SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2019

SIAO

SIAO - Accomplish More

(Chartered Accountants)
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Results at a glance

	Group 2019 N'000	Group 2018 N'000	Variance %	Company 2019 N'000	Company 2018 N'000	Variance %
Gross premium written	3,060,204	3,048,914	0.4	2,240,854	2,502,382	(10)
Net premium income	2,312,022	2,285,375	1	1,492,672	1,738,843	(14)
Profit/(Loss) before taxation	(188,005)	1,653	(11,474)	(266,075)	(39,460)	574
Cash and cash equivalents	2,775,280	2,510,861	11	2,315,337	2,458,227	(6)
Property, plant and equipment	922,599	942,127	(2)	407,618	390,215	4
Financial assets	3,914,687	3,795,094	3	3,587,921	3,453,999	4
Statutory deposit	315,000	315,000	-	315,000	315,000	-
Borrowings	2,989,127	2,830,705	6	2,989,127	2,830,705	6
Contingency reserves	1,014,627	947,401	7	1,014,627	947,401	7
Shareholders funds	3,995,299	4,236,669	(6)	3,479,415	3,757,942	(7)
PER 50k SHARE DATA:						
Basic (loss) per share (Kobo)	(1.74)	(0.34)	406	(1.98)	(0.43)	361
Diluted (loss) per share (Kobo)	(1.74)	(0.34)	406	(1.98)	(0.43)	361
Net assets per share (Kobo)	29	30	(6)	25	27	(7)
Stock Exchange Quotation as at 31 December (Kobo)	20	20	-	20	20	-

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

Introduction

Sunu Assurances Nigeria Plc's Financial statements comply with the applicable legal requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 and Financial Reporting Council Act 2011 regarding financial statements and comprises Consolidated and Separate Financial Statements for the year ended 31 December, 2019. The consolidated financial statements have been prepared in compliance with IAS 1, 'Presentation of financial statements' issued by the International Accounting Standards Board.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Kyari Bukar	-	Chairman
Mr Samuel Ogbodu	-	MD /CEO
Ms Taizir Ajala		
Mr. Philippe Ayivor		
Mr. Ibikunle Balogun		
Mr. Mohammed Bah		
Mr Karim-Franck Dione		
Mr. Olanrewaju Ogunbanjo		
Mr Leke Hassan		ED, Technical & Operations

COMPANY SECRETARY
John Nkemakonam Akujieze
Plot 1196, Bishop Oluwole street
Victoria Island, Lagos

REGISTERED OFFICE
Sunu Place
Plot 1196, Bishop Oluwole Street
Victoria Island, Lagos

RC No: - 65443

FRC Registration no: - **FRC/2012/0000000000408**

REGISTRARS AND TRANSFER OFFICE
EDC Registrars Limited
154 Ikorodu Road
Onipanu
Lagos

ACTUARIES
Logic Professional Services
4th floor, Oshopey Plaza
17/19 Allen Avenue
Ikeja, Lagos, Nigeria

EXTERNAL AUDITORS
SIAO Partners
18b Olu Holloway Road
Ikoyi,
Lagos, Nigeria.

SOLICITORS
G ELIAS & CO
6 Broad Street
Lagos, Nigeria.

RE-INSURERS
Munich Mauritius Reinsurance Co. Ltd
African Reinsurance Corporation
Continental Reinsurance Plc
Nigerian Reinsurance Corporation

CORPORATE INFORMATION (CONT'D)

BANKERS

Access Bank Plc
Diamond Bank Plc
Ecobank Nigeria Limited
First Bank of Nigeria Limited
First City Monument Bank
Fidelity Bank Plc
Guaranty Trust Bank Plc
Heritage Bank Plc
Skye Bank Plc
Sterling Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Unity Bank Plc
Wema Bank Plc
Zenith Bank Plc

HEAD OFFICE AND BRANCHES

Head Office:
SUNU Place
Plot 1196 Bishop Oluwole Street
Victoria Island, Lagos

Abuja Office:
66 Ladoke Akintola Street
Garki, Abuja

Ibadan Office:
Iyana Anfani, Opposite Ringi, Ring
Road, Ibadan, Oyo State

Warri Office:
Block 3, Edewor Shopping Complex
Effurun, Warri, Delta State

Kaduna Office:
NIDB House 18 Waff Road
Kaduna State

Kano Office:
7 Bompai Road
Kano State

Rivers Office:
209B, 2nd floor, Aba/stadium link
Road, Portharcourt, River state

Onitsha Office:
41 New Market Road, Onitsha
Anambra State

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

(i) keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and the Company and comply with the requirements of the Companies and Allied Matters Act CAP, C20 LFN 2004 and the Insurance Act of Nigeria CAP I17,2004.

(ii) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities

(iii) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

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

(a) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
(b) the requirements of the Insurance Act, CAP I17, LFN 2004
(c) relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
(d) the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004
(e) the requirements of the Financial Reporting Council (FRC)

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY

Mr. Kyari Bukar	**Mr. Samuel Ogbodu**
FRC/2013/IODN/00000002050	**FRC/2013/CIIN/00000002970**

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

33RD ANNUAL REPORT

The Directors are pleased to submit their 33rd annual report together with the audited Consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

LEGAL FORM

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

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

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS AND FUTURE PROSPECTS

RESULT FOR THE YEAR

	Group 2019	Group 2018	Company 2019	Company 2018
	N'000	N'000	N'000	N'000
(Loss)/Profit for the year before tax	(188,005)	1,653	(266,075)	(39,460)
Tax expense	(37,263)	(43,095)	(11,204)	(20,752)
(Loss)/Profit for the year after tax	(225,268)	(41,442)	(277,279)	(60,212)

DIRECTORS

Beneficial interests

The interests of the Directors of Equity Assurance Plc in the issued share capital of the Holding Company as recorded in the Register of Members as at 13 February, 2019 and as notified by them for the purpose of Section 275 (1) of the Companies and Allied Matters Act CAP C20 LFN 2004 is as follows:

Ordinary shares of 50k each as at 10th February, 2020

Directors	Direct	Indirect	Total
Mr Kyari Bukar	-	-	-
Ms. Taizir Ajala	-	-	-
Mr. Philippe Ayivor	-	-	-
Mr. Ibikunle Balogun (Representing KYT Investments Limited)	400,500,000	131,725,086	532,225,086
Mr. Mohammed Bah(Representing Sunu Cote Dívoire)	-	3,747,298,420	3,747,298,420
Mr Karim-Franck Dione	-	5,390,789,070	5,390,789,070
Mr Leke Hassan (ED Technical & Operations)	30,000	-	30,000
Mr. Olanrewaju Ogunbanjo (Representing Life Care Ventures Limited)	316,667	98,551,016	98,867,683
Mr Samuel Ogbodu (MD/CEO)	91,800	-	91,800
	400,938,467	9,368,363,592	9,769,302,059

BENEFICIAL OWNERSHIP

Share Range Analysis:

Range	No. of Holders	Units	%
1 - 1,000	6,973	4,615,205	0.03
1,001 - 5,000	11,155	33,019,297	0.24
5,001 - 10,000	6,495	55,428,981	0.40
10,001 - 50,000	11,301	297,665,707	2.13
50,001 - 100,000	3,167	257,329,181	1.84
100,001 - 500,000	2,303	497,673,587	3.55
500,001 - 1,000,000	274	211,168,538	1.51
1,000,001 - 5,000,000	171	365,641,260	2.61
5,000,001 - 10,000,000	17	120,035,861	0.86
10,000,001 - 50,000,000	23	521,676,149	3.73
50,000,001 - 100,000,000	6	500,252,597	3.57
100,000,001 - 500,000,000	5	981,881,752	7.01
1,000,000,001 - 5,000,000,000	2	4,762,822,815	34.02
5,000,000,001- 10,000,000,000	1	5,390,789,070	38.51
TOTAL	41,893	14,000,000,000	100

The following shareholders held more than 5% of the issued share capital of the Holding Company as at 31 December, 2019:

Shareholders Names	2019	2018	2019	2018
	Ordinary shares of 50k each		%	%
Sunu Participations Holding SA	5,390,789,070	5,390,789,070	38.51	38.51
Sunu Assurances vie Cote Divoire	3,747,298,420	3,747,298,420	26.77	26.77
Gateway Holdings Limited	1,015,524,395	1,015,524,395	7.25	7.25
Total	10,153,611,885	10,153,611,885	72.53	72.53

Year	Authorised (N) Increase	Cumulative	Ordinary Shares issued and (paid) Increase	Fully Paid Up	Consideration
1999	100,000,000	100,000,000	20,000,000	20,000,000	CASH
2000	-	100,000,000	12,869,376	32,869,376	CASH
2001	-	100,000,000	10,000,000	42,869,376	CASH
2002	-	100,000,000	57,130,624	100,000,000	CASH
2003	125,000,000	225,000,000	-	100,000,000	
2004	125,000,000	350,000,000	124,118,085	224,118,085	CASH
2005	150,000,000	500,000,000	-	224,118,085	
2006	500,000,000	1,000,000,000	16,008,435	240,126,520	BONUS
2006	-	1,000,000,000	1,672,257,462	1,912,383,982	MERGER
2006	-	1,000,000,000	1,587,616,018	3,500,000,000	PRIVATE PLACEMENT/RIGHT ISSUE
2007	3,000,000,000	4,000,000,000	353,941,300	3,853,941,300	SUPPLEMENTARY
2008	3,000,000,000	7,000,000,000	-	3,853,941,300	
2009	-	7,000,000,000	569,707,910	4,423,649,210	PUBLIC OFFER
2010	-	7,000,000,000		4,423,649,210	
2011	-	7,000,000,000		4,423,649,210	
2012	-	7,000,000,000		4,423,649,210	
2013	-	7,000,000,000		4,423,649,210	
2014	-	7,000,000,000		4,423,649,210	
2015	-	7,000,000,000	2,576,350,790	7,000,000,000	PRIVATE PLACEMENT
2016	-	7,000,000,000		7,000,000,000	
2017	-	7,000,000,000		7,000,000,000	
2018	-	7,000,000,000		7,000,000,000	

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

Responsibilities

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

The responsibilities include ensuring that:

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

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

the Company and its subsidiaries maintains suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable accounting standards have been followed; and it is appropriate for the financial statements to be prepared on a going concern basis.

DONATION

The Company incurred the sum of N100,000 for the year as sponsorship for Primetouch group of schools 5th inter-school olympic sport competition

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The directors who are retiring by rotation at the AGM in terms of clause 92 of the company's MEMART are Mr. Abba Kyari Bukar, Ms. Taizir Ajala and Mr. Ibikunle Balogun. These directors, being eligible, have offered themselves for re-election. The biographical details of each of the directors available for re-election would be included in the notice of the AGM which would be dispatched to shareholders.

REINSURANCE ARRANGEMENTS

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

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

EMPLOYMENT AND EMPLOYEES

1. **Employment of disabled persons**
   It is the policy of the Company and its subsidiaries that there should be no discrimination in considering applications for employment including those from disabled persons. During the year under review, there were no disabled persons in the Company and its subsidiaries employment.

EMPLOYMENT AND EMPLOYEES (Cont'd)

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

3. **Employees' involvement and training**
   The Company and its subsidiaries are committed to keeping employees fully informed as far as possible regarding the Company's performance and progress and in seeking their views wherever practicable on matters which particularly affect them as employees.

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

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

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

AUDITORS

The Auditors, SIAO Partners (Chartered Accountants), have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be proposed authorizing the Directors to determine their remuneration for thenext financial year.

Lagos, Nigeria

BY ORDER OF THE BOARD

John Nkemakonam Akujieze
COMPANY SECRETARY
FRC/2014/NBA/00000007629
19 February 2020

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES

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

We the undersigned hereby certify the following with regards to our audited report for the year ended 31 December 2019 that:

(a) We have reviewed the report

(b) To the best of our knowledge, the report does not contain:
- (i) any untrue statement of a material fact, or
- (ii) omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

(c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of and for the periods presented in the report.

(d) We:
- (i) are responsible for establishing and maintaining internal controls
- (ii) have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- (iii) have evaluated the effectiveness of the Company and its subsidiaries internal controls as of date within 90 days prior to the report.
- (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(e) We have disclosed to the auditors of the Company and its subsidiaries and audit committee:
- (i) all significant deficiencies in the design or operations of internal controls which would adversely affect the Company and its subsidiaries ability to record, process, summarize and report financial data and have identified for the Company and its subsidiaries auditors any material weaknesses in internal controls and
- (ii) any fraud, whether or not material, that involves management or other employees who have significant role in the Company and its subsidiaries internal controls;

(f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mr. Samuel Ogbodu	**Mr. Akeem Adamson**
FRC/2013/CIIN/00000002970	FRC/2013/ICAN/00000002182
Managing Director/CEO	Chief Finance Officer

REPORT OF AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the provision of section 359(6) of the Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2019 and report as follows:

1 The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359 (6) of the Companies and Allied Matters Act. (CAP C20), LFN 2004.

2 We have examined the Auditors report and findings and recommendations on management matters, we are satisfied with management responses thereon.

3 The accounting and reporting policies of the Company and its subsidiaries are consistent with legal requirements and agreed ethical practices.

4 The Company and its subsidiaries maintained effective systems of accounting and internal controls during the year.

5 We are satisfied that the management is aggressively pursuing the goals and objectives of the Company and its subsidiaries.

Dated this 17th February, 2020

Mr. Samuel A. Adedoyin FCA
Chairman Audit Committee
FRC/2013/ICAN/00000002573

Members of the Audit Committee:

1	Mr. Samuel A. Adedoyin FCA	-	Shareholder (Chairman)
2	Mr. Yinka Oniwinde	-	Shareholder
3	Oba Ajadi Yekini Olanrewaju	-	Shareholder
4	Mr. Ibikunle Balogun	-	Director
5	Mr. Olanrewaju Ogunbanjo	-	Director
6	Mr. Mohammed Bah	-	Director

The Board is responsible for the implementation of various regulatory Codes of Corporate Governance. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the company and ensures that the financial statements comply with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004.

They are also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention and detection of fraud and irregularities. Similarly, the Board sets the values and standards of the Company and ensure that the Company's business is properly managed to safeguard its assets and shareholders' investment.

During the year under review, the company was managed by a Board of 9 Directors consisting of 7 non-Executive Directors (which includes the Chairman) and 2 Executive Directors. Within the period, Mr. Karim-Franck Dione resigned as Executive Director and was re-appointed as a Non-Executive Director with effect from 30th July, 2019. This appointment had since received regulatory approvals.

The fundamental relationships among the Board, its Committees, Management, Shareholders and other stakeholders are established by the company's governance structure.

BOARD

The Board is responsible for the overall stewardship of the company. Directors are elected by the shareholders to supervise management of the business and affairs of the company with the goal of enhancing long-term shareholder value. The Board's role consists of two fundamental elements: decision-making and oversight. The decision-making function is exercised through the formulation with management of fundamental policies and strategic goals and the approval of certain significant actions. The oversight function concerns the review of management decisions, the adequacy of systems and controls and the implementation of policies. In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.

The company's Memorandum and Articles of Association specifies certain important matters that must be dealt with by the Board, such as approval of Financial Statements and declarations of dividends. By formal resolution, the Board reserves for itself the authority to make certain decisions and delegates other decisions to Management. Any responsibilities not delegated to management remain with the Board and its Committees.

In some matters, Management's discretion is limited by Naira thresholds beyond which approval by the Board is required. For example, such thresholds exist for investments and divestitures, decisions relating to mergers and acquisitions, intra-group transactions, operating expenditures, capital and funding, and project initiatives.

Composition of the Board

The Board is comprised of nine members consisting of five non-executive directors, two independent non-executive directors and two executive directors in the following order:

S/N	NAME	DESIGNATION
1	Mr. Kyari Abba Bukar	Chairman(Independent Director)
2	Miss Taizir Ajala	Vice Chairman (Independent Director)
3	Mr. Philippe Ayivor	Non-Executive Director
4	Mr. Mohamed Bah	Non-Executive Director
5	Mr. Ibikunle Balogun	Non-Executive Director
6	Mr. Karim-Franck Dione	Non-Executive Director
7	Mr. Olanrewaju Ogunbanjo	Non-Executive Director
8	Mr. Samuel Ogbodu	Managing Director/CEO
9	Mr. Adeleke Hassan	Executive Director

Board Meetings Attendance for year 2019

S/N	NAME	26/02/19	06/05/2019	30/07/19	29/10/19	20/12/19
1	Mr Kyari Abba Bukar	P	P	P	P	P
2	Ms Taizir Ajala	P	P	P	P	P
3	Mr. Mohamed Bah	P	A	P	P	P
4	Mr. Ibikunle Balogun	P	P	P	P	P
5	Mr. Olanrewaju Ogunbanjo	P	P	P	P	P
6	Mr. Philippe Ayivor	P	P	P	P	P
7	Mr. Samuel Ogbodu	P	P	P	P	P
8	Mr. Karim-Franck Dione	P	P	P	P	P
9	Mr. Adeleke Hassan	P	P	P	P	P

Key

P - Present

A - Absent

Roles and Responsibilities of the Board

1 Review and approving the Company's organizational structure.
2 Monitor implementation and effectiveness of the approved strategic and operating plans.
3 Review and approving the corporate financial objectives plans and actions of the Company including capital allocations, expenditures and transactions which exceeds threshold amounts set by the Board.
4 Approving major business decisions.
5 Approving and monitoring major projects including corporate restructures/ re-organizations, major capital expenditure, capital management, acquisitions and divestitures, and any significant initiatives or opportunities that arise outside the annual planning and budgeting process.
6 Oversee the conduct and performance of the Company and its subsidiaries, to ensure that they are being properly and appropriately managed. In this regard the Board will give specific and regular attention to the following:
   - Monitoring performance against the strategic and business plans.
   - Monitor performance against peer and competitor companies.
   - Enquire into and following up areas of poor performance and their cause.
   - Oversee the Company's capacity to identify and respond to changes in its economic and operating environment.

