FINANCIAL STATEMENTS
31 DECEMBER 2016



Results at a glance

	Group 2016 N'000	Group 2015 N'000	Variance %	Company 2016 N'000	Company 2015 N'000	Variance %
Gross premium written	4,836,334	4,470,627	8	2,014,077	2,476,046	(19)
Net premium income	3,580,531	3,513,393	2	1,263,319	1,966,412	(36)
Loss before taxation	(242,462)	(508,500)	(52)	(188,967)	(717,038)	(74)
Cash and cash equivalents	3,599,976	3,596,868	1=1	3,083,899	3,169,212	(3)
Property, plant and						
equipment	3,391,045	3,427,816	(1)	2,966,375	2,898,218	2
Financial assets	123,607	657,025	(81)	120,079	127,692	(6)
Statutory deposit	300,000	324,302	(7)	300,000	300,000	- (0)
Borrowings	1,133,538	1,945,815	(42)	1,136,033	1,955,095	(42)
Contingency reserves	792,148	837,291	(5)	792,147	731,725	8
Shareholders funds	5,350,116	6,001,930	(11)	4,921,015	5,172,550	(5)
PER 50k SHARE DATA:						
Basic loss per share (Kobo)	(3)	(5)	(29)	(2)	(5)	(67)
Diluted loss per share (Kobo)	(3)	(7)	(53)	(2)	(8)	(78)
Net assets per share (Kobo)	38	43	(11)	35	37	(5)
Stock Exchange Quotation as at						
31 December (Kobo)	-			50	50	

Introduction

Equity Assurance Plc's Financial statements comply with the applicable legal requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 regarding financial statements and comprises Consolidated and Separate Financial Statements for the year ended 31 December, 2016. The consolidated financial statements have been prepared in compliance with IAS 1, 'Presentation of financial statements' issued by the International Accounting Standards Board.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Kyari Bukar

Mr. Ibidolapo Balogun

Mr. Godwin Alegieuno

Mr. Philippe Ayivor

Mr. Ibikunle Balogun

Mr. Mohammed Bah

Mr Karim-Franck Dione

Mr Samuel Ogbodu

Mr. Olanrewaju Ogunbanjo

Mr Almamy Timite

Mr. Ekpe Ukpabio

Mr. Morufu Apampa

ED, Strategy & Performance Management

Chairman (Appointed wef October 27, 2016)

Resigned as Chairman wef August 1, 2016

ED, Technical & Operations (Appointed wef October 27, 2016)

Resigned as MD /CEO wef November 30, 2016

Appointed as MD /CEO wef October 27, 2016

COMPANY SECRETARY

John Nkemakonam Akujieze

Plot 1196, Bishop Oluwole street

Victoria Island, Lagos

REGISTERED OFFICE

Equity Place

Plot 1196, Bishop Oluwole Street

Victoria Island, Lagos

RC No:

65443

FRC Registration no:

FRC/2012/0000000000408

REGISTRARS AND TRANSFER OFFICE

Apel Capital & Trust Limited

18 Nnobi Street

Surulere

Lagos

BANKERS

Access Bank Plc

Diamond Bank Plc

Ecobank Nigeria Limited

First Bank of Nigeria Limited

First City Monument Bank

Fidelity Bank Plc

Guaranty Trust Bank Plc

Heritage Bank Plc

Skye Bank Plc

Sterling Bank Plc

Union Bank of Nigeria Plc

United Bank for Africa Plc-

Unity Bank Plc

Wema Bank Plc

Zenith Bank Plc

RE-INSURERS

Munich Mauritius Reinsurance Co. Ltd

African Reinsurance Corporation

Continental Reinsurance Plc

Nigerian Reinsurance Corporation

ACTUARIES HR Nigeria Limited

EXTERNAL AUDITORS

BDO PROFESSIONAL SERVICES
ADOL House
15 CIPM Avenue
Central Business District, Alausa, Ikeja
Lagos, Nigeria.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016

The directors accept responsibility for the preparation of the annual consolidated financial statements that give a true and fair view of the statement of financial position of the Group and the Company at the end of the year and of its profit or loss and other comprehensive income in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004 and the Insurance Act of Nigeria CAP I17 LFN 2004. The responsibilities include ensuring that the Group:

- (i) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act CAP, C20 LFN 2004 and the Insurance Act CAP I17,2004.
- (ii) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities
- (iii) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

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

- (a) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- (b) the requirements of the Insurance Act CAP I 17, LFN 2004
- (c) relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- (d) the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Group and of the profit or loss and other comprehensive income for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY

Mr. Kyari Bukar

FRC/2013/IODN/00000002050

Mr. Morufu Apampa

FRC/2017/CIIN/0000016004

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2016

30TH ANNUAL REPORT

The Directors are pleased to submit their 30th annual report together with the audited Consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

LEGAL FORM

The Company was incorporated on 13th December, 1984 and has one wholly owned subsidiary and one partly owned subsidiary namely: EA Capital Management Limited (wholly owned subsidiary) with Managed Healthcare Services Limited (partly owned subsidiary). The Company has a concession of 25years for the management of Equity Resort Hotel, Ijebu-Ode (formerly Gateway Hotel).

EA Capital Management Limited was incorporated in Nigeria on 29 October 2008 as a private limited liability company to carry on the business of finance leases to both individual and corporate clients. Managed Healthcare Services Limited was incorporated on 11 December, 1997 to carry on the business of health management and it is a nationally licenced Health Management Organization (HMO).

PRINCIPAL ACTIVITIES

The principal activity of the Group is provision of non-life insurance business, health management and financial services to corporate and retail customers in Nigeria.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

RESULT FOR THE YEAR

	KESOLI I OK II	IL ILAN		
	Group 2016	Group 2015	Company 2016	Company 2015
	N'000	N'000	N'000	N'000
Loss for the year before tax	(242,462)	(508,500)	(188,967)	(717,038)
Tax expense	(165,211)	(93,161)	(62,818)	(50, 359)
Loss for the year after tax	(407,673)	(601,661)	(251,785)	(767,397)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

BENEFICIAL OWNERSHIP

Share Range Analysis:

Range	No. of Holders	Units	%	
1 - 1,000	6,752	4,537,248	0.03	
1,001 - 5,000	11,177	33,068,004	0.24	
5,001 - 10,000	6,525	55,698,925	0.40	
10,001 - 50,000	11,459	302,330,960	2.16	
50,001 - 100,000	3,230	262,690,106	1.88	
100,001 - 1,000,000	2,343	503,745,616	3.60	
1,000,001 - 5,000,000	294	227,384,750	1.62	
5,000,001 - 10,000,000	180	372,320,092	2.66	
10,000,001 - 1,000,000,000	16	108,794,252	0.78	
1,000,000,001- And Above	43	12,129,430,047	86.64	
TOTAL	42,019	14,000,000,000	100	

The following shareholders held more than 5% of the issued share capital of the Holding company as at 31 December, 2016:

	2016	2015	2016	2015
Shareholders Names	Ordinary	shares of 50k	%	%
Sunu Participations Holding SA	5,390,789,070	5,152,701,580	38.51	36.81
Sunu Assurances vie Cote	3,247,298,420	2,496,859,790	23.19	17.83
Divoire				
Gateway Holdings Limited	1,015,524,395	1,015,524,395	7.25	7.25
KYT Investments Limited	131,725,086	80,116,821	0.94	0.57
Total	9,785,336,971	8,745,202,586	69.90	62.47

DIRECTORS

Beneficial interests

The interests of the Directors of Equity Assurance Plc in the issued share capital of the Holding Company as recorded in the Register of Members as at 22 February, 2017 and as notified by them for the purpose of Section 275 (1) of the Companies and Allied Matters Act CAP C20 LFN 2004 is as follows:

Ordinary shares of 50k each as at 22 February, 2017

Direct	Indirect	Total
		*
409,200,000	-	409,200,000
-	-	*
500,000	131,725,086	132,225,086
-		
-	5,390,789,070	5,390,789,070
	100	
-		
316,667	98,551,016	98,867,683
-	3,247,298,420	3,247,298,420
15,814,494	-	15,814,494
	-	
	- 409,200,000 - 500,000 - - - 316,667	409,200,000

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

In accordance with Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors has notified the Holding Company of any declarable interest in contracts with the Holding Company or other members of the Group.

Responsibilities

In accordance with the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries at the end of each financial year and of the profit or loss for that period.

The responsibilities include ensuring that:

appropriate internal controls are established to safeguard the assets of the Company, to prevent and detect fraud and irregularities;

the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensures that the financial statements comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004;

the Company maintains suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed; and

it is appropriate for the financial statements to be prepared on a going concern basis.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board during the financial year appointed Mr Kyari Bukar as an Independent Non- Executive Director and the Chairman of the Company. It also appointed Mr Morufu Apampa and Mr Samuel Ogbodu as Managing Director/CEO and Executive Director, Technical & Operations respectively. Similarly, in accordance with article 93 of the Company's Article of Association, Mr Godwin Alegieuno and Mr.Philippe Ayivor will retire by rotation, and being eligible, will be offering themselves for re-election.

CORPORATE GOVERNANCE

The Board is responsible for the corporate governance of the Holding Company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the company and ensures that the financial statements comply with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004.

They are also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention and detection of fraud and irregularities.

During the year under review, the Company was managed by a Board of 10 Directors consisting of 7 non-Executive Directors (which includes the Chairman) and 3 Executive Directors.

The Board of Directors ensured that the Company's objectives were implemented through the following constituted board committees:

BOARD AUDIT COMMITTEE

The Committee is established in compliance with Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004 and it has the oversight responsibility for the Company's financial statements.

BOARD FINANCE & INVESTMENT COMMITTEE

The Board Committee oversees the Company's investment and corporate finance transactions, reviews management policies and guidelines, reviews the Company's investment performance, and the Company's capital structure. The Committee also makes recommendations to the Board concerning:

- 1 The Company's investment policies and guidelines, the Company's implementation of and compliance with those policies and guidelines, and the performance of the Company's investment portfolios and investment managers.
- 2 Corporate financial policies relating to capital structure, financial performance, in relation to both the capital and revenue budgets, including debt limits, dividend policy, stock splits and repurchases of stocks or other securities.
- The Company's Capital needs and financing arrangements, the Company's ability to access the capital market and management's financing plans.
- 4 The Company's policies and procedures for investment risk management.
- The Company's accounting and investment policies

BOARD TECHNICAL, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Committee has oversight functions over the internal control, assessment of associated risks in the Company's business and compliance functions within the Company.

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Committee has oversight functions in determining the terms of reference for the Executive Management. It recommends the remuneration of the Executive Directors.

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EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2016(Cont'd)

REINSURANCE ARRANGEMENTS

The company had treaty arrangements with the following Companies during the year:

Munich Mauritius Reinsurance Co. Ltd African Reinsurance Corporation Continental Reinsurance Plc Nigerian Reinsurance Corporation

EMPLOYMENT AND EMPLOYEES

Employment of disabled persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. During the year under review, there were no disabled persons in the Company's employment.

2. Health, safety at work and welfare of employees

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. The Company provides subsidies to all levels of employees for medical, transportation, housing, lunch, etc.

3. Employees' involvement and training

The Company is committed to keeping employees fully informed as far as possible regarding the Company's performance and progress and in seeking their views wherever practicable on matters which particularly affect them as employees.

Employees' development is carried out at various levels within the Company through both internal and external training.

Management, professional and technical expertise are the Company's major assets and investments in developing such skills continue.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of those schemes include bonus, etc.

AUDITORS

The Auditors, BDO Professional Services (Chartered Accountants) have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be proposed authorizing the Directors to determine their remuneration at the next Annual General Meeting.

Lagos, Nigeria

BY ORDER OF THE BOARD

John Nkemakonam Akujieze

COMPANY SECRETARY FRC/2014/NBA/00000007629

21 April 2017

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

We the undersigned hereby certify the following with regards to our audited report for the year ended 31 December 2016 that:

- (a) We have reviewed the report
- (b) To the best of our knowledge, the report does not contain:
 - (i) any untrue statement of a material fact, or
 - (ii) omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of and for the periods presented in the report.
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls
 - (ii) have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - (iii) have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.
 - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the Company and audit committee:
 - (i) all significant deficiencies in the design or operations of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls and
 - (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mr. Morufu Apampa FRC/2017/CIIN/00000016004

Managing Director/CEO

Affancent ?

Mr. Akeem Adamson FRC/2013/ICAN/00000002182 Chief Finance Officer

REPORT OF AUDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31 2016

In accordance with the provision of section 359(6) of the Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of the Company for the year ended 31 December 2016 and report as follows:

- 1 The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359 (6) of the Companies and Allied Matters Act. (CAP C20), LFN 2004.
- We have examined the Auditors report and findings and recommendations on management matters, we are satisfied with management responses thereon.
- 3 The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.
- 4 The Company maintained effective systems of accounting and internal controls during the year.
- 5 We are satisfied that the management is aggressively pursuing the goals and objectives of the Company.

Dated this 2.1.5. April 701

Mr. Samuel A. Adedoyin FCA

Chairman Audit Committee FRC/2013/ICAN/00000002573

Members of the Audit Committee:

1 Mr. Samuel A. Adedoyin FCA - Shareholder (Chairman)

2 Mr. Yinka Oniwinde - Shareholder

3 Prince Adebunmi Adebanjo - Shareholder (Deceased on 3rd November, 2016)

4 Mr. Godwin Alegieuno - Director 5 Mr. Ibikunle Balogun - Director 6 Mr. Olanrewaju Ogunbanjo - Director

Equity Assurance Plc is a public quoted company, committed to improving shareholder value through best business practices. The Company has consistently adopted, implemented and applied best practices in corporate governance, service delivery and value creation for all its stakeholders.

Good corporate governance is essential in earning and retaining the confidence and trust of stakeholders. It is designed to ensure the accountability of the Board and Management of the company to stakeholders.

The Company has provided structures upon which the objectives of the group and the means of attaining these objectives are set. The Company has designed and put in place charters, policies and processes, which are reviewed periodically to ensure proper organization and conduct of the company's business.

Equity Assurance Plc is committed to protect and increase shareholder's value through transparency Corporate Governance practices which imbibe local regulatory standards and international best practices. The Company ensures compliance with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission (the SEC Code), the Code of Corporate Governance for Insurance Industry in Nigeria (the NAICOM Code), the Companies and Allied Matters Act as well as disclosure requirements under the International Financial Reporting Standard (IFRS).

The principles of Corporate Governance and the standards therein have been incorporated into and reflected in a number of documents such as the Board charter, the charter of the various Board Committees, Company policies and staff handbook. The Company carries out a quarterly review of its compliance status, and a Board evaluation exercise was carried out for the year under review.

GOVERNANCE STRUCTURE

The Board of Directors

The ultimate responsibility for the governance of the Company resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the Company. The Board's oversight function is exercised through its various Committees, namely, Board Technical, Risk Management and Compliance Committee; Board Establishment, Human Resources and Governance Committee, Board Finance and Investment Committee and the Audit Committee. Through these Committees the Board sets broad policy guidelines, and ensures proper management of the Company on a regular basis.

The Board is comprised of Ten (10)members, Seven (7) of whom are Non-Executive Directors (including the Chairman of the Board) and three (3) are Executive Directors. The Board is made up of seasoned professionals who have excelled in their various professions and possess the requisite integrity, skill and experience to bring to bear independent judgement on the deliberations of the Board. The effectiveness of the Board is derived from the appropriate balance and mix of skills and experience of all the Directors. The Board meets once in every quarter and additional meetings are convened when required. The Board met four(4) times during the year ended December 31 2016. In addition, there were two statutory meetings held within the year under review (Annual General Meeting and Extraordinary General Meeting)

Role of Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive are separate, and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, and effectively monitor and provide advice necessary for the growth and success of the Company.

The responsibility for the day to day management of the Company is vested in the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers vested in him in accordance with guidelines approved by the Board of Directors. The Executive Management is accountable to the Board for the development and implementation of strategies and policies.

Directors Training

Training and Education of Directors on issues pertaining to their oversight function is a continuous process, which is necessary in order to update their knowledge and skills and keep them informed of new developments in the Company's business and operating environment. The training of its Directors is of great importance to the Company. The Directors received training locally during the financial period ended December 31 2016.

Board meetings attendance for year 2016

NAME	14/04/2016	15/07/2016	27/10/	20/12/2016
Mr.Kyari Abba Bukar	N/A	N/A	Р	Р
Mr. Ibidolapo Balogun	Р	Р	R	R
Mr Almamy Timite	Р	Р	Р	Р
Mr. Godwin Alegieuno	Р	Р	Р	Р
Mr. Ibikunle Balogun	Р	Р	Р	Р
Mr. Mohammed Bah	P	Р	Р	Α
Mr. Olanrewaju Ogunbanjo	Α	Р	Р	P
Mr. Philippe Ayivor	N/A	Р	Р	Α
Mr. Karim Franck-Dione	Р	Р	P	Α
Mr. Ekpe Ukpabio	P	Р	Р	R
	Mr. Kyari Abba Bukar Mr. Ibidolapo Balogun Mr Almamy Timite Mr. Godwin Alegieuno Mr. Ibikunle Balogun Mr. Mohammed Bah Mr. Olanrewaju Ogunbanjo Mr. Philippe Ayivor Mr. Karim Franck-Dione	Mr. Kyari Abba Bukar Mr. Ibidolapo Balogun Mr Almamy Timite Mr. Godwin Alegieuno Mr. Ibikunle Balogun Mr. Mohammed Bah Mr. Olanrewaju Ogunbanjo Mr. Philippe Ayivor Mr. Karim Franck-Dione N/A	Mr. Kyari Abba Bukar Mr. Ibidolapo Balogun P Mr Almamy Timite P Mr. Godwin Alegieuno Mr. Ibikunle Balogun P Mr. Mohammed Bah Mr. Olanrewaju Ogunbanjo Mr. Philippe Ayivor Mr. Karim Franck-Dione N/A N/A P P P P P R/A N/A P P P P P P P P P P P P P	Mr. Kyari Abba Bukar Mr. Ibidolapo Balogun P R Mr Almamy Timite P Mr. Godwin Alegieuno Mr. Ibikunle Balogun P Mr. Mohammed Bah P Mr. Olanrewaju Ogunbanjo Mr. Philippe Ayivor Mr. Karim Franck-Dione N/A N/A P R R R P P P P P P P P P

Board Finance & Investment Committee

The Board Committee oversees the Company's investment and corporate finance transactions, reviews management policies and guidelines, reviews the Company's investment performance, and the Company's capital structure. The Committee also makes recommendations to the Board concerning:

- 1. The Company's investment policies and guidelines, the Company's implementation of and compliance with those policies and guidelines, and the performance of the Company's investment portfolios and investment managers.
- Corporate financial policies relating to capital structure, financial performance, in relation to both the
 capital and revenue budgets, including debt limits, dividend policy, stock splits and repurchases of
 stocks or other securities.
- 3. The Company's Capital needs and financing arrangements, the Company's ability to access capital market and management's financing plans.
- 4. The Company's policies and procedures for investment risk management.
- 5. The Company's accounting and investment policies

Finance & Investment Committee membership and attendance for year 2016

S/N	NAME	11/7/2016	18/10/	20/12/2016
1	Mr Almamy Timite	A	Р	Р
2	Mr. Olanrewaju Ogunbanjo	P	Р	Р
3	Mr. Ibikunle Balogun	Р	Р	Р
4	Mr. Karim Franck-Dione	A	Р	Р
5	Mr. Ekpe Ukpabio	Р	Р	Α

Board Establishment, Human Resources & Governance Committee

The Board Establishment, Human Resources and Governance Committee assists the Board of Directors in performing its oversight functions of identifying, evaluating and making recommendations to the Board in respect of qualified individuals to be appointed Board members. The Committee formulates policies that guarantee effective Human Resources operations and the highest standard of Governance, consistency with the approved policy guidelines by the Board and the various Codes of Corporate Governance.

The Committee's terms of reference include but is not limited to the following:

- Making recommendations with respect to the composition of the Board and its committees.
- Making recommendation to the Board for evaluating the effectiveness of the Board's and Company's governance structure.
- 3. Evaluate and make recommendations to the Board regarding the adoption of best practices appropriate for the governance of the affairs of the Board, its committees and the Company.
- 4. Discharge the Board's responsibilities relating to compensation and benefits of the Company's Chief Executive Officer, officers of the Company who are designated as Principal Officers, and other Senior Officers, as appropriate, including responsibility for evaluating and reporting to the Board on matters concerning Management Performance, Compensation and Benefits, Appointments, Promotion and Separation.
- 5. Align human capital policies, programs, processes and systems to support accomplishment of the Company's mission, vision, goals and priorities.
- 6. Set strategic direction for Human capital development throughout the Company.
- 7. Recommend and periodically review the Company's compensation policy for Board approval.
- 8. Ensure that the Company's Board is independent, effective, competent and committed to enhancing shareholder value.

Board Establishment, Human Resources & Governance Committee membership and attendance for year 2016

S/N	NAME	30/6/2016	18/10/ 2016	8/12/2016
1	Mr. Olanrewaju Ogunbanjo	Р	Р	Р
2	Mr. Godwin Alegieuno	Р	Р	Р
3	Mr Almamy Timite	Р	Р	Р
4	Mr. Karim Franck-Dione	A	Р	Р
5	Mr. Ekpe Ukpabio	Р	Р	R

Board Technical, Risk Management & Compliance Committee

The Committee has oversight function over the implementation of the Company's Enterprise Risk Management Framework, assessment of the non financial risks inherent in the Company's operations and ensuring compliance with both regulatory provisions and directives and internally laid down policies. The Committee also has oversight over the implementation of the Company's Anti Money Laundering and Compliance program.

The Committee's terms of reference includes but is not limited to:

- * ensuring that sound technical, risk management and compliance policies and framework are in place to identify, access and manage risks within the Company's risk appetite as determined by the Board.
- * ensuring that the Company is fully compliant with statutory and regulatory guidelines and directives.
- * reviewing the adequacy and effectiveness of the Company's Risk Management and Controls.

Board Technical, Risk Management & Compliance Committee meeting and attendance for year 2016

S/N	NAME	18/5/2016	29/06/	19/10/2016	8/12/2016
1	Mr. Godwin Alegieuno	P	Р	P	Р
2	Mr Almamy Timite	P	Р	P	P
3	Mr. Ibikunle Balogun	P	Р	P	P
4	Mr. Karim Franck-Dione	A	Р	P	Р
5	Mr. Ekpe Ukpabio	Р	Р	Р	R

Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act CAP, C20 LFN 2004, the Company has an Audit Committee comprising 3 Directors and 3 Shareholders. The functions of the Audit Committee are as laid down in Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

Audit Committee Meeting and attendance for the year 2016

5/N	NAME	23/03/2016	29/06/ 2016	19/10/2016	7/12/2016
1	Mr. Oluyinka Oniwinde	Р	Р	Р	Р
7	Prince Adebunmi Adebanjo	P	Α	P	D
	Mr. Samuel Adedovin	Р	Р	P	P
	Mr. Godwin Alegieuno	Р	Р	P	P
	Mr. Olanrewaju Ogunbanjo	Р	Р	N/A	N/A
6	Mr. Ibikunle Balogun	Р	Р	P	P
7	Mr Almamy Timite	N/A	N/A	Р	Р

Key

- P Present
- A Absent
- R Resigned from the Board
- N/A Not a Board member or Board committee member at the date of the meeting
- D Deceased

Shareholders

The General Meeting of the Company is conducted in a transparent and fair manner. Shareholders have ample time and opportunity to express their opinions on the Company's financial performance and other issues affecting the Group. Representatives of the National Insurance Commission, Nigerian Stock Exchange, Securities and Exchange Commission, Shareholder Associations and members of the press are invited to observe the proceedings of the meeting. Attendance at the meetings is open to all Shareholders or their proxies.

Protection of Shareholders Rights and Communication to Shareholders

The Board ensures the protection of the statutory and general rights of Shareholders at all times, particularly their right to vote at General Meetings. All Shareholders are treated equally regardless of volume of shareholding or social status.

The Board and Management of the Company ensure that accurate communication and information regarding the operations of the Company is properly disseminated to Shareholders, Stakeholders and the general public timely and continuously. These information which includes the Company's Annual Reports are also made available on the Company's web portal at www.equityassuranceplc.com.

Independent Advice

Independent professional advice is available on request to the Board at the expense of the Company where such advice is required to enable the Board members effectively perform their duties.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2016

As at 31 December 2016, Equity Group comprises of Equity Assurance Plc (Parent company) and 3 subsidiaries. The group's major business activities are insurance, health and asset management respectively.

