Living Benefits

ARM Life Plc Annual Report 2014

Living Benefits

ARM Life Plc Annual Report 2014

Contents

Overview

ARM Life Plc, formerly CrystaLife Assurance Plc. is the insurance subsidiary of Asset & Resource Management Company Ltd (ARM). The company is one of Nigeria's foremost Life Assurance Companies with shareholders' funds in excess of N2.2bn.

ARM Life has strong track record in the group life insurance sector with favourable references across the industry. It is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to underwrite Life, Annuity and Health insurance.

Whatever your budget needs, there is a plan for you. Our policies can help you protect the ones who you care about most.

Vision

“To be a leading provider of protection and wealth creation solutions in Nigeria.”

Mission

“We exist to be your trusted life partner, creating unmatched value by providing effective protection and wealth creation solutions.”

Our Offering:

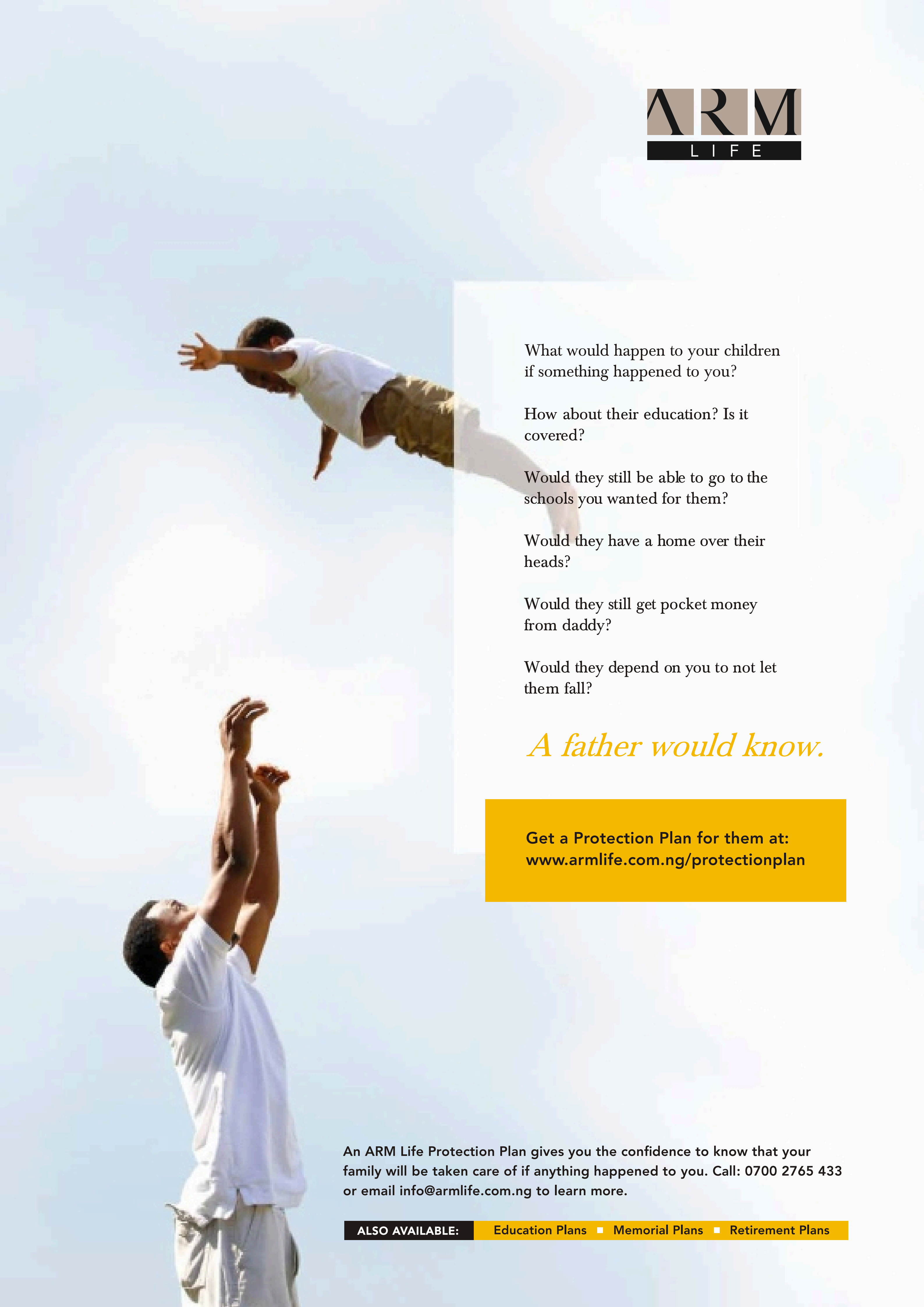
- The Savings Plan
- The Mortgage Plan
- The Education Plan
- The Protection Plan
- The Memorial Plan
- The Retirement Plan

www.armlife.com.ng
wecare@armlife.com.ng
0700ARMLIFE (07002765433)

Some fear the future, others insure it.

Do the children you love have an Education Insurance Plan? We have made it easy to get them one:

www.armlife.com.ng


ARM LIFE
What would happen to your children if something happened to you?
How about their education? Is it covered?
Would they still be able to go to the schools you wanted for them?
Would they have a home over their heads?
Would they still get pocket money from daddy?
Would they depend on you to not let them fall?
A father would know.
Get a Protection Plan for them at: www.armlife.com.ng/protectionplan
An ARM Life Protection Plan gives you the confidence to know that your family will be taken care of if anything happened to you. Call: 0700 2765 433 or email info@armlife.com.ng to learn more.
ALSO AVAILABLE:
Education Plans
Memorial Plans
Retirement Plans

Notice of 17th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of **ARM Life Plc.** (the "Company") will be held at The Darlington Hall, Plot CDE Industrial Crescent, off Town Planning Way, Ilupeju, Lagos, Nigeria on Thursday, August 6th, 2015 at 10.00 a.m. to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended December 31, 2014 and the Reports of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To authorise the Directors to appoint Auditors for the financial year ending December 31, 2015 and to fix the Remuneration of the Auditors.
4. To elect members of the Audit Committee.

Special Business

5. To ratify the appointments of the following persons as Directors of the Company effective the 26th day of March, 2015:

   i. Dr. Femi Oyetunji
   ii. Mr. Sadiq Mohammed

Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All instruments of proxy should be completed and deposited at the office of the Company's Registrars, Africa Prudential Registrars Plc, 220B, Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the time of holding the meeting.

A proxy need not be a member of the Company. A proxy form is printed at the back of the Audited Financial Statements.

Audit Committee

As stipulated by Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, any member may nominate a Shareholder for election to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Audited Financial Statements

Copies of the Audited Financial Statements of the Company shall be available at www.armlife.com.ng and the under listed locations:

i. Africa Prudential Registrars Plc, 220B, Ikorodu Road, Palmgrove, Lagos;
ii. ARM Life Living Benefits Center, 22 Funsho Williams Avenue, Alaka, Surulere, Lagos;
iii. ARM Life Living Benefits Center, 95B Opebi Road, Ikeja, Lagos;
iv. ARM Life Living Benefits Center, Prime Plaza, Plot 187, Ademola Adetokunbo Crescent Abuja;

v. ARM Investment Center, 86 Adeniran Ogunsanya, Surulere, Lagos;

vi. ARM Investment Center, 68C Coker Road, Ilupeju, Lagos;

vii. ARM Investment Center, 139 Murtala Mohammed Way, Onitsha;

viii. Asset & Resource Management Company Limited, 129 Adetokunbo Ademola Crescent Abuja; and

ix. Asset & Resource Management Company Limited, 12 Circular Road Presidential Estate, GRA Phase II, Port Harcourt.

Dated this 15th Day of July, 2015

By Order of the Board

ARM Trustees Limited
COMPANY SECRETARY

Corporate Information

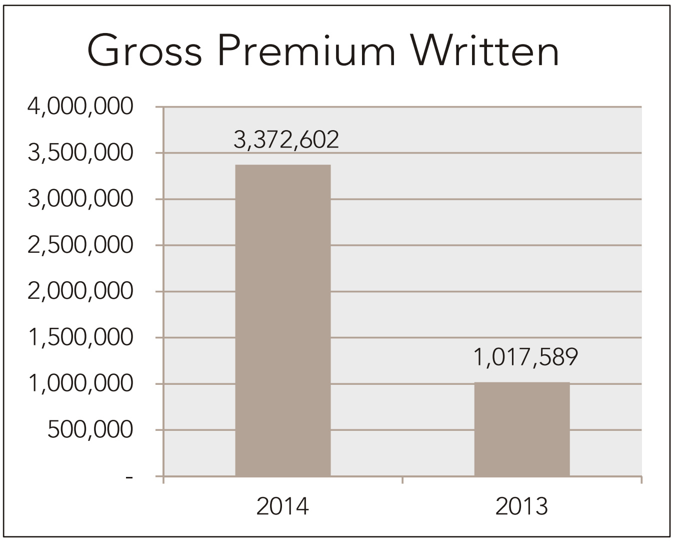
Name of Directors	Dapo Oshinusi	-	Chairman
	Teju Ogunjimi	-	Managing Director
	Balamurli Krishnan	-	Executive Director (appointed November 7, 2014)
	Anthony Ikpea	-	Non-Executive Director (appointed July 23, 2014)
	Jumoke Ogundare	-	Non-Executive Director
	Dominic Liber	-	Non-Executive Director
	Oladimeji Alo	-	Non-Executive Director (Independent)
	Deji Alli	-	(Resigned November 28, 2014)
	Owolabi Salami	-	(Resigned February 10, 2014)
	Adeolu Ireyomi	-	(Resigned July 23, 2014)
Registered Office	22 Funsho Williams Avenue Alaka, Surulere Lagos		
RC Number	58532		
FRC Number	FRC/2013/0000000000538		
Company Secretary	ARM Trustees Limited FRC/2013/00000000001331 1, Mekunwen Road Off Oyinkan Abayomi Drive Ikoyi, Lagos		
Auditors	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos Tel: (01) 2718955 www.kpmg.com.ng		
Major Bankers	Guaranty Trust Bank Plc Access Bank Plc Skye Bank Plc Unity Bank Plc Sterling Bank Plc First Bank of Nigeria Limited Enterprise Bank Limited Mainstreet Bank Limited		
Actuary	HR Nigeria Limited AIICO Plaza, Afribank Street, Victoria Island, Lagos www.hractuaries.com		

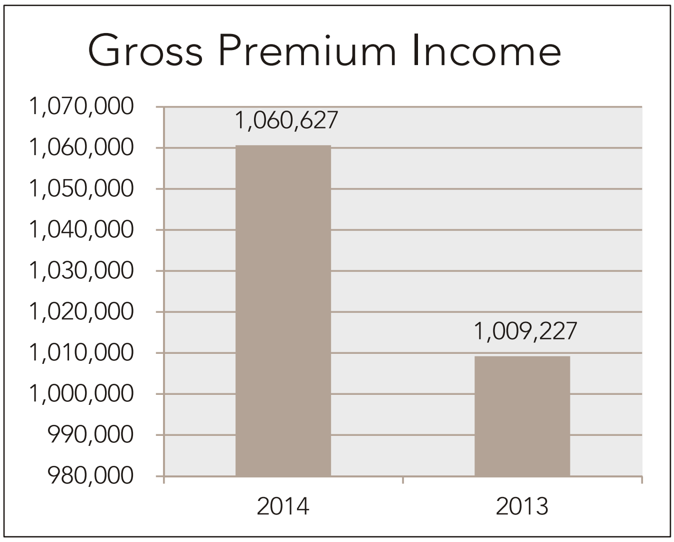
Reinsurers	Africa Reinsurance Corporation Africa Re Building, Plot 1679 Karimu Kotun Street, Victoria Island, Lagos www.africa-re.com Continental Reinsurance Plc St Nicholas House (8th Floor) 6, Catholic Mission Street Lagos Island www.continental-re.com
Registrar	Africa Prudential Registrars Plc 220B, Ikorodu Road Palmgrove, Lagos www.apregistrars.com

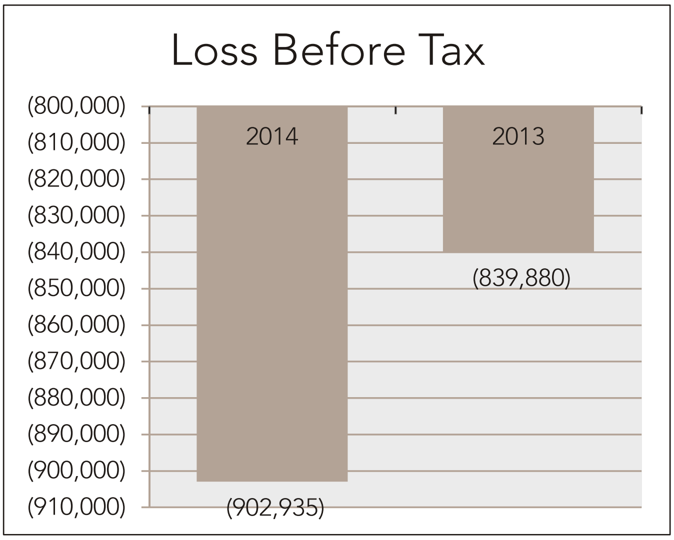
Result at a Glance

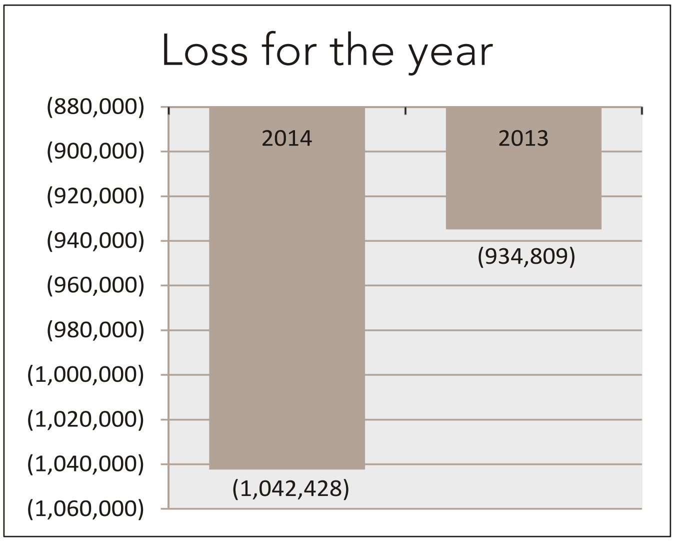
	2014 ₦'000	2013 ₦'000	% Change
Gross premium written	3,372,602	1,017,589	70%
Gross premium income	1,060,627	1,009,227	5%
Net premium income	863,225	854,974	1%
Loss before tax	(902,935)	(839,880)	7%
Tax expense	(139,493)	(94,929)	32%
Loss for the year	(1,042,428)	(934,809)	10%
Total assets	7,887,380	4,808,554	39%
Shareholders' funds	2,289,181	1,943,610	15%
Loss per share (kobo)	(18)	(16)	11%

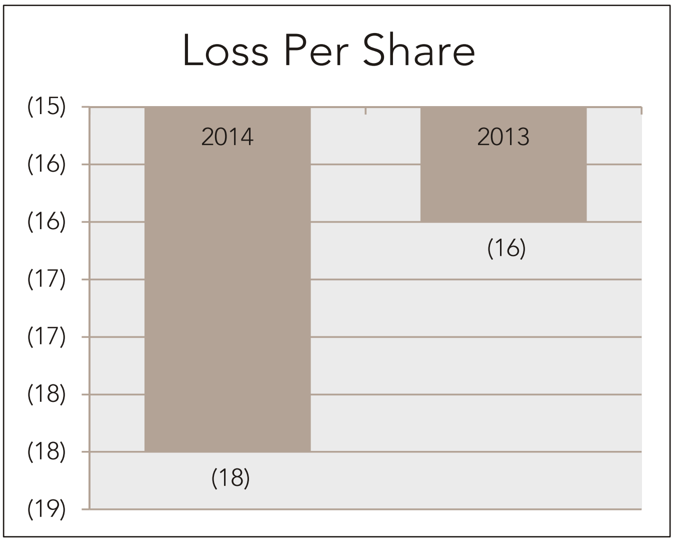
Financial Highlights

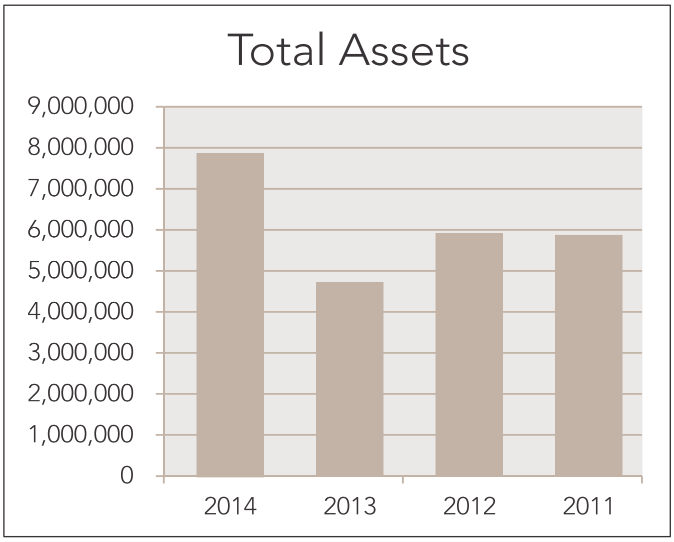












Chairman's Statement

In 2014, ARM Life made significant progress with our initiatives to grow sales and to improve productivity, delivering its highest gross written premium in the last 3 years despite the intensely challenging industry landscape.

Dear Shareholders,

I am pleased to welcome you to the 17th Annual General Meeting of ARM Life Plc. and report to you the key activities and operating results of your Company for the financial year ended December 31, 2014.

In 2014, ARM Life made significant progress with our initiatives to grow sales and to improve productivity, delivering its highest gross written premium in the last 3 years despite the intensely challenging industry landscape. Before reviewing the Company's performance, I would like to briefly discuss key events in our operating environment and within our industry during the financial year.

Review of the Operating Environment

The global economy recorded GDP growth of 2.6 percent in 2014, as developed economies maintained their slow recovery from the global financial crisis, with growth in emerging economies being moderated on account of various setbacks. While domestic consumption in the United States and United Kingdom rebounded on the back of improved labour markets, increased investment and accommodative monetary policy, the Eurozone and Japan suffered from weak private domestic demand together with structural bottlenecks. On the regional front, weak external demand, political uncertainties, and soft commodity prices resulted in disappointing growth. A sharp decline in oil prices mid-2014, predominantly on account of excess supply alongside demand weakness in some economies, resulted in reduced real incomes and currency depreciation for oil-dependent economies.

Underpinned by the high foreign outflows and low investor confidence, Nigerian equities recorded their worst annual return since 2011, declining by 16 percent.

The domestic market's macroeconomic landscape, similar to other emerging economies, was adversely affected by the collapse in oil prices. The GDP review exercise carried out in April 2014 rebased the size of Nigeria's economy to ₦80 trillion (US$510 billion) and positioned the country as the largest economy in Africa. On the other hand, the crash in global oil prices and ensuing sizable foreign investment outflows resulted in extensive pressure on the Naira, causing foreign exchange reserves to plummet and ended ultimately in the devaluation of the currency. Nigeria continued to struggle with the added burden of insecurity with the Boko Haram insurgency, as well as agitations within and between the major political parties in the build up to the 2015 elections, causing additional upheaval to the business terrain. Underpinned by the high foreign outflows and low investor confidence, Nigerian equities recorded their worst annual return since 2011, declining by 16 percent. Amid this dour economic picture, GDP grew by 6.2 percent in 2014, bolstered by stronger economic growth in the earlier part of the year. Inflation maintained its single digit run for the second consecutive year averaging 8.1 percent.

The Nigerian insurance sector experienced growth in 2014, with a much higher industry capital base, as well as higher industry participation and policies written from the previous year, demonstrating increased confidence in the industry.

The Insurance Sector

The Nigerian insurance sector experienced growth in 2014, with a much higher industry capital base, as well as higher industry participation and policies written from the previous year, demonstrating increased confidence in the industry. Currently, the sector has a penetration rate of 0.6% and a gross premium per capital of $9.3 (₦2046). While this is far below long-term growth expectations, it validates the prospects for growth we foresee in the industry. The sector also deepened further over the period, as the industry witnessed increased foreign participation, predominantly through business mergers and acquisitions. Notably, French-based insurer AXA completed a 100% stake acquisition of Assur Africa Holdings which owns a 77% interest in Nigerian composite insurance company Mansard Insurance.

The National Insurance Commission (NAICOM) implemented key initiatives during the year, aimed at promoting market development and transparency, including an Enterprise Risk Management framework scheme to enhance corporate governance, stricter enforcement of the "No Premium, No Cover" guidelines and the Market Development and Restructuring Initiative (MDRI) which among other objectives, aims to ensure increased uptake of insurance products in Nigeria. The Regulator also fully commenced the implementation of the Risk-based supervision model (guidelines for this was released in 2013), and the development of a framework to promote the use of innovative distribution and sales channels by insurers. The anticipated multi-channel strategy is hoped to drive penetration by making the purchase and use of insurance products easier and more convenient for customers.

The ARM School of Insurance was established in collaboration with our strategic partner, LeapFrog Investments, to provide structured training, learning and career development programmes to all employees (both professional staff and sales advisors) within the Company.

Taking into account the prospects for growth in the industry and the laudable initiatives of the National Insurance Commission (NAICOM), underlined by the strong will to deepen the market and promote transparency, we remain confident of a more developed insurance industry in the near term.

Our Performance

2014 was a challenging year as the Company continued to pursue its growth strategy in the retail environment through additional investments. The key areas of focus for the year were increasing distribution footprint and capacity through recruitment and incentivization on the agency network and discussions with potential distribution partners, technology optimisation to improve data accuracy and process efficiency, as well as strengthening the company's underwriting capabilities.

Talent development and skills acquisition was another vital focus area. The ARM School of Insurance was established in collaboration with our strategic partner, LeapFrog Investments, to provide structured training, learning and career development programmes to all employees (both professional staff and sales advisors) within the Company. Considerable progress has been made in the development of this initiative, and we are confident that the institution will be fully operational by the second half of 2015.

The Company more than doubled its top-line from the last year, achieving a gross premium written of N3.4 billion for the 2014 financial year against N1 billion recorded in 2013. Over 70% of this came from the individual life segment, a testament to the potential of the retail business. Nevertheless, the larger portion of this was unearned premium due to the increasingly long-term focus of the business as reflected in the tenure of policies written.

The business recorded a net underwriting income of ₦910 million, however claims and underwriting expenses of ₦819 million and ₦174 million respectively resulted in a minimal underwriting loss of ₦82.6 million, a significant improvement from ₦393.6 million loss in 2013. This negative underwriting performance was partially offset by investment income, and the Company recorded net income of ₦260 million. Nonetheless, a considerable rise in management expenses resulted in the Company incurring a loss before taxation of ₦903 million. Management expenses rose on account of increased personnel costs and professional fees, as the business made efforts to build the right structures for a robust retail business. In line with our strategic bet on the retail sector and the conviction that retail is the future of the financial services industry, we made substantial investments in our distribution capacity (specifically our agency workforce) to grow the business, as well as in the development of our non-sales workforce to augment and enhance operations.

Looking Ahead

ARM Life's aspiration to dominate the retail environment remains our overarching objective. This stems from anticipated expansion in economic growth, employment rates and income levels, combined with the initiatives of the Regulator and industry participants to develop the Industry. Our plan of action will revolve around crafting a balanced distribution strategy with a multi-channel model, product innovation, creating rewarding and repeatable experiences for current and potential clients and building a highly motivated and competent workforce. We will also continue to explore growth opportunities in our group life business. In the short to medium term we aim to deliver sustainable, profitable growth in a changing and more competitive business environment.

On behalf of the Board and Management, I would like to express our sincere thanks and appreciation to you, our Shareholders for your continued and unwavering support as we put in place the integral elements to achieve our vision.

Thank you for your kind attention.