Board Appointment Process

It is recognized that directors should be appointed through a formal and transparent process initiated by the Board Enterprise Risk Management, Nomination and Governance Committee (BERMNG) subject to shareholders' approval. It is in the best interest of the shareholders that the board be properly constituted from the viewpoint of skills and representation.

The process for appointing executive and non-executive directors to the Board of SUNU Assurances Nigeria PLC are transparent and in accordance with local laws and regulations governing the Company and ethical values.

The Board Enterprise Risk Management, Nomination and Governance Committee (BERMNG) has the overall responsibility for the appointment process. The committee shall; assess the current Board's skills, experience and expertise to identify the skills that would best increase Board effectiveness; Develop selection criteria for potential board candidate(s);Where considered necessary, use the services of an independent executive search firm to assess the appropriateness of potential candidates or to supplement a candidate list provided by directors. The final potential candidate(s) are then screened against the selection criteria. Any successful candidates are presented to the Board for approval in a convened meeting where the majority of the members of the Board are present.

Thereafter an induction programme is carried out to provide new board members with all the information and support they need to be confident and productive in their role. The aim is to help new members to understand the organization, the environment in which it operates, and their role in making the organization a success.

Appointment of a director is ratified by Shareholders at the following AGM.

Directors' Continuing Education

The Board Enterprise Risk Management, Nomination and Governance Committee oversees director education, providing directors with an on-going program to assist them in understanding their responsibilities, as well as keeping their knowledge and understanding of the company's businesses current.

Directors identify their continuing education needs through annual Board and committee evaluations and regular feedback to the Chairman, Board of Directors and Committee Chairs. New Committee Chairs also receive materials and meet with executive directors and the Secretary to familiarize themselves with their responsibilities as Chairs.
In particular, directors:

a. receive a comprehensive package of information prior to each Board and committee meeting;
b. receive reports on the work of Board committees following committee meetings;
c. are involved in setting the agenda for Board and committee meetings;
d. participate in an annual strategic planning session;
e. have full access to the company's senior management and employees; and
f. receive regular updates between Board meetings on matters that affect the company's businesses.

To assist Board members in understanding their responsibilities and liabilities, as well as keeping their knowledge and understanding of the company's businesses, the company provides directors with an ongoing education program.

Directors' Orientation

To enhance the Board's effectiveness, the company seeks to have new directors become fully engaged as quickly as possible. The Board Enterprise Risk Management, Nomination and Governance Committee oversee director orientation to facilitate a smooth and timely integration of directors into their new roles as members of the Board.

New directors meet with the Board Chair, Committee Chairs, Chief Executive Officer, Company Secretary and other key senior management, to discuss the company's strategy and businesses, the culture of the company and its Board. New directors are also invited to attend committee meetings that they are not a member of to familiarize themselves with the company. They receive a comprehensive orientation guide/pack which explains the role and expectations of being a director, a summary of the company's structure and corporate governance principles, and other key policies and procedures, including the Code of Conduct for Directors and Conflict of Interest Policy. A 'new director' mentorship program has also been implemented that pairs new directors with experienced members to further enhance the integration process.

Evaluation Process of the Board and its Committees

The processes for assessment of the Board, its Committees and for director peer reviews are managed by the Board Enterprise Risk Management, Nomination and Governance Committee. The Committee retains an external consultant to design and administer the evaluations, and to analyze the results of the evaluations of the Board and Committees' effectiveness and the director peer review process.

In this process, directors provide their views on whether the Board is functioning effectively, as well as matters as specific as key strategic, operational and risk issues and the effectiveness of the director education program. The results of the evaluation are analyzed by the consultant and reviewed by members of the Board Enterprise Risk Management, Nomination and Governance Committee and the full Board, who consider whether any changes to the Board's processes, composition or committee structure are appropriate. In this context, the Board develops priorities for the year to address any areas for improvement that have been identified. The Board Enterprise Risk Management, Nomination and Governance Committee monitors' implementation of any action plans designed to address the approved priorities and periodically updates the Board on progress.
During the financial year, the Company engaged an independent external consultant; DCSL Corporate Services Limited (DCSL) to undertake an appraisal of the Board of Directors, its Committees and Directors for the year ended 31st December, 2018. The Board Effectiveness Assessment was undertaken by way of peer-to-peer, self-review assessments and Chairman's leadership assessment as well as one-to-one interview sessions between the representatives of the independent external consultant and the Directors and CEO. The objective was to ascertain the level of Board's compliance with corporate Governance practices with particular reference to the provisions of NAICOM and SEC Codes of corporate governance and to build a pathway for implementation of the 2018 Nigerian Code of Corporate Governance which companies will be required to begin reporting on the application starting financial year 2010. The results of Board Effectiveness Assessment were summarized and reported to the Board for discussion on areas for improvement and identification of actions for improvement. All assessments and evaluations carried out are properly documented. Pursuant to the provisions of the Nigerian Code of Corporate Governance, the Board Committees were renamed and the Charters of the respective committees were amended to reflect the new mandates.

In compliance with the requirements of section 18 of the Nigerian Code of Corporate Governance, 2018, the company carried out an external quality assessment of the effectiveness of the internal audit function. The results of the Assessment were summarized and reported to the Board for discussion on areas for improvement and identification of actions for improvement. All assessments and evaluations carried out are properly documented for implementation.

Biographical details of directors standing for re-election to enable shareholders to make informed decisions about their re-election

The directors who are retiring by rotation at the AGM in terms of clause 92 of the company's MEMART are Mr. Abba Kyari Bukar, Ms. Taizir Ajala and Mr. Ibikunle Balogun. These directors, being eligible, have offered themselves for re-election. The biographical details of each of the directors available for re-election would be included in the notice of the AGM which would be dispatched to shareholders.

AUDIT AND COMPLIANCE COMMITTEE

The Committee is established in compliance with Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004 and it has the oversight responsibility for the Company's financial statements. In addition to its statutory functions, the audit and compliance committee also monitor that a properly resourced, documented and continuously updated compliance framework and structure exists and that appropriate compliance reporting and monitoring systems are in place.

Composition of the Audit and Compliance Committee

S/N	NAME	DESIGNATION
1	Mr Samuel Adedoyin	Chairman
2	Oba Ajadi Yekinni Olanrewaju	Member
3	Mr. Oluyinka Oniwinde	Member
4	Mr. Mohamed Bah	Non-Executive Director
5	Mr. Olanrewaju Ogunbanjo	Non-Executive Director
6	Mr. Ibikunle Balogun	Non-Executive Director

Audit and Compliance Committee Meeting and Attendance for year 2019

S/N	NAME	25/02/19	18/04/19	15/07/19	21/10/19	13/12/19
1	Mr Samuel Adedoyin	P	P	P	P	P
2	Oba Ajadi YekinniOlanrewaju	P	P	P	P	P
3	Mr. Oluyinka Oniwinde	P	P	P	P	P
4	Mr. Mohamed Bah	P	P	P	P	P
5	Mr. Ibikunle Balogun	P	P	P	P	P
6	Mr. Olanrewaju Ogunbanjo	P	P	P	P	P

Key
P - Present
A - Absent

Responsibilities of the Audit and Compliance Committee

The purpose of the Audit and Compliance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities.

In fulfilling their responsibilities hereunder, it is recognized that members of the Audit and Compliance Committee are not full-time employees of the Company and are not, and do not represent themselves to be, accountants, lawyers or auditors by profession or experts in the fields of accounting, legal or auditing including in respect of external auditor's independence. As such, it is not the duty or responsibility of the Audit and Compliance Committee or its members to conduct "field work" or other types of auditing, legal or accounting reviews or procedures or to set auditors' standards, and each member of the Audit and Compliance Committee shall be entitled to rely on:

a The integrity of those persons and organizations within and outside the Company from which it receives information.

b The accuracy of the financial and compliance information provided to the Committee by such persons or organizations having actual knowledge to the contrary (which shall be promptly reported to the Board of other Directors), and Representations made by management as to any information system, internal audit and other non-audit services provided by the independent external auditors to the Company.

In addition to its statutory functions, the Audit and Compliance Committee shall have the following additional responsibilities:

a assist in the oversight of the integrity of the company's financial statements, compliance with legal and other regulatory requirements;

b assessment of qualifications and independence of external auditor; and performance of the company's internal audit function as well as that of external auditors;

c establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company;

d ensure the development of a comprehensive internal control framework for the company; obtain assurance and report annually in the financial report, on the operating effectiveness of the company's internal control framework;

e oversee management's process for the identification of significant fraud risks across the company and ensure that adequate prevention, detection and reporting mechanisms are in place;

f at least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the company;

g discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors;

h discuss policies and strategies with respect to risk assessment and management;

i meet separately and periodically with management, internal auditors and external auditors;

j review and ensure that adequate whistle-blowing procedures are in place. A summary of issues reported are highlighted to the Chairman;

k review, with the external auditor, any audit scope limitations or problems encountered and management's responses to same;

l review the independence of the external auditors and ensure that where non-audit services are provided by the External Auditors, there is no conflict of interest;

m preserve auditor independence, by setting clear hiring policies for employees or former employees of independent auditors;

n consider any related party transactions that may arise within the company or group;

o invoke its authority to investigate any matter within its terms of reference and the company must make available the resources to the internal auditors with which to carry out this function including access to external advice where necessary; and report regularly to the Board.

p Monitor and ensure that a properly resourced, documented and continuously updated compliance framework and structure exists and that appropriate compliance reporting and monitoring systems are in place.

q Monitor that the compliance system and reporting are consistent with the agreed compliance framework;

r Review periodically the effectiveness of the system for monitoring compliance with standards, applicable laws, regulations, and internal policies.

s Approve the appointment of a compliance officer and ensure that the individual has the appropriate authority and independence as compliance officer.

t Review the adequacy and appropriateness of the Company's financial and human resources devoted to the implementation, operation and maintenance of an effective compliance frame work;

u Monitor the standard of corporate conduct in areas such as arm's length dealings, related party transactions and conflict of interest.

v Review major issues regarding the status of the company's compliance with laws and regulations as well as major legislative and regulatory developments that may have significant impact on the company.

w Review disclosures made by the Chief Executive Officer and Chief Financial Officer regarding the compliance with their certification obligations, including the Company's disclosure controls, procedures and evaluations thereof;

x Receive and review quarterly non-compliance reports;

y The Committee may meet with the Company's Legal Adviser and External Legal Advisers where appropriate, to discuss legal matters that have a significant impact on the Company's financial statements.

z An assessment of the Company's legal liability should be reviewed for any pending or threatened litigation, including establishment of any appropriate reserves or financial disclosures until the matter is adjudicated.

BOARD FINANCE, INVESTMENT, REMUNERATION AND GENERAL PURPOSE COMMITTEE

The Board Committee oversees the Company's investment and corporate finance transactions, reviews management policies and guidelines, reviews the Company's investment performance, and the Company's capital structure.

Composition of the Board Finance, Investment and General Purpose Committee

S/N	NAME	DESIGNATION
1	Miss Taizir Ajala	Chairman
2	Mr. Mohamed Bah	Non-Executive Director
3	Mr. Olanrewaju Ogunbanjo	Non-Executive Director
4	Mr. Ibikunle Balogun	Non-Executive Director
5	Mr. Samuel Ogbodu	Managing Director/CEO
6	Mr. Karim-Franck Dione	Non-Executive Director
7	Mr. Adeleke Hassan	Executive Director

Board Finance, Investment, Remuneration and General Purpose Committee Meeting and Attendance for year 2019

S/N	NAME	18/04/19	15/07/19	21/10/19	13/12/19
1	Ms. Taizir Ajala	P	P	P	P
2	Mr. Mohamed Bah	P	P	A	P
3	Mr. Ibikunle Balogun	P	P	P	P
4	Mr. Olanrewaju Ogunbanjo	P	P	P	P
5	Mr. Samuel Ogbodu	P	P	P	P
6	Mr. Karim-Franck Dione	P	A	P	P
7	Mr. Adeleke Hassan	P	P	P	P

Key
P - Present
A - Absent

Responsibilities of the Board Finance, Investment, Remuneration and General Purpose Committee
Financial Considerations

a to consider the Company's financial performance, in terms of the relationship between underlying activity, income and expenditure, and the respective budgets.
b to consider and recommend to the Board the draft Annual Financial statement and Accounts, in parallel with the Audit Committee.
c to review and report to the board on the periodic management accounts of the company.
d receive the annual budgets for revenue and capital and recommend adoption by the Board.
e to consider financial performance in relation to both the capital and revenue budgets.
f to consider financial performance in relation to activity and Service Level Agreements.
g to consider financial performance in relation to sensitivity analysis and the risk environment.
h to consider and make recommendations to the Board on the annual estimates of income and expenditure and related statement of financial position.
í review enabling strategies and their impact on the Medium Term Financial Strategy of the Company, including the Long Term Financial Model.
j oversee arrangements to ensure the delivery of the Company's cost Improvement Programme.
k approve the capital budget, investment and business case approval processes.
l reviewing and controlling of overall levels of income and expenditure of the Company.
m review all significant financial transactions for the company including debt and capital transactions.
n to consider and make recommendations to the Board on the solvency of the company and the safeguarding of its assets.
o to take decisions on any matter where the board has delegated its authority to take such decisions and the Committee must report to the board on the next meeting.
p carrying out such executive functions as may from time to time be delegated to it by the Board, as well as discharge all such other duties as may from time to be time be entrusted to it by the Board.

Investment Oversight

a review the Company's investment policy and ensure that it complies with statutory regulation and best practice.
b to maintain an oversight of the company's investments, ensuring compliance with the company's policy.
c review the Company's strategy and test compliance with the investments.
d to ensure appropriate independent advice is sought in relation to major investments.
e consider post project evaluation reports on significant capital investment.
f review proposals for major business cases and proposed new investments.
g review the investment Policy (to include disinvestments) and recommend its adoption by the Board.
h to advise the board on an investment and borrowing policy and to agree on its implementation.
i review reports as appropriate from the Chief Treasurer and monitor performance on transactions undertaken on behalf of the Company.
j review and act on the quarterly investment portfolio activity and performance of the company.
k re-evaluate annually the related investment strategies, policies and guidelines.
l to consider and make recommendations on any proposed capital projects and to advise the Board on their financial implications.
m to monitor progress of major capital projects and report regularly to the Board.
n review management of credit, liquidity and market risks.
o consider the taxation management and compliance issues associated with the Company's financial transactions
p the Committee shall also be responsible for any other matters delegated to it by the Board.

Remuneration Oversight

a development of a formal, clear and transparent framework for the Company's remuneration policies and procedures.
b recommendation to the Board on the Company's remuneration policy and structure for all Directors and senior management employees.
c to discharge the Boards responsibilities relating to compensation and benefits of the Company's Chief
d Executive Officer, Executive Directors and officers, as appropriate, including responsibility for evaluating and reporting to the Board on matters concerning management performance, compensation and benefits, appointments, promotion and separation.
e to review and evaluate the components of staff compensation for consistency with the Company's compensation philosophy from time to time.

f Align human capital policies, programs, processes and systems to support accomplishment of the company's mission, vision, goals and priorities.
g Set strategic direction for Human capital development throughout the Company.
h Recommend and periodically review the Company's compensation policy for Board approval.
i Advise the Board on the compensation of board members.
j Review and approve the employment contract and individual compensation for selected principal officers (AGM and above).
k provide input to the annual report of the company in respect of directors compensation;

General Purpose

a To perform such other task as may be delegated to the Committee by the Board.
b Ensure that the Company's Board is independent, effective, competent and committed to enhancing shareholders' value.
c Oversee with the Board approval, the CEO and senior management succession plan.

Board Enterprise Risk Management, Nomination & Governance Committee

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

Composition of the Board Enterprise Risk Management, Nomination and Governance Committee

S/N	NAME	DESIGNATION
1	Mr. Olanrewaju Ogunbanjo	Chairman
2	Mr. Mohamed Bah	Non-Executive Director
3	Miss Taizir Ajala	Non-Executive Director
4	Mr. Ibikunle Balogun	Non-Executive Director
5	Mr. Samuel Ogbodu	Managing Director/CEO
6	Mr. Karim-Franck Dione	Non-Executive Director
7	Mr. Adeleke Hassan	Executive Director

Board Enterprise Risk Management, Nomination and Governance Committee Meeting and Attendance for year 2019

S/N	NAME	18/04/19	15/07/19	17/10/19	13/12/19
1	Mr. Olanrewaju Ogunbanjo	P	P	P	P
2	Mr. Mohamed Bah	P	P	P	P
3	Mr. Ibikunle Balogun	P	P	P	P
4	Ms. Taizir Ajala	P	P	P	P
5	Mr. Samuel Ogbodu	P	P	P	P
6	Mr. Karim-Franck Dione	P	P	P	P
7	Mr. Adeleke Hassan	P	P	P	P

Key
P - Present
A - Absent

Responsibilities of the Board Enterprise Risk Management, Nomination and Governance Committee

Enterprise Risk Management Functions

The functions of the Committee as it relates to enterprise risk management include the following:-
review and approval of the companies risk management policy including risk appetite and risk management strategy;

a review the adequacy and effectiveness of risk management and controls;
b oversight of management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms;
c review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile; periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile; and review and recommend for approval of the Board risk management procedures and controls for new products and services.
d re-evaluate the Risk Management Policies in the Company on a periodic basis to accommodate major changes in internal and external factors.
e review and approval of the company's Information Technology (IT) data governance framework to ensure that IT data risks are adequately mitigated

Nomination Functions

The functions of the Committee as it relates to Nomination include the following:-

a make recommendations on experience required by Board Committee members, committee appointments and removal, operating structure, reporting and other committee operational matters;
b make recommendations with respect to the composition of the Board Committees;
c establish the criteria for Board and Board Committee memberships, review candidates qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board;
d prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
e to evaluate and make recommendations to the Board regarding the adoption of best practices appropriate for the governance of the affairs of the Board, its committees and the Company.
f review and make recommendations to the Board for approval of the company's organizational structure and any proposed amendments.
g periodically evaluate the skills, knowledge and experience required on the Board.

