



Great Nigeria Insurance Plc

Consolidated and Separate Financial Statements
31 December 2015

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Corporation Information**Certificate of incorporation number:** RC 2107**NAICOM license number:** RIC 014**Directors, Officers and Advisors**

Mr. Olatokunbo Talabi	Chairman	Resigned 30 June, 2015
Mrs. Cecilia O. Osipitan	Managing Director/CEO	
Mr. Rotimi Olukorede	Executive Director	Resigned 20 April, 2015
Mrs. Roselyn Ulaeto	Executive Director	
Mr. Bade Aluko	Non-Executive Director	
Mrs. Foluso Onabowale	Non-Executive Director	Resigned 30 June, 2015
Mr. James Kayode Naiyeju	Non-Executive Director	
Mr. Dapo Otunla	Non-Executive Director	
Archbishop Felix Alaba Job	Non-Executive Director	
Mr. Olugbenga Awosode	Non-Executive Director	Appointed 5 December, 2015
Mr. Akin Ajayi	Non-Executive Director	Appointed 8 October, 2015
Mrs. Abimbola Onakomaiya	Independent Director	Appointed 8 October, 2015
Mr. Shamusideen kareem	Non-Executive Director	Appointed 3 December, 2015

Company secretary: Mrs. Abiola Mosuro

Corporate head office : Great Nigeria Insurance PLC
GNI Complex
 8, Omo-Osagie Street
 Off Awolowo Road
 Ikoyi, Lagos
 Telephone: +234 01 2670423, 01 7300015
 Email: info@gniplc.com, info@greatnigeriaplc.com
 Website: www.gniplc.com, www.greatnigeriaplc.com

Independent Auditors: Akintola Williams Deloitte
 Civic Towers,
 Plot GA 1, Ozumba Mbadiwe Avenue,
 Victoria Island,
 Lagos, Nigeria
 Telephone: +234 1 2717800
 Website: www.deloitte.com.ng

Registrars: GTL Registrars Limited
 2, Burma Road
 Apapa
 PMB 12717, Lagos
 Lagos
 Telephone: +234 01 2793161-2, 01-8131925

Bankers

Wema Bank PLC
First Bank Nigeria Limited
Skye Bank PLC
Sterling Bank PLC
Ecobank PLC
Zenith Bank PLC
United Bank for Africa PLC
First City Monument Bank PLC
Access Bank PLC
Diamond Bank PLC
Union Bank PLC
Unity Bank PLC
Heritage Bank Plc
Barclays Bank Group, London

Re-insurers

Nigeria Reinsurance Company
Africa Reinsurance Corporation
Continental Reinsurance PLC

Consulting actuaries

HR Nigeria Limited
7th floor, AIICO Plaza
Afribank street, Victoria Island
Lagos
Telephone: +234 1 2800917, 2800918, 4616768
FRC/NAS/00000000738

Estate surveyor and valuer:

Ubosi Eleh & Co.
FRC/2013/NISEV/00000001493
2nd floor, 27 Obafemi Awolowo Way
P. O. Box 3413, Ikeja
Lagos

Directors' Report

The directors have pleasure in presenting their annual report on the affairs of Great Nigeria Insurance PLC ("the Company" or "GNI PLC") and subsidiary (the Group) together with the audited financial statements and the auditor's report for the year ended 31 December 2015.

Legal form and principal activity:

The Company was incorporated in Nigeria as a private limited liability company on 28th February 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, to transact insurance business as a composite insurer, until September 2005 when; Global Fleet Group bought the majority shares. With the divestment of the shares held by the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Assets Management Limited in September 2006, it became a member of the Wema Bank Plc Group. In line with the Central Bank of Nigeria (CBN) guidelines to banks in Nigeria, Wema Bank Plc divested from the Company effective November 2013 and sold its controlling shares to a consortium of investors.

On 4 July, 2013, the Company acquired 97.5% ordinary shares of GNI Healthcare Limited formally known as GAMMA Health Limited. GNI Healthcare Limited was incorporated as a private limited liability company on 24 July, 2012 and its principal activity involves provision of basic and supplemental health maintenance and treatment services.

The financial results of the subsidiary have been consolidated in these financial statements from the date that the Company started exercising control over the subsidiary.

Operating results:

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

	Group 2015 N'000	Group 2014 N'000	Company 2015 N'000	Company 2014 N'000
Gross premium written	<u>3,115,620</u>	<u>2,791,128</u>	<u>3,022,321</u>	<u>2,731,967</u>
Profit/(loss) before taxation	249,549	(60,566)	283,467	(67,952)
Income tax	<u>276,987</u>	<u>(34,934)</u>	<u>254,960</u>	<u>(33,744)</u>
Profit after taxation	526,536	(95,500)	538,427	(101,696)
Transfer to statutory contingency reserve	<u>(124,324)</u>	<u>(57,489)</u>	<u>(124,324)</u>	<u>(62,239)</u>
Transfer to retained earnings	<u>402,212</u>	<u>(152,989)</u>	<u>414,103</u>	<u>(163,935)</u>
Shareholders' funds	<u>5,886,648</u>	<u>5,296,313</u>	<u>5,881,840</u>	<u>5,318,378</u>
Basic earnings/(loss) per share (k)	<u>13.76</u>	<u>(2.50)</u>	<u>14.07</u>	<u>(2.66)</u>

Directors and their interests:

The directors who served during the year were as follows:

Name	Units of Ordinary Shares Held	Designation
Mr. Olatokunbo Talabi	-	Chairman
Mrs. Cecilia O. Osipitan	55,000,000	Managing Director/CEO
Mr. Rotimi Olukorede	-	Executive Director
Mrs. Roselyn Ulaeto	-	Executive Director
Bade Aluko	-	Non-Executive Director
Mrs. Foluso Onabowale	-	Non-Executive Director
James Kayode Naiyeju	-	Non-Executive Director
Dapo Otunla	-	Non-Executive Director
Archbishop Felix Alaba Job	-	Non-Executive Director
Mr. Olugbenga Awosode	-	Non-Executive Director
Mr. Akin Ajayi	-	Non-Executive Director
Mrs. Abimbola Onakomaiya	-	Non-Executive Director
Mr. Shamusideen kareem	-	Non-Executive Director

According to the register of members as at 31 December 2015, the following shareholders held 5% or more of the issued share capital of the Company during the year:

Shareholders	No of shares	% shareholding
Wema Asset Management Limited	2,870,614,035	75
Odu'a Investment Company Limited	344,473,684	9
Others	612,397,661	16
Total	3,827,485,380	100

2015						
Share range	No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings		
1 - 1,000	1,641	30.43%	1,490,849	0.04%		
1,001 - 5,000	2,125	39.40%	6,445,914	0.17%		
5,001 - 10,000	639	11.85%	5,942,476	0.16%		
10,001 - 50,000	535	9.92%	15,276,758	0.40%		
50,001 - 100,000	143	2.65%	12,809,738	0.33%		
100,001 - 500,000	199	3.69%	54,502,393	1.42%		
500,001 - 1,000,000	47	0.87%	42,395,788	1.11%		
1,000,001 - 5,000,000	41	0.76%	106,677,430	2.79%		
5,000,001 - 10,000,000	10	0.19%	76,116,260	1.99%		
10,000,001 - 50,000,000	9	0.17%	221,265,680	5.78%		
50,000,001 - 100,000,000	2	0.04%	165,809,935	4.33%		
100,000,001 and above	2	0.04%	3,118,752,159	81.48%		
Total	5,393	100%	3,827,485,380	100%		

		2014			
Share range		No of shareholders	Percentage of shareholders	No of holdings	Percentage of holdings
1 -	1,000	1,641	30.43%	1,490,849	0.04%
1,001 -	5,000	2,125	39.40%	6,445,914	0.17%
5,001 -	10,000	639	11.85%	5,942,476	0.16%
10,001 -	50,000	535	9.92%	15,276,758	0.40%
50,001 -	100,000	143	2.65%	12,809,738	0.33%
100,001 -	500,000	199	3.69%	54,502,393	1.42%
500,001 -	1,000,000	47	0.87%	42,395,788	1.11%
1,000,001 -	5,000,000	41	0.76%	106,677,430	2.79%
5,000,001 -	10,000,000	10	0.19%	76,116,260	1.99%
10,000,00 -	50,000,000	9	0.17%	221,265,680	5.78%
50,000,001 -	100,000,00	2	0.04%	165,809,935	4.33%
100,000,001 and above		2	0.04%	3,118,752,159	81.48%
Total		5,393	100%	3,827,485,380	100%

Acquisition of own shares:

The Company did not acquire any of its own shares during the year ended 31 December 2015 (2014: Nil).

Directors' interests in contracts:

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

Property, plant and equipment:

Information relating to changes in property, plant and equipment is given in Note 15 to the financial statements.

Donations and charitable gifts:

Donation was made to non-political and charitable organisations during the year as follows:

Non-political and charitable organisations:

	N
Sponsorship of NAIPCO's end of the year party	50,000
2015 XMAS Concert of Wesley School	93,600
Insurance Golf tournament	100,000
Sponsorship of 47th CIIN Conference - August 2015	300,000
Maintenance of the General Secretariat, LOME and Nigerian National Bureau	323,992
	<u>867,592</u>

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 no persons on its staff list with physical disability.

Health, safety and welfare of employees:

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

Employee involvement and training:

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Towards this end, the Group provides opportunities where employees deliberate on issues affecting the Group and employee interests, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsored its employees for various training courses both locally and overseas in the year under review.

Events after year end:

There are no events after the reporting year which could have a material effect on the state of affairs of the Group as at 31 December, 2015 and the profit for the year ended that have not been adequately provided for and/or disclosed.

Auditors:

In accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria, Messrs Akintola Williams Deloitte have indicated their willingness to continue in office as auditors.

BY ORDER OF THE BOARD

Mrs. Abiola Mosuro
FRC/2012/NBA/00000000608
Company Secretary
GNI Complex
8, Omo-Osagie Street
Off Awolowo Road
Ikoyi
Lagos
20 October, 2016

Corporate Governance Report**The Company**

The company was incorporated in Nigeria as a private limited liability company on 28 February, 1960 as a wholly owned subsidiary of Odu'a Investment Company Limited, until September, 2005 when the Global Fleet Group bought the majority shares. With the divestment of the Global Fleet Group and sale of substantial part of the holdings of Odu'a Investment Company Limited to Wema Asset Management Limited in September, 2006 it became a member of Wema Bank Plc Group. Wema Asset Management Limited divested from the company in 2013 through Management Buy Out. However the regulatory procedures for the divestment have not been concluded as at date.