This "Management Discussion and Analysis" (MD&A) has been prepared as at 31 December 2016 and should be read in conjunction with the consolidated financial statements of EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES.

Forward Looking Statements

The MD & A contains forward looking statements related to Equity Assurance Plc financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. When used in this MD&A the words "believe", "anticipation", "intended", "estimate" and similar expressions are used to identify forward looking statements, although not all forward looking statements contain such words. These statements reflect management's current belief and are based on information available to Equity Assurance Plc and are subject to certain risk, uncertainties and assumptions.

Business Strategy of the Company and Overall Performance

The Group is engaged in providing insurance, health management and investment management to the corporate and retail sector of Nigeria. During the year ended December 31, 2016, in order to align with Section 24 of the Insurance Act 2003, the Company disposed off its shareholding in Equity Assurance Limited, Ghana. Equity Assurance Plc began the implemention of the NAICOM directive on "no premium no cover policy" from the 1 January 2013. The policy aims to stimulate liquidity within the system by reducing the huge receivables being carried on the statement of financial position of insurance companies. This will positively impact the income statements of insurance companies by eliminating the large portion of provision for outstanding premium charged for the receivables and make more cash available which can be used to generate more investment income.

On the contrary, this would reduce the premium income recognised by companies initially (as premium would only be recognised when cash is received) but the situation would normalize as the insured public adjust their cash flow management to the new regulation.

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

Operating Result, Cashflow and Financial Condition

(in thousands of Nigerian Naira)

with the second		Group		Co	mpany	
	Dec-16	Dec-15	%chg	Dec-16	Dec-15	%chg
Gross premium written	4,836,334	4,470,627	8	2,014,077	2,476,046	(19)
Net premium income	3,580,531	3,513,393	2	1,263,319	1,966,412	(36)
Underwriting results	952,712	1,801,272	(47)	(124,029)	1,061,134	(112)
Investment income	563,049	576,916	(2)	306,444	411,604	(26)
Operating expenses	(3,433,567)	(2,797,654)	23	(2,054,218)	(1,854,009)	11
Loss before tax	(242,462)	(508,500)	(52)	(188,967)	(717,038)	(74)

% change = Percentage change in years.

The Group experienced an increase of 8% in gross written premium when compared to prior year result. The increase was attributed to increasing marketing network via the various agency outlets spread accross the country with key emphasis on providing insurance services and products that meet the global needs of customers.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

Revenue and Underwriting Results

However, the underwriting profit at the end of the year decreased from N1.801billion in 2015 to N0.953billion in 2016, a decrease of 47%. The fell in underwriting profit can be attributed to increase of 84% in net claims incurred from N1.029Billion in 2015 to N1.896Billion in 2016.

Investment Income

Investment income for the year amounted to N563.05million, a decrease of 2% over December 2015 figure of N576.92million. This can be attributed to the downward movement in interest received on placement held with financial institutions in Nigeria in most part of 2016 financial year.

Operating Expenses

Operating expenses for the year totalled N3.434billion an increase of 23% when compared to prior year figure of N2.798billion. The main contribution to increase in operating expenses was the fine of N432Million imposed on the Company by NAICOM for violation of its guidelines on Aviation businesses.



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INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated and separate financial statements of Equity Assurance Plc ("the company") and its subsidiary companies ("together the Group"). These financial statements comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cashflows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Modified Opinion section of our audit report, the accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011, the Companies and Allied Matters Act, CAP C20, LFN 2004, Insurance Act, CAP I17, LFN 2004 and the Guidelines issued by National Insurance Commission.

Basis for Qualified Opinion

2. Included in other operating income of N1,305,686,000 is an amount of N1,172,494,000 representing interest written back on convertible redeemable Daewoo loan (Note 21.3). As a result of this, exchange loss on the loan and interest arising during the year amounting to N730,831,000 and N304,518,000 respectively were not reconginsed. The company's records indicate that, had the interest not been written back and the exchange loss and interest recognised in the income statement, the loss for the year would have been N2,459,628,000 (Group - N2,615,516,000), borrowings and shareholders' funds would have been N3,343,877,000 (Group - N3,341,382,000) and N2,713,172,000 (Group -N3,142,273,000) respectively which is below the minimum required capital of N3billion and hence a shortfall of N850million in solvency margin.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements on page 23. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section we have determined that there are no other key audit matters to communicate in our report.

Other Information

4. The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors reports but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.



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

Responsibilities of Directors for the Financial Statements

5. The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004, Insurance Act, CAP I17, LFN 2004 and the Guidelines issued by National Insurance Commission, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is contained on page 23 of these financial statements. This description forms part of our audit report.

Report on other legal and regulatory requirements

- 7. The Companies and Allied Matters Act, CAP C20, LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - ii) in our opinion, proper books of account have been kept by the Company, and

iii) the Company's statement of financial position and income statement are in agreement with the books of account.

Ebenezer O. Olabici FRC/2012/ICAM/00000000104 For: BDO Professional Services

Chartered Accountants

Lagos, Nigeria 19 June 2017



Details of Auditors responsibilities for the audit of the financial statements

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

1 REPORTING ENTITY

These financial statements are the consolidated financial statements of Equity Assurance Plc, a Company incorporated in Nigeria and its subsidiaries (hereafter referred to as 'the Group').

The Company emerged as a result of the merger between Equity Indemnity Insurance Limited and First Assurance Plc. In the scheme of the merger arrangement, First Assurance Plc acquired the net assets of Equity Indemnity Insurance Limited and subsequently changed its name to Equity Assurance Plc.

The Company was incorporated in Nigeria as a private limited liability company, on December 13, 1984 to carry out non-life insurance business and was converted to a Public Liability Company in 1985.

The principal activities of the Group is mainly the provision of non-life insurance, health management, assets management and hospitality services.

The consolidated financial statements for the year ended December 31, 2016 were approved for issue by the Board of Directors on 21 April 2017.

2 BASIS OF PREPARATION

(a) GOING CONCERN

The directors assess the group's future performance and financial position on a going concern basis and have no reason to believe that the group will not be a going concern in the year ahead.

(b) STATEMENT OF COMPLIANCE WITH IFRS

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRSs) and in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and the Financial Reporting Council of Nigeria.

(c) BASIS OF MEASUREMENT

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- Non-derivative financial instruments are measured at fair value through profit or loss.
- · Available-for-sale financial assets that are measured at fair value.
- Investment property is measured at fair value.
- · Insurance liabilities measured at present value of future cashflows.

(d) USE OF SIGNIFICANT ESTIMATES, ASSUMPTIONS AND MANAGEMENT JUDGEMENT

The presentation of the group's consolidated financial statements requires management to make estimates and judgement that affect the reported amount of assets and liabilities at the reporting date and the reported amount of income and expenses during the year ended.

The Group makes estimates and assumptions about the future that affect the reported amounts of assets, liabilities, income, expenses and equity. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 4 of the financial statements.

(e) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the consolidated financial statement of each entity of the group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity(" the functional currency"). These consolidated financial statements are presented in Nigerian Naira(N), which is the Company's functional currency. The financial information has been rounded to the nearest thousands, except as otherwise indicated.

(f) REGULATORY AUTHORITY AND FINANCIAL REPORTING

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM) under the Nigeria Insurance Act. The Act specifies certain provisions which have impact on financial reporting as follows:

- (i) Section 20(1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.
- (ii) Section 20(1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10% of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review.
- (iii) Section 21(1a) requires maintenance of contingency reserves for general businesses at specified rate as set out under Note 3.17 to cover flunctuations in securities and variation in statistical estimates
- (iv) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.
- (v) Section 10(3) requires insurance companies in Nigeria to deposit 10% of the minimum paid up share capital with the Central Bank of Nigeria
- (vi) Section 25(1) requires an insurance company operating in Nigeria to invest and hold investment in Nigeria assets equivalent to not less than the amount of policyholders' funds in such accounts of the insurer. Note 52 sets out assets allocation that covers policyholders' funds.

Section 59 of the Financial Reporting Council Act , 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provision of the FRC Act has promulgated IFRS as the National financial reporting framework of Nigeria. Consequently, the provision of Section 20(1b) of the Insurance Act 2003 which conflicts with the provisions of IFRS have not been adopted. Section 20(1b) of the Insurance Act requires provision of 10% for outstanding claims in respect of claims incurred but not reported at the end of the year under review whereas Claims incurred but not reported liabilities have been estimated in line with accounting policy.

(g) OFFSETTING

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

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

2.1 Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. Additional information required by National regulations is included where appropriate.

The consolidated financial statements comprise the consolidated statement of financial position, the statements of changes in equity, the consolidated statement of cash flows and the notes.

2.2 New standards, interpretations and amendments effective from 1 January 2016

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31 December 2016. They have not been adopted in preparing the financial statements for the year ended 31 December 2016 and are expected to affect the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

FRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
FRS 9 (2014) issued Jul 2014)	Financial Instruments	Classification and measurement Financial assets will either be measured - at amortised cost, - fair value through other comprehensive income (FVTOCI) or - fair value through profit or loss (FVTPL). Impairment The impairment model is a more 'forward looking' model in that a credit event no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition. Hedging The new hedge accounting model introduced the following key changes: -Simplified effectiveness testing, including removal of the 80-125% highly effective threshold -More items will now qualify for hedge accounting, e.g. pricing components within a non-financial item, and net foreign exchange cash positions -Entities can hedge account more effectively the exposures that give rise to two risk positions (e.g. interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods -Less profit or loss volatility when using options, forwards, and foreign currency swaps -New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.	or after 1 January 2018	The first time application of IFRS 9 will have a wide and potentially very significant impact on the accounting for financial instruments. The new impairment requirements are likely to bring significant changes for impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or loss. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

IFRS Reférence	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 15 Issued in May 2014	Revenue from	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract (iii)Determine the transaction price (iv)Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.		The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i)At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be 'unbundled' into two o more components; (iii)how should contracts which include variable amounts of consideration be dealt with; (iv)what adjustments are required for the effects of the time value of money; (v) what changes will be required to the company's internal controls and processes.

3 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are defined as those that are reflective of significant judgements and uncertainties and potentially give rise to different results under different assumptions and conditions.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 CONSOLIDATION

(i) Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has power to govern the financial and operating policies so as to obtain benefits from their activities.

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

Inter- company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the Company entity is measured at cost.

Acquistion - related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re- measured to fair value at the acquisition date through profit or loss.

(ii) Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity, accounted investment or as an available - for - sale financial asset depending on the level of influence retained.

(iii) Special purpose entities

Special purpose entities that are created to accomplish a narrow and well- defined objective such as the securitisation of particular assets, or the execution of specific borrowings or lending transactions or the provision of certain benefits to employee.

The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

3.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

3.3 FINANCIAL ASSETS

3.3.1 Classification of financial assets

The Group classifies its financial assets into the following categories:,

- (a) Financial assets at fair value through profit or loss
- (b) Available-for-sale financial assets
- (c) Held-to-maturity
- (d) Loans and receivables

The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this at each reporting date.

A financial asset is classified into the 'financial assets at fair value through income category at inception if acquired principally for the purpose of selling in the short-term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

(a) Fair value through profit or loss

Fair value through profit or loss financial assets can be classified into two sub-categories, namely:

- i) those which are held for trading, and
- ii) those designated at fair value through profit or loss at inception.

(i) Held-for-trading

A financial asset must be classified as fair value through profit or loss when the instrument is deemed to be held-for-trading.

Management designates a financial instrument which is held-for-trading to any other category of financial instruments (e.g. as available-for-sale or held-to-maturity) if it

- i. is acquired principally for the purpose of selling in the short-term, or
- ii. forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking

(ii) Other financial assets designated at fair value through profit or loss

Management may elect to designate any financial asset at fair value through profit or loss. Such a designation by management may only be made at initial recognition and is an irrevocable decision. Two possible situations where management may want to designate financial instruments which are not held-for-trading are as follows:

- Instruments held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; and
- Instruments managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel. The company's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated as such by management in this category or not classified in any of the other categories. Unquoted equity securities whose fair values cannot be reliably measured are carried at cost less impairment allowance if any. All other available -for- sale investments are carried at fair value. Dividends received on Available-for-sale financial assets are recognized in the statement of profit or loss and other comprehensive income in the period in which the dividends are approved by the investee Companys' shareholders in the annual general meeting and the Group's right to receive payment has been established. Foreign exchange gains or losses on availabe-for- sale debt security investments are recognized in profit or loss.

A non- derivative financial asset may be reclassified from the available-for-sale category to the loans and receivable category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. These assets are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of debt securities held to maturity is established when there is objective evidence that the company will not be able to collect all amounts due according to their original terms.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through income or available for sale. Loans and receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of loans and receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to their original terms. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

(d)(i) Trade receivables

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment.

3.3.2 Measurement

Regular-way purchases and sales of financial assets are recognized on trade-date which is the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognized at fair value, in the case of all financial instruments not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to cash flows from them have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as net realized gains/losses on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement. Dividends on available-for-sale equity instruments are recognized in the income statement when the company's right to receive payments is established. Both are included in the investment income line.

3.3.3 De-recognition

The Group derecognizes a financial asset when the contractual rights to the cashflows from the financial asset expire, or when it transfers the rights to receive contractual cashflows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

3.3.4 Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3.3.5 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

For financial instruments traded in active markets, the determination of fair values of financial assets and liabilities is based on quoted market prices readily available in major exchanges (for example, NSE, LSE).

For all other financial instruments, fair value is determined using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing model making maximum use of market inputs and relying as little as possible on entity-specific inputs.

In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

3.3.6 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financials is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(a loss event) and that loss event (or events) has an impact on the estimated future cashflows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

- (i) significant financial difficulty of the issuer or debtor
- (ii) it becomes probable that the premium debtors will enter bankruptcy or other financial re-organization
- (iii) a breach of contract, such as a default or delinquency in interest or principal payments
- (iv) deterioration of the borrower's competitive position
- (v) deterioration in the value of collaterals
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group

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

(a) For assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Asset that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated income statement.

For assets classified as available for sale, the Group assesses at each reporting date whether there is (b) objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting into the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12months or longer is considered to be prolonged. If any such quantitative evidence exists, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated income statement.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

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

3.4 REINSURANCE RECEIVABLES

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for the insurance contracts in accounting policy 4 are classified as reinsurance contracts held. Contract that do not meet these classification requirements are classified as financial assets. Insurance contracts entered in to by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. Reinsurance assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a yearly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

(a) Receivables and payables related to insurance contracts

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

3.5 DEFERRED ACQUISITION COSTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

3.6 PREPAYMENTS AND OTHER RECEIVABLES

Other receivables are made up of prepayments and other amounts due from parties which are not directly linked to insurance or investment contracts, prepayments are carried at amortised cost. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit and loss account. Prepayments are carried at cost less amortisation and accumulated impairment losses

3.7 INVESTMENT IN SUBSIDIARIES

In the separate financial statements of Equity Assurance Plc, investments in subsidiaries is accounted for at cost.

3.8 INVESTMENT PROPERTIES

Properties that are held for long-term rental yields or for capital appreciation or both and that are insignificantly occupied by the entities in the consolidated group are classified as investment properties. These properties consist of office and residential buildings. The Group considers the owner-occupied portion as insignificant when it occupies less than 20 percent. In order to determine the percentage of the portions, the Group uses the size of the property measured in square metre.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the date of the consolidated statement of financial position.

Gains or losses arising from the changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred. The fair value of investment property is based on the nature, location and condition of the specific asset.

Rent receivable is recognized in profit or loss and is spread on a straight-line basis over the period of the lease. Where lease incentive, such as a rent free period are given to a Lessee, the carrying value of the related investment property excludes any amount reported as a separate asset as a result of recognizing rental income on this basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

3.9 INTANGIBLE ASSETS

(i) Software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. Development costs previously expensed cannot be capitalized. The capitalized costs of internally developed software include all costs attributable to developing the software and capitalized borrowing costs and are amortized over its useful life. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software is five years. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the company acquired at the date of acquisition. Goodwill is tested annually for impairment and carried as cost less accumulated impairment losses. Impairment losses in goodwill are not reversed.

(iii) Amortization of investment in Equity Resort Hotel Limited

The Company's investment in Equity Resort Hotel Limited will be written off over the concession period of 25 years and is tested annually for possible impairment. Profit/(loss) accruing to the Company from the operations of the Hotel will be taken into statement of profit or loss and other comprehensive income.

3.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Property, plant and equipment are initially recorded at cost. Land and building are subsequently carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Any increase in assets carrying amount, as a result of revaluation is credited to other comprehensive income and accumulated in Revaluation Surplus within Revaluation reserves in equity. The increase is recognized in profit or loss to the extent that it reverses reduction decrease of the same asset previously recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

(iii) Depreciation

Depreciation is recognized in Profit or Loss and is provided on a straight-line basis over the estimated useful life of the assets. Depreciation methods, estimated useful lives and residual values are reviewed annually and adjusted when necessary. The average useful lives per class of asset are as follows:

Assets class	Average useful life
Buildings	50 years
Office equipment	5 years
Furniture and fittings	5 years
Motor Vehicles	5 years

(iv) De-recognition

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

3.10.1 LEASES

Leases are accounted for in accordance with IAS 17 AND IFRIC 4. They are divided into finance and operating leases respectively.

(a) When the Group is the Lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

(ii) Finance lease

Leases, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) When the Group is the Lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return.

3.10.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value- in- use and fair value less costs to sell, the asset is written down accordingly.

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For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. The Company has two cash-generating units for which impairment testing is performed. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in other comprehensive Goodwill and intangible assets with indefinite useful lives will be tested for impairment annually, regardless of any indicators an impairment of goodwill will not be reversed.

3.11 STATUTORY DEPOSIT

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2004. Statutory deposit is measured at cost.

3.12 INSURANCE CONTRACT LIABILITIES

The Group underwrites risks that individuals, corporate and other entities wish to transfer to an insurer. These risks relate to property, personal accident, motor, liability, marine and other perils which may arise from an insured event. The company is therefore exposed to uncertainty surrounding the timing, frequency and severity of claims under insurance contracts. The major risk is that the frequency and severity of claims may be greater than estimated or expected. The Group is engaged in the general and health insurance businesses and most of the risks it underwrites are insurance which claims are settled within one year of the occurrence of the events giving rise to the In accordance with IFRS 4 on insurance contracts, the Company has continued to apply certain accounting policies which are applied in accordance with pre-changeover Nigeria GAAP.

Technical Reserves

Technical Reserves are statutory amounts which are computed in accordance with the provisions of Sections 20(1) (a) of the Insurance Act of Nigeria CAP I17 LFN 2004 as follows:

a) Insurance Funds

i) Reserves for unearned premium

Reserves for unearned premium is made on the basis of percentage of net premiums written on time apportionment in accordance with section 20(1) (a) of the Insurance Act of Nigeria CAP I17 LFN 2004.

ii) Reserves for additional unexpired risk

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

iii) Reserves for outstanding claims

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

b) Liability adequacy test

This is an assessment of whether the carrying amount of an insurance liablity needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets decreased), based on a review of future cashflows. At each reporting date the Company performs a liability adequacy test on its insurance liabilities less deferred policy acquisition expenses to ensure that the carrying amount is adequate. If the assessment shows that the carrying amount is inadequate, the deficiency is recognized in the income statement by setting up an additional provision in the statement of financial position at amortised cost. The impairment loss is calculated under the same method.

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The provisions of the Insurance Act CAP I17, 2004 requires an actuarial valuation for life reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act of Nigeria, CAP I17 LFN,2004 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act of Nigeria, CAP I 17 2004, it well serves the Company's prudential concerns.

3.13 TRADE AND OTHER PAYABLES

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

3.14 BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds(net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the statement of financial position.

3.15 INCOME TAX

Income tax expense comprises current and deferred tax

(i) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognized as an expense for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity for example, current tax on available-for-sale investment.

(ii) Deferred income tax

Deferred income tax is provided using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and in relation to acquisitions on the difference between the fair values of the net assets acquired and their tax base.

However, deferred income tax is not recognized for:

- (a) Temporary differences arising on the initial recognition of goodwill
- (b) Temporary differences on the intial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- (c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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Deferred tax assets are recognized when it is probable that future taxable profit will be available against which these temporary differences can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.16 SHARE CAPITAL AND PREMIUM

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Share premium accounts for the amount the Company raises in excess of par value.

3.16.1 TREASURY SHARES

Where any member of the Group purchases the Company's equity share capital(treasury shares), the consideration paid, including any directly attributable costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed off, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.16.2 DIVIDENDS

Dividends on the company's ordinary share are recognized in equity in the period in which they are approved by the company's shareholders. Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the year which the dividend is approved by the company's shareholders.

3.17 CONTINGENCY RESERVE

Contingency reserve is credited at the higher of 3% of total premiums during the year and 20% of net profit per year, until it reaches the higher of the minimum paid up capital or 50% of net premium in accordance with Section 21 (2) of the Insurance Act CAP I17, LFN 2004.

When the group's land and building are revalued by independent professional valuer, surpluses arising on the revaluation of these assets are credited to the asset revaluation reserve account. When assets previously revalued are disposed off, any revaluation surplus relating to the disposed assets is transferred to retained earnings.

3.18 RETAINED EARNINGS

This represents the amount available for dividend distribution to the equity shareholders of the Company.

3.19 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Nigerian Naira (N), which is the Group's presentation currency.

(b) Transactions and balances

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

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

(c) Foreign Operations

The results and financial position of all the subsdiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position.
- ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions.

All resulting exchange differences are recognised in other comprehensive income.

The group applies IAS 27- Consolidated and Separate Financial Statements in accounting for acquisitions of non-controlling interests. Under this accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore, no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary.

3.21 REVENUE RECOGNITION

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

- (a) Rendering services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.
- (b) Dividend income: Dividend income for available-for sale equities is recognised when the right to receive payment is established, this is the ex- dividend date for equity securities.

Recognition and Measurement of Insurance Contracts

i Gross premium written

Gross premium is recognized at the point of attachment of risk to a policy before deducting cost of reinsurance cover. All written premium relating to risk for period not falling due within the accounting period is carried forward as an unearned premium.

ii Gross premium earned

Gross premium earned is stated at premium written on direct and indirect business after deducting premium relating to unexpired risks which is determined on time apportionment basis.

iii Net premium earned

Net premium represents total amount invoiced to policy holders less reinsurance and is recognized as an income from the date of attachment of risk.

iv Reinsurance premium

The Group cedes reinsurance in the normal course of business with retention limits varying by line of business for the purpose of limiting its net loss potential. Reinsurance arrangements however do not relieve the Company from its direct obligation to its policy holders. This is recognized as an expense or deduction from the gross premium and it relates to premium on business ceded on treaty and facultative and is recognized on part apportionment basis.

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3.22 REINSURANCE EXPENSES

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

3.23 COMMISSION INCOME

Commissions earned are recognized on ceding businesses to the reinsurers and other insurance companies and are credited to the income statement.

3.24 CLAIMS AND LOSS ADJUSTMENT EXPENSES

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims.

Liabilities for unpaid claim are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

(a) Salvages

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim.

The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

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

3.25 UNDERWRITING EXPENSES

Underwriting expenses comprise acquistion costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing exisitng policies/contract.

(a) Commission expenses

Commission expenses are brokerage fees paid to brokers and agents which are certain percentages based on the class of business underwritten as below:

Class of business	%
Motor	12.5
General Accident	20
Marine	20
Fire	20

(b) Maintenance expenses

Maintenance expenses are expenses incurred in servicing existing policies/contract. These expenses are charged to the revenue account in the accounting period in which they are incurred.

3.26 EMPLOYEE BENEFIT EXPENSES

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees contribute 8% and the Group contribute 10% of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2004. The Group pays contributions to pension fund administrator on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER, 2016

(b) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

3.27 OTHER OPERATING EXPENSES

Other expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include rents, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognised in the income statement upon utilization of the service or at the date of their origin.

3.28 INTEREST INCOME AND EXPENSES

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

3.29 EARNINGS PER SHARE

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

3.30 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it can earn and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components, whose revenues and operating results are reviewed regularly by Executive Management to make decisions about the resources allocated to each segment and assess its performance, and for which discrete financial information is available. All costs that are directly traceable to the operating segments are allocated to the segment concerned while indirect costs are allocated based on the benefits derived from such costs.