Governance Functions

The functions of the Committee as it relates to governance include the following:-

a review the company's approach to corporate governance, including practices, principles, guidelines and related policies and monitor compliance and report exceptions to the Board;
b review and recommend to the Board the required capabilities, expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.
c review communication and disclosure of the SUNU's corporate governance practices and compliance with governance guidelines and any applicable regulatory.
d ensure that a succession policy and plan exist for the positions of Chairman, MD/CEO and the executive directors.
e make recommendations to the Board for evaluating the effectiveness of the Board and the company's existing corporate governance structure and reporting its findings and any suggestions for improvement to the Board for its consideration.
f regularly review the Board Charter and the Charters for the Board Committees, considering input from the Board and the relevant Board Committees, and recommend to the Board for approval any required revisions.
g review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.

COMPLIANCE WITH REGULATORY REQUIREMENTS

Post-listing Requirements of the Exchange

The company is compliant with the post-listing requirements of the Exchange.

Contraventions if any during the year and details of sanctions imposed for contravention

There was no contravention occasioned during the year

Nigerian Code of Corporate Governance

The Financial Reporting Council (FRC) of Nigeria released the Nigerian Code of corporate Governance on January 15, 2019. The code highlights key principles that seeks to institutionalize corporate governance best practices in Nigerian companies. Companies will be required to begin reporting on the application of this Code in their annual reports, starting in financial years ending on or before January 1, 2020

Shareholder

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

Protection of Shareholders Rights and Communication to Shareholders

The Board welcomes engagement with shareholders and encourages them to express their views. To allow shareholders to provide timely and meaningful feedback, the Board has developed practices to facilitate constructive engagement. Examples of these practices include methods of hearing from shareholders and responding to their inquiries on an ongoing basis, as well as meetings with investors and organizations representing a significant number of shareholders.

The Board continues to proactively consider and adapt, as suitable to the circumstances of the company, emerging practices of Board engagement with shareholders. Procedures are in place to provide timely information to current and potential investors.

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

Communication policy

It is the responsibility of Executive Management under the direction of the Board to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

Furthermore, the Board and 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. Such information, which is in plain language, readable and undertandable , is available on the Company's website, www.sunu-group.com. The website also has an investor's relation portal where the company's annual reports and other relevant information about the company is published and made accessible to its shareholders,stakeholders and the general public.

In order to reach its overall goal on information dissemination, the company is guided by the following principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by NAICOM, SEC and FRC.

Insider Trading and price sensitive information

In line with the Rules of the Nigerian Stock Exchange, the company has a Security Trading Policy guiding its related in the trading of the Company's shares. To this end, the company is clear in its prohibition of insider trading by its Board, Management, Officers and related trading by its Board, Management, Officers and related persons who are privy to confidential price sensitive information. Such persons are further prohibited from trading in the company's securities where such transaction would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Chief Compliance Officer

The Chief Compliance Officer monitors compliance with Anti-Money Laundering/Counter Financing of terrorism requirement and the implementation of the Corporate Governance codes of the Company. The Chief Compliance Officer together with the Chief Executive Officer certified each year to NAICOM and SEC that they are not aware of any other violation of the corporate governance code, other than as disclosed during the year.

Whistle blowing procedures

In line with the company's commitment to instill the best corporate governance practices, a whistle blowing procedure was established that ensures anonymity on any reported incidence(s). The company has a dedicated address for whistle blowing procedures at nigeria.whistleblower@sunu-group.com

Complaints Management Policy

The company has in place a customer complaints management policy. The objective of this policy is to provide a clearly defined complaints management procedure for the company and to ensure effective handling and resolution of concerns within the purview of regulations.
This is in line with the Securities and Exchange Rule on complaints management by public companies.

Code of Business Conduct and Ethics

The Company has adopted a code of business conduct and ethics regarding securities transactions by its directors and directors fully complied with this code during the year under review. There was no incidence of non-compliance with the required standard set out in the listings rules and in the Issuer's code of conduct regarding securities by directors.

The Code of Conduct for directors and employees also seek to ensure that a culture of integrity is maintained throughout the organization. The Code promotes standards of ethical behavior that apply to directors, senior management and all employees.

The Code sets out fundamental principles that guide the Board in its deliberations and reflect the company's global businesses, and new and emerging risk areas. The Code requires that directors, officers and employees of the company and its subsidiaries promptly report suspected irregularities or dishonesty. It creates a frame of reference for dealing with sensitive and complex issues, and provides for accountability if standards of conduct are not upheld.

Directors, officers and employees also have an ongoing responsibility to identify potential and perceived conflicts of interest in relation to the company, its clients and its suppliers. Reporting on the Code which addresses, among other things, any significant breaches of the Code, is provided to the Board Enterprise Risk Management, Nomination and Governance Committee on a semi-annual basis. Based on the spirit and intent of the Code and the importance of maintaining the highest standards of honest and ethical behavior, the company has the spirit and intent of the Code and the importance of maintaining the highest standards of honest and ethical behavior, the company has also adopted a policy establishing mechanisms for directors, officers, employees and third parties to report, on a confidential and anonymous basis, allegations of wrongdoing relating to accounting, auditing or internal accounting controls.

The company has in place conflict of interest policy which required directors, members of staff and stakeholders from acting in a manner that places personal interests ahead of the best interest of the company, customers and shareholders. In keeping with the expectations regarding ethical corporate conduct, customers and the public have a right to openness and honesty in all their dealings with the company.

As representatives of the company, members of staff and directors must avoid activities or circumstances which create conflicts between personal interest and our responsibilities as employees or directors, as well as complying with policies and procedures that manage potential conflicts between the company, interests and stakeholders such as customers and counter parties.

Human Resources Policies

The following human resources policies were approved by the Board to guide the relationship between the company and its employees:

The Employee Handbook

The handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees

The Performance Management Policy

Effective performance management involves sharing expectations of employees and managers. It enables both parties to set and agree targets, measures and review performance and repeat this cycle to support the achievement of organizational, team and individual goals.

SUNU Assurances presently operates a bi-annual appraisal cycle. The outcome from the performance appraisals determines promotions, training and development needs and succession plan.

Succession Plan Policy

Recognizing that changes in key leadership and technical positions are inevitable, SUNU Assurances Plc has established a succession plan to provide continuity and prevents extended and costly vacancies in key positions. SUNU Assurances Plc succession plan is designed to identify and prepare candidates for critical positions that become vacant due to planned or unplanned exits and new business opportunities.

Recruitment Policy

SUNU Assurances Plc is committed to recruiting and retaining staff of the highest caliber in the industry with the qualifications and experience necessary for the achievement of organizational goals and business strategy. The company's recruitment process is designed in accordance with best practices in relation to equal opportunities. Recruitment is a crucial activity, not just for the HR department but also for Line Managers who are increasingly involved in the selection process.

There is no discrimination in the employment, training and career development of all categories of employees in terms of gender, race, ethnicity, tribe, religion or creed in compliance with constitution provisions.

Internal Management Structure and Relations with Employees

The management of SUNU Assurances Nigeria Plc engages her employees across all levels in the business strategy formulation and execution of the company. This initiative by the management increases employee engagement, commitment and ownership. Weekly tactical and Marketing meetings, Management Committees' meetings, monthly staff corporate assembly, monthly performance review (MPR) meetings are held to allow for exchange of ideas and business information across all levels.

Workplace Development Initiatives/ Welfare

The company has provided a training auditorium that can seat at least 50 employees. This is in line with its initiative to continuously provide a learning environment for employees.

The company also offer free medical care to its employees which was recently upgraded to enhanced medical plan. SUNU Assurances fully complies with 16 weeks maternity leave for women in deference to Labour Act. Male employees are also allowed a 1 week Paternity leave when their wives deliver their babies

Sustainability Policies and Other Workplace Development Initiatives

The company is committed to the provision of welfare to the less priviledged in the society and the sustenance of workplace development initiatives.The set of five sustainability principles namely material domain, economic domain, domain of life, social domain and spiritual domain are well entreched in the culture and values of the organization

Internal Audit Function, Risk Management Control and Compliance System

There are Internal Control Function, Risk Management Control and Compliance Units in the Company. These units are operating efficiently and effectively in all respects of their responsibilities. The Board had established set of internal control policies, processes and procedures to enable these units perform optimally.

The Board is committed to improved and effective internal audit function, risk management control and compliance system and will not rest in its oars until these are achieved.

Statement to these effects are contained in pages, 65 and 69 of the Audited Report FYE 31st December, 2019.

Remuneration Policy

The remuneration policy of the company is designed to set an appropriate level of remuneration that allows the company to retain the services of a suitable number of well qualified executive and non-executive directors.

Remuneration Policy for Executive Directors

The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Board Enterprise Risk Management, Nomination and Governance Committee.

The remuneration of the Managing Director/CEO and Executive Directors consist of a fixed component and other variables. Any increase in fixed salary is recommended by the Board Enterprise Risk Management, Nomination and Governance Committee based on the general industry practice and the increase given to other members of staff in the Company.

The company provides a range of benefits which may include the provision of a car, private medical insurance, utility allowance, entertainment allowance, security allowance e.t.c.

Remuneration Policy for Non-Executive Directors

There is no direct link between non-executive directors' remuneration and the annual results of the company or its related entities. However, non-executive directors of the company are remunerated by way of one base fee (inclusive of other allowances).

Service Provided	Chairman	Member
Sitting	N300,000.00 per sitting	N200,000.00 per sitting
Annual Fee	N1,000,000.00 per annum	N600,000.00 per annum
Travel	N2,300,000.00 per annum	N900,000.00 per annum
Domestic	N4,560,000.00 per annum	None

In addition to the base fee, non-executive directors who participate on Board Committees receive compensation for the additional responsibilities and workload incurred in those roles (Committee Fees).

Service Provided	Chairman	Member
Board Enterprise Risk Management, Nomination & Governance Committee	N200,000.00 per sitting	N150,000.00 per sitting
Board Finance, Investment, Remuneration & General Purpose Committee	N200,000.00 per sitting	N150,000.00 per sitting
Audit and Compliance Committee	N200,000.00 per sitting	N150,000.00 per sitting

Independent Advice

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

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER 2019

As at 31 December 2019, the Group comprises of Sunu Assurances Nigeria Plc (Parent company) and 2 subsidiaries. The group's major business activities are insurance, health and asset management respectively.

This "Management Discussion and Analysis" (MD&A) has been prepared as at 31 December 2019 and should be read in conjunction with the consolidated financial statements of SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES.

Forward Looking Statements

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

Business Strategy of the Company and Overall Performance

The Group is engaged in providing insurance, health management and investment management to the corporate and retail sector of Nigeria. During the year ended 31 December 2019, Sunu Assurances Nigeria Plc ensured full compliance with the NAICOM directive on "no premium no cover policy". The policy aims to stimulate liquidity within the system by reducing the huge receivables being carried on the statement of financial position of insurance companies. This will positively impact the income statements of insurance companies by eliminating the large portion of provision for outstanding premium charged for the receivables and make more cash available which can be used to generate more investment income.

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

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

Operating Result, Cash flow and Financial Condition
(in thousands of Nigerian Naira)

	Group			Company		
	Dec-19	Dec-18	% change	Dec-19	Dec-18	% change
Gross premium written	3,060,204	3,048,914	0.4%	2,240,854	2,502,382	-10%
Net premium income	2,312,022	2,285,375	1%	1,492,672	1,738,843	-14%
Underwriting profit/(loss)	1,188,899	913,740	30%	781,507	651,848	20%
Investment income	719,529	519,578	38%	661,934	449,273	47%
Operating expenses	(1,913,386)	(1,828,167)	5%	(1,489,725)	(1,418,214)	5%
Profit/(Loss) before tax	(188,005)	1,653	-11474%	(266,075)	(39,460)	574%

% change = Percentage change in years.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)

The Group experienced a decrease of 0.4% in gross written premium when compared to prior year result. The decrease can be attributed to the Company's strategic decision with respect to revenue generation in 2018, the effect of which will be seen in 2020 and beyond

Revenue and Underwriting Results

The underwriting profit for the year ended December 31, 2019 increased by 28% from N0.914 Billion in 2018 to N1.173Billion in 2019. This was majorly due to decrease in net claims incurred by 22% from N0.868 Billion in 2018 to N0.673Billion in 2019.

Investment Income

Investment income for the year amounted to N719.53 Million, an increase of 38% over 2018 figure of N519.58 Million. This can be attributed to the upward movement in interest received on placements held with financial institutions and FGN Securities in most part of 2019 financial year when compared to 2018.

Operating Expenses

Operating expenses for the year totalled N1.913 Billion an increase of 5% when compared to prior year figure of N1.828 Billion. The main contribution to the increase was the Head Office rent of N.385 Million incurred in 2019 consequent upon the disposal of the head office building in 2018

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SUNU Assurances Plc

Report on the Audit of the Consolidated Financial Statements for the year ended 31st December, 2019

Opinion

We have audited the consolidated financial statements of SUNU Assurances Plc (**the Company**) and its subsidiaries (**altogether, the Group**), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of SUNU Assurances Plc **and its subsidiaries** as at December 31, 2019 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applicable and in the manner required by the Financial Reporting Council Act 2011, Companies and Allied Matters Act, CAP C20 LFN 2004, the Insurance Act 2003 of Nigeria, the Investments and Securities Act 2007 and the relevant NAICOM circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters were identified:

Key Audit Matters

Completeness of borrowings – DAEWOO Loan Balance of N2.989 Billion as at December, 2019

Refer to note 21.1 in the Group financial statements

The company issued a convertible redeemable loan with zero coupon, direct, unconditional, unsubordinated and unsecured European Bond with options to DAEWOO.

The loan is denominated in a foreign currency (JPY1,350,000,000), in which case, the value of both the principal and interest at year end is determined by the foreign exchange rate ruling at the date of the statement of financial position.

How our audit addressed the key Audit Matters

Our procedures in relation to management's valuation of the company's outstanding obligation and interest payable included:

- We reviewed all the covenants in place with respect to the loan by verifying its terms and conditions to ensure that the details are correctly reflected in the schedule of borrowings;

- We ensured that foreign exchange differences were calculated in line with International Accounting Standard 21 (IAS 21);

- We recalculated in the manner required by the computation of the Company's outstanding obligation, interest payable and exchange loss may not have been adequately accounted for in the financial statements.

Key Audit Matters

Valuation of Insurance Contract Liabilities

Refer to note 17 in the Group financial statements

Management has estimated the value of insurance contract liabilities in the Group financial statements to be N2.883 billion as at year ended 31st December, 2019 based on a liability adequacy test carried out by an external firm of actuaries. The valuation depended on a set of key assumptions, and significant judgements including supposition that:

- Claims processing assumes consistent manner, a stable mix of types of claims, stable inflation and stable policy limits;
- Policies are written, and claims occur uniformly throughout the year for each class of business;
- Claims reported to date will continue to develop in a similar manner in the future;
- Future inflation was assumed to be 11 % per annum;
- UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.

recorded and appropriately presented in the financial statements.

How our audit addressed the key Audit Matters

Our procedures in relation to management's valuation of insurance contract liabilities using a firm of Actuaries include:

- Evaluate and validate controls over insurance contract liability;
- Evaluate the independent external actuary's competence, capability and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions;
- Checking the accuracy and relevance of data provided to the actuary by management;
- Reviewing the result based on the assumptions.

We assessed the disclosures on note 17 and found them to be appropriate based on the assumptions and test result.

Other information

Management is responsible for the Other Information. The Other Information comprises all the information in the SUNU Assurances Plc 2019 annual report other than the Group financial statements and our auditors' report thereon ("the Other Information").

Our opinion on the Group financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed on the Other information obtained prior to the date of this auditors' report, if we conclude that there is a material misstatement of the Other Information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors for the Group Financial Statements

The directors are responsible for the preparation of Group financial statements that give a true and fair view in accordance with International Financial Reporting Standard (IFRSs) and in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004, Financial Reporting Council Act 2011, the Insurance Act 2003 of Nigeria, the Investments and Securities Act 2007 and National Insurance Commission (NAICOM) circulars. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Group Financial Statements

Our Objectives are to obtain reasonable assurance about whether the Group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 359 (1) of the Companies and Allied Matters Act, Cap C20, LFN 2004 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

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

- Identify and assess the risks of material misstatement of the Group financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the Group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are

SIAO

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the Group financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Report on Other Legal and Regulatory Requirements

Contravention of Regulatory Guidelines

The company did not contravene any law or regulation during the year.

Compliance with the requirements of the Companies and Allied Matters Act, 2004 and Nigerian Insurance Act, 2003

The Companies and Allied Matters Act and Nigerian Insurance Act requires that in carrying out our audit, we consider and report to you on the following matters. We confirm:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books;

iii) The Group's statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

For: S I A O
(Chartered Accountants)
Ikoyi, Lagos

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0576837

Engagement Partner: Joshua Ansa, FCA
FRC/2013/ICAN/00000001728

Date: 20th February, 2020

1 REPORTING ENTITY

These financial statements are the consolidated financial statements of Sunu Assurances Nigeria Plc, a Company incorporated in Nigeria and its subsidiaries, namely EA Capital Management Limited and Managed Health Care Services Limited (hereafter referred to as ' the Group').

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

Sunu Assurances Nigeria Plc (the Company) was incorporated in Nigeria as a private limited liability Company, on 13 December 1984 to carry out non-life insurance business and was converted to a Public Liability Company in 1985.

Sunu Assurances Nigeria Plc (the Company) has two subsidiaries namely: EA Capital Management Limited (wholly owned) which was incorporated on 29 October 2008 and Sunu Health Nigeria Limited (formerly Managed Health Care Services Limited) (63.19% owned) which was incorporated on 11 December 1997.

The principal activities of Sunu Assurances Nigeria Plc and its subsidiaries are mainly the provision of non-life insurance, health management, assets management and hospitality services.