Consequent to this, the current major shareholders are still:

- Wema Asset Management Limited
- Odu'a Investment Company Limited

The principal business activities of the company include the provision of risk underwriting and related financial services in life and non-life insurance business to both corporate and individual customers.

Vision

"To be the insurance company of choice for keeping promises to stakeholders"

Mission

"Giving you peace of mind by keeping our promises"

Business Philosophy

The company's business philosophy includes:

- Professionalism
- Passion for Customers
- Team Spirit
- Precision
- Empathy
- Innovation

Background of the assignment

In February 2009, the National Insurance Commission (NAICOM) and the Securities & Exchange Commission in January 2011 respectively issued a code of Good Corporate Governance for the Insurance Industry in Nigeria ("the NAICOM Code") and all public companies in Nigeria ("the SEC Code"), mandating them to perform an annual review/appraisal of their Boards of Directors by an external consultants to ensure excellent performance. In its commitment to good corporate governance best practices and the NAICOM and SEC Codes, the Board of Directors of GNI ("the Board") commissioned PROSEC Corporate & Business Services Limited ("PROSEC") to carry out Board Appraisal for the financial year ended 31 December, 2015.

Our assignment of evaluating the performance of the Board of Directors of the Company was based on Global Best Practices and in accordance with the provisions of the Codes of Corporate Governance. The assignment also involves evaluation of the structure and composition, responsibilities, processes and relationships of the Board of Directors for the financial year ended December 31, 2015 as well as compliance with regulatory requirements. Our report on the assignment is based on the spot assessment, examination, analysis and review of relevant documents. The report is also based on the quantitative analysis of self-assessment questionnaires and interviews with the Directors and key management staff. However, few of the non-executive Directors could not be interviewed but sent their responses on the questionnaires sent to them. The Chairman of the company has resigned and the Board has not appointed a new substantive Chairman.

The Board of Directors is responsible to the shareholders for creating and delivering sustainable shareholders' value through its oversight functions. The Board has a formal charter as required which covers policies regarding Board memberships and composition, Board procedures, conduct of directors, risk management, remuneration, Board evaluation and induction. The Board of Directors at the time of this report is made up of ten (10) members comprising eight (8) Non-Executive and two (2) Executive Directors including the Managing Director/CEO. This is in line with international best practice, which stipulates the number of non-executive directors should be more than that of executive directors. The Chairman of the Board who is a non-executive Director and Managing Director/CEO are separate individuals and the Chairman has no executive responsibilities in the Company in compliance with the Codes of Corporate Governance.

The Chairman leads the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Non-Executive Directors have been operating in such a way that their executive independence has not been impaired. Non-executive Directors based on their breadth and depth of knowledge and experience are able to challenge, monitor and approve the strategic policies recommended by management.

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer (CEO).

The Chairman acts as the communicator for Board decisions, where appropriate. The concept of separation of the role of the Chairman from that of the CEO implies that the Chairman should be independent from management and free from any interest and any business or other relationship that could interfere with the Chairman's independent judgement other than interests resulting from Company shareholdings and remuneration.

Mr. Tokunbo Talabi resigned as a Director and Chairman of the company on June 30, 2015. Archbishop Alaba Job was appointed the acting Chairman of the company. Similarly, Mrs. Foluso Onabowale also resigned from the Board.

The Managing Director/CEO, ably assisted by the Executive Directors and other top management constitute the Executive Management Committee. The Committee is saddled with the responsibilities of the day to day management of the affairs of the Company in accordance with agreed laid down guidelines. The Executive Management Committee is responsible and accountable to the Board of Directors for the implementation of the resolutions of the Board including but not limited to the approved strategies and policies.

The Managing Director / CEO is responsible for leading the development and execution of the Company's long-term strategy with a view to creating sustainable shareholder value. The mandate of the CEO is to manage the day-to-day operations of the company and ensure that operations are consistent with the policies developed by the Board of Directors and are carried out effectively. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans. The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of the management. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other stakeholders and the public.

Mr. Rotimi Olukorede who was an Executive Director, Retail & Micro Insurance resigned on April 20, 2015. Messrs Akintola Olusola Ajayi and Shamusideen Kareem were appointed Non-executive Directors representing Insurance Resourcy and Consultancy Services Limited during the year. Mrs. Abimbola Mercy Onakomaiya was appointed an Independent Director during the year. All the appointments followed the approved procedures for appointment of Directors.

The current composition of the Board of Directors is as follows:

Directors	Designation
Felix Alaba Job	Acting Chairman
James Naiyeju	Non-Exec. Director
Bade Aluko	Non-Exec. Director
Dapo Otunla	Non-Exec. Director
Olugbenga Awosode	Non-Exec. Director
Akintola Olusola Ajayi	Non-Exec. Director
Shamusideen Kareem	Non-Exec. Director
Abimbola Mercy Onakomaiya	Independent Director
Cecilia Osipitan (Mrs.)	Managing Director/CEO
Roselyn Ulaeto (Mrs.)	Executive Director

The Board committees were reconstituted during the year and the names of the Directors and their committee membership are presented below:

Name of Director	Role	Committees				
		Governance	Finance & Investment	General Purpose	Risk Mgt & Compliance	Audit
Felix Alaba	Non-Executive Director					
Cecilia Osipitan	Managing Director					
Roselyn Ulaeto	Executive Director					
James Naiyeju	Non-Executive Director					
Bade Aluko	Non-Executive Director					
Dapo Otunla	Non-Executive Director					
Olugbenga Awosode	Non-Executive Director					
Akintola O. Ajayi	Non-Executive Director					
Abimbola Onakomaiya	Independent Director					

Key

	Member
	Chairman

Board of Directors Meetings' Attendance

Meetings held	1	2	3	4
Names	12-Mar-15	30-Jun-15	8-Oct-15	3-Dec-15
Olatokunbo Talabi	✓	✓	N/A	N/A
James Naiyeju	✓	X	X	✓
Bade Aluko	✓	✓	✓	✓
Felix Alaba Job	✓	✓	✓	✓
Foluso Onabowale	✓	✓	NA	N/A
Dapo Otunla	✓	✓	X	✓
Ougbenga Awosode	✓	✓	✓	✓
Cecilia Osipitan (Mrs.)	✓	✓	✓	✓
Rotimi Olukorede	✓	N/A	N/A	N/A
Roselyn Ulaeto (Mrs.)	✓	✓	✓	✓
Akintola Olusola Ajayi	N/A	N/A	N/A	✓
Abimbola Onakomaiya	N/A	N/A	N/A	✓
Shamsideen Kareem	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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BOARD COMMITTEES**GOVERNANCE COMMITTEE**

The Committee met four (4) times during the year. The responsibilities of the Committee as provided in the committee charter are as follows:

- Reviewing the company's disclosure and insider trading policies and similar policies & practices as required;
- Assessing the effectiveness of the Board as a whole including any committee as well as discussing the contribution of individual members;
- Considering issues of management succession;
- Assessing the performance of the CEO;
- Periodically assessing the company's governance;
- Considering and approving proposals by the Board to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors of the Board;
- Proposing new nominees for appointment to the Board where applicable;
- Recommending to the Board resignation or removal of directors where their current or past conduct is or has been improper or liable to adversely affect the company or its reputation;
- Orientation of new Directors and providing continuing education for existing directors.

Committee Meetings' attendance

Meetings held	1	2	3	4
Names	11-Mar-15	29-Jun-15	7-Oct-15	2-Dec-15
Felix Alaba Job	✓	✓	✓	✓
Bade Aluko	✓	✓	✓	✓
Foluso Onabowale (Mrs.)	✓	✓	N/A	N/A
James Kayode Naiyeju	✓	X	X	✓
Olugbenga Awosode	✓	✓	✓	✓
Bimbo Onakomaiya	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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RISK MANAGEMENT & COMPLIANCE COMMITTEE**Committee Meetings' attendance**

Meetings held	1	2	3	4
Names	11-Mar-15	26-Jun-15	7-Oct-15	2-Dec-15
Bade Aluko	✓	✓	✓	✓
Felix Alaba Job	✓	✓	✓	✓
Foluso Onabowale (Mrs)	✓	✓	N/A	N/A
Otunla Dapo	X	✓	X	✓
Cecilia Osipitan (Mrs)	✓	✓	✓	✓
Rotimi Olukorede	✓	N/A	N/A	N/A
Roselyne Ulaeto (Mrs)	✓	✓	✓	✓
Akin Ajayi	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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FINANCE & INVESTMENT COMMITTEE

The basic responsibilities of Finance & Investment Committee are:

- Review policies and strategies for financing of the Company's capital, including issuance and management of debt, common and preferred stock and such other capital instrument as the company shall consider or utilise.
- Provide oversight of the Company's financial condition, including their assets, capital, surplus and liabilities to ensure that the Company's assets, capital, surplus and liabilities are within the limits prescribed by the Board and the applicable law.
- Review policies and strategies for investing the Company's assets for investment return, including the purchase, sale and management of bonds, mortgages, investment in real estate, and such other investment instruments as the Company shall consider or utilize.
- Develop an investment strategy for the Company and each Subsidiary.
- Review and analyze possible investment opportunities for the Company and periodically to recommend potentially advantageous investments to the Board for approval in accordance with applicable law.
- Maintain a full record of each investment recommended to the Board and the rationale behind such recommendation, and to provide such record to the Board as applicable, for inclusion in the minutes and proceedings of the Board.
- Analyse and evaluate any market or industry trends or changes with respect to lines of business of the Company and to recommend potentially advantageous changes or modifications to such lines of business to the Board as applicable.
- Carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.
- Carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time in relation to the purpose of the Committee.
- Have authority to retain external legal, accounting or other advisors as deemed appropriate in the performance of its duties, including the authority to approve the fees payable to such advisors and any other terms of engagement.
- Work through a subcommittee by delegation of any responsibility the Committee deemed appropriate to delegate at its discretion.
- Perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this Charter.
- Review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable

Committee Meetings' attendance

Meetings held	1	2	3	4
Names	10-Jan-15	26-Jun-15	6-Oct-15	1-Dec-15
Foluso O. Onabowale	✓	✓	N/A	N/A
Bade Aluko	✓	✓	✓	✓
Felix Alaba Job	✓	✓	✓	X
Otunla Dapo	✓	✓	X	✓
Olugbenga Awosode	✓	✓	✓	✓
Cecilia Osipitan	✓	✓	✓	✓
Roselyn Ulaeto	N/A	N/A	N/A	✓
Rotimi Olukorede	✓	N/A	N/A	N/A
Akin Ajayi	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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GENERAL PURPOSE COMMITTEE

The responsibilities of the committee are:

- Develop and recommend for Board considerations; policies and plans for employees' selection, recruitment, evaluation and succession.
- Develop and oversee policies and program for talent acquisition, deployment and development.
- Recommend to the Board salary and compensation levels including fringe benefits for all levels of staff.
- Review the company's operating performance relative to the bonus and incentive programmes.
- Ensure that Company's remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives while complying with the requirements of regulatory and governance bodies, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.
- Assess the effectiveness of the Company's Remuneration Policy, including remuneration structure, retention and termination policies for staff.
- Review and make recommendations to the Board on the structure of remuneration paid by the Company to third parties.
- Recommend to the Board policies, the form and content of employees codes of conduct and ethical practices as well as monitoring the implementation, operation and effectiveness of such codes.
- Overseeing the investigation of any alleged breaches of the codes other than breaches regarding financial matters.
- Consult with and support the Audit Committee with respect to the establishment of (a) procedures for receipt, retention and treatment of complaints regarding the Company's accounting, internal controls and auditing matters; and (b) procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Receive any report or complaints concerning actual or threatened retaliatory actions against employees for filing complaints or making reports concerning violation of the company's code of conduct and ethical practices.
- Act and advise the Board on all matters of estate acquisition, development or disposal as well as the efficient utilisation of estate and other physical resources, in the delivery of the Company's strategies and mission.
- Review and make recommendations for appointment of service providers.
- Advise on all matters of health and safety and equality and diversity policy and procedure.
- Have oversight of the Company's major external operations including the administration of the Company's wholly-owned companies and the governance oversight of the Company's participation in associated major ventures.
- Review and approve consulting arrangements outside the scope of authority granted to the Managing Director/CEO.
- Periodically review and recommend revisions, as appropriate, to the Company's director orientation program.
- Monitor, plan and support the budget for continuing education activities of the directors.
- Conduct or authorise investigations into any matters within the committees' scope or responsibilities.
- Empowered to retain independent counsel, accountants and other professionals to assist in the conduct of any such investigation and to set and pay compensation of these advisors.
- Perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this Charter.
- Perform other special and general assignments as may be delegated by the Board of Directors from time to time.
- Review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable.

Committee Meetings' attendance

Meetings held	1	2	3	4
Names	11-Mar-15	29-Jun-15	7-Oct-15	2-Dec-15
James K. Naiyeju	✓	X	X	✓
Bade Aluko	✓	✓	✓	✓
Felix Alaba Job	✓	✓	✓	X
Olugbenga Awosode	✓	✓	✓	✓
Foluso Onabowale	✓	✓	N/A	N/A
Cecilia Osipitan	✓	✓	✓	✓
Roselyne Ulaeto	✓	✓	✓	✓
Akin Ajayi	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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AUDIT COMMITTEE

The committee was established in accordance with the Companies and Allied Matters Act of Nigeria (CAMA). The Committee consists of three shareholder representatives and three Non-Executive Directors. All the members of the Committee are independent of the Company. The Committee's responsibilities as contained under section 359(6) of the Companies and Allied Matters Act include the following:

- Ascertaining whether the accounting and reporting policies of the company are in accordance with the legal requirements and agreed ethical practices
- Reviewing the scope and planning of audit requirements
- Reviewing the findings on management matters as reported by the external auditors and departmental responses thereon.
- Reviewing the effectiveness of the company's system of accounting and internal control
- Making recommendations to the Board in regards to the appointment, removal and remuneration of the external auditors of the company.
- Authorising the internal auditor to carry out investigations into any activities of the company which may be of interest or concern to the committee.

Committee Meetings' attendance

Meetings held	1	2	3	4
Names	10-Mar-15	29-Jun-15	6-Oct-15	1-Dec-15
Christie Otusorochukwu Vincent	✓	✓	✓	✓
Bisi Bakare	✓	✓	X	✓
J. K. Naiyeju	✓	X	X	✓
Foluso Onabowale (Mrs)	✓	✓	N/A	N/A
Bade Aluko	✓	✓	✓	✓
Adio O. Simeon	✓	✓	✓	✓
Abimbola Onakomaiya	N/A	N/A	N/A	✓

Key:	✓ - Present	X - Absent
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Shareholders

The Board under the prevailing circumstance has made tremendous efforts in ensuring ideal corporate governance best practices particularly strengthening the capacity of the Board and key management of the company. During the year, highly skilled and experienced people were appointed to the Board. A Chief Technical Officer with many years of experience in insurance industry was employed to strengthen the management. A robust software was acquired to enhance timely reporting and submission to regulatory authorities.

The annual General Meeting provides a unique opportunity to communicate with members and other stakeholders of the Company. They are given opportunities to express their opinion on the financials and state of affairs of the Company. The Board ensures the protection of the rights of the shareholders. The shareholders through their representatives on the Audit Committee have been kept abreast of the challenges of the delay in holding the annual general meetings of the previous years and efforts being made to hold the meeting as and when due.

We have highlighted in our main report to the Board the areas that the Board and management need to give more attention and make recommendations for improvements.

We have no doubt that all the efforts of the Board and management will begin to yield positive results that will enable the company to overcome most of the recurring challenges, particularly payment of avoidable penalties.

The operating environment is getting tougher. However, with the level of commitment, transparency and accountability of the Board and management we are of the opinion that the company will continue to perform well and sustain the continuing improvement in the corporate governance practices.


William Biyi Fagorusi
FRC/2014/ICSAN/00000007379
PROSEC CORPORATE & BUSINESS SERVICES LIMITED

Report of the Audit Committee

To the Members of **Great Nigeria Insurance Plc**

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria 1990, the members of the Audit Committee of Great Nigeria Insurance Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act of Nigeria, 1990 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2015 were satisfactory and reinforce the Group's internal control system.

We are satisfied that the Group has complied with the provisions of National Insurance Commission Circulars and Guidelines.

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

SIGNED ON BEHALF OF THE COMMITTEE BY:



Ms. Christie O. Vincent
FRC/2013/ICAN/00000002666
18 October 2016

Members of the Audit Committee are:

Ms. Christie O. Vincent	Chairman
Mrs. Folusho Onabowale	Member
Mr. James. K. Naiyeju	Member
Mr. Bade Aluko	Member
Mrs. Bisi Bakare	Member
Adio O. Simeon	Member

Statement of Directors' Responsibilities

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

The Directors of Great Nigeria Insurance Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2015, and the results of its operations, statements of cash flows and changes in equity for the year ended 31 December 2015, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act CAP I17 LFN 2004 and the Financial Reporting Council of Nigeria Act.

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

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

The Directors are responsible for:

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

Going Concern:

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2015 were approved by the board of directors on 20 October 2016.

On behalf of the Directors of the Group



Mr. Akin Ajayi
Director

FRC/2013/IODN/00000004485



Mrs. Cecilia O. Osipitan
Managing Director/CEO

FRC/2012/CIIN/00000000596

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREAT NIGERIA INSURANCE PLC

Tel: +234 (1) 904 1700
www.deloitte.com.ng

Report on the Financial Statements

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

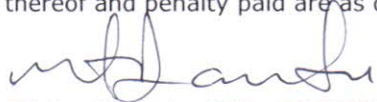
Other reporting responsibilities

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

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contravention

The Company contravened certain sections of NAICOM circulars and guidelines during the year, the particulars thereof and penalty paid are as disclosed in Note 46 to the financial statements.


Michael Daudu, FCA -FRC/2013/ICAN/00000000845

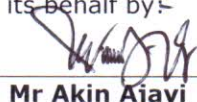
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
15 March 2017



Consolidated and separate statement of financial position

<i>In thousands of Naira</i>	Notes	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Assets					
Cash and cash equivalents	5	2,783,162	2,356,907	2,655,803	2,230,153
Financial assets	6	1,135,760	1,162,739	1,135,760	1,162,739
Trade receivables	7	66,853	52,102	23,746	27,290
Reinsurance assets	8	437,554	428,252	437,554	428,252
Deferred acquisition cost	9	108,104	97,826	108,104	97,826
Finance lease receivable	10	21,192	90,705	21,192	90,705
Other receivables and prepayments	11	123,560	52,054	166,450	92,745
Investment in subsidiary	12	-	-	187,527	225,000
Investment properties	13	4,522,983	4,453,516	4,522,983	4,453,516
Intangible assets	14	61,053	151,167	61,053	121,167
Property, plant and equipment	15	936,609	874,814	782,902	762,634
Deferred tax asset	24	6,033	256,723	6,033	256,723
Statutory deposit	16	500,000	500,000	500,000	500,000
Total assets		10,702,863	10,476,805	10,609,107	10,448,750
Liabilities					
Insurance contract liabilities	17	2,884,878	3,174,781	2,813,013	3,155,947
Investment contract liabilities	18	726,262	652,995	726,262	652,995
Trade payables	19	30,297	71,641	30,297	71,641
Retirement benefit obligation	20	3,097	13,119	3,097	13,119
Provisions and other payables	21	471,422	442,586	464,563	434,298
Finance lease obligations	22	-	68,812	-	68,812
Deposit for shares	23	500,000	-	500,000	-
Deferred tax liabilities	24	9,730	566,231	2,782	545,381
Current income tax liabilities	25	190,529	190,327	187,253	188,179
Total liabilities		4,816,215	5,180,492	4,727,267	5,130,372
Net assets		5,886,648	5,296,313	5,881,840	5,318,378
Equity					
Issued and paid up capital	26	1,913,742	1,913,742	1,913,742	1,913,742
Share premium	27	3,110,664	3,110,664	3,110,664	3,110,664
Contingency reserve	28	750,537	626,213	750,537	626,213
Retained earnings	29	(472,770)	(876,216)	(428,950)	(843,053)
Assets revaluation reserve	30	581,651	517,587	535,847	510,812
Total equity attributable to owners of the Company		5,883,825	5,291,990	5,881,840	5,318,378
Non-controlling Interest		2,823	4,323	-	-
Shareholder's fund		5,886,648	5,296,313	5,881,840	5,318,378