3.31 CONTINGENT LIABILITIES

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the ocurrence or non-ocurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of illegal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

Financial assets - At fair value through profit or loss - At fair value through profit or loss - At fair value through profit or loss - Available-for-sale - Available for-sale reserve - Availab		NOTES	Group 2016	Group 2015	Company 2016	Company 2015
Financial assets - At fair value through profit or loss - At fair value through profit or loss - Available-for-sale - Available for-sale - Available for-sale reserve	ASSETS					
- At fair value through profit or loss	Cash and cash equivalents	6.1	3,599,976	3,596,868	3,083,899	3,169,212
- Available-for-sale	Financial assets					
- Held-to-maturity 7.3	- At fair value through profit or loss	7.1	87,599	95,293	84,071	91,934
Trade receivables 8 271,360 489,931 - 4,078 Reinsurance receivables 9 870,359 1,236,171 870,359 938,435 Deferred acquisition costs 10 95,863 247,150 95,863 142,245 Prepayments and other receivables 11 400,683 497,210 320,639 307,000 Investment in subsidiaries 12 - - 659,624 929,976 Investment properties 13 351,400 397,477 301,400 301,400 Goodwill and Intangible assets 14 865,587 972,035 853,667 909,447 Property, plant and equipment 15 3,391,045 3,427,816 2,966,375 2,889,215 Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 17 2,577,030 2,706,871 2,577,030 2,143,016 Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables <t< td=""><td>- Available-for-sale</td><td>7.2</td><td>36,008</td><td>35,758</td><td>36,008</td><td>35,758</td></t<>	- Available-for-sale	7.2	36,008	35,758	36,008	35,758
Reinsurance receivables 9 870,359 1,236,171 870,359 938,435 Deferred acquisition costs 10 95,863 247,150 95,863 142,245 Prepayments and other receivables 11 400,683 497,210 320,639 307,005 Investment in subsidiaries 12 659,624 929,976 Investment properties 13 351,400 397,477 301,400 301,400 Goodwill and Intangible assets 14 865,587 972,035 853,667 909,447 Property, plant and equipment 15 3,391,045 3,427,816 2,966,375 2,898,211 Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 10,269,880 11,845,985 9,571,905 10,027,716 Liabilities 17 2,577,030 2,706,871 2,577,030 2,143,012 Trade payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800	- Held-to-maturity	7.3	-	525,974		
Deferred acquisition costs 10 95,863 247,150 95,863 142,245 Prepayments and other receivables 11 400,683 497,210 320,639 307,005 Investment in subsidiaries 12 - - 659,624 929,976 Investment properties 13 351,400 397,477 301,400 301,400 Goodwill and Intangible assets 14 865,587 972,035 853,667 909,447 Property, plant and equipment 15 3,391,045 3,427,816 2,966,375 2,898,215 Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 17 2,577,030 2,706,871 2,577,030 2,143,016 Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 2	Trade receivables	8	271,360	489,931		4,078
Prepayments and other receivables	Reinsurance receivables	9	870,359	1,236,171	870,359	938,439
Investment in subsidiaries	Deferred acquisition costs	10	95,863	247,150	95,863	142,249
Investment properties	Prepayments and other receivables	11	400,683	497,210	320,639	307,005
Goodwill and Intangible assets 14 865,587 972,035 853,667 909,447 Property, plant and equipment 15 3,391,045 3,427,816 2,966,375 2,898,21 Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 10,269,880 11,845,985 9,571,905 10,027,716 Liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Insurance contract liabilities 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,	Investment in subsidiaries	12	-	-	659,624	929,976
Property, plant and equipment 15 3,391,045 3,427,816 2,966,375 2,898,216 Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 10,269,880 11,845,985 9,571,905 10,027,716 Liabilities Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 01,013 01,013 01,013 01,013 01,013 01,013 01,013 01,013 01,013 01,013 01,014	Investment properties	13	351,400	397,477	301,400	301,400
Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 10,269,880 11,845,985 9,571,905 10,027,716 Liabilities Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY Paid up share capital 24 7,000,000 7,000,000 7,000,000 7,000,000 7,000,000 7,000,000 7,000,000 7,000,000 <	Goodwill and Intangible assets	14	865,587	972,035	853,667	909,447
Statutory deposit 16 300,000 324,302 300,000 300,000 Total assets 10,269,880 11,845,985 9,571,905 10,027,716 Liabilities Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY 21 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023	Property, plant and equipment	15	3,391,045	3,427,816	2,966,375	2,898,218
Liabilities Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY Paid up share capital 24 7,000,000 7,000,000 7,000,000 7,000,000	Statutory deposit	16	300,000	324,302	300,000	300,000
Insurance contract liabilities 17 2,577,030 2,706,871 2,577,030 2,143,016 Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,160 EQUITY 2 7,000,000	Total assets		10,269,880	11,845,985	9,571,905	10,027,716
Trade payables 18 36,031 148,998 13,132 43,013 Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,160 EQUITY 24 7,000,000 <td>Liabilities</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Liabilities					
Other payables 19 950,746 865,555 786,076 577,916 Deposit for shares 20 18,179 800 - Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY Paid up share capital 24 7,000,000 7,000,	Insurance contract liabilities	17	2,577,030	2,706,871	2,577,030	2,143,016
Deposit for shares Borrowings 11,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22,143,456 23,607,84 22,359 24,8994 27,359 28,992 28,992 29,143,456 29,148 20,359 20,000	Trade payables	18	36,031	148,998	13,132	43,013
Borrowings 21 1,133,538 1,945,815 1,136,033 1,955,095 Income tax liabilities 22 143,456 153,657 89,625 87,132 Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY Paid up share capital 24 7,000,000 7,000,000 7,000,000 7,000,000	Other payables	19	950,746	865,555	786,076	577,916
Income tax liabilities Deferred tax 23	Deposit for shares	20	18,179	800	-	-
Deferred tax 23 60,784 22,359 48,994 48,994 Total liabilities 4,919,764 5,844,055 4,650,890 4,855,160 EQUITY Paid up share capital 24 7,000,000 4,000,000 4,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465 1,023,465	Borrowings	21	1,133,538	1,945,815	5. 60	27.7
Total liabilities 4,919,764 5,844,055 4,650,890 4,855,166 EQUITY Paid up share capital 24 7,000,000	Income tax liabilities	22	143,456	153,657		87,132
EQUITY Paid up share capital 24 7,000,000 7,000,000 7,000,000 7,000,000	Deferred tax	23	60,784	22,359	48,994	48,994
Paid up share capital 24 7,000,000 7,000,000 7,000,000 7,000,000 Share premium 25 1,023,465 1,023,465 1,023,465 1,023,465 Contingency reserves 26 792,148 837,291 792,147 731,725 Revaluation reserves 27 156,490 168,890 156,490 168,890 Available for sale reserve 28 250 - 250 Retained earnings 29 (3,821,545) (3,419,521) (4,051,337) (3,751,530) Foreign currency translation reserve - (43,974) - - - - 5,150,808 5,566,151 4,921,015 5,172,556 Non controlling interest 30 199,308 435,779 - </td <td>Total liabilities</td> <td></td> <td>4,919,764</td> <td>5,844,055</td> <td>4,650,890</td> <td>4,855,166</td>	Total liabilities		4,919,764	5,844,055	4,650,890	4,855,166
Share premium 25 1,023,465 1,023,465 1,023,465 1,023,465 Contingency reserves 26 792,148 837,291 792,147 731,725 Revaluation reserves 27 156,490 168,890 156,490 168,890 Available for sale reserve 28 250 - 250	EQUITY					7 000 000
Contingency reserves 26 792,148 837,291 792,147 731,725 Revaluation reserves 27 156,490 168,890 156,490 168,890 Available for sale reserve 28 250 - 250 Retained earnings 29 (3,821,545) (3,419,521) (4,051,337) (3,751,530 foreign currency translation reserve - (43,974) - 5,150,808 5,566,151 4,921,015 5,172,550 Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,550	Paid up share capital					
Revaluation reserves 27 156,490 168,890 156,490 168,890 Available for sale reserve 28 250 - 250 Retained earnings 29 (3,821,545) (3,419,521) (4,051,337) (3,751,530) Foreign currency translation reserve - (43,974) - 5,150,808 5,566,151 4,921,015 5,172,550 Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,550	Share premium	25				
Available for sale reserve Retained earnings Foreign currency translation reserve Total equity 28 250 29 (3,821,545) (3,419,521) (4,051,337) (3,751,530) (4,051,337) (3,751,530) (4,051,337) (3,751,530) (4,051,337) (4,051,337) (5,172,550) (4,051,337) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (4,051,337) (5,172,550) (5,172,550) (5,172,550) (5,172,550) (5,172,550) (5,172,550) (6,001,930) (6,00	Contingency reserves	26	792,148	No. 2007-2011-2007-2011-2017-2017-2017-2017-		
Retained earnings 29 (3,821,545) (3,419,521) (4,051,337) (3,751,530) Foreign currency translation reserve 5,150,808 5,566,151 4,921,015 5,172,550 Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,550	Revaluation reserves	27	156,490	168,890		168,890
Foreign currency translation reserve - (43,974) - 5,150,808 5,566,151 4,921,015 5,172,556 Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,556	Available for sale reserve	28	250			-
5,150,808 5,566,151 4,921,015 5,172,556 Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,556	Retained earnings	29	(3,821,545)	(3,419,521)	(4,051,337)	(3,751,530)
Non controlling interest 30 199,308 435,779 - Total equity 5,350,116 6,001,930 4,921,015 5,172,550	Foreign currency translation reserve			(43,974)		
Total equity 5,350,116 6,001,930 4,921,015 5,172,550					4,921,015	5,172,550
Total equity	Non controlling interest	30	199,308	267/2	· ·	-
Total liabilites and equity 10.269,880 11,845,985 9,571,905 10,027,716	Total equity		5,350,116	6,001,930	4,921,015	5,172,550
	Total liabilites and equity		10,269,880	11,845,985	9,571,905	10,027,716

The financial statements and notes on pages 44 to 108 were approved by the Board of Directors on 21 April Atomano

2017 and signed on its behalf by:

Mr. Kyari Bukar FRC/2013/IODN/0000002050

Chairman

Mr. Morufu Apampa FRC/2017/CIIN/00000016004 Managing Director

Mr. Akeem Adamson FRC/2013/ICAN/00000002182 Chief Financial Officer

The accounting policies on pages 24 to 43, notes on pages 52 to 102 and other national disclosures on pages 103 to 108 form an integral part of these financial statements.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016 (IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

(IN THOUSAND OF NIGERIAN MAIRA UNLES		Group	Group	Company	Company 2015
	NOTES	2016	2015	2016	
Gross premium written	32	4,836,334	4,470,627	2,014,077	2,476,046
Gross premium income	32	4,621,785	4,776,660	1,956,775	2,955,530
Re-insurance expenses	33	(1,041,254)	(1,263,267)	(693,456)	(989,118
Net premium income	32	3,580,531	3,513,393	1,263,319	1,966,412
Commission income	34	240,549	147,083	118,636	81,657
Net underwriting income		3,821,080	3,660,476	1,381,955	2,048,069
Claims:					
Claims expenses (Gross)	35	2,247,758	1,643,243	1,259,909	660,004
Claims expenses recovered from reinsurers	35	(351,955)	(614,083)	(245,380)	(186,654
Claims expenses (Net)	35	1,895,803	1,029,160	1,014,529	473,350
Underwriting expenses	36	972,565	830,044	491,455	513,585
Total underwriting expenses		2,868,368	1,859,204	1,505,984	986,935
Underwriting results		952,712	1,801,272	(124,029)	1,061,134
Net income from non-insurance					
subsidiaries	37	203,682	225,649	-	-
Investment income	38	563,049	576,916	306,444	411,604
Profit from concessionary arrangement	11.2	4,248	20,544	4,248	20,544
(Loss)/profit on disposal of subsidiary	12.3	(29,520)	-	382,678	-
Net realised gains on assets	39	99	9,682	99	9,697
Net fair value loss on financial assets	40	(7,197)	(50,023)	(7,366)	(49,530
Other operating income	41	1,474,833	86,205	1,305,686	61,922
Employee benefit expenses		(951,816)	(682, 361)	(404,045)	(343,379
Impairment loss	42	(119,878)	(82,072)		(21,467
Other operating expenses	43	(1,930,049)		(1,248,130)	(1,068,119
Exchange loss	44	(402,304)	(443,964)	(402,043)	(421,044
Results of operating activities		(242,141)	(127,409)	(186,458)	(338,638
Finance costs	45	(321)	(381,091)	(2,509)	(378,400
Loss before tax		(242,462)	(508,500)	(188,967)	(717,038
Income tax expense	22.1	(165,211)	(93,161)	(62,818)	(50,359
Loss for the year		(407,673)	(601,661)	(251,785)	(767,397
Profit attributable to:		(****)			
Owners of the parent		(459,567)	(644,657)	(251,785)	(767,397
Non-controlling interests	30	51,894	42,996	-	-
Hon controlling meetests		(407,673)	(601,661)	(251,785)	(767,397
Other comprehensive income: Items within OCI that may be reclassified profit or loss	d to	(101)010)	(,-,-		
Gains on available for sale financial assets Impairment on available-for-sales	28	250		250	-
financial assets reclassified to profit or			40 440		40 44
loss	28		18,468		18,46
Exchange difference on translation of		(22.272)	(22 4 42)		
foreign operations		(22,373)	(22,143)	-	-
Items within OCI that may not be reclass	ified				
to profit or loss		,			46.44
Other comprehensive income for the year	r	(22, 123)	(3,675)	250	18,468
Total comprehensive income for the year		(429,796)	(605,336)	(251,535)	(748,929

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016 (IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 2016	Group 2015	Company 2016	Company 2015
Attributable to:					
Owners of the parent		(459, 317)	(653,731)	(251,535)	(748, 929)
Non-controlling interests		29,521	48,395	-	-
Total comprehensive loss for the year		(429,796)	(605,336)	(251,535)	(748,929)
Loss per share:					
Basic loss per share	46	(3.3)	(4.6)	(1.8)	(5.5)
Diluted loss per share	46	(3.3)	(6.9)	(1.8)	(8.3)

The accounting policies on pages 24 to 43, notes on pages 52 to 102 and other national disclosures on pages 103 to 108 form an integral part of these financial statements.

IN THOUSANDS OF NIGERIAN NAIRA	RIAN NAIRA									
Group	Share capital	Share premium	Revaluation reserves	Foreign currency reserves	Available for sale reserve	Contingency reserves	Retained Earnings	Total	Non- Controlling interest	Restated Total Equity
Balance at 1 January 2015	4,423,649	1,105,193	168,890	(16,432)	(18,468)	715,821	(2,653,393)	3,725,260	287,910	4,013,170
Total Comprehensive income for the year	come for the	year								
Loss for the year	,		ı	ı		ı	(644,657)	(644,657)	42,996	(601,661)
Transfer to										
contingency reserves	,	·		t		121,470	(121,470)	•	•	1
Other comprehensive income:	ncome:									
Loss on available for										
sale financial assets	•	T		1	1	,		ı		
Impairment on										
available-for-sales										
financial assets										
reclassified to profit										
or loss	,	,	,	ï	18,468		ı	18,468		18,468
Exchange difference										
on translation of										
foreign operations	,			(27,542)	1	,	,	(27,542)	5,399	(22,143)
Total comprehensive										
income for the year	,	,		(27,542)	18,468	121,470	(766,127)	(653,731)	48,395	(605,336)
Transactions with owners, recorded directly in equity contributions by and distributions to owners	ers, recorded	directly in ec	quity contribu	tions by and	distributio	ns to owners				
Private placement costs	88	(81,728)						(81,728)		(81,728)
Increase in share									9	
capital	2,576,351	ì		1	,			2,576,351	99,474	2,675,825
Transfer from										
Contingency reserves							,		,	
Transferred to				E.						
Minority interest	1	ï	•		,	1.	,	1	3	
Total transactions								2 404 (22	777	2 504 007
with owners	2,576,351	(81,728)		1	,			2,494,623	44,474	7,044,031
Balance at 31			000	(17) (17)		100 700	77 440 5201	E 544 153	425 770	6 001 031
December 2015	000,000.	1,023,465	168,890	(43, 9/4)		167,160	(0,414,370)	2,300,132	433,117	0,001,731

In 2015, Equity Assurance Limited Ghana had an over provision of income tax liability of 271,714 Ghana cedi equivalent to N14,888,000. This had resulted in the overstatement of income tax liability and understatement of retained earnings in 2012. The correction of this error is accounted for retrospectively and opening retained earnings for 2015 has been increased by N14,888,000 while tax liability decreased by the same amount which is the amount of error relating to the year ended 31 December 2012.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016 IN THOUSANDS OF NIGERIAN NAIRA

	Share capital	Share premium	Revaluation reserves	Foreign currency reserves	Available for sale reserve	Contingency reserves	Retained Earnings	Total	Non- Controlling interest	Total Equity
Balance at 1 January 2016	7,000,000	1,023,465	168,890	(43,974)		837,291	(3,419,521)	5,566,151	435,779	6,001,930
Total Comprehensive income for the year Loss for the year Transfer to	come for the	year	,	,	1		(459,567)	(459,567)	51,894	(407,673)
contingency reserves	Y	r	ı	343		125,789	(125,789)	·		
Other comprehensive income: Gain on available for sale financial assets	come:				250		,	250		250
Exchange difference on translation of foreign operations								,	(22,373)	(22,373)
Realisation of Revaluation surplus on property, plant and equipment	4		(12,400)	,		,	12,400	,		
Total comprehensive income for the year			(12,400)	•	250	125,789	(572,956)	(459,317)	29,521	(429,796)

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016 IN THOUSANDS OF NIGERIAN NAIRA

	Share capital	Share premium	Share Revaluation mium reserves	Foreign currency reserves	Available for sale reserve	Available Contingency for sale reserves	Retained Earnings	Total	Non- Controlling interest	Total Equity
Transactions with owners, recorded directly in equity contributions by and distributions to owners	rs, recorded	directly in ec	quity contribu	tions by and	l distributio	ins to owners				
Transfer from foreign										
currency reserve	a	,	t	43,974			1	43,974	ř	43,974
Transfer from										
Contingency reserves	,			×	ī	(170,932)	170,932	1		
Additional Equity by										
Minority interest	Ü	Ĭ.	ů.		x		ı.	ı	330,691	330,691
Transfer from NCI	1	,		r.	ı				(5%6,6%3)	(596,683)
Total transactions								!		
with owners	ī	ı		43,974		(170,932)	170,932	43,974	(262,992)	(222,018)
Balance at 31	7 000 000	7 000 000 1 023 465	156.490		250	792,148	792,148 (3,821,545)	5,150,808	199,308	5,350,116
December 2010	000,000,1	20. (0-0).								

The accounting policies on pages 24 to 43, notes on pages 52 to 102 and other national disclosures on pages 103 to 108 form an integral part of these financial statements.

C AND ITS SUBSIDIARY COMPANIES	GES IN EQUITY
EQUITY ASSURANCE PLC A	STATEMENT OF CHANGES II

FOR THE YEAR ENDED 31 DECEMBER 2016 IN THOUSANDS OF NIGERIAN NAIRA

IN THOUSANDS OF NIGERIAN NAIRA							
Company	Share	Share	Available for	Revaluation	Contingency	Retained	Total
	capital	premium	sale reserves	reserves	reserves	Earnings	
Balance at 1 January 2016	7,000,000	1,023,465		168,890	731,725	(3,751,530)	5,172,550
Total Comprehensive income for the year	year						
Loss for the year	i	ï		1	,	(251,785)	(251,785)
Transfer to contingency reserves	1	1			60,422	(60,422)	ï
Transfer from revaluation reserve				(12,400)		12,400	ı
Other comprehensive income:			į				C
Transfer to Available for Sale	1		250				067
Total comprehensive income for the			250	(12,400)	60,422	(299,807)	(251,535)
Transactions with owners, recorded directly in equity	directly in eq	uity					
contributions by and distributions to owners	owners						
Private placement costs	٠	ar:	ı		t		2 (
Increase in share capital from			1	,			
Total transactions with owners	,	ı	1			ı	
Balance at 31 December 2016	7,000,000	1,023,465	250	156,490	792,147	(4,051,337)	4,921,015
Balance at 1 January 2015	4,423,649	1,105,193	(18,468)	168,890	657,444	(2,909,852)	3,426,856
Total Comprehensive income for the year	year					100	(500 575)
Loss for the year			ı			(74,397)	(/6/,34/)
Transfer to contingency reserves	1	1	1	d.	14,281	(/4, 281)	
Other comprehensive income:							
Transfer to Available for Sale	,	ı	í	1	1	,	,
financial assets reclassified to profit							
or loss	1	,	18,468	T T	r	,	18,468
Total comprehensive income for the	ı		18,468	1	74,281	(841,678)	(748,929)
Transactions with owners,							
recorded directly in equity							1007 7001
Private placement costs		(81,728)					(01,/70)
Increase in share capital from							2 576 351
private placement	2,576,351		1				2,370,331
Total transactions with owners	2,576,351	(81,728)					2,474,023
Balance at 31 December 2015	7,000,000	1,023,465		168,890	731,725	(3,751,530)	5,172,550
			11-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	On too locale locale	+ 501 20000 00 2	of the state of th	to trea least of

The accounting policies on pages 24 to 43, notes on pages 52 to 102 and other national disclosures on pages 103 to 108 form an integral part of these financial statements.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER, 2016 (IN THOUSANDS OF NIGERIAN NAIRA)

(IN THOUSANDS OF NIGERIAN NAIRA)					
	NOTES	Group 2016	Group 2015	Company 2016	Company 2015
Premium received from policy holders		5,054,905	4,331,522	2,018,155	2,529,374
Commission received		246,467	179,512	124,554	114,086
Receipt from reinsurance recovery	9.4	261,921	599,418	261,921	255,933
Claims paid	35	(1,814,687)	(1,920,192)	(883, 197)	(983,301)
Commission paid		(771,664)	(698, 247)	(382,037)	(396,626)
Maintenance cost	36	(74,226)	(107,013)	(68,947)	(72, 389)
Reinsurance premium paid		(975,091)	(1,151,361)	(665,883)	(851,785)
Other operating income		108,036	53,055	95,393	28,972
Operating costs and payment to					
employees		(2,868,550)	(815,574)	(971, 156)	(511,126)
Tax paid	22	(131,680)	(94,117)	(60,325)	(34,558)
Net cash (outflow)/ inflow from	47	(964,569)	377,003	(531,522)	78,580
operating activities	47	(904,309)	377,003	(331,322)	76,360
Cash flows from investing activities				(27.020)	
Additions to investment in subsidiaries	4.4	- (F 740)	(44.0/9)	(37,030)	-
Additions to Intangible assets	14	(5,719)	(11,968)	-	-
Additions to financial assets at fair	7.4(-)	(02.4)	(0.775)	(02.4)	(0 ((5)
value through profit or loss	7.1(a)	(924)	(8,665)	(924)	(8,665)
Rental income	38	8,651	2,023	5,251	2,023
Proceed from disposal of subsidiary-				100.010	
Equity Assurance, Ghana Proceeds from disposal of financial	12	690,060	•	690,060	
assets at fair value through profit or				1 520	20,000
loss		1,520	39,691	1,520	38,990
Deposit for Property	11		(76,016)	- 475	25 440
Dividend received	38	7,475	35,226	7,475	35,160
Proceeds from disposal of property		E 454	2 / //	E 424	2 202
plant and equipment		5,134	3,646	5,134	2,282
Additions to property, plant and		(2.12.027)	(2 507 242)	(104 140)	(2 521 240
equipment	15	(243,037)	(2,587,243)	(186,440)	(2,531,349)
Held to maturity investment	7.3	525,974	(112,985)		-
Net cash inflow/ (outflow) from investing activities		989,134	(2,716,291)	485,046	(2,461,559)
Cash flows from financing activities		707,131	(2,710,271)	,	(-)
	20	17,379	300	-	
Deposit for shares Share issue costs	25	17,377	(81,728)	-	(81,728)
Proceed from private placement	24		2,576,351	-	2,576,351
Repayment of borrowings	21.3		(338,626)	-	(338,626
Dividend Paid	21.3	-	(338,626)	-	(330,020
Net cash inflow from financing activit	ies	17,379	2,156,297	-	2,155,997
Net increase/(decrease) in cash and					
cash equivalents		41,944	(182,991)	(46,477)	(226,982
Cash and cash equivalents brought					
forward		3,558,032	3,741,023	3,130,376	3,357,358
Cash and cash equivalents carried	6.1	3,599,976	3,558,032	3,083,899	3,130,376
forward	0.1		102 and other nat		

The accounting policies on pages 24 to 43, notes on pages 52 to 102 and other national disclosures on pages 103 to 108 form an integral part of these financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Provision for unpaid claims

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims flunctuate based on the nature and severity on the claim reported. Claims incurred but not reported are determined using statistical analysis.