The consolidated financial statements for the year ended December 31, 2019 were approved for issue by the Board of Directors on **19 February 2020.**

2 BASIS OF PREPARATION

(a) GOING CONCERN

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

(b) STATEMENT OF COMPLIANCE WITH IFRS

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

(c) BASIS OF MEASUREMENT

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

- Non-derivative financial instruments are measured at fair value through profit or loss.
- At fair value through Other Comprehensive Income and at fair value through profit or loss financial assets are measured at fair value.
- Investment property is measured at fair value.
- Insurance liabilities measured at present value of future cashflows.

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

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

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

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

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

(e) FUNCTIONAL AND PRESENTATION CURRENCY

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

(f) REGULATORY AUTHORITY AND FINANCIAL REPORTING

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

(i) Section 20(1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.

(ii) Section 20(1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10% of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review.

(iii) Section 21(1a) requires maintenance of contingency reserves for general businesses at specified rate as set out under Note 3.18 to cover flunctuations in securities and variation in statistical estimates

(iv) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act.

(v) Section 10(3) requires insurance Companies in Nigeria to deposit 10% of the minimum paid up share capital with the Central Bank of Nigeria

(vi) Section 25(1) requires an insurance Company operating in Nigeria to invest and hold investment in Nigeria assets equivalent to not less than the amount of policyholders' funds in such accounts of the insurer. Note 52 sets out assets allocation that covers policyholders' funds.

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

(g) OFFSETTING

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

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

2.1 Basis of presentation and compliance with IFRS

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

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

2.2 ACCOUNTING STANDARDS EFFECTIVE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR DISCLOSURE IN THE 2019 FINANCIAL STATEMENTS

AMENDMENTS TO ACCOUNTING STANDARDS THAT ARE IN USE FOR THE FIRST TIME IN THE PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

IFRIC 23 – Uncertainty over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

IFRS 16 – Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.

Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted, if IFRS 15, Revenue from Contracts with Customers, has also been applied.

The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

✓ Company as lessee: Lessees are required to recognize a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.

✓ The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

✓ The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

✓ The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.

✓ The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications. Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.

✓ The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

✓ The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

✓ Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.

✓ Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property.

IFRS 16 contains different disclosure requirements compared to IAS 17 leases. Company as lessor:

✓ Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

✓ A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

✓ If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.

✓ Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.

If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.

If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. The buyer-lessor recognizes a financial asset equal to the transfer proceeds. The effective date of the standard is for years beginning on or after January 1, 2019. The company is adopting the standard for the first time in the 2019 annual report and financial statements. The impact of this standard is not material on the financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

i. Identify the contract(s) with a customer
ii. Identify the performance obligations in the contract
iii. Determine the transaction price
iv. Allocate the transaction price to the performance obligations in the contract
v. Recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements. The effective date of the standard is for years beginning on or after January 1, 2018. The company has adopted the standard for the first time in the 2018 annual report and financial statements. The impact of the standard is not material.

AMENDMENTS TO ACCOUNTING STANDARDS YET TO BE EFFECTIVE IN THE PREPARATION OF FINANCIAL STATEMENTS

IAS 1 – Presentation of Financial Statements

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information.

Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

IFRS 3 – Business Combinations

IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

2.2 IFRS 4 – Insurance Contracts [Superseded]

IFRS 4 "Insurance Contracts" applies, with limited exceptions, to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. In light of the IASB's comprehensive project on insurance contracts, the standard provides a temporary exemption from the requirements of some other IFRSs, including the requirement to consider IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" when selecting accounting policies for insurance contracts.

The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB also tentatively decided to defer the fixed expiry date for the temporary exemption to IFRS 9 in IFRS 4 by one year so that all insurance entities must apply IFRS 9 for annual periods on or after January 1, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 CONSOLIDATION

(i) Subsidiaries

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

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

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

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

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

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

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

3.2 CASH AND CASH EQUIVALENTS

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

3.3 FINANCIAL ASSETS AND LIABILITIES

3.3.1 Recognition

The Group on the date of origination or purchase recognizes placements, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

3.3.2 Classification and Measurement

Initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss. Financial assets include placement with banks, treasury bills and equity instruments.

Financial assets are classified into one of the following measurement categories:

1. Amortised cost
2. Fair Value through Other Comprehensive Income (FVOCI)
3. Fair Value through Profit or Loss (FVTPL) for trading related assets

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics.

3.3.3 Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of business model the Group takes into consideration the following factors

1. The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets

2. How the performance of assets in a portfolio is evaluated and reported to Group heads and other key decision makers within the Company's business lines;

3. The risks that affect the performance of assets held within a business model and how those risks are managed;
4. How compensation is determined for the Company's business lines' management that manages the assets;
5. The frequency and volume of sales in prior periods and expectations about future sales activity.

Management determines the classification of the financial instruments at initial recognition. The business model assessment falls under three categories:
(a) Business Model 1(BM1): Financial assets held with the sole objective to collect contractual cash flows;
(b) Business Model 2 (BM2): Financial assets held with the objective of both collecting contractual cash flows and selling; and
(c) Business Model 3 (BM3): Financial assets held with neither of the objectives mentioned in BM1 or BM2 above. These are basically financial assets held with the sole objective to trade and to realize fair value changes.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

(i) Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

The Group may decide to sell financial instruments held under the BM1 category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

(ii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

(iii) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets have a tenor to maturity of not more than one (1) year and/or the remaining contractual cash flows expected from the financial asset do not exceed the cash flows from the sales by ten (10) per cent.

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the BM1 category that will not constitute a change in business model:

1. Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
2. Selling the financial asset to manage credit concentration risk (infrequent)
3. Selling the financial assets as a result of changes in tax laws (infrequent).
4. Other situations also depend upon the facts and circumstances which need to be judged by the management

3.3.4 Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic investment arrangement. Contractual cash flows are consistent with a basic deposit arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

a) Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

Financial assets measured at amortized cost are presented net of the allowance for credit losses (ACL) in the statement of financial position

b) Financial assets measured at FVOCI

Financial assets are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (OCI).

c) Financial assets measured at FVTPL

Financial assets measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest. Financial assets may also be designated at FVTPL if by so doing eliminates or significantly reduces an accounting mismatch which would otherwise arise. These instruments are measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income.

d) Equity Instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized in the Consolidated Statement of Income. The Company can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer term investment purposes.The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Consolidated Statement of Income. Dividends received are recorded in Interest income in the Consolidated Statement of Income.Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated Statement of Income on sale of the security.

Financial liabilities are classified into one of the following measurement categories:

(a) Amortised cost
(b) Fair Value through Profit or Loss (FVTPL)

e) Financial Liabilities at fair value through profit or loss
Financial liabilities accounted for at fair value through profit or loss fall into two categories:
financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of shortterm profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Gains and losses arising from changes in fair value of financial assets are included in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Financial Liabilities are designated at FVTPL when either the designation eliminates or significantly reduce an accounting mismatch which would otherwise arise or the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required. For liabilities designated at fair value through profit or loss, all changes in fair value are recognized in Non-interest income in the Consolidated Statement of Income, except for changes in fair value arising from changes in the Company's own credit risk which are recognized in OCI. Changes in fair value of liabilities due to changes in the Company's own credit risk, which are recognized in OCI, are not subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities

f) Financial Liabilities at amortised cost
Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost using the effective interest rate method. Financial liabilities measured at amortised cost are debt securities in issue for which the fair value option is not applied,convertible bonds and subordinated debts.

3.3.5 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. A change in the Group's business model will occurs only when the Group either begins or ceases to perform an activity that is significant to its operations such as:

- Significant internal restructuring or business combinations; for example an acquisition of a private asset management company that might necessitate transfer and sale of loans to willing buyers, this action will constitute changes in business model and subsequent reclassification of the Loan held from BM1 to BM2 Category
- Disposal of a business line i.e. Disposal of a business segment

Any other reason that might warrant a change in the Group's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

(a) A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
(b A temporary disappearance of a particular market for financial assets.
(c) A transfer of financial assets between parts of the Group with different business models.

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. For example, if the Group decides to shut down the retail business segment on 31st December 2018, the reclassification date will be 1 January, 2019 (i.e. the first day of the entity's next reporting period), the Group shall not engage in activities consistent with its former business model after 31st December, 2018. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

3.3.6 Impairment of Financial Assets

In line with IFRS 9, the Group assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Amortized cost financial assets; and
- Debt securities classified as at FVOCI;

Equity instruments and financial assets measured at FVTPL are not subjected to impairment under the standard.

'3.3.7 Write-off

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure shall be recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realisation of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

3.4 REINSURANCE RECEIVABLES

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

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

(a) Receivables and Payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have beeb grouped based on days overdue.

3.5 DEFERRED ACQUISITION COSTS

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

3.6 PREPAYMENTS AND OTHER RECEIVABLES

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

3.7 INVESTMENT IN SUBSIDIARIES

In the separate financial statements of Sunu Assurances Nigeria Plc, investments in subsidiaries is accounted for at cost.

3.8 INVESTMENT PROPERTIES

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

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

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

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

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

3.9 INTANGIBLE ASSETS

(i) Software

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

(ii) Goodwill

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

(iii) Amortization of investment in Equity Resort Hotel Limited

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

3.10 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

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

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

(ii) Subsequent costs

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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(iii) Depreciation

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

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

(iv) De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognized.
Land is not depreciated

3.10.1 LEASES

Leases are accounted for in accordance with IFRS 16 and are accounted for in line with the following based on whether the Group is the Lessor or the Lessee:.

(a) When the Group is the Lessee

At the commencement date, the Group recognises a right-of-use asset at cost and a lease liability, where applicable, at the present value of the lease payments that are not paid at that date. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Group subsequently measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The corresponding lease liabilities, where applicable, are included in other liabilities. The interest element of the lease liabilities is charged to the Income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) When the Group is the Lessor

When assets are leased to a third party under finance lease terms, the present value of the lease income is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

3.10.2 IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. The Company has two cash-generating units for which impairment testing is performed. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in other comprehensive income.

Goodwill and intangible assets with indefinite useful lives will be tested for impairment annually, regardless of any indicators an impairment of goodwill will not be reversed.

3.11 STATUTORY DEPOSIT

In pursuant to Section 10(3) of the Insurance Act of Nigeria CAP I17, 2004, every insurer is expected to deposit at least 10% of its paid up capital with the Central Bank of Nigeria(CBN). The Statutory deposit represents not less than the 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN). Statutory deposit is measured at cost

3.12 INSURANCE CONTRACT LIABILITIES

The Group underwrites risks that individuals, corporate and other entities wish to transfer to an insurer. These risks relate to property, personal accident, motor, liability, marine and other perils which may arise from an insured event. The company is therefore exposed to uncertainty surrounding the timing, frequency and severity of claims under insurance contracts. The major risk is that the frequency and severity of claims may be greater than estimated or expected. The Group is engaged in the general and health insurance businesses and most of the risks it underwrites are insurance which claims are settled within one year of the occurrence of the events giving rise to the claims.

In accordance with IFRS 4 on insurance contracts, the Company has continued to apply certain accounting policies which are applied in accordance with pre-changeover Nigeria GAAP.

Technical Reserves

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

a) Insurance Funds

i) Reserves for unearned premium

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

ii) Reserves for additional unexpired risk

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

iii) Reserves for outstanding claims

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

b) Liability adequacy test

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

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

3.13 TRADE AND OTHER PAYABLES

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

3.14 BORROWINGS

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

3.15 FAIR VALUE MEASUREMENT

When an asset or liability , financial and non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date and assumes that the transaction will take place either in the pricipal market or in the absence of a principal market in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used maximising the use of relevant observable inputs and minimising the use of unobervable inputs.

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant, External Valuers are selected based on market knowledge and reputation. Where there is significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable with external sources of data.

3.16 INCOME TAX

Income tax expense comprises current and deferred tax

(i) Current income tax

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

(ii) Deferred income tax

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

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

However, deferred income tax is not recognized for:

(a) Temporary differences arising on the initial recognition of goodwill

(b) Temporary differences on the intial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

(c) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

3.17 SHARE CAPITAL AND PREMIUM

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

3.17.1 TREASURY SHARES

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

3.17.2 DIVIDENDS

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

3.18 CONTINGENCY RESERVE

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

3.19 ASSET REVALUATION RESERVES

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

3.20 RETAINED EARNINGS

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

3.21 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Foreign Operations

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

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position.

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions.

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

3.22 REVENUE RECOGNITION

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

(a) Rendering services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered.

(b) Dividend income: Dividend income for available-for sale equities is recognised when the right to receive payment is established, this is the ex- dividend date for equity securities.

(c) Rent
Rent revenue from investment properties is recognised on a straight line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

(d) Other income: Other income is recognised when it is received or when the right to receive payment is establised.

Recognition and Measurement of Insurance Contracts

i **Gross premium written**

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

ii **Gross premium earned**

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

iii **Net premium earned**

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

iv **Reinsurance premium**

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

3.23 REINSURANCE EXPENSES

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

3.24 COMMISSION INCOME

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

3.25 CLAIMS AND LOSS ADJUSTMENT EXPENSES

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

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

(a) Salvages

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

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

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

3.26 UNDERWRITING EXPENSES

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

(a) Commission expenses

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

Class of business	%
Motor	12.5
General Accident	20
Oil & gas	20
Marine	20
Engineering	20
Bond	20
Fire	20

(b) Maintenance expenses

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

3.27 EMPLOYEE BENEFIT EXPENSES

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees contribute 8% and the Group contribute 10% of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2014. The Group pays contributions to pension fund administrator on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term benefits

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

3.28 OTHER OPERATING EXPENSES

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

3.29 INTEREST INCOME AND EXPENSES

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

3.30 EARNINGS PER SHARE

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

3.31 SEGMENT REPORTING

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

3.32 CONTINGENT LIABILITIES

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

3.33 PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and , where appropriate, the risks speciific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least: - the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken;
- and when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision;
- and the amount initially recognised less cumulative amortization.

Contingent assets and contingent liabilities are not recognised.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
ASSETS					
Cash and cash equivalents	6.1	2,775,280	2,510,861	2,315,337	2,458,227
Financial assets					
- At fair value through profit or loss	7.1	79,843	95,286	35,224	42,359
- At fair value through Other Comprehensive Income	7.2	8,099	9,347	8,099	9,347
- At Amortized Cost	7.3	3,826,745	3,690,461	3,544,597	3,402,293
Trade receivables	8	148,780	119,681	5,978	3,529
Reinsurance receivables	9	1,279,326	2,464,673	1,279,326	2,464,673
Deferred acquisition costs	10	118,311	103,939	118,311	103,939
Prepayments and other receivables	11	561,399	868,813	410,110	710,283
Investment in subsidiaries	12	-	-	659,624	659,624
Investment properties	13	390,351	374,924	336,000	321,756
Intangible assets	14	728,783	783,640	712,310	761,959
Property, plant and equipment	15	922,599	942,127	407,618	390,215
Statutory deposit	16	315,000	315,000	315,000	315,000
Total assets		11,154,516	12,278,752	10,147,535	11,643,204
Liabilities					
Insurance contract liabilities	17	2,883,079	3,929,261	2,883,079	3,929,261
Trade payables	18	15,986	69,386	1,924	44,238
Other payables	19	1,148,056	1,104,266	726,077	1,003,597
Deposit for shares	20	5,825	1,000	-	-
Borrowings	21	2,989,127	2,830,705	2,989,127	2,830,705
Income tax liabilities	22	53,346	43,667	18,919	28,467
Deferred tax	23	63,798	63,798	48,994	48,994
Total liabilities		7,159,217	8,042,083	6,668,120	7,885,262
EQUITY					
Paid up share capital	24	7,000,000	7,000,000	7,000,000	7,000,000
Share premium	25	1,023,465	1,023,465	1,023,465	1,023,465
Contingency reserves	26	1,014,627	947,401	1,014,627	947,401
Revaluation reserves	27	63,089	63,089	63,089	63,089
Fair value reserve	28	22	1,270	22	1,270
Retained earnings	29	(5,348,715)	(5,028,695)	(5,621,788)	(5,277,283)
		3,752,488	4,006,530	3,479,415	3,757,942
Non controlling interest	30	242,811	230,139	-	-
Total equity		3,995,299	4,236,669	3,479,415	3,757,942
Total liabilites and equity		11,154,516	12,278,752	10,147,535	11,643,204

The financial statements and notes on pages 53 to 110 were approved by the Board of Directors on 19th February 2020 and signed on its behalf by:

Mr. Kyari Bukar	**Mr. Samuel Ogbodu**	**Mr. Akeem Adamson**
FRC/2013/IODN/00000002050	**FRC/2013/CIIN/00000002970**	**FRC/2013/ICAN/00000002182**
Chairman	**Managing Director/CEO**	**Chief Financial Officer**