Dapo Oshinusi

Chairman

The Company more than doubled its top-line from the last year, achieving a gross premium written of N3.4 billion for the 2014 financial year against N1 billion recorded in 2013. Over 70% of this came from the individual life segment, a testament to the potential of the retail business. Nevertheless, the larger portion of this was unearned premium due to the increasingly long-term focus of the business as reflected in the tenure of policies written.

Financial Statements

31 December 2014

Together with

Directors' and Auditors' Reports

Directors' Report

For the year ended 31 December 2014

The directors are pleased to present their annual report on the affairs of ARM Life Plc, together with the audited financial statements and the auditor's report for the year ended 31 December 2014.

Legal form and principal activity

ARM Life Plc was incorporated in Nigeria on 10 November 1983 under the Companies and Allied Matters Act as First Nigeria Life Insurance Company. The Company obtained its certificate of registration as an insurer in November 1983. It commenced operations in October 1989 and changed its name in 1998 to Equity Life Insurance Company Limited. In 2008, the Company changed its name to CrystaLife Assurance Plc and became a Public Limited Liability Company in February 2010. Following the acquisition of majority shareholding by Asset & Resource Management Company Limited, the Company changed its name and corporate identity to ARM Life Plc in July 2013.

The address of its registered office is 22, Funsho Williams Avenue, Alaka, Surulere, Lagos.

The principal business of the Company is providing risk underwriting, annuities and claims settlement for group businesses and individuals in Nigeria.

Operating results:

The following is a summary of the Company's operating results:

	31-Dec-2014	31-Dec-2013
	₦'000	₦'000
Gross premium written	3,372,602	1,017,589
Loss before taxation	(902,935)	(839,880)
Taxation	(139,493)	(94,929)
Loss after taxation	(1,042,428)	(934,809)
Transfer to contingency reserve	(33,726)	(10,175)
Retained earnings for the year	(1,076,154)	(944,984)
Retained earnings beginning of year	(1,981,822)	(1,036,838)
Retained earnings end of year	(3,057,976)	(1,981,822)
Earnings per share – basic and diluted	(18)	(16)

Directors and their interests

The directors of the Company who held office during the year were as follows:

Dapo Oshinusi	-	Chairman	
Teju Ogunjimi	-	Managing Director	
Owolabi Salami	-	Executive Director	(resigned with effect from February 10, 2014)
Balamurli Krishnan	-	Executive Director	(appointed November 7, 2014)
Anthony Ikpea	-	Non-Executive Director	(appointed July 23, 2014)
Jumoke Ogundare	-	Non-Executive Director	
Dominic Liber	-	Non-Executive Director	
Oladimeji Alo	-	Non-Executive Director	(Independent)
Deji Alli	-	Non-Executive Director	(resigned with effect from November 28, 2014)
Adeolu Ireyomi	-	Non-Executive Director	(resigned with effect from July 23, 2014)

Directors shareholding

The following directors have direct/indirect shareholding in the Company:

	Direct Shareholding Number of 50k ordinary shares held		**Indirect Shareholding** Number of 50k ordinary shares held	
	2014	**2013**	**2014**	**2013**
Teju Ogunjimi	100,000	100,000	-	-
Adeolu Ireyomi	-	-	600,000,000	600,000,000
Deji Alli and Jumoke Ogundare	-	-	3,614,000,000	3,614,000,000

Major shareholding

According to the Register of Members, no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2014:

	2014 No. of Shares ₦'000	2014 % Holding	2013 No. of Shares ₦'000	2013 % Holding
Asset & Resource Management Company Limited	3,614,000	62.46%	3,614,000	62.46%
Platinum Capital Limited	1,000,000	17.28%	1,000,000	17.28%
Cashcraft Asset Management Limited	600,000	10.37%	600,000	10.37%

Analysis of shareholding

The analysis of the distribution of the shares of the Company at the end of the financial year is as follows:

Share range	No. of Shareholders	% of Holdings	No. of Holdings
Local Shareholders			
1 - 500,000,000	211	10	571,672,000
500,000,000 - 1,000,000,000	2	28	1,600,000,000
1,000,000,000 - Above	1	62	3,614,000,000
Total	214	100	5,785,672,000

Directors' interest in contracts

None of the directors has notified the Company, for the purpose of section 277 of the Companies and Allied Matters Act, of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Property and equipment

Information relating to changes in property and equipment during the year is given in Note 23 to the financial statements.

Donations and charitable gifts

During the year, a donation of ₦25,000 was made to Corona Schools Trust Council for the annual Corona Staff Day event. (2013: Nill)

Employment of disabled persons

The Company operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees. During the year under review, there was no disabled person in the Company's employment.

Health, safety and welfare of employees

The Company's employees are adequately insured against occupational hazards. In addition, medical facilities at specified limits are provided to employees and their immediate families at the Company's expense.

Employee training and development

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through regular meetings between management and staff of the Company. Furthermore, the Company provides training and development opportunities for its employees within and outside the shores of Nigeria.

Gender analysis

The number and percentage of male and female employed during the financial year vis-à-vis total workforce was as follows:

	Male Number	Female Number	Male Percentage	Female Percentage
Employees	113	62	65%	35%
Gender analysis of the board and top management is as follows:				
Board	6	1	86%	14%
Top Management	4	1	80%	20%
Detailed analysis of the top management is as follows:				
Managing Director	1	0	100%	0%
Executive Director	1	0	100%	0%
General Manager	2	0	100%	0%
Deputy General Manager	0	1	0%	100%

Acquisition of own shares

The Company did not purchase any of its own shares during the year.

Events after reporting date

There was no material event subsequent to year end that could impact on the financial statements.

Auditors

KPMG Professional Services have indicated their willingness to continue in office as auditors. In accordance with section 357(2) of the Companies and Allied Matters Act of Nigeria, a resolution will be proposed at the annual general meeting to re-appoint them and to authorise the directors to determine their renumeration.

BY ORDER OF THE BOARD

ARM Trustees Limited
Company Secretary
FRC/2013/00000000001331
1, Mekunwen Road
Off Oyinkan Abayomi Drive Ikoyi, Lagos
26 March 2015

Statement of Directors' Responsibilities

in relation to the financial statements for the year ended 31 December 2014

The directors accept responsibility for the preparation of the annual financial statements set out on pages 15 to 93 that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria and relevant National Insurance Commission regulations.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Teju Ogunjimi (Managing Director)
FRC/2013/CIIN/00000002485
26 March 2015

Dapo Oshinusi (Chairman)
FRC/2013/IODN/000000004529
26 March 2015

Corporate Governance Report

a. ***Introduction***

ARM Life Plc has in place an effective governance mechanism that ensures proper over-sight of its business by the directors and other principal organs of the Company, and also carries on its business in a manner that engenders public trust and confidence while meeting the expectations of all stakeholders.

In pursuit of this objective, we consistently reappraise our processes to ensure that the Company operates in line with the global standards of corporate governance at all times.

b. ***Shareholding***

The Company is a subsidiary of Asset & Resource Management Company Limited

c. ***Board of Directors***

The tone for proper corporate governance by the Company is set by the Board.

Besides possessing the requisite academic qualifications and experience in Board affairs, directors are kept abreast of their responsibilities and are conversant with the Company's business.

The directors are therefore able to exercise sound judgment on matters relating to the Company's business.

d. ***Board structure***

As at the end of the Financial Year, the Board was made up of the Chairman, two (2) Executive Directors and four (4) Non-Executive Directors.

The Chief Executive Officer is responsible for the day to day running of the Company, assisted by the Management Committee.

e. ***Responsibilities of the Board***

The effectiveness of the Board is achieved through a mix of seasoned and highly skilled individuals who have the required skills and professional success to bring independent and valued contribution to the Board meeting.

The directors are responsible for the following:

- Ensuring that the Company's financial statements reflect a true and fair view of the Company's financial position, financial performance and cash flow.
- Compliance with all statutory regulations relating to the Company's business.
- Appointments of key management personnel in the Company.
- Implementing an effective organizational structure with clearly stated job descriptions, authority levels and working relationships.
- Approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices.
- Creating an appropriate board structure, size and composition; including but not limited to, appointment and removal of directors, determining board committee membership and succession planning for the board and senior management .
- Approval in relation to major changes to the Company's corporate structure and business activities.

The Board members who served during the financial year were as follows:

Board of Directors			
Dapo Oshinusi	-	Chairman	
Teju Ogunjimi	-	Managing Director	
Owolabi Salami	-	Executive Director	(resigned with effect from February 10, 2014)
Balamurli Krishnan	-	Executive Director	(appointed November 7, 2014)
Anthony Ikpea	-	Non-Executive Director	(appointed July 23, 2014)
Jumoke Ogundare	-	Non-Executive Director	
Dominic Liber	-	Non-Executive Director	
Oladimeji Alo	-	Non-Executive Director	(Independent)
Deji Alli	-	Non-Executive Director	(resigned with effect from 28 November 2014)
Adeolu Ireyomi	-	Non-Executive Director	(resigned with effect from July 23, 2014)

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring its attention.

f. ***Board Committees***

The Board carries out its oversight functions using its various committees. This method makes for efficiency and allows for a deeper attention to specific matters. The committees are set up in line with statutory and regulatory requirements and are consistent with global best practices.

Membership of the committees of the board is intended to make the best use of the skills and experience of Non-Executive Directors in particular.

The committees have well defined terms of reference and charters defining their scope of responsibilities in such a way as to avoid overlap of functions.

The committees of the Board meet quarterly but may hold extraordinary sessions as the business of the Company demands.

The following are the current standing Committees of the Board:

i. ***Finance and General Purpose Committee***

This committee is made up of three (3) members. The committee considers the accuracy of the management accounts and its compliance with reporting standards, evaluates the investment portfolio, reviews the Company's financial performance and approves all capital projects.

The membership of the Committee is as follows:

Jumoke Ogundare	-	Non-Executive Director
Anthony Ikpea	-	Non- Executive Director
Teju Ogunjimi	-	Managing Director

ii. ***Enterprise Risk Management Committee***

This Committee considers and reviews the operations of the Company, and the management of the risk and compliance function of the Company. The Company through its Board of Directors ensures that all risks are managed properly and that the shareholders' investments as well as the Company's assets are safeguarded. The Board achieves this by having in place an effective Enterprise Risk Management Framework. The Board of Directors ensures that an operational risk management function is in place and is subject to comprehensive internal control.

The membership of the Committee is as follows:

Dominic Liber	-	Non-Executive Director
Teju Ogunjimi	-	Managing Director

iii. ***Establishment and Corporate Governance Committee***

The Committee is charged with the responsibility for the recruitment and establishment of the Board and Board committee memberships. The Committee reviews the candidate's qualifications and proffers resolution of any potential conflicts of interest, assesses the contribution of current directors in connection with their re-nomination and makes recommendations to the Board.

The Committee also ensures that a succession policy for the Company is in place.

The membership of the Committee is as follows:

Jumoke Ogundare	-	Non-Executive Director
Oladimeji Alo	-	Non-Executive Director
Teju Ogunjimi	-	Managing Director

iv. ***Audit Committee***

The Committee is established in line with Section 359(6) of the Companies and Allied Matters Act. The Committee has oversight responsibility for the Company's financial statements. The Committee comprises 4 members, which includes, 2 shareholders, a Non-Executive Director and an independent director. The tenure of the members of this committee is renewed annually.

The Committee reviews established Company procedures to reveal irregularities and ensure the accuracy of data and information provided in audited financial statements. The Committee also reviews the internal audit report on a regular basis at least quarterly. The Committee ensures that the audited financial statements are in compliance with statutory requirements and the relevant accounting and reporting framework.

The Committee chairman reports formally to the board on its proceedings after each meeting on all matters within its functions and responsibilities. The committee makes recommendations to the board as it deems appropriate on any area within its purview where action and/or improvement is needed.

The Committee has oversight responsibility for the internal and external audit function and the adequacy of the control environment. The Chief Internal Auditor has access to this Committee and makes quarterly presentations to its members.

The membership of the Committee is as follows:

Oladimeji Alo	- Chairman	(Independent Director)
Emmanuel Ortswen	- Member	(appointed October 8, 2014)
Anthony Ikpea	- Member	(Non-Executive Director)
Musa Kolo	- Member	
Segun Ogunleye	- Member	(resigned October 8, 2014)

v. ***Management Committee***

The Company has only one senior management committee. The management team meets fortnightly to discuss matters relating to the business and activities of the Company, the implementation of the Board's policies and decisions and also to deal with specific matters relating to the Company as the circumstances arise.

The management team meets to discuss issues relating to the different units and the Company as a whole.

BOARD AND BOARD COMMITTEES MEETINGS

The table below shows the frequency of meetings of the Board of Directors, Board Committees and members' attendance at these meetings during the year under review.

Directors	Board	Finance & General Purpose Committee	Enterprise Risk Management Committee	Establishment and Corporate Governance Committee
Number of Meetings	5	4	4	5
Attendance				
Dapo Oshinusi	5	N/A	N/A	N/A
Teju Ogunjimi	5	4	4	5
Jumoke Ogundare	4	4	N/A	5
Deji Alli *resigned with effect from November 28, 2014	5	N/A	N/A	N/A
Oladimeji Alo	4	N/A	N/A	5
Dominic Liber	4	N/A	4	N/A
Anthony Ikpea *appointed July 23, 2014	4	3	N/A	N/A
Balamurli Krishnan *appointed November 7, 2014	2	N/A	N/A	N/A
Adeolu Ireyomi *resigned with effect from July 23, 2014	–	–	N/A	N/A

The table below shows the frequency of meetings of the Audit Committee and members' attendance at these meetings during the year under review.

Members	Audit Committee
Number of Meetings	5
Attendance	
Segun Ogunleye (resigned October 8, 2014)	2
Emmanuel Orstwen (appointed October 8, 2014)	-
Oladimeji Alo	5
Anthony Ikpea (appointed July 23, 2014)	3
Dominic Liber *	2
Musa Kolo	2

Attendance
* ex-officio member

g. *Relationship with shareholders*

The members of the Company have the overall decision-making powers in respect of the Company. At the Annual General Meeting, members are given the opportunity to air their views and give advice on issues relating to the Company's overall performance for the year. The meeting is conducted in a fair and transparent manner where the regulators such as the National Insurance Commission, the Corporate Affairs Commission and external auditors are invited.

h. *Protection of shareholders rights*

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

i. *Communication policy*

The Board of Directors at its meetings receives updates and information from management to enable the Board make deliberations, discuss issues, pass resolutions and advise management on internal operations.

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

The Company's website: www.armlife.com.ng is updated regularly to provide information to the shareholders, stakeholders and the general public on the activities of the Company.

In order to reach its overall goal on information dissemination, the Company is guided by certain principles, legislation and codes of corporate governance of the jurisdiction within which it operates. These legislations and codes of corporate governance include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the Codes of Corporate Governance issued by NAICOM.

The principles that guide the Company's information dissemination include the following;

- Accuracy: The Company uses modern communication technologies to ensure that the information provided on its website are accurate and reflect a fair view of the Company's financial position.

- Transparency: The Company appreciates the responsibility entrusted to it by its clients and stakeholders and as such providing the necessary information is a responsibility the Company cherishes whilst not undermining the confidentiality of information between the Company and clients.

- Simplicity: The information provided by the Company is clear, straightforward and without ambiguity.

- Criticism: The opinion of stakeholders is taken into consideration by the Company, upon the receipt of same.

Report of the Audit Committee

To the members of ARM Life Plc

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of ARM Life Plc hereby report on the financial statements for the year ended 31 December, 2014, as follows:

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

- We are of the opinion that the accounting and reporting policies of the Company is in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2014 were satisfactory and reinforce the Company's internal control systems.

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

Dr. Oladimeji Alo
Chairman
26 March 2015

Members of the Committee

Oladimeji Alo	- Chairman
Emmanuel Ortswen	- Member
Anthony Ikpea	- Member
Musa Kolo	- Member
Segun Ogunleye	- Member (resigned October 8, 2014)

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Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of ARM Life Plc ("the Company), which comprise the statement of financial position as at December 31, 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 93.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria, relevant National Insurance Commission of Nigeria ("NAICOM") Circulars and Guidelines and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of ARM Life Plc ("the Company") as at December 31, 2014, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the

Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act of Nigeria and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars and Guidelines.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and the statement of comprehensive income are in agreement with the books of account.

Compliance with the requirements of National Insurance Commission of Nigeria Guidelines

The Company paid penalties in respect of contraventions of the requirement of certain sections of the National Insurance Commission of Nigeria's Operational Guidelines 2011 during the financial year. The details of these contraventions and penalties are disclosed in note 45 of the financial statements.

Signed:

Akinyemi J. Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
21 May 2015
Lagos, Nigeria

Reporting Entity

I Reporting Entity

ARM Life Plc is a public limited liability company incorporated on 10 November 1983 to carry on the business of life assurance. The Company is a subsidiary of Asset & Resource Management Company Limited. The Company is incorporated in and domiciled in Nigeria.

The registered office of the Company is: 22, Funsho Williams Avenue, Alaka Busstop, Alaka, Surulere, Lagos. The principal business of the Company is providing risk underwriting, annuities and claims settlement for group businesses and individuals in Nigeria.

Going Concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Company has adequate resources to continue as going concern for the forseeable future.

II Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and its interpretation committee effective and available as at 31 December 2014. These financial statements complies with the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeris (FRC) Act, 2011.

The financial statements were authorized for issue by the directors on 26 March 2015.

III Basis of Preparation

(a) *Reporting period*

The statement of financial position has been prepared for a 12 month period.

(b) *Functional and presentation currency*

The financial statements are presented in Naira, which is the Company's functional currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousands.

(c) *Basis of measurement*

The financial statements have been prepared in accordance with the going concern principle under the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss are measured at fair value.
- Available-for-sale financial assets are measured at fair value.
- Investment properties are measured at fair value.
- Insurance liabilities are based on actuarial valuations.

(d) *Use of estimates and judgment*

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised thus:

- in the period in which the estimate is revised, if the revision affects only that period, or
- in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed in note 4 to the financial statements.

(e) Standards and interpretations adopted during the year IFRIC 21 Levies

The Company has adopted IFRIC 21 *Levies* with a date of initial application of 1 January 2014. The interpretation provides guidance on when to recognise a liability for a levy imposed by government, government agencies and similar bodies, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The adoption of this standard has no impact on the financial statements of the Company.

(f) New standards and interpretation not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2014; however, the Company has not applied the following new or amended standards in preparing these financial statements.

New or amended standards	Summary of the requirements	Possible impact on financial statements
IFRS 9 Financial Instruments	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company plans to adopt this IFRS initially for the annual reporting period beginning 1 January 2018.	This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised by the Company.

IFRS 15 Revenue from Contracts with Customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract- based five-step analysis of transactions to determine whether, how much and when revenue is recognised. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Company plans to adopt this IFRS initially for the annual reporting period beginning 1 January 2017.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

IV Changes in accounting policies

The Company has consistently applied the accounting policies as set out in notes V to all periods presented in the financial statements, and there has been no changes in the accounting policy of the Company.

V Significant accounting policies

Significant accounting policies are defined as those that reflect significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

The Company consistently applied the following accounting policies to the periods presented in the financial statements

(a) Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in profit or loss.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at that date. Exchange gains arising from the revaluation of monetary assets and liabilities are recognized in profit or loss, while those on non-monetary items are recognized in other comprehensive income (OCI).

Non-monetary items measured at historical cost denominated in foreign currency are translated using the exchange rate at the transaction date, non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(b) Segment reporting

An operating segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments and whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company's primary format for segment reporting is based on business segments.

(c) **Underwriting activities**

(i) *Gross premium written*

Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognised at the point of attachment of risk to a policy before deducting cost of reinsurance cover and unearned portion of the premium.

Gross premium on life contract are recognised in the profit or loss account when payable by the policy holder. Gross life insurance written premium comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date of inception of the policy.

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

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

Gross premium earned

Premium earned and annuity considerations are stated gross of commission and recognised when due. Premium earned relates to risks assumed during the period.

(ii) *Unearned premiums*

Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

(iii) *Reinsurance*

The Company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Premium ceded, claims reimbursed and commission recovered are reported directly in profit or loss.

Reinsurance assets

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts.

Prepaid reinsurance

Prepaid reinsurance are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date and is reported under reinsurance assets in the statement of financial position. Prepaid reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Reinsurance claims recoveries

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

(iv) *Claims expense*

Claims expenses consist of all claims arising during the year, together with the movements in the provision for outstanding claims and the changes in the gross valuation of insurance contract liabilities. Claims expenses are charged to profit or loss.

(v) *Underwriting expenses*

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.

Underwriting expenses for insurance contracts and investment contracts are recognized as a charge against profit or loss when incurred.

(d)(i) Fees and Commission income

Fees and Commission income is recognized on fees received with respect to ceding businesses in co-assurance and re-insurance transactions.

(d)(ii) Deferred acquisition costs

Deferred acquisition cost are those direct and indirect costs incurred during the financial period arising from the underwriting or renewing of insurance contracts and/or investment contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as expense when incurred.

(e)(i) Investment income

Investment income comprises interest income earned on short-term deposits, treasury bills, bonds. Investment income is accounted for on an accrual basis.

Interest income is recognised in profit or loss as it accrues and is calculated using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset to the carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e)(ii) Net trading income

Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

(e)(iii) Other operating income

Other operating income comprise income of a secondary nature in relation to the Company's activities, including gains on disposal of fixed assets

(f) Dividend income

Dividend is recognised as earned in the period in which the right of receipt is established.

(g) Employee benefits/personnel expenses

Short-term benefits

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

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

Post Employment Benefits

Defined contribution plan

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a fixed contribution of 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in profit or loss.

Defined benefit Plans

The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount to its present value.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling are recognised immediately in OCI. The Company determines the interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(h) Management expenses

Management expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other expenses. They are accounted for on an accrual basis.

(i) Lease expense under 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 made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the term 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 recognised as an expense in the period in which termination takes place.

Lease expense under finance lease
Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

(j)(i) Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years, using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit,
- differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income 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.

(k) Earnings per share
The Company presents basic earnings per share for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. 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.

(l) *Cash and cash equivalent*

Cash and cash equivalent include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

(m) **Financial assets and liabilities**

(i) *Classification and recognition*

The classification of financial assets depends on the purpose for which the investments were acquired or originated. The Company classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables, and
- available-for-sale financial assets

The Company's financial assets include cash and cash equivalents, placements, trade and other receivables, staff loans, quoted and unquoted equity instruments and bonds.

The Company's financial liabilities are classified as other financial liabilities. They include: investment contract liabilities and creditors.

Regular way purchases and sales of financial assets are accounted for at trade date.

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified at fair value through profit and loss. Financial instruments are derecognized when the rights to receive cash flows from the financial instruments have expired or where the Company has transferred substantially all risks and rewards of ownership.

(ii) *Subsequent measurement*

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

(iii) *Derecognition: Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flow from the financial asset expires; or transfers its right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of the financial assets are transferred or in which the Company neither transfers nor retains substantially all risks and rewards of ownership and it does not retain control of the asset;

(iv) *Derecognition: Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

Financial assets at fair value through profit or loss include financial assets held for trading and those designated at initial recognition. Financial assets classified as trading are acquired principally for the purpose of selling in the short term.

These financial assets are initially recorded at fair value. Subsequent to initial recognition, they are remeasured at fair value, with gains and losses arising from changes in this value recognized in net trading income in profit or loss in the period in which they

Financial assets classified as held for trading includes quoted equities. The Company has no financial assets designated at fair value through profit or loss.

(vi) ***Held-to-maturity***

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

- those that the Company designates as available for sale.
- those that meet the definition of loans and receivables.

Held-to-maturity investments are carried at amortised cost using effective interest method less any impairment losses. A sale or reclassification of more than insignificant amount of held-to-maturity investment would result in the reclassification of all held-to- maturity investments to Available-for-sale, and would prevent the Company from classifying investment security as held-to-maturity for the current and following two financial years. However, sales and reclassification in any of the following circumstances would not trigger a reclassification;

- sales or reclassification that are so close to maturity that changes in the market rate interest would not have a significant effect in the financial asset's fair value;
- sales or reclassification after the Company has collected substantially all of the assets' original principals; and
- sales or reclassification attributable to non-recurring isolated events beyond the Company's control that could not have been reasonably anticipated.