Impairment of available-for-sale investments

The Group determines that available-for-sale investments are impaired when there has been a significant or prolonged decline in fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment the Group considers among other factors, the normal volatility in market price, the financial health of the investee, industry and sector performance, changes in technology and operational and financing cashflow. In this respect, a decline of 20% or more is regarded as significant and a period of twelve months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

Income taxes

The Company periodically assesses its liability and contingencies related taxes for all years open to audit based on the latest information available. where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes that they have adequately provided for the probable outcome of these matters; however, the final outcome may result in materially different outcome than the amount included in the tax liabilities.

Fair value of investments not quoted in an active market

The fair value of securities that are not quoted in an active market is determined by using valuation techniques, primarily earning multiples, discounted cash flows and recent comparable transactions.

5.0 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

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

5.1 Insurance Risk

The risk in any Insurance contract is the possibility that the insured event occurs which could result in a claim. This risk is very random and unpredictable.

The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amounts of claims and benefits will vary from year to year from the level established using statistical techniques.

The Group has developed its insurance underwriting strategy to diversify the type of Insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

a) Frequency and severity of claims

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

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

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

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

(b) Sources of uncertainty in the estimation of future claims payments

Claims on non-life insurance contracts are payable on a claims-occurence basis. The Group is liable for all insured claims that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and risk management procedures adopted.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprises provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) Process used to decide on assumptions

For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods used are Basic Chain Ladder and the Inflation Adjusted Chain Ladder methods.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. The claims paid data was sub-divided into large and attritional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insuficcient claim data, large and attritional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

Basic Chain Ladder method (BCL)

Development factors were calculated using the last 5 years of data by accident year or quarter. Ultimate development factors are calculated for each of the permutations and the most prudent result is selected.

Ultimate development factors are applied to the paid per accident year or quarter and an ultimate claim amount is calculated. The future claims (the ultimate amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter.

For cases where there were large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total cash reserve were excluded from the calculation of the IBNR.

i.e IBNR= Ultimate claim amount (excl. extreme large losses) Minus paid claims to date Minus claims outstanding(excl. extreme large losses)

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that the past experience is indicative of future experience i.e that claims recorded to date will continue to develop in a similar manner in the future.

An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed.

A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits.

If any of these assumptions are invalidated, the results of the reserving may prove to be inaccurate.

Inflation Adjusted Chain Ladder method (IACL)

Under this method, the historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding by the future claims are further multiplied by inflation index from the year of valuation to the future year of payment of the outstanding claims. Past official inflation index and 12% p.a for the future are adopted

Assumptions underlying the IACL

The IACL anticipates that total claims may be exposed to inflationary increase and it further recognises that present value needs to be reserved for total payments. Unearned premium provision was calculated using a time- apportionment basis, in particular, the 365ths method. The same approach was taken for deferred acquisition costs as for the calculation of the UPR balance.

(d) Change in assumptions and sensitivity analysis

There was no change in the assumptions used to estimate the ultimate cost of claims paid during the year.

(e) Sensitivity analysis and claims development tables

Sensitivity analysis are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of the future claim amounts and therefore looking at how these claim amount can vary could provide valuable information for business planning and risk appetite considerations.

Claims Paid Triangulations as at December 2016

Accident		Incre	mental Cha	in ladder -	Yearly Proje	ections (N'0	00)			
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10
2007	25,910	56,204	19,302	3,099	4,620	10	26	-	-	-
2008	9,623	57,322	11,343	9,534	3,484	2,062	861	-	-	
2009	36,290	77,255	50,883	6,339	7,871	580	2,421	239		
2010	33,918	98,868	39,340	18,228	15,895	1,115	2,846	-	-	-
						1,188	2,040		-	-
2011	36,389	49,219	23,054	6,801	3,852					
2012	26,196	51,875	34,616	3,493	3,272	-		-	•	-
2013	26,574	39,254	29,256	2,559	2	-	-	-	-	-
2014	30,145	59,724	35,702	(S#)	-	-		-	-	-
2015	28,898	39,700		8.00	-	-	-	-	-	-
2016	26,816	-	-	-	-	-	-	-		
Fire		Cum	ulative Cha	in ladder-	Yearly Project	ctions (N'00	00)			
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	
2007	15,858	53,230	22,484	2,780	1,109	428	-	-	-	
2008	34,928	10,279	7,754	19,838	728	38	10	93		
2009	10,289	16,133	11,202	15,851	14,051	5,402	- 10	- / 3		
								-		
2010	51,416	49,920	19,577	1,192	357	•		-		
2011	16,632	99,883	11,228	5,028	585	-	-	-		
2012	18,427	29,550	18,149	2,057	1,764	-	-	-	-	
2013	52,030	35,454	28,449	9,643	-	~		-	-	
2014	16,357	24,014	26,465	-	-	-	740	-		
2015	19,372	57,075	-	-	-	-	-	-	-	
2016	3,792	-	-	-	-	-	-	-	-	
Engineering		Incre	emental Ch	ain ladder	Yearly Proje	ctions (N'O	20)			
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	
		4	3	A PART OF THE PART	3	0	-	-	-	
2007	-	-		555	-	- 44				
2008	-	-	6,501	97	~	14	-	-	-	
2009	-	6,209	576	728	-	12	76	-	-	
2010	1,188	11,840	3,052	87	-	-	-	-	-	
2011	1,083	2,620	5,696	1,606	565	2,183		-	-	
2012	4,259	1,549	1,915	-	-	-	-	-	-	
2013	7,354	3,646	668	+	-	-		-	-	
2014	6,631	12,113	2,143		-	-		-	-	
2015	2,507	11,611			-	-		-	-	
2016	2,617	11,011				-		-	-	
	2,017				Vearly Brois	stions (N'O	00)			SEC.
Marine	<u> </u>				Yearly Proje			0	9	
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	EV-250024
2007	403	7,029	7,210	3,014	20	17	-	-	-	-
2008	2,709	3,005	1,602	1,210	512	1,543		-	-	
2009	278	4,668	4,895	2,824	-		-	-	-	
2010	8,478	9,134	1,577	1,105	7=7	293	-	-	-	
2011	4,710	7,854	4,708	7,317	1-1	-	-	-	-	
2012	4,971	15,645	1,161	95	-	-	-	-	-	
2013	8,740	10,445	57	43	-	-	-	-	-	
			5,940			-	-		-	
2014	14,785	30,078		* :			-			
2015	19,223	25,779	-		-	-	-	-		-
2016	13,110	-	-		-	-	-	-	-	
Motor					-Yearly Proje		The state of the s			
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	25.34
2007	69,042	93,856	7,781	1,934	1,692		-	-	-	
2008	123,217	121,480	6,112	756	165	28	-		-	
2009	109,488	127,883	22,327	3,025	286	-	338	82	-	
2010	90,318	103,367	3,884	3,609	206	512		-	-	
2011	78,170	63,272	13,635	2,267	25	-		-	-	
				19	23	-		_	-	
2012	110,916	101,782	4,218		-		-			
2013	123,427	86,868	1,347	5,135	-	-	-	-	-	-
2014	225,537	155,085	21,615	•	-	-		-	-	-
	1									
2015 2016	120,490 89,199	98,077	-	•	-	-	-	-	-	-

Claims Paid Triangulations as at December 2015

	Incremental Chain ladder - Yearly Projections (N'000)									
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	
2007	25,910	56,204	19,302	3,099	4,620	10	26	-		
2008	9,623	57,322	11,343	9,534	3,484	2,062	861	-		
2009	36,290	77,255	50,883	6,339	7,871	580	2,421	-		
2010	33,918	98,868	39,340	18,228	15,895	1,115				
2011	36,389	49,219	23,054	6,801	3,852					
2012	26,196	51,875	34,616	3,493						
2013	26,574	39,254	29,256							
2014	30,145	59,724						***		
2015	28,898									

	Cumulative Chain ladder- Yearly Projections (N'000)									
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	
2007	15,858	53,230	22,484	2,780	1,109	428		-	-	
2008	34,928	10,279	7,754	19,838	728	38	10	93	-	
2009	10,289	16,133	11,202	15,851	14,051	5,402			-	
2010	51,416	49,920	19,577	1,192	357					
2011	16,632	99,883	11,228	5,028	585					
2012	18,427	29,550	18,149	2,057						
2013	52,030	35,454	28,449							
2014	16,357	24,014			-	-				
2015	19,372									

Engineering									
			Incremen	tal Chain lad	lder-Yearly Pro	jections (N'0	00)		
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9
2007	-		-	555	- 8			-	-
2008	-	-	6,501	97	-	14		-	
2009		6,209	576	728	-	12	76		
2010	1,188	11,840	3,052	87	-				
2011	1,083	2,620	5,696	1,606	565				
2012	4,259	1,549	1,915						
2013	7,354	3,646	668						
2014	6,631	12,113							
2015	2,507								

Marine		NAMES OF TAXABLE STREET, STREE	Incremen	tal Chain lad	der-Yearly Pro	jections (N'0	00)		
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9
2007	403	7,029	7,210	3,014	20	17		-	
2008	2,709	3,005	1,602	1,210	512	1,543		-	
2009	278	4,668	4,895	2,824		经第三年 是			
2010	8,478	9,134	1,577	1,105		293			
2011	4,710	7,854	4,708	7,317					
2012	4,971	15,645	1,161	95					
2013	8,740	10,445	57						
2014	14,785	30,078							
2015	19,223								

Motor										
	Incremental Chain ladder-Yearly Projections (N'000)									
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	
2007	69,042	93,856	7,781	1,934	1,692			-		
2008	123,217	121,480	6,112	756	165	28		-		
2009	109,488	127,883	22,327	3,025	286	Distriction of the last	338			
2010	90,318	103,367	3,884	3,609	206	512				
2011	78,170	63,272	13,635	2,267	25					
2012	110,916	101,782	4,218	19			2 2 2 40			
2013	123,427	86,868	1,347							
2014	225,537	155,085								
2015	120,490									

5.2 FINANCIAL RISK MANAGEMENT

Introduction and overview

Equity Assurance plc has a robust and functional Enterprise-wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Group. The Group has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

Other key risks faced by the Group as a result of its existence and operations include operational risks, property risks, reputational and strategy risks.

This note presents information about the Group's exposure to each of the risks stated above, the Group's policies and processes for measuring and managing risks, and the Group's management of capital.

Internal Control and Risk Management Systems

Being an insurance company, the management of risk is at the core of the operating structure of Equity Assurance Plc. As a result, the Company employs the best risk management practices to identify, measure, monitor, control and report every material risk prevalent in our business operation.

The Company's ERM framework is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) as approved by the insurance industry regulator, National Insurance Commission (NAICOM), to identify, assess, manage and monitor the risks inherent in our operations.

The risk structure includes our approach to management of risks inherent in the business and our appetite for these risk exposures. Under this approach, we continuously assess the Company's top risks and monitor our risk profile against approved limits. Our main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

Enterprise-wide Risk Management Principles

The Company seeks to be the reference point for risk management in the industry while maximizing our value to stakeholders through an approach that balances the risk and reward in our business. In order to ensure effective integration over time into the Group's processes so that risk management not only protects value but creates value, Equity Assurance Plc is being guided by the following principles:

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

Enterprise-wide Risk Management Framework

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

1st line - Management

It involves broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the business. In addition, business units have the primary responsibility for managing risks and required to take responsibility for the identification, assessment, management, monitoring and reporting of risks arising within their respective businesses, thereby ensuring an informed risk and reward balance.

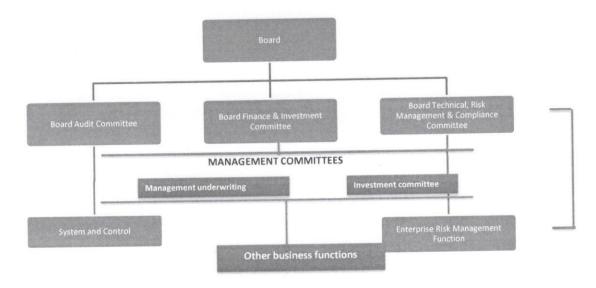
2nd line - Risk oversight

The Company's risk management function provides oversight and independent reporting to executive management, implements the group's risks management policy in the business units, approve risk within specific mandates and provides an independent overview of the effectiveness of risk management by the first line of defence.

3rd line - Independent assurance

The last line of defence comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's systems of internal control established by the first and second lines of defence in management of enterprise risks across the organization.

ERM Governance Structure



The Board sets the organization's risk appetite, approves the strategy for managing risk and is ultimately responsible for the organization's system of internal control.

This function is carried out via its Board Committees as follows:

BOARD COMMITTEES	FUNCTIONS				
Board Audit committee	a) Oversight of financial reporting and accounting b) Oversight of the external auditor c) Monitoring the internal control process				
Board Technical, Risk Management & Compliance Committee	a) Assist in the oversight of the review and approval of the companies risk management policy including risk appetite and risk strategy;				
	b)Review the adequacy and effectiveness of risk management and controls;				
	c) Oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms;				
	d) Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile;				
	e) Review changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile and				
	f) Review large underwritten risks for adequacy of reinsurance and othe risk management techniques including environmental & social management system				
	g) Review and recommend for approval of the Board risk managemen procedures and controls for new products and services				
	h) Oversight of regulatory compliance				
	i) Oversight of enterprise risk management				
Board Finance and Investment Committee	a) Reviews and approves the company's investment policy b) Approves investments over and above managements' approval limit c) Ensures that optimum asset allocation is achieved				

The Company's ERM Management committee in line with Management Investment Committee recommends to the Board Risk Management and Technical Committee an amount at risk that it is prudent for the risk committee to approve in line with the Company's business strategies. The Board Risk Management and Technical Committee approve the Company's risk appetite each year, based on a well-defined and broad set of risk measures.

The Company's ERM Management committee is also responsible for establishing, documenting and enforcing all policies that involve risk. Specifically, the Chief Risk Officer(a member of the Management Committee) is responsible for the risk policies, risk methodologies and risk infrastructure.

The Chief Risk Officer (CRO) plays a pivotal role in informing the Board, as well as ERM Management Committee about the risk profile of the Company and also communicates the views of the Board and Senior Management down the Company. The CRO is also responsible for independently monitoring the broad risk set by the board throughout the year, and delegating some responsibilities to the heads of the various Strategic Business Units within the Company.

The internal audit functions evaluate the design and conceptual soundness of risk measures, accuracy of risk models, soundness of elements of the risk management information systems, adequacy and effectiveness of the procedures for monitoring risk, the progress of plans to upgrade risk management systems, the adequacy and effectiveness of application of the vetting processes.

Risk Appetite

The Company recognizes that its long-term sustainability is dependent upon the protection of our brand, preservation of the value and relationship with customers. To this end, we will not accept risks that materially impair reputation and value and requires that our customers are always treated with integrity.

The Company's risk appetite is defined by a clear risk strategy and limit structure. Close risk monitoring and reporting allows us to detect potential deviations from our risk tolerance at an early stage at both the Group and operating entity levels.

Risk Management Policies and Procedures

We have developed policies and procedures for each broad risk category inherent in our business. The policies set out and ensure alignment and consistency in the way in which we deal with major risk types across the group, from identification to reporting. Procedures targeted at managing each broad risk category are embedded in our Enterprise-wide Risk Management framework approved by the Board.

Risk Management is an ongoing activity and is to be carried out as part of day-to-day business. The risks are identified by different portfolio and strategic business units and re-assesses regularly to determine whether there are new or emerging risks in light of any current or anticipated changes. Treatment plans for identified risks are monitored to ensure that risks are being mitigated as planned.

The company -wide risk assessments is refreshed and reported twice per year. Management is responsible and accountable for ensuring that:

- a) Risk management policies, framework and processes are complied with.
- b) The risk profiled for areas under their control are refreshed and updated on a timely basis to enable the collation, analysis and reporting of risks to the Board Committees.
- c) Explanations are provided to the Board Committees for any major gaps in the risk profile and any significant delays in planned treatments for high risk and high priority matters

Our internal audit function, the Systems & Control (SYSCON) group, conducts a risk-based audit on all business units using outputs of the annual company-wide risk assessment to guide its annual audit planning.

Risk Categorization

Equity Assurance Plc is exposed to an array of risks through its operations. The Company has identified and categorized its exposure to these broad risks as listed below:

- a) Market risk
- b) Underwriting risk
- c) Credit risk
- d) Operational risk
- e) Liquidity risk
- g) Business risk
- h) Reputational risk

Market risk: This reflects the possibility that the value of investment's funds will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its financial assets and comprises.

- a) Equity price risk: the risk associated with volatility in the stocks in our investment portfolio.
- b) Foreign exchange risk: may arise from movement of currency prices on assets held in foreign currency
- c) Interest rate risk: the risk that the value of a fixed income security will fall as a result of movement in market interest rates.
- d) Property price risk: The Company's portfolio is subject to property price risk arising from changes in the market value of properties.

Underwriting risk: Our activities are primarily concerned with the pricing, acceptance and management of risk arising from our contracts with customers. It entails the risk that:

- a) The prices charged by the company for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;
- b) risks are not adequately ceded to reinsurers exposing the company to potential high claims payout;
- c) many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses and;
- d) The company's policyholder will act in ways that are unanticipated and have an adverse effect on the company

Credit risk: This is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. Risks that brokers and large corporate who are allowed extended payment period may default and this is closely allied to cash flow risks. The three sources of credit risk identified are:

- a) Direct Default Risk: risk that the company will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations.
- b) Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
- c) Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions

Operational risk: This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, strategic risk and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Liquidity risk: The Company recognizes the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once claims crystallize. The Company's exposure to liquidity risk comprises:

- a) Funding liquidity risk: Arising from our investment-linked products where there is a financial obligation to customers.
- b) Asset liquidity risk: arising from our financial assets where we might not be able to execute transactions at prevailing market price because there is temporarily, no appetite for the deal at the other side of the market

Business risk: Business risk relates to the potential erosion of our market position or revenue shortfall compared to the cost base due to strategic and/or reputational reasons.

Reputational risk: The Company is exposed to this risk through events that damage its image amongst stakeholders and the public which may impair the ability to retain, generate and drive sustainable business. We understand that reputational risk is the biggest risk to our business as it poses a special threat to the confidence of our customers, regulators and industry.

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Market Risk Management

The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

- 1. Equity price risk
- 2. Foreign exchange risk
- 3. Interest-rate risk
- 4. Property price risk

Equity price risk

The Group's management of equity price risk is guided by the investment quality and limit analysis. Investment quality and limit analysis

Management Investment Committee establishes and approves a list of eligible listed and unlisted stocks aligned with investment approval/dealer limits as approved by the Board through its Board Finance & Investment Committee. These approval limits are illustrated using an approval hierarchy that establishes different levels of authority necessary to approve investment decisions of different naira amounts. The approval limit system:

- a) sets a personal discretionary limit for Chief Executive Officer;
- b) requires that investment decisions above the MD's limit requires approval by the Board of Directors and;
- d) sets out lower limits for Chief Investment Officer (CIO) and, or provides the CIO with the authority to assign limits to subordinates.

2. Foreign Exchange risk

Equity Assurance Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency risk through its investment in Equity Assurance Limited, Ghana and bank balances in other foreign currencies.

The carrying amounts of the Group's foreign currency-denominated assets as at end of the year are as follows:

	Cash & Cash Equivalents				
	2016	2015			
	N'000	N'000			
Dollars	122,418	64,114			
Euros	2,413	2,639			
Pounds	574	452			
Cedis		307,382			
	125,405	374,587			

The Group limits its exposure to foreign exchange to 4% of total investment portfolio. Foreign currency changes are monitored by the investment committee and holdings are adjusted when offside of the investment policy. The Group further manages its exposure to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's investment income. At the year end, the foreign currency investments held in the portfolio were on unquoted equity and cash and cash equivalents. There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

3. Interest-rate Risk

The Group is moderately exposed to interest-rate risk through its conservative investment approach with high investment in Fixed Income and Money Market instruments. Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios.

4. Property Price Risk

The Group is exposed to property price risk through its investment in property. Exposure to property price risk accounts for 10% of the total investment portfolio. The Group manages the risk by constantly monitoring the contribution of property to its portfolio and converting some of this class to earning properties.

Underwriting Risk Management

The Group faces underwriting risk through its core business when actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims.

EQUITY Assurance plc manages its underwriting risk by diversification across large portfolio of insurance. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risk mitigation program and establishes retention limits for reinsurance across product lines.

The Group's internal processes and policies also ensure that amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. In addition, the Group recognizes that its reinsurance program with respect to ceded reinsurance is exposed to credit risk, to the extent that any reinsurer who is unable to meet its obligations assumed under such reinsurance agreements, thus it is not relieved of its direct obligations to its policyholders.

The Group also recognizes that a concentration of risk may arise from insurance contracts issued in a specific geographical location since most of the insurance contracts are written in Nigeria and Ghana and constantly conducts concentration risk analysis to evaluate and manage its exposure to the risk.

The Group holistically manages this risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are limited by having documented underwriting limits and criteria. Pricing of policies are based on trends and past experience amongst others in an attempt to correctly match policy revenue with exposed risk.

Business Risk Management

Business risk is managed by Management Underwriting & Investment Committee through consistent monitoring of product lines' profitability, stakeholder engagement to ensure positive outcomes from external factors beyond the Group's control and prompt response to changes in the external environment.

Reputational Risk Management

EQUITY Assurance Plc's norms and values set a tone for acceptable behaviours required for all staff members, and provide structure and guidance for non-quantifiable decision making, thereby assisting in the management of the group's reputation.

The Group identifies, assesses and manages reputational risks predominately within its business processes. Management of reputational risks is based on the Group's risk governance framework. In addition, companywide risks are identified and assessed qualitatively as part of the annual risk & control self-assessment. The Group's risk functions analyses the overall risk profile and regularly informs management about the current profile and potential exposures to the risk. Risk functions' presentation of potential reputational risk guides management decisions in executing business operations and strategies.

The Group has laid great emphasis on effective management of its exposure to credit risk especially premium related debts. The Group defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement. Credit risk exposure to direct business is low as the Company requires debtors to provide payment plans before inception of insurance policies. The Company's exposure to credit risk arising from brokerage business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

The Group credit risk originates from reinsurance recoverable transactions, retail clients, corporate clients, brokers and agents.

Management of credit risk due to outstanding premium Credit Rating

We constantly review brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers while others are explored for possible potentials.

Receivables are reviewed and categorized into grade A, B, C and D on the basis of:

- a) Previous year contribution (4 years)
- b) Payment mode
- c) Outstanding as at December of the previous year
- d) Future prospect
- e) Recommendation

The Group credit risk is constantly reviewed and approved during the weekly Management Operations meeting. The monthly Group management meeting is responsible for the assessment and continual review of the Company premium debt and direct appropriate actions in respect of delinquent ones. It also ensured that adequate provisions are taken in line with the regulatory guidelines. Other credit risk management includes:

- a) Formulating credit policies with strategic business units, underwriters, brokers covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- b) Identification of credit risk drivers within the Group in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- c) Developing and monitoring credit limits. The Group is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- d) Assessment of credit risk. All firsthand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during management meeting.
- e) Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

In measuring credit risk, the Group considers three models:

- a) The Probability of Default(PD), the likelihood that the insured will fail to make full and timely payment of financial obligations
- b) The Exposure at Default (EAD) is derived from the Group's expected value of debt at the time of default
- c)The Loss Given Default (LGD) which state the amount of the loss if there is a default, expressed as a percentage of the (EAD).

Impairment Model

Premium debtors, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables

Following the provisions of IAS 36, the impairment of the premium debtors will be assessed at two different levels, individually or collectively. The premium debt of the Group will be assessed for impairment using the incurred loss model adapted for insurance business.

The model used is defined as thus:

Impairment loss = EP * LGD * EAD * PD

Where EP is Emergency Period;

LGD is Loss Given Default;

EAD is Exposure At Default; and

PD is 1-year Probability of Default.

Credit quality

The Group loan and receivables has no collateral as security and other credit enhancements, thus the group has no loan or receivables that are past due but not impaired. Insurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value.

The Group further manages its exposure to credit risk through deduction of transactions at source and investment in blue-chip companies quoted on Nigerian Stock Exchange. The exposure to credit risk associated with other receivables is low.