The accounting policies on pages 31 to 52 and notes on pages 60 to 110 form an integral part of these financial statements.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
Gross premium written	32	3,060,204	3,048,914	2,240,854	2,502,382
Gross premium income	32	3,001,272	3,148,371	2,181,922	2,601,839
Re-insurance expenses	33	(689,250)	(862,996)	(689,250)	(862,996)
Net premium income	32	2,312,022	2,285,375	1,492,672	1,738,843
Commission income	34	116,654	124,928	116,654	124,928
Net underwriting income		2,428,676	2,410,303	1,609,326	1,863,771
Claims:					
Claims expenses (Gross)	35	673,793	2,330,589	308,902	2,072,363
Claims expenses recovered from reinsurers	35	(15,811)	(1,462,388)	(15,811)	(1,462,388)
Claims expenses (Net)	35	657,982	868,201	293,091	609,975
Underwriting expenses	36	581,795	628,362	534,728	601,948
Total underwriting expenses		1,239,777	1,496,563	827,819	1,211,923
Underwriting profit /(loss)		1,188,899	913,740	781,507	651,848
Net income from non-insurance subsidiaries	37	37,690	96,807	-	-
Investment income	38	719,529	519,578	661,934	449,273
Profit /(loss)from concessionary arrangement	11.2	(29,219)	(17,682)	(29,219)	(17,682)
Net fair value gain on Investment properties	13	6,490	11,085	5,307	7,917
Net realised gains on assets	39	-	(773)	-	(773)
Net fair value loss on financial assets	40	(15,443)	(10,898)	(7,135)	(5,206)
Other operating income	41	90,756	503,801	84,577	479,215
Employee benefit expenses	49.2	(561,117)	(663,178)	(352,692)	(442,820)
Impairment loss	42	(30,667)	(14,237)	(28,414)	(9,446)
Other operating expenses	43	(1,321,602)	(1,150,752)	(1,108,619)	(965,948)
Results of operating activities		85,316	187,491	7,246	146,378
Finance costs	44	(273,321)	(185,838)	(273,321)	(185,838)
Profit/(Loss) before tax		(188,005)	1,653	(266,075)	(39,460)
Income tax expense	22.1	(37,263)	(43,095)	(11,204)	(20,752)
Profit/(loss) for the year		(225,268)	(41,442)	(277,279)	(60,212)
Profit attributable to:					
Owners of the parent		(243,408)	(48,085)	(277,279)	(60,212)
Non-controlling interests	30	18,140	6,643	-	-
		(225,268)	(41,442)	(277,279)	(60,212)
Other comprehensive income:					
Items within OCI that may be reclassified to profit or loss					
Gains on available for sale financial assets			-		-
Items within OCI that may not be reclassified to profit or loss					
Gain on financial asset @ Fair value thru OCI	28	(1,248)	900	(1,248)	900
Gain on revaluation of property, plant & Equipment	27	-	-	-	-
Other comprehensive income for the year		(1,248)	900	(1,248)	900
Total comprehensive income for the year		(226,516)	(40,542)	(278,527)	(59,312)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019
(IN THOUSAND OF NIGERIAN NAIRA UNLESS OTHERWISE STATED)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
Attributable to:					
Owners of the parent		(244,656)	(47,185)	(278,527)	(59,312)
Non-controlling interests		18,140	6,643	-	-
Total comprehensive loss for the year		(226,516)	(40,542)	(278,527)	(59,312)
Loss per share:					
Basic loss per share	46	(1.74)	(0.34)	(1.98)	(0.43)
Diluted loss per share	46	(1.74)	(0.34)	(1.98)	(0.43)

The accounting policies on pages 31 to 52 and notes on pages 60 to 110 form an integral part of these financial statements.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
IN THOUSANDS OF NIGERIAN NAIRA

Group	Share capital	Share premium	Revaluation reserves	Fair Value Reserve	Contingency reserves	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance at 1 January 2019	7,000,000	1,023,465	63,089	1,270	947,401	(5,028,695)	4,006,530	230,139	4,236,669
Total Comprehensive income for the year									
Profit for the year	-	-	-	-	-	(243,408)	(243,408)	18,140	(225,268)
Transfer to contingency reserves	-	-	-	-	67,226	(67,226)	-	-	-
Other comprehensive income:									
Gain on available for sale financial assets	-	-	-	(1,248)	-	-	(1,248)	-	(1,248)
Realisation of Revaluation surplus on property, plant and equipment disposed off	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,248)	67,226	(310,634)	(244,656)	18,140	(226,516)
Transactions with owners, recorded directly in equity contributions by and distributions to owners									
Dividend paid to Equity holders	-	-	-	-	-	(9,386)	(9,386)	(5,468)	(14,854)
Increase in Share Capital of MHS	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	(9,386)	(9,386)	(5,468)	(14,854)
Balance at 31 December 2019	7,000,000	1,023,465	63,089	22	1,014,627	(5,348,715)	3,752,488	242,811	3,995,299

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
IN THOUSANDS OF NIGERIAN NAIRA

Group	Share capital	Share premium	Revaluation reserves	Fair value reserve	Contingency reserves	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance at 1 January 2018	7,000,000	1,023,465	356,539	370	872,330	(5,197,445)	4,055,259	223,659	4,278,918
Changes on initial application of IFRS 9	-	-	-	-	-	(1,544)	(1,544)	(163)	(1,707)
Restated Balance at 1 January 2018	7,000,000	1,023,465	356,539	370	872,330	(5,198,989)	4,053,715	223,496	4,277,211
Total Comprehensive income for the year									
Profit/(loss) for the year	-	-	-	-	-	(48,085)	(48,085)	6,643	(41,442)
Transfer to contingency reserves	-	-	-	-	75,071	(75,071)	-	-	-
Other comprehensive income:							-		-
Revaluation surplus on Property, plant and equipment	-	-	-				-		-
Gain on fair value thru OCI financial assets	-	-	-	900	-	-	900	-	900
Total comprehensive income for the year	-	-	-	900	75,071	(123,156)	(47,185)	6,643	(40,542)
Transactions with owners, recorded directly in equity contributions by and distributions to owners									
Transfer from Fair value reserve	-	-	-	-	-	-	-	-	-
Transfer to retained earnings			(293,450)	-		293,450	-	-	-
Total transactions with owners	-	-	(293,450)	-	-	293,450	-	-	-
Balance at 31 December 2018	7,000,000	1,023,465	63,089	1,270	947,401	(5,028,695)	4,006,530	230,139	4,236,669

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019
IN THOUSANDS OF NIGERIAN NAIRA

Company	Share capital	Share premium	Fair Value reserves	Revaluation reserves	Contingency reserves	Retained Earnings	Total
Balance at 1 January 2019	7,000,000	1,023,465	1,270	63,089	947,401	(5,277,283)	3,757,942
Total Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(277,279)	(277,279)
Transfer to contingency reserves	-	-	-	-	67,226	(67,226)	-
Other comprehensive income:							-
Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-
Transfer to Fair value Reserve	-	-	(1,248)	-	-	-	(1,248)
Total comprehensive income for the year	-	-	(1,248)	-	67,226	(344,505)	(278,527)
Transactions with owners, recorded directly in equity contributions by and distributions to owners							
Transfer from Fair Value Reserve	-	-	-	-	-	-	-
Increase in share capital from private	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance at 31 December 2019	7,000,000	1,023,465	22	63,089	1,014,627	(5,621,788)	3,479,415
Balance at 1 January 2018	7,000,000	1,023,465	370	356,539	872,330	(5,434,215)	3,818,489
Changes on initial application of IFRS 9	-	-	-	-	-	(1,235)	(1,235)
Restated Balance at 1 January 2018	7,000,000	1,023,465	370	356,539	872,330	(5,435,450)	3,817,254
Total Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(60,212)	(60,212)
Transfer to contingency reserves	-	-	-	-	75,071	(75,071)	-
Transfer from revaluation reserves	-	-	-	-	-	-	-
Other comprehensive income:							-
Transfer to Available for Sale Reserve	-	-	900	-	-	-	900
Total comprehensive income for the year	-	-	900	-	75,071	(135,283)	(59,312)
Transactions with owners, recorded directly in equity							
Transfer to retained earnings			-	(293,450)		293,450	-
Increase in share capital from private placement	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	(293,450)	-	293,450	-
Balance at 31 December 2018	7,000,000	1,023,465	1,270	63,089	947,401	(5,277,283)	3,757,942

The accounting policies on pages 31 to 52 and notes on pages 60 to 110 form an integral part of these financial statements.

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019
(IN THOUSANDS OF NIGERIAN NAIRA)

	NOTES	Group 2019	Group 2018	Company 2019	Company 2018
Premium received from policy holders		3,031,105	3,327,238	2,238,405	2,512,388
Commission received		107,712	124,928	107,712	124,928
Receipt from reinsurance recovery	9.4	1,232,695	475,687	1,232,695	475,687
Claims paid	35	(1,778,907)	(1,679,808)	(1,414,016)	(1,421,582)
Commission paid		(491,298)	(504,888)	(449,552)	(478,474)
Maintenance cost	36	(97,690)	(101,365)	(97,690)	(101,365)
Reinsurance premium paid		(763,860)	(806,043)	(763,860)	(806,043)
Other operating income		54,094	184,390	49,779	159,806
Operating costs and payment to employees		(813,345)	(1,399,886)	(834,791)	(871,515)
Tax paid	22	(8,832)	(109,151)	(2,000)	(55,300)
Net cash inflow/ (outflow) from operating activities	47	471,674	(488,898)	66,682	(461,470)
Cash flows from investing activities					
Additions to investment in subsidiaries		-	-	-	-
Additions to investment properties		(8,937)	(2,183)	(8,937)	(2,183)
Additions to Intangible assets	14	(1,613)	(18,922)	-	(6,349)
Additions to financial assets at fair value through profit or loss	7.1(a)	-	(22,796)	-	-
Rental income	38	13,912	7,395	5,517	4,782
Proceeds from disposal of financial assets at fair value through profit or loss		-	52,612	-	52,612
Financial assets at amortised costs	7.3	(136,284)	(3,182,170)	(142,304)	(2,974,668)
Dividend received	38	13,772	5,032	10,841	3,412
Proceeds from disposal of property plant and equipment	15.1.1 & 15.2.5	11,494	3,034,782	6,355	3,034,772
Additions to property, plant and equipment	15	(89,570)	(313,897)	(81,043)	(204,063)
Net cash (outflow)/inflow from investing activities		(197,226)	(440,147)	(209,571)	(91,685)
Cash flows from financing activities					
Deposit for shares	20	4,825	1,000	-	-
Repayment of borrowings	21.3	-	-		-
Dividend paid		(14,854)			
Net cash inflow from financing activities		(10,029)	1,000	-	-
Net (decrease)/increase in cash and cash equivalents		264,419	(928,045)	(142,889)	(553,155)
Cash and cash equivalents brought forward		2,510,861	3,438,906	2,458,227	3,011,382
Cash and cash equivalents carried forward	6.1	2,775,280	2,510,861	2,315,338	2,458,227

The accounting policies on pages 31 to 52 and notes on pages 60 to 110 form an integral part of these financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Provision for unpaid claims

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

Impairment of financial assets

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

Income taxes

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

Fair value of investments not quoted in an active market

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

5.0 MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

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

5.1 Insurance Risk

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

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

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

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

(a) ***Frequency and severity of claims***

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

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

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

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

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

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

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

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

(c) ***Process used to decide on assumptions***

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

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

Basic Chain Ladder method (BCL)

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

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

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

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

Assumptions underlying the BCL

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

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

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

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

Inflation Adjusted Chain Ladder method (IACL)

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

Assumptions underlying the IACL

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

(d) ***Change in assumptions and sensitivity analysis***

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

(e) ***Sensitivity analysis and claims development tables***

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

Claims Paid Triangulations as at December 2019

Accident	Incremental Chain ladder - Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	25,910	56,204	19,302	3,099	4,620	10	26	-	-		-
2008	9,623	57,322	11,343	9,534	3,484	2,062	861	-	-		-
2009	36,290	77,255	50,883	6,339	7,871	580	2,421	239	513		-
2010	33,918	98,868	39,340	18,228	15,895	1,115	2,846	385	-	60	-
2011	36,389	49,219	23,054	6,801	3,852	1,188	901	117	1,427		-
2012	26,196	51,875	34,616	3,493	3,272	418	609	11	-		-
2013	26,574	39,254	29,256	2,559	5,656	1,169	574	-	-		-
2014	30,145	59,724	35,702	4,979	4,949	50	-	-	-		-
2015	28,898	39,053	20,143	6,484	1,117	-	-	-	-		-
2016	26,816	38,833	4,217	3,806	-	-	-	-	-		-
2017	49,617	34,857	5,944	-	-	-	-	-	-	-	
2018	45,956	36,995	-	-	-	-	-	-	-		-
2019	32,765	-	-	-	-	-	-	-	-	-	-

Fire	Cumulative Chain ladder- Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	15,858	53,230	22,484	2,780	1,109	428	-	-	-	-	-
2008	34,928	10,279	7,754	19,838	728	38	10	93	-	85	-
2009	10,289	16,133	11,202	15,851	14,051	5,402	-	-	545	-	-
2010	51,416	49,920	19,577	1,192	357	-	-	224	-	-	-
2011	16,632	99,883	11,228	5,028	585	-	110	-	-	-	-
2012	18,427	29,550	18,149	2,057	1,764	22	136	-	-	-	-
2013	52,030	35,454	28,449	9,643	129	-	412	-	-	-	-
2014	16,357	24,014	26,465	4,699	311	24	-	-	-	-	-
2015	19,372	57,075	14,966	9,406	7,785	-	-	-	-	-	-
2016	37,925	59,091	33,746	32,584	-	-	-	-	-	-	-
2017	21,813	35,491	27,224	-	-	-	-	-	-	-	-
2018	29,767	34,497	-	-	-	-	-	-	-	-	-
2019	36,721	-	-	-	-	-	-	-	-	-	-

Engineering	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	-	-	-	555	-	-	-	-	-	-	-
2008	-	-	6,501	97	-	14	-	-	-	-	-
2009	-	6,209	576	728	-	12	76	-	-	-	-
2010	1,188	11,840	3,052	87	-	-	-	495	-	-	-
2011	1,083	2,620	5,696	1,606	565	2,183	-	-	-	-	-
2012	4,259	1,549	1,915	-	-	-	-	-	-	-	-
2013	7,354	3,646	668	-	-	-	-	-	-	-	-
2014	6,631	12,113	2,143	-	-	-	-	-	-	-	-
2015	2,507	11,611	26	-	15	-	-	-	-	-	-
2016	2,617	1,456	664	2,941	-	-	-	-	-	-	-
2017	4,573	3,465	1,355	-	-	-	-	-	-	-	-
2018	5,129	1,746	-	-	-	-	-	-	-	-	-
2019	4,009	-	-	-	-	-	-	-	-	-	-

Marine	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	403	7,029	7,210	3,014	20	17	-	-	-		
2008	2,709	3,005	1,602	1,210	512	1,543	-	-	-		
2009	278	4,668	4,895	2,824	-	-	-	-	-		
2010	8,478	9,134	1,577	1,105	-	293	-	335	-		
2011	4,710	6,144	4,272	5,230	-	-	-	-	-		
2012	4,971	15,645	1,161	95	-	-	-	-	-		
2013	8,740	10,445	57	43	7	-	-	-	-		
2014	14,785	30,078	5,940	-	-	-	-	-	-		
2015	19,223	21,068	-	33	-	-	-	-	-		
2016	13,110	19,537	4,434	5,840	-	-	-	-	-		
2017	15,221	42,517	5,623	-	-	-	-	-	-	-	-
2018	6,011	17,127	-	-	-	-	-	-	-		
2019	15,961										

Motor	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	69,042	93,856	7,781	1,934	1,692	-	-	-	-		
2008	123,217	121,480	6,112	756	165	28	-	-	-		
2009	109,488	127,883	22,327	3,025	286	-	338	82	969		
2010	90,318	103,367	3,884	3,609	206	512	-	2,255	-		
2011	78,170	63,272	13,635	2,267	25	-	-	-	-		
2012	110,916	101,782	4,218	19	-	-	-	-	-		
2013	123,427	86,868	1,347	5,135	98	2,598	-	-	-		
2014	225,537	155,085	21,615	1,554	-	-	-	-	-		
2015	120,490	98,077	6,211	1,475	-	-	-	-	-	-	-
2016	89,199	69,427	9,149	-	-	-	-	-	-		
2017	71,887	33,132	550.00	-	-	-	-	-	-	-	-
2018	105,955	31,878	-	-	-	-	-	-	-	-	-
2019	92,870										

Claims Paid Triangulations as at December 2018

Accident	Incremental Chain ladder - Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	25,910	56,204	19,302	3,099	4,620	10	26	-	-		-
2008	9,623	57,322	11,343	9,534	3,484	2,062	861	-	-		-
2009	36,290	77,255	50,883	6,339	7,871	580	2,421	239	513		-
2010	33,918	98,868	39,340	18,228	15,895	1,115	2,846	385	-		-
2011	36,389	49,219	23,054	6,801	3,852	1,188	901	117	-		-
2012	26,196	51,875	34,616	3,493	3,272	418	609	-	-		-
2013	26,574	39,254	29,256	2,559	5,656	1,169	-	-	-		-
2014	30,145	59,724	35,702	4,979	4,949	-	-	-	-		-
2015	28,898	39,053	20,143	6,484	-	-	-	-	-		-
2016	26,816	38,833	4,217	-	-	-	-	-	-		-
2017	49,617	34,857	-	-	-	-	-	-	-	-	
2018	45,956	-	-	-	-	-	-	-	-		-

Fire	Cumulative Chain ladder- Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	15,858	53,230	22,484	2,780	1,109	428	-	-	-		
2008	34,928	10,279	7,754	19,838	728	38	10	93	-	85	
2009	10,289	16,133	11,202	15,851	14,051	5,402	-	-	545		
2010	51,416	49,920	19,577	1,192	357	-	-	224	-		
2011	16,632	99,883	11,228	5,028	585	-	110	-	-		
2012	18,427	29,550	18,149	2,057	1,764	22	136	-	-		
2013	52,030	35,454	28,449	9,643	129	-	-	-	-		
2014	16,357	24,014	26,465	4,699	311	-	-	-	-		
2015	19,372	57,075	14,966	9,406	-	-	-	-	-		
2016	37,925	59,091	33,746	-	-	-	-	-	-		
2017	21,813	35,491									
2018	29,767	-	-	-	-	-	-	-	-		

Engineering	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	-	-	-	555	-	-	-	-	-		
2008	-	-	6,501	97	-	14	-	-	-		
2009	-	6,209	576	728	-	12	76	-	-		
2010	1,188	11,840	3,052	87	-	-	-	495	-		
2011	1,083	2,620	5,696	1,606	565	2,183	-	-	-		
2012	4,259	1,549	1,915	-	-	-	-	-	-		
2013	7,354	3,646	668	-	-	-	-	-	-		
2014	6,631	12,113	2,143	-	-	-	-	-	-		
2015	2,507	11,611	26	-	-	-	-	-	-		
2016	2,617	1,456	664	-	-	-	-	-	-		
2017	4,573	3,465	-	-	-	-	-	-	-	-	-
2018	5,129	-	-	-	-	-	-	-	-		

Marine	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	403	7,029	7,210	3,014	20	17	-	-	-		
2008	2,709	3,005	1,602	1,210	512	1,543	-	-	-		
2009	278	4,668	4,895	2,824	-	-	-	-	-		
2010	8,478	9,134	1,577	1,105	-	293	-	335	-		
2011	4,710	6,144	4,272	5,230	-	-	-	-	-		
2012	4,971	15,645	1,161	95	-	-	-	-	-		
2013	8,740	10,445	57	43	7	-	-	-	-		
2014	14,785	30,078	5,940	-	-	-	-	-	-		
2015	19,223	21,068	-	33	-	-	-	-	-		
2016	13,110	19,537	4,434	-	-	-	-	-	-		
2017	15,221	42,517	-	-	-	-	-	-	-	-	-
2018	6,011	-	-	-	-	-	-	-	-		

Motor	Incremental Chain ladder-Yearly Projections (N'000)										
A/Y year/ Dev Years	1	2	3	4	5	6	7	8	9	10	11
2007	69,042	93,856	7,781	1,934	1,692	-	-	-	-		
2008	123,217	121,480	6,112	756	165	28	-	-	-		
2009	109,488	127,883	22,327	3,025	286	-	338	82	969		
2010	90,318	103,367	3,884	3,609	206	512	-	2,255	-		
2011	78,170	63,272	13,635	2,267	25	-	-	-	-		
2012	110,916	101,782	4,218	19	-	-	-	-	-		
2013	123,427	86,868	1,347	5,135	98	2,598	-	-	-		
2014	225,537	155,085	21,615	1,554	-	-	-	-	-		
2015	120,490	98,077	6,211	1,475	-	-	-	-	-	-	-
2016	89,199	69,427	9,149	-	-	-	-	-	-		
2017	71,887	33,132	-	-	-	-	-	-	-	-	-
2018	105,955	-	-	-	-	-	-	-	-	-	-

5.2 FINANCIAL RISK MANAGEMENT

Introduction and overview

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

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

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

Internal Control and Risk Management Systems

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

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

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

Enterprise-wide Risk Management Principles

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

a) The Company will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.

b) The Company will at all times comply with all government regulations and uphold international best practice.

c) The Company will build and entrench an enduring risk culture, which shall pervade the entire organization.

d)The Company will only accept risks that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times.

e) The Company will make decisions based on careful analysis of the implications of such risk to its strategic goals and operating environment.

