	8%
Total Underwriting Income	11,151,720	9,491,351	17%
Investment Income	2,100,826	1,561,413	35%
Claims expenses	(10,023,855)	(4,425,413)	127%
Annuity Claim	-	-	0%
Underwriting expenses	(3,238,505)	(2,034,621)	59%
Underwriting Profit	(2,110,641)	3,031,317	-170%
Operating expenses	(4,016,532)	(3,618,484)	11%
Profit before tax	5,824,142	2,989,752	95%
Earnings per share	**53 kobo**	**53 kobo**	

Performacne ratios

	Using Gross Written premium		Using net written premium	
	31-Dec-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
Underwriting expenses ratio	15%	13%	35%	24%
Claims ratio	47%	29%	107%	51%
Operating expenses ratio	19%	23%	43%	42%
Combined ratio	82%	65%	185%	117%
Underwriting profit ratio	-10%	20%	-23%	35%

Life Business
Statement of Financial Position

As at 312 December 2016

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

Assets	**31-Dec-16**	**31-Dec-15**
Cash and cash equivalents	4,273,651	5,837,723
Investment securities	90,623,722	76,516,894
Trade receivables	5,145	2,493
Reinsurance assets	336,504	292,175
Deferred Acquisition Cost	-	-
Loans and other receivables	1,854,912	1,999,050
Investment in associates	-	-
Investment in subsidiaries	2,953,521	2,953,521
Investment properties	5,025,196	5,395,000
Deferred tax assets	87,682	58,635
Intangible assets	1,498	11,440
Property and equipment	491,971	448,091
Statutory deposits	200,000	200,000
Total assets	**105,853,802**	**93,715,022**
Liabilities		
Insurance contract liabilities	74,185,466	69,755,317
Investment contract liabilities	18,294,288	15,459,506
Trade payables and other liabilities	1,883,176	2,198,276
Retirement benefit obligation	-	-
Current tax liabilities	252,256	277,218
Deferred tax liabilities	131,504	102,458
Total liabilities	**94,746,690**	**87,792,775**
Capital and reserves		
Share capital	1,542,653	1,250,000
Share premium	3,845,922	-
Contingency reserve	1,357,390	1,041,500
Retained earnings	3,988,471	3,851,917
Asset revaluation reserve	161,204	81,227
Fair value reserves	211,472	(302,397)
Shareholders' funds	**11,107,112**	**5,922,247**
Total equity and liabilities	**105,853,802**	**93,715,022**

Life Business Income Statement

For the year ended 31 December 2016

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

	31-Dec-16	31-Dec-15
Gross premium written	31,588,954	31,214,873
Add: reduction in unearned premium Group life	544,531	344,764
Gross insurance premium revenue	**32,133,485**	**31,559,637**
Reinsurance expense	(184,774)	(226,190)
Net insurance premium earned	**31,948,711**	**31,333,447**
Commission income	28,477	28,862
Total revenue	**31,977,188**	**31,362,309**
Gross benefits and claims paid	(12,563,339)	(9,058,253)
Increase in annuity fund	(4,429,557)	(33,954,433)
Increase in individual life fund	(42,413)	(570,961)
Claims ceded to reinsurance	(26,978)	(677,101)
Gross change in contract liabilities	(502,710)	(203,691)
Underwriting expenses	(1,803,146)	(2,922,136)
Net underwriting expenses	**(19,314,188)**	**(47,386,574)**
Total underwriting profit	**12,663,000**	**(16,024,265)**
Investment income	8,389,629	8,393,381
Profit/(Loss) on investment contracts	(355,520)	875,718
Net fair value gain/(loss) on assets at fair value	(17,207,088)	13,983,819
Other operating income	649,927	130,743
Employee benefit expenses and other operating expenses	(2,259,228)	(1,431,155)
Result of operating activities	**(10,782,280)**	**21,952,506**
Finance cost	-	(1,084,887)
Net impairment gains/losses)	(343,410)	(472,443)
Profit/(loss) before tax	**1,537,310**	**4,370,910**
Income taxes	(84,866)	(168,337)
Profit/(loss) for the year	**1,452,444**	**4,202,573**
Other comprehensive Income		
Fair value changes on available for sale financial assets	513,868	(419,755)
Foreign exchange difference on unquoted financial assets	-	-
Revaluation gain on land and building	*79,977*	15,360
Other comprehensive income for the year, net of tax	**593,846**	**(404,395)**
Total comprehensive income	**2,046,290**	**3,798,178**