(vii) ***Available-for-sale***

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

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

Dividends received on available-for-sale instruments are recognised in investment income in profit or loss when the Company's right to receive payment has been established.

Interest income on available for sale investments are recognised in investment income in profit and loss using effective interest.

(viii) ***Loans and receivables***

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company at fair value through profit or loss or available-for-sale.
Loans and receivables consist primarily of staff loans and cash and cash equivalents.

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

(ix) *Trade receivables*

Trade receivables arising from insurance contracts represent premium debtors with determinable payments that are not quoted in an active market and the Company has no intention to sell.

Trade receivables consist of premium debtors, due from reinsurers and other receivables. These are managed in accordance with a documented policy.

Receivables are stated net of impairment determined in line with the specific and incurred loss model.

(x) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference in recognized in Income statement on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to see a net long position (or paid to transfer a net short position) for a particular exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

(xi) *Amortised cost measurement*

The amortised 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 amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(xii) Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired include observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficultis; or
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including;
    - adverse changes in the payment status of issuers or debtors in the Company; or
    - National or local economic conditions that correlate with defaults on the assets in the Company

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset.

The Company assesses whether objective evidence of impairment exists individually for financial assets. If there is ojective evidence that an impairment loss has been incurred on investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with exception of receivables arising out of reinsurance or direct insurance arrangements, where the carrying amount is reduced through an allowance account. The impairment loss is recognized directly through the income statement.

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

When a receivable is uncollectable it is written off against the related provision for impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss have been determined.

(xiii) Offsetting financial instruments

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

Income and expenses are presented on a net basis only when permitted under IFRS, or from gains and losses arising from a group of similar transactions such as in the Company's trading activities.

(n) Insurance contracts

The Company issues contracts that transfer insurance risk or financial risk or both.

Contracts under which the Company accepts significant insurance risk from another party(the policyholder) by agreeing to compensate the policy holder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policy holder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk, transferred from the holder of the contract to the issuer.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. See accounting policy for these contracts under V(o)

Insurance contracts and investment contracts of the Company consists majorly of life assurance business which includes annuity business and business incidental to any such class of business.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death or on the happening of any contingency dependent on the termination or continuance of human life, and include a contract which is subject to the payment of premiums for term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life.

Recognition and measurement

(i) *Premium Income* - see accounting policy c(i)

(ii) *Guaranteed annuity*

Guaranteed annuity is recognised as an insurance contract.

Annuity premium are recognised as income when received from policy holders, payments to policy holders are recognised as an expense when due. The amount of insurance risk under contracts with guaranteed annuity is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Company does not have sufficient historical data on which to base its estimate of the number of contract holders who exercise their option.

(iii) *Claims and policy holders benefit payable*

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claim becomes due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

Where insurance contracts have a single premium or a limited number of premium payments due over a sinificantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premium is deferred and recognized as income in line with the decrease of unexpired insurance risk of the contracts in-force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid. the liabilities are recalculated at each reporting date using the assumptions established at the inception of the contracts.

(iv) *Commissions and deferred acquisition costs ("DAC")* - see accounting policy d(i) and d(ii)

(v) *Liability adequacy test*

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests.

(vi) *Reinsurance contracts held* - see accounting policy c(iii)

(o) **Investment contracts**

The Company issues investment contracts with fixed and guaranteed terms (fixed interest rate). The investment contracts include funds administered for a number of retirement benefit schemes measured at its fair value less transaction costs that are incremental and directly attributable to the acquisition or issue of the contract.

Subsequent measurement of investment contracts at amortized cost uses the effective interest method. This method requires the determination of an interest rate (the effective interest rate) that exactly discounts to the net carrying amount of the financial liability, the estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period if the holder has the option to redeem the instrument earlier than maturity.

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

(p) **Intangible assets**

Software

Software acquired by the Company is measured at cost less accumulated amortisation and any accumulated impairment losses. Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Company.

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

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

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred. Amortisation is recognised 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. The estimated useful life of software is three years subject to annual reassessment.

(q) Property and equipment

(i) *Recognition & Measurement*

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

(ii) *Subsequent Costs*

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

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

(iii) *Depreciation*

Depreciation is calculated on property and equipment on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on item of property and equipment until they are brought into use.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation reduces an asset's carrying value to its residual value at the end of its useful life, and is allocated on a straight line basis over the estimated annual rates, as follows:

Leasehold Land	over the lease period
Building	2%
Leasehold improvements	20% (or period of primary lease where shorter)
Furniture & Fittings	15%
Office equipment	15%
Computer equipment	20%
Plant & Machinery	20%
Motor vehicles	25%

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

(v) *De-recognition*

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

(r) **Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

In an active market, an independent valuer, holding a recognized and relevant professional qualification and with recent experience in the location and category of investment property being valued, values the portfolio annually.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent measurement.

(s) **Statutory deposit**

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

(t) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets, are considered to be impaired when there exists any indication that the asset's recoverable amount is less than the carrying amount. Impairment losses are recognised in profit or loss.

The carrying amount of these non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Impairment losses of non-financial assets, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

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

(u) **Other receivables and prepayments**

Other receivables and prepayment are carried at cost less accumulated impairment losses. Prepayments are amortised on a straight line basis to the profit or loss account.

(v) **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. Where the effect of time value of money is not material, the amount is not discounted.

(w) **Reinsurance liabilities**

Reinsurance liabilities are primarily premiums payable for the reinsurance contracts entered into by the Company and are recognised as a payable when incurred. The Company has the right to set-off re-insurance payables against the amount due from re insurance and brokers in line with the agreed arrangement between both parties.

(x) **Group Life Business**

An unexpired premium reserve is included for group life business, with an allowance for acquisition expenses as a percentage of premium. An allowance is made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims.

Investment contract liabilities

(y)(i) *Deposit Administration*

Investment contracts are those contracts that transfer financial risks with no significant insurance. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Company enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amount payable at each reporting date.

The Company does not have contracts with discretionary participating features.

Guaranteed interest on investment contract liabilities is recognised as an expense in the statement of profit or loss and other comprehensive income.

(y)(ii) *Unbundling of deposit components*

Investment contracts that contain both an insurance component and a deposit component are unbundled to the extent that the insurer can measure the deposit component (including any embedded surrender options) separately (ie without considering the insurance component).

(z) **Life insurance contract liabilities**

The life insurance contract liabilities represents the liability due to policy holders at the end of every reporting period. The liability in the life fund account is determined by an actuarial valuation using a liability adequacy test model.

(aa) **Individual Business**

Individual risk business comprises term assurance and mortgage protection policies, for which a gross premium method of valuation is adopted.

Reserves are calculated via a cash flow perfected approach taking into account future office premiums, expenses and benefit payments (death). Future cash flows are discounted back to the valuation date at the valuation interest rate.

(ab) **Provisions for other liabilities and charges**

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

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The unwinding of the amount is recognised as a finance cost.

(ac) **Share capital & reserves**

Share Capital

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

(ad) **Fair value reserves**

Fair value reserves represent the mark to market gains/loss on available-for-sale financial assets.

(ae) Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, the period approved by the Company's shareholders.

(af) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company 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 legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

(ag) Actuarial valuation

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

VI Required technical and other reserves by NAICOM

(a) Contingency reserve

Contingency reserve is credited with the greater of 1% of gross premiums, or 10% of the profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) Technical Reserve

These are computed in compliance with the provisions of the Insurance Act 2003 as follows:

I Reserve for unearned premiums

In accordance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unexpired risks is calculated on a time apportionment basis in respect of the risks accepted during the year. A provision for the additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserved.

ii Reserve for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported (IBNR) at the reporting date.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2014

	Notes	Dec-14 ₦'000	Dec-13 ₦'000
Gross premium written	5	3,372,602	1,017,589
Unearned premium	5	(2,311,975)	(8,362)
Gross premium income	5	1,060,627	1,009,227
Reinsurance expenses	6	(197,402)	(154,253)
Net premium income		863,225	854,974
Fees and commission income	7	47,081	36,626
Net underwriting income		910,306	891,600
Claims expenses	8	(818,903)	(1,212,062)
Underwriting expenses	9	(174,032)	(73,168)
Underwriting results		(82,629)	(393,630)
Investment income	10	317,966	300,399
Other operating income	11	24,933	326,480
Net trading income on financial assets	12	(55,017)	71,742
Impairment of financial assets	13	7,899	(105,103)
Fair value gain on investment properties	21	60,700	90,100
(Loss)/Profit on investment contract	28(b)	(14,233)	34,219
Net income		259,619	324,207
Management expenses	14(a)	(1,162,554)	(1,164,087)
Results of operating activities/ Loss before tax		(902,935)	(839,880)
Loss before tax		(902,935)	(839,880)
Minimum tax	30(b)	(12,457)	(40,752)
Income taxes	30(b)	(127,036)	(54,177)
Loss for the year		(1,042,428)	(934,809)
Other comprehensive income:			
Items that will never be reclassified to profit or loss		-	-
Revaluation of property and equipment	23(iii), 37	427,562	-
Related tax		(42,756)	-
Items that are or may be reclassified to profit or loss			
Available-for-sale investment securities - net change in fair value	16(c(ii))	25,085	4,145
Available-for-sale investment securities - reclassified to profit or loss on disposal of investment	12	(23,643)	
Related tax		-	-
Other comprehensive income, net of tax		386,248	4,145
Total comprehensive income for the year		(656,180)	(930,664)
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in kobo per share):			
– Basic & Diluted (in kobo)	39	(18)	(16)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2014

	Note	Dec-14 ₦'000	Dec-13 ₦'000
Assets			
Cash and cash equivalents	15	2,278,022	1,512,333
Investment securities:			
- Investment securities-fair value through profit or loss	16(a)	285,661	358,144
- Investment securities-held to maturity	16(b)	2,570,808	386,978
- Investment securities-available for sale	16(c)	164,060	272,781
Loans and receivables	16(d)	846	804
Trade receivables	17	59,577	114,722
Reinsurance assets	18	177,031	206,485
Deferred acquisition costs	19	26,649	17,861
Other receivables and prepayment	20	170,861	201,235
Investment properties	21	1,709,502	798,802
Deferred tax asset	31	-	-
Intangible assets	22	-	-
Property and equipment	23	244,363	738,739
Statutory deposits	24	200,000	200,000
Total assets		**7,887,380**	**4,808,884**
Liabilities			
Trade payables	25	96,359	91,604
Other payables	26	448,691	453,755
Insurance contract liabilities	27	3,863,945	1,445,663
Investment contract liabilities	28	882,217	665,429
Retirement benefit obligations	29	106,439	177,959
Current income tax liabilities	30	132,522	11,913
Deferred tax liability	31	68,026	19,200
Total liabilities		**5,598,199**	**2,865,523**
Net assets		**2,289,181**	**1,943,361**
Equity			
Share capital	32	2,892,836	2,892,836
Share premium	33	802,439	802,439
Retained earnings	34	(3,057,976)	(1,981,822)
Deposit for shares	35	1,002,000	-
Fair value reserves	36	43,695	42,253
Revaluation reserve	37	384,806	-
Statutory contingency reserve	38	221,381	187,655
Total equity		**2,289,181**	**1,943,361**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Teju Ogunjimi	Dapo Oshinusi	Olaide Olusoji-Oke
Managing Director	Chairman	Chief Financial Officer
FRC/2013/CIIN/00000002485	FRC/2013/IODN/00000004529	FRC/2013/ICAN/00000001195

Approved by the Board of Directors on 26 March 2015

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

as at 31 December 2014

December 2014	Share capital	Share Premium	Retained earning	Deposit for shares	Fair value reserve	Revaluation reserve	Statutory contingency reserve	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2014	2,892,836	802,439	(1,981,822)	-	42,253	-	187,655	1,943,361
Loss for the year	-	-	(1,042,428)	-	-	-	-	
Transfer to contingency reserve	-	-	(33,726)	-	-	-	33,726	-
Other comprehensive income								
Net change in fair value	-	-	-	-	25,085	-	-	25,085
Net amount reclassified to profit or loss on disposal of investment					(23,643)	-	-	(23,643)
Revaluation surplus (net of taxes)	-	-	-	-	-	384,80	-	384,806
Total comprehensive income for the year	-	-	(1,076,154)	-	1,442	384,80	33,726	(656,180)
Transactions with owners,								
Prepaid contributions from owners	-	-	-	1,002,000	-	-	-	1,002,000
As at 31 December 2014	2,892,836	802,439	(3,057,976)	1,002,000	43,695	384,806	221,381	2,289,181

December 2013	Share capital	Share Premium	Retained earnings	Deposit for shares	Fair value reserves	Revaluation reserve	Statutory contingency reserve	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance as at 1 January 2013	2,892,836	802,439	(1,036,838)	-	38,108	-	177,480	2,874,025
Loss for the year			(934,809)					(934,809)
Transfer to contingency reserve	-	-	(10,175)	-	-	-	10,175	-
	-	-	(944,984)	-	-	-	10,175	(934,809)
Other comprehensive income								
Net change in fairvalue	-	-	-	-	4,145	-	-	4,145
								-
Total comprehensive income for the year	-	-	(944,984)	-	4,145	-	10,175	(930,664)
As at 31 December 2013	2,892,836	802,439	(1,981,822)	-	42,253	-	187,655	1,943,361

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2014

	Note	2014 ₦'000	2013 ₦'000
Net cash flow before changes in working capital	40	(1,164,825)	(1,481,489)
Cash flows from operating activities:			
Decrease in trade receivables		72,889	375,084
(Increase)/ Decrease in reinsurance assets		29,454	(5,414)
(Decrease)/Increase in outstanding claims		(59,483)	214,531
Increase in life insurance fund		2,477,765	57,168
Increase/(Decrease) in deposit administration fund		216,788	(29,693)
Decrease in staff loan		(42)	3,845
Increase in trade payable		4,755	(41,485)
Increase in other payables	26	(2,404)	231,287
Increase in other receivables		20,529	(71,990)
(Increase)/decrease in deferred acquisition cost	19	(8,788)	(1,554)
Payments made on retirement benefit obligations	29	(78,157)	(169,028)
		2,673,306	562,751
Dividend received	10	39,751	41,478
Interest income earned		258,105	238,854
Income tax paid	30(a)	(12,814)	(57,019)
Vat paid		(2,660)	-
Net cash from operating activities		1,790,863	(695,425)
Cash flows from investing activities:			
Change in investment securities at fair value through profit or loss		11,668	-
Purchase of held to maturity investment securities		(2,651,330)	(89,552)
Redemption of bonds		467,500	-
Purchase of available-for-sale financial assets		-	(100,890)
Disposal of available-for-sale financial assets		133,806	25,000
Rental income	10	15,047	13,600
Purchase of property, plant and equipment	23	(26,793)	(439,211)
Proceeds from sale of property, plant and equipment		22,928	67,137
Net cash used in investing activities		(2,027,174)	(523,916)
Cash flows from financing activities:			
Proceeds from the Rights Issue		1,002,000	-
Net cash used in financing activities		1,002,000	-
Net (decrease)/increase in cash and cash equivalents		765,689	(1,219,341)
Cash and cash equivalents at beginning of year		1,512,333	2,731,674
Cash and cash equivalents at end of year	15a	2,278,022	1,512,333

Notes to the Financial Statements

Financial and Insurance Risk Management Introduction

Our approach to Risk Management
ARM Life through the ARM Group, has adopted an encompassing Enterprise Risk Management (ERM) framework that considers risk from a comprehensive and integrated standpoint. The Group Risk Management through an independent Risk Management function in ARM Life (the subsidiary) works closely with all business managers to oversee risk exposures and address identified risks in a timely manner.

The team's ultimate goal is to ensure efficient risk/return decision-making, reduce volatility in operating performance, improve operational efficiency as well as the quality of service delivery and ensure that the Company's risk profile is transparent to senior management, the Board of Directors and other relevant stakeholders. In addition, the importance of risk management is stressed through a zero-tolerance for violations of risk management guidelines.

We have found management of risks exposure on a group-wide more efficient and gives us opportunity to leverage on decades of risk managment practices at the group level to put in place policies and adequate risk governance structure. This structure is also strongly encouraged by section 1.6 of NAICOM's Guideline for developing a Risk Management Framework for Insurers and Reinsurance in Nigeria. The section 1.6 of the guideline specifically states that no part of the guideline shall prevent an insurer or reinsurer from applying a risk management framework that is also used within its group company, provided that such framework has been approved and adopted by the Board of the insurer or reinsurer for its purpose and meets the requirements of this guideline.

In adopting group risk management structure, we considerably observed the peculiriaty of the insurance business and where necessary distinct policies are being developed to suit the need of ARM Life. In achieving effective result in this wise, the NAICOM's risk management guideline have provided necessary guide on development of specialised guidlines for management unique risk exposures such as underwrting, claims management, reinsurance.

Objectives of Risk Management
In line with global quest for a value-drive risk management, Risk Management across ARM Group adopted an all-encompassing Enterprise Risk Management that focuses on helping the organisation build a sustainable business where risk taking are consistently aligned with risk appetite, and threats to business objectives are adequately mitigated. The overall objective of this risk management approach is to embrace a coherent method of managing the effect of risks on capital and ultimately maximise shareholders' value.

The unit realised adding value to the group will require supporting the actualisation of business objectives through timely identification, effective assessment, mitigation and reporting of risks. We took significant steps to ensure the risk management process is driven by skilled risk management personnel, within an environment of risk awareness and accountability.

Recently, we have also adopted a robust risk management framework that focuses on the right people, operational efficiency, risk accountability and increased group-wide coverage. This was achieved through building on existing policies and promotion of a culture that regards every employee as a risk manager within the organisation. In order to continously deliver a value-drive risk management practices across the group, our strategies are always built around four core values identified below:

Business Sustainability; This represents resiliency over time. It involves a business's ability to withstand and survive significant internal and external shocks.

Accountability: This is the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.

Operational Efficiency: This involves achieving the optimal balance between the business costs and business profits, where maximum profits are earned from minimum costs.

Risk/Reward Alignment: This is also an optimization concept that involves ensuring that the maximum possible return is earned for each unit of risk taken.

The ultimate goal of our risk management practice is to ensure efficient risk-return decision-making, and ensure that the Company's risk profile is transparent to Senior Management, the Board of Directors and other stakeholders. In addition, the importance of risk management is stressed through a zero-tolerance for violations of risk management guidelines.

Risk exposures are proactively managed through a continuous process of identification, evaluation, monitoring and reporting, a process that aids the business' ability to take high-quality, informed decisions at all times.

The Company reviews its key strategic business risks on a continuous basis. This position is monitored on an on-going basis and is reported to the Board Enterprise Risk Management Committee and the Board on a quarterly basis.

This process assists business managers in further understanding the possible impact of each risk event and in defining mitigating actions relevant to each. In assessing possible impact, the company considers both quantitative and qualitative outcome of a risk event as well as possible reputational damage.

Risk Management Framework
Our risk management framework is built around core components such as governance, strategy, systems, defined methodology and processes, tools and people. In addition, risk exposures are proactively managed through a continuous process of identification, evaluation, monitoring and reporting.

An independent Risk Management function, which monitors risk exposures across the Company works closely with business managers in order to identify and address risks in a timely manner and within acceptable corporate risk profile. In order to sufficiently capture the interrelationships among the various risk exposures within the Company, our risk management approach fits in an encompassing Enterprise Risk Management (ERM) framework which addresses the risks we assume while conducting our businesses in broad risk categories as summarised below:

Risk Type	Description	Loss Characteristics
Market & Investment Risk	This is the risk to the company's financial condition resulting from adverse movements in the level or volatility of market prices such as price of stock and shares, property, exchange rates and other market conditions that are relevant.	This could result in loss of value to the Company's investment portfolios; and invariably affect capacity to meet various insurance and investment contract liabilities when they fall due.
Credit Risk	This is the risk that counterparty will default on payment or fail to perform an obligation to the company. The Company is primarily exposed to credit risk exposure via trade receivables that arise from co- assruance arrangement (where the firm serves as lead underwritier to a group life scheme) and reinsurance contracts.	This could result in impairment in the Company's credit assets and could invariably affect its short and long-run liquidity needs.
Liquidity Risk	The risk that the Company will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption or could hinder normal operations of the company as well as reputational damage.
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, systems and external events.	This could result in business disruption, litigation costs and/or regulatory penalties
Re-insurance Risk	This is the risk of inadequate reinsurance cover.	This could result in adverse reputational impact when claims cannot be met due to the failure of the re-insurance cover and insolvency in extreme cases.
Underwriting Risk	Underwriting risk is the risk of accepting to undertake a risk the company is not capable of covering or accepting to cover risk in unfavourable terms.	This could result in a significant loss to the company and insolvency in extreme cases.

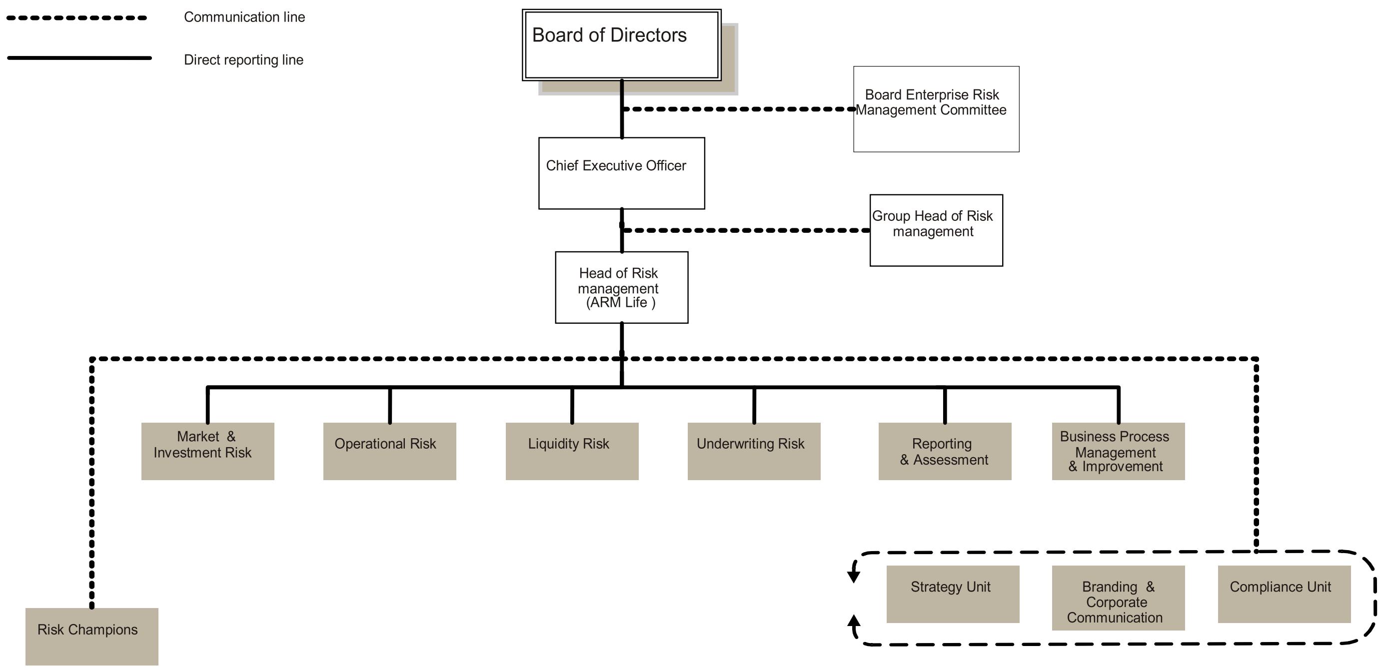
Risk Type	Description	Loss Characteristics
Reputational Risk	The risk of brand damage due to the failure to meet stakeholders' expectations with respect to the Company's performance and behaviour.	This could result in a significant loss of market share; loss of key employees and costly litigation.
Legal Risk	This arises from the potential that unenforceable contracts, litigations, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the company.	This could result in significant losses, litigation cost and reputational damage to the company and insolvency in extreme cases.
Claims Management Risk	This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfil their contractual obligation to policyholders.	This could result in a significant loss to the company if the claims process is breached and results in fraud. There is also the risk of reputational damage where there is an inadequate process of claims management.