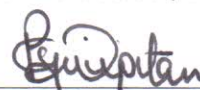
These financial statements were approved by the Board of Directors on 20 October, 2016 and signed on its behalf by:-



Mr Akin Ajayi

Director

FRC/2013/IODN/00000004485



Cecilia O. Osipitan

Managing Director/CEO

FRC/2012/CIIN/00000000596

Additional certification by:



Lekan Popoola Esq

Chief Financial Officer

FRCN/2014/ICAN/00000008933

Consolidate and separate statement of profit or loss and other comprehensive income

<i>In thousands of Naira</i>	Note	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross premium written	31	3,115,620	2,791,128	3,022,321	2,731,967
Change in unearned premium	31(a)	(234,511)	66,991	(203,333)	80,755
Earned premium income	31(a)	2,881,109	2,858,119	2,818,988	2,812,722
Reinsurance expense	31(a)	(442,012)	(340,006)	(442,012)	(340,006)
Net insurance premium revenue	31	2,439,097	2,518,113	2,376,976	2,472,716
Commission income	32	88,523	57,306	88,523	57,306
Net underwriting Income		2,527,620	2,575,419	2,465,499	2,530,022
Net claims expense	33	1,006,867	1,359,177	933,191	1,347,679
Acquisition expenses	34	376,140	427,296	372,442	426,094
Maintenance costs	35	241,393	158,693	241,393	158,693
Underwriting expenses		1,624,400	1,945,166	1,547,026	1,932,466
Underwriting results		903,220	630,253	918,473	597,556
Investment income	36	381,481	341,160	366,922	328,134
Net fair value gains on assets measured at fair value through profit or loss:	37	73,983	115,378	73,983	115,378
Other operating income	38	14,446	26,786	14,446	26,786
Management expenses	39	(1,170,168)	(1,053,356)	(1,099,471)	(1,015,019)
Profit or loss on investment contract	18(d)	71,093	31,173	71,093	31,173
Results of operating activities		274,055	91,394	345,446	84,008
Impairment losses	40	(24,506)	(151,960)	(61,979)	(151,960)
Profit/(loss) before taxation		249,549	(60,566)	283,467	(67,952)
Income tax	25	276,987	(34,934)	254,960	(33,744)
Profit/(loss) after taxation		526,536	(95,500)	538,427	(101,696)
Other comprehensive income, net of tax					
Items within OCI that will not be reclassified to the profit or loss:					
Gain on revaluation of property, plant and equipment	30	75,834	27,919	27,817	27,919
Tax on gain on revaluation of property, plant and equipment	30	(12,035)	(3,012)	(2,782)	(3,012)
Other comprehensive income		63,799	24,907	25,035	24,907
Total comprehensive income for the year		590,335	(70,593)	563,462	(76,789)
Profit/(loss) attributable to:					
Shareholders		527,771	(95,655)	538,427	(101,696)
Non-controlling interest		(1,235)	155	-	-
		526,536	(95,500)	538,427	(101,696)
Total comprehensive income attributable to:					
Shareholders		590,600	(71,241)	563,462	(76,789)
Non-controlling interest		(265)	648	-	-
		590,335	(70,593)	563,462	(76,789)
Earnings per share					
- Basic earnings/(loss) per share (k)	41	13.79	(2.50)	14.07	(2.66)

Consolidated and Separate Statement of Changes in Equity

In thousands of Naira

Group

2015

	Share Capital	Share premium	Asset evaluation reserve	Contingency reserve	Retained earnings	Total equity attributable to parent's shareholder	Non- Controlling interest	Total equity
Balance at 1 January 2015	1,913,742	3,110,664	517,587	626,213	(876,216)	5,291,990	4,323	5,296,313
Total comprehensive income for the year								
Profit or loss for the year	-	-	-	-	527,771	527,771	(1,235)	526,536
Other comprehensive income, net of tax:								
Revaluation of property in use by the company	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	64,064	-	-	64,064	(265)	63,799
Total comprehensive income for the year	-	-	64,064	-	-	64,064	(265)	63,799
Total comprehensive income for the year	-	-	64,064	-	527,771	591,835	(1,500)	590,335
Transaction with owners, recorded directly in equity:								
Transfer to contingency reserve	-	-	-	124,324	(124,324)	-	-	-
Total contributions by and distributions to equity holders	-	-	-	124,324	(124,324)	-	-	-
Balance as at 31 December 2015	1,913,742	3,110,664	581,651	750,537	(472,770)	5,883,825	2,823	5,886,648

Consolidated and Separate Statement of Changes in Equity

Group

2014

	Share Capital	Share premium	Asset revaluation reserve	Contingency reserve	Retained earnings	Total equity attributable to parent's shareholder	Non- Controlling interest	Total equity
Balance at 1 January 2014	1,913,742	3,110,664	492,032	568,724	(700,515)	5,384,647	4,730	5,389,377
Total comprehensive income for the year								
Profit or loss for the year	-	-	-	-	(95,655)	(95,655)	155	(95,500)
Other comprehensive income, net of tax:								
Revaluation of property in use by the company	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	24,907	-	-	24,907	-	24,907
Total comprehensive income for the year	-	-	24,907	-	(95,655)	(70,748)	155	(70,593)
Transaction with owners, recorded directly in equity:								
Acquisition during the year	-	-	-	-	-	-	-	-
Reconciliation of non-controlling interest	-	-	648	-	(22,557)	(21,909)	(562)	(22,471)
Transfer to contingency reserve	-	-	-	57,489	(57,489)	-	-	-
Total contributions by and distributions to equity holders	-	-	648	57,489	(80,046)	(21,909)	(562)	(22,471)
Balance as at 31 December 2014	1,913,742	3,110,664	517,587	626,213	(876,216)	5,291,990	4,323	5,296,313

Consolidated and Separate Statement of Changes in Equity

Company

2015

	Share Capital	Share premium	Asset revaluation reserve	Contingency reserve	Retained earnings	Total equity attributable to parent's shareholder	Total equity
Balance at 1 January 2015	1,913,742	3,110,664	510,812	626,213	(843,053)	5,318,378	5,318,378
Total comprehensive income for the year							
Profit or loss for the year	-	-	-	-	538,427	538,427	538,427
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	25,035	-	-	25,035	25,035
Total other comprehensive income for the year	-	-	25,035	-	-	25,035	25,035
Total comprehensive income for year	-	-	25,035	-	538,427	563,462	563,462
Transaction with owners, recorded directly in equity:							
Transfer to contingency reserve	-	-	-	124,324	(124,324)	-	-
Total contributions by and distributions to equity holders	-	-	-	124,324	(124,324)	-	-
Balance as at 31 December 2015	1,913,742	3,110,664	535,847	750,537	(428,950)	5,881,840	5,881,840

Consolidated and Separate Statement of Changes in Equity

Company

2014

	Share Capital	Share premium	Asset evaluation reserve	Contingency reserve	Retained earnings	Total equity attributable to parent's shareholder	Total equity
Balance at 1 January 2014	1,913,742	3,110,664	485,905	568,724	(683,868)	5,395,167	5,395,167
Total comprehensive income for the year							
Profit or loss for the year	-	-	-	-	(101,696)	(101,696)	(101,696)
Other comprehensive income, net of tax:							
Revaluation of property in use by Company	-	-	24,907	-	-	24,907	24,907
Total other comprehensive income for the year	-	-	24,907	-	-	24,907	24,907
Total comprehensive income for the year	-	-	24,907	-	(101,696)	(76,789)	(76,789)
Transaction with owners, recorded directly in equity:							
Transfer to contingency reserve	-	-	-	57,489	(57,489)	-	-
Total contributions by and distributions to equity holders	-	-	-	57,489	(57,489)	-	-
Balance as at 31 December 2014	1,913,742	3,110,664	510,812	626,213	(843,053)	5,318,378	5,318,378

Consolidated and Separate Statement of Cash Flows

<i>In thousands of Naira</i>	Note	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cash flows from operating activities:					
Cash premium received		2,866,358	2,949,680	2,822,532	2,929,095
Reinsurance premium paid		(624,549)	(333,887)	(624,549)	(333,887)
Gross benefit and claims paid		(1,081,537)	(1,383,228)	(1,007,861)	(1,371,730)
Reinsurance recoveries		206,561	66,617	206,561	66,617
Commission paid		(386,418)	(378,918)	(382,720)	(377,716)
Maintenance expenses paid		(241,393)	(158,693)	(241,393)	(158,693)
Commission received		88,523	57,306	88,523	57,306
Cash from deposit Administration		144,360	35,319	144,360	35,319
Cash received/paid to intermediaries and suppliers		(806,229)	(259,103)	(848,288)	(278,820)
Cash paid to employees		(578,930)	(543,299)	(556,465)	(521,375)
Cash generated from operations	42	(413,254)	51,794	(399,300)	46,116
Income tax paid	25	(40,657)	(43,774)	(40,657)	(43,774)
Net cash(used in)/provided by operating activities		(453,911)	8,020	(439,957)	2,342
Cash flows from investing activities:					
Purchases of property, plant and equipment	15	(59,932)	(102,071)	(59,932)	(102,071)
Purchases of intangible assets	14	-	(42,324)	-	(42,324)
Proceed from disposal of property, plant and equipment		958	90	958	90
Finance lease repayment proceeds		126,471	107,013	126,471	107,013
Dividend received	36	31,629	29,340	31,629	29,340
Interest received	36	303,337	277,221	288,778	264,195
Rent received	36	46,515	34,599	46,515	34,599
Net cash provided by investing activities		448,978	303,868	434,419	290,842*
Cash flows from financing activities:					
Deposit for shares		500,000	-	500,000	-
Finance lease repayment	22	(68,812)	(40,115)	(68,812)	(40,115)
Net cash provided/ (used in) financing activities		431,188	(40,115)	431,188	(40,115)
Cash and cash equivalent at beginning of		2,356,907	2,085,134	2,230,153	1,977,084
Net increase in cash and cash equivalent		426,255	271,773	425,650	253,069
Cash and cash equivalent at end of year	5	2,783,162	2,356,907	2,655,803	2,230,153

Notes to the consolidated and separate financial statements**5 Cash and cash equivalents**

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Cash at bank and in hand	496,055	498,505	496,025	496,691
Short-term bank deposits (note 5.1)	2,389,264	1,912,898	2,261,935	1,787,958
Cash and cash equivalent	2,885,319	2,411,403	2,757,960	2,284,649
Less:				
Allowance for Impairment (note 5.2)	(102,157)	(54,496)	(102,157)	(54,496)
	2,783,162	2,356,907	2,655,803	2,230,153

5.1 Short term bank deposits have an average maturity period of three months, and are made depending on the cash requirement of the Company. The average interest rate of the deposits is 10.3 percent (2014: 10.5%). The carrying amounts reasonably approximate fair value at the reporting date.