Life Business Revenue Accounts

For the year ended 31 December 2016
(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Individual Life	Group Life	Annuity	2016 Total	2015 Total
Income					
Gross premium written	1,026,879	2,443,032	28,119,043	31,588,954	31,214,873
Decrease in unearned income	-		-	-	-
Gross premium Income	1,026,879	2,443,032	28,119,043	31,588,954	31,214,873
Reinsurance expenses	(25,578)	(159,195)	-	(184,773)	(226,190)
Premium retained	1,001,301	2,283,836	28,119,043	31,404,181	30,988,683
Commissions earned	30	28,447	-	28,477	28,862
Investment income	114,715	272,918	7,398,939	7,786,572	5,407,954
Fair value gain/ (loss) on annuity bond	(25,820)	(61,428)	(15,904,469)	(15,991,717)	13,084,323
Gain/(loss) on Investment property	(43,012)	(102,329)	(350,368)	(495,709)	60,715
Other income	28,582	67,999	551,115	647,696	146,197
Total income	1,075,796	2,489,442	19,814,259	23,379,500	49,716,734
Direct claims paid	(810,248)	(1,526,922)	(628,421)	(2,965,591)	(2,933,092)
Surrenders	-			-	(85,622)
Annuity payments	-	-	(9,597,747)	(9,597,747)	(6,039,540)
Increase/(decrease) in outstanding claims	-	-	-	-	-
Gross claims incurred	**(810,248)**	**(1,526,922)**	**(10,226,168)**	**(12,563,338)**	**(9,058,254)**
Deduct:					
Reinsurance claims recoveries/recoverables	-	26,978	-	26,978	(677,101)
Provision for Outstanding Claims	(143,703)	(317,261)	(41,746)	(502,710)	(203,691)
Net claims incurred	**(953,951)**	**(1,817,205)**	**(10,267,914)**	**(13,039,070)**	**(9,939,045)**
Provision for unexpired risk	(42,413)	544,531	(4,429,557)	(3,927,439)	(34,180,631)
Acquisition expenses	(509,192)	(493,661)	(1,211,246)	(2,214,099)	(1,869,713)
Maintenance expenses	(6,250)	(991)	(171,131)	(178,372)	(790,703)
Operating expenses	(654,787)	(708,989)	(306,129)	(1,669,905)	(808,964)
Total expenses	**(2,166,593)**	**(2,476,315)**	**(16,385,977)**	**(21,028,885)**	**(47,589,056)**
Underwriting result	**(1,090,797)**	**13,127**	**3,428,282**	**2,350,615**	**2,127,678**

Revenue Account on Deposit Administration

For the year ended 31 December 2016

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

	31-Dec-16	31-Dec-15
Income		
Investment Income	2,158,331	1,522,814
Gains/floss) from sale of investment	5,625	1,092,111
Valuation gain on property	(260,404)	255,254
Unrealised gains/loss from investment	(341,886)	(123,518)
Other income	199,099	-
	1,760,765	**2,746,661**
Expenses		
Acquisition expenses	256,829	385,852
Maintenance cost	30,742	193,292
Interest on Deposit Administration	1,436.673	1,084,887
Management Expenses	392,041	206,912
	2,116,285	**1, 870,943**
PROFIT/(LOSS) FROM DEPOSIT ADMINISTRATION	**(355,520)**	**875,718**

Financial Performance

For the year ended 31 December 2016

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

	Life Business		
	31-Dec-16	**31-Dec-15**	**% change**
Gross Premium	31,588,954	31,214,873	1%
Net Premium	31,948,711	31,333,447	2%
Total Underwriting Income	31,977,188	31,362,309	2%
Investment Income	8,389,629	8,393,381	0%
Claims expenses	(2,965,591)	(2,933,092)	1%
Annuity Claim	(9,597,747)	(6,039,540)	59%
Underwriting expenses	(1,803,146)	(2,922,136)	-38%
Underwriting Profit	12,663,000	(16,024,265)	-179%
Operating expenses	(2,259,228)	(1,431,155)	58%
Profit before tax	1,537,310	4,370,910	-65%
Earnings per share	**1.3 kobo**	**1.3 kobo**	

Performance ratios

	Using Gross Written premium		Using net written premium	
	31-Dec-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
Underwriting expenses ratio	6%	9%	6%	9%
Claims ratio	9%	9%	9%	9%
Operating expenses ratio	7%	5%	7%	5%
Combined ratio	22%	23%	22%	23%
Underwriting profit ratio	6%	9%	6%	9%

