

**MANAGEMENT ACCOUNT**  
**For The Period Ended 31 DECEMBER 2016**

**Universal Insurance Plc**

RC 2460

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**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
for the period ended 31 DECEMBER 2016

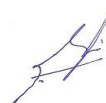
Company In millions of Nigerian naira	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2016	8,000,000	825,018	757,329	337,406	778,649	(2,484,539)	8,213,863
Total comprehensive income							
Profit and loss	-	-	-	-	-	(137,007)	(137,007)
Other comprehensive income							-
Gain on the revaluation of land and buildings						-	-
Net Fair value changes in AFS financial assets					787,738	(236,321)	551,417
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				16,095		(16,095)	-
Other comprehensive income	-	-	-	16,095	787,738	(252,416)	551,417
Total comprehensive income for the period	-	-	-	16,095	787,738	(389,423)	414,410
<b>Balance at 30 September 2016</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>353,501</b>	<b>1,566,387</b>	<b>(2,873,962)</b>	<b>8,628,273</b>
Balance at 1 January 2015	8,000,000	825,018	757,329	389,590	568,117	(2,320,334)	8,219,720
Total comprehensive income for the period							-
Profit or loss						(59,235)	(59,235)
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	208,848	(63,752)	145,096
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve	-	-	-	23,159		(23,159)	-
Other comprehensive income for the period	-	-	-	23,159	208,848	(86,911)	-
Total comprehensive income for the period	-	-	-	23,159	208,848	(86,911)	-
<b>Balance at 31 December 2015</b>	<b>8,000,000</b>	<b>825,018</b>	<b>757,329</b>	<b>412,749</b>	<b>776,965</b>	<b>(2,466,480)</b>	<b>8,305,581</b>

**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 31 DECEMBER 2016

	NOTES	31-Dec-16	31-Dec-15
		N'000	N'000
<b>Assets</b>			
Cash and Cash Equivalents	6	530,962	933,534
Financial Assets	7	2,845,672	2,057,934
Trade Receivable	8	41,896	11,632
Reinsurance Assets	9	113,062	113,062
Deferred Acquisition cost	10	16,446	25,516
Other Receivable	11	1,818,299	1,749,613
Investment in Subsidiaries	12	1,581,525	1,570,315
Investment Properties	13	1,291,910	1,279,410
Intangible Asset	14	17,858	12,063
Property, Plant and Equipment	15	2,958,847	2,840,804
Statutory Deposits	16	335,000	335,000
<b>Total Assets</b>		<b>11,551,477</b>	<b>10,928,883</b>
<b>Liabilities</b>			
Insurance Contract Liabilities	17	414,047	509,656
Borrowings	18	-	-
Trade payable	19	-	246
Other payable	20	1,771,875	1,649,390
Employee benefit liability	21	5,870	13,142
Income Tax liabilities	22	34,202	81,696
Deferred tax liabilities	23	697,211	460,890
<b>Total Liabilities</b>		<b>2,923,204</b>	<b>2,715,020</b>
<b>Equity</b>			
Issued and paid Share capital	24. 1	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018
Contingency Reserves	24. 3	353,501	337,406
Fair value reserve	24. 4	1,566,387	778,649
Fixed asset revaluation reserve	24. 5	757,329	757,329
Retained earnings	24. 6	(2,873,962)	(2,484,539)
<b>Shareholders funds</b>		<b>8,628,273</b>	<b>8,213,863</b>
Other equity instruments		-	-
<b>Non - controlling interests</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,551,477</b>	<b>10,928,883</b>



UJOATUONU BENEDICT  
CHIEF EXECUTIVE OFFICER  
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SAMUEL U. NDUBUISI  
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# Universal Insurance Plc