Operational Risk Management

A summary of the analytical tools that the Group employed in operational risk management are discussed below:

Issue tracking report/action plan report:

Issues can surface from the internal self-assessment process, an audit, or regulators requirements. A key result of the self-assessment process is an action plan with assigned responsibilities. This report contains a reap of major issues, the status of the action plan, and an aging of overdue tasks.

Risk control and self-assessment (RCSA): The business areas perform self-assessments semi- annually and results are aggregated to provide a qualitative and quantitative profile of risk across the organization and related action items. Severity of the risks identified is compared with previous RCSA risk severity and a trend is ascertained. The register summarizes findings into list of risks facing the institution. These summary results are accompanied by descriptions of the significant gaps and trends, suggested mitigants, and process owners and timeline for each risk.

The profile of risks across the organization is an integral input for the Group's internal audit whilst preparing audit plans. Areas with high-risk exposures are thoroughly audited and performance of recommended controls tested by the Group's internal control function to ascertain that risks are properly managed.

Risk Maps: Risk maps typically are graphs on which impact of each risk is plotted against probability of occurrence. Risk maps are designed either to show inherent or residual risk categories by line of business. Risks in the upper right are very severe and need to be monitored closely to reduce the Group's exposure. High-frequency/low-severity risks create the basis for expected losses and are often subject to detailed analysis focused on reducing the level of losses.

Key risk indicators dashboard: These are numerous measures of actual risks in the business and support functions, such as error rates and control breaks. Summary indicators, related escalation criteria, explanations of any excesses, and identified trends are all important aspects that are tracked. Many indicators are specific to each business unit or process, but some may be common and reported in a consolidated fashion. Threshold is set by management for each key risk indicators and escalation of indicators above such levels triggers a mitigation response.

Loss events report: The ERM team developed a database for loss event collation named Loss Event Register. This register allows staff to report actual and near-miss (an unplanned event that did not result in injury, illness, or damage - but had the potential to do so) loss events. Summary statistics from the loss event database are used to show trends of total losses and mean average loss, with analysis by type of loss and business line.

Business continuity plan: A critical tool in managing our operational risk is the Business Continuity Plan (BCP) that documents the procedures to be executed by relevant teams in the event of a disaster.

Liquidity Risk Management

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Group's investment policy requires that 35% of the Group's portfolio to be held in cash and short-term investments. This highlights liquid marketable securities sufficient to meet its liabilities as at when due. Short term investments include treasury bills and term deposits with an original maturity of less than one year.

The limits are monitored and reported on a weekly and monthly basis to ensure that exposure of the Group's investment portfolio to this risk is properly managed.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016 (Cont'd) IN THOUSANDS OF NIGERIAN NAIRA

5.3 CAPITAL MANAGEMENT

The Group's objectives with respect to capital management are to maintain a capital base that is designed to satisfy regulatory requirement and optimize capital allocations.

Equity Assurance Plc has over the years been deploying capital from earnings and equity funds to support growth in business volumes while striving to meet dividend commitments to shareholders. To be able to continue to generate and deploy capital both to grow core businessess and reward shareholders, there is need for the Company to execute the right strategy, the right growth dynamics, the right cost structure and risk discipline as well as the right capital management.

The Group's capital management strategy focus on the creation of shareholders' value whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders'interests and satisfies regulators.

The Group's objectives when managing capital are as follows:

- 1. To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Group.
- 2. To generate sufficient capital to support the Group's overall business strategy.
- 3. To ensure that the Group meets all regulatory capital ratios
- 4. To maintain a strong risk rating.
- 5. To ensure that capital allocation decisions are optimal, considering the return on economic and regulatory capital.
- 6. To determine the capital required to support each business activity based on returns generated on capital to facilitate growth/expansion of existing businesses.
- 7. To establish the efficiency of capital utilisation;

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission. These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

Minimum Capital Requirement

The Company complied with the minimum capital requirement of N3billion for non-life business as at the end of the financial year. This is shown under Shareholders' fund in the statement of financial Position.

Solvency Margin

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

Section 24 of the Insurance Act CAP I17, LFN 2004 defines Solvency margin of a non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company exceeded its solvency margin by N1.36billion for the year ended 31 December 2016. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations if the company falls below this requirement.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016 (Cont'd) IN THOUSANDS OF NIGERIAN NAIRA

Solvency margin computation Cash and Cash equivalents Quoted stocks at market value Statutory deposits Unquoted stocks at cost Property, plant and equipment Due from staff Reinsurance receivables Deferred acquisition costs Intangible assets other than computer software	3,082,582 84,071 300,000 695,632 2,966,375 16,804 870,359 95,863 848,335
Admissible assets	8,960,021
Insurance contract liabilities Trade payable Obligation under finance lease Convertible redeemable loan Other payables Taxation Admissible liabilities	2,577,030 13,132 2,495 1,133,538 786,076 89,625 4,601,896
Solvency margin	4,358,125
The higher of 15% of net premium income and shareholders funds	3,000,000
Excess of solvency margin Solvency ratio	1,358,125

5.4 SEGMENT INFORMATION

The Group is organized into three operating segments. These segments distribute their products through various forms of Brokers, Agencies and direct marketing programs. These segments and their respective operations are as follows:

Non-Life insurance

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

Asset Management

This segment offers finance leases to both individual and corporate clients. Revenue from this segment is derived primarily from lease income, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit or loss.

Health Management

This segment offers health management to both individual and corporate clients. It derives its revenue primarily from premium on plan scheme, income from consultancy, income from third party administration, fee for service, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit or loss.

Expenses for the Group office that renders services for all the business segments are initially paid by the general business segment and transferred to other business units at cost price. The expenses are allocated based on service man hours rendered by the group office to the various business segments.

The corporate expenses for the following centrally shared services are being apportioned to all business segments in the;

- System and controls
- Financial controls
- Human resources
- Information technology
- Strategy and Performance Management

EA Capital Management Limited rendered asset management services for other business segments of the Group. All fee income earned on group asset management services is eliminated on consolidation.

IN THOUSANDS OF NIGERIAN NAIRA

SEGMENT REPORTING -2015 GROUP	NON-LIFE	HEALTHCARE	ASSET MGT	TOTAL
Revenue:				
Derived from external customers				
Gross Premium written	4,049,038	421,589	×	4,470,627
Gross Premium income	4,358,133	418,527		4,776,660
Reinsurance expenses	(1,263,267)	-	-	(1,263,267)
Net Premium income	3,094,866	418,527	-	3,513,393
Commission income	147,083	-	-	147,083
Income from non-insurance subsidiaries	,	187,556	38,093	225,649
Investment income	535,534	32,437	8,945	576,916
Income from concessionary arrangement	20,544	5		20,544
Net realised gains on financial assets	9,697	(15)	-	9,682
Net fair value loss on financial assets at fair				
value through profit or loss	(49,530)	(493)	-	(50,023)
Other operating income	77,457	2,046	6,702	86,205
Net income	3,835,651	640,058	53,740	4,529,449
	1 204 511	258,732	-	1,643,243
Insurance claims	1,384,511		_	(614,083)
Insurance claims recovered from reinsurer	(614,083) 770,428	258,732		1,029,160
Net insurance claims	773,110	56,934		830,044
Underwriting expenses	528,588	146,058	7,715	682,361
Employee benefit expense	54,348	25,858	1,866	82,072
Impairment loss		138,397	19,098	1,589,257
Other operating expenses	1,431,762 443,964	130,377	-	443,964
Exchange loss	4,002,200	625,979	28,679	4,656,858
Net expenses	4,002,200			
December 1 and 1 a	(166,549)	14,079	25,061	(127,409)
Reportable segment(loss)/profit	(380,271)			(381,091)
Finance cost	(500,271)	()		
(Loss)/profit before income tax from	(546,820)	13,259	25,061	(508,500
reportable segments Income tax	(78,236)		(7,965)	(93,161
	(425.054)	6 200	17,096	(601,661
(Loss)/ profit after income tax	(625,056)	6,299	17,096	(601,

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 IN THOUSANDS OF NIGERIAN NAIRA

SEGMENT	REPORTI	NG -2016
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GROUP	NON-LIFE	HEALTHCARE	ASSET MGT	TOTAL
Revenue:				
Derived from external customers				
Gross Premium	4,419,327	417,007		4,836,334
Gross Premium income	4,203,889	417,896		4,621,785
Reinsurance expenses	(1,041,254)	117,070	-	(1,041,254)
Net Premium income	3,162,635	417,896		3,580,531
Commission income	240,549	-	-	240,549
Income from non-insurance subsidiaries	210,517	161,592	42,090	203,682
Investment income	515,510	31,598	15,941	563,049
Net realised gains on financial assets	99	51,576	-	99
Net fair value (loss)/gain on financial assets at				
fair value through profit or loss	(7,366)	169	-	(7,197)
Loss from disposal of subsidiaries	(29,505)	-		(29,505)
Profit from concessionary arrangement	4,248	-		4,248
Other operating income	1,470,031	543	4,259	1,474,833
other operating meanic	., 0,00.		,,	.,,
Net income	5,356,201	611,798	62,290	6,030,289
Insurance claims	2,021,985	225,773		2,247,758
Insurance claims recovered from reinsurer	(351,955)	-	_	(351,955)
Net insurance claims	1,670,030	225,773	-	1,895,803
Acquisition costs	876,580	21,759	-	898,339
Other underwriting expenses	68,947	5,279		74,226
Employee benefit expense	772,773	171,852	7,191	951,816
Depreciation and amortization	172,038	24,198	806	197,042
Impairment loss	88,849	29,143	1,886	119,878
Other expenses	1,999,257	121,005	15,064	2,135,326
Net expenses	5,648,474	599,009	24,947	6,272,430
Net expenses	3,010,171	377,007	,	-,,
Reportable segment profit	(292,273)	12,789	37,343	(242,141)
Finance cost	(158)	(163)	-	(321)
(Loss)/profit before income tax from	()	, -/		
reportable segments	(292,431)	12,626	37,343	(242,462)
Income tax	(142,437)	(8,628)	(14,146)	(165,211)
(Loss)/profit after income tax	(434,868)	3,998	23,197	(407,673)
(=000), profite dicer income can	(10 1,000)	-,		

5.5 FINANCIAL ASSETS AND LIABILITIES

Accounting classfication measurement basis and fair values.

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

Group	Held for trading	Held -to- maturity	Loans and receivables	Available- for- sale	Other financial liabilities at amortized cost	Total Carrying amount	Fair Value
31 December 2016							
Cash and cash							
equivalents	-	-	3,599,976	-		3,599,976	3,599,976
Financial assets	87,599		-	36,008	*1	123,607	123,607
Trade receivables	:-	-0	271,360	-	*	271,360	271,360
Other receivables excluding							
prepayments		-	334,960	-	-	334,960	334,96
	87,599	-	4,206,296	36,008	- E	4,329,903	4,329,90
Insurance contract							
liabilities			25 N=0		2,577,030	2,577,030	2,577,03
Trade and other							
payables	-	-		-	986,777	986,777	986,77
Borrowings	-	-	-	-	1,133,538	1,133,538	1,133,53
3		•	-	-	4,697,345	4,697,345	4,697,34
31 December 2015							
Cash and cash							
equivalents	-	1 -	3,596,868	19	-	3,596,868	3,596,86
Financial assets	95,293	525,974	-	35,758		657,025	657,02
Trade receivables	-	,	489,931	-	-	489,931	489,93
Other receivables							
excluding							
Prepayments			385,023		-	385,023	385,02
							F 430 04
	95,293	525,974	4,471,822	35,758	-	5,128,848	5,128,84
Insurance contract							
liabilities					2,706,871	2,706,871	2,706,87
Trade and other		7			2,700,071	-,,	
payables	<u></u>	423			1,014,554	1,014,554	1,014,55
Borrowings			-		1,945,815	1,945,815	1,945,81
DOLLOWILIS?					5,667,240	5,667,240	5,667,24

(b) FINANCIAL ASSETS AND LIABILITIES

Accounting classfication measurement basis and fair values.

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

					Other financial	Total	
	Held for	Held -to-	Loans and	Available-		carrying	Fair
Company	trading	maturity	receivables		amortized cost	amount	value
31 December 2016	cruding	macarrey					
Cash and cash							
equivalents	-	*	3,083,899		14. 11	3,083,899	3,083,899
Financial assets	84,071		-	36,008	:-	120,079	120,079
Trade receivables	-	-	-		-	-	-
Other receivables							
excluding							
prepayments		-	281,117		-	281,117	281,117
ргерауттенея	84,071	-	3,365,016	36,008	**	3,485,095	3,485,095
Insurance contract							
liabilities	-		-		2,577,030	2,577,030	2,577,030
Trade and other							
payables	-			-	799,208	799,208	799,208
Borrowings	_		-	-	1,136,033	1,136,033	1,136,033
DOITOWINGS	-	-	-		4,512,271	4,512,271	4,512,271
31 December 2015			3,169,212			3,169,212	3,169,212
Cash and cash	-	-	3,107,212				
equivalents	04 034	92		35,758	-	127,692	127,692
Financial assets	91,934		4,078	,		4,078	4,078
Trade receivables	-	-	4,070				
Other receivables							
excluding			278,910		-	278,910	278,910
Prepayments	91,934	-	3,452,200		-	3,579,892	3,579,892
	71,734		-,,				
Insurance contract	-		*		2,143,016	2,143,016	2,143,016
liabilities							400.000
Trade and other		-	-	-	620,929	620,929	620,929
payables							1 055 005
Borrowings	-	-	-	-	1,955,095	1,955,095	1,955,095
The state of the s	-	-	-	-	4,719,040	4,719,040	4,719,040

6 FAIR VALUE HIERARCHY

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3.3.1

Level 1: Quoted market price in an active market for an identical instrument

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in market that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

				Total
Group- December 31, 2016	Level 1	Level 2	Level 3	balance
Assets				07 500
Equity securities - Held for trading	87,599	-	•	87,599
Financial assets measured at fair value	87,599	-		87,599
				Total
Group- December 31, 2015	Level 1	Level 2	Level 3	balance
Assets				05 202
Equity securities - Held for trading	95,293	-	1-	95,293
Financial assets measured at fair value	95,293	-	•	95,293
				Total
Company- December 31, 2016	Level 1	Level 2	Level 3	balance
Assets				
Equity securities - Held for trading	84,071	-	•	84,071
Financial assets measured at fair value	84,071		-	84,071
				Total
Company- December 31, 2015	Level 1	Level 2	Level 3	balance
Assets	04.024			91,934
Equity securities - Held for trading	91,934	-		91,934
Financial assets measured at fair value	91,934	*	-	71,734

6.1 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days.

	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Cash at bank and in hand	215,413	167,670	195,132	75,065
Short term deposits	3,384,563	3,429,198	2,888,767	3,094,147
	3,599,976	3,596,868	3,083,899	3,169,212

Deposits with banks earned interest at floating rates based on the daily rates. Cash and deposits are available for use in the company's day-to-day operations.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

Cash at bank and in hand Bank overdraft	3,599,976	3,596,868 (38,836)	3,083,899	3,169,212 (38,836)
	3,599,976	3,558,032	3,083,899	3,130,376
	=========	========	========	========

7.0 FINANCIAL ASSETS

The Group's financial assets are summarized below by measurement category in the table below:

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Fair value through profit or loss (see note 7.1 below) Available- for-sale (see note 7.2 below Held-to-maturity (see note 7.3 below)		95,293 35,758 525,974	84,071 36,008	91,934 35,758 -
Total financial assets	123,607	657,025	120,079	127,692
Current Non-current	87,599 36,008	621,267 35,758	84,071 36,008	91,934 35,758
7.1 Details of fair value through profit or	loss is as follows:			
(a) Cost Balance 1 January Purchases during the year	372,201 924	402,534 8,665 (38,998)	366,582 924 (6,231)	396,199 8,665 (38,282)
Disposal during the year	(6,231) 366,894	372,201	361,275	366,582
Balance 31 December Impairments Opening balance Additions during the year	276,908 7,197	235,874 50,023	274,648 7,366	234,107 49,530
Provision no longer required due to disposal	(4,810)	(8,989)	(4,810)	(8,989)
Balance 31 December	279,295	276,908	277,204	274,648
	87,599	95,293	84,071	91,934

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016 (Cont'd) In thousands of Nigerian Naira

7.1 (b) Financial assets at fair value through profit or loss

These are equity securities as analysed below:

	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Access Bank	928	1,251	733	1,09
Africa Prudential Registrar Plc	29	24	2	2/
Ashaka	175	365	175	36
C & I Leasing	449	449	449	44
Consolidated Hallmark	278	278	278	27
Dangote Cement	6,029	5,890	6,029	5,89
Dangote Sugar	2,387	2,763	2,387	2,76
Deap Capital	934	934	934	93
Diamond Bank	4,840	12,650	4,840	12,65
ETI	1,070	1,641	1,057	1,62
FCMB	1,273	1,955	1,273	1,95
FBN Holdings	8,117	11,250	8,117	11,25
Flour Mills	2,344	2,637	2,344	2,63
GTB	28,475	20,958	28,475	20,95
Guinea Ins	250	250	250	25
Guiness	695	1,008	695	1,00
nternational Breweries	147	127	147	17
Julius Berger	1,637	1,782	1,637	1,78
National Salt Company Plc	1,027	865	823	6'
Nestle	2,883	3,061	2,883	3,0
Nigeria Breweries	3,503	3,219	3,503	3,2
Oando	37	47	37	
PZ	394	699	394	6
Regency	3,762	4,355	2,750	3,3
Skye Bank	376	1,190	376	1,1
Skye Shelter	1,582	1,618	1,582	1,6
STACO	275	275	275	2
Sterling Bank	188	450	1	
Total	71	34	71	
	181	224	181	2
UAC UBA	3,547	2,664	2,256	1,6
	102	49	7	
UBA Capital Plc	441	553	441	5
Union Bank	47	78	47	
Union Homes	4	7	4	
Unity Bank	500	500	-	
Universal Insurance Company Plc	668	1,435	668	1,4
WAPCO	12	13	8	
Wapic	200	370	200	3
Wema Zenith Bank	7,742	7,375	7,742	7,3
	87,599	95,293	84,071	91,9

OTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016 (Cont'd)

7.2 Available - for- sale financial assets

These represent interest in unquoted companies as analyzed below

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Trustbond Mortgage Bank	3,125	3,125	3,125	3,125
FBN Heritage fund	25,000	25,000	25,000	25,000
FCSL Asset Management Company Limited	22,500	22,500	22,500	22,500
Energy and Special Risk Insurance	6,600	6,600	6,600	6,600
	57,225	57,225	57,225	57,225
Fair value gain	2,985	2,388	2,985	2,388
Less: provision for impairment	(24,202)	(23,855)	(24,202)	(23,855)
	(21,217)	(21,467)	(21,217)	(21,467)
Total available-for-sale financial assets	36,008	35,758	36,008	35,758
Non-current	36,008	35,758	36,008	35,758

- Available-for-sale financial assets represent the Group's investments in unlisted securities in other corporate entities. The investment is carried at fair value based on the net assets value of the group's investments in the other corporate entities and where determinable the market price of the Investment.
- 7.2.2 The decrease of N250,000 in impairment as at 31 December 2016 represents gain on available for sale financial assets during the year which has been credited to available for sale reserve.
- 2.3 The analysis of the fair value gain of N2,985,000 on available for sale investment as at 31 December 2016 is as follows:

	Trust bond Mortgage Bank	FCSL Asset Management Limited	FBN Heritage Fund	Total
	Dec 2016	Dec 2016	Dec 2016	Dec 2016
Net asset value of other corporate entities	5,236,338	650,312	н.	5,886,650
Unit of shares held by Equity Assurance Plc		*	250	250
Percentage holding/unit price	0.045%	0.88%	112	
Fair value of available for sale financial	2,357	5,720	27,985	36,061
Carrying value of available for sale financial				
assets	(2,357)	(5,720)	(25,000)	(33,076)
Fair value gain	~	-	2,985	2,985

Held - to- maturity financial assets at amortized costs

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Short term deposits with financial and non- financial institutions	1,578,778	495,920	250	250
Treasury bills with Ghana government	33,760	38,448	-	-
Less: provision for impairment	1,612,538 (250)	534,368 (8,394)	250 (250)	250 (250)
Derecognition of EA Ghana asset	1,612,288 (1,612,288)	525,974	-	-
	-	525,974	-	-
Current Non-current		525,974		-

Financial assets held-to-maturity are presented at amortized cost less impairment on the Group's consolidated financial statement.

0	TRADE RECEIVABLES	Group	Group Dec 2015	Company Dec 2016	Company Dec 2015
		Dec 2016	967,442	-	825,141
	Insurance receivables (Note 8.1a) Other trade receivables (Note 8.2a)	328,247	394,708	-	-
	Other trade receivables (Note 6.2a)	328,247	1,362,150		825,141
	Less: Provision for impairment:		(0.46.264)		(821,063)
	Insurance receivables (Note 8.1b)		(846,361)	-	(821,003)
	Other trade receivables (8.3)	(56,887)	(25,858)	-	
	TRADE RECEIVABLES	271,360	489,931	-	4,078
1a	The movement in Insurance receivables is s				C
		Group	Group	Company	Company Dec 2015
		Dec 2016	Dec 2015	Dec 2016	
	Balance at the beginning	967,442	2,076,208	825,141	2,038,319
	Acquisition during the year	-	13,987		
	Exchange difference	-	3,042		2 47/ 047
	Additions during the year	2,014,077	4,049,038	2,014,077	2,476,047
	Payment received during the year	(2,160,456)	(3,975,061)	(2,018,155)	(2,529,375)
	Write off of provision	(821,063)	(1,199,772)	(821,063)	(1,159,850)
	Balance at the end of the year	-	967,442	-	825,141
1b	The movement in provision for impairment	for insurance re	eceivables is sho	wn below:	_
10	The movement in providing	Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Balance at the beginning	(846,361)	(2,018,805)	(821,063)	(1,980,913
	Acquisition during the year		(3,837)	-	-
	Exchange difference	-	878	-	-
	Provision derecognised	114,147			
	Additions during the year	(88,849)	(24, 369)	(#X)	
	Write off of provision	821,063	1,199,772	821,063	1,159,850
	Balance at the end of the year	-	(846,361)	-	(821,063
	Balance at the end of the year	are as follows:			
.1c	The make up of the insurance receivables	Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
			747,796	-	605,495
	Brokers	_	208,325		208,325
	Agents		11,321	-	11,321
	Direct clients		967,442		825,14
	Total		(626,715)		(601,417
	Less: impairment from brokers	-	(208,325)	-	(208, 32
	Less: impairment from agents	-	(11,321)	-	(11,32
	Less: impairment from direct clients	-	(846,361)	-	(821,063
		-		fallower	
	The age analysis of gross insurance receiv	ables as at the e	end of the year is	as follows:	Company
		Group	Group	Company	Dec 2015
		Dec 2016	Dec 2015	Dec 2016	
	0- 90 days		146,379	-	4,07
	91- 180 days		4,843	-	4,84
	Above 180 days	-	816,220	-	816,22
	Total	-	967,442	-	825,14

8.2a	The make	up of	other	trade	receivables	are as f	ollows:
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.2a	The make up of other trade receivables are as	s follows:			
		Group	Group	Company	Company Dec 2015
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Trade Receivables from operations of				
	Managed Healthcare Services Ltd	123,225	96,404	-	
	Trade Receivables from operations of EA				
	Capital Management Ltd	205,022	298,304	-	-
	Total	328,247	394,708	-	-
3.2b	The movement in Other trade receivables is s	hown below:		Van 1	_
		Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Balance at the beginning	394,708	293,420	-	-
	Additions during the year	461,608	633,572	-	-
	Payment received during the year	(528,069)	(532,284)	-	-
	Balance at the end of the year	328,247	394,708	Q#.	
8.3	The movement in provision for impairment in	Other trade rece	ivables is shown	below:	
	Balance at the beginning	25,858	-	-	-
	Additions during the year	31,029	25,858	-	-
	Balance at the end of the year	56,887	25,858	-	-
9.0	REINSURANCE RECEIVABLES	Group	Group	Company	Company
7.0	KEMSONANCE RECEIVABLES	Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Prepaid re-insurance (9.1)	195,775	350,009	195,775	247,314
	Reinsurers' share of outstanding claims				
	(Note 9.2)	584,775	703,441	584,775	589,083
	Reinsurers' share of IBNR (Note 9.3)	89,809	124,914	89,809	102,042
	Reinsurers' share of claims paid (Note 9.4)	-	57,807	-	-
	Remodrers share or examp pare (weekly)	870,359	1,236,171	870,359	938,439
2 3	DOEDAID DE INCUDANCE	Group	Group	Company	Company
9.1	PREPAID RE-INSURANCE	Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Ti are and in proposid roingurance is as fu				
	The movement in prepaid reinsurance is as for	350,009	478,841	247,314	372,750
	Balance at January 1	(3,475)	(6,849)		**
	Exchange difference	(3, 1, 3)	1,902	7.0	-
	Acquisition of assets in Liberia Reinsurance cost during the year (Note 33)	1,050,864	1,139,382	641,917	863,682
	Reinsurance expenses (Note 33)	(1,041,254)	(1,263,267)	(693,456)	(989,118)
	Remsurance expenses (Note 33)	356,144	350,009	195,775	247,314
	Derecognised asset-Equity Assurance	330,			
	Ghana Limited	(160, 369)	-	-	
	Balance at December 31	195,775	350,009	195,775	247,314
	batance at becember 31	Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	The movement in reinsurance share of outst				
9.2		703,441	724,794	589,083	630,118
	Balance at January 1	(3,062)	(9,340)	3500 T 1980	-
	Exchange difference	(4,308)	(12,013)	(4,308)	(41,035)
	Changes during the year (Note 35)	696,071	703,441	584,775	589,083
	Derecognised asset-Equity Assurance	0,0,0,	5 COOM 5 100	RI	
	Ghana Limited	(111,296)	-	-	-
	Balance at December 31	584,775	703,441	584,775	589,083

		Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
3	The movement in reinsurance share of IBNR			2017/00/201 000 10/2017	
	Balance at January 1	124,914	149,221	102,042	130,286
	Exchange difference	-	(1,867)		
	Changes during the year (Note 35)	(12,233)	(22,440)	(12,233)	(28,244)
		112,681	124,914	89,809	102,042
	Derecognised asset-Equity Assurance				
	Ghana Limited	(22,872)		-	-
	Balance at December 31	89,809	124,914	89,809	102,042
		Group	Group	Company	Company
		Dec 2015	Dec 2014	Dec 2015	Dec 2014
4	The movement in reinsurance share of recover	erable on claims r	paid		
4	Balance at January 1	57,807	7,892	-0	-
	Acquisition of asset in Liberia	-	3,287	-	-
	Exchange difference		(2,490)	***	-
	Reinsurance recoveries from claims paid				
	(Note 35)	368,496	648,536	261,921	255,933
	Receipt from Reinsurance during the year	(261,921)	(599,418)	(261,921)	(255,933)
	Receipt from Remsdrance during the year	164,382	57,807	-	_
	Derecognition of EA Ghana asset	(164,382)	-	-	-
	Balance at December 31	-	57,807		-
	Datance at December 31				

⁽i) Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value.