Life Business Annuity statement

As at 31 December 2016

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

Leadway Assurance Company

Annuities' Portfolio at 31st December 2016
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 2016 (₦'000)	Investment Income (₦'000)	Pay Out (₦'000)
PRA Regulated Annuities	62,076,429	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 2016
The assets backing Annuity Funds are as follows:

S/N	ASSETS TYPE	ANNUITY		ANNUITY CERTAIN	
		(₦'000)	%	(₦'000)	%
1	Money Market	1,545,360	2	39,542	8
0	Quoted Shares	396,965	1	80,405	16
3	Corporate Bonds	1,867,554	3	50,838	10
4	FGN/State Bonds	55,195,498	88	324,680	66
5	Real Estate	1,967,345	3	0	-
6	Unquoted Securities	2.000,000	3	0	-
7	Loans to Policy Holders	79,047	0	-	-
	TOTAL	**63,051,769**	100	**495,565**	**100**

Leadway At A Glance

YEAR OF INCORPORATION:	-	1970
COMMENCEMENT OF OPERATIONS:	-	1971
FINANCIAL YEAR END	-	31st December
SHAREHOLDERS' FUNDS	-	₦31.5 Billion (as at 31 December 2016)
TOTAL ASSET BASE	-	₦166 Billion (as at 31 December 2016)
CLASSIFICATION:	-	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES:	-	22 (excluding Registered Office & Corporate Office)
SUBSIDIARIES:	-	Leadway Capital and Trusts Limited Leadway Properties & Investments Ltd. Leadway Hotels Limited Leadway Pensure PFA Limited
NUMBER OF EMPLOYEES:	-	291 (as at December 31, 2016)
FOUNDER:	-	Sir Hassan O. Odukale (1926-1999)
DIRECTORS:	-	Mallam Umar Yahaya – Chairman (retired w.e.f 30 March 2016)
	-	Gen. Martin Luther Agwai – Chairman (appointed w.e.f 10 November 2016)
	-	Mr. Oye Hassan-Odukale, MFR – Managing Director
	-	Mr. Tunde Hassan-Odukale – Executive
	-	Ms. Adetola Adebayi – Executive
	-	Mr. Jeremy Rowse – Non-Executive
	-	Dr. Konyinsola Ajayi – Non- Executive (retired w.e.f 30 March 2016)
	-	Dr. A, B. C. Orjiako – Non- Executive (retired w.e.f 30 March 2016)
	-	Mrs. Mowunmi Sotubo – Non-Executive
	-	Mr. Eugene Curley - Non-Executive (appointed w.e.f 5 May 2016)
	-	Mr. Seyi Bickersteth – Non-Executive (appointed w.e.f 1 Jan 2016)
	-	Mr. Odein Ajumogobia – Non-Executive (appointed w.e.f 1 Jan 2016)
MANAGEMENT:	-	Mr. Oye Hassan-Odukale, mfr - Managing Director / CEO
	-	Mr. Tunde Hassan-Odukale - ED - Financial Services and IT Systems
	-	Ms. Adetola Adegbayi - ED - General Business
	-	Mr. Tinashe Muyambo - Head of Life Business
	-	Mr. Adebayo Okuwobi - Divisional Director / Head, Life Commercial
	-	Mr. David A. Onilado - Divisional Director / Chief Finance Officer
	-	Mr. Adetayo A. Adekunle - Divisional Director / Head of Technical
	-	Mr. Temilolu Aduloju - Divisional Director / Chief Compliance Officer
	-	Mr. Gboyega Lesi - Divisional Director / General Business Commercial
	-	Mr. Allan Olufade – Divisional Director/ Abuja/Northern Offices
	-	Mrs. Kunbi Adeoti - Divisional Director / Head Human Resources
COMPANY SECRETARY	-	Mr. Sunday Oroleke

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 boasts of a menu selection that is varied enough to cater for all tastes.

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.