## Statements of Comprehensive Income

For the PERIOD ended 31 DECEMBER 2016

	Notes	31-Dec-16	31-Dec-15
		N'000	N'000
Gross Premium written	25	536,491	728,685
Decrease/(increase) in unearned premium		64,210	(71,859)
Gross Premium Earned		600,700	656,826
Reinsurance Premium Expense	26	(7,156)	(114,552)
Net Insurance Premium Income		593,544	542,274
Fees and Commission income	27	1,680	16,892
Total Underwriting Income		595,224	559,166
<i>Insurance benefits</i>			
Claims expenses	28	(74,540)	(122,328)
Claims Expense Recovery from reinsurance	28	24,095	(48,747)
Change in contract liabilities	28	-	-
Net insurance benefit and claims		(50,445)	(171,075)
<b>Underwriting Expenses</b>			
Acquisition expenses	29	(24,963)	(24,963)
Maintenance expenses		(66,172)	(113,241)
		(91,135)	(138,204)
<b>Underwriting Profit/(Loss)</b>		453,645	249,887
Investment income	30	70,131	166,866
Other operating income		-	-
Total investment income		70,131	166,866
Net Income		523,776	416,753
Impairment charges	31 (i)	-	(3,658)
Net realised gains/(loss) on financial assets	31 (ii)	-	-
Net fair value gain/(loss) on investment properties	31 (ii)	-	-
Other operating and administrative expenses	32	(654,258)	(579,242)
Total Expenses		(654,258)	(582,900)
Result of operating activities		(130,483)	(166,147)
Interest expense	33	-	-
Profit or (Loss) before Taxation		(130,483)	(166,147)
Income Tax Expense/ (Credit)		(6,524)	(27,958)
Profit or Loss after Taxation		(137,007)	(194,105)
Profit attributable to:			
Equity holders of the Company		(137,007)	(194,105)
Non-controlling interest		-	-
Profit/(loss) for the period		(137,007)	(194,105)
<b>Other Comprehensive income</b>			
<i>Items within OCI that may be reclassified to the profit or loss;</i>			
Fair value changes in AFS financial assets	24. 4	787,738	212,506
Deferred tax impact of changes in AFS financial assets	23	(236,321)	(63,752)
<i>Items within OCI that will not be reclassified to the profit or loss;</i>			
PPE revaluation gains	24. 5	-	-
Deferred tax impact of revaluation gains	23	-	-
Other comprehensive income for the period		551,417	148,754
Total comprehensive income		414,410	(45,351)
Total comprehensive income attributable to:			
Equity holders of the company		414,410	(45,351)
Non-controlling interests		-	-
Total comprehensive income for the period		414,410	(45,351)
Earnings per share-(basic and diluted)	34	(0.86)	(1.21)

Universal Insurance Plc

Statement Of Cash Flows

For the year ended 31 DECEMBER 2016

	<b>31-Dec-16</b>	31-12-2015
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	600,700	728,685
Commission received	1,680	16,892
Reinsurance receipts in respect of claims	24,095	(48,747)
Reinsurance premium paid	(7,156)	(142,316)
Other operating cash payments	(675,356)	(473,648)
Insurance benefits and Claims paid	(74,540)	(164,917)
Payments to intermediaries to acquire insurance contracts	(91,135)	(131,586)
Interest Received	68,467	165,386
Dividend Income Received	206	626
Cash generated from operations	(153,039)	(49,625)
Company Income Tax paid	(54,019)	(50,000)
Net cash provided by operating activities	(207,058)	(99,625)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(185,969)	(6,385)
Purchase of Intangible Assets	(9,546)	(3,044)
Investment income and other receipts	-	854
Unlisted AFS Disposed		12,002
Net Cash provided by investing activities	(195,515)	3,427
Cash Flows from Financing Activities	-	-
Proceeds from borrowings	-	-
Net cash provided by financing activities	-	-
Net Increase/(decrease) in cash and cash equiv.		
Cash and Cash equivalent at the beginning	933,535	1,029,733
Net increase/decrease in cash and cash equivalents	(402,573)	(96,198)
Cash and Cash equivalent at the end of period	530,962	933,535