5.2 Allowance for impairment represents bank reconciliation differences that occurred as a result of system error. During software changeover, ledger balances were being duplicated and this led to opening balance differences.

6 Financial assets

Financial assets comprise of;

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Held to maturity (see note (a) below)	297,911	355,079	297,911	355,079
Loans and receivables (see note (b) below)	71,334	61,505	71,334	61,505
Available-for-sale (see note (c) below)	157,659	141,815	157,659	141,815
Fair value through profit and loss (see note (d) below)	608,856	604,340	608,856	604,340
	1,135,760	1,162,739	1,135,760	1,162,739
Current	369,245	416,584	369,245	416,584
Non-current	766,515	746,155	766,515	746,155
	1,135,760	1,162,739	1,135,760	1,162,739

(a) Held to maturity

Government Bond	9,113	9,113	9,113	9,113
Placements with financial	288,798	345,966	288,798	345,966
	297,911	355,079	297,911	355,079

(b)(i) Loans and receivables

Loan to policy holders	78,629	59,354	78,629	59,354
Staff Loans	3,436	3,436	3,436	3,436
Other Loan	-	9,000	-	9,000
	82,065	71,790	82,065	71,790
Impairment (see note (b)(ii) below)	(10,731)	(10,285)	(10,731)	(10,285)
	71,334	61,505	71,334	61,505

Notes to the consolidated and separate financial statements

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
<i>In thousands of Naira</i>				
(ii) The movement in allowance for impairment losses is as follows:				
At 1 January	10,285	11,235	10,285	11,235
Addition during the year	446	992	446	992
Write back during the year	-	(1,942)	-	(1,942)
At 31 December	10,731	10,285	10,731	10,285
(c) Available-for-sale financial assets				
Unlisted equity securities at cost (see note(c) (ii) below)	157,659	206,536	157,659	206,536
Allowance for impairment losses (see	-	(64,721)	-	(64,721)
	157,659	141,815	157,659	141,815
(i) The movement in allowance for impairment losses is as follows:				
At 1 January	64,721	66,921	64,721	66,921
Reclassification to other receivables (see note 11b)	-	(2,200)	-	(2,200)
Addition during the year	3,800	-	3,800	-
Write off during the year	(68,521)	-	(68,521)	-
At 31 December	-	64,721	-	64,721
(ii) Available for sale investment securities are carried at cost less any allowance for impairment. The fair value of available for sale assets could not be reliably determined at reporting date due to the unavailability of observable market data.				

Analysis of unlisted equities is shown below:

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Investment in Capital Bancorp Limited	37,296	37,296	37,296	37,296
Investment in Montgomery Vaults Nigeria Limited	7,100	7,100	7,100	7,100
Investment in Odu'a Textiles Staff Quarters	-	63,992	-	63,992
Investment in Nigeria Aluminium Extrusions Limited	11,394	11,394	11,394	11,394
Investment in Associated Electricity Production Nigeria Limited	-	124	-	124
Investment in Sterling Assurance Nigeria Limited	82,225	82,225	82,225	82,225
Investment in I.I.N Properties Plc	-	600	-	600
Investment in Dumez Nigeria Plc	-	5	-	5
Investment in Equipment Solutions & Logistics Services Limited	-	3,600	-	3,600
Investment in the Coral Growth Fund	-	200	-	200
Energy and Allied Investment	19,644	-	19,644	-
	157,659	206,536	157,659	206,536

Notes to the consolidated and separate financial statements

(d) Fair value through profit and loss investment securities

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Listed equities	604,340	659,995	604,340	659,995
Fair value gain/ (Loss)	4,516	(55,655)	4,516	(55,655)
	608,856	604,340	608,856	604,340

Changes in fair value of financial assets at fair value through profit or loss are recorded as net trading income on financial assets in the income statement. The fair value of all equity securities is based on their current bid prices on the Nigeria Stock Exchange.

7 Trade receivables

(a) Trade receivables comprise:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Due from agents	215,926	213,639	172,819	188,827
Due from brokers	1,034,245	1,061,410	1,034,245	1,061,410
Due from insurance companies	267,400	227,771	267,400	227,771
	1,517,571	1,502,820	1,474,464	1,478,008
Impairment allowance (see note (b) below)	(1,450,718)	(1,450,718)	(1,450,718)	(1,450,718)
	66,853	52,102	23,746	27,290

(b) The movement in the allowance for impairment account is as follows:

At 1 January	1,450,718	1,450,718	1,450,718	1,450,718
Write back during the year	-	-	-	-
At 31 December	1,450,718	1,450,718	1,450,718	1,450,718

The premium outstanding for the company as at statement of position date represent balance due from brokers which has been fully received as at 31 January, 2016.

8 Reinsurance assets

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Reinsurance recoveries-Life business	-	5,725	-	5,725
Reinsurance recoveries-General business	220,897	347,063	220,897	347,063
Prepaid re-insurance-Life business	21,964	4,864	21,964	4,864
Prepaid re-insurance- General business	77,357	70,600	77,357	70,600
Balance due from reinsurance brokers	117,336	-	117,336	-
	437,554	428,252	437,554	428,252
Current	437,554	428,252	437,554	428,252
Non-current	-	-	-	-
	437,554	428,252	437,554	428,252

Notes to the consolidated and separate financial statements

- (b) The Company conducted an impairment review of the reinsurance assets and no impairment is required in respect of these assets as the Company has the right to set-off reinsurance assets against reinsurance liabilities on settlement. The carrying amounts disclosed above is in respect of the reinsurance of investment contracts and it approximates the fair value at the reporting date.

9 Deferred acquisition cost

- (a) This represents commission on unearned premium relating to the unexpired tenure of risk.

General business

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Deferred acquisition cost- Fire	4,576	7,701	4,576	7,701
Deferred acquisition cost- Gen. Accident	19,987	16,760	19,987	16,760
Deferred acquisition cost- Motor	10,727	12,230	10,727	12,230
Deferred acquisition cost- Marine	3,309	3,171	3,309	3,171
Deferred acquisition cost- Bond	211	181	211	181
Deferred acquisition cost- Engineering	855	453	855	453
Deferred acquisition cost- Oil & Gas	6,570	4,530	6,570	4,530
Deferred acquisition cost- Workmen's compensation	20	272	20	272
	46,255	45,298	46,255	45,298
Life Business	61,849	52,528	61,849	52,528
	108,104	97,826	108,104	97,826
Current	108,104	97,826	108,104	97,826
Non- current	-	-	-	-
	108,104	97,826	108,104	97,826

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

At January	97,826	146,204	97,826	146,204
Additions during the year	386,418	378,918	382,720	377,716
Amortisation during the year	(376,140)	(427,296)	(372,442)	(426,094)
At 31 December	108,104	97,826	108,104	97,826

10 Finance lease receivable

Finance lease receivable comprise:

Gross investment in finance lease (See note a below)	33,444	159,915	33,444	159,915
Unearned finance income	(12,252)	(69,210)	(12,252)	(69,210)
Net investment in finance lease	21,192	90,705	21,192	90,705
Current	21,192	86,351	21,192	86,351
Non- current	-	4,354	-	4,354
	21,192	90,705	21,192	90,705

This was a Leasing arrangement in respect of "Asset Acquisition Lease Financing" between a commercial bank (Lessee) and Great Nigeria Insurance Plc (Lessor) for a tenor of 48 months with effective date 9th April, 2012"

Notes to the consolidated and separate financial statements

- (a) The movement in gross finance lease is as follows:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	159,915	266,928	159,915	266,928
Repayment during the year	(126,471)	(107,013)	(126,471)	(107,013)
At 31 December	33,444	159,915	33,444	159,915

11 Other receivables and prepayments

- (a) Other receivables and prepayments comprise:

Prepayment	36,530	17,353	29,729	17,353
Stock and inventory	7,542	6,127	7,542	6,127
Dividend receivable	2,567	2,567	2,567	2,567
Staff Advances	23,663	14,195	23,663	14,195
Receivable on unquoted investments (see note a (i) below)	-	200,000	-	200,000
Rent receivable	99,998	89,374	99,998	89,375
Receivable from former Wema Bank Group (See note a (ii) below)	84,908	75,715	84,908	75,715
Intercompany receivables	-	-	49,691	40,690
Deposit for investments (see note a (iii) below)	102,094	102,094	102,094	102,094
Other receivables (see note a (iv) below)	139,600	142,415	139,600	142,415
	496,902	649,840	539,792	690,531
Impairment allowance (see note (b) below)	(373,342)	(597,786)	(373,342)	(597,786)
	123,560	52,054	166,450	92,745
Current	123,560	52,054	166,450	92,745
Non-current	-	-	-	-
	123,560	52,054	166,450	92,745

- (ai) Receivables on unquoted investment represents unquoted investment in Continental Re. The balance has been fully written off during the year.
- (aii) The receivables from former Wema Bank group is made up of balances from Independent Securities, Wise Property Limited and Wema Securities Plc. Full impairment has been made for the account balance.
- (aiii) Deposit for investments represents investments of N96m in AIICO PFA, N5.8m in Energy Insurance Pool. Full impairment allowance has been made for this balance.
- (aiv) Other receivables include balance due from Allied Bank Plc and Withholding tax. Allowance has been made on the account balance.