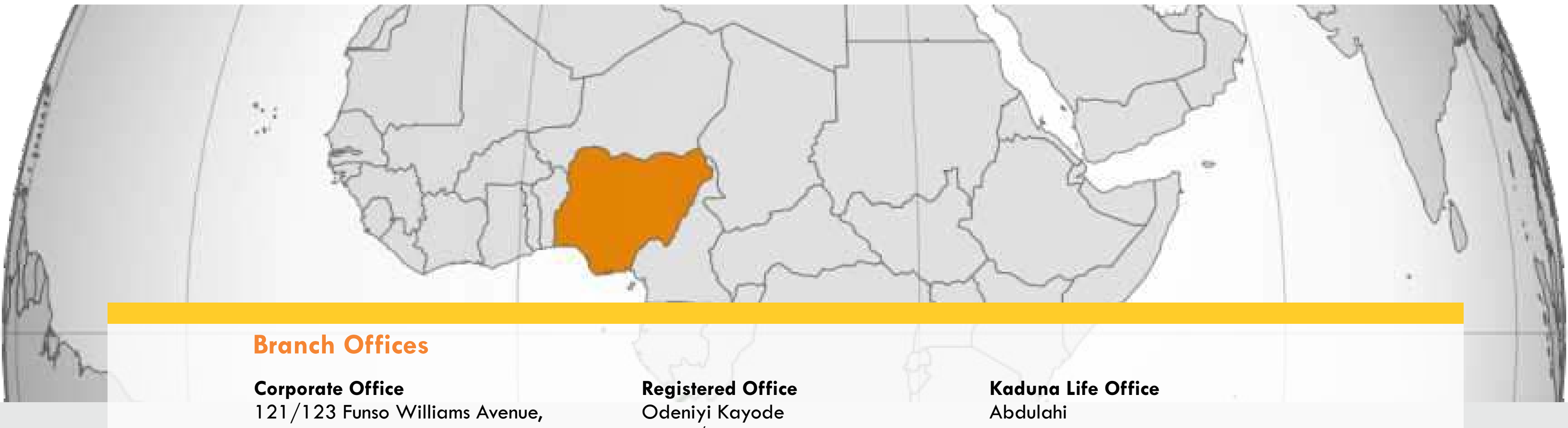
Since incorporation, the company has provided and is still providing corporate and personal trusteeship services in diverse arrangements. Specifically, Leadway Capital & Trusts Limited provides professional services in the following areas:

- Trusts 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 and 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 select Corporate Bodies, as well as Investing in varied transactions where management finds it expedient.
Leadway Capital and Trusts Limited is able to tap into the resources and over 45-year experience of its parent company, Leadway Assurance Company Ltd.

Address: 121/123 Funso Williams Avenue, Iponri, Surulere, Lagos; P.O. Box 6437, Marina, Lagos
Tel: 01-2700700 Fax: 01-2700800, E-mail: trustees@leadway.com, Website: www.leadway.com

Corporate Addresses



Branch Offices

Corporate Office
121/123 Funso Williams Avenue,
Iponri. Lagos
01-2700700

Ikeja *
Komaiya Bamidele
Adebola House 40, Opebi Road,
Opebi. Lagos
08129997012

Akure
Christopher Ugochukwu
NACRDB Building,
Ado-Owo Road Alagabaka,
Akure
08129997104, 08129997159

Enugu
Obidigbo Oriyomi
Akalaka House (2nd floor)
127/129 Chime Avenue New Haven,
Enugu.
08129997106, 08129997161

Jos
Olowookere Timothy
2A Ibrahim Taiwo Rd,
GRA Jos
08129997122, 08129997123

Osogbo
Aderibigbe Abayomi
2nd floor, Moye House
Km2,Gbogan /Ibadan Road Oshogbo,
Osun State
08129997108, 08129997163

Sokoto
Omotayo Abdullateef
15A, Kano Road
Not Far From Central Of Nigeria,
Sokoto.
08129997124

Yenagoa
Imgbi Road Opp.Spring Bank,
Amarata
08129997105, 08129997160

Festac *
Nancy Robert
Road, Festac
08129997005

Registered Office
Odeniyi Kayode
NN28/29 Constitutional Road,
Kaduna
08129997127

Abuja
Ibrahim Adetona
Leadway House Plot 1061,
Herbert Macaulay Way,
Central Business District,
Cadastral
08129997114, 08129997115

Benin
84 Akpakpava Street,
Benin City
08129997103, 08129997158

Ilorin
Adedamola Adeniyi
163, Ajase-Ipo.Road,
Gaa-Akanbi Junction Road.
Anu Oluwapo Complex Ilorin,
Kwara
08129997153, 08129997157

Kano
Shadrack Bolaji
Fustan House 25 Zaria Road,
Gyadi- Gyadi Round About.
Kano
08129997112, 08129997168