DEFERRED ACQUISITION COSTS 10.0

This represents commission on unearned premium relating to the unexpired tenure of risk and the movement in deferred acquisition costs is as follows:

Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	259,582	142,249	183,371
18,729	(4,270)		-
884,124	714,869	376,122	400,074
() The second of the second o	(723,031)	(422,508)	(441,196)
251,664	247,150	95,863	142,249
(155,801)	•	-	-
95,863	247,150	95,863	142,249
	Dec 2016 247,150 18,729 884,124 (898,339) 251,664 (155,801)	Dec 2016 Dec 2015 247,150 259,582 18,729 (4,270) 884,124 714,869 (898,339) (723,031) 251,664 247,150 (155,801) -	Dec 2016 Dec 2015 Dec 2016 247,150 259,582 142,249 18,729 (4,270) - 884,124 714,869 376,122 (898,339) (723,031) (422,508) 251,664 247,150 95,863

Deferred policies acquisition expenses will be recognized as an expense within 12 months after the reporting date.

⁽ii) Reinsurance assets are not impaired as balances are set-off against payables from retrocession.

Other receivables (11.1) Dec 2016 Dec 2015 Dec 2016 Dec 2015 Other receivables (11.1) 140,753 148,638 79,236 89,551 Due from Equity Resort Hotel (Note 11.2) 168,912 160,369 168,912 159,469 Due from Related companies (Note 11.3) 25,295 - 32,969 29,890 Prepayment - Staff 16,804 11,510 16,804 9,891 Prepayments- Others 48,919 100,677 22,718 18,204 Deposit for Property (Note 11.4) - 76,016 - - Current 231,771 336,841 151,727 147,536 Non-current 168,912 160,369 168,912 159,469 11.1 OTHER RECEIVABLES Group Group Group Company Company Dec 2016 Company Dec 2015 Dec 2016 Dec 2015
Due from Equity Resort Hotel (Note 11.2)
Due from Equity Resort Hotel (Note 11.2)
Due from Related companies (Note 11.3) 25,295 - 32,969 29,890
Prepayment - Staff 16,804 11,510 16,804 9,891 Prepayments- Others 48,919 100,677 22,718 18,204 Deposit for Property (Note 11.4) - 76,016 - - Current 231,771 336,841 151,727 147,536 Non-current 168,912 160,369 168,912 159,469 11.1 OTHER RECEIVABLES Group Group Group Dec 2015 Company Dec 2016 Dec 2016 Dec 2016
Prepayment - Staff 16,804 11,510 16,804 9,891 Prepayments- Others 48,919 100,677 22,718 18,204 Deposit for Property (Note 11.4) - 76,016 - - Current 231,771 336,841 151,727 147,536 Non-current 168,912 160,369 168,912 159,469 11.1 OTHER RECEIVABLES Group Group Group Dec 2015 Company Dec 2016 Dec 2016 Dec 2016
Prepayments- Others
A00,683 A21,194 320,639 307,005
Deposit for Property (Note 11.4)
Deposit for Property (Note 11.4)
A00,683
Current Non-current 231,771 336,841 151,727 147,536 168,912 160,369 168,912 159,469 11.1 OTHER RECEIVABLES Group Dec 2016 Dec 2015 Dec 2016 Dec 2015 Company Dec 2015
Non-current 168,912 160,369 168,912 159,469 11.1 OTHER RECEIVABLES Group Dec 2016 Group Dec 2015 Dec 2016 Dec 2015
11.1 OTHER RECEIVABLES Group Group Company Company Dec 2016 Dec 2015 Dec 2016 Dec 2015
Dec 2016 Dec 2015 Dec 2016 Dec 2015
Dec 2016 Dec 2015 Dec 2016 Dec 2015
Investment receivables 16.051 47.084 16.051 47.084
Withholding tax receivables 22,117 3,163 22,117 1,633 Insurance claims recoverable - 1,964 - 1,964
Sundry receivables 102,585 96,427 41,068 38,870 At 31 December 140,753 148,638 79,236 89,551
At 31 December 140,733 140,036 77,230 67,331
11.2 DUE FROM EQUITY RESORT HOTEL Group Group Company Company
LIMITED Dec 2016 Dec 2015 Dec 2016
At 1 January 160,369 132,804 159,469 132,804
Reimbursable expenses incurred 5,690 7,021 5,690 6,121
Repayment during the period (1,395) - (495)
Profit from concessionary arrangement 4,248 20,544 4,248 20,544
At 31 December 168,912 160,369 168,912 159,469
11.3 DUE FROM RELATED PARTIES Managed Health Care Services Limited - 7,674 11,185
Managed Heater Care Services Emired
Equity Micro Life Insurance Company Limited 1,761 - 1,761 1,761
Limited
Equity resultance Emiliary Strains
Equity 7050 united Elimited, Elise in
25,295 - 32,969 29,890
11.4 DEPOSIT FOR PROPERTY
Opening balance 76,016
Exchange difference
Additions during the year - 76,016
Derecognition of EA Ghana asset (76,016)
At 31 December - 76,016

This was deposit made by Equity Assurance Limited, Ghana towards acquisition of property number C709/14 situated at Forest Avenue Dzorwulu in Accra. This was derecognised due to disposal of the Company's interest in EA Ghana.

INVESTMENT IN SUBSIDIARIES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
EA Capital Management Limited	-	-	278,294	278,294
Managed HealthCare Services Limited (MHS)	-		381,330	344,300
Equity Assurance Limited, Ghana	2.0	-		307,382
Equity Assurance Emilion, Chang	-	= =====================================	659,624	929,976
	-	-	659,624	92

Principal subsidiary undertakings:

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The Group is controlled by Equity Assurance Plc "the company" (incorporated in Nigeria). The controlling interest of Equity Assurance Plc in the Group entities is disclosed in the table below:

Company name	Nature of business	Country	% of equity	
	Dasiness	of origin	capital controlled	
			Dec-16	Dec-15
EA Capital Management Limited	Asset Management	Nigeria	100	100
Managed HealthCare Services Limited	Health Management	Nigeria	67.56	67.56
Equity Assurance Limited, Ghana	Non-life Insurance	Ghana	,	61.82

- EA Capital Management Limited was incorporated on October 29, 2008 as a private limited liability company
 primarily to carry on the business of finance leases to both individual and corporate clients. Its registered
 office is at Plot 1196 Bishop Oluwole Street, Victoria Island, Lagos, Nigeria.
 - 2. Managed HealthCare Services Limited was incorporated on December 11, 1997 to carry on the business of health management. It is a nationally licensed Health Management Organization(HMO), accredited by the National Health Insurance Scheme (NHIS). It has its head office at 16 Obokun street, off Coker road, Ilupeju, Lagos, Nigeria and twelve branches across major cities in Nigeria.
 - Equity Assurance Plc has direct and indirect shareholding in Managed Healthcare Services totaling 67.56%. It has a direct shareholding of 55.83% with an indirect shareholding of 11.73% arising from the investment of its fully owned subsidiary named EA Capital Management Limited in Managed HealthCare Services Limited. During the year, the Company took up rights issue of N37.031Million in Managed Healthcare Services limited which accounted for the increase in its investment in Managed Healthcare Services limited.
 - 3. Equity Assurance Limited, Ghana was registered and is domiciled in Ghana to undertake the business of general insurance and other businesses and agencies incidental thereto. Its registered office is 49, Senchi Street, Airport Residential Area, Accra, Ghana and it has fourteen branches across Ghana.

During the year, the Company disposed of its investment of N307.382Million in Equity Assurance Limited Ghana on December 30, 2016. A proceed of US\$2,266,205.84 with Nigerian Naira equivalent of N690,059,678.28 was received from the disposal.

	11070,037,070.20 Was received from the an	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	Fair value of consideration received Less:	690,060	-	690,060	
	Net assets of EA Ghana at the date of disposal	(1,316,263)		·	
	Carrying value of investment in EA Ghana			(307,382)	
	- Criana	(626,203)	-	382,678	-
	Non-controlling interest at date of disposal	596,683			
	(Loss)/profit on disposal of investment in EA Ghana	(29,520)		382,678	-
13	INVESTMENT PROPERTIES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	Balance at 1 January	397,477	397,477	301,400	-
	Derecognition of EA Ghana asset Additions	(46,077)	301,400	-	-
	Transferred from EA Capital to the		(301,400)	-	301,400
	Company	351,400	397,477	301,400	301,400
	Balance at 31 December		377,477	301,100	
	The investment properties are being held	as rollows.			
	Investment properties held by the	301,400	301,400	301,400	301,400
	Company Investment properties held by EA	301,400	30.,	,	
	Ghana Ghana	-	46,077	2.00	
	Investment properties held by EA	1			
	Capital	50,000	50,000	- 201 100	201 400
		351,400	397,477	301,400	301,400
14	INTANGIBLE ASSETS	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	COST			4 225 5/0	1 225 540
	Balance at 1 January	1,309,020	1,252,453	1,235,560	1,235,560
	Additions	5,719	11,051 917		_
	Acquisition of assets in Liberia		44,599	-	
	Goodwill	(60,329)		-	
	Derecognition of EA Ghana assets Balance on 31 December	1,254,410	1,309,020	1,235,560	1,235,560
	ACCUMMULATED AMORTISATION				
	Balance at 1 January	336,985	273,809	326,113	267,444
	Acquisition during the year	-	122	8. 4.	
	Amortisation charge for the year	61,106	63,054	55,780	58,669
	Derecognition of EA Ghana assets	(9,268)			227 113
	Balance on 31 December	388,823	336,985	381,893	326,113
	Carrying value	865,587	972,035	853,667	909,447
	The closing net book of the intangible as	sets comprises the	following:	F 333	42 004
	Computer Software	17,252	31,973	5,332	13,984
	Goodwill	0.40.225	44,599	848,335	895,463
	Leasehold improvements on Equity	848,335	895,463	040,333	83

The Parent company was granted a concession right in 2010 by the Ogun state Government to manage the affairs of Equity Resort Hotel, Ijebu-ode for a period of 25 years. The sum of N1.152 billion was spent to refurbish the hotel to enable it meet international standards. This sum above represents the carrying amount at cost of the improvements carried out on the hotel.

The goodwill of N44.599Million acquired by the Group from the acquisition of Equity Assurance Liberia Limited through Equity Assurance Limited, Ghana in 2015 was derecognised in 2016 due to the disposal of the Company's interest in EA Ghana.

_5.1	PROPERTY, PLANT AND	D EQUIPMENT (C Leasehold Land	GROUP) Buildings	Office Equipment	Motor Vehicles	Furniture and Fittings	Bill Board	Total
	At 1 January 2016 Additions	1,204,933	1,997,156 1,669	200,634 23,382	381,102 205,200	75,814 12,786	5,730 -	3,865,369 243,037
	Derecognition (Note 15.2.1) Disposals Adjustment	· ·	(41,025) - (13,488)	- (85) -	(23,425)	-		(41,025) (23,510) (13,488)
	Derecognition of EA Ghana assets	=	(6,727)	(48,885)	(146,038)	(37,381)		(239,031)
	At 31 December 2016	1,204,933	1,937,585	175,046	416,839	51,219	5,730	3,791,352
	At 1 January 2015 Additions	239,025 965,908	442,488 1,544,092	183,353 23,988	339,172 42,539	59,386 10,716	5,730	1,269,154 2,587,243
	Acquisition of assets in Liberia Disposals		10,576	6,160 (12,867)	12,748 (13,357)		- - 5 720	35,196 (26,224) 3,865,369
	At 31 December 2015	1,204,933	1,997,156	200,634	381,102	75,814	5,730	3,803,307
	ACCUMULATED DEPRE At 1 January 2016 Charge for the year Disposals Adjustment Derecognition of EA Ghana assets	CIATION - - - -	31,448 36,161 - (9,741)		214,092 65,574 (21,274) - (85,192)		5,730 - - - -	437,553 135,935 (21,359) (9,741) (142,081)
	At 31 December				1000	30 02	F 720	400 207
	2016	-	51,585	127,095	173,200	42,697	5,730	400,307
	At 1 January 2015 Charge for the year Acquisition in Liberia Disposals		18,862 8,600 3,986	33,923	158,067 66,406 1,822 (12,203)		4,584 1,146 - -	329,200 123,161 7,848 (22,656)
	At 31 December 2015	(w)	31,448	130,981	214,092	55,302	5,730	437,553
	CARRYING VALUE							
	At 31 December,	1,204,933	1,886,000	47,951	243,639	8,522	-	3,391,045
	At 31 December,	1,204,933	1,965,708	69,653	167,010	20,512	-	3,427,816 84

15.2 PROPERTY, PLANT AND EQUIPMENT (COMPANY)

,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Leasehold Land	Buildings	Office Equipment	Motor Vehicles	Furniture & Fittings	Bill Board	Total
COST At 1 January 2016 Additions	1,204,933	1,572,692	109,612 4,825	193,892 178,070	40,015 3,545	5,730	3,126,874 186,440
Derecognition (Note 15.2.1) On disposals		(41,025)		(23,425)	-	-	(41,025) (23,425)
At 31 December 2016	1,204,933	1,531,667	114,437	348,537	43,560	5,730	3,248,864
At 1 January 2015 Additions On disposals	239,025 965,908 -	28,600 1,544,092	113,950 8,429 (12,767)	184,677 9,990 (775)	37,085 2,930	5,730	609,067 2,531,349 (13,542)
At 31 December 2015	1,204,933	1,572,692	109,612	193,892	40,015	5,730	3,126,874
ACCUMULATED DEPRECIATION At 1 January 2016	ON -	1,144	73,102	115,939	32,741	5,730	228,656
Charge for the year On disposals		31,454	10,088	29,939 (21,274)		-	75,107 (21,274)
At 31 December 2016	-	32,598	83,190	124,604	36,367	5,730	282,489
At 1 January 2015		572	62,088	80,956	25,510	4,584	173,710
Charge for the year On disposals		572	21,468 (10,454)	35,665 (682		1,146	66,082 (11,136)
At 31 December 2015	-	1,144	73,102	115,939	32,741	5,730	228,656
CARRYING VALUE							
At 31 December 2016	1,204,933	1,499,069	31,247	223,933	7,193		2,966,375
At 31 December 2015	1,204,933	1,571,548	36,510	77,953	7,274		2,898,218

15.2.1 The Company's land at Abeokuta Ita Eko Land was revoked by Ogun State Government hence the derecognition of the N41.025M being the value of the land.

15.2.2 Valuation of properties

Land and building held by Equity Assurance Plc was independently valued by Omotayo Adesina Associates, estate surveyors and valuers at November 2013 to ascertain the open market value of the land and building.

The fair value of land and buildings is determined by discounting the expected cash flows of the properties based upon internal plans and assumptions and comparable market transactions.

15.2.3 Assets pledged as security

None of the company's property, plant and equipment was pledged as security for facility.

15.2.4 Capital commitment

The Group had no commitments for capital expenditure as at the statement of financial position date (2015: Nil) and no borrowing cost was capitalised in the current year (2015: Nil)

15.2.5 There were no impairment losses recognized during the year (2015:nil).

Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
324,302	322,671	300,000	300,000
=	1,631	-	•
103,776	-	-	•
(128,078)	/ -		
300,000	324,302	300,000	300,000
	Dec 2016 324,302 - 103,776 (128,078)	Dec 2016 Dec 2015 324,302 322,671 - 1,631 103,776 - (128,078) -	Dec 2016 Dec 2015 Dec 2016 324,302 322,671 300,000 - 1,631 - 103,776 - - (128,078) - -

These represent deposits with the Central Bank of Nigeria in accordance with Section 10(3) of the Insurance Act CAP I17 LFN 2004 and Investment in Government of Ghana Treasury Bills as required by National Insurance Commission (NIC), Ghana. However the balance of N300Million as at December 31, 2016 represents the deposit with the Central Bank of Nigeria.

INSURANCE CONTRACT LIABILITIES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Claims reported and loss adjustment expenses (17.1) Claims incurred but not reported (17.2) Unearned premiums (17.3)	1,562,269 372,982 641,779	1,401,172 235,071 1,070,628	1,562,269 372,982 641,779	1,336,419 222,120 584,477
Total Insurance contract iabilities, gross	2,577,030	2,706,871	2,577,030	2,143,016
Reinsurance receivables	674,584	886,162	674,584	691,125
Net insurance contract liabilities	1,902,446	1,820,709	1,902,446	1,451,891

17.1 The movement in claims reported and loss adjustment expenses is as follows

	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Balance at the beginning of the year	1,401,172	1,657,191	1,336,419	1,628,643
Acquisition of liabilities in Liberia	-	1,189	-	
Exchange difference Increase/ (decrease) during the year(Note	(34,538)	(3,607)		*
35)	281,105	(253,601)	225,850	(292,224)
33)	1,647,739	1,401,172	1,562,269	1,336,419
Derecognition of EA Ghana liabilities	(85,470)		*	-
Balance at the end of the year	1,562,269	1,401,172	1,562,269	1,336,419

17.2 The movement in claims incurred but not reported is as follows

	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Balance at the beginning of the year	235,071	258,903	222,120	253,193
Acquisition of liabilities in Liberia	-	238	-	
Exchange difference	3,039	(722)	*	-
Increase/ (decrease) during the year (Note 35)	151,966	(23,348)	150,862	(31,073)
	390,076	235,071	372,982	222,120
Derecognition of EA Ghana liabilities	(17,094)	7-6	-	
Balance at the end of the year	372,982	235,071	372,982	222,120

17.3 The movement in Unearned Premium is as follows

The movement in oneamed Fremain is as	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
		1,386,241	584,477	1,063,961
Balance at the beginning of the year	1,070,628		304,477	1,003,701
Acquisition of liabilities in Liberia	-	22,385	*	-
Exchange difference Increase/(decrease) during the year (Note	79,165	(31,965)	-	*
32)	214,549	(306,033)	57,302	(479,484)
32)	1,364,342	1,070,628	641,779	584,477
Derecognition of EA Ghana liabilities	(722,563)		-	-
Balance at the end of the year	641,779	1,070,628	641,779	584,477
Designation and the second second property of the second s				86

18 TRADE PAYABLES

Trade payables represent liabilities to Agents, Brokers and Re-insurers as at year end.

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Reinsurance payable	11,419	99,490	11,419	35,385
Commission payable (Note 18.1)	1,713	26,325	1,713	7,628
Other trade payables	22,899	23,183	-	
	36,031	148,998	13,132	43,013
Commission payable				
Balance at the beginning of the year	26,325	9,703	7,628	4,180
Additions during the year	747,052	714,869	376,122	400,074
Payment during the year	(771,664)	(698, 247)	(382,037)	(396,626
Balance at the end of the year	1,713	26,325	1,713	7,628
OTHER PAYABLES	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Deferred income (Note 19.1)	76,174	94,379		-
Dividend payable	38,798	45,585	38,798	38,798
Due to EA Capital	-	-	21,050	14,072
Due to Sunu Group	54,399		54,399	
Withholding tax payable	29,755	48,058	29,755	24,200
Staff pension and gratuity	15,073	29,601	14,990	21,801
Unclaimed dividend	28,421	28,019	28,421	28,019
Due to Director (Note 19.2)	2,224	206,207	2,224	206,207
Unearned commission	38,347	32,429	38,347	32,429
Due to Sunu Assurances Vie				
Cote D'Ivoire (Note 19.3)	-	99,874		99,874
Penalty due to NAICOM (Note 19.4)	432,242	-	432,242	*
Sundry creditors	152,645	118,187	70,967	37,982
Accrued expenses	82,668	163,216	54,883	74,534
·	950,746	865,555	786,076	577,916
Current	874,572	771,176	786,076	577,916
Non-current	76,174	94,379	*	

- 19.1 This represents unearned income from the businesses of EA Capital Management Limited- N15.867Million (2015-N51.119Million) and Managed Healthcare Services Limited- N60.307Million (2015-N43.259Million).
- 19.2 Included in the N206.207million was the sum of N200million that was advanced to the Company on November 10, 2015 by Mr Ibidolapo balogun, the Company's former Group Managing Director at zero interest to augment the Company's working Capital. This sum had been redeemed by the Company on 29 January 2016.
- 19.3 This represents deposit made by Sunu Assurances Vie Cote D'Ivoire with respect to the acquisition of shares in the Company which was released by the Company to Sunu Assurances Vie Cote D'Ivoire.
- 19.4 This sum represents penalty imposed on the Company by NAICOM for failure to obtain its approval before ceding out an aviation business to a foreign reinsurance company which contravenes provision of section 72(4) of the Insurance Act, CAP I17, LFN 2004.

20	DEPOSIT FOR SHARES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	At January 1	800	500	-	-
	Additions during the year	17,379	300	1413	1-
	At December 31	18,179	800	-	-

	Group	Group	Company	Company
Deposit for shares in Managed Healthcare Services Limited	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Dr Chika Enueme	3,298	800	-	-
KYT investments Limited	5,391	-	-	-
Alhaji Dan Bappa	411	-	-	-
Jimi Agbaje	124	-		-
Oracle Assets Limited	5,320	1.7	-	
Benolox Nigeria Limited	2,527			
Dr P.C Korie	1,108	-	-	
	18,179	800		-

BORROWINGS	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Bank overdraft (Note 21.1) Obligations under finance lease (Note 21.2)	-	38,836		38,836
	2	2,990	2,495	12,270
Convertible redeemable loan (Note 21.3)	1,133,538	1,903,989	1,133,538	1,903,989
Total	1,133,538	1,945,815	1,136,033	1,955,095
Maturity analysis				
Current portion		41,826	2,495	6,866
Non-current portion	1,133,538	1,903,989	1,133,538	1,903,989
·	1,133,538	1,945,815	1,136,033	1,910,855

21.1 Bank Overdraft

During the year, the Company fully paid the N40million overdraft facility from Skye Bank Plc in July 2016.

21.2 Obligation under finance lease

The finance leases are secured by the related non current assets that were procured using the leased funds.