**22.2 Per Balance Scheet**

**Taxation**

**At beginning of year**

**81,696**

**103,738**

**Charge for the Year**

**6,524**

**27,958**

**Payment during the Year**

**(54,019)**

**(50,000)**

**At year end**

**34,202**

**81,696**

**23 Deferred Tax Liability**

**At beginning of year**

**460,890**

**397,730**

**Addition during the year**

**236,321**

**63,752**

**Charged to profit and loss**

**-**

**(592)**

**At year end**

**697,211**

**460,890**

**THE UNIVERSAL INSURANCE PLC**

UNDERWRITING REVENUE ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2016

	MOTOR N'000	FIRE N'000	GENERAL ACCIDENT N'000	BOND	ENGINEERING	OIL & GAS	AVIATION	MARINE N'000	2016 N'000	2015 N'000
Direct Premium Written	125,887	37,785	107,449	110,638	25,196	16,766	892	42,386	466,999	420,379
Reinsurance Accepted	6,109	37,082	4,080	4,402	5,281	5,538	-	6,999	69,492	308,306
Gross Premium Written	131,996	74,867	111,530	115,039	30,477	22,304	892	49,385	536,491	728,685
Changes in Reserve for Unexpired Risk (*)	(35,969)	(43)	27,347	39,905	(45,190)	46,239	18,459	13,462	64,210	(71,859)
Gross Premium Earned	96,027	74,824	138,876	154,944	(14,713)	68,543	19,351	62,847	600,700	656,826
Net Reinsurance Recovery (UPR) per actuarial valuation	-	-	-	-	-	-	-	-	-	27,764
Reinsurance cost	-	(1,261)	(3,631)	(1,993)	(271)	-	-	-	(7,156)	(142,316)
Net Premium Written	96,027	73,563	135,245	152,952	(14,984)	68,543	19,351	62,847	593,544	542,274
Commission Received	-	377	1,074	148	81	-	-	-	1,680	16,892
Net Income	96,027	73,940	136,319	153,100	(14,903)	68,543	19,351	62,847	595,224	559,166
Claims Incurred:										
Direct Claims Paid	25,293	1,270	32,145	-	-	11,408	-	35,823	105,939	164,917
Provision for Outstanding claims (IBNR)	2,098	2,702	8,422	3,727	1	3,958	250	640	21,798	-
Changes in Provision for Outstanding Claims (**)	3,397	(8,795)	2,514	35,827	(39,550)	(29,285)	(10,966)	(6,339)	(53,197)	30,625
Gross Claims Incurred	30,788	(4,823)	43,080	39,555	(39,549)	(13,919)	(10,716)	30,124	74,540	195,542
Reinsurance Claims Recovery per actuarial valuation	-	-	-	-	-	-	-	-	-	(73,214)
Reinsurance Claims Recovery	(5,656)	-	(871)	-	(17,718)	-	-	150	(24,095)	48,747
Net Claims Incurred	25,132	(4,823)	42,209	39,555	(57,267)	(13,919)	(10,716)	30,274	50,445	171,075
Underwriting Expenses:										
Commission Paid	14,189	16,327	20,209	19,431	3,001	1,454	63	7,390	82,064	131,586
Changes in deferred commission	(2,175)	446	4,791	(207)	1,261	5,632	0	(678)	9,071	6,618
Total Underwriting Expenses	12,014	16,773	25,000	19,224	4,262	7,086	63	6,712	91,135	138,204
Total Expenses	37,146	11,951	67,210	58,779	(53,005)	(6,834)	(10,653)	36,986	141,580	309,279
Underwriting Result	58,882	61,989	69,110	94,321	38,102	75,377	30,004	25,861	453,645	249,887
Provision for Unexpired Risk- 31 DECEMBER 2015	29,403	23,860	51,944	40,950	5,195	51,920	18,459	16,744	238,476	166,617
Provision for Unexpired Risk- 31 MARCH 2016	65,372	23,903	24,597	1,045	50,386	5,681	-	3,283	174,266	238,476
* Changes in reserve for unexpired Risk	(35,969)	(43)	27,347	39,905	(45,190)	46,239	18,459	13,462	64,210	(71,859)
Gross Claims Outstanding										
Provision for Outsanding Claims- 31 DECEMBER 2015	17,581	35,819	81,702	1,445	39,561	68,862	13,465	12,744	271,180	240,555
Provision for Outsanding Claims- 30 JUNE 2016	20,978	27,024	84,216	37,272	11	39,577	2,500	6,405	217,983	271,180
** Changes in provision for outstanding claims	3,397	(8,795)	2,514	35,827	(39,550)	(29,285)	(10,966)	(6,339)	(53,197)	30,625

**UNIVERSAL INSURANCE PLC**

**COMPUTATION OF SOLVENCY MARGIN  
AS AT 30 SEPTEMBER 2016**

**SEPTEMBER  
2016  
N'000**

**1 ADMISSIBLE ASSETS**

Cash and bank balances	530,962	
Financial Assets	2,845,672	
Trade Receivable	41,896	
Reinsurance Assets	113,062	
Other Receivable	1,818,299	
Investment in Subsidiaries	1,581,525	
Deferred Acquisition cost	16,446	
Investment Properties	1,291,910	
Intangible Asset	17,858	
Property, Plant and Equipment	2,958,847	
Statutory Deposits	335,000	
	<b>11,551,477</b>	
Less: Non Admissible Assets:		
Financial Assets (3 1/2% War Stock UK)	-	
Revaluation surplus	(757,329)	
	<b>(757,329)</b>	
	<b>10,794,148</b>	A

**2 ADMISSIBLE LIABILITIES**

Insurance Contract Liabilities	414,047	
Trade payable	-	
Other payable	1,771,875	
Employee benefit liability	5,870	
Income Tax liabilities	34,202	
Deferred tax liabilities	697,211	
	<b>2,923,204</b>	
Less Non Admissible Liabilities:		
Due to other insurance and reinsurance companies	-	
	<b>2,923,204</b>	B

<b>Solvency Margin (A-B)</b>		<b>7,870,944</b>
15% of Net Premium (385,759 *15%)		<b>89,032</b>
Minimum required paid up capital		<b>3,000,000</b>

**Basis for conclusion:**

The solvency margin arrived at in C above shall not be less than 15 per centum of the net premium income D or the minimum paid-up capital E which ever is greater.

**Conclusion:**

The company is solvent since its solvency margin of N8.008 billion is higher than the minimum paid up capital of N3.00 billion.