Risk Governance

The Company's Board of Directors has ultimate responsibility for Risk Management oversight, playing an important role in defining and reviewing overall risk appetite; and in approving policies and methodologies, either directly or through its Board Enterprise Risk Management Committee (BERMC). The Board of Directors and the BERMC receive quarterly reports of company wide risks and Risk Management activities from the Risk Management Unit.

The Risk Management Governance Structure can be seen below:

ARM Life Risk Management Structure



Underwriting risk

Underwriting Risk is the risk of loss due to an increase in the rate of occurring policy claims contrary to the forecast made when the premium was set. The Company's exposure to underwriting risk can be driven by any of the following factors:

- *Mortality risk* : the risk that actual policyholder death experience on life insurance policies is higher than expected.
- *Longevity risk* : the risk that the firm will experience higher than expected pay-out ratio on products such as its annuity products.
- *Morbidity risk:* the risk that policyholder health-related claims are higher than expected.
- *Policyholder behavior risk:* the risk that policyholders' behavior in discontinuing and reducing premiums or surrendering is worse than expected.
- *Expense risk* : is the risk that expenses incurred in acquiring and administering policies are higher than expected.

In managing this risk, the Firm has in place an underwriting guideline that specifies how policies are written. Product pricing is also done together with qualified retained Actuaries using a combination of plausible assumptions. Defined processes also guide our underwriting and claims management activities. Furthermore, our reserving process seeks to ensure that the provision for insurance liabilities is, at all times, sufficient to cover liabilities that have been incurred, or are yet to be incurred on insurance contracts sold.

In addition to the above, the Company has in place reinsurance plans that assist not only to increase its underwriting capacity, but also to reduce undue exposures by helping to spread its risks. In achieving this, the Company has set a retention limit, above which its business is ceded to its retained Re-insurers, using re-insurance arrangements such as surplus treaty, quota share and facultative reinsurance.

The Company maintains relationship with 2 different Re-insurance companies, with different percentage participation in each business that is reinsured. The participation quota of each Re-insurer has been determined by an assessment of each resinsurer using 8 different performance indicators, which include capital adequacy, response to claims payment, competitiveness of premium charged, commission received, and technical expertise, among others. This treaty arrangement is reviewed annually.

As the different products are the gateway to accepting insurance risk, the Company adopts a new product review process that assesses new products holistically, by considering aspects such as profitability, concentration, regulatory requirements & compliance, alignment with overall Firm strategy and future direction, competitor activities, market trend, to mention a few. Before each new product is launched, therefore, a team of subject matter experts across the Firm reviews and approves product. Once launched, on-going product assessment and revision, where necessary, is undertaken from time-to-time.

The Company, through the Technical team, works closely with its retained Actuaries in pricing and reviewing its array of products.

Annuity

The firm operates a non-participating annuity business under its retirement plan products. In a typical annuity contract, the annuitant deposit a lump sum consideration (usually part of higher proceeds of retirement savings) with the firm and in return receive a predetermined income on monthly basis (or as otherwise agreed interval) for life. The income may be fixed, or increased at a fixed rate or in line with inflation.

The significant increase in the firm's annuity exposure could be attributed to regulatory support from National Insurance Commission (NAICOM) and Pension Commission (PENCOM) in line with 2014 Pension Reform Act. The two regulatory body issued a joint policy (in line with 2014 Pension Reform Act) that mandates retired employees to either purchase a portion of their retirement proceeds with Annuity from insurance firm or keep it under a program withdrawal from a pension firm. The firm operates its annuity products under a strict compliance with NAICOM regulatory requirements.

The firm operates a fixed guaranteed return annuity and is therefore exposed to interest rate risk. In managing this risk, the firm has leveraged on its technical partners to form a robust asset and liability management processes for its annuity product. Risk management ensures liabilities are matched as far as possible with assets, mostly interest-bearing, to ensure that the change in value of assets and liabilities is closely matched for a change in interest rates.

As a product that offers life time cash flow to retirees, the firm is also highly exposed to longevity risk. In managing this risk exposure, the Company always take a very conservative stance when pricing our liabilities by considering a closed to stressed life expectancy for our annuitants and sufficient reserves are also created to meet the need of such scenarios. On the asset side, the impact of changes in interest rates (or other market risk factors) is continuously tested, while on the liability side we also assess possible impact of change in underling assumptions such as mortality rate.

Our product technical partner (HR Nigeria) is continuously involved in designing pricing templates for annuity products to ensure all risk are accounted for and appropriately built into our pricing. In line with global best practice, we also subject our annuity portfolio (assets and liabilities) to actuary valuation, besides the internal valuation and monitoring mechanisms.

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

Name	Description	Features
i. Tuition Benefit Plan	This is an education savings plan intended to accumulate funds for the sole purpose of funding the education of the assured's children at an appointed time and thereafter.	Minimum Sum Assured – ₦500,000.00 while the Maximum Sum Assured is 4 times Annual Contribution. Scope of Life Cover – Death, Permanent Disability, Critical Illness, Double Accident Benefit, Family Income Benefit
ii. Memorial Benefit Plan	This comprises of Term and Whole Life assurance plans, the benefits of which will be applied towards alleviating the funeral costs of policyholders, their spouse(s) and named parents/parents-in-law	Sum Assured Levels – ₦250,000; ₦500,000; ₦1,000,000; ₦2,000,000. Scope – Death, Double Accident Bene fit
iii. Savings + Benefit Plan	This is an Individual Life savings plan which has both investment and protection elements. Part of the premium being paid by the policyholder is used to buy a term assurance cover on his/her life, while the balance of the premium is put in his/her investment/allocation account.	Sum Assured Bands – ₦500,000; ₦1,000,000 and ₦2,000,000. Scope – Death or maturity benefit
iv. Protection Benefit Plan	Term Assurance is a protection life assurance policy only that guarantees the payment of a predetermined Sum Assured to a named Beneficiary in the event of death of the life/lives assured at inception of the policy.	This Policy guarantees the deceased payment of the sum assured at the death of the Life Assured before the Policy Expiration date. Scope of Life Cover - Death, Critical Illness, Permanent Disability
v. Educate Easy	This product makes available fund for the policyholder to sponsor his/her child's education and it ensures the payment of the school fees of the child in event of the unfortunate death of the parent/guardian.	Duration of the plan must be divisible by three (3) (beginning from 6years to a maximum of 21years). It can be arranged for more than one child
vi. Consolidated Financial Plan - CFP	This is an improved form of the traditional Endowment policy which allows payment of the sum assured in three equal instalments and also guarantees payment of the full sum assured whenever death occurs during the policy period no matter what has been paid out	Guarantees Reversionary Bonus at Maturity Cash surrender can be made after two years of contribution

Name	Description	Features
vii Annuities (Pensioner Immediate)	This product was developed in line with the provisions of the PRA 2014 and has a minimum guaranteed period of 10years.	The Lump sum Premium payable is received from the P FA on the instruction of the annuitant and the annuity is payable throughout the life of the annuitant
viii Annuities (Deferred)	In the deferred/Immediate Annuity, the client will contribute a minimum of N5,000.00 a month over say 5years (Accumulation Stage) and the lump sum will be used to purchase immediate annuity for payment of annuity (pay out stage).	The guaranteed period here is either 5 or 10years and w ith about 8 annuity payment options ranging from flat annuity with or without guarantee period, increasing with or without guarantee period to spouse annuity.
ix. Mortgage Protection Plan	This is a life assurance plan that provides mortgage protection against loss of house ownership in the event of the untimely death of the breadwinner before the full repayment of the mortgage loan or serves as security in support of mortgage loan/facility repayment from Banks.	
x. Secured Investment Plan	It is an investment - linked product with high yield returns on investment an d at the same time it provides life cover throughout the duration of the policy.	There is additional death benefit up to ₦100,000 in event of death by accident under SIP. Loan is obtainable on the plan
xi Retire Rich Plan	Retire Rich Plan provides a continuous source of income in later years when the life assured would no longer be in regular employment and he is too old for the normal business activities.	Guarantees a regular monthly pension for life after age 6 0years or any age that the assured specifies. If death occurs before retirement, a lump sum death benefit will be paid to your dependants. If death occurs within the retirement period the remaining balance of the Annuity guaranteed for five years will be paid to the beneficiaries or assured’s estate.
xii Ka’Abah Plan	Ka’abah Plan is a flexible investment plan with dedicated savings towards the fulfilment of the Policyholder’s desire to perform Hajji (Muslims’ holy pilgrimage)	In unfortunate event of not surviving maturity date the named beneficiary is entitled to collect the benefit and perform the hajji at the date appointed. (Maturity Date)
xiii Flexi Cash Plan	SIP FLEXI CASH PLAN is an adaptation of our secured investment plan (SIP), specially designed for the market Traders, Artisans, Corporate workers, professionals, okada riders and so on	Guaranteed minimum of 3% interest rate per annum. Free live cover up to maximum of ₦500,000.00 based on daily contribution chosen. Availability of lump sum, plus accrued interest at the end of the period

Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour.

The Company uses appropriate base tables of standard mortality according to the type of contract being written. The base tables are the UK A6770 and PA90 without adjustment for individual risk and annuity business respectively; in line with the industry practice in Nigeria. An investigation into the actual experience was carried out by the actuary in 2010 using industry mortality experience data which demonstrated a good fit to the A6770 table.

(a) Process used to decide on assumptions

The Company determines assumptions in relation to future deaths, withdrawals (both voluntary (surrenders) and involuntary (lapses), valuation interest rates and administration expenses. These assumptions are used for calculating the liabilities during the life of the contract. A margin for risk is added to these assumptions as determined necessary. These assumptions are updated at each reporting date to reflect the latest estimates.

The assumptions used for the insurance contracts are as follows:

(i) Mortality

The mortality tables for the current and prior years remain A6770 and PA90 without adjustment for individual risk and annuity business respectively. For annuities, no allowance was made for future mortality improvements. This is because there is only a small portfolio of annuity business which is exposed to longevity risk. In any case, longevity risk is not currently of great concern in Nigeria, given the relatively low life expectancy. General market experience to date indicates the base mortality assumptions are prudent, without making further adjustments.

(ii) Valuation interest rates

The valuation interest rate is based on current market risk-free yields with adjustments. This is in line with the requirements of IFRS 4 (Paragraph 24).The use of the risk free rate also implies that future investment margins (in excess of the risk-free return) will not be capitalized upon, which satisfies paragraph 27 of IFRS 4. As at 31 December 2014, The FGN bond yield curve was flat with bonds of duration between 5 and 20 years yielding around 15%. The 20 year FGN bond yield was 15.2%. By comparison long term bonds were yielding above 13% at December 2013. Rates dipped from the start of the year following the CBN Governor's announcement of plans to develop a low interest rate environment. However yields increased significantly over Q4, being reflective of economic uncertainty. For the purpose of determining the valuation interest rate we have considered a 0.25% deduction from the long term yield to arrive at a valuation interest rate of 14.75%. This makes some allowance for the volatility of the "risk free" yields. Gross valuation interest rates will be used for reserving purposes. Tax is computed at the Company level (P&L) only, with the Insurance Funds not being subjected to tax. For annuity business we propose the deduction of a further risk margin from the risk-adjusted FGN bond yield to allow for reinvestment risk - a provision for the duration of the annuities exceeding available bonds. An reinvestment risk adjustment of 0.5% is proposed, leading to a gross valuation interest rate of 14.25% for annuity business.

(iii) Expenses

The best estimate of maintenance expenses were calculated as the sum of per policy maintenance charges and the allocated operating expenses. The regulatory maintenance expense assumptions are derived by adding a 10% additional prudent margin to the best estimate maintenance expenses to give the required assumption. The expense assumptions are as shown below:

Individual life	₦10,000pp
Group Life	30% of Gross Premium
Annuity business	₦10,000pp
Expense Overrun Reserve	₦194,000,000

(iv) Expense inflation and other inflation measures

We have maintained the inflation assumption at the rate used in the previous valuation of 8%. Consumer Price Inflation as a December 2014 was 7.9%.

(v) Tax

It has been assumed that current tax legislation and rates continue unaltered.

The Company adopt the following methodology for valuing its insurance contracts under various product type:

Product Type	Methodology	Description
(I) Individual Risk Business premium	Gross	A gross premium method is proposed for individual risk business. This is a monthly cashflow approach taking into account the incidence of all expected future cashflows including office premiums, expenses and benefit payments, satisfying the Liability Adequacy Test.
(ii) Individual Deposit Based Business	(a) Deposit reserve: Account balance at val. Date	A reserve for the Individual and group deposit-based business will be maintained being the amount standing to the credit of the policyholders (account balance) at the valuation date.
	(b) Risk reserve: Gross premium	Reserves for the supplementary life cover and expenses for individual deposit based business will be calculated using a gross premium cashflow approach
(iii) Annuities cashflow	Discounted	Annuities will be reserved for using a discounted cashflow approach. Here reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required.
(iv) Group Deposit Business	Deposit reserve: Account balance at val. date	As Above (ii) a
(v) Group Life and Credit Life	UPR + IBNR	Reserves for Group Life and Credit Life business will comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

Sensitivity of liabilities to changes in long term valuation assumptions (31 December 2014 actuarial valuation)

The following table presents the sensitivity of the value of insurance liabilities to movements in the long term valuation assumptions used in the estimation of insurance liabilities. For liabilities under long-term insurance contracts with fixed guarantees, changes in assumptions will not cause a change to the amount of liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

₦'000	Base	VIR + 1%	VIR – 1%	Expenses + 10%	Expenses – 10%	Expense Inflation +2%	Expense Inflation – 2%	Mortality + 5%	Mortality – 5%
Reserves (Excluding	55,179	53,905	56,526	60,632	49,734	57,975	52,579	56,038	54,320
Annuity)	1,894,617	1,801,919	1,997,134	1,899,159	1,890,075	1,902,970	1,888,120	1,902,949	1,886,562
Investment Linked Products	519,427	519,427	519,427	519,427	519,427	519,427	519,427	519,427	519,427
Group DA	362,791	362,791	362,791	362,791	362,791	362,791	362,791	362,791	362,791
Group Life - UPR	126,919	126,919	126,919	126,919	126,919	126,919	126,919	126,919	126,919
Group Life - AURR	10,195	10,195	10,195	10,195	10,195	10,195	10,195	10,195	10,195
Group Life - IBNR	256,014	256,014	256,014	256,014	256,014	256,014	256,014	256,014	256,014
Credit Life	29,356	29,356	29,356	29,356	29,356	29,356	29,356	29,356	29,356
Additional reserves	261,151	261,141	261,161	261,301	261,001	261,165	261,136	261,183	261,853
Reinsurance	(75,295)	(75,295)	(75,295)	(75,295)	(75,295)	(75,295)	(75,295)	(75,295)	(75,295)
Net liability	3,440,353	3,346,372	3,544,228	3,450,499	3,430,216	3,451,517	3,431,242	3,449,57 7	3,432,142
% change in Net Liability		-	3.0	0.3	-	0.3	-	0.3	-

Summary	Base	Interest rate + 1%	Interest rate – 1%	Expenses + 10%	Expenses – 10%	Expense Inflation +2%	Expense Inflation – 2%	Mortality + 5%	Mortality – 5%
Individual	2,730,374	2,636,392	2,834,248	2,740,519	2,720,236	2,741,537	2,721,262	2,739,597	2,722,162
Group	709,980	709,980	709,980	709,980	709,980	709,980	709,980	709,980	709,980
Net liability	3,440,353	3,346,372	3,544,228	3,450,499	3,430,216	3,451,517	3,431,242	3,449,577	3,432,142
% change inliability	–	– 2.7%	3.0%	0.3%	– 0.3%	0.3%	– 0.3%	0.3%	– 0.2

All stresses were applied independently. Stresses not applied to individual reinsurance asset due to immateriality. The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuitants.

Liquidity Risk Management

Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow and collateral obligations as they fall due.

As sufficiency of liquidity is of critical importance to financial institutions, the principal objective of the Company's liquidity management is to ensure consistent access to external financing options and to enable the Company to continue to generate revenues, even under adverse circumstances.

The Company has in place Comprehensive liquidity management policy and processes, executed by the Finance Unit. The Company's Liquidity Management Framework is designed to ensure that the Company always has sufficient liquidity to meet its liabilities when these fall due, under both normal and stressed conditions without incurring unacceptable finance costs. In addition, the Company monitors its inflows on a daily basis vis-à-vis accruing financial liability obligations. The Company is, however, not exposed to any bank facilities or any other form of short or long term loans.

Liquidity management activities ensure that the Company has sufficient access to funds necessary to cover insurance claims, withdrawals and maturing liabilities. The Company's assets contain marketable securities which could be converted to cash when required.

Although the Company has access to financing facilities, the Company also expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The following table shows details of the Company's obligations with respect to its financial liabilities and estimated cash flows of recognized insurance and participating investment contract liabilities.

31-Dec-14	Carrying amount	Gross Nominal value	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Financial and Insurance Liabilities								
Investment contract liabilities	882,217	882,217	620	6,045	1,525	544,426	329,601	882,217
Insurance contract liabilities	3,863,945	3,439,882	4	81	66	1,521,205	1,918,526	3,439,882
Trade payables	96,359	96,359	96,359	-		-	-	96,359
Other Payables	448,691	440,736	-	-	440,736	-	-	440,736
Total Financial Liabilities	5,291,212	4,859,194	96,983	6,126	442,327	2,065,631	2,248,127	4,859,194
Assets held for managing liquidity risk								
Cash and cash equivalents (excluding assets reserved for retirement benefit obligation)	2,101,294	2,113,097	2,113,097	-	-	-	-	2,113,097
Financial assets	3,020,529	5,091,632	494,936	66,864	321,775	1,787,552	2,420,505	5,091,632
Trade receivables	59,577	59,577	59,577	-	-	-	-	59,577
Loans and receivables	846	846	-	-	846	-	-	846
Statutory deposit	200,000	200,000	-	-	-	-	200,000	200,000
Reinsurance assets (excluding prepaid re-insurance)	146,475	146,475	146,475	-	-	-	-	146,475
Other receivables (excluding prepayment)	119,416	119,416	-	-	119,416	-	-	119,416
Total assets held for managing liquidity risk	5,648,137	7,731,043	2,814,085	66,864	442,037	1,787,552	2,620,505	7,731,043
Net Liquidity(Gap)/ Surplus	356,925	2,871,849	2,717,102	60,738	(290)	(278,079)	372,378	2,871,849
Cumulative Liquidity Surplus			2,717,102	2,777,840	2,777,550	2,499,471	2,871,849	

31-Dec-14	Carrying amount	Gross Nominal value	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Above 5 years	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Investment contract liabilities	-	665,429	10,415	5,828	4,524	580,508	64,154	665,429
Insurance contract liabilities	-	1,345,675	3	1,065	435	1,260,834	83,338	1,345,674
Trade payables	-	91,604	91,604	-	-	-	-	91,604
Other Payables	-	453,755	-	-	380,755	73,000	-	453,755
Total Financial Liabilities	-	2,556,463	102,022	6,893	385,714	1,914,342	147,492	2,556,463
Assets held for managing								
Cash and cash equivalents	1,512,333	1,513,213	1,513,213	-	-	-	-	1,513,213
Financial Assets	1,017,903	1,112,245	390,893	37,506	77,206	555,565	51,075	1,112,245
Trade receivables	114,722	114,722	114,722	-	-	-	-	114,722
Loans and receivables	804	804	-	-	804	-	-	804
Statutory deposit	200,000	200,000	-	-	-	-	200,000	200,000
Reinsurance assets (excluding prepaid re-	183,298	- 278,520	278,520	-	-	-	-	278,520
Other receivables (excluding prepayment)	130,862	- 130,862	-	-	130,862	-	-	130,862
Total assets held for liquidity risk	3,159,922	3,350,366	2,297,348	37,506	208,872	555,565	251,075	3,350,366
Net Liquidity(Gap)/ Surplus	3,159,922	793,903	2,195,326	30,613	(176,842)	(1,358,777)	103,583	793,903
Cumulative Liquidity Surplus			2,195,326	2,225,939	2,049,097	690,320	793,903	

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Credit Risk Management

Credit Risk is the risk of loss arising from a counterparty's inability or unwillingness to fulfil its contractual obligations to the Company. The Company has an effective internal control and risk management system that ensures that all applicable guidelines and laws as regards credit risk are adhered to.

The key areas where ARM Life is exposed to credit risk are;

- Receivables arising out of direct insurance arrangements
- Receivables arising out of reinsurance arrangements and
- Reinsurers' share of insurance liabilities

Other areas where credit risk arises include cash and cash equivalents, Company's investment in debt securities as well as money market investing activities and other receivables.

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

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

The Government of Nigeria has a long term rating of (B-) and a short term rating of (BB-) by Standard and Poors. This rating is for economies that face major on-going uncertainties to adverse business, financial and economic conditions but have the capacity to meet its financial commitments.

The amount that best represents the Company's maximum exposure to credit risk at 31st December 2014 is made up as follows:

Maximum exposure to credit risk before collateral held	2014	2013
	₦'000	₦'000
Cash and cash equivalents (excluding cash and bank balances)	2,176,811	1,330,469
Investment securities - held to maturity	2,570,808	386,978
Trade Receivables	59,577	114,722
Other receivables (excluding Prepayment)	119,416	130,862
Reinsurance Assets (excluding pre-paid reinsurance)	146,475	278,520
Statutory deposits	200,000	200,000
Totals	5,273,087	2,441,551

None of the above assets are past due but not impaired

Receivables arising out of direct insurance and re-insurance arrangements are summarized as follows:

	Direct Insurance Arrangements		**Reinsurance Arrangements**	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Neither past due nor impaired	59,577	114,722	146,475	284,449
Impaired	304,188	329,160	16,086	10,157
Gross	**363,765**	**443,882**	**162,561**	**294,606**
Less allowance for impairment	(304,188)	(329,160)	(16,086)	(10,157)
Net	**59,577**	**114,722**	**146,475**	**284,449**

Movements on the provision for impairment of receivables are as follows:

	Direct Insurance Arrangements		**Reinsurance Arrangements**	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
At start of year	329,160	356,936	10,157	10,157
Increase/(decrease) in the year	(24,972)	(27,776)	-	-
Reclassification from trade receivables	-	-	5,929	-
At end of year	**304,188**	**329,160**	**16,086**	**10,157**

Concentration of credit risk

a) The credit risk are concentrated in the south-west region of Nigeria

b) The Company's credit exposure by the industry sectors of the Company's counterparties is as follows:

Industry sector

Trade receivables	2014	2013
	₦'000	₦'000
Financial services	36,488	100,874
Consumer goods	-	12,495
Services	9,389	1,178
Energy & Natural Resources	107	-
Engineering	-	176
Others	13,593	
	59,577	114,722

Other receivables (excluding Prepayment)	2014	2013
	₦'000	₦'000
Financial services	109,442	106,334
Consumer goods	-	-
Services	-	-
Energy & Natural Resources	-	-
Engineering	-	-
Others	9,974	24,528
	119,416	130,862

Market Risk Management

Market risk is the risk of loss from unfavourable changes in the fair values of financial instruments caused by adverse moves in market variables, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities of the market rates.

ARM Life is exposed to market risk through its investment portfolios, which have been clearly segregated into different funds in accordance to the unique requirements of each. The funds are: the annuity fund, the investment contract fund, the insurance contract fund, the retirement obligation fund and the shareholders' funds.

Specific policies that guide the Company's market and investment activities are an Investment Policy, a Counterparty Policy, as well as a policy for investment in unquoted equities & alternative investments. These documents, define the permissible asset classes that the fund may invest in, as well as the investment process for alternative securities, amongst other requirements.

In the past year, the Company appointed a specialized fund manager firm to take over the management of its investment portfolios. The fund manager is guided by a portfolio management agreement and the company's investment policies. In addition, the fund manager is assessed based on adherence to the agreed investment strategy and reports are received at least on a quarterly basis.