21.3 Convertible redeemable loan

This represents zero coupon JPY1,350,000,000 direct, unconditional, unsubordinated and unsecured European Bond with options issued to Daewoo Securities Europe Limited in 2008. The underlying Bond has a put period of 48months with a yield to put of 4.25% per annum while the tenor of the convertible option is valid up to year 2026. The purpose for which the Bond was issued relates to upgrade of Information and Communication Technology, Expansion of Branch network and Working Capital.

The Option commonly referred to as "Call Option" is the option side of the instrument and gives the Option holder (Daewoo Securities Europe Limited, the right but not obligation to subscribe to the equity of the issuer at an agreed price (Strike Price) and predetermined time period(Expiration). When exercised, a fresh injection of the capital is required to take up the new issues created.

The movement in the convertible loan during the year is as follows:

	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Balance at January 1	1,903,989	1,445,367	1,903,989	1,445,367
Interest charges		376,204		376,204
Payments during the year	-	(338,626)		(338,626)
Exchange difference	402,043	421,044	402,043	421,044
Provision no longer required (Note 41)	(1,172,494)		(1,172,494)	-
Balance as at December 31	1,133,538	1,903,989	1,133,538	1,903,989

The company issued a zero coupon global bond/option valued at 1,350,000,000 Japanese Yen (JPY) (USD12,420,000) to Daewoo Securities (Europe) Limited in 2008.

1,350,000,000 Japanese Yen (JPY) due to be repaid in year 2026 was issued to Daewoo Securities Limited who acted as subscriber to the bond. The Bond were issued with the options to subcribe for the ordinary shares of the company.

Subsequently, in 2012, the subscriber called for the repayment of the bond and an amount of USD8,697,377 had since been repaid to date.

- Following the successful acquisition of 61.72% of Equity Assurance Plc by SUNU Group and the consequent reconstitution of the Board and Management in April 2016, the Company engaged the services of Segun Oyegbola & Co (Chartered Accountants) to review the Subscription Bond Agreement and advise on the proper treatment in the Financial Statements.
- A meeting was held between the Management of the Company and the representatives of Daewoo Securities in Cote D'ivoire on September 29, 2016 in which the position of the new Management was communicated to the Daewoo representatives based on the report submitted by Segun Oyegbola.

The Company after careful review of the report of Segun Oyegbola & Co (Chartered Accountants) is of the strong opinion that the Bond Agreement should be discontinued and challenged on account of the following:

- (a) The Bond is a Zero Coupon Bond intended to mature by 2026 financial year.
- (b) The understanding between the company and Daewoo Securities (Europe) Limited that the company should issue a temporary Global Bond and Global Option pending the issuance of Definitive Bond which shall be in bearer form in tranches of JPY 100,000 each in favour of multiple investors was not followed.
- (c) Daewoo Securities (Europe) Limited deliberately failed/neglected to arrange for the subscription to the Definitive Bond by multiple investors in order to actualise its scheme of being the sole Bondholder. This contrary position inhibited the company from calling any meeting of the Bondholders or redeeming in tranches the investment of some Bondholders.
- (d) The roles of Daewoo Securities (Europe) Limited as sole Adviser/Agent, Lead Manager, Fund Arranger, Paying Agent and Receiving Agent is a conflict of interest.
- (e) The deliberate refusal of Daewoo Securities (Europe) Limited to arrange a meeting of Bondholders who purportedly exercised the Put Notice is highly questionable and should be challenged.
- (f) In so far as the Global Bond has not been offered to multiple investors in Definitive Form, the company is at liberty to treat the transaction as money had and received which the company is entitled to refund to Daewoo Securities (Europe) Limited because of absence of contract.
- In the light of the above, the Board of Directors of the Company passed the following resolution in December 2016:
- (a) Adoption of the total payment of USD\$8,697,377 made by the company to Daewoo Securities (Europe) Limited as principal repayment of the Bond Agreement considering the fact that the Bond Agreement between Equity Assurance Plc and Daewoo Securities (Europe) Limited is tainted in illegality.
- (b) Discontinuation of the improper treatment of the Bond Agreement in the company's financial records in line with the report submitted by the firm of Segun Oyegbola & Co. Chartered Accountants.
- (c) Recognition of the sum of USD\$3,722,623 as the outstanding liability of the company to Daewoo Securities (Europe) Limited as at 31 December, 2016 given the repayments that have been made to date.
- (d) Engagement of the Law firm of Professor Taiwo Osipitan (Bayo Osipitan & Co.) to challenge in Nigerian Courts the enforcement of the Subscription Bond Agreement between Equity Assurance Plc and Daewoo Securities (Europe) Limited and a declaration that the company's liability to Daewoo Securities (Europe) Limited does not exceed JPY1,350,000.00 (USD\$12,420,000) less total amount paid till date.

CURRENT INCOME TAX LIABILITIES

	The state of the s				
	The movement in this account during the		C	Company	Company
	year is as follows:	Group	Group	Dec 2016	Dec 2015
		Dec 2016	Dec 2015	87,132	71,331
	Balance as at January 1	153,657	160,570	07,132	71,551
	Acquisition during the year		(27,970)	-	
	Exchange difference	5,661	(7,890)	42 010	50,359
	Charge for the year (see note 22.1 below)	155,567	123,064	62,818	50,557
	WHT Tax credit offset	(1,273)	(0.4.447)	(40.335)	(34,558)
	Payment during the year	(131,680)	(94,117)	(60,325)	87,132
		181,932	153,657	89,625	07,132
	Derecognition of EA Ghana liabilities	(38,476)	-		07 422
	Balance as at December 31	143,456	153,657	89,625	87,132
	Ti de la comprisor				
2.1	The tax charge for the year comprises:				
	Company income tax	49,903	34,285	49,903	34,285
	-Equity Assurance Plc	8,628	5,260		-
	-Managed Healthcare Services	13,079	7,965	Y#:	(4 0)
	-EA Capital Management Limited	52,421	50,607		
	-Equity Assurance Limited- Ghana	32,421	30,007		
	Education Tax			0.035	16,074
	-Equity Assurance Plc	9,025	16,074	9,025	10,074
	-Managed Healthcare Services		351		
	Minimum tax				
	-Equity Assurance Plc	-	-	-	
	National fiscal stabilisation levy/NITDA				
	-Equity Assurance Plc	18,621	-		*
	-Equity Assurance Limited- Ghana	-	8,522	*	-
	1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00				
	Under provision in previous year	3,890		3,890	-
	-Equity Assurance Plc	155,567	123,064	62,818	50,359
		133,307			
	Deferred tax				
	-Equity Assurance Plc	-	1,350	(-))	C-4
	-Managed Healthcare Services	4.047	1,330	•	-
	-EA Capital Management Limited	1,067	(31,253)	_	
	-Equity Assurance Limited- Ghana	8,577		-	-
		9,644	(29,903)		
	Total tax charge for the year	165,211	93,161	62,818	50,359

The charge for Income and Education taxes in these financial statements has been based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended to date and Education Tax Act CAP E4 LFN 2004 respectively.

22.2 Actual tax charge on the company's profit differ from the standard rate of corporate tax in Nigeria applied to profits for the year as analysed below:

Current tax on results for the year:	2016	Company 2015 34,285
Income Tax	49,903	34,203
NITDA Education tax	9,025	16,074
Education tax Under provision in previous year	3,890	-
Minimum tax	5,070	
millian tax	62,818	50,359
		F0 350
Total current tax	62,818	50,359
Deferred tax liability Origination and reversal of temporary differences	-	-
Total tax expense	62,818	50,359
Tax Expense recognised in Other Comprehensive Incomprehensive	me	
Capital Gains Tax on Revaluation Surplus	-	
The reasons for the difference between the actual to corporate tax in Nigeria applied to profits for the year a		I the standard rate of
Loss before tax	(188,967)	(717,038)
Expected tax charge based on the standard rate on		
Nigeria corporate tax at the domestic rate of	(5((00)	(215,111)
30% (2015:30%)	(56,690)	34,285
Income tax as per computations	49,903	
Difference (see below)	(6,787)	(180,826)
Adjustment for tax deductible and non-deductible		
Effect of incomes that are exempt from taxation	(1,217,768)	(549,434)
Effect of expenses that are not deductible in determining taxable profit		660,942
Effect of expenses that are deductible in determining		
taxable profit	(1,325,085)	*
Total net income	1,189,097	
Other taxable income	1,612,130	
Balancing charge	15,933	-
Loss relieved	**	(463,385)
Investment allowance		(843)
Capital allowances	(300,821)	(228,567)
Impairment loss		(21,467)
Under provision in previous year	3,890	- (100 TE 1)
	(22,624)	(602,754)
Income tax @ 30% - Difference (as above)	(6,787)	(180,826)
Effective tax rate	0.04	0.25
Elicetife tax race.		91

23	DEFERRED TAX	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
20	Balance at the beginning of the year	22,359	50,898	48,994	48,994
	Exchange difference	_	1,364		
	Acquisition during the year Write back for the year		,,50		-
	Charge for the year:				
	- Income statement	9,644	(29,903)	-	-
	- Other comprehensive income	-	-	-	-
	Derecognition of EA Ghana liabilities	28,781	-	-	- 10.004
	Balance at the end of the year	60,784	22,359	48,994	48,994
	Current		-		-
	Non current	60,784	22,359	48,994	48,994
23.1	Deferred income tax are attributable to	the following:			
	Company	Opening	Recognized in	Recognized in	Closing
		balance as at	net income	OCI	
		1 January			December
		2016			2016
	Deferred tax liabilities				20.004
	Excess of NBV over TWDV	30,986			30,986
	Unrealised Exchange gain				18,008
	Revaluation Surplus	18,008	(*)	-	48,994
		48,994	-		40,774
	Deferred tax assets				
	Other timing difference items	-			48,994
	Net deferred tax liability/ (asset)	48,994	-		
24	SHARE CAPITAL	Group	Group	Company	Company Dec 2015
	Authorised	Dec 2016	Dec 2015	Dec 2016	Dec 2013
	14,000,000,000 ordinary shares of 50k each	7,000,000	7,000,000	7,000,000	7,000,000
	Issued and fully paid				
	14,000,000,000 Ordinary shares of 50k		7 000 000	7,000,000	7,000,000
	each	7,000,000	7,000,000	7,000,000	,,000,000
	The movement in issued and fully paid	share capital w	as as follows:	7 000 000	4,423,649
	Opening balance	7,000,000	4,423,649	7,000,000	2,576,351
	Proceeds from Private Placements		2,576,351	7,000,000	7,000,000
		7,000,000	7,000,000		for subscription

During the year 2015, the Company issued a Private Placement Memorandum offering for subscription 5,152,701,580 units of shares @ N0.50 per share which was fully subscribed by Sunu Participations Holdings SA and the proceed of N2,576,350,790 from the Private placement was credited to the Share Capital.

25	SHARE PREMIUM	Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Opening balance	1,023,465	1,105,193	1,023,465	1,105,193
	Private placement costs	.,,	(81,728)	93 55°0 50°	(81,728)
	At 31 December	1,023,465	1,023,465	1,023,465	1,023,465
	At 31 December				

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

CONTINGENCY RESERVES 26

27

In compliance with section 21(1) of Insurance Act CAP I17 LFN 2004, the contingency reserve for general insurance business is credited with the higher of 3% of total premiums during the year or 20% of the profits until it reaches the higher of the minimum paid up share capital or 50% of net premium.

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

The movement in this account during the y	Group	Group	Company	Company	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	
At 1 January	837,291	715,820	731,725	657,444	
Transfer from retained earnings	125,789	121,471	60,422	74,281	
Derecognition of EA Ghana reserves	(170,932)	-	-	-	
At 31 December	792,148	837,291	792,147	731,725	
ASSETS REVALUATION RESERVES	Dec 2016	Dec 2015	Dec 2016	Dec 2015	
As at 1 January	168,890	168,890	168,890	168,890	
Transfer to retained earnings (Note 29)	(12,400)	-	(12,400)	¥	
At 31 December	156,490	168,890	156,490	168,890	

The sum of N12.4Million represent the revaluation reserve on land derecognized as disclosed in Note 15.2.1

28	AVAILABLE FOR SALE RESERVE	Dec 2016	Dec 2015	Dec 2016	Dec 2015
20	As at 1 January Gain on Available-for-sale	250	(18,468)	250	(18,468)
	Impairment loss on investment reclassified to profit or loss (Note 42)	-	18,468	-	18,468
	At December 31	250	-	250	

This represents gain on available for sale financial assets

RETAINED EARNINGS 29

30

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company. The movement in the retained earnings is shown in the statement of changes in equity.

changes in equity.				
	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
At 1 January Comprehensive income for the year	(3,419,521) (459,567)	(2,653,393) (644,657)	(3,751,530) (251,785)	(2,909,852) (767,397)
Transfer from Asset Revaluation Reserves (Note 27) Transfer to contingency reserves Contigency reserves derecognised	12,400 (125,789) 170,932	(121,471)	12,400 (60,422)	(74,281)
Tra	(2.024.545)	(3,419,521)	(4,051,337)	(3,751,530)
At 31 December	(3,821,545)	(3,419,321)	(4,031,337)	(0) 1) 7
			Group	Group Dec 2015

Dec 2015 Dec 2016 NON-CONTROLLING INTERESTS IN EQUITY 198,011 199,308 Managed Healthcare Services Limited (MHS) 237,768 Equity Assurance Limited, Ghana 435,779 199,308

The movement in non-controlling interest was as follows:	Group Dec 2016	Group Dec 2015
Balance as at 1 January Additional equity investment Share in contingency reserves Exchange difference on translation on foreign operations Transfer from retained earnings Transfer from the profit or loss account Transfer to profit on disposal of EA Ghana	435,779 330,691 - (22,373) - 51,894 (596,683) 199,308	287,910 99,474 11,694 5,399 (11,694) 42,996 - 435,779

The balance at the end of 2016 represents the interest of shareholders holding 32.44% (2015: 32.44%) of the shareholding of Managed Healthcare Services Limited.

31 RELATED PARTY TRANSACTIONS

Transactions between Equity Assurance Plc and the subsidiaries meet the definition of related party transactions. Where these are eliminated as a result of consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with Equity Assurance Plc.

The volume of related party transactions, outstanding balances at the year end and related expense and income for the year are as follows:

and income for the year are to key management personnel	Dec 2016	Dec 2015
(a) Loans and advances to key management personnel		40,000
Balance outstanding as at January 1		(40,000)
Repayment during the year	-	(40,000)
Addition during the year	•	
Balance outstanding as at 31 December	-	-
	Dec 2016	Dec 2015
(b) Other Payables	206,207	6,826
Balance outstanding as at January 1	54,399	15,249
Additions during the year	54,577	200,000
Advances made during the year (Note 19.2)	(203,983)	(15,868)
payment during the year	56,623	206,207
Balance outstanding as at 31 December	50,025	

(c) Key management compensation

See note 48 for key management compensation

(d) Sale of insurance contracts and other services	Dec 2016	Dec 2015
	43,542	116,375
Premium received (Note d(i))	2,100	2,460
Training and other expenses Claims paid	2,958	11,305

Terms and conditions

(i) Premium received relates to sale of insurance contracts in the ordinary course of business.

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

IN	THOU	ISANDS	OF	NIGERIAN	NAIRA
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NET PREMIUM INCOME	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Gross direct premium written	4,800,315	4,426,701	1,978,058	2,432,121
Inward reinsurance premium	36,019	43,926	36,019	43,925
Gross premium written	4,836,334	4,470,627	2,014,077	2,476,046
Increase in unearned premiums	(214, 549)	306,033	(57,302)	479,484
Gross Premium income	4,621,785	4,776,660	1,956,775	2,955,530
Less: Reinsurance costs	(1,041,254)	(1,263,267)	(693,456)	(989,118)
Net Premium income	3,580,531	3,513,393	1,263,319	1,966,412
REINSURANCE EXPENSES	Group	Group	Company	Company
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Prepaid reinsurance at the beginning of the year				
	350,009	478,841	247,314	372,750
Exchange difference	(3,475)	(6,849)	-	-
Acquisition of assets in Liberia	-	1,902		
Additions during the year	1,050,864	1,139,382	641,917	863,682
Total	1,397,398	1,613,276	889,231	1,236,432
Prepaid reinsurance at the end of the year (Note				
9.1)	(356, 144)	(350,009)	(195,775)	(247,314)
Reinsurance expenses	1,041,254	1,263,267	693,456	989,118
COMMISSION INCOME				
Commission income	240,549	147,083	118,636	81,657
	Inward reinsurance premium Gross premium written Increase in unearned premiums Gross Premium income Less: Reinsurance costs Net Premium income REINSURANCE EXPENSES Prepaid reinsurance at the beginning of the year Exchange difference Acquisition of assets in Liberia Additions during the year Total Prepaid reinsurance at the end of the year (Note 9.1) Reinsurance expenses COMMISSION INCOME	Gross direct premium written Inward reinsurance premium Gross premium written Increase in unearned premiums Gross Premium income Less: Reinsurance costs Less: Reinsurance costs Increase in unearned premiums Gross Premium income Less: Reinsurance costs Increase in unearned premiums Gross Premium income John State Premium income Acquisition of assets in Liberia Additions during the year Total Total Prepaid reinsurance at the end of the year (Note 9.1) Reinsurance expenses Incomment I	Gross direct premium written 4,800,315 4,426,701 Inward reinsurance premium 36,019 43,926 Gross premium written 4,836,334 4,470,627 Increase in unearned premiums (214,549) 306,033 Gross Premium income 4,621,785 4,776,660 Less: Reinsurance costs (1,041,254) (1,263,267) Net Premium income 3,580,531 3,513,393 REINSURANCE EXPENSES Group Dec 2016 Group Dec 2015 Prepaid reinsurance at the beginning of the year 350,009 478,841 Exchange difference (3,475) (6,849) Acquisition of assets in Liberia - 1,902 Additions during the year 1,050,864 1,139,382 Total 1,397,398 1,613,276 Prepaid reinsurance at the end of the year (Note 9.1) (356,144) (350,009) Reinsurance expenses 1,041,254 1,263,267 COMMISSION INCOME	Gross direct premium written 4,800,315 4,426,701 1,978,058 Inward reinsurance premium 36,019 43,926 36,019 Gross premium written 4,836,334 4,470,627 2,014,077 Increase in unearned premiums (214,549) 306,033 (57,302) Gross Premium income 4,621,785 4,776,660 1,956,775 Less: Reinsurance costs (1,041,254) (1,263,267) (693,456) Net Premium income 3,580,531 3,513,393 1,263,319 REINSURANCE EXPENSES Group Dec 2016 Dec 2015 Dec 2016 Prepaid reinsurance at the beginning of the year 350,009 478,841 247,314 Exchange difference (3,475) (6,849) - Acquisition of assets in Liberia - 1,902 Additions during the year 1,050,864 1,139,382 641,917 Total 1,397,398 1,613,276 889,231 Prepaid reinsurance at the end of the year (Note 9.1) (356,144) (350,009) (195,775) Reinsurance expenses 1,041,254 1,263

Commission income represents commission received on transactions ceded to reinsurance Companies during the year under review

35	NET CLAIMS EXPENSES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	Gross claims paid during the year	1,814,687	1,920,192	883,197	983,301
	Changes in Outstanding claims	281,105	(253,601)	225,850	(292,224)
	Changes in IBNR	151,966	(23,348)	150,862	(31,073)
	Total claims and loss adjustment expenses	2,247,758	1,643,243	1,259,909	660,004
	Recoverable from re-insurance	(351,955)	(614,083)	(245,380)	(186,654)
		1,895,803	1,029,160	1,014,529	473,350
	Recoverable from re-insurances Reinsurance share of claims paid during the year Changes in the Reinsurance share of outstanding	(368,496) 4,308	(648,536) 12,013	(261,921) 4,308	(255,933) 41,035
	claims Changes in Reinsurance share of IBNR	12,233	22,440	12,233	28,244 (186,654)
	Recoverable from re-insurances	(351,955)	(614,083)	(245,380)	(100,034

36 UNDERWRITING EXPENSES

Underwriting expenses can be sub-divided into acquisition and other underwriting expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents and brokers and indirect expenses. Other underwriting expenses are those incurred in servicing existing policies. These include processing costs, preparation of statistics and reports and other incidental costs attributable to maintenance.

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Acquisition costs	898,339	723,031	422,508	441,196
Other underwriting expenses	74,226	107,013	68,947	72,389
Total underwriting expenses	972,565	830,044	491,455	513,585
3				0.5

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)
IN THOUSANDS OF NIGERIAN NAIRA

NET INCOME FROM NON-INSURANCE COMPANIES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
EA Capital Management Limited Managed Healthcare Services Limited	42,090 161,592	38,092 187,557		-
	203,682	225,649		
This is the gross profit from the group's subsidiaries	that are not rel	ated to insura	ince businesse	
INVESTMENT INCOME	Group	Group	Company	Compan
	Dec 2016	Dec 2015	Dec 2016	Dec 2015
Cash and cash equivalents interest income	546,923	539,667	293,718	374,42
Dividend income	7,475	35,226	7,475	35,16
Rental income	8,651	2,023	5,251	2,02
	563,049	576,916	306,444	411,60
The investment income comprises the following:	Dec 2016	Dec 2015	Dec 2016	Dec 201
Least and in come attributable to shareholders	269,331	202,495	12,726	37,18
Investment income attributable to shareholders	293,718	374,421	293,718	374,42
Investment income attributable to policyholders	563,049	576,916	306,444	411,60
NET REALISED GAINS ON FINANCIAL ASSETS				
NET REALISED GAINS ON FINANCIAL ASSETS	Dec 2016	Dec 2015	Dec 2016	Dec 201
Realised gain on quoted equity securities	99	9,682	99	9,69
Realised gain on quoted equity security	99	9,682	99	9,69
NET FAIR VALUE LOSS ON FINANCIAL ASSETS	Dec 2016	Dec 2015	Dec 2016	Dec 201
Net fair value loss on financial assets at fair value	(7,197)	(50,023)	(7,366)	(49,53
through profit or loss	(7,177)	(50,025)	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
OTHER OPERATING INCOME	Dec 2016	Dec 2015	Dec 2016	Dec 201
Profit/(loss) from sale of property, plant &				
equipment	2,983	78	2,983	(1)
Realised exchange gain	-	19,268		7,9
Bank interest	667	1,097	610	1,0
Unrealised exchange gain	71,997	33,072	34,816	33,0
Other income	107,369	32,690	94,783	19,9
Provision no longer required on Convertible	300 € 50 50 € 50 50 50 50 50 50 50 50 50 50 50 50 50			
redeemable loan(Note 21.3)	1,172,494	-	1,172,494	
	119,323	: -	-	
Gain on disposal of Equity Assurance-Liberia	1,474,833	86,205	1,305,686	61,9
IMPAIRMENT LOSS				
	Dec 2016	Dec 2015	Dec 2016	Dec 20
Impairment on premium receivables	88,849	50,227	-	
Impairment loss -others	31,029	10,378	-	2.0
Impairment loss on Available-for-sale	-	2,999	-	2,9
Impairment loss on available-for-sale financial				4.0
assets reclassified to profit or loss	-	18,468	-	18,4
	119,878	82,072	-	21,4

43	OTHER OPERATING EXPENSES	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	Depreciation and amortization charges	197,041	186,466	130,887	124,751
	Auditors remuneration	16,978	15,899	7,700	7,700
	Directors expenses	72,977	42,877	42,800	26,265
	Professional fees	43,562	41,073	21,826	21,213
	Bank charges	15,901	24,283	10,100	16,961
	Training expenses	22,098	21,175	12,857	11,976
	Communication expenses	47,932	38,670	29,562	27,008
	Marketing expenses	238,028	186,946	80,902	50,750
	Statutory fees	42,585	33,739	30,934	22,598
	Naicom penalty on aviation business	432,242		432,242	-
	Repairs and maintenance	91,332	72,999	39,818	38,149
	Diesel and electricity	93,355	63,840	45,103	40,299
	Rent and rates	49,032	434,151	12,378	413,368
	Insurance expenses	25,819	21,797	12,311	14,466
	Pension and gratuity	99,040	54,583	75,753	43,724
	Printing and stationery	19,582	20,971	6,148	9,715
	Travelling and accomodation	131,737	111,318	85,490	81,311
	Assets written off	41,025	-	41,025	-
	Group overhead costs	113,930	-	52,426	1=
	Other administrative expenses	135,853	218,470	77,868	117,865
		1,930,049	1,589,257	1,248,130	1,068,119
44	EXCHANGE LOSS	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
		Dec 2010	Dec 2013	Dec 2010	DCC 2013
	Exchange loss	402,304	443,964	402,043	421,044
45	FINANCE COSTS	Group	Group	Company	Company
		Dec 2016	Dec 2015	Dec 2016	Dec 2015
	Loan interest	-	376,205	-	376,205
	Lease interest	321	4,886	2,509	2,195
		321	381,091	2,509	378,400