Notes to the consolidated and separate financial statements

- (b) The movement in impairment allowance on other receivables and prepayments during the year was as follows:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	597,786	502,174	597,786	502,174
Reclassification from financial asset (see note 6c (ii))	-	2,200	-	2,200
Write off during the year	(200,000)	-	(200,000)	-
Write back during the year	(86,832)	-	(86,832)	-
Addition during the year	62,388	93,412	71,168	93,412
At 31 December	373,342	597,786	373,342	597,786

12 Investment in subsidiary

At 1 January	-	-	225,000	225,000
Impairment allowance	-	-	(37,473)	-
At 31 December	-	-	187,527	225,000

On 4 July 2013, the Group acquired 97.5% of the common stock of GNI Healthcare Limited (formerly, Gamma Health Nigeria Limited), to carry on the business of healthcare financing and insurance, health care maintenance organization services and health risk management. This subsidiary was incorporated in July 2012.

13 Investment properties

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	4,453,516	4,380,865	4,453,516	4,380,865
Fair value gain	69,467	72,651	69,467	72,651
At 31 December	4,522,983	4,453,516	4,533,983	4,453,516

- 13(a) The items of investment properties are valued as shown below:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Investment properties location				
GNI House, Alagbaka Road Akure	336,685	332,351	336,685	332,351
GNI House, Along Onikolobo Road, Panseke, Abeokuta	214,200	210,000	214,200	210,000
GNI House, 47/57 Martins street, Off Broad Street Marina Lagos (see note 13b)	2,550,875	2,525,000	2,550,875	2,525,000
GNI House, 39/41 Martins street, Off Broad Street Marina Lagos	464,912	458,041	464,912	458,041
GNI House, No. 11 Malanje Street, Wuse Zone 4 Abuja	331,450	325,000	331,450	325,000
Oregun Warehouse, Plot 13-17, Morrison Crescent Oregun Lagos	512,278	502,576	512,278	502,576
GNI House, No. 13, West Arbour Street London E1 OPQ U.K	112,583	100,548	112,583	100,548
	4,522,983	4,453,516	4,522,983	4,453,516

Notes to the consolidated and separate financial statements

- (b) The property at 47/57 Marina Street, Marina Lagos was gutted by fire on 4 November, 2013 which affected mostly 1st, 2nd and 3rd floors including the mezzanine floor. The carrying amount of the property has been disclosed as its fair value in the current year. The company has obtained approval for the renovation of the building from the Lagos State Physical Planning in year 2016. The claims received from the Insurers of the property has also been warehoused in a fund account.

- (c) Measurement of fair value:

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, Ubosi Eleh & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1493) valued the properties on the basis of open market value as at 31 December 2015.

The fair value measurement for the investment properties of N4.5billion has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

(ii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	<ul style="list-style-type: none"> -Prices per square meter -Rate of development in the area -Quality of the building. -Influx of people and/or businesses to the area 	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

Notes to the consolidated and separate financial statements

14 Intangible assets

(a) <i>In thousands of Naira</i>	Group Purchased Computer Software	Group Purchased Computer Software	Company Purchased Computer Software	Company Purchased Computer Software
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
<i>Cost:</i>				
At January	229,382	157,058	199,382	157,058
Acquisition	-	30,000	-	-
Acquisition not yet in use	-	42,324	-	42,324
At 31 December	229,382	229,382	199,382	199,382
<i>Amortisation:</i>				
At January	78,215	24,806	78,215	24,806
Amortisation charge	90,114	53,409	60,114	53,409
At 31 December	168,329	78,215	138,329	78,215
Carrying amount	61,053	151,167	61,053	121,167

- (b) The intangible assets of the Group is made up of purchased computer software.

15 Property, plant and equipment

Cost
In thousands of Naira

Accumulated depreciation

Carrying amount

Carrying amount									
At 31 December 2015	437,835	376,668	17,950	12,714	69,490	4,238	17,714	936,609	
At 1 January 2015	404,558	337,103	17,242	16,938	76,641	1,622	20,710	874,814	

- i. The Group had no capital commitments as at year end (31 December 2014: Nil)
- ii. The Group's land and buildings were revalued by Ubosi Eleh & Co., estate surveyor and valuers on 31 December 2015 using both Investment method and Comparative method of valuation to arrive at the open market value.
- iii. An impairment review was conducted and no impairment was required.

Notes to the consolidated and separate financial statements

(b) Property, plant and equipment

Company

In thousands of Naira

Cost

	LAND	BUILDINGS	FIXTURE & FITTINGS	COMPUTER EQUIPMENT	MOTOR VEHICLES	GENERATOR SETS	FURNITURE	TOTAL
At 1 January 2015	440,557	305,575	26,788	94,850	310,465	88,657	105,029	1,371,921
Revaluation gains	18,497	9,321	-	-	-	-	-	27,818
Adjustment	-	45	-	(87)	-	(47)	47	(42)
Additions	-	17,750	3,037	6,331	24,908	4,439	3,467	59,932
Disposals	-	-	-	(113)	(11,600)	-	-	(11,713)
Impairment	(972)	-	-	-	-	-	-	(972)
Balance, end of year	458,082	332,691	29,825	100,981	323,773	93,049	108,543	1,446,944

Accumulated depreciation

At 1 January 2015	50,620	53,418	15,079	79,250	239,566	87,035	84,319	609,287
Charge for the year	10,990	7,757	2,786	9,047	29,848	1,264	4,874	66,566
Adjustment	(1,236)	(151)	(1,298)	509	(12)	512	1,636	(40)
Disposals	-	-	-	(44)	(11,600)	-	-	(11,644)
Impairment	(127)	-	-	-	-	-	-	(127)
At 31 December	60,247	61,024	16,567	88,762	257,802	88,811	90,829	664,042

Carrying amount

At 31 December 2015	397,835	271,667	13,258	12,219	65,971	4,238	17,714	782,902
At 1 January 2015	389,937	252,157	11,709	15,600	70,899	1,622	20,710	762,634

i. The Group had no capital commitments as at year end (31 December 2014: Nil)

ii. The Group's land and buildings were revalued by Uboji Eleh & Co., estate surveyor and valuers on 31 December 2015 using both Investment method and Comparative method of valuation to arrive at the open market value.

iii. An impairment review was conducted and impairment allowance was effected on impaired asset.

Notes to the consolidated and separate financial statements**16 Statutory deposit**

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2015, in compliance with the Insurance Act, CAP 117 LFN 2004. It comprises:

<i>In thousands of Naira</i>	Group 31-Dec-	Group 31-Dec-	Company 31-Dec-	Company 31-Dec-
General	300,000	300,000	300,000	300,000
Life	200,000	200,000	200,000	200,000
	500,000	500,000	500,000	500,000
Current	-	-	-	-
Non-current	500,000	500,000	500,000	500,000
	500,000	500,000	500,000	500,000

17 Insurance contract liabilities**(a) In thousands of Naira**

Notified claims	825,342	1,385,648	809,067	1,385,648
Claims incurred but not reported	187,624	207,256	180,388	205,598
Outstanding claims (see note (b) below):	1,012,966	1,592,905	989,455	1,591,247
Unearned premiums (see note (c) below)	366,856	332,785	318,502	315,609
Life insurance contract liabilities (see note (d)(i) below)	1,505,056	1,249,091	1,505,056	1,249,091
	2,884,878	3,174,781	2,813,013	3,155,947
Current	912,041	912,041	893,207	893,207
Non-current	1,972,837	2,262,740	1,919,806	2,262,740
	2,884,878	3,174,781	2,813,013	3,155,947

The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the income statement for the year. The Company's net liability for insurance contracts was tested for adequacy by HR Nigeria Limited, an actuary located in Nigeria with FRC number FRC/NAS/00000000738 as at 31 December 2015.

Notes to the consolidated and separate financial statements

(b) Claims reported and IBNR:

31-Dec-15

The claims reported are analysed below:

<i>In thousands of Naira</i>	Gross claims Outstanding 31-Dec-15	Provision for IBNR 31-Dec-15	Outstanding Claims 31-Dec-15
General			
General accidents	279,559	61,633	341,192
Fire	51,220	47,481	98,701
Marine	42,525	20,933	63,458
Motor	22,218	27,472	49,690
Bond	-	290	290
Oil and gas	96,033	20,741	116,774
Employer's liability	1,799	1,837	3,636
	493,354	180,387	673,741
Life			
Group life	220,501	54,898	275,399
Individual life	36,373	3,942	40,315
	256,874	58,840	315,714
	750,228	239,227	989,455

31-Dec-14

The claims reported are analysed below:

General			
Fire	279,394	55,879	335,273
General accidents	194,284	38,857	233,141
Motor	44,548	8,909	53,457
Marine	25,333	5,067	30,400
Bond	204	41	245
Oil and gas	126,580	25,316	151,896
	670,343	134,069	804,412
Life			
Group life	343,590	396,447	740,037
Individual life	46,797	-	46,797
	390,387	396,447	786,834
	1,060,730	530,516	1,591,246

Notes to the consolidated and separate financial statements

General*In thousands of Naira*

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Gross provision for outstanding claims	493,354	670,343	493,354	670,343
Provision for IBNR	180,387	134,069	180,387	134,069
Provision for outstanding claims - closing	673,741	804,412	673,741	804,412
Provision for outstanding claims - opening	(804,412)	(692,434)	(804,412)	(692,434)
Decrease/(increase) in provision for outstanding claims	(130,671)	111,978	(130,671)	111,978

Life*In thousands of Naira*

Gross provision for outstanding claims	256,874	715,305	256,874	715,305
Provision for IBNR	58,840	71,529	58,840	71,529
Provision for outstanding claims - closing	315,714	786,834	315,714	786,834
Provision for outstanding claims - opening	(786,834)	(465,458)	(786,834)	(465,458)
Increase in provision for outstanding claims	(471,120)	321,376	(471,120)	321,376
	(601,791)	433,354	(601,791)	433,354

- (c) Unearned premium
Unearned premium comprises:
In thousands of Naira

General

Fire	72,819	35,031	72,819	35,031
General accidents	72,502	104,169	72,502	104,169
Motor	111,222	111,439	111,222	111,439
Marine	18,510	23,419	18,510	23,419
Employer's liability	155	904	155	904
Bond	1,301	1,978	1,301	1,978
Oil and gas	41,993	38,669	41,993	38,669
Travel Insurance	-	-	-	-
	318,502	315,609	318,502	315,609