The Finance & General Purpose Committee also reviews performance of the Company's investment portfolio on a quarterly basis.

ARM Life Portfolio Analysis

2014: Table I Portfolio concentration analysis on ARM Life

Assets Type	Exposure (₦'000)	%
Money market	2,720,367	40
Equities & Funds	449,721	7
Bonds	1,986,872	29
Real Estate	1,709,502	25

2013: Table I Portfolio concentration analysis on ARM Life

Assets Type	Exposure (₦'000)	%
Money market	1,346,704	43
Equities & Funds	630,925	20
Bonds	370,742	12
Real Estate	798,802	25

The identification, measurement and management of market risk is categorised as follows:

Traded Assets

Traded assets are carried at fair value using publicly available market rates for traded securities. Positions are monitored regularly and performance measured to relevant benchmarks

Non-traded Assets

Key performance measures are set and a robust monitoring and reporting framework is put in place to monitor performance of the Company's investment in alternative securities such as real estate.

Foreign Exchange Risk

Foreign exchange risk arises from transactions and recognized assets and liabilities which are denominated in a currency other than the Company's functional currency, Naira.

The Cash Management Officer is responsible for matching the Company's foreign exchange risk exposure by ensuring that liabilities or obligations denominated in foreign currency are appropriately matched with assets. The Company does not currently carry significant foreign exchange risk exposure.

Interest Risk Management

Interest rate risk is the risk of loss to earnings arising from adverse changes in market interest rates on rate sensitive assets and liabilities. The Company's interest rate sensitive assets which are priced with fixed rates that are repriced at varying frequencies are its cash and cash equivalents and investment contract liabilities. The Company's other interest linked investments are not subject to repricing. Those investments includes FGN bonds, treasury bills and the statutory deposit with CBN.

Earnings sensitivity

The Company measures its exposure to changes in earnings resulting from changes in prevailing interest rates using the anticipated impact of at least three (3) different hypothetical, but plausible, interest rate scenarios for periods of up to 12 months. These scenarios reflect best estimate of the most likely and worst-case conditions.

i. The tables below show the sensitivity of the Company's earnings to instantaneous parallel rate changes.

The Company's exposure to market risk is analyzed as follows:

2014	Carrying amount	3 months	6 months	Over 1year
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents (excluding cash and bank balances)	2,176,811	2,176,811	-	-
	2,176,811	2,176,811	-	-
Investment contract liabilities	882,217	-	-	882,217
Gap	1,294,594	2,176,811	-	(882,217)
Cumulative Gap		2,176,811	2,176,811	1,294,594
Interest Rate Shock				
+1%		21,768	21,768	12,946
+2%		43,536	43,536	25,892
+4%		87,072	87,072	51,784
-1%		(21,768)	(21,768)	(12,946)
-2%		(43,536)	(43,536)	(25,892)
-4%		(87,072)	(87,072)	(51,784)

2013	Carrying amount	3 months	6 month	Over 1 year
	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents (excluding cash and bank balances)	1,330,469	1,330,469	-	-
	1,330,469	1,330,469	-	-
Investment contract liabilities	665,429	-	-	665,429
Gap	665,040	1,330,469	-	(665,429)
Cumulative Gap		1,330,469	1,330,469	665,040
Interest Rate Shock				
+1%		13,305	13,305	6,650
+2%		26,609	26,609	13,301
+4%		53,219	53,219	26,602
-1%		(13,305)	(13,305)	(6,650)
-2%		(26,609)	(26,609)	(13,301
-4%		(53,219)	(53,219)	(26,602)

ii. The table below shows the sensitivity of the Company's earnings to changes in equity prices:

	2014	2013
	₦'000	₦'000
Financial assets at fair value through profit or loss	285,661	358,144
Available for sale financial assets	164,060	119,498
	449,721	477,642
Equity price shock		
+20%	89,944	95,528
+10%	44,972	47,764
+5%	22,486	23,882
-5%	(22,486)	(23,882)
-10%	(44,972)	(47,764)
-20%	(89,944)	(95,528)

Operational Risk Management

Operational Risk is the risk of loss arising from inadequate or failed internal processes, people, systems and external events. Operational risk is inherent in the Group's business and support activities. Operational risk within the Group could result from erroneous transactions, fraudulent acts, performance failure of vendors, or business disruption.

These events could result in financial losses and/or reputational damage to the Firm. Potential type of loss events relating to both internal and external types of operational risk include:

- Execution, delivery and process management
- Business disruption and system failures
- Disaster and other events
- Clients, products and business practices
- Employment practices and workplace safety
- External fraud
- Internal fraud

The Firm manages operational risk using a well-established control framework, and tools such as Risk and Control Self Assessment (RCSA) sessions, Internal Loss Data Collection (LDC), Issues Management and Whistleblowing. The Company uses a bespoke system, OpRisk Manager, as well as other excel based templates for collecting, managing, monitoring and reporting operational risk.

Operational risk loss events are escalated and managed using a four level escalation matrix depending on the amount of loss that may occur.

RCSA is a forward looking evaluation of both potential and current risks faced by the various Units within the Group on a daily basis.

It also involves assessing the controls implemented to prevent, detect or mitigate the occurrence of the risks; as well as recommending actions for improving deficiencies, or designing new controls within the process. It is conducted in a workshop attended by business experts within each Unit.

The Internal Loss Data Collection is the process with which the Group collects data on operational risk losses immediately after they occur. This data collection is facilitated with the use of an Operational Risk System that has been tailored to the Company's operations, The OpRisk Manager. Risk events can be identified by any member of staff at any location within the Company. The event is thereafter assigned to a member of staff with sufficient knowledge and authority to perform a causal analysis; and to recommend remedial actions.

In the year ended 31 December 2014, 62% of the Company's risk event fell under ‘Business Disruption and System Failures’ and ‘Execution, Delivery and Process Managemet’ categories (2013: 50%). These risks were appropriately managed within the operational risk framework of the Company.

Our Whistleblowing system enables anonymous as well as confidential reporting of observed misconduct within the Company. Stakeholders such as Regulators, Shareholders, Clients and Staff can make use of the whistleblowing portal on the corporate website or call the whistleblowing hotline for seamless reporting of misconducts. All information obtained via the whistleblowing channels are thoroughly investigated, and disciplinary actions are applied when necessary. In addition to the benefit of early identification of misconducts, the whistleblowing system serves as a preventive control for fraud, bribery and other forms of misconduct within the Company.

Reports generated from data collected from these operational risk management processes provide business managers, Executive Management and the Board with information to help maintain operational risk at appropriate levels within each business line.

The ultimate aim of the operational risk management activities is to improve operational efficiency as well as the quality of service delivery to clients through:

- Improved processes and operational guidelines
- Minimising occurrence of avoidable risk events
- Creating Company-wide risk awareness that guides behaviours and creates a careful approach to transaction handling and execution

Compliance Risk Management

Compliance risk is the risk of loss to the Company's earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. This risk would not only result in financial loss via the payment of fines, but could also result in damages to the Company's reputation.

The Company maintains a Regulatory Rule Library that contains key regulations pertaining to the Company and its business activities/subsidiaries. The Rule Library enables easy monitoring of regulatory requirements; and helps prevent violations and/or non-conformance. This Rule Library is updated as new relevant legislations are released.

The Company has implemented a robust Anti-Money Laundering policy and KYC Procedures that help prevent the use of the Company, the financial system and/or any of its resources for the legalization of proceeds from illegal activities.

The Company paid the following fines within the year for certain contraventions of laws and regulations:

Details	Contravention	Fines and Penalties
Non-compliance with the Value Added Tax Act on filling of year 2012 VAT returns	Late Filling of VAT	The Company was liable and paid a fine of ₦70,000
Non-compliance with Section 548 of Companies and Allied Matters Act on display of the Company's RC Number at its Abuja Branch office.	Display of ARM Life's registered name and number	The Company was liable and paid a fine of ₦219,000
Contravention of Sec.25 of NAICOM Act 1997	Submission of insurance levy returns (Form1B)	The Company was liable and paid a fine of ₦500,000

Strategic & Reputational Risk Management

Strategic risk is the risk of loss to earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Some strategic risk factors with which the Company is faced includes: activities of competitors, political terrain, social mores, the economy, laws and regulations, and strategic business decisions (e.g. talent structure, remuneration, technology, business initiatives etc).

Reputational Risk on the other hand, is the risk of loss to earnings or capital arising from damage to the Company's reputation. This damage could be as a result of poor communications & crisis mismanagement; regulatory non compliance; poor financial performance; corporate governance & leadership; inadequate Corporate Social Responsibility; workplace culture; poor service delivery.

We know that a good reputation will be enjoyed by a company which consistently meets or exceeds the requirements and expectations of its major stakeholder so that stakeholders' experience match or exceed expectations.

The Company's Strategic & Reputational Risk is managed within the Corporate Strategy Unit and the Branding & Corporate Communication Unit respectively.

Capital Management

The Company's objective is to ensure that it manages its capital to be able to continue as going concern and comply with the regulatory requirements of the market in which it operates. The strategy for assessing and managing the impact on how to maintain and build our capital base is an integral part of our business strategy.

The Company's business strategy is to establish a strong presence in the retail space, thus further creating a sustainable value for its stakeholders as the business grows. To achieve this, our capital management objective is to continue to maintain a strong capital base that is backed with high quality assets that would support strategy implementation and sustain future development of business activities, while remaining compliant with capital requirements that have been set by our regulators.

The National Insurance Commission (NAICOM) specifies the minimum amount and type of capital that must be held by the Company. Life Insurance companies are required to maintain minimum capital base of N2billion. Capital base for a life insurance Company that is already in business is defined as the total shareholders funds.

As at 31 December 2013, the capital base of the Company dropped below this minimum capital base following the losses sustained during the year, and to this effect, the Company initiated a capital raise exercise, whereby ARM Life Plc raised an additional capital of ₦1,000,000,000 (one billion Naira) through a Rights Issue exercise. The funds have been recorded in reserves and as at 31 December 2014, the Company's total shareholders fund of ₦2.3 billion met the minimum capital requirement of NAICOM.

Solvency Margin

The Company's solvency margin is calculated using parameters stipulated by NAICOM. This is reported to Management, at least on a monthly basis.

Below is a table showing our solvency margin.

Assets/Fund Hypothecation

	Insurance Contract Liabilities	Investment	Annuity	Shareholders funds	Total	Total
	2014	2014	2014	2014	2014	2013
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	35,433	3,676	594	101,888	141,590	1,512,333
Financial Assets:						
Quoted securities	107,947	-	17,195	160,518	285,661	358,144
Government bonds	222,992	243,037	1,460,009	60,833	1,986,872	345,378
Treasury bills	171,830	279,671	132,434	-	583,936	-
Placement with financial institution above 90 days	155,279	253,406	559,947	1,167,800	2,136,431	41,600
Unquoted securities	153,412	-	-	10,649	164,061	272,781
Loan and receivables	-	-	-	846	846	804
Trade receivables	59,577	-	-	-	59,577	114,722
Reinsurance assets	177,031	-	-	-	177,031	206,485
Deferred acquisition costs	26,649	-	-	-	26,649	17,861
Other receivables and prepayments	-	-	-	170,861	170,861	201,235
Investment properties	430,000	105,000	-	1,174,502	1,709,502	798,802
Deferred tax assets	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Property plant and equipment	-	-	-	244,363	244,363	738,739
Statutory deposit	-	-	-	200,000	200,000	200,000
Total	1,540,151	884,790	2,170,179	3,292,260	7,887,380	4,808,884

2. Operating segments

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately. The following summary describes the operations in each of the Company's reportable segments:

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

31 December 2014 *In thousands of Naira*	Institutional Business	Retail Business	Anuity business	Company Summary
External revenues				
Gross premium earned	969,208	15,376	76,043	1,060,627
Reinsurance expenses	(183,332)	(14,070)	-	(197,402)
Other revenue	47,081	-	-	47,081
Total revenue	832,957	1,306	76,043	910,306
Interest and commission revenue	219,511	21,667	101,071	342,249
Expenses				-
Net claims and underwriting expense	(773,621)	(17,035)	(202,280)	(992,936)
Other expenses	(471,463)	(646,933)	(44,158)	(1,162,554
Operating loss before tax	(192,616)	(640,995)	(69,324)	(902,935)
Income tax expense	(139,493)	-	-	(139,493)
Operating loss after tax	(332,109)	(640,995)	(69,324)	(1,042,428)
Assets & Liabilities				
Reportable segment assets	4,671,890	891,417	2,324,074	7,887,380
Reportable segment liabilities	2,397,303	882,217	2,318,679	5,598,199

31 December 2013 *In thousands of Naira*	Institutional Business	Retail Business	Anuity business	Company Summary
External revenues				
Gross premium earned	802,446	206,781	-	1,009,227
	(150,908)	(3,345)	-	(154,253)
Other revenue	35,750	876	-	36,626
Total revenue	687,288	204,312	-	891,600
Interest and commission revenue	774,221	3,525	-	777,746
Expenses				
Net claims and underwriting expense	(1,281,306)	(3,924)	-	(1,285,230)
Other expenses	(675,163)	(548,833)	-	(1,223,996)
Operating loss before tax	(494,960)	(344,920)	-	(839,880)
Income tax expense	(94,929)	-	-	(94,929)
Operating loss after tax	(589,889)	(344,920)	-	(934,809)
Assets & Liabilities				
Reportable segment assets	4,075,840	665,429	67,615	4,808,884
Reportable segment liabilities	2,140,685	665,429	59,409	2,865,523

Geographical Segment

Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. Accordingly, no geographical segments information is reported.

3 Financial and insurance assets and liabilities

Accounting classification 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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2014	Note	Loans and receivables	Fair value through profit or loss	Available-for-sale	Held to maturity	Other financial liabilities	Total carrying amount
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	15	2,277,660	-	-	-	-	2,277,660
Investment securities:							
Fair value through profit or loss	16(a)	-	285,661	-	-	-	285,661
Held to Maturity	16(b)	-	-	-	2,570,808	-	2,570,808
Available for Sale	16(c)	-	-	164,060	-	-	164,060
Loan and receivables	16(d)	846	-	-	-	-	846
Trade receivables	17	59,577	-	-	-	-	59,577
Reinsurance assets	18	177,031	-	-	-	-	177,031
Other receivables (excluding prepayments)	20	119,416	-	-	-	-	119,416
Statutory deposit	24	200,000	-	-	-	-	200,000
		2,834,530	285,661	164,060	2,570,808		5,855,059
Trade payables	25	-	-	-	-	96,359	96,359
Other payables	26	-	-	-	-	448,691	448,691
Insurance contract liabilities	27	-	-	-	-	3,863,945	3,863,945
Investment contract liabilities	28	-	-	-	-	882,217	882,217
		-	-	-	-	5,291,212	5,291,212

31 December 2013	Note	Loans and receivables	Fair value through profit or loss	Available-for-sale	Held to maturity	Other financial liabilities	Total carrying amount
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	15	1,512,333	-	-	-	-	1,512,333
Investment securities:							
Fair value through profit or loss	16(a)	-	358,144	-	-	-	358,144
Held to Maturity	16(b)	-	-	-	386,978	-	386,978
Available for Sale	16(c)	-	-	272,781	-	-	272,781
Loan and receivables	16(d)	804	-	-	-	-	804
Trade receivables	17	114,722	-	-	-	-	114,722
Reinsurance assets	18	206,485	-	-	-	-	206,485
Other receivables	18	130,862	-	-	-	-	130,862
Statutory deposits	22	-	-	-	-	-	-
		1,965,206	358,144	272,781	386,978	-	2,983,109
Trade payables	25	-	-	-		-	-
Other payables	26	-	-	-		-	-
Insurance contract liabilities	27	-	-	-		-	-
Investment contract liabilities	28	-	-	-		-	-
	-	-	-	-		-	-

Fair value of financial assets and liabilities

The Company's accounting policy on fair value measurements is discussed under note Vm(x)

The Company measures fair values using the following fair value hierarchy ,which reflects the significance of the inputs used in making the measurements.

Level 1: Fair value measurements classified as level 1 include exchage-traded prices of equity securities and government securities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e as prices) or indirectly (i.e derived from prices). This category includes instruments valued using: quoted prices for similar instruments in markets 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, for which fair value could not be determined and which are therefore carried at cost.

(i) *Financial instruments measured at fair value - fair value hierarchy*

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

31 December 2014		Level 1	Level 2	Level 3	Total
		₦'000	₦'000	₦'000	₦'000
Financial assets at fair value through profit or loss	16(a)	285,661	-	-	285,661
Investment securities available for sale	16(c)	2,935	153,412	7,713	164,060
		288,596	153,412	7,713	449,721

31 December 2013		Level 1	Level 2	Level 3	Total
		₦'000	₦'000	₦'000	₦'000
Financial assets at fair value through profit or loss	16(a)	-	-	-	-
Investment securities available for sale	16(c)	104,497	145,671	22,613	272,781
		104,497	145,671	22,613	272,781

(ii) *Financial instruments not measured at fair value*

The following table sets out the fair value of financial instruments not measured at fair value and analyses them by the level in fair value hierarchy into wh each fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value carrying amount is a reasonable approximation of fair value.

31 December 2014

Assets		Level 1	Level 2	Level 3	Total fair value	Total carrying amount
		₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	15	-	-	-	-	2,278,022
Investment securities held to maturity	16(b)	2,357,933	-	-	2,357,933	2,570,808
Loans and receivables	16(d)	-	-	-	-	846
Trade receivables	17	-	-	-	-	59,577
Reinsurance assets	18	-	-	-	-	177,031
Other receivables (excluding prepayments)	20	-	-	-	-	170,861
Statutory deposit	24	-	-	-	-	200,000
		2,357,933	-	-	2,357,933	5,457,145
Liabilities						
Trade payables	25	-	-	-	-	96,359
Other payables	26	-	-	-	-	448,691
Investment contract liabilities	28	-	-	-	-	882,217
		-	-	-	-	1,427,267

31 December 2013

Assets		Level 1	Level 2	Level 3	Total fair value	Total carrying amount
		₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	15	-	-	-	-	1,512,333
Investment securities held to maturity	16(b)	325,825	-	-	325,825	386,978
Loans and receivables	16(d)	-	-	-	-	804
Trade receivables	17	-	-	-	-	114,722
Reinsurance assets	18	-	-	-	-	206,485
Other receivables (excluding	20	-	-	-	-	201,235
Statutory deposit	24	-	-	-	-	200,000
		325,825	-	-	325,825	2,622,557
Liabilities						
Trade payables	25	-	-	-	-	91,604
Other payables	26	-	-	-	-	453,755
Investment contract liabilities	28	-	-	-	-	665,429
		-	-	-	-	1,210,788

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Observable prices are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with the determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Assets and liabilities for which fair value approximates carrying value

For financial assets and financial liabilities that have a short-term maturity (less than three months). It is assumed that the carrying amounts approximate th values. This assumption is also applied to balances without a specific maturity.

4 **Critical accounting estimates and judgement.**

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

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

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

Individual Business

Traditional Insurance Plans comprise the Consolidated Financial Plan, Term Assurance, Mortgage Protection Plan, Immediate and Annuities. For all individual business the gross premium method of valuation was adopted.

Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments including an allowance for rider benefits were applicable. Future cashflows were discounted back to the valuation date at the valuation rate of interest. Reserves for endowment business have been limited to a minimum of the surrender value at the valuation date.

Individual Deposit Linked Business

The reserve for the individual deposit based policies has been taken as the amount standing to the credit of the policyholder at the Where policies have active life cover this has been valued using a cashflow projection approach as described above for other risk.

Group Life Business

For Group Life Business the liability is made up of two parts as set out below. This is an appropriate methodology for this type of

- An Unexpired Premium Reserve (UPR) to capture the fact that some premiums are paid in advance and cover risk periods after the date. The calculation is performed on a proportional basis of remaining coverage period to total coverage period. If the resulting reserve is considered inadequate to cover an additional Unexpired Risk reserve is held.

- An Incurred but Not Reported Reserve (IBNR) to capture the fact that claims can be expected to have occurred but have not as yet reported to the company. The method applied is to look at past reporting patterns and us that as an indication of likely future experience. This is appropriate.

(b) Fair value of financial instruments

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 3 of the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- 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 markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates. See note 3 for summary of fair value classification of the Company's financial asset.

(c) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value, however, where the fair value cannot be reliably estimated, it is carried at cost less impairment.

The fair value of the Company's investment in unquoted equity financial instrument could not be determined as there was no observable data on which to base the far value determination; hence the carrying amount was based on cost. The investment is tested for impairment by comparing the cost of investment with the share of net assets in the investee company. Other factors such as whether the company is making profits from its operations and returns on the investment in form of dividend received are also considered.

(d) Impairment of available-for-sale quoted equity financial assets

The Company determines that available-for-sale quoted equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share 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 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale quoted equity financial assets, the asset is considered for impairment, taking qualitative evidence into account.

(e) Liabilities arising from insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deem the reserves as adequate.

(f) Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

(g) **Recognition of deferred tax assets:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Notes to the financial statements

5 Gross premium income

Analysis of gross premium income per class of business is as follows:

	2014	2013
	₦'000	₦'000
Gross premium		
Group life premium	1,135,816	1,043,933
Individual life premium	2,738,182	299,811
Unbundling of investment contracts	(501,396)	(326,155)
	3,372,602	1,017,589
Movement in unearned premium reserve	(2,311,975)	(8,362)
	1,060,627	1,009,227

6 Reinsurance expenses

Reinsurance expenses are analysed as follows:

	2014	2013
	₦'000	₦'000
Outward co-insurance premium	11,674	4,349
Outward re-insurance premium	160,241	148,033
Unexpired reinsurance premium	25,487	1,871
	197,402	154,253

7 Fees and commission income

Commissions received comprise of commission earned from reinsurance, co-insurance and treaty businesses which the Company was involved during the financial year.

8 Claims expenses

The claims incurred is analysed as follows:

	2014	2013
	₦'000	₦'000
Claims expense	686,806	1,187,033
Annuity payment	134,012	5,698
Claims recovered	(167,705)	(244,004)
Movement in IBNR	165,790	263,336
	818,903	1,212,062

9 Underwriting expenses

Underwriting expenses comprises:

	2014	2013
	₦'000	₦'000
Commission and other related expenses	166,753	67,697
Maintenance expenses	7,279	5,471
	174,032	73,168

10 Investment income

Investment income comprise:

	2014	2013
	₦'000	₦'000
Dividend income	39,751	41,478
Rental income	15,047	13,600
Interest income on financial assets measured at amortised cost	258,105	238,854
Other income	5,063	6,467
	317,966	300,399

11 Other operating income

	2014	2013
	₦'000	₦'000
Profit on disposal of property, plant and equipment	4,988	3,856
Administrative charges on group life schemes	-	3,567
Other income	19,945	-
Write back of accruals no longer required	-	319,057
	24,933	326,480

Write back on accruals represent liabilities due to re-insurers and co-assurers no longer required as the end of the period. During the period the Company reconciled its position with all its re-insurers and co-assurers.

12 Net trading income on financial assets

	2014	2013
	₦'000	₦'000
Changes in net trading income of financial assets at fair value through profit or loss (see note16(a)(i))	(60,815)	243,826
Transfer from available for sale reserves on disposal of investments	23,643	-
Loss on sale of shares	(17,845)	(172,084)
	(55,017)	71,742

13 Impairment of financial assets

Impairment of financial assets is made up of:	2014	2013
	₦'000	₦'000
Trade receivables (see note 17(ii))	17,744	27,776
Other receivables and prepayments (see note 20 (i))	(9,845)	(132,879)
	7,899	(105,103)

14 Management expenses

14(a) Management expenses comprise of:

	2014	2013
	₦'000	₦'000
Personnel expenses (see 14(b) below)	555,079	434,098
Depreciation	80,791	76,345
Auditor's remuneration	12,000	10,000
Directors fees and allowances	10,911	4,584
Professional expenses	37,002	27,456
Levy, subscription and filling fees	21,348	23,850
Repairs and maintenance	45,703	37,344
Advertisement and branding	63,897	123,181
Research and development	-	82,701
Stationery and office expenses	96,311	93,234
Corporate gifts and souvenirs	3,590	21,525
Agency expenses	44,599	68,002
Service and bank charges	14,008	17,226
Travel expense	26,264	22,950
Fund manager fees	15,969	-
Other administrative expenses	135,082	121,591
	1,162,554	1,164,087

14b Personnel expenses

Personnel expenses comprise of:

	2014	2013
	₦'000	₦'000
Wages and salaries	526,051	505,409
Pension cost	22,391	20,260
Past service costs and interest	6,637	(91,571)
	555,079	434,098

15 Cash and cash equivalents

15a Cash and cash equivalents comprises:

	2014	2013
	₦'000	₦'000
Cash in hand	362	380
Balances held with banks in Nigeria	100,849	181,484
Balances held with fund manager	40,380	-
Placements with financial institutions (see (b) below)	2,136,431	1,330,469
	2,278,022	1,512,333

15b Placement with financial institutions comprises term deposits with maturity of less than 90 days from the value date of the instruments.