Enterprise-wide Risk Management Framework

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

1st line - Management

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

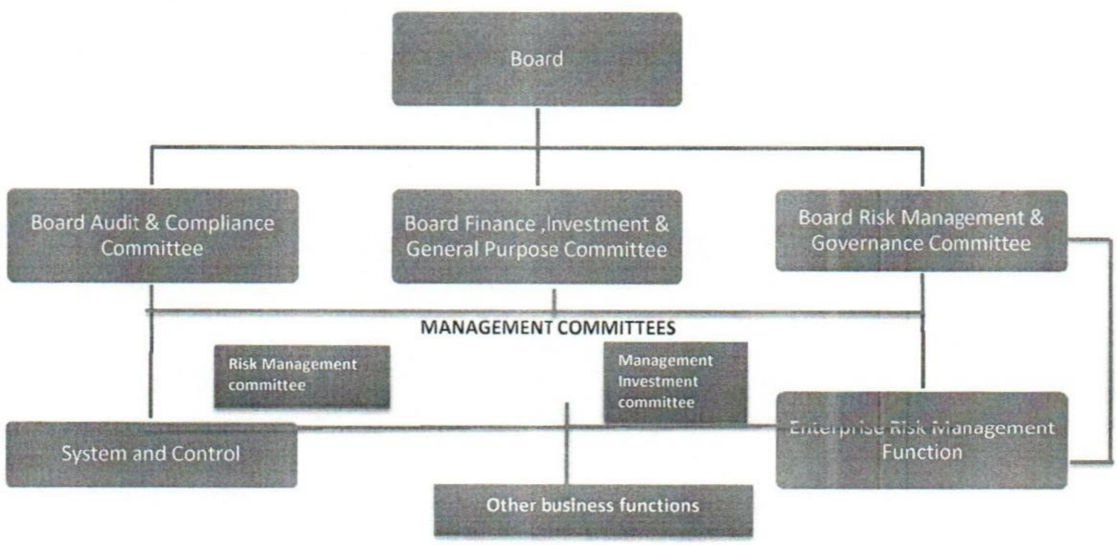
2nd line - Risk oversight

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

3rd line - Independent assurance

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

ERM Governance Structure



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

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

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

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

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

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

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

Risk Appetite

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

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

Risk Management Policies and Procedures

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

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

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

a) Risk management policies, framework and processes are complied with.

b) The risk profiled for areas under their control are refreshed and updated on a timely basis to enable the collation, analysis and reporting of risks to the Board Committees.

c) Explanations are provided to the Board Committees for any major gaps in the risk profile and any significant delays in planned treatments for high risk and high priority matters

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

The Board is responsible for and committed to ensuring appropriate and effective risk management and control system are established across the Company. It periodically reviews the system for continuous improvement.

The Board of Directors and Management, in carrying out its oversight ERM functions, have achieved the following:

1. Reviewed the activities and effectiveness of the organization risk management and control systems
2. Assessed the Asset and Liability Management and Other Committee reports to guarantee adequacy and effectiveness of the risk management and control systems
3. Set the Risk Appetite and ensured compliance with the approved risk appetite and tolerance limits
4. Reviewed and approved the Operational Risk Management Manual and related documents for adequacy and continuous improvements
5. Approved the conduct of ERM training and awareness across all levels to enhance the organization's risk management and control culture

Monthly and Quarterly meetings were held by the Management and Board respectively to assess the adequacy and effectiveness of risk management processes as well as review of ERM core activities

The ERM framework provides detailed responsibilities of the Board, its Committees and Management for managing the risks of the organization. Below are the responsibilities of the Board in the management of risks.

Role of the Board of Directors

General Risk Management and Control

a. Approve and periodically review risk strategy and policies
b. Approve SUNU's risk appetite and monitor SUNU's risk profile against this appetite
c. Ensure Senior Management takes steps necessary to monitor and control risks
d. Ensure Senior Management maintains an appropriate system of internal control and reviews its effectiveness
e. Ensure SUNU's risk strategy reflects its tolerance for risk
f. Review and approve changes/amendments to the risk management framework
g. Review and approve risk management procedures and controls for new productsand activities
h. Receive risk reports periodically from Senior Management highlighting key risk areas, control failures and remedial action steps taken by Senior Management.

Other responsibilities of the Board in relation to Enterprise Risk Management

a. Define SUNU's Overall risk appetite in relation to Operational risk, business and strategic risk, underwriting risk, reserving and solvency risk, market and liquidity risk, credit risk, reputational risk, compliance risk and legal risk

b. Approve SUNU's Risk Management Framework for Operational risk, business and strategic risk, underwriting risk, reserving and solvency risk, market and liquidity risk, credit risk, reputational risk, compliance risk and legal risk

c. Approve SUNU's overall strategic direction and risk tolerance in relation to Operational risk, business and strategic risk, underwriting risk, reserving and solvency risk, market and liquidity risk, credit risk, reputational risk, compliance risk and legal risk based on the recommendation of the Board Investment and Enterprise Risk Management Committee

d. Ensure that SUNU's overall risk exposure is maintained at prudent levels and consistent with the capital held

e. Ensure that detailed policies and procedures for various functions risk exposure (development, management and recovery) are in place.

Risk Categorization

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

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

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

a) Equity price risk: the risk associated with volatility in the stocks in our investment portfolio.

b) Foreign exchange risk: may arise from movement of currency prices on assets held in foreign currency

c) Interest rate risk: the risk that the value of a fixed income security will fall as a result of movement in market interest rates.

d) Property price risk: The Company's portfolio is subject to property price risk arising from changes in the market value of properties.

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

a) The prices charged by the company for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;

b) risks are not adequately ceded to reinsurers exposing the company to potential high claims payout;

c) many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses and;

d) The company's policyholder will act in ways that are unanticipated and have an adverse effect on the company

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

a) Direct Default Risk: risk that the company will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations.

b) Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.

c) Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions

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

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

a) Funding liquidity risk: Arising from our investment-linked products where there is a financial obligation to customers.

b) Asset liquidity risk: arising from our financial assets where we might not be able to execute transactions at prevailing market price because there is temporarily, no appetite for the deal at the other side of the market

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

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

Market Risk Management

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

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

1. Equity price risk

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

Investment quality and limit analysis

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

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

2. Foreign Exchange risk

Sunu Assurances Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency risk through its bank balances in other foreign currencies.

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

	Cash & Cash Equivalents	
	2019 N'000	2018 N'000
Dollars	262,090	96,007
Euros	1,431	1,467
Pounds	621	600
	264,142	98,074

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

3. **Interest-rate Risk**

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

4. **Property Price Risk**

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

Underwriting Risk Management

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

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

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

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

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

Business Risk Management

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

Reputational Risk Management

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

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

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

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

Management of credit risk due to outstanding premium
Credit Rating

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

Receivables are reviewed and categorized into grade A, B, C and D on the basis of:
a) Previous year contribution (4 years)
b) Payment mode
c) Outstanding as at December of the previous year
d) Future prospect
e) Recommendation

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

a) Formulating credit policies with strategic business units, underwriters, brokers covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.

b) Identification of credit risk drivers within the Group in order to coordinate and monitor the probability of default that could have an unfortunate impact.

c) Developing and monitoring credit limits. The Group is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.

d) Assessment of credit risk. All firsthand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during management meeting.

e) Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

In measuring credit risk, the Group considers three models:

a) The Probability of Default(PD), the likelihood that the insured will fail to make full and timely payment of financial obligations
b)The Exposure at Default (EAD) is derived from the Group's expected value of debt at the time of default

c)The Loss Given Default (LGD) which state the amount of the loss if there is a default, expressed as a percentage of the (EAD).

Impairment Model

Premium debtors, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The Group adopts simplified provision matrix for calculating expected losses on premium receivables as a practical expedient in line with IFRS 9. The provision matrix is based on the Group's historical default rates over the expected life of the trade receivables which is adjusted for forward-looking estimates.

Credit quality

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

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

Operational Risk Management

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

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

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

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

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

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

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

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

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

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

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

Expected Credit Loss Impairment Model
The Group's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Group adopts a three-stage approach for impairment assesment based on changes in credit quality since initial recognition.

• Stage 1 - Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

• Stage 2 - When a financial instrument experiences a SICR subsequent to origination but is not considered . to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

• Stage 3 - Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination. Examples of financial assets with low credit risk (no significant increase in credit risk) include: Risk free and gilt edged debt investment securities that are determined to have low credit risk at the reporting date; and Other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Measurement of Expected expected credit losses
The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

The group employs the usage of international rating agencies PD factors which was modified by factors specific to the Nigerian Economy such as inflation rate, umemployment rate, GDP and so on.

Using the probabilities of default (PD) as provided by Standard & Poors, our model employs Nigeria-centric forward-looking macro-economic factors which have been determined to be statistically significant, to adjust the PDs. Country-specific factors are also applied to the LGD factors which originate from Basel recommendations and are thereby adjusted to our specific circumstances. Base, optimistic and pessimistic scenarios are employed and projected cash flows are discounted to present value at using the effective rates of interest. The resulting ECL computations are therefore appropriately probability-weighted and consider relevant forward-looking information as well as the time value of money.

Details of these statistical parameters/inputs are as follows:

• PD - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
1. 12-month PDs - This is the estimated probability of default occurring within the next 12 months (or over) the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.

2. Lifetime PDs - This is the estimated probability of default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for 'stage 2' and 'stage 3' exposures. PDs are limited to the maximum period of exposure required by IFRS 9.

• EAD - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

• LGD - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive,including from the realization of any collateral. It is usually expressed as a percentage of the EAD. However, the group make use of the combination of the following in establishing its LGD:
1)Fixed LGD ratios prescribed by the Bank for International Settlements (BIS) under the foundation approach for certain classes of unsecured exposures on corporates, sovereigns and banks:

2) Recovery rates on insolvencies in Nigeria as published by the World bank

Forward-looking information
The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors
The Group relies on a broad range of forward looking information as economic inputs, such as: GDP growth,unemployment rates, central bank base rates, crude oil prices,inflation rates and foreign exchange rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

Multiple forward-looking scenarios
The Group determines allowance for credit losses using probability-weighted forward looking scenarios. The Group considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. The Group prepares the scenarios using forecasts generated by credible sources such as Business Monitor International (BMI),International Monetary Fund (IMF), Nigeria Bureau of Statistics (NBS), World Bank, Central Bank of Nigeria (CBN), Financial Markets Dealers Quotation (FMDQ) and Trading Economics.

The Group estimates three scenarios for each risk parameter (LGD, EAD, CCF and PD) - Normal, Upturn and Downturn, which in turn are used in the estimation of the multiple scenario ECLs. The normal case' represents the most likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses.

Assessment of significant increase in credit risk (SICR)
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers specific quantitative and qualitative information about the issuer without consideration of collateral, and the impact of forward-looking macroeconomic factors.The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the issuer and the geographical region.

The Group adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative (primary), Qualitative (secondary) and Back stop indicators which are critical in allocating financial assets into stages.

The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Group's internal rating system or External Credit Assessment Institutions (ECAI) while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc.

A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

Definition of Default and Credit Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cashflows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

(i) Significant financial difficulty of the borrower or issuer;

(ii) A breach of contract such as a default or past due event;

(iii) It is becoming probable that the issuer will enter bankruptcy or other financial reorganisation; or

(iv)The disappearance of an active market for a security because of financial difficulties.

(v)The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

An asset that has been renegotiated due to a deterioration in the issuer's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets:
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve

5.3 CAPITAL MANAGEMENT

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

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

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

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

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

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

Minimum Capital Requirement

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

Solvency Margin

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

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

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%.The company exceeded its solvency margin by N117.273Million for the year ended 31 December 2019. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations if the company falls below this requirement.

IN THOUSANDS OF NIGERIAN NAIRA

Solvency margin computation	**2019**
Cash and Cash equivalents	2,315,337
Financial assets at amortised costs	3,544,597
Quoted stocks at market value	35,224
Trade receivables	5,978
Statutory deposits	315,000
Unquoted stocks at cost	667,723
Property, plant and equipment	407,618
Investment properties	336,000
Due from staff	4,339
Reinsurance receivables	1,279,326
Deferred acquisition costs	118,311
Intangible assets other than computer software	706,945
Admissible assets	9,736,399
Insurance contract liabilities	2,883,079
Trade payable	1,924
Borrowings	2,989,127
Other payables	726,077
Taxation	18,919
Admissible liabilities	6,619,126
Solvency margin	3,117,273
The higher of 15% of net premium income and shareholders funds	3,000,000
Excess of solvency margin	117,273
Solvency ratio	103.91

5.4 SEGMENT INFORMATION

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

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

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

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

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

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

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

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

IN THOUSANDS OF NIGERIAN NAIRA

SEGMENT REPORTING -2019

GROUP	NON-LIFE	HEALTHCARE	ASSET MGT	TOTAL
Revenue:				
Derived from external customers				
Gross Premium written	2,240,854	819,350	-	3,060,204
Gross Premium income	2,181,922	819,350	-	3,001,272
Reinsurance expenses	(689,250)	-	-	(689,250)
Net Premium income	1,492,672	819,350	-	2,312,022
Commission income	116,654	-	-	116,654
Income from non-insurance subsidiaries	-	30,731	6,959	37,690
Investment income	661,934	33,722	23,873	719,529
Income from concessionary arrangement	(29,219)			(29,219)
Net Fair value gain on investment properties	5,307	-	1,183	6,490
Net fair value loss on financial assets at fair value through profit or loss	(7,135)	(488)	(7,820)	(15,443)
Other operating income	84,577	4,404	1,775	90,756
Net income	2,324,790	887,719	25,970	3,238,479
Insurance claims	308,902	364,891	-	673,793
Insurance claims recovered from reinsurer	(15,811)	-	-	(15,811)
Net insurance claims	293,091	364,891	-	657,982
Underwriting expenses	534,728	47,067	-	581,795
Employee benefit expense	352,692	208,425	-	561,117
Impairment loss	28,414	2,257	(4)	30,667
Other operating expenses	1,108,619	192,282	20,701	1,321,602
Net expenses	2,317,544	814,922	20,697	3,153,163
Reportable segment profit	7,246	72,797	5,273	85,316
Finance cost	(273,321)	-		(273,321)
Profit before income tax from reportable segments	(266,075)	72,797	5,273	(188,005)
Income tax	(11,204)	(23,187)	(2,872)	(37,263)
(Loss)/profit after income tax	(277,279)	49,610	2,401	(225,268)

IN THOUSANDS OF NIGERIAN NAIRA

5.4 SEGMENT REPORTING -2018

GROUP	NON-LIFE	HEALTHCARE	ASSET MGT	TOTAL
Revenue:				
Derived from external customers				
Gross Premium	2,502,382	546,532		3,048,914
Gross Premium income	2,601,839	546,532		3,148,371
Reinsurance expenses	(862,996)	-		(862,996)
Net Premium income	1,738,843	546,532	-	2,285,375
Commission income	124,928	-		124,928
Income from non-insurance subsidiaries	-	75,422	21,385	96,807
Investment income	449,273	41,959	28,346	519,578
Net fair value gain on investment properties	7,917		3,168	11,085
Net realised gains(loss) on financial assets	(773)	-	-	(773)
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(5,206)	(1,303)	(4,389)	(10,898)
Profit from concessionary arrangement	(17,682)			(17,682)
Other operating income	479,215	22,686	1,901	503,802
Net income	2,776,515	685,296	50,411	3,512,222
Insurance claims	2,072,363	258,226	-	2,330,589
Insurance claims recovered from reinsurer	(1,462,388)	-	-	(1,462,388)
Net insurance claims	609,975	258,226	-	868,201
Acquisition costs	500,583	26,414	-	526,997
Other underwriting expenses	101,365	-	-	101,365
Employee benefit expense	442,820	209,928	10,430	663,178
Depreciation and amortization	141,137	31,580	5,885	178,602
Impairment loss	9,446	-	4,791	14,237
Other expenses	824,811	127,816	19,524	972,151
Net expenses	2,630,137	653,964	40,630	3,324,731
Reportable segment profit	146,378	31,332	9,781	187,491
Finance cost	185,838	-	-	185,838
(Loss)/profit before income tax from reportable segments	(39,460)	31,332	9,781	1,653
Income tax	(20,752)	(9,756)	(12,587)	(43,095)
(Loss)/profit after income tax	(60,212)	21,576	(2,806)	(41,442)

IN THOUSANDS OF NIGERIAN NAIRA

5.5 FINANCIAL ASSETS AND LIABILITIES

Accounting classfication measurement basis and fair values.