Healthcare

	48,354	17,176	-	-
	366,856	332,785	318,502	315,609

Group life fund	1,139,283	1,025,760	1,139,283	1,025,760
Individual life fund	365,773	223,332	365,773	223,332
	1,505,056	1,249,092	1,505,056	1,249,092

- (d)(ii) The movement in unearned premium reserve UPR during the year was as follows:

Notes to the consolidated and separate financial statements

<i>In thousands of Naira</i>	Individual Life	Group Life	Combined
At January	223,423	1,025,669	1,249,092
Increase/(decrease) provision in unearned premium reserve	86,824	53,614	140,438
Annuity	55,526	-	55,526
Balance	365,773	1,079,283	1,445,056
Additional reserve (as per actuary valuation)	-	60,000	60,000
At 31 December	365,773	1,139,283	1,505,056

18 Investment contract liabilities

(a) At amortised cost

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Deposit administration	705,006	642,995	705,006	642,995
Guaranteed interest (see note (c) below)	21,256	10,000	21,256	10,000
	726,262	652,995	726,262	652,995
Current	-	-	-	-
Non-current	726,262	652,995	726,262	652,995
	726,262	652,995	726,262	652,995

(b) The movement in investment contract liabilities during the year was as follows:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	652,995	648,849	652,995	648,849
Additions during the year	234,178	184,462	234,178	184,462
Guaranteed Interest	21,256	10,000	21,256	10,000
Withdrawals	(182,167)	(190,316)	(182,167)	(190,316)
At 31 December	726,262	652,995	726,262	652,995

(c) Guaranteed interest on investment contracts represents interest which accrues to the account of investment contract holders. All these contract are designated at financial liabilities and measured at amortised cost.

(d) Investment Contract Revenue Account

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Interest income	92,349	41,173	92,349	41,173
Guaranteed Interest	(21,256)	(10,000)	(21,256)	(10,000)
At 31 December	71,093	31,173	71,093	31,173

Notes to the consolidated and separate financial statements**19 Trade payable**

Trade payable comprise liabilities due to agents, brokers and re-insurance companies

In thousands of Naira

	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Due to reinsurers	30,297	71,641	30,297	71,641
Current	30,297	71,641	30,297	71,641
Non-current	-	-	-	-
	30,297	71,641	30,297	71,641

20 Retirement benefit obligation

This represents the balance of the Company's accruals for Retirement benefit obligation to be paid to its employees on exit from the Company based on its Retirement benefit obligation scheme which was discontinued in 2010. The Retirement benefit obligation scheme is solely funded by the Company. No valuation was carried out on this balance as the scheme has been discontinued since 2010.

In thousands of Naira

	Group 31-Dec-	Group 31-Dec-	Company 31-Dec-	Company 31-Dec-
Opening balance	13,119	17,040	13,119	17,040
Payment during the year	(10,022)	(3,921)	(10,022)	(3,921)
Balance, end of year	3,097	13,119	3,097	13,119

21 Provisions and other payables

Unearned income (see note (a) below)	29,305	31,939	29,305	31,939
Accrued Supervisory fees	35,570	30,769	35,570	30,769
Provision for professional fee	-	50,200	-	50,200
Pension Payable (see note b) below)	-	20,373	-	20,373
Withholding tax payable	7,505	8,304	7,505	8,304
Prepaid service charge	-	35,013	-	35,013
Other accruals and payables	65,213	54,461	65,213	46,173
Provision (see note (c) below)	40,230	50,200	40,230	50,200
Claims fund (see note (d) below)	159,236	-	159,236	-
Sundry creditors	134,363	161,327	127,504	161,327
	471,422	442,586	464,563	434,298
Current	29,305	82,139	29,305	82,139
Non-current	442,117	360,447	435,258	352,159
	471,422	442,586	464,563	434,298

- (a) Unearned income represents unearned rental income. The Company earns rental income on some of its investment properties. These amounts are non-refundable and are credited to income as the services are rendered.

Notes to the consolidated and separate financial statements

<i>In thousands of Naira</i>		Group	Group	Company	Company
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
(b)	Pension payable				
	At 1 January	20,373	5,378	20,373	5,378
	Addition during the year	28,948	28,948	28,948	28,948
	Remittance during the year	(49,321)	(13,953)	(49,321)	(13,953)
	At 31 December	-	20,373	-	20,373
(c)	Included in the balance above is the provision for the Company's litigation and claims which is dependent on the outcome of various court proceedings. The Company has elected for a disclosure exemption pursuant to IAS 37 in order to avoid prejudicing the outcome of these various litigations.				
(d)	Claims fund represents claims recovered from co-insurers on the fire affected property of the company at 47/49 Martins Street, Lagos Island, Lagos.				

22 Finance lease obligation

- (a) The movement in the finance lease account was as follows:

<i>In thousands of Naira</i>		Group	Group	Company	Company
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	At 1 January	68,812	108,927	68,812	108,927
	Payments during the year	(68,812)	(40,115)	(68,812)	(40,115)
	At 31 December	-	68,812	-	68,812

The analysis of the finance lease obligations was as follows:

In thousands of Naira

Falling due within one year	68,812	63,135	68,812	63,135
Falling due after one year	-	21,045	-	21,045
	68,812	84,180	68,812	84,180
Future interest	(15,368)	(15,368)	(15,368)	(15,368)
	53,444	68,812	53,444	68,812

- (b) This is for the purchase of the Company's accounting software, Agilis, financed by Wema Bank Plc, the Company's erstwhile parent Company. The lease is secured by legal ownership of the leased assets. The lease agreement stipulates that the ownership of the assets devolve to the Company upon expiration of the lease.

23 Deposit for shares

The deposit for shares represents cash deposited by the intending investors for private placements during the year.

Notes to the consolidated and separate financial statements**24 Deferred tax assets and liabilities**

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.

Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Assets:				
Property, plant and equipment	(6,033)	(256,723)	(6,033)	(256,723)
Unrelieved losses	-	-	-	-
Deferred tax assets	(6,033)	(256,723)	(6,033)	(256,723)
Liabilities:				
Property, plant and equipment	9,730	229,094	2,782	211,256
Investment properties	-	337,137	-	334,125
Deferred tax liabilities	9,730	566,231	2,782	545,381
Net Deferred tax liabilities/(assets)	3,697	309,508	(3,251)	288,658

Group

The movement in temporary differences recognised during the year ended 31 December 2015 is as follows:

<i>In thousands of Naira</i>	Balance as 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property, plant and equipment	(183,730)	-	12,035	(171,695)
Tax Adjustment	17,838			17,838
Unrelieved losses	-	(311,846)	-	(317,846)
Investment properties	475,400	-	-	475,400
	309,508	(311,605)	12,035	3,697

Company

The movement in temporary differences recognised during the year ended 31 December 2015 is as follows:

<i>In thousands of Naira</i>	Balance as 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property, plant and equipment	(45,466)	-	2,782	(42,684)
Unrelieved losses	-	(294,691)	-	(294,691)
Investment properties	334,124	-	-	334,124
	288,658	(294,691)	2,782	(3,251)

Notes to the consolidated and separate financial statements**Group**

The movement in temporary differences recognised during the year ended 31 December 2014 is as follows:

<i>In thousands of Naira</i>	Balance as 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property, plant and equipment	(187,061)	-	3,012	(184,049)
Tax adjustment	17,838	-	-	17,838
Unrelieved losses	319	-	-	319
Investment properties	475,400	-	-	475,400
	306,496	-	3,012	309,508

Company

The movement in temporary differences recognised during the year ended 31 December 2014 is as follows:

<i>In thousands of Naira</i>	Balance as 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property, plant and equipment	(48,478)	-	3,012	(45,466)
Unrelieved losses	-	-	-	-
Investment properties	334,124	-	-	334,124
	285,646	-	3,012	288,658

Unrecognized deferred tax assets

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

The Company's deferred tax assets relates primarily to timing difference in the recognition of depreciation and capital allowances on property and equipment, impairment on premium receivables, and unrelieved tax losses are not recognized in these financial statements. This is due to the uncertainty about availability of future taxable profits against which deferred tax assets can be utilized.

Notes to the consolidated and separate financial statements**25 Taxation****(a) Current income tax liabilities**

The movement in this account during the year was as follows:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	190,327	198,209	188,179	198,209
Payments during the year	(40,657)	(43,774)	(40,657)	(43,774)
Income tax expense (see note (b) below)	39,731	-	39,731	-
Tax Adjustment	-	958	-	-
Minimum tax (see note (c) below)	1,128	34,934	-	33,744
At 31 December	190,529	190,327	187,253	188,179
Current	190,529	190,327	187,253	188,179
Non-current	-	-	-	-
	190,529	190,327	187,253	188,179

(b) Income tax expense for the year comprises;

Corporate income tax charge	33,136	-	33,136	-
Tertiary education tax	768	-	768	-
Information technology levy	5,827	-	5,827	-
	39,911	-	39,911	-
Deferred tax charge	(317,846)	-	(294,691)	-
	(278,115)	-	(254,960)	-

(c) Minimum Tax

Minimum tax	1,128	34,934	-	33,744
	1,128	34,934	-	33,744
Total tax expense for the year	(276,987)	34,934	(254,960)	33,744

i Tax Expense - Group

<i>In thousands of Naira</i>	31-Dec-15 N'000	31-Dec-14 N'000
Company Income Tax	34,264	34,934
Education Tax	768	-
Current Income tax Charge	35,032	34,934
Deferred Tax Credit/Charge	(317,846)	-
NITDA	5,827	-
	(276,987)	34,934

The current tax charge has been computed at the applicable rate of 30% (31 December 2015: 30%) plus education tax of 2% (31 December 2015: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible for tax purposes.