15c Maturity profile of cash and cash equivalent

	2014	2013
	₦'000	₦'000
Within 12 months	2,278,022	1,512,333
After 12 months	-	-
	2,278,022	1,512,333

16 Financial assets

The Company's financial assets are summarised below by measurement category in the table below.

	2014	2013
	₦'000	₦'000
Investment securities- fair value through profit or loss (see 16(a) below)	285,661	358,144
Investment securities- held to maturity (see 16(b) below)	2,570,808	386,978
Investment securities- available for sale (see 16(c) below)	164,060	272,781
	3,020,529	1,017,903

Maturity profile of financial assets

	2014	2013
	₦'000	₦'000
Within 12 months	1,033,657	672,526
After 12 months	1,986,872	345,377
	3,020,529	1,017,903

16(a) Investment securities - fair value through profit or loss

	2014	2013
	₦'000	₦'000
Quoted Shares	1,357,915	1,369,583
Fair value loss	(1,072,254)	(1,011,439)
	285,661	358,144

i The movement in provision for impairment on financial assets at fair value through profit or loss during the year is as

Beginning of the year	1,011,439	1,255,265
Increase/(Decrease) in fair value loss (see note 12)	60,815	(243,826)
	1,072,254	1,011,439

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

16(b) **Investment securities - held to maturity**

	2014	2013
	₦'000	₦'000
Debt securities – fixed interest:		
Quoted Debt securities - Bonds	1,986,872	370,743
Quoted Debt securities - Treasury bills	583,936	-
Placement with financial institutions	-	16,235
	2,570,808	386,978

Placement with financial institutions comprises term deposits with maturity of more than 90 days from the value date of the instruments.

16(b(i)) **Quoted Debt securities - Bonds**

Bonds comprise:	2014	2013
	₦'000	₦'000
FGN Bonds		
13.05% 16-Aug-2016	238,679	-
15.10% 27-Apr-2017	208,818	-
16.39% 27-Jan-2022	114,080	-
14.20% 14-Mar-2024	897,854	-
12.15% 18-Jul-2034	290,352	-
State Bonds		
LAGBOND 13.00% 9-Feb-2014	-	68,421
NIGER 14.00% 04-Oct-2018	88,237	103,251
LAGBOND 13.50% 27-Nov-2020	45,566	45,580
Corporate Bonds		
GTB 13.50% 18-Dec-2014	-	50,240
UBABOND 13.00% 30-Sep-2017	103,286	103,251
	1,986,872	370,743

16(b(ii)) **Quoted Debt securities - Treasury bills**

Treasury bills comprise:	2014	2013
	₦'000	₦'000
Nigerian Treasury Bills - 22-Jan-15	90,377	-
Nigerian Treasury Bills - 05-Feb-15	48,934	-
Nigerian Treasury Bills - 19-Feb-15	245,842	-
Nigerian Treasury Bills - 09-Apr-15	66,612	-
Nigerian Treasury Bills - 03-Dec-15	132,171	-
	583,936	-

Movement in held to maturity investment securities during the year is as follows;

	2014	2013
	₦'000	₦'000
Beginning of the year	386,978	297,426
Additions during the year	2,651,330	89,552
Redemption	(467,500)	-
	2,570,808	386,978

The movement in held to maturity investment securities during the year is as a result of additional bonds and treasury bills purchased and redemption of bonds.

16(c) Investment securities - available for sale

	2014	2013
	₦'000	₦'000
Mutual funds	24,735	119,498
Unquoted shares	139,325	153,283
	164,060	272,781

i The fair value movement in available for sale investment securities is as follows:

	2014	2013
	₦'000	₦'000
Mutual funds	21,217	122,106
Unquoted shares	152,086	179,559
	173,303	301,665
Fair value gains	43,695	24,054
Impairment loss	(52,938)	(52,938)
	164,060	272,781

ii The movement in fair value gains during the year is as follows:

	2014	2013
	₦'000	₦'000
Beginning of the year	24,054	19,909
Additions during the year	25,085	-
On disposal of AFS investment securities	(5,444)	4,145
	43,695	24,054

iii The movement in impairment during the year is as follows:

	2014	2013
	₦'000	₦'000
Beginning of theyear	52,938	52,938
Additions/(write back) during the year	-	-
	52,938	52,938

The unquoted shares are carried at cost less impairment, as the fair value cannot be reliably determined.

iv Investment in mutual funds comprises of:

	2014	2013
	₦'000	₦'000
At cost		
Bedrock fund	20,000	20,000
Discovery fund	1,217	1,217
ARM Money market fund	-	100,890
	21,217	122,107
Fair value gains	8,518	2,391
Impairment	(5,000)	(5,000)
	24,735	119,498

v The fair value of mutual fund investment at the year end is analysed below:

	2014	2013
	₦'000	₦'000
At fair value		
Bedrock fund	21,800	15,000
Discovery fund	2,935	3,607
ARM Money market fund	-	100,891
	24,735	119,498

vi Unquoted investment is analysed as follows:

	2014	2013
	₦'000	₦'000
At cost		
Trustbond Mortgage Bank Plc (formerly Intercontinental Homes and Savings Limited)	3,125	3,125
Financial & Commercial Services	11,250	11,250
MTN	96,536	124,021
Golden Securities	10,000	10,000
Etisalat	31,163	31,163
	152,074	179,559
Fair value gains	35,189	21,662
Impairment	(47,938)	(47,938)
	139,325	153,283

	2014	2013
	₦'000	₦'000
At fairvalue		
MTN	131,612	145,671
	131,612	145,671
At cost less impairment		
Financial & Commercial Services	3,823	3,823
Trustbond Mortgage Bank Plc (formerly Intercontinental Homes and Savings Limited)	2,189	2,189
Golden Securities	1,600	1,600
ETI Preference	101	-
Etisalat	-	-
	7,713	7,612
	139,325	153,283

16(d) Loans and receivables

	₦'000	₦'000
Staff loans	846	804
	846	804

Maturity profile of Loans and receivables	2014	2013
	₦'000	₦'000
Within 12 months	846	804
After 12 months	-	-
	846	804

17 Trade receivables

	2014	2013
	₦'000	₦'000
Due from brokers	6,843	20,067
Due from customers	-	191
Due from insurance companies	326,782	322,473
Co-assurance recovery receivable	30,140	101,151
	363,765	443,882
Impairment allowance - specific	(304,188)	(329,160)
	59,577	114,722

(i) Maturity profile of trade receivables

	2014	2013
	₦'000	₦'000
Within 12 months	59,577	114,722
After 12 months	-	-
	59,577	114,722

Premium receivables/trade receivables are not admissible by NAICOM (National Insurance Commission) for the purpose of solvency margin determination.

(ii) Movement in specific impairment

	2014	2013
	₦'000	₦'000
Balance, beginning of year	329,160	356,936
Impairment reclassified to reinsurance assets (see note 18(ii))	(5,929)	-
Premium debts written off	(1,299)	-
Writeback to income statement	(17,744)	(27,776)
Balance, end of year	304,188	329,160

(iii) The Company's trade receivables have no collateral as security and other credit enhancements. The Company has no loans or receivables that is past due but not impaired. Trade receivables are to be settled on demand As at 31 December 2014, the Company had no trade receivables that were past due or impaired whose terms were renegotiated.

18 Reinsurance assets

	2014	2013
	₦'000	₦'000
Prepaid reinsurance	30,556	23,187
Reinsurance recoverable on claims - IBNR	44,739	23,062
	75,295	46,249
Reinsurance recoverable on claims paid and outstanding claims	117,822	170,393
	193,117	216,642
Impairment	(16,086)	(10,157)
	177,031	206,485

Prepaid reinsuance represents unamortised re-insurance cos tat the end of the period. Cost associated with re-insurance are amortised over the life of the contract.

i The movement in reinsurance assets during the year is asfollows:

	2014	2013
	₦'000	₦'000
Beginning of the year	206,485	201,071
Net additions/(payments) during the year	(13,368)	15,571
Impairment	(16,086)	(10,157)
	177,031	206,485

ii The movement in impairment during the year is asfollows:

	₦'000	₦'000
Beginning of the year	10,157	10,157
Reclassification from trade receivables (see note 17(ii))	5,929	-
	16,086	10,157

Maturity profile of reinsurance assets

	2014	2013
	₦'000	₦'000
Within 12 months	177,031	178,854
After 12 months	-	27,631
	177,031	206,485

19 Deferred acquisition costs

	2014	2013
	₦'000	₦'000
Beginning of the year	17,861	16,307
Commission paid	175,541	69,251
Amortization of commission	(166,753)	(67,697)
	26,649	17,861

Maturity profile of deferred acquisition costs

	2014	2013
	₦'000	₦'000
Within 12 months	26,649	17,861
After 12 months	-	-
	26,649	17,861

20 Other receivables and prepayment

	2014	2013
	₦'000	₦'000
Prepayments	51,445	70,373
Dividend income receivable	307	10,211
Receivable from companies	187,522	172,595
Receivable from property vendors (see note 21)	223,800	223,800
Due from stockbrokers	-	478
Policy loans	4,389	4,081
Sundry debtors	17,708	15,560
Intercompany receivables	-	4,723
Asset debtors	1,009	4,888
	486,180	506,709
Impairment	(315,319)	(305,474)
	170,861	201,235

i The movement in impairment during the year is as follows:

	2014	2013
	₦'000	₦'000
Beginning of the year	305,474	172,595
Additions during the year (see note 13)	9,845	132,879
	315,319	305,474

ii Analysis of impairment of other receivables and prepayments and related assets

	2014	2013
Receivable from companies	202,449	172,595
Impairment	(187,522)	(172,595)
	14,927	-
Receivable from property vendors	223,800	223,800
Impairment	(127,797)	(132,879)
	96,003	90,921

Receivable from companies represents funds placed with Profound Securities Limited, Capital Trust Asset Management Company Limited and Ventures and Trust Limited over a long period of time but these companies are unable to meet with the repayment of the obligation.

Receivable from property vendors represents amounts paid by the Company in respect of the proposed purchase of investment properties. The Company has not been able to obtain control over these properties due to certain issues surrounding the title to the properties (see note 21(b)(i)). The total amount transferred was ₦223,800,000. The Company however has a sum of ₦78,060,000 placed in an escrow account with Skye Bank pending the resolution of issues surrounding title to one of the properties. This placement has generated an interest of ₦17,943,107 as at 31 December 2014. Hence, the impairment recognised is the total sum of investment properties transferred of ₦223,800,000 less the total balance in the escrow account of ₦96,003,107.

Asset debtors represents receivables from an ex-staff for the sale of generator.

Maturity profile of other receivables and prepayments

	2014	2013
	₦'000	₦'000
Within 12 months	38,430	167,909
After 12 months	132,431	33,326
	170,861	201,235

21 Investment Properties

	2014	2013
	₦'000	₦'000
Balance at 1 January 2014	798,802	932,502
Reclassification from property and equipment	850,000	-
Changes in fair value (fair value gain)	60,700	90,100
Transfer to other receivables and prepayment	-	-
(see note (i) below and note 20)	-	(223,800)
Balance at 31 December 2014	1,709,502	798,802

Investment property comprises a number of land and commercial properties that are leased to third parties. One of the Company's property (5 floors building at Kasumu Ekemode) has been transferred from property and equipment (see note 23) to investment property, since the building was no longer used by the Company and as such it was decided that the building would be leased to third parties. Rental income from investment property of ₦15m (2013: ₦13.6m) has been recognised as rent income.

Changes in fair values are recognised as gains in profit or loss and included in fair value gain on investment properties. All gains are unrealised.

21(b) The items of investment properties are valued as shown below:

	2014	2013
	₦'000	₦'000
5 bedroom detached house located on Festival Road, Victoria Island	430,000	430,000
Land at Oworonshoki, Lagos State Residential Scheme	9,502	8,802
2 units of detached house at IEI Estate, Ibadan- Oyo State (see note 21(b)(I) below)	-	-
1 unit of semi-detached house at IEI Estate, Liberty road Ibadan (see note 21(b)(i) below)	-	-
60 acres of Land at Simawa Village, Ogun State (see note 21(b)(i) below)	-	-
Land at Edmund Crescent, Yaba, Lagos (see note 21(b)(i) below)	-	-
Plots of Land at Lafiaji, Eti-Osa, Lagos	105,000	93,000
4 bedroom detached bungalow at Emeka Anyanoku, Garki District FCT, Abuja	140,000	99,000
2 acres of Land at Honey City, Abuja	175,000	168,000
5 floors building at Kasumu Ekemode, Victoria Island	850,000	-
	1,709,502	798,802

i The directors, having given due consideration to the facts and circumstances, have determined that the Company has no control over these properties.

Accordingly, the carrying amounts have been reclassified to other assets pending the resolution of the issues surrounding the properties. A summary of the facts and circumstances considered are presented below:

IEI Estate, Ibadan- Oyo State
The property comprises, 2 unit houses and 1 unit semi-detached house situated at IEI Estate Liberty Road Ibadan. The property has been placed on lien by AMCON and the vendor is currently discussing with AMCON to discharge the lien.

Simawa Village, Ogun State

The property at Simawa village, Ogun State is currently under government acquisition. The Company is discussing with the State Government with a view to getting the government to allocate the land to the Company.

Edmund Crescent, Yaba, Lagos

A land situated at Plot 2 Block 1 Edmund Crescent, Yaba Lagos. There is currently a dispute on the land and perfection will not be done until the case is settled.

21 (c) Movement in investment properties are shown below:

Property details	Balance as at 1 January 2014	Additions	Transfer	Fair value gain	Balance as at 31 December 2014
5 bedroom detached house located on Festival	430,000	-	-	-	430,000
Land at Oworoshoki, Lagos State Residential	8,802	-	-	700	9,502
2 units of detached house at IEI Estate,	-	-	-	-	-
1 unit of semi-detached house at IEI Estate,	-	-	-	-	-
60 acres of Land at Simawa Village, Ogun	-	-	-	-	-
Land at Edmund Crescent, Yaba, Lagos	-	-	-	-	-
10 Plots of Land at Lafiaji, Eti-Osa, Lagos	93,000	-	-	12,000	105,000
4 bedroom detached bungalow at Emeka	99,000	-	-	41,000	140,000
2 acres of Land at Honey City, Abuja	168,000	-	-	7,000	175,000
Five (5) floors building at Kasumu Ekemode	-	-	850,000	-	850,000
	798,802	-	850,000	60,700	1,709,502

Property details	Balance as at 1 January 2013	Additions	Transfer	Fair value gain	Balance as at 31 December 2013
5 bedroom detached house located on Festival	380,000	-	-	50,000	430,000
Land at Oworoshoki, Lagos State Residential	7,502	-	-	1,300	8,802
2 units of detached house at IEI Estate,	82,000	-	(88,000)	6,000	-
1 unit of semi-detached house at IEI Estate,	32,000	-	(35,000)	3,000	-
60 acres of Land at Simawa Village, Ogun	55,000	-	(57,800)	2,800	-
Land at Edmund Crescent, Yaba, Lagos	40,000	-	(43,000)	3,000	-
10 Plots of Land at Lafiaji, Eti-Osa, Lagos	85,000	-	-	8,000	93,000
4 bedroom detached bungalow at Emeka	91,000	-	-	8,000	99,000
2 acres of Land at Honey City, Abuja	160,000	-	-	8,000	168,000
	932,502	-	(223,800)	90,100	798,802

21© **Valuation techniques used for fair valuation of investment properties**

Investment properties are stated at fair value, which has been determined based on valuations performed by Messrs Ubosi Eleh & Co., Estate Surveyors and Valuers (FRC/2013/NIESV/700000001493) as at 31 December 2014. They are industry specialists in valuing these types of investment properties. The fair value is supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with standards issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in profit or loss. The profits or losses on disposal are also reported in profit or loss as they occurred.

The details of valuation techniques and significant observable inputs used in determining the fair value of investment properties are presented below:

Location of Properties	Valuation technique	Significant unobservable inputs
5 bedroom detached house located on Festival Road, VI	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	*Situation*: Access through Ozumba Mbadiwe Road, Adetokunbo Ademola. Tarred and motorable Road and immediate neighbourhood. *Property description:* 5-bedroom detached house, 2 bedroom guest chalet, 2 bedroom servant quarter, a generator hut and a gate house. *Site:* well drained and measures approximately 1,230 square meters and secured by a perimeter fence wall.
Land at Oworoshoki, Lagos State Residential Scheme	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	*Situation*: Access through 3rd mainland bridge or Iyana Oworo-Bariga Road. Immediate neighborhood is predominantly residential in outlook characterized mainly by semi-detached houses, detached houses and blocks of flats. *Property description:* vacant parcel of land that will be ripe for immediate development after Government's proposed sand filling project. *Site:* The site measures approximately 873.07square meters.
10 Plots of Land at Lafiaji, Eti-Osa, Lagos	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	*Situation* : Access is from the popular Lekki-Epe Expressway, and at the second "toll gate" by "Chevron", a right turning is made onto Lafiaji Road on which the subject property is located. The immediate neighborhood is predominantly residential in outlook and comprises a number of private reside estates. *Property description:* prime vacant vast plot of land ripe for immediate development. *Site:* The site measures approximately 7,091.55 meter square Access into the land is wide open. The site is a bare land ripe for development.

4 bedroom detached bungalow at Emeka Anyanoku, Abuja.	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	*Situation:* Access to the property is via Tafawa Balewa dual Carriage-way. Driving along the dual carriage way from NICON Luxury Hotel, Area 11, Garki. The neighborhood is mixeduse in outlook, characterized by residential houses, offices, banks, Guest houses etc. *Property description:* Development on site comprises of 4bedroom detached bungalow 2 units 1bedroom Service quarters, an office, gate house and outdoor store. *Site:* The site measures approximately 804.33 square meter fenced around its perimeter boundaries to a height of about 3meters with sandcrete block walls.
2 acres of Land at Honey City, Abuja	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	*Situation:* Access to the property is via Apo Mechanic Village Road which takes its source from Nnamdi Azikwe dual carriage way by Apo roundabout. *Property description:* an undeveloped parcel of land measuring approximately 2 hectares. *Site:* The site is regular in shape; appears firm and well drained and covers a gross area of approximately 2hectares.

Changes to valuation technique

There was a change in the valuation technique from the investment method in prior year to the market approach in current year for the following properties;

5 bedroom detached house located on Festival Road, VI
4 bedroom detached bungalow at Emeka Anyanoku, Abuja.
2 acres of Land at Honey City, Abuja

The reason for the change in the valuation technique was hinged on the premise that the market approach is more reflective of the current market scenario than the investment method especially in our environment where the objective data that will be relied upon for the investment approach is unfortunately not readily available. It is for this lack of data that the direct market comparative method is the preferred method in our environment today for banks and financial institutions.

Maturity profile of investment property

	2014	2013
	₦'000	₦'000
Within 12months	-	-
After 12months	1,709,502	798,802
	1,709,502	798,802

The fair values of the Company's investment property are categorised into Level 3 of the fair value hierarchy.

Level 3 fair value
The following table shows a reconciliation from the beginning balances to the closing balances for the fair value measurements of the Company's investment property.

	₦'000
Balance as 1 January 2014	798,802
Reclassification from property and equipment	850,000
Changes in fair value (unrealised)	60,700
Balance as 31 December 2014	1,709,502

The following table shows a reconciliation from the beginning balances to the closing balances for the fair value measurements of the Company's investment property.

	₦'000
Balance as 1 January 2013	932,502
Acquisitions	-
Disposals	-
Gains included in 'fair value gain'	-
Changes in fair value (unrealised)	90,100
Transfer to other assets	(223,800)
Balance as 31 December 2013	798,802

22 Intangible assets

	2014	2013
Computer software:	₦'000	₦'000
Cost:		
Balance, beginning of year	48,293	48,293
Additions during the year	-	-
Disposals during the year	-	-
Balance at year end	48,293	48,293
Accumulated amortisation:		
Balance, beginning of year	48,293	48,293
Charge for the year	-	-
Impairment	-	-
Balance at year end	48,293	48,293
Net book value:		
Balance end of year	-	-
Balance, beginning of year	-	-

23 Property and Equipment

December 2014	Leasehold Land	Building	Leasehold Improvement	Motor Vehicle	Furniture & Fittings	Office Equipment	Plant & Machinery	Computer Equipment	Total
Cost	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000
Balance as at 1/1/2014	110,107	329,187	39,350	180,136	98,806	58,369	44,760	47,620	908,335
Additions	-	3,645	4,448	-	1,005	10,920	-	6,775	26,793
Reclassification to investment property	(110,107)	(332,832)	-	-	-	-	-	-	(442,939)
Disposal	-	-	-	(51,125)	(1,462)	(25)	(1,440)	(271)	(54,323)
Balance, end of year	-	-	43,798	129,011	98,349	69,264	43,320	54,124	437,866
Accumulated depreciation									
Balance as at 1/1/2014	10,575	3,001	3,759	70,243	30,718	16,538	9,087	25,675	169,596
Charge for the year	1,390	5,535	7,870	31,769	11,822	8,090	8,008	6,307	80,791
Reclassification to investment property	(11,965)	(8,536)	-	-	-		-	-	(20,501)
Disposal	-	-	-	(34,354)	(1,462)	(25)	(456)	(86)	(36,383)
Balance, end of year	-	-	11,629	67,658	41,078	24,603	16,639	31,896	193,503
Net book value									
Balance as at 31/12/2014	-	-	32,169	61,353	57,271	44,661	26,681	22,228	244,363
Balance as at 1/1/2014	99,532	326,186	35,591	109,893	68,088	41,831	35,673	21,945	738,739

i. The Company had no capital commitments as at the reporting date (2013: Nil)

ii. Maturity profile of property and equipment

	2014	2013
	₦'000	₦'000
Within 12 months	176,618	30,936
After 12 months	67,745	707,803
	244,363	738,739

iii. Analysis of property and equipment transferred to investment property

	2014	2013
	₦'000	₦'000
Cost	442,939	-
Accumulated depreciation	(20,501)	-
Fair value gain to reserves	427,562	-
	850,000	-

A property of the Company was previously held for use but the management has changed the use of the property during the year and have reclassified the property to investment property. The difference between the carrying amount and its fair value has been recognised in OCI (See note 37).

Property and Equipment

December 2013	Leasehold Land	Building	Leasehold Improvement	Motor Vehicle	Furniture & Fittings	Office Equipment	Plant& Machinery	Computer Equipment	Total
	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000
Cost									
Balance as at 1/1/2013	110,107	257,727	-	142,989	28,763	16,059	12,280	28,506	596,431
Additions		123,078	39,350	108,562	70,043	42,310	36,480	19,388	439,211
Disposal	-	(51,618)	-	(71,415)	-	-	(4,000)	(274)	(127,307)
Balance, end of year	110,107	329,187	39,350	180,136	98,806	58,369	44,760	47,620	908,335
Accumulated depreciation									
Balance as at 1/1/2013	-	-	-	99,264	23,265	9,439	9,029	16,280	157,277
Charge for the year	10,575	3,001	3,759	30,772	7,453	7,099	4,058	9,628	76,345
Disposal		-	-	(59,793)	-	-	(4,000)	(233)	(64,026)
Balance, end of year	10,575	3,001	3,759	70,243	30,718	16,538	9,087	25,675	169,596
Net book value									
Balance as at 31/12/2013	99,532	326,186	35,591	109,893	68,088	41,831	35,673	21,945	738,739
Balance as at 1/1/2013	110,107	257,727	-	43,725	5,498	6,620	3,251	12,226	439,154

Notes to the financial statements

24 **Statutory deposit**

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003.