46 LOSS PER SHARE

Loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Loss attributable to the equity holders	(459,567)	(644,657)	(251,785)	(767,397)
Total number of ordinary shares of 50k each in issue Weighted average number of ordinary	14,000,000	14,000,000	14,000,000	14,000,000
shares in issue (thousands)	14,000,000	9,276,690	14,000,000	9,276,690
Basic loss per share (kobo)	(3.3)	(4.6)	(1.8)	(5.5)
Diluted loss per share (kobo)	(3.3)	(6.9)	(1.8)	(8.3)

47	CASH	GENERAT	ED FROM	OPERATIONS
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This comprises:	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
Loss for the year	(459,567)	(644,657)	(251,785)	(767,397)
Adjustment to reconcile profit before taxation to net cashflow from operations:				
Depreciation charges (Profit)/ loss on sale of property, plant and	135,935	123,161	75,107	66,082
equipment	(2,983)	(78)	(2,983)	122
Goodwill acquired on acquisition	-	(44,599)	*	-
Profit from sale of subsidiary	29,520	-	(382,678)	
Property acquired on acquisition of control	-	(27,348)	-	-
Assets written off	41,025		41,025	
Dividend income	(7,475)	(35,226)	(7,475)	(35,160)
Rental income Interest charges and exchange difference on	(8,651)	(2,023)	(5,251)	(2,023)
borrowings Provision no longer required on Convertible	402,043	797,248	402,043	797,248
redeemable loan	(1,172,494)	-	(1,172,494)	-
Impairment of quoted equity securities	7,197	50,023	7,366	49,530
Gain on quoted equity securities	(99)	(9,682)	(99)	(9,697)
Amortization of intangible assets	61,106	63,176	55,780	58,669
Foreign currency translation reserve	43,974	(27,542)	-	
Derecognition of EA Ghana assets	194,088			
Impairment loss on available-for-sale				
financial assets		21,467	-	21,46
Net assets of EA Ghana at the date of				
disposal	(1,316,263)		84	
Adjustment to property, plant and				
equipment	3,747			
Non-controlling interest	360,212	147,868	•	2
Operating profit before changes in working	(1,688,685)	411,788	(1,241,444)	178,84
Changes in working capital:				
Decrease/(increase) in trade receivables	218,571	(139, 105)	4,078	53,32
Increase in reinsurance receivables	365,812	124,577	68,080	194,71
Decrease/(increase) in other receivables	96,527	112,815	(13,634)	(14,911
Decrease in deferred acquisition costs	151,287	12,432	46,386	41,12
Decrease/(Increase) in statutory deposit	24,302	(1,631)	-	
Increase/(decrease) in insurance contract				=0
liabilities	(129,841)	(595,464)	434,014	(802,78
(Decrease)/increase in trade payables	(112,967)	21,958	(29,881)	15,34
Increase in other payables	85,191	471,343	208,160	391,71
(Decrease)/increase in obligation under				2 12
finance lease	(2,990)	(6,258)	(9,775)	5,40
(Decrease)/increase in income tax liabilities Increase/(decrease) in deferred tax	(10,201)	(6,913)	2,493	15,80
liabilities	38,425	(28,539)	-	a design beauty
Changes in working capital	724,116	(34,785)	709,921	(100,261
Net cash from operating activities	(964,569)	377,003	(531,522)	78,58

48 SALARIES, BENEFITS AND DIRECTORS FEES AND REMUNERATION

40	SALAKIES, DEIKE KONTON	Group Dec 2016	Group Dec 2015	Company Dec 2016	Company Dec 2015
	Chairman's and other directors' emoluments				
48.1	Fees Chairman Other directors	1,750 4,900	1,750 4,900	1,000 2,400	1,000 2,400
	Total fees	6,650	6,650	3,400	3,400
48.7	Chairman Other directors Total other emoluments	5,400 46,100 51,500	3,257 65,753 69,010	4,650 28,940 33,590	2,050 35,725 37,775
	Highest paid director per annum	20,000	20,000	20,000	20,000
48.	The number of directors who had no emoluments is	NIL	NIL	NIL	NIL

49 EMPLOYEES BENEFITS

49.1 EMPLOYEES REMUNERATED AT HIGHER RATES

The number of employees in receipt of emoluments within the following ranges and the related staff costs are:

Group	Group	Company	Company
•	Dec 2015	Dec 2016	Dec 2015
	Number	Number	Number
		15	15
		9	9
		24	24
		35	35
		12	12
			8
			21
			15
-		139	139
		Dec 2016	Dec 2015
			Number
			56
			59
			24
37			
220	220	139	139
951,816	682,361	404,045	343,379
		Dec 2016 Dec 2015 Number Number 34 34 22 22 35 35 63 63 16 16 9 9 22 22 19 19 220 220 Dec 2016 Dec 2015 Number Number 73 73 110 110 37 37 220 220	Dec 2016 Dec 2015 Dec 2016 Number Number Number 34 34 15 22 22 9 35 35 24 63 63 35 16 16 12 9 9 8 22 22 21 19 19 15 220 220 139 Dec 2016 Dec 2015 Dec 2016 Number Number Number 73 73 56 110 110 59 37 37 24 220 220 139

49.3 EMPLOYEES' RETIREMENT BENEFITS

The company and its subsidiaries operate a contributory retirement benefit scheme. For Companies resident in Nigeria the Contributions to the scheme are funded through payroll deductions at the rate of 8% monthly for employees and 10% employer's contribution in compliance with the provisions of the Pension Reform Act, 2004.

50 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

- 1. The company did not charge any of its assets to secure the liability of any third party.
- There were no commitments to capital expenditure at the year-end both in respect of either contracted or authorized but not contracted.
- 3. The company had no known contingent liabilities as at the year end.

Disposal during the year

On 30 December, 2016, the Parent Company disposed its shareholding in Equity Assurance Limited Ghana. The total asset and liability of Equity Assurance Limited as at 30 December, 2016 are shown as disposal during the year.

51 CONTRAVENTION OF LAWS AND REGULATIONS

The Company incurred the sum of N432.2Million as penalty for violation of NAICOM guidelines on Aviation businesses

52 EVENTS AFTER REPORTING PERIOD

There were no events after the reporting period which could have a material effect on the financial position of the Company as at 31 December 2016 and profit attributable to equity holders.

53 HYPOTHECATION

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts, In response to the risk, the Group's assets and liabilities are allocated as follows:

Assets 3,599,976 3,599,976 Cash and Cash equivalents 87,599 36,008 123,607 Financial assets - 271,360 271,360 Trade receivables 870,359 - 870,359 Deferred acquisition costs - 95,863 95,863 Other receivables and prepayments - 400,683 400,683 Investment property - 351,400 351,400 Intangible assets - 865,587 865,587 Property, plant and Equipment - 3,391,045 3,391,045 Statutory deposit - 300,000 300,000 Total Assets 4,557,934 5,711,946 10,269,880 Insurance contract liabilities 2,577,030 - 2,577,030 Trade payables - 36,031 36,031 Provision and other payables - 950,746 950,746 Deposit for shares - 1,133,538 1,133,538 Income tax liabilities - 143,456 143,456	Group - 31 December 2016	Insurance funds	Shareholders' funds	Total
Investment property - 351,400 351,400 Intangible assets - 865,587 865,587 865,587 Responsible assets - 865,587 Responsible assets - 3,391,045 Responsible assets - 300,000 Responsible assets - 36,031 Responsible assets	Cash and Cash equivalents Financial assets Trade receivables Re-insurance receivables Deferred acquisition costs	87,599	271,360 - 95,863	123,607 271,360 870,359 95,863
Total Assets Liabilities 2,577,030 - 2,577,030 Insurance contract liabilities 2,577,030 - 2,577,030 Trade payables - 36,031 36,031 Provision and other payables - 950,746 950,746 Deposit for shares - 18,179 18,179 Borrowings - 1,133,538 1,133,538 Income tax liabilities - 143,456 143,456 Deferred tax liabilities - 60,784 60,784 Total Liabilities 2,577,030 2,342,734 4,919,764 GAP 1,980,904 3,369,212 5,350,116	Investment property Intangible assets Property, plant and Equipment	-	351,400 865,587 3,391,045	351,400 865,587 3,391,045 300,000
Insurance contract liabilities 2,577,030 - 2,577,030 Trade payables - 36,031 36,031 Provision and other payables - 950,746 950,746 Deposit for shares - 18,179 18,179 Borrowings - 1,133,538 1,133,538 Income tax liabilities - 143,456 143,456 Deferred tax liabilities - 60,784 60,784 Total Liabilities 2,577,030 2,342,734 4,919,764 GAP 1,980,904 3,369,212 5,350,116		4,557,934	5,711,946	10,269,880
GAP 1,980,904 3,369,212 5,350,116	Insurance contract liabilities Trade payables Provision and other payables Deposit for shares Borrowings Income tax liabilities Deferred tax liabilities	-	950,746 18,179 1,133,538 143,456 60,784	36,031 950,746 18,179 1,133,538 143,456 60,784
OAI ,,,				
	GAP	1,980,904	3,369,212	5,350,116

Group - 31 December 2015	Insurance funds	Shareholders' funds	Total
Assets			2 50/ 0/0
Cash and Cash equivalents	3,596,868		3,596,868
Financial assets	95,293	561,732	657,025
Trade receivables		489,931	489,931
Re-insurance receivables	1,236,171	-	1,236,171
Deferred acquisition costs	-	247,150	247,150
Other receivables and prepayments		497,210	497,210
Investment property		397,477	397,477
Intangible assets	-	972,035	972,035
Property, plant and Equipment	-	3,427,817	3,427,817
Statutory deposit		324,302	324,302
Total Assets	4,928,332	6,917,655	11,845,987
Liabilities			
Insurance contract liabilities	2,706,871	-	2,706,871
Trade payables	*	148,998	148,998
Provision and other payables		865,556	865,556
Deposit for shares	-	800	800
Borrowings		1,945,815	1,945,815
Income tax liabilities		153,657	153,657
Deferred tax liabilities	-	22,359	22,359
Total Liabilities	2,706,871	3,137,185	5,844,056
GAP	2,221,461	3,780,469	6,001,931
Company - 31 December 2016	Insurance funds	Shareholders' funds	Total
Assets			3,083,899
Cash and Cash equivalents	3,083,899	24 000	120,079
Financial assets	84,071	36,008	120,07
Trade receivables	-	-	070 350
Reinsurance receivables	870,359		870,359
Deferred acquisition costs	8	95,863	95,863
Other receivables and prepayments		320,639	320,639
Investment in subsidiaries		659,624	659,62
Investment properties		301,400	301,400
Intangible assets		853,667	853,667
Property, plant and Equipment	•	2,966,375	2,966,37
Statutory deposit		300,000	300,00
Total Assets	4,038,329	5,533,576	9,571,90
Liabilities	7		
Insurance contract liabilities	2,577,030	-	2,577,03
Trade payables		13,132	13,13
Provision and other payables	*	786,076	786,07
Borrowings		1,136,033	1,136,03
Income tax liabilities		89,625	89,62
Deferred tax liabilities	-	48,994	48,99
Total Liabilities	2,577,030		4,650,89
GAP	1,461,299		4,921,01
UAF	-,,,	-, -, -	

Company - 31 December 2015	Insurance funds	Shareholders' funds	Total
Assets			2 140 212
Cash and Cash equivalents	3,169,212	- 750	3,169,212
Financial assets	91,934	35,758	127,692
Trade receivables		4,078	4,078
Reinsurance receivables	938,439	-	938,439
Deferred acquisition costs	*	142,249	142,249
Other receivables and prepayments	-	307,005	307,005
Investment in subsidiaries	•	929,976	929,976
Investment properties		301,400	301,400
Intangible assets		909,447	909,447
Property, plant and Equipment	-	2,898,218	2,898,218
Statutory deposit		300,000	300,000
Total Assets	4,199,585	5,828,131	10,027,716
Liabilities			2,143,016
Insurance contract liabilities	2,143,016		43,013
Trade payables		43,013	577,916
Provision and other payables	*	577,916	1,955,095
Borrowings	*	1,955,095	87,132
Income tax liabilities	-	87,132	48,994
Deferred tax liabilities		48,994	4,855,166
Total Liabilities	2,143,016		
GAP	2,056,569	3,115,981	5,172,550

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES FINANCIAL STATEMENTS, 31 DECEMBER 2016

OTHER NATIONAL DISCLOSURE STATEMENT OF VALUE ADDED (GROUP)

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

	2016 N'000	%	2015 N'000	%
Gross premium earned Investment, commission and other income	4,621,785 2,486,460		4,776,660 1,066,079	
Re-insurance, claims, commission and services	(6,075,740)	1.	(4,980,101)	
Value (absorbed)/added	1,032,505	(100)	862,638	100
% Value (absorbed)/added	22%	(1	18%	
Applied as follows:				
Payment to employees Employee benefit expenses	951,816	92	682,361	79
Payment to providers of capital Interest and similar charges	321	*	381,091	44
Payment to government Taxation	165,211	16	93,161	11
Retained for replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	135,935	13	123,161	14
Amortisation of intangible asset	61,106	6	63,054	7
Contingency reserve	125,789	12	121,471	14 (69)
Loss for the year	(407,673)	(39)	(601,661)	(07)
	1,032,505	100	862,638	100

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES FINANCIAL STATEMENTS, 31 DECEMBER 2016

OTHER NATIONAL DISCLOSURE STATEMENT OF VALUE ADDED (COMPANY)

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

	2016 N'000	%	2015 N'000	%
Gross premium earned Investment, commission and other income	1,956,775 2,117,791		2,955,530 585,424	
Re-insurance, claims, commission and services	(3,665,670)		(3,337,181)	
Value (absorbed)/added	408,896	(100)	203,773	100
% Value (absorbed)/ added	21%		7%	
Applied as follows:				
Payment to employees Employee benefit expenses	404,045	99	343,379	168
Payment to providers of capital Interest and similar charges	2,509	1	378,400	186
Payment to government Taxation	62,818	15	50,359	25
Retained for replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	75,107	18	66,082	32
Amortisation of intangible asset	55,780	14	58,669	29
Contingency reserve	60,422	15	74,281	36
Loss for the year	(251,785)	(62)	(767,397)	(376)
	408,896	100	203,773	100

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES OTHER NATIONAL DISCLOSURE FIVE YEAR FINANCIAL SUMMARY -GROUP FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd) IN THOUSANDS OF NIGERIAN NAIRA

Statement of Financial Position

	215	24.5	24 D	24 D	24 Dec
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2 0 1 6	2 0 1 5	2 0 1 4	2 0 1 3	2 0 1 2
Assets					
Cash and cash equivalents	3,599,976	3,596,868	3,741,023	1,818,259	1,906,356
Financial assets	123,607	657,025	618,406	560,430	475,921
Trade receivables	271,360	489,931	350,826	864,968	1,061,015
Reinsurance receivables	870,359	1,236,171	1,360,748	1,008,096	902,791
Deferred acquisition cost	95,863	247,150	259,582	311,608	192,044
Prepayments and other					
receivables	400,683	497,210	534,009	604,266	447,880
Inventory	-	-	W I		-
Investment properties	351,400	397,477	397,477	803,678	375,500
Goodwill and intangible assets	865,587	972,035	978,644	1,032,546	1,054,575
Property, plant and					
equipment	3,391,045	3,427,816	939,954	2,362,843	2,223,725
Statutory deposit	300,000	324,302	322,671	323,203	319,305
Total assets	10,269,880	11,845,985	9,503,340	9,689,897	8,959,111
		, , ,			<u> </u>
Liabilities					
Insurance Contract Liabilities					
	2,577,030	2,706,871	3,302,335	2,754,236	2,205,355
Trade payables	36,031	148,998	127,040	256,738	184,806
Other payables	950,746	865,555	394,212	294,748	331,730
Deposit for shares	18,179	800	500	82,582	· =
Borrowings	1,133,538	1,945,815	1,454,615	2,231,452	1,779,053
Retirement Benefit Obligations	-,133,330	.,,	., ,	-	22,548
Income tax liabilities	143,456	153,657	175,459	173,358	146,983
Deferred tax	60,784	22,359	50,898	44,657	32,298
Total liabilities	4,919,764	5,844,055	5,505,059	5,837,771	4,702,773
Total Habilities	4,717,704	3,044,033	3,303,037	0,001,111	.,,
Net Assets	5,350,116	6,001,930	3,998,281	3,852,126	4,256,338
Net Assets	3,330,110	0,001,730	3,770,201	3,002,120	.,
Equity					
	7,000,000	7,000,000	4,423,649	4,423,649	4,423,649
Paid up share capital Share premium	1,023,465	1,023,465	1,105,193	1,105,193	1,105,193
	792,148	837,291	715,820	623,028	508,687
Contingency reserves		168,890	168,890	1,560,477	1,398,403
Revaluation reserves	156,490 250	100,070	(18,468)	6,587	.,570, 103
Available for sale reserve		(2 /10 521)	(2,668,281)	(4,087,900)	(3,379,779
Retained earnings	(3,821,545)	(3,419,521)			(3,3/7,//7
Foreign currency translation	F 4F0 000	(43,974)	(16,432)	19,531	4 054 153
N	5,150,808	5,566,151	3,710,371	3,650,565	4,056,153
Non controlling interest	199,308	435,779	287,910	201,561	200,185
Total equity	5,350,116	6,001,930	3,998,281	3,852,126	4,256,338

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES
OTHER NATIONAL DISCLOSURE
FIVE YEAR FINANCIAL SUMMARY -GROUP
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)
IN THOUSANDS OF NIGERIAN NAIRA

Statement of Profit or Loss and Other Comprehensive Income

	31 Dec				
	2 0 1 6	2 0 1 5	2 0 1 4	2 0 1 3	2 0 1 2
Gross premium written	4,836,334	4,470,627	4,845,997	4,616,050	3,923,738
Net underwriting income	3,821,080	3,660,476	3,933,996	3,378,908	3,282,086
Total underwriting expenses	2,868,368	1,859,204	2,421,082	1,752,059	1,675,870
Total underwriting profit	952,712	1,801,272	1,512,914	1,626,849	1,606,216
Total investment and other					
income	2,245,911	918,996	1,024,251	820,238	663,600
Total income	3,198,623	2,720,268	2,537,165	2,447,087	2,269,816
Expenses	(3,441,085)	(3,228,768)	(2,226,408)	(2,812,027)	(2,023,961)
(Loss)/profit before tax	(242,462)	(508,500)	310,757	(364,940)	245,855
Tax	165,211	93,161	127,423	72,892	96,225
(Loss)/profit after tax	(407,673)	(601,661)	183,334	(437,832)	149,630
(Loss)/earnings per share					
(Basic)	(3.3)	(4.6)	1.8	(5.7)	1.7k
(Loss)/earnings per share	(3.3)	(6.9)	1.8	(5.7)	1.7k

QUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES

THER NATIONAL DISCLOSURE

FIVE YEAR FINANCIAL SUMMARY - COMPANY

OR THE YEAR ENDED 31 DECEMBER 2016

THOUSANDS OF NIGERIAN NAIRA

Statement of Financial Position

Statement of Financial	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2 0 1 6	2 0 1 5	2 0 1 4	2 0 1 3	2 0 1 2	2 0 1 1
Assets						
lash and cash					. 547 440	1 004 713
equivalents	3,083,899	3,169,212	3,357,358	1,461,238	1,516,110	1,094,712
Financial assets	120,079	127,692	200,848	224,046	171,088	679,770
Trade receivables	-	4,078	57,406	403,409	482,813	201,721
Reinsurance						100 711
receivables	870,359	938,439	1,133,154	773,196	703,741	480,711
Deferred acquisition						
cost	95,863	142,249	183,371	221,311	160,727	130,152
Prepayments and						201 155
other receivables	320,639	307,005	402,627	481,726	441,765	301,455
nvestment in						
subsidiaries	659,624	929,976	1,120,842	1,122,066	846,715	846,715
Investment						
properties	301,400	301,400		-		-
Goodwill and						
intangible assets	853,667	909,447	968,116	1,022,117	1,047,061	1,097,661
Property, plant and	000,000		- 6			
equipment	2,966,375	2,898,218	435,357	2,253,275	2,131,539	1,796,092
Statutory deposit	300,000	300,000	300,000	300,000	300,000	300,000
Total assets	9,571,905	10,027,716	8,159,079	8,262,384	7,801,559	6,928,988
Liabilities						
Insurance Contract						
Liabilities	2,577,030	2,143,016	2,945,797	2,332,272	1,813,182	1,270,563
Trade payables	13,132	43,013	27,669	112,079	10,690	95,869
Other payables	786,076	577,916	186,199	119,525	100,310	76,828
Borrowings	1,136,033	1,955,095	1,452,233	2,241,255	1,804,194	1,790,799
Retirement Benefit	1,150,055	.,,				
		_	-	-	22,397	24,286
Obligations	89,625	87,132	71,331	69,195	75,737	82,493
Income tax liabilities	48,994	48,994	48,994	48,994	30,986	28,974
Deferred tax Total liabilities	4,650,890	4,855,166	4,732,223	4,923,320	3,857,496	3,369,812
		5,172,550	3,426,856	3,339,064	3,944,063	3,559,170
Net Assets	4,921,015	3,172,330	3, 120,030	-,,		
Equity						
Paid up share capital	7,000,000	7,000,000	4,423,649	4,423,649	4,423,649	4,423,64
	1,023,465	1,023,465	1,105,193	1,105,193	1,105,193	1,105,19
Share premium	1,023,463	1,023,403	1,103,173	,,,,,,,		
Contingency reserves	702 147	731,725	657,444	554,990	457,285	378,89
	792,147	751,725	037, 111	#.#.o.X.o. o. o		
Revaluation reserves	154 400	168,890	168,890	1,560,477	1,398,403	1,073,40
7 11 11 7	156,490	100,070	100,070	.,,		
Available for sale	250	_	(18,468)	6,587		
reserve		(3,751,530)	(2,909,852)	(4,311,832)	(3,440,467)	(3,421,96
Retained earnings	(4,051,337)	(3,731,330)	(2,707,032)	(.,0,002)	1	
Shareholders funds	4 021 015	5,172,550	3,426,856	3,339,064	3,944,063	3,559,17
	4,921,015	J, 172, JJU	3, 120,030	0,000,000		10

EQUITY ASSURANCE PLC AND ITS SUBSIDIARY COMPANIES
OTHER NATIONAL DISCLOSURE
FIVE YEAR FINANCIAL SUMMARY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2016
IN THOUSANDS OF NIGERIAN NAIRA

Statement of Profit or Loss and Other Comprehensive Income

	31 Dec	31 Dec	31 Dec 2 0 1 4	31 Dec 2 0 1 3	31 Dec 2 0 1 2	31 Dec 2 0 1 1
<u></u>	2 0 1 6	2 0 1 5	2014	2013	2012	2011
Gross premium	2 014 077	2 476 046	3,415,146	3,256,827	2,612,848	2,232,105
written	2,014,077	2,476,046	3,413,140	3,230,027	2,012,040	2,232,103
Net underwriting						
income	1,381,955	2,048,069	2,713,825	2,138,309	2,173,531	1,769,892
Total underwriting						
expenses	1,505,984	986,935	1,786,098	1,203,164	1,211,936	1,006,962
Total underwriting						
profit	(124,029)	1,061,134	927,727	935,145	961,595	762,930
Total investment and						
other income	1,999,155	503,767	736,811	370,981	544,422	276,548
Total income	1,875,126	1,564,901	1,664,538	1,306,126	1,506,017	1,039,478
Expenses	(2,064,093)	(2,281,939)	(1,503,488)	(2,058,259)	(1,408,462)	(1,693,738)
(Loss)/profit before						
tax	(188, 967)	(717,038)	161,050	(752, 133)	97,555	(654, 260)
Tax	(62,818)	(50, 359)	(73,393)	(21,527)	(37,668)	(61,889)
(Loss)/profit after						
tax	(251,785)	(767, 397)	87,657	(773,660)	59,887	(716, 149)
Basic (Loss)/earnings						
per share						
	(1.8)	(5.5)	1.0	(8.7)	0.7k	(8k)
Diluted	(1.8)	(8.3)	1.0	(8.7)	0.7k	(8k)