Port Harcourt
Oladele Kayode
8 Igbodo Street, Old GRA
Port Harcourt
08129997109, 08129997110

Uyo
Effiong Daniel
140, Atiku Abubakar Way,
Uyo
08129997100, 08129997155

Zaria
Olusola Segun
Last floor,
UBA building by PZ Kaduna Road
Zaria
08129997125

Kaduna Life Office
Abdulahi
QQ10 Wushishi Road By Ahmadu Bello Way,
Kaduna
08029004779, 08162165062

Abeokuta
Salisu Babajide
Seriki Fadare Plaza,
Beside Nigeria Immigration office,
Oke Mosan. Abeokuta
08129997096, 08129997097

Calabar
Dasilva Taiwo
141, Ndidem Usang Iso/Marian Road,
Calabar
08129997098, 08129997099

Ibadan
Akinpelu Taoreed Adekunle
25, Morgaji Are Rd,
Iyaganku GRA Off Moshood Abiola Way ,
Ibadan
8129997102, 8129997162

Makurdi
Last Floor, 8 Railway bye pass,
High Level, near Zenith bank,
Makurdi
08129997113

Sagamu
Sobowale Olanrewaju Tojuola
136, Akarigbo Street,
Opposite Mobil Filling Station Ijokun,
Sagamu
08129997101, 08129997156

Warri
Telufusi Olusola
Ecobank Building 60 Effurun/Sapele Road,
Opposite Glo/Sterling Bank Warri
08129997111, 08129997166

Lekki *
Folasade Kolawole
Garnet Building, Igbo-Efon
by 5th round-about
along Lekki-Epe Expressway. Lekki.
08129997009

* Branches in Lagos, Nigeria.

Corporate Addresses

AGENCY OFFICES

IKOTA agency
Shop H408-409,H428-429,
Ikota Shopping Complex VGC,
Lagos State
08055124617, 08033296670

AKURO agency
Knight Frank Building
24 Campbell Street,
Lagos- Island, Lagos.
08033445694

APAPA agency
Grace House,
13, Abraham Adesanya Road,
Apapa.
08060650329

Festac Agency
Jagundina Tola
Same office with main office
08033152848

Warri Agency
Ilavbare Abubakar
Same office with main office
08056661602

IGANMU agency
10 Abebe Village road Iganmu,
Surulere Lagos
08033212166

ADO-EKITI agency
Folagbade Obidiya
Plot 5, Bank Road,
Besides Mainstreet Bank,
Ado-Ekiti, Ekiti State
08061139837

UYO agency
Udoh Joseph
Same office with main office.
08032803450

ENUGU agency
Charity Ogbodo
Same office with main office
08023630090

PORT-HARCOURT
Joseph Lawal
6 Igbodo Street, Old GRA
PortHarcourt
08037138917

ABUJA AGENCY
Idowu Akinwunmi
50 Kumasi Crescent
Off Aminu Kano Crescent Wuse II,
Abuja.
08090678517

AWKA Agency
Orchin Martins
1, Ozoagwu Street, Aroma Juction,
Akwa Anambra.
08038069059

OWERRI AGENCY
Onuoha Clement
Plot C11, Onitsha Road Lay-out,
Control Post. Owerri.
08033216542

IKORODU AGENCY
Ogunjimi Adenike
225/227, Ikorodu Road, Ogolonto,
Ikorodu.
08023377794

SHERATON-OPEBI LINK AGENCY
Adimabua Mike
AFRIJET Plaza ,6 Sheraton Link Road,
Opposite Western Hotel, Ikeja,
Lagos.
08023326788

ASABA AGENCY
No 1, Stadium Road/200 Nnebisi Road,
Asaba. Delta State.

VICTORIAL ISLAND AGENCY
Obinna Osuji
No 1, Hopewell Adeola Street,
Victoria Island,
Lagos

GBOKO
No. 11, J.S Tarka Way,
Gboko

GOMBE
Doma Plaza, 1ST Floor,
Room 26, BIU Road,
Gombe

YOLA
Sabru House, 30,
Mubi Road Jimeta
Yola

KATSINA
Kaita Shopping Complex building,
Nagogo Road,
Kastina

LOKOJA AGENCY
Suite 24 First floor,
Lokongoma Plaza,
Along Okene-Kaba Road,
Opposite Mountain of Fire,
Phase 2 Lokongoma,
Lokoja


LEADWAY
ASSURANCE COMPANY LIMITED
RC 7588