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

(a) Group	At fair value through P&L	At fair value through OCI	At Amortized Cost	Other financial liabilities at amortized cost	Total Carrying amount	Fair Value
31 December 2019						
Cash and cash equivalents	-	-	2,775,280	-	2,775,280	2,775,280
Financial assets	79,843	8,099	3,826,745	-	3,914,687	3,914,687
Trade receivables	-	-	148,780	-	148,780	148,780
Other receivables	-	-	354,448	-	354,448	354,448
	79,843	8,099	7,105,253	-	7,193,195	7,193,195
Insurance contract liabilities	-	-	-	2,883,079	2,883,079	2,883,079
Trade and other payables	-	-	-	1,164,042	1,164,042	1,164,042
Borrowings	-	-	-	2,989,127	2,989,127	2,989,127
	-	-	-	7,036,248	7,036,248	7,036,248

Group	At fair value through P&L	At fair value through OCI	At Amortized Cost	Other financial liabilities at amortized cost	Total Carrying amount	Fair Value
31 December 2018						
Cash and cash equivalents	-	-	2,510,861	-	2,510,861	2,510,861
Financial assets	95,286	9,347	3,690,461	-	3,795,094	3,795,094
Trade receivables	-	-	119,681	-	119,681	119,681
Other receivables excluding prepayments	-	-	428,676	-	428,676	428,676
	95,286	9,347	6,749,679	-	6,854,312	6,854,312
Insurance contract liabilities	-	-	-	3,929,261	3,929,261	3,929,261
Trade and other payables	-	-	-	1,173,652	1,173,652	1,173,652
Borrowings	-	-	-	2,830,705	2,830,705	2,830,705
	-	-	-	7,933,618	7,933,618	7,933,618

IN THOUSANDS OF NIGERIAN NAIRA

(b) **FINANCIAL ASSETS AND LIABILITIES**

Accounting classfication measurement basis and fair values.

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

Company	At fair value through P&L	At fair value through OCI	At Amortized Cost	Other financial liabilities at amortized cost	Total Carrying amount	Fair Value
31 December 2019						
Cash and cash equivalents	-	-	2,315,337	-	2,315,337	2,315,337
Financial assets	35,224	8,099	3,544,597	-	3,587,921	3,587,921
Trade receivables	-	-	5,978	-	5,978	5,978
Other receivables excluding prepayments	-	-	220,150	-	220,150	220,150
	35,224	8,099	6,086,062	-	6,129,386	6,129,386
Insurance contract liabilities	-	-	-	2,883,079	2,883,079	2,883,079
Trade and other payables	-	-	-	728,001	728,001	728,001
Borrowings	-	-	-	2,989,127	2,989,127	2,989,127
	-	-	-	6,600,207	6,600,207	6,600,207

Company	At fair value through P&L	At fair value through OCI	At Amortized Cost	Other financial liabilities at amortized cost	Total Carrying amount	Fair Value
31 December 2018						
Cash and cash equivalents	-	-	2,458,227	-	2,458,227	2,458,227
Financial assets	42,359	9,347	3,402,293	-	3,453,999	3,453,999
Trade receivables	-	-	3,529	-	3,529	3,529
Other receivables excluding prepayments	-	-	284,107	-	284,107	284,107
	42,359	9,347	6,148,156	-	6,199,862	6,199,862
Insurance contract liabilities	-	-	-	3,929,261	3,929,261	3,929,261
Trade and other payables	-	-	-	1,047,835	1,047,835	1,047,835
Borrowings	-	-	-	2,830,705	2,830,705	2,830,705
	-	-	-	7,807,801	7,807,801	7,807,801

IN THOUSANDS OF NIGERIAN NAIRA

FAIR VALUE HIERARCHY

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3

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

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

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

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

Group- December 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Equity securities - Held for trading	79,843	-	-	79,843
Financial assets measured at fair value	79,843	-	-	79,843

Group- December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Equity securities - Held for trading	95,286	-	-	95,286
Financial assets measured at fair value	95,286	-	-	95,286

Company- December 31, 2019	Level 1	Level 2	Level 3	Total balance
Assets				
Equity securities - Held for trading	35,224	-	-	35,224
Financial assets measured at fair value	35,224	-	-	35,224

Company- December 31, 2018	Level 1	Level 2	Level 3	Total balance
Assets				
Equity securities - Held for trading	42,359	-	-	42,359
Financial assets measured at fair value	42,359	-	-	42,359

IN THOUSANDS OF NIGERIAN NAIRA

6.0 CASH AND CASH EQUIVALENTS

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

	Group 2019	Group 2018	Company 2019	Company 2018
Cash at bank and in hand	518,066	125,441	159,819	109,024
Placements with financial institutions	2,260,400	2,394,207	2,158,555	2,357,990
	2,778,466	2,519,648	2,318,374	2,467,014
Less: Impairment of placements	(3,186)	(8,787)	(3,037)	(8,787)
	2,775,280	2,510,861	2,315,337	2,458,227

Deposits with banks earned interest at floating rates based on the daily rates. Cash and deposits are available for use in the company's day-to-day operations.
Cash and bank overdrafts include the following for the purposes of the cash flow statement:

Cash at bank and in hand	2,775,280	2,510,861	2,315,337	2,458,227
Bank overdraft	-	-	-	-
	2,775,280	2,510,861	2,315,337	2,458,227

7.0 FINANCIAL ASSETS

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

	Group 2019	Group 2018	Company 2019	Company 2018
Fair value through profit or loss (see note 7.1 below)	79,843	95,286	35,224	42,359
Fair value through Other Comprehensive Income (see note 7.2)	8,099	9,347	8,099	9,347
Held at amortised cost (see note 7.3)	3,826,745	3,690,461	3,544,597	3,402,293
Total financial assets	3,914,687	3,795,094	3,587,920	3,453,999
Current	3,906,588	3,785,747	3,579,821	3,444,652
Non-current	8,099	9,347	8,099	9,347

7.1(a) Details of fair value through profit or loss is as follows:

Balance 1 January	95,286	136,774	42,359	100,951
Purchases during the year	-	22,796	-	-
Disposal during the year	-	(53,386)	-	(53,386)
Net fair value gain/(loss)	(15,443)	(10,898)	(7,135)	(5,206)
	79,843	95,286	35,224	42,359

(ii) **Realised gain/(loss) from disposal of fair value through profit or loss financial assets**

Fair value of consideration received	-	52,612	-	52,612
Less:				
Fair value of financial assets sold	-	(53,385)	-	(53,385)
Realised (loss)/gain	-	(773)	-	(773)

In thousands of Nigerian Naira

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

These are equity securities as analysed below:

	Group 2019	Group 2018	Company 2019	Company 2018
Access Bank	1,581	1,075	1,248	849
Africa Prudential Registrar Plc	35	34		-
Dangote Cement	4,920	6,573	4,920	6,573
Dangote Sugar	553	620	553	620
Deap Capital	786	786	786	786
ETI	8	18		-
FBN Holdings	14,901	19,263	6,692	8,651
GTB	34,239	39,715	4,539	5,265
Guinea Ins	100	115	100	115
Guiness	251	602	251	602
International Breweries	76	243	76	243
National Salt Company Plc	311	432	-	-
Nestle	5,231	5,285	5,231	5,285
Nigeria Breweries	1,396	2,024	1,396	2,024
Regency	1,505	1,574	1,100	1,155
STACO	110	264	110	264
Sterling Bank	491	469	-	-
Total	26	48	26	48
UAC	131	149	131	149
UBA	2,775	2,989	724	780
UBA Capital Plc	83	99	-	-
Union Homes	47	47	47	47
Universal Insurance Company Plc	200	500	-	-
WAPCO	313	254	313	254
Wapic	8	10	6	7
Zenith Bank	9,763	12,099	6,973	8,642
	79,843	95,286	35,224	42,359

7.2 At fair value through OCI financial assets

These represent interest in unquoted companies as analyzed below

	Group 2019	Group 2018	Company 2019	Company 2018
Trustbond Mortgage Bank	1,931	3,146	1,931	3,146
FCSL Asset Management Company Limited	6,168	6,201	6,168	6,201
	8,099	9,347	8,099	9,347
Fair value as at January 1	9,347	8,447	9,347	8,447
Fair value gain/(loss)	(1,248)	900	(1,248)	900
Non-current	**8,099**	**9,347**	**8,099**	**9,347**

7.2.1 At Fair value through OCI financial assets represent the Group's investments in unlisted securities in other corporate entities. The investment is carried at fair value based on the net assets value of the group's investments in the other corporate entities and where determinable the market price of the Investment.

7.2.2 The Fair value loss of N1,248,628 for the year ended 31 December 2019(2018: Gain of N900,573) represents loss on financial assets during the year which has been debited to Fair value sale reserve as analysed below

	Trust Bond Mortgage Bank Dec 2019	FCSL Asset Management Limited Dec 2019	Total Dec 2019
Net asset value of corporate entities	3,464,942	824,722	
Unit of shares held by SUNU Assurances Nigeria Plc	2,604	10,000	
Percentage holding/unit price	0.0557%	0.748%	
Fair value	1,931	6,168	8,099
Carrying value at the beginning	(3,146)	(6,201)	(9,347)
Fair value gain/(loss)	(1,215)	(33)	(1,248)

7.3 Financial assets held at amortized costs

	Group 2019	Group 2018	Company 2019	Company 2018
FGN fixed income securities	3,827,045	3,692,405	3,544,877	3,404,187
Less: provision for impairment	(300)	(1,944)	(280)	(1,894)
	3,826,745	3,690,461	3,544,597	3,402,293
Current	3,826,745	3,690,461	3,544,597	3,402,293
Non-current	-	-	-	-

8.0 TRADE RECEIVABLES

	Group 2019	Group 2018	Company 2019	Company 2018
Insurance receivables (Note 8.1)	5,978	3,529	5,978	3,529
Other trade receivables (Note 8.2)	184,095	156,529	-	-
	190,073	160,058	5,978	3,529
Less: provision for impairment (Note 8.3)	(41,293)	(40,377)	-	-
Trade Receivables	**148,780**	**119,681**	**5,978**	**3,529**

8.1 The movement in insurance receivables is shown below

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning	3,529	13,535	3,529	13,535
Additions during the year	3,060,204	3,048,914	2,240,854	2,502,382
Payment received during the year	(3,057,755)	(3,058,920)	(2,238,405)	(2,512,388)
Balance at the end of the year	5,978	3,529	5,978	3,529

IN THOUSANDS OF NIGERIAN NAIRA

8.1b The age analysis of Gross Insurance Receivables as at the end of the year is as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
0-30days	5,978	3,529	5,978	3,529
Above 30 days	-	-	-	-
Total	5,978	3,529	5,978	3,529

8.2 The make up of other trade receivables are as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
Trade Receivables from operations of Sunu Health Nigeria Ltd	135,419	78,777	-	-
Trade Receivables from operations of EA Capital Management Ltd	48,676	77,752	-	-
Total	184,095	156,529	-	-

8.2a The movement in Other trade receivables is shown below:

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning	156,529	203,659	-	-
Additions during the year	965,399	744,744	-	-
Payment received during the year	(924,748)	(789,856)	-	-
Bad debts written off	(12,593)	-		
Write off of provision	(491)	(2,018)	-	-
Balance at the end of the year	184,095	156,529	-	-

8.3 The movement in provision for impairment in Other trade receivables is shown below:

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning	40,377	58,551	-	-
Additions during the year	2,134	5,213	-	-
Write off of provision	(491)	(2,018)	-	-
Provision derecognised	728	(21,369)	-	-
Balance at the end of the year	41,293	40,377	-	-

8.4 The age analysis of gross trade receivables as at the end of the year is as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
0- 90 days	122,345	37,759	5,978	3,529
91- 180 days	27,981	35,353	-	-
Above 180 days	39,747	86,946	-	-
Total	190,073	160,058	5,978	3,529

9.0 **REINSURANCE RECEIVABLES**

	Group 2019	Group 2018	Company 2019	Company 2018
Prepaid re-insurance (9.1)	226,392	194,855	226,392	194,855
Reinsurers' share of outstanding claims (Note 9.2)	869,320	1,700,517	869,320	1,700,517
Reinsurers' share of IBNR (Note 9.3)	94,973	155,401	94,973	155,401
Reinsurers' share of claims paid (Note 9.4)	88,641	413,900	88,641	413,900
	1,279,326	2,464,673	1,279,326	2,464,673

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9.1 PREPAID RE-INSURANCE

	Group 2019	Group 2018	Company 2019	Company 2018
The movement in prepaid reinsurance is as follows:				
Balance at January 1	194,855	208,735	194,855	208,735
Reinsurance cost during the year (Note 33)	720,787	849,116	720,787	849,116
Reinsurance expenses (Note 33)	(689,250)	(862,996)	(689,250)	(862,996)
Balance at December 31	226,392	194,855	226,392	194,855

	Group 2019	Group 2018	Company 2019	Company 2018
9.2 The movement in reinsurance share of outstanding claim is as follows:				
Balance at January 1	1,700,517	1,095,387	1,700,517	1,095,387
Changes during the year (Note 35)	(831,197)	605,130	(831,197)	605,130
Balance at December 31	869,320	1,700,517	869,320	1,700,517

	Group 2019	Group 2018	Company 2019	Company 2018
9.3 The movement in reinsurance share of IBNR				
Balance at January 1	155,401	133,393	155,401	133,393
Changes during the year (Note 35)	(60,428)	22,008	(60,428)	22,008
Balance at December 31	94,973	155,401	94,973	155,401

	Group 2019	Group 2018	Company 2019	Company 2018
9.4 The movement in reinsurance share of recoverable on claims paid				
Balance at January 1	413,900	54,337	413,900	54,337
Reinsurance recoveries from claims paid (Note 35)	907,436	835,250	907,436	835,250
Receipt from Reinsurance during the year	(1,232,695)	(475,687)	(1,232,695)	(475,687)
Balance at December 31	88,641	413,900	88,641	413,900

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

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

10.0 DEFERRED ACQUISITION COSTS

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

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	103,939	126,007	103,939	126,007
Additions in the year (Note 18.1)	498,477	504,929	451,410	478,515
Expensed during the year (Note 36)	(484,105)	(526,997)	(437,038)	(500,583)
At 31 December	118,311	103,939	118,311	103,939

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

11.0 PREPAYMENTS AND OTHER RECEIVABLES

	Group 2019	Group 2018	Company 2019	Company 2018
Other receivables (11.1)	213,316	225,044	161,321	162,778
Due from Equity Resort Hotel (Note 11.2)	144,249	171,361	61,946	89,058
Due from Related companies (Note 11.3)	32,661	32,271	32,661	32,271
Due from Staff	4,339	10,233	4,339	9,939
Prepayments	202,612	429,904	185,621	416,237
	597,177	868,813	445,888	710,283
Less: Impairment	(35,778)	-	(35,778)	-
	561,399	868,813	410,110	710,283

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Current	417,150	697,452	348,164	621,225
Non-current	144,249	171,361	61,946	89,058

11.1 OTHER RECEIVABLES

	Group 2019	Group 2018	Company 2019	Company 2018
Investment receivables	20,738	19,650	20,738	19,650
Withholding tax receivables	95,592	101,087	81,831	87,397
Sundry receivables	96,986	104,307	58,752	55,731
At 31 December	213,316	225,044	161,321	162,778

11.2 DUE FROM EQUITY RESORT HOTEL LIMITED

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	171,361	164,088	89,058	164,088
Reimbursable expenses incurred	2,107	25,888	2,107	25,888
Repayment during the year	-	(933)	-	(83,236)
(Loss)/Profit from concessionary arrangement	(29,219)	(17,682)	(29,219)	(17,682)
At 31 December	144,249	171,361	61,946	89,058

11.3 DUE FROM RELATED PARTIES

	Group 2019	Group 2018	Company 2019	Company 2018
Equity Micro Life Insurance Company Limited	2,062	2,062	2,062	2,062
Sunu Assurances Limited, Ghana	25,892	25,486	25,892	25,486
Sunu Assurances Liberia Company Limited	4,707	4,723	4,707	4,723
	32,661	32,271	32,661	32,271

12 INVESTMENT IN SUBSIDIARIES

	Group 2019	Group 2018	Company 2019	Company 2018
EA Capital Management Limited	-	-	278,294	278,294
Managed HealthCare Services Limited (MHS)	-	-	381,330	381,330
	-	-	659,624	659,624

Principal subsidiary undertakings:
The Group is controlled by Sunu Assurances Nigeria Plc "the company" (incorporated in Nigeria). The controlling interest of Sunu Assurances Nigeria Plc in the Group entities is disclosed in the table below:

Company name	**% of equity capital controlled**	
	Dec-19	**Dec-18**
EA Capital Management Limited	100	100
Sunu Health Nigeria Limited (formerly Managed HealthCare Services Limited)	63.19	63.19

1. EA Capital Management Limited was incorporated on October 29, 2008 as a private limited liability company primarily to carry on the business of finance leases to both individual and corporate clients. Its registered office is at Plot 1196 Bishop Oluwole Street, Victoria Island, Lagos, Nigeria.