	2014	2013
	₦'000	₦'000
Life business statutory deposit	200,000	200,000

The statutory deposit balance represents restricted cash balance held with the Central Bank of Nigeria and is not available for use in the day to day activities of the Company.

Maturity profile of statutory deposit

	2014	2013
	₦'000	₦'000
Within 12 months	-	-
After 12 months	200,000	200,000
	200,000	200,000

25 Trade payables

	2014	2013
	₦'000	₦'000
Commission payable	1,993	11,631
Reinsurance payable	60,239	71,899
Coinsurance payable	34,127	8,074
	96,359	91,604

Maturity profile of Trade payables

	2014	2013
	₦'000	₦'000
Within 12 months	96,359	83,530
After 12 months	-	8,074
	96,359	91,604

26 Other payables

	2014	2013
	₦'000	₦'000
Other payables comprise:		
Accruals	34,316	24,315
Other liabilities (see note i below)	137,745	172,878
Pay As You Earn (PAYE)	2,670	728
Premium deposits (see note ii below)	9,728	9,770
Payable to Land of Honey, Abuja	73,000	73,000
Stale cheques (see note iii below)	16,515	16,545
Amount due to related parties (see note iv below)	13,292	35,708
WHT payable	11,702	2,375
VAT on commission	8,258	2,854
Unearned rent income	14,953	10,800
NHF	25	3
Unaccepted businesses (see note v below)	9,686	18,910
Sundry creditors (see note vi below)	116,801	85,869
	448,691	453,755

i Other liabilities represent unpresented cheques that are more than six months old and monies received from the co-assurers in respect of claim liabilities for which the Company being the lead underwriter is yet to disburse as at the end of the year.

ii Premium deposits represents premium collected from customers but yet to be recognized as premium in the books of the Company as at year end. This is as a result of incomplete documentation and once these have been perfected, then the premium is then recognised as premium income.

iii Stale cheques represents unpresented cheques as at year end which had become stale. The Company issues cheques to their customers in respect of their claims during the year and these cheques are expected to be presented to the banks for onward payment. When this is not done by the customer, it becomes a reconciling item in the company's bank reconciliation statement. In order for the Company to monitor these payments, they are reclassified to other payables pending when the cheques are re-issued.

iv Amount due to related parties represents expenditure on shared services initially borne by the related parties and equivalent apportioned cost due payable.

v Unaccepted business represents balances from client not accepted by the Company but to be transferred to other insurance companies

vi Sundry creditors represent obligations due to vendors of the Company as a result of part payment and year end provisions.

Maturity profile of other payables

	2014	2013
	₦'000	₦'000
Within 12 months	125,344	380,755
After 12 months	337,035	73,000
	462,379	453,755

27 Insurance contract liabilities

(a) Insurance contract liabilities comprises:

	2014	2013
	₦'000	₦'000
Outstanding claims (see (c)below)	806,451	865,934
Life insurance contract liabilities (see (f) below)	3,057,494	579,729
	3,863,945	1,445,663

(b) Maturity profile of insurance contract liabilities

	2014	2013
	₦'000	₦'000
Within 12 months	1,199,579	1,022,141
After 12 months	2,664,366	423,522
	3,863,945	1,445,663

(c(i)) **Outstanding claims:** represents the estimated ultimate cost of settling all claims arising from incidents reported as at the reporting date.

The aging analysis for claims reported and loss adjusted for life insurance contracts

	2014	2013
Days	₦'000	₦'000
0- 90	86,230	448,883
91- 180	63,071	75,148
181-270	20,116	46,817
271-360	117,028	40,625
Above 360	520,006	254,461
	806,451	865,934

(c(ii)) The movement in outstanding claims during the year is as follows:

	2014	2013
	₦'000	₦'000
At start of year	865,934	651,404
Addition in the year	686,806	1,187,032
Payment during the year	(801,971)	(972,502)
Reclassification from coinsurance payables	55,682	-
At end of year	806,451	865,934

(d) Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics (such as AIDS, SARS and a human form of avian flu) or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. At present, these risks do not vary significantly in relation to the location of the risk insured by the Company. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The Company charges for mortality risk on an annual basis for all insurance contracts without a fixed term. It has the right to alter these charges based on its mortality experience and hence minimize its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may reduce its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

ARM Life has a retention limit of N5million on any single life insured. The Company reinsures the excess of the sum assured over ₦5,000,000. Some of the private schemes are also ceded based on a quota arrangement which is based on a percentage of ARM Life's proportion and this is a function of the nature of the scheme. The percentage ceded is usually approved by the management. Examples of such schemes are Julius Berger, INEC, NPA e.t.c. the same arrangement applies to HOS but the percentage ceded varies for the 3 years. For Public sector insurance contracts, the retention limits varies from 10% to 20%.

(e) The following table reports the year end aggregated insurance contract liabilities for the in-force life insurance contracts by industry sector and location. The analysis of such contractual exposures are deemed to be the best indicator of the insurance risk concentration by industry and location for these contracts.

i. Analysis by industry

2014		
Industry sector	**Amount**	**% contribution**
Financial services	183,095	5
Consumer goods	58,211	2
Services	274,091	7
Energy & Natural Resources	70,483	2
Engineering	72,323	2
Others (Including Annuity)	3,205,742	82
	3,863,945	100

2013		
Industry sector	**Amount**	**% contribution**
Financial services	350,052	24
Consumer goods	142,356	9
Services	333,855	23
Energy & Natural Resources	443,298	31
Engineering	36,503	3
Others	139,599	10
	1,445,663	100

ii. Analysis of concentration risk bylocation

2014		
Location	**Amount**	**% contribution**
South West	1,783,152	46
North Central	1,671,623	43
South South	409,170	11
	3,863,945	100

2013		
Location	**Amount**	**% contribution**
South West	1,017,935	70
North Central	411,196	29
South South	16,532	1
	1,445,663	100

(f) **Life insurance contract liabilities:** Life insurance contract liabilities is assessed every year by qualified consulting actuaries in accordance with the Company's accounting policy.

Life insurance contract liabilities comprises:

	2014	2013
	₦'000	₦'000
Unearned premium reserves		
-Annuity	2,318,680	-
-Group life	126,919	133,624
IBNR claims	611,895	446,105
	3,057,494	579,729

(f(i)) Unearned premium

These provisions represents the liability for short-term business contracts where the Company's obligations have not expired at the year-end. Movements are shown below:

	2014	2013
	₦'000	₦'000
At start of year	133,624	125,262
Increase/(decrease) in the period (net)	2,311,975	8,362
At end of year	2,445,599	133,624

(f(ii)) IBNR claims

These provisions represents the reserve for claims incurred but not reported at the reporting date. Movements are shown

	2014	2013
	₦'000	₦'000
At start of year	446,105	397,299
Increase in the period (net)	165,790	48,806
At end of year	611,895	446,105

Actuarial valuation

The latest available actuarial valuation of the life business funds was as at 31 December 2014. The actuarial value of the gross liability of the fund is ₦3,863,944,293 (31 December 2013, ₦1,445,662,368).

The analysis of the gross liability due to the fund holders is stated below:

	2014	2013
	₦'000	₦'000
Gross liability		
-Individual	55,179	95,137
Unearned premium	-	133,624
-Annuity	2,318,680	-
-Group life	126,919	-
IBNR*	256,014	256,801
AURR	10,195	-
Additional reserves	261,151	88,301
Credit Life	29,356	5,866
Outstanding claims	806,451	865,934
	3,863,945	1,445,663

The valuation of the Company's life business fund as at 31 December 2014 was carried out by HR Nigeria Limited consultant and actuaries. The valuation was done based on the following principles:

(i) For individual business, the gross premium method of valuation was adopted. Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments (death). Future cashflows were discounted back to the valuation date at the valuation rate of interest.

(ii) The valuation age has been taken as age at last birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and end of the premium paying term.

(iii) An unexpired premium reserve was included for Group business policies, after allowing for acquisition expenses at a ratio of 30% of premium (31 December 2013: 15%). An Additional Unexpired Risk Reserve (AURR). was also held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claims rates underlying the AURR were based on pooled historical scheme experience.

(iv) No assets have been established in respect of Deferred Acquisition Costs (DAC).

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

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

(vii) No specific adjustment has been made for immediate payment of claims.

(viii) No specific adjustment has been made for expenses after premiums have been ceased in the case of limited payments policies i.e. they have been allocated the same level of expenses as premium paying policies.

(ix) The account balance has been held as a reserve for lapsed deposit based policies that have not been paid out, plus a one year expense reserve. The reserves for endowments have been limited to a minimum of the surrender value at the valuation date.

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

(xi) Any policies issued according to substandard terms were valued using the same method and basis as standard policies.

(xii) The mortality table used in the valuation is the UK's Mortality of Assured Lives 1967-70 (A6670) with the exception of annuity business which used the UK's PA90 Annuitants table.

(xiii) The rate of interest used in the valuation is 14.75% pa (31 December 2013: 12.5%), with the exception of annuities which adopted an interest rate of 14.25% pa. (31 December 2013: 12%)

(xiv) Expenses for individual life and individual deposit business were reserved for explicitly at ₦10,000 per policy per annum. All expenses were assumed to increase with inflation at 8% pa. Annuity expenses were reserved for at 3% of the annuity payment.(31 December 2013: 3%)(ix)(xv). An additional reserve of ₦261,151,028 (31 December 2013: ₦88,300,560) representing a cautionary contingent reserve against adverse mortality experience, expense overrun and data contingencies is made over the 12 months following the valuation date.

(xvi) The solvency level at the valuation date was 100% (31 December 2013: 100%). That is, assets representing the Life and Deposit Administration funds on the Company's balance sheet amount were 100% of the value of the actuarially calculated net liabilities.

O.O Okpaise
Associate, Society Of Actuaries , USA
Fellow, Institute of Actuaries England,
The FRC no is FRC/NAS/00000000738

The valuation of the Company's regulated annuity fund as at 31 December 2014 was carried out by HR Nigeria Limited consultant and actuaries. The valuation was done based on the following principles:

Valuation Methodology

(i) The requirements of IFRS 4 was adopted in estimating the present value (at the review date) of the company's future annuity payment obligations.

(ii) Each annuity policy was valued using a monthly discounted cashflow method. The reserves are set equal to the present value of future annuity payments and attending expenses. The annuity guaranteed minimum payment period were recognised in the calculations.

(iii) The calculations allow for the following key features of IFRS 4:

a) IFRS prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period.
b) IFRS requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.
c) IFRS requires the adequacy of recognised insurance liabilities test and an impairment test for reinsurance assets.

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

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

a) The test considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees.
b) If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss." The calculation method satisfies the Liability Adequacy Test mentioned above.

(v) Paragraphs 22-30 of IFRS4 make reference to the setting of an IFRS compliant valuation basis. The following points are noted in particular:
Paragraph 24 - Current market interest rates: An insurer is permitted, but not required, to change its accounting policies so that it re-measures designated insurance liabilities to reflect current market interest rates and recognises changes in those liabilities in profit and loss. At that time it may also introduce accounting policies that require other current estimates and assumptions for the designated liabilities.
Paragraph 26 - Prudence: An insurer need not change its accounting policies for insurance contracts to eliminate excessive prudence. However, if an insurer already measures its insurance contracts with sufficient prudence it shall not introduce additional prudence.

In light of the above requirements, a valuation basis adopting the following principles was determined:
-The basis is a single set of realistic long term assumptions expected to reflect the average future experience of the business.
-Adjustments are then made to the individual assumptions for prudence and other considerations.

Valuation Assumption

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

As at 31 December 2014, The FGN bond yield curve was flat with bonds of duration between 5 and 20 years yielding around 15%. The 20 year FGN bond yield was 15.2%. By comparison long term bonds were yielding above 13% at December 2013. Appendix 2 summarises the change in yields over the year. Rates dipped from the start of the year following the CBN Governor's announcement of plans to develop a low interest rate environment. However yields increased significantly over Q4, being reflective of economic uncertainty.

For the purpose of determining the valuation interest rate, a 0.25% deduction from the long term yield to arrive at a valuation interest rate of 14.75% was considered. This makes some allowance for the volatility of the "risk free" yields. We have further deducted a risk margin of 0.5% to allow for reinvestment risk - due to the duration of the annuities exceeding available bonds:

	Rate
Long Term FGN bond yield	15%
Less 0.25% risk adjustment	-0.25%
Less reinvestment risk adjustment	-0.50%
Annuity valuation interest rate (adopted)	14.25%

(ii) *Maintenance Expenses*
A firm must make provisions for expenses, in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts.

We have assumed expenses of ₦10,000 per policy per annum, increasing with inflation at 8% p.a.

Expenses were reserved for explicitly at ₦10,000 per policy per annum. All expenses were assumed to increase with inflation at 8% pa.

(iii) *Mortality Assumptions*
The following sample average expectation of life in line with the PA(90) UK published tables was used.

Age	Expectation of Life (in years)	
	Male	Female
50	26	31
60	18	23
70	12	15
80	7	8

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28 Investment contract liabilities

28(a) The movement in this account during the year was as follows:

	2014	2013
	₦'000	₦'000
Balance, beginning of the year	665,429	695,122
Deposit for the year	501,396	430,155
Guaranteed interest (see note i)	91,254	59,909
	1,258,079	1,185,186
Withdrawal	(375,862)	(519,757)
Balance, end of the year	882,217	665,429

	2014	2013
	₦'000	₦'000
Within 12 months	106,149	282,263
After 12 months	776,068	383,165
	882,217	665,429

28(b) Investment Contract Revenue Account

	2014	2013
	₦'000	₦'000
Investment income	77,021	94,128
Guaranteed interest	(91,254)	(59,909)
(Loss)/Profit on investment contract	(14,233)	34,219

29 Retirement benefits obligations

As of 30 June 2013, the Company discontinued its gratuity scheme. Prior to that date, the Company offered its employees defined benefit plans in the form of provision of a gratuity scheme. The Gratuity Scheme covered all employees and the terms of the scheme were such that payments were made to employees on resignation only if the employee has served the Company for a period of not less than five years. The gratuity benefit was based on an employee's six weeks of total emolument (Basic, Housing and Transport) for each completed year plus one year total emolument.

Accordingly, the total gratuity liability payable to staff was re-computed based on the actual liabilities as at 30 June 2013.

Movement in the present value of defined benefit obligations

	2014	2013
	₦'000	₦'000
Defined benefit obligations at 1 January	177,959	438,558
Benefits paid by the plan	(78,157)	(169,028)
Past service costs	6,637	(91,571)
	106,439	177,959

Expense recognised in profit or loss

	2014	2013
	₦'000	₦'000
Past service costs	6,637	(91,571)
	6,637	(91,571)

During the year, the Company made additional provision for existing staff who were six months or more as at 31st December 2013 and for ex-staff who had exited prior to 31st December 2014 that were entitled to gratuity.

Maturity profile of defined benefit assets and liabilities

	Carrying amount	Gross Nominal value	1 - 6 months	1 - 5 years
	₦'000	₦'000	₦'000	₦'000
Retirement benefit	106,439	106,439	-	106,439
Total Liabilities	106,439	106,439	-	106,439
Reserved assets	177,338	179,082	179,082	-
Total reserved assets	177,338	179,082	179,082	-
Net Liquidity (Gap)/Surplus	**70,899**	**72,643**	**179,082**	**(106,439)**

	2014	2013
	₦'000	₦'000
Within 12 months	-	-
After 12 months	106,439	177,959
	106,439	177,959

30 **Current income tax liabilities**

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

	2014	2013
	₦'000	₦'000
Balance beginning of year	11,913	14,515
Charge for the year (see note (b) below)	133,423	54,417
	145,336	68,932
Payments during the year	(12,814)	(57,019)
Balance at year end	132,522	11,913

Maturity profile of current income tax liabilities

	2014	2013
	₦'000	₦'000
Within 12 months	132,522	11,913
After 12 months	-	-
	132,522	11,913

30(b) The tax charge for the year comprises:

		2014	2013
		₦'000	₦'000
	Corporate income tax charge		
i	Minimum tax	12,457	40,752
ii	Income tax		
	WHT on dividend income	3,319	4,907
	Prior year under provision	117,647	8,758
		120,966	13,665
	Deferred tax charge for the year	6,070	40,512
	Income tax charge for the year	127,036	54,177
	Charge for the year (see note 30(a))	133,423	54,417

The Company's tax expense in the year has been assessed based on the minimum tax requirements as there was no taxable profit in the year. The minimum tax was computed on the basis of gross income according to the section 16 of the tax law.

30(c) The effective tax reconciliation is as follows:

	Rate	2014	Rate	2013
	%	₦'000	%	₦'000
Loss before tax		(902,935)		(839,880)
Tax using the domestic corporation tax	30	(270,880)	30	(251,964)
Non-taxable income	28	(251,320)	44	(373,693)
Non-allowable expenses	(36)	324,204	(61)	510,104
Other permanent differences	-	-	-	-
Impact of derecognition of deferred tax asset	-	-	(5)	45,383
Transfer to contigency reserve	-	-	-	(3,053)
Impact of industry tax law	(22)	197,997	(11)	94,535
WHT on dividend received	(0)	3,319	(1)	4,907
Minimum tax	(1)	12,457	(5)	40,752
Prior year under-provision of tax	(13)	117,647	(1)	8,758
CGT on unrealised gain on investment	(1)	6,070	(2)	19,200
properties	(15)	139,493	(12)	94,929

31 **Deferred taxation**

Deferred tax assets

	2014	2013
	₦'000	₦'000
Beginning of the year	-	87,827
Movement during the year	-	(21,312)
Transfer from deferred tax liability	-	(66,515)
	-	-

Deferred tax liabilities

	2014	2013
	₦'000	₦'000
Beginning of the year	19,200	66,515
Movement during the year - Profit or loss	6,070	19,200
Movement during the year - OCI	42,756	-
Transfer to deferred tax asset	-	(66,515)
	68,026	19,200

At year end, the Company recorded a deferred tax asset which would ordinarily have been recognised. However, the deferred tax asset has not been recognised because the Directors have determined that it is currently uncertain that there will be future taxable profit against which the tax assets can be utilised.
The analysis of unrecognised deferred tax is as follows:

In thousands of Naira

Property and equipment	220,323
Unrelieved loss	631,656
Retirement benefit obligation	31,932
	883,911

The Company also recognised a deferred tax liability on the fair value gain on investment properties and the property reclassified to investment property. This item is taxable under Capital Gains Tax (CGT) as opposed to Company Income Tax (CIT) and has not been netted off the deferred tax asset.
The analysis of recognised deferred liability is as follows:

In thousands of Naira

Fair value gain (Reclassified property)	42,756
Fair value gain (investment properties)	25,270
	68,026

Maturity profile of deferred tax

	2014	2013
	₦'000	₦'000
Within 12 months	-	-
After 12 months	68,026	19,200
	68,026	19,200

32 **Share capital:**

Share capital comprises:

	2014	2013
	₦'000	₦' 000
Authorized:		
10,000,000,000 Ordinary shares of ₦0.50 each	5,000,000	5,000,000
Issued and fully paid:		
5,785,672,000 Ordinary shares of ₦0.50 each	2,892,836	2,892,836

33 **Share premium reserve**
Share premium is the excess paid by shareholders over the nominal value for their shares.

33 **Retained earnings**
Retained earnings are the brought forward recognised losses plus current period profits or loss attributable to shareholders.

35 **Deposit for shares**
The deposit for shares comprises proceeds from the right issue of shares paid by the Company's shareholders. During the year, the Company carried out a right issue by offering to its existing shareholders 1,928,557,600 ordinary shares of 50 kobo each at N0.51 per share on the basis of one (1) new ordinary share for every three (3) ordinary shares held.
The right issue was done to raise additional capital for the Company in a bid to meet the minimum capital requirements of the regulator.

36 **Fair value reserves**
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until assets are derecognised or impaired.

37 **Revaluation reserves**
The revaluation reserves relates to the revaluation of property and equipment immediately prior to its reclassification as investment property.

38 **Statutory contingency reserves**
The statutory contingency reserve is prescribed under Section 21 (1&2) of the Insurance Act. The Company is mandated to maintain a statutory contingency reserve to cover for the fluctuations in securities and variations in statistical estimates.
The statutory contingency reserve is credited with an amount of not less than 1% of the gross premium or 10% of the net profits (whichever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital.

39 **Earnings per share**
Basic and Diluted earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of the shares. The effects of the potential ordinary shares arising from the Rights Issue are not reflected in the calculation of diluted EPS because the effects are not dilutive.

a **Basic and Diluted earnings per share**

	2014	2013
	₦'000	₦'000
Loss attributable to shareholders	(1,042,428)	(934,809)
Weighted average number of shares in issue	5,785,672	5,785,672
	(18)	(16)

40 Cash generated from operation

The composition of cash generated from operation is as follows:

	Notes	2014	2013
		₦'000	₦'000
Loss after tax		(1,042,428)	(934,809)
Taxation	30(b)	139,493	94,929
Loss before tax		(902,935)	(839,880)
Adjustment for:			
Depreciation and ammortisation	23	80,791	76,345
Interest income earned	10	(258,105)	(238,854)
Dividend income earned	10	(39,751)	(41,478)
Rental income	10	(15,047)	(13,600)
Fair value change in financial assets held at fair value through profit or loss		60,815	(24,541)
Transfer from available for sale reserves		(23,643)	-
Write back of accruals no longer required	11	-	(319,057)
Profit on disposal of property, plant and equipment	11	(4,988)	(3,856)
Fair value gain on investment properties	21	(60,700)	(90,100)
Impairment of assets		(7,899)	105,103
Past service costs	29	6,637	(91,571)
Net cash flow before changes in working capital		(1,164,825)	(1,481,489)

41 Related party transactions:

The Company is controlled by Asset & Resource Management Company Limited which owns 62.46% of the issued share capital. During the year, the Company entered into commercial transactions with ARM (the ultimate parent), and other companies within the ARM Group. The amounts outstanding in respect of related party transaction as at reporting date to other companies within the ARM group and companies in which the directors have interest are set out below:

		Relationship	2014	2013
			₦'000	₦'000
(a)	Interest income comprises:			
	Interest earned on placements with ARM	Parent company	15,279	38,816
	Citicorp Financial Services Limited	Shareholder	-	1,099
	Ventures and trusts	Shareholder	1,656	2,015
			16,935	41,930

(b)	Premium written from related parties comprises:			
	ARM Pension Managers	Fellow subsidiary	5,011	7,646
	ARM Securities Limited	Fellow subsidiary	862	-
	ARM Trustees	Fellow subsidiary	1,014	-
	ARM Capital	Fellow subsidiary	883	-
	ARM Lakowe Lakes		848	-
	Asset & Resource Management Company Limited	Parent company	15,307	3,680
	E-Motion Advertising	Shareholder	834	292
	Owolabi Salami	Executive Director	-	334
	Deji Alli	Non Executive Director	1,386	2,500
	Teju Ogunjimi	Managing Director	325	885
	Jumoke Ogundare	Non Executive Director	724	69
			27,195	15,406
(c)	Placements:			
	Assets & Resource Management Company Limited	Parent company	40,380	285,050
			40,380	285,050
(d)	Investment in mutual fund:			
	Cashcraft Asset Management Limited	Shareholder	21,800	20,000
	Assets & Resource Management Company Limited	Parent company	2,935	102,105
			24,735	122,105
(e)	Intercompany receivable:			
	Assets & Resource Management Company Limited	Parent company	-	4,723
			-	4,723
(f)	Intercompany payable:			
	ARM Securities Limited	Fellow subsidiary	904	1,948
	Assets & Resource Management Company Limited	Parent company	12,388	33,759
			13,292	35,707
(g)	Fund management fees:			
	Assets & Resource Management Company Limited	Parent company	15,969	-
			15,969	-

42 Litigations

The company, in its ordinary course of business, is presently involved in 1 case as a defendant. ARM Life Plc is the 8th defendant in this suit. The Claimant is claiming title to the whole expanse of land located between Edmund Crescent (formerly Elms Road/Taylor Drive) Yaba and City Way Yaba Lagos. A portion of the land was acquired by ARM Life Plc from Capital Trust Investment & Assets Management Limited in settlement of a debt. The plaintiff claims the sum of N10,000,000 (Ten Million Naira) from the defendants jointly and severally as damages for trespass. The directors having sought advice for professional legal counsel are of the opinion that, based on the advised received, no additional provision other than those in the books are deemed necessary for these claims.