Notes to the consolidated and separate financial statements

Non-deductible expenses include items such as public relations expenses, levies and penalties and certain provisions which are not allowed as a deductions by the tax authorities. Tax exempt income include income such as dividend income, reserves and fair value gains which are not taxable.

ii Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Group

<i>In thousands of Naira</i>		31-Dec-15		31-Dec-14
Profit before tax	100%	249,549	100%	(60,566)
Tax using domestic tax rate	30%	71,012	34%	(20,388)
Non-deductible expenses	30%	93,394	(77%)	46,670
Tertiary education tax	0%	745	325%	(197,015)
Tax exempt income	(8%)	(23,921)	0%	-
Tax incentives	(52%)	(140,487)	-	34,934
Minimum tax adjustment	11%	34,351	58%	-
Information technology levy	2%	5,943	(3%)	1,701
		41,037		(134,098)

i Tax Expense - Company

<i>In thousands of Naira</i>		31-Dec-15		31-Dec-14
	General Business	Life Business	Total	
Company Income Tax	13,445	19,691	33,223	33,744
Education Tax	-	768	768	-
Current Income tax Credit	13,445	20,459	33,904	33,744
Deferred Tax Credit	-	(294,691)	(294,691)	-
NITDA	-	5,827	5,827	-
	13,445	(268,405)	(254,960)	33,744

The current tax charge has been computed at the applicable rate of 30% (31 December 2015: 30%) plus education tax of 2% (31 December 2015: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible for tax purposes. Non-deductible expenses include items such as public relations expenses, levies and penalties and certain provisions which are not allowed as a deductions by the tax authorities. Tax exempt income include income such as dividend income, reserves and fair value gains which are not taxable.

Notes to the consolidated and separate financial statements**ii Effective tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Company <i>In thousands of Naira</i>	31-Dec-15				31-Dec-14	
	General Business	Life Business	Total	%	Total	%
Profit before tax	(292,597)	576,065	283,468	100%	(67,959)	100%
Tax using domestic tax rate	(87,779)	172,820	85,041	30%	(20,388)	30%
Non-deductible expenses	98,719	(6,791)	105,510	37%	46,670	-69%
Tertiary education tax	-	767	767	0%	-	0%
Tax exempt income	(10,727)	(10,194)	(20,921)	-7%	(197,015)	290%
Tax incentives	(214)	(157,838)	(158,052)	-56%		
Minimum tax adjustment	13,445	19,691	33,136	12%	33,744	-50%
Information technology levy	-	5,827	5,827	2%	1,701	-3%
	13,444	37,864	39,890	18%	(135,288)	198%

26 Issued and paid up capital

Share capital comprises:

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
(a) Authorized:				
Ordinary shares of 50k each:				
General business 7,000,000,000 units	3,500,000	3,500,000	3,500,000	3,500,000
Life business 4,000,000,000 units	2,000,000	2,000,000	2,000,000	2,000,000
Composite business 11,000,000 units	5,500,000	5,500,000	5,500,000	5,500,000
Issued and fully paid:				
Ordinary shares of 50k each:				
General business 2,585,984,380 units	1,292,982	1,292,982	1,292,982	1,292,982
Life business 1,241,500,000 units	620,760	620,760	620,760	620,760
Composite business 3,827,484,380 units	1,913,742	1,913,742	1,913,742	1,913,742

27 Share premium

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

28 Contingency reserve

In compliance with Section 21 (1) of Insurance Act CAP I17 LFN 2004, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the 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.

Notes to the consolidated and separate financial statements**29 Retained earnings**

Retained earnings are the carried forward recognised losses plus current period profits or losses attributable to shareholders.

30 Asset revaluation reserve

Revaluation reserve is the accumulation of revaluations gain on properties in use by the Group.

Revaluation reserve comprises

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
At 1 January	517,587	492,032	510,812	485,905
Revaluation gain/adjustment	75,834	27,919	27,817	27,919
Tax on revaluation of property	(12,035)	(3,012)	(2,782)	(3,012)
Non-controlling interest	265	648	-	-
At 31 December	581,651	517,587	535,847	510,812

31 Gross premium written

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 letter accounting period.

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
General business				
Fire	142,870	247,066	142,870	247,066
General accidents	523,690	516,039	523,690	516,039
Employer's liability	5,665	8,632	5,665	8,632
Engineering	22,880	13,190	22,880	13,190
Marine	164,819	98,416	164,819	98,416
Bond	3,719	2,813	3,719	2,813
Oil and gas	178,660	145,164	178,660	145,164
Motor	286,940	380,325	286,940	380,325
	1,329,243	1,411,645	1,329,243	1,411,645
Life business				
Individual Life	339,448	287,269	339,448	287,269
Group life	1,353,630	1,033,053	1,353,630	1,033,053
	1,693,078	1,320,322	1,693,078	1,320,322
GNI Healthcare	93,299	59,161	-	-
Group premium written	3,115,620	2,791,128	3,022,321	2,731,967

Notes to the consolidated and separate financial statements**31a Net insurance premium revenue**

<i>In thousands of Naira</i>	Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
Short-term insurance contracts:				
– Gross premium	3,115,620	2,791,128	3,022,321	2,731,967
Less: Increase in unearned premium arising from insurance contracts issued	(234,511)	66,991	(203,333)	80,755
Premium revenue arising from insurance contracts issued	2,881,109	2,858,119	2,818,988	2,812,722
Short-term reinsurance contract:				
– Reinsurance cost	(442,012)	(340,006)	(442,012)	(340,006)
Net premium revenue ceded to reinsurers on insurance contracts issued	(442,012)	(340,006)	(442,012)	(340,006)
Net insurance premium revenue	2,439,097	2,518,113	2,376,976	2,472,716

32 Commission income

<i>In thousands of Naira</i>				
– Insurance contracts	88,523	57,306	88,523	57,306

33 Net claims and benefits paid

Insurance claims and loss adjustment expenses

Gross benefits & claims paid	1,212,207	949,873	1,138,531	938,375
Gross changes in outstanding claims	(130,670)	433,355	(130,670)	433,355
	1,081,537	1,383,228	1,007,861	1,371,730
Recoverable from re-insurance	(74,670)	(24,051)	(74,670)	(24,051)
Net claims and benefits expenses	1,006,867	1,359,177	933,191	1,347,679

34 Expenses for the acquisition of insurance and investment contracts

Costs incurred for the acquisition of general insurance contracts expensed in the year.	218,320	236,934	218,320	235,732
Costs incurred for the acquisition of life insurance contracts expensed in the year.	154,122	190,362	154,122	190,362
Costs incurred for the acquisition of Health insurance contracts expensed in the year.	3,698	-	-	-
	376,140	427,296	372,442	426,094

Notes to the consolidated and separate financial statements

<i>In thousands of Naira</i>		Group 31-Dec-15	Group 31-Dec-14	Company 31-Dec-15	Company 31-Dec-14
35	Maintenance cost				
	Costs incurred for the maintenance of general insurance contracts	41,407	75,001	41,407	75,001
	Costs incurred for the maintenance of life insurance contracts	199,986	83,692	199,986	83,692
		241,393	158,693	241,393	158,693
36	Investment income				
	Dividend income	31,629	29,340	31,629	29,340
	Interest income	303,337	277,221	288,778	264,195
	Rental income	46,515	34,599	46,515	34,599
		381,481	341,160	366,922	328,134
	Attributable to:				
	- Shareholders	206,000	184,227	198,138	177,193
	- Policy holders	175,481	156,933	168,784	150,941
		381,481	341,160	366,922	328,134
37	Net fair value gains on assets measured at fair value through profit or loss				
	Net fair value gains on financial assets at fair value through profit or loss	4,516	42,727	4,516	42,727
	Fair value gains on investment properties	69,467	72,651	69,467	72,651
		73,983	115,378	73,983	115,378
38	Other operating income				
	Profit on disposal of asset	889	80	889	80
	Exchange gain (note 38.1)	13,035	8,705	13,035	8,705
	Other income	522	18,001	522	18,001
		14,446	26,786	14,446	26,786
38.1	Exchange gains of N13.035Million represents net fair value gains of Investments and Bank balances held in foreign currency (USD) as at 31st December 2015. The CBN exchange rate of United States Dollar to Nigerian Naira as at December 2015 moved to N196/\$1 against a carrying cost of N145.47/\$1				
39	Management expenses				
	Management expenses comprise of:				
(a)	Employee benefit expense				
	Wages and salaries	456,656	446,271	440,140	424,365
	Pension costs – defined contribution	26,111	19,798	25,000	19,798
	Other benefits	86,141	73,309	81,303	73,291
		568,908	539,378	546,443	517,454

Notes to the consolidated and separate financial statements

	Group	Group	Company	Company
<i>In thousands of Naira</i>	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
(b) Other operating expenses				
Depreciation	73,057	73,928	66,566	67,437
Amortisation of intangible assets	90,114	53,409	60,114	53,409
Auditor's remuneration	22,000	20,500	18,000	18,000
Bank charges	9,417	11,050	9,417	11,050
Directors fees and expenses	26,208	47,531	26,208	47,531
Repairs & maintenance expense	54,353	49,615	53,865	49,187
Travel and representation	23,347	10,005	23,347	10,005
Advertising	5,755	3,096	5,755	3,096
Occupancy expenses	16,116	6,565	16,116	6,565
Motor vehicle running expenses	29,565	24,795	29,565	24,795
Fees and assessment	34,199	17,063	34,199	17,063
Office supply and stationery	26,865	11,542	26,865	11,542
Communication and postages	35,363	24,895	35,363	24,895
Legal, Professional & Other Charges	41,089	55,473	41,089	55,473
Insurance	23,891	16,518	23,891	16,518
Overhead/other administrative expenses	89,921	87,993	82,668	80,999
	601,260	513,978	553,028	497,565
Management expenses	1,170,168	1,053,356	1,099,471	1,015,019

40 Impairment losses

Allowance/(write back) of impairment - Life Business	(23,879)	102,030	13,594	102,030
Allowance/(write back) of impairment - General Business	48,385	49,930	48,385	49,930
Net impairment losses	24,506	151,960	61,979	151,960

41 Earnings/(loss) per share

Basic diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	Group	Group	Company	Company
<i>In thousands of Naira</i>	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Profit/(loss) attributable to equity holders (N'000)	501,716	(527,137)	549,974	(101,696)
Weighted average number of ordinary shares in issue (thousands)	3,827,485	3,827,485	3,827,485	3,827,485
Basic earnings/(loss) per share (Kobo per share)	13.79	(2.50)	14.07	(2.66)