43 Events after reporting date

There were no events after reporting date that requires disclosure.

44 Directors and employees

(a) Directors

The remuneration paid to the directors of the Company were:

	2014	2013
Fees and allowances	₦'000	₦'000
Fees and other emoluments (excluding pension contributions) disclosed include amounts paid to:		
The Chairman	2,000	2,000
The highest paid Director	15,705	14,757

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges were:

	2014	2013
	Number	Number
1,500,001 - 2,000,000	5	4
2,000,001 - 5,000,000	-	-
5,000,001 - 9,000,000	-	-
Above 9,000,000	2	2

(b) Employees

	2014	2013
	Number	Number
The average number of persons employed in the Company during the year was:		
Executive Directors	2	2
Management	3	6
Non-Management	170	150
	175	158

The staff costs for the above persons was:

	2014	2013
	₦'000	₦'000
Salaries and wages	526,051	505,409
Other pension costs	22,391	20,260
Past service costs	6,637	(91,571)
	555,079	434,098

(c) The number of employees of the Company, other than Directors, who received emoluments in excess of N100,000 are shown in the following ranges:

	2014 Number	2013 Number
100,001 - 2,000,000	119	79
2,000,001 - 2,800,000	22	26
2,800,000 - 3,500,000	6	29
3,500,001 - 4,000,000	6	6
4,000,001 - 5,500,000	9	6
5,500,001 - 6,500,000	3	2
6,500,001 - 7,800,000	2	2
7,800,001 - 9,000,000	1	0
9,000,001 - and above	7	8
	175	158

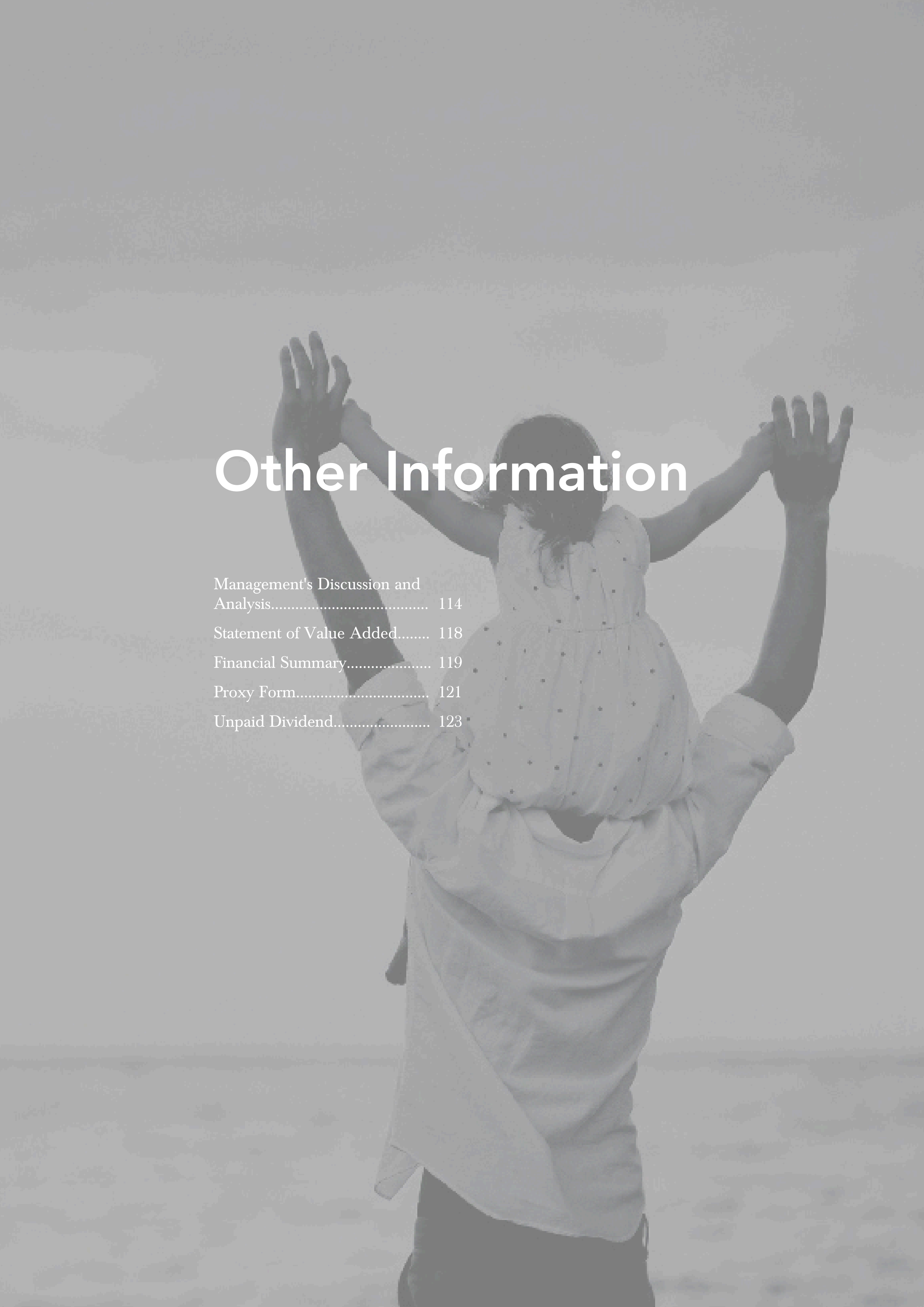
(d) Key management personnel compensation for the year comprises:

	2014	2013
	₦'000	₦'000
Salaries, short term benefit and pension	42,910	53,250
Other allowances and benefits	11,090	8,245
Fees and allowances as Directors	10,911	5,500
	64,911	66,995

45 Contravention of laws and regulations

The Company contravened some regulations during the year and appropriate penalty was paid.

Details	Contravention	Fines and Penalties
1. Non-compliance with the Value Added Tax Act on filling of year 2012 VAT	Late Filling of VAT returns	The Company was liable and paid a fine of ₦70,000
2. Non-compliance with Section 548 of Companies and Allied Matters Act on display of the Company's RC Number at its Abuja Branch office.	Display of ARM Life's registered name and number	The Company was liable and paid a fine of ₦219,000
3. Contravention of Sec.25 of NAICOM Act 1997	Submission of insurance levy returns (form 1B)	The Company was liable and paid a fine of ₦500,000



Other Information

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") is designed to provide the reader with a greater understanding of the Company's business, business strategy and performance, as well as how it manages risk and capital resources.

It is intended to enhance the understanding of the audited annual financial statements and accompanying notes, and should therefore be read in conjunction with these documents.

Reference in this MD&A to the "Company" means "ARM Life Plc"

All financial information presented in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS").

The Insurance industry regulatory reform of 'No premium No cover' and its strict adherence was effective January 1st 2013. The company has ensured full compliance with this reform.

Forward-Looking Statements:
The forward-looking statements in this document reflect the Company's expectations as at 26 March 2015 when the Company's Board of Directors approved this document, and are subject to change after this date. These forward-looking statements are not historical facts but reflect the Company's current expectations concerning future results and events. They also reflect Management's current assumptions regarding the risks and uncertainties referred to below and their respective impact on the Company. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

In this Annual Report, financial review, forward looking statements reflect the Company's expectation that:

The Company's revenue in 2015 will be approximately N9billion. The Company remains focus on its long term strategy of gaining a substantial market share of the untapped retail space in the emerging market. This potential of the retail market and the strategies deployed by the company will translate into building a profitable and sustainable business. Therefore, the revenue expectation is driven primarily on the strategy to increase market share in the retail segment through product development; building a captive agent workforce; improved IT infrastructure and developing efficient distribution channels. The company also intends to increase its share of the corporate and institutional businesses through improved pricing policy, competitive reinsurance arrangements and better relationship management with all key stakeholders

As a result of the continued strategy to expand the retail business, the Company remains committed to invest in systems to encourage efficiency and people to effectively implement the strategy. Although this investment would put pressure on the budgeted net position in 2015, it would ensure that in subsequent years, the Company is able to deliver on its objective of building a sustainable business.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of these risks include but are not limited to:

- failure to realize revenue growth as a result of heightened competition, whether from current competitors or new entrants to the marketplace; changes in economic conditions including the rate of inflation or deflation, changes in interest and currency exchange rates and asset prices;
- adverse results from the Company's initiatives such as, the inability of the Company's IT infrastructure to support the requirements of the Company's business;
- the inability of the Company to manage receivables or the inability of the Company to collect the premiums as they become due;
- failure by the Company to maintain appropriate records to support its compliance with accounting, tax or legal rules, regulations and policies;
- failure of the Company to manage her relationship with Brokers and Insurance Agents;
- over-reliance on the performance and retention of third-party service providers
- supply and quality control issues with vendors;
- changes to or failure to comply with laws and regulations affecting the Company and its business,
- changes in the Company's income tax and regulatory liabilities including changes in tax laws, regulations or future assessments;
- the risk that the Company would experience a financial loss if its counterparties fail to meet their obligations in accordance with the terms and conditions of their contracts with the Company.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

Additional risks and uncertainties are discussed in the Company's Enterprise Risk Management section of this MD&A.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this MD&A. The Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Company Strategic Priorities Include:

- Establish a very strong and experienced executive management team that will drive the creation of superior value for all our stakeholders.
- Inspire confidence and trust in the minds of our clients for the products and services offered by ARM Life
- Support the attraction and recruitment of excellent talent by promoting ARM Life's strengths and conducive work environment to potential employees
- Advance the mutually beneficial relationship between us and our esteemed partners (brokers, re-insurers), and support the growth of the insurance industry through numerous initiatives.

Revenue and Underwriting Activities

Items	Current Period 2014 ₦'000	Prior Period 2013 ₦'000	Change
Gross premium written	3,372,602	1,017,589	231%
Gross premium income	1,060,627	1,009,227	5%
Reinsurance expenses	(197,402)	(154,253)	28%
Net premium	863,225	854,974	1%
Fees and commission income	47,081	36,626	29%
Net underwriting income	910,306	891,600	2%
Loss before tax	(902,935)	(839,880)	8%
Income taxes	(139,493)	(54,177)	157%

Financial Condition

Financial Profile

	2014 ₦'000	2013 ₦'000	Change
Assets			
Cash and cash equivalents	2,278,022	1,512,333	51%
Investment securities:			
Investment securities - fair value through profit or loss	285,661	358,144	-20%
Investment securities - held to maturity	2,570,808	386,978	564%
Investment securities - available for sale	164,060	272,781	-40%
Loans and receivables	846	804	5%
Trade receivables	59,577	114,722	-48%
Reinsurance assets	177,031	206,485	-14%
Deferred acquisition costs	26,649	17,861	49%
Other receivables and prepayment	170,861	201,235	-15%
Investment properties	1,709,502	798,802	114%
Deferred tax asset		-	0%
Intangible assets		-	0%
Property and equipment	244,363	738,739	-67%
Statutory deposits	200,000	200,000	0%
	7,887,380	4,808,884	

	2014	2013	Change
	₦'000	₦'000	
Liabilities			
Trade payables	96,359	91,604	5%
Other payables	448,691	453,755	-1%
Insurance contract liabilities	3,863,945	1,445,663	167%
Investment contract iabilities	882,217	665,429	33%
Retirement benefit obligations	106,439	177,959	-40%
Current income tax liabilities	132,522	11,913	1012%
Deferred taxliability	68,026	19,200	254%
	5,598,199	2,865,523	

Key Financial Performance Indicators

The Company has identified specific key financial performance indicators to measure the progress of short and long term objectives.

Financial trends and ratios		
Business volumes and trends	**2014**	**2013**
Growth in gross premium written (in thousands of naira)	2,355,013	(829,095)
Premium growth rate	231%	-45%
Renewal rates	66%	69%
Profitability		
Underwriting profit ratio	2%	38%
Operating ratio	34%	111%
Average return on investment	6%	22%
Return onequity	-34%	-37%
Solvency and reserves		
Net premium/Shareholders' funds	38%	44%
Policyholders' funds/Shareholders' funds	207%	116%
Solvency ratio	100%	100%
% growth, Shareholders' funds	18%	-32%
% growth, Net premiums	1%	-40%
Liquidity		
Policyholders' funds/Liquid assets	174%	106%
Trade debts/Assets	1%	0%
Cash claims cover	278%	126%
Trade debts/Shareholders' funds	3%	1%
Investments		
Investment yield	6%	15%
% growth, Investment income	-49%	-26%

Underwriting performance	2014	2013
Underwriting performance ratio	20%	9%
Retention ratio	81%	85%
Claims (loss) ratio	95%	140%
Expense ratio	135%	132%
Combined ratio	250%	281%
Capital adequacy		
Gross risk ratio	77%	0%
Net risk ratio	95%	144%

Financial instruments

The Company discloses information on the classification and fair value of its financial instruments, as well as on the nature and extent of risks arising from financial instruments, and related risk management in the 2014 audited annual financial statements.

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining a system of disclosure, controls and procedures to provide reasonable assurance that all material information relating to the Company is gathered and reported by senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standard (IFRS).

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

Changes in Internal Control over Financial Reporting

Management has also been evaluated whether there were changes in the Company's internal controls over financial reporting that occurred during the period beginning on January 01, 2014 and ended on December 31, 2014 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Management determined that no material changes occurred during this period.

Supplementary Information

Deposit Administration Revenue Account

	Note	2014 N'000	2013 N'000
Investment Income		77,021	94,128
Guaranteed Interest	28	(91,254)	(59,909)
		(14,233)	34,219

Statement of Value Added

for the year ended 31 December 2014

	2014	%	2013	%
	₦'000		₦'000	
Gross premium earned - Local	1,060,627	(397)	1,009,227	(306)
Other income - Local	450,680	(169)	859,566	(261)
Claims incurred, net commissions and operating expenses	(1,778,372)	666	(2,198,230)	667
Value eroded	(267,065)	100	(329,437)	100
Applied as follows:				
Employees (Staff cost)	555,079	(208)	434,098	(132)
Government taxes	139,493	(52)	94,929	(29)
Retained in business:				
Depreciation	80,791	(30)	76,345	(23)
To augment contingency reserve	33,726	(13)	10,175	(3)
Depletion of reserves	(1,076,154)	403	(944,984)	287
Value eroded	(267,065)	100	(329,437)	100

Financial Summary

for the year ended 31 December 2014

	31 December 2014 ₦'000	31 December 2013 ₦'000	31 December 2012 ₦'000	31 December 2011 ₦'000	1 January 2011 ₦'000
Cash and cash equivalents	2,278,022	1,512,333	2,731,674	2,713,491	2,347,476
Investment securities:					
- Investment securities - fair value through	285,661	358,144	333,603	270,238	672,334
- Investment securities - held to maturity	2,570,808	386,978	297,426	363,910	316,963
- Investment securities - available for sale	164,060	272,781	192747	158,760	159,098
Loans and receivables	846	804	4,649	26,515	29,996
Trade receivables	59,577	114,722	462,029	563,279	238,647
Reinsurance assets	177,031	206,485	201,071	405,119	209,075
Deferred acquisition costs	26,649	17,861	16,307	28,339	29,589
Other receivables and prepayments	170,861	201,235	38,324	108,531	49,604
Investment properties	1,709,502	798,802	932,502	599,702	408,600
Deferred tax asset	-	-	87,827	100,402	57,609
Property and equipment	244,363	738,739	439,154	313,419	217,602
Intangible asset	-	-	-	20,380	10,571
Statutory deposits	200,000	200,000	200,000	200,000	200,000
Total assets	7,887,380	4,808,884	5,937,313	5,872,085	4,947,164
Liabilities					
Trade payables	96,359	91,604	452,146	317,396	43,108
Other payables and liabilities	448,691	453,755	222,468	94,510	118,304
Insurance contract liabilities	3,863,945	1,445,663	1,173,964	1,104,645	975,685
Investment contract liabilities	882,217	665,429	695,122	352,792	405,297
Retirement benefit obligations	106,439	177,959	438,558	321,286	286,226
Current income tax liabilities	132,522	11,913	14,515	21,829	18,756
Deferred tax liability	68,026	19,200	66,515	43,206	23,769
Total liabilities	5,598,199	2,865,523	3,063,288	2,255,664	1,871,145
Netassets	2,289,181	1,943,361	2,874,025	3,616,421	3,076,019
Equity					
Share capital	2,892,836	2,892,836	2,892,836	2,892,836	2,892,836
Share premium	802,439	802,439	802,439	802,439	803,434
Retained earnings	(3,057,976)	(1,981,822)	(1,036,838)	(237,034)	(732,326)
Deposit for shares	1,002,000	-	-	-	-
Fair value reserves	43,695	42,253	38,108	4,121	13,049
Revaluation reserve	384,806	-	-	-	-
Statutory contingency reserve	221,381	187,655	177,480	154,059	99,026
Total equity	2,289,181	1,943,361	2,874,025	3,616,421	3,076,019

Profit and loss account	2014 ₦'000	2013 ₦'000	2012 ₦'000	2011 ₦'000
Gross premium earned	1,060,627	1,009,227	1,957,551	2,310,430
Net premium earned	863,225	854,974	1,431,205	1,848,143
Loss before taxation	(902,935)	(839,880)	(511,395)	553,976
Taxation	(139,493)	(94,929)	(73,179)	(3,651)
Loss after taxation	(1,042,428)	(934,809)	(584,574)	550,325
Transfer to contingency reserve	(33,726)	(10,175)	(23,421)	(55,033)
Transfer to retained earnings	(1,076,154)	(944,984)	(607,995)	495,292
Earnings per share (basic & diluted)	-18k	-16k	10k	10k

The financial summary presented represents the Company's available financial information from 1 January 2011.

Proxy Form

ARM LIFE PLC
RC.NO:58532

17th Annual General Meeting to be held at 10 a.m on Thursday, August 06, 2015
The Darlington Hall, Plot CDE Industrial Crescent, off Town Planning Way,
Ilupeju, Lagos, Nigeria

being a member/members of
ARM LIFE PLC.

Do hereby appoint

*____

Or failing him the Chairman of the Meeting as my/our Proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, August 06, 2015

Dated the ________ day of ____________________________ 2015

Shareholder's signature___________________________________

RESOLUTIONS	For	Against
ORDINARY BUSINESS		
To receive the Audited Financial Statements for the year ended December 31, 2014 and Reports of the Directors and Auditors thereon		
To re-elect Directors		
To authorise the Directors to appoint Auditors for the financial year ending December 31, 2015 and to fix the Remuneration of the Auditors		
To elect members of the Audit Committee		
SPECIAL BUSINESS		
To ratify the appointments of the following persons as Directors of the Company effective the 26th day of March, 2015: i. Dr. Femi Oyetunji ii. Mr. Sadiq Mohammed		
Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above.		

This proxy form should **NOT** be completed and sent to the registered office of the Registrar if the member would be attending the Meeting in person.

Proxy Form

NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed to vote by proxy. This proxy form has been prepared to enable you exercise your vote if you cannot personally attend. All proxy forms should be deposited at the registered office of the Registrar (as stated in the notice) not later than 48 hours before the meeting.
2. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked *) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
4. If executed by a corporation, the proxy form should be sealed with the common seal or under the hand of some officers or an attorney duly authorized.

Unpaid Dividend

A.R.M LIFE PLC
LIST OF UNPAID DIVIDEND {PAYMENT 1}

S/N	WARRANT NO.	NAME
1	34	ABOLARINWA FUNMILAYO ADENIKE
2	37	ADEBAYO EMMANUEL SEYI
3	39	ADEBOWALE OLUBUNMI ESTHER
4	44	ADENIYI TAJUDEEN FOLABI
5	51	ADIJATU AGBABIAKA
6	64	AKEJU OLUWAKEMI OLAITAN
7	67	AKINWALE DANIEL OLUGBENGA
8	68	AKINWUNMI OLUWASEUN AKINYEMI
9	70	ALAKANBI ACCLINCE OYEINKURO FRANK
10	71	ALAWOYA ADEWUNMI OLARENWAJU
11	72	ALAWOYA BENJAMIN OLADOTUN
12	76	AMUDA ABIDEMI
13	89	BAKOGY KWAJI KWADA
14	8	BALOGUN IBINDOLAPO A.
15	90	BALOGUN OLUFUNKE OMOYAYO
16	93	BELLO OLUWASEGUN OLATUNJI
17	96	BURUFEGHA SAMUEL STANLEY
18	97	CLAY OLAYEMI CECILIA
19	98	DAHUNSI OLAJIDE
20	100	DAUDA MURANA
21	101	DOSUMU ASHIMIU OLAYIWOLA
22	102	DUROSINMI OMOTOSHO ADIGUN
23	104	EDEVWIE FRANK
24	105	EDWIN S. OBIORA
25	110	EKONG LEO EDAM UDO
26	111	ELEGBELEYE GBENGA
27	112	ELENGWU PASCHAL
28	114	EMMANUEL SAMUEL OLUSEGUN
29	119	FAGBENRO OLUTUNDE
30	120	FAJOBI ABIODUN BISI
31	122	FAYEMI A.MULIKAT
32	127	IDIAKHOA HELEN AGBON
33	128	IGE OLADELE VINCENT
34	130	IMEH IFEIOK JONAH
35	135	IZIOGBA HELEN OLOHIRENUAN
36	136	JIMOH OLALEKAN AHMED

37	137	JOHNSON CHRISTOPHER KIYARAMO
38	138	KILANKO SAMUEL TAIWO
39	141	KUSIMO BABATUNDE
40	142	KWAKU D.M.OLANIPEKUN
41	143	LABARAN ISAH AUDU
42	144	LANLEHIN OLADIPO
43	153	NWEGBO INNOCENT PAUL
44	154	NWOKORIE CHRISTOPHER NNAMDI
45	155	OBAZEE EVBADOLOYI ROLAND
46	156	OBIOMA-OBIKEZE NJIDEKA CHRISTIANA
47	157	OBORO TITILAYO ENEYEME
48	158	ODAGBU ROSELYN
49	159	ODEJOBI FEMI OLADIMEJI
50	160	ODUNLAMI OLUFUNMILOLA ADESOLA
51	161	OGUNBAWO AJOKE RACHAEL
52	163	OGUNKEYE MONICA
53	164	OGUNNUSI MOROLAKE AFOLASADE
54	165	OGUNTUGA TITILOPE
55	167	OJEME BEATRICE AGBON
56	168	OJO FRANCIS CHUWUYEM
57	169	OJURI ADEBOWALE ADEBUKOLA
58	176	OLADOYINBO OLUSOLA LANRE
59	179	OLUMIDE ADEDEJI ADEYEMI (MR. & MRS).
60	183	OMOTOSHO KAZEEM ADEMOLA
61	185	ONOGWU AUSTIN OKECHUKWU
62	187	OPUOWIE JOSEPH ZUOBOFA
63	188	ORAEGBUNAM MARIA AMAKA
64	189	OSINIBI O.FOLARIN
65	191	OYEGUNLE TUNDE SOLOMON
66	194	PITAN SHOLA PELUMI
67	196	QUADRY YINKA AFEEZ
68	198	RASHEED ADEWALE
69	201	SALIU SANNI
70	202	SAMUEL O. BAMIDELE
71	203	SAMWELL NIGERIA LIMITED
72	204	SANNI AMUDA LATEEF
73	209	SWENDE ISAAC TERSUU
74	210	THOMAS T. JUMOKE OSOBU (MR. & MRS)
75	214	UANNKA CHIBUZOR ENYINNAYA
76	216	URAKWENI JONATHAN C

ARM LIFE

Living Benefits