2. Sunu Health Nigeria Limited (formerly Managed HealthCare Services Limited) was incorporated on December 11, 1997 to carry on the business of health management. It is a nationally licensed Health Management Organization(HMO), accredited by the National Health Insurance Scheme (NHIS). It has its head office at 16 Obokun street, off Coker road, Ilupeju, Lagos, Nigeria and twelve branches across major cities in Nigeria.

IN THOUSANDS OF NIGERIAN NAIRA

13 INVESTMENT PROPERTIES

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at 1 January	374,924	361,656	321,756	311,656
Additions	8,937	2,183	8,937	2,183
Revaluation	6,490	11,085	5,307	7,917
Balance at 31 December	390,351	374,924	336,000	321,756

The investment properties are being held as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
Investment properties held by the Company	336,000	321,756	336,000	321,756
Investment properties held by EA Capital	54,351	53,168	-	-
	390,351	374,924	336,000	321,756

The Investment Properties were independently valued by Igbenabor Uzorchikwa of Millsnabor & Associates Limited, quantity surveyors and valuers with FRC No FRC/2018/00000011860 on December 28, 2018 to ascertain the open market value using the market comparison approach through analysis of recent transaction of sale of comparable properties in the neighbourhood. The description, location and valuation of the investment properties are as follows:

S/N	Description	Location of Properties	Valuation(N'000)
1	6 Nos 4 bedroom Semi Detached Prototype Duplexes	Diamond Estate, Sangotedo along Cardinal Anthony Okojie (Otherwise known as New Road) off Lagos- Epe Expressway, Lagos, Nigeria	336,000
	Total Investment property for the Company		**336,000**
2	3 Bedroom all en-suit flat	Flat 103, Seagle Towers Odudu Road, Oniru, Victoria Island, Lagos, Nigeria	54,351
	Total Investment properties for the Group (1+2)		**390,351**

14 INTANGIBLE ASSETS

	Group 2019	Group 2018	Company 2019	Company 2018
COST				
Balance at 1 January	1,279,835	1,260,913	1,245,242	1,238,893
Additions	1,613	18,922	-	6,349
Balance on 31 December	1,281,448	1,279,835	1,245,242	1,245,242
ACCUMMULATED AMORTISATION				
Balance at 1 January	496,195	442,338	483,283	433,251
Amortisation charge for the year	56,470	53,857	49,649	50,032
Balance on 31 December	552,665	496,195	532,932	483,283
Carrying value	728,783	783,640	712,310	761,959

The closing net book of the intangible assets comprises the following:

	Group 2019	Group 2018	Company 2019	Company 2018
Computer Software	21,838	29,565	5,365	7,884
Leasehold improvements on Equity Resort hotels	706,945	754,075	706,945	754,075

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

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15.1 PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Land	Buildings	Office Equipment	Motor Vehicles	Furniture and Fittings	ICT Equipment	Bill Board	Total
COST								
At 1 January 2019	199,812	474,988	148,222	440,812	64,439	56,756	8,716	1,393,745
Reclassification	-	(6,002)	6,002	-	-	-	-	-
Additions		4,200	6,359	69,785	4,812	2,719	1,695	89,570
Disposals	-	-	(20,106)	(59,391)	(1,412)	(1,536)	-	(82,445)
Revaluation	-	-						-
At 31 December 2019	199,812	473,186	140,477	451,206	67,839	57,939	10,411	1,400,870
At 1 January 2018	1,199,762	2,117,986	139,045	406,661	52,552	45,516	5,730	3,967,252
Reclassification	-	-	-	-	-	-	-	-
Additions	50	165,480	15,185	94,878	18,203	11,385	8,716	313,897
Disposals	(1,000,000)	(1,808,478)	(6,008)	(60,727)	(6,316)	(145)	(5,730)	(2,887,404)
Revaluation								-
At 31 December 2018	199,812	474,988	148,222	440,812	64,439	56,756	8,716	1,393,745
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	30,980	112,136	229,358	42,716	36,428	-	451,618
Reclassification	-	-	-	-	-	-	-	-
Charge for the year	-	5,486	10,329	74,463	5,556	4,543	1,747	102,124
Disposals	-		(17,412)	(55,382)	(1,294)	(1,383)	-	(75,471)
At 31 December 2019	-	36,466	105,053	248,439	46,978	39,588	1,747	478,271
At 1 January 2018	-	25,493	104,225	202,617	45,528	32,568	5,730	416,161
Reclassification	-	-	-	-	-	-	-	-
Charge for the year	-	38,999	13,283	65,855	2,730	3,997	-	124,864
Disposals	-	(33,512)	(5,372)	(39,114)	(5,542)	(137)	(5,730)	(89,407)
At 31 December 2018	-	30,980	112,136	229,358	42,716	36,428	-	451,618
CARRYING VALUE								
At 31 December, 2019	**199,812**	**436,720**	**35,424**	**202,767**	**20,861**	**18,351**	**8,664**	**922,599**
At 31 December, 2018	**199,812**	**444,008**	**36,086**	**211,454**	**21,723**	**20,328**	**8,716**	**942,127**

15.1.1 Disposal of Property, Plant & Equipment during the year - Group

	Land	Buildings	Office Equipment	Motor Vehicles	Furniture & Fittings	ICT Equipment	Bill Board	Total
Cost at date of disposal	-	-	20,106	59,391	1,412	1,536	-	82,445
Accumulated depreciation	-	-	17,412	55,382	1,294	1,383	-	75,471
NBV at date of disposals	-	-	2,694	4,009	118	153	-	6,974
Proceeds from disposal	-	-	1,789	9,326	249	130	-	11,494
(loss)/Profit on disposal (Note 41)	-	-	**(905)**	**5,317**	**131**	**(23)**	-	**4,520**

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15.2 PROPERTY, PLANT AND EQUIPMENT (COMPANY)

	Land	Buildings	Office Equipment	Motor Vehicles	Furniture & Fittings	ICT Equipment	Bill Board	Total
COST								
At 1 January 2019	199,812	28,600	73,880	260,944	40,727	55,989	8,716	668,668
Additions			3,392	69,328	3,909	2,719	1,695	81,043
Disposals			(3,521)	(34,521)	(976)	(1,536)		(40,554)
At 31 December 2019	199,812	28,600	73,751	295,751	43,660	57,172	10,411	709,157
At 1 January 2018	1,199,762	1,677,600	70,716	309,438	44,014	44,604	5,730	3,351,864
Additions	50	159,478	9,172	12,233	3,029	11,385	8,716	204,063
On disposals	(1,000,000)	(1,808,478)	(6,008)	(60,727)	(6,316)	-	(5,730)	(2,887,259)
At 31 December 2018	199,812	28,600	73,880	260,944	40,727	55,989	8,716	668,668
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	2,860	54,073	150,700	35,117	35,703	-	278,453
Charge for the year		572	4,009	47,014	2,063	4,536	1,747	59,941
Disposals			(2,242)	(32,264)	(966)	(1,383)		(36,855)
At 31 December 2019	-	3,432	55,840	165,450	36,214	38,856	1,747	301,539
At 1 January 2018	-	2,288	53,813	144,395	38,652	31,741	5,730	276,619
Charge for the year	-	34,084	5,632	45,419	2,007	3,962	-	91,104
On disposals	-	(33,512)	(5,372)	(39,114)	(5,542)	-	(5,730)	(89,270)
Transfer to revaluation reserve								
At 31 December 2018	-	2,860	54,073	150,700	35,117	35,703	-	278,453
CARRYING VALUE								
At 31 December 2019	**199,812**	**25,168**	**17,911**	**130,301**	**7,446**	**18,316**	**8,664**	**407,618**
At 31 December 2018	199,812	25,740	19,807	110,244	5,610	20,286	8,716	390,215

15.2.1 Valuation of properties

Land and building held by Sunu Assurances Nigeria Plc was independently valued by Igbenabor Uzorchikwa of Millsnabor & Associates Limited, quantity surveyors and valuers with FRC No. FRC/2018/00000011860 on December 22, 2017 to ascertain the open market value of the land and building. The fair value of land and buildings is determined by discounting the expected cash flows of the properties based upon internal plans and assumptions and comparable market transactions.

15.2.2 Assets pledged as security

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

15.2.3 Capital commitment

The Group had no commitments for capital expenditure as at the statement of financial position date (2018: Nil) and no borrowing costs was capitalised in the current year (2018: Nil)

15.2.4 There were no impairment losses recognized during the year (2018:nil).

15.2.5 Land was not depreciated

15.2.6 Disposal of Property, Plant & Equipment during the year - Company

	Land	Buildings	Office Equipment	Motor Vehicles	Furniture & Fittings	ICT Equipment	Bill Board	Total
Cost at date of disposal			3,521	34,521	976	1,536	-	40,554
Accumulated depreciation			2,242	32,264	966	1,383	-	36,855
NBV at date of disposals	-	-	1,279	2,257	10	153	-	3,699
Proceeds from disposal	-	-	322	5,781	122	130		6,355
(loss)/Profit on disposal (Note 41)	-	-	**(957)**	**3,524**	**112**	**(23)**	-	**2,656**

16 STATUTORY DEPOSIT

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning	315,000	300,000	315,000	300,000
Additions during the year	-	15,000	-	15,000
Closing balance	315,000	315,000	315,000	315,000

These represent deposits with the Central Bank of Nigeria in accordance with Section 10(3) of the Insurance Act CAP I17 LFN 2004.

17 INSURANCE CONTRACT LIABILITIES

	Group 2019	Group 2018	Company 2019	Company 2018
Claims reported and loss adjustment expenses (17.1)	1,997,730	3,058,711	1,997,730	3,058,711
Claims incurred but not reported (17.2)	207,868	252,001	207,868	252,001
Unearned premiums (17.3)	677,481	618,549	677,481	618,549
Total Insurance contract iabilities, gross	2,883,079	3,929,261	2,883,079	3,929,261
Reinsurance receivables	964,293	1,855,918	964,293	1,855,918
Net insurance contract liabilities	1,918,786	2,073,343	1,918,786	2,073,343

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

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning of the year	3,058,711	2,360,461	3,058,711	2,360,461
Increase during the year (Note 35)	(1,060,981)	698,250	(1,060,981)	698,250
Balance at the end of the year	1,997,730	3,058,711	1,997,730	3,058,711

The Age Analysis of Outstanding Claims in thousands of Nigerian Naira as at December 31, 2019 is as follows:

Amount Range	0 - 90 Days	91 - 180 Days	181 - 270 Days	271-365 Days	366 Days and Above	Total
1 - 250,000	8,892	3,685	3,925	3,596	47,238	67,336
250,001 - 500,000	10,969	4,240	2,995	3,771	51,520	73,495
500,001 - 1,500,000	17,213	15,695	6,619	8,218	39,028	86,773
1,500,001 - 2,500,000	8,704	7,080	-	3,600	19,427	38,811
2,500,001 - 5,000,000	20,798	17,571	17,456	11,288	31,099	98,212
Above 5,000,001	89,324	144,884	-	21,357	1,377,538	1,633,103
TOTAL	155,900	193,155	30,995	51,830	1,565,850	1,997,730
Number of Claimants	155	83	94	62	878	1,272

Of the outstanding claims, 92% are above 90days holding period with 85% of those being related to pending substantiating documentations; 7% related to awaiting adjusters' report while 7% related to discharge Vouchers having been issued but yet to be returned for settlement by our customers.

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

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning of the year	252,001	299,470	252,001	299,470
(Decrease)/increase during the year (Note 35)	(44,133)	(47,469)	(44,133)	(47,469)
Balance at the end of the year	207,868	252,001	207,868	252,001

17.3 The movement in Unearned Premium is as follows

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning of the year	618,549	718,006	618,549	718,006
Increase during the year (Note 32)	58,932	(99,457)	58,932	(99,457)
Balance at the end of the year	677,481	618,549	677,481	618,549

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18 TRADE PAYABLES

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

	Group 2019	Group 2018	Company 2019	Company 2018
Reinsurance payable	-	43,073	-	43,073
Commission payable (Note 18.1)	7,245	66	1,924	66
Coinsurance payable	-	1,099	-	1,099
Other trade payables	8,741	25,148	-	-
	15,986	69,386	1,924	44,238

18.1 Commission payable

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning of the year	66	25	66	25
Additions during the year (Note 10)	498,477	504,929	451,410	478,515
Payment during the year	(491,298)	(504,888)	(449,552)	(478,474)
Balance at the end of the year	7,245	66	1,924	66

19 OTHER PAYABLES

	2019	2018	2019	2018
Due to related parties (Note 19.1)	32,918	42,175	91,619	93,362
Deferred income (Note 19.2)	319,690	63,268	-	-
Dividend payable	26,604	38,798	26,491	38,798
Withholding tax payable	27,148	25,001	21,868	21,317
Staff pension and gratuity	4,483	4,483	4,483	4,483
Unclaimed dividend	28,421	28,421	28,421	28,421
Interest received in advance on T bills	45,709	355,785	41,320	354,203
Unearned commission	43,488	52,430	43,488	52,430
Penalty due to NAICOM (Note 19.3)	259,984	259,984	259,984	259,984
Sundry creditors	176,852	93,057	122,644	80,469
Accrued expenses	182,759	140,864	85,759	70,130
	1,148,056	1,104,266	726,077	1,003,597
Current	655,043	867,675	552,754	830,274
Non-current	493,013	236,591	173,323	173,323

19.1 DUE TO RELATED PARTIES

	2019	2018	2019	2018
EA Capital Management Limited	-	-	55,634	42,170
Managed Healthcare Services Limited	-	-	2,292	8,242
Due to Sunu Group	32,918	42,175	33,693	42,950
	32,918	42,175	91,619	93,362

19.2 This represents unearned income from the businesses of EA Capital Management Limited- N10.804Million (2018-N13.157Million) and Sunu Health Nigeria Limited- N308.886Million (2018-N50.111Million).

19.3 This sum represents penalty imposed on the Company by NAICOM for failure to obtain its approval before ceding out an aviation business to a foreign reinsurance company which contravenes provision of section 72(4) of the Insurance Act, CAP I17, LFN 2004. So far, the Company had remitted the sum of $567,806 in Naira to NAICOM leaving an outstanding balance of $851,709 to be paid over the next three years.

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20 DEPOSIT FOR SHARES

	Group 2019	Group 2018	Company 2019	Company 2018
At January 1	1,000	-	-	-
Additions during the year	5,825	1,000	-	-
Refund	(1,000)	-	-	-
At December 31	5,825	1,000	-	-

Deposit for shares in Sunu Health Nigeria Limited	Group 2019	Group 2018	Company 2019	Company 2018
KYT investments Limited	1,303	1,000	-	-
Benolus Nigeria Limited	2,395	-	-	-
Patrick Korie	355	-	-	-
Joshua Enueme	477	-	-	-
Oracle Asset Limited	1,295	-	-	-
	5,825	1,000	-	-

21 BORROWINGS

	Group 2019	Group 2018	Company 2019	Company 2018
Convertible redeemable loan (Note 21.1)	2,989,127	2,830,705	2,989,127	2,830,705
Total	2,989,127	2,830,705	2,989,127	2,830,705
Maturity analysis				
Current portion	-	-	-	-
Non-current portion	2,989,127	2,830,705	2,989,127	2,830,705
	2,989,127	2,830,705	2,989,127	2,830,705

21.1 Convertible redeemable loan

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

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

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

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at January 1	2,830,705	2,644,867	2,830,705	2,644,867
Interest charges	121,859	115,400	121,859	115,400
Payments during the year	-	-	-	-
Exchange difference	36,563	70,438	36,563	70,438
Balance as at 31 December	2,989,127	2,830,705	2,989,127	2,830,705

The company issued a zero coupon global bond/option valued at 1,350,000,000 Japanese Yen (JPY) (USD12,420,000) to Daewoo Securities (Europe) Limited in 2008, who act as subscriber to the Bond. This is due to be repaid in year 2026. The Bond were issued with the options to subscribe for the ordinary shares of the Company.

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22 CURRENT INCOME TAX LIABILITIES

The movement in this account during the year is as follows:	Group 2019	Group 2018	Company 2019	Company 2018
Balance as at January 1	43,667	116,176	28,467	63,015
Adjustment				
Charge for the year (see note 22.1 below)	37,263	40,081	11,204	20,752
WHT Tax credit offset	(18,752)	(3,439)	(18,752)	-
Payment during the year	(8,832)	(109,151)	(2,000)	(55,300)
Balance as at December 31	53,346	43,667	18,919	28,467

22.1	Group 2019	Group 2018	Company 2019	Company 2018
Company income tax				
-Sunu Assurances Nigeria Plc	-	-	-	-
-Managed Healthcare Services	21,738	6,742	-	-
-EA Capital Management Limited	2,872	12,587	-	-
Education Tax				
-Sunu Assurances Nigeria Plc	-			
-Managed Healthcare Services	1,449			
Minimum tax				
-Sunu Assurances Nigeria Plc	11,204	20,752	11,204	20,752
National fiscal stabilisation levy/NITDA				
-Sunu Assurances Nigeria Plc	-			
Under provision in previous year				
-EA Capital Management Limited	-			
	37,263	40,081	11,204	20,752
Deferred tax				
-Sunu Assurances Nigeria Plc	-	-	-	-
-Managed Healthcare Services	-	3,014	-	-
-EA Capital Management Limited	-	-	-	-
	-	3,014	-	-
Total tax charge for the year	37,263	43,095	11,204	20,752

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

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

Current tax on results for the year:	Company 2019	Company 2018
Income Tax	-	-
NITDA	-	-
Education tax	-	-
Minimum tax	11,204	20,752
Total current tax	11,204	20,752
Deferred tax liability		
Origination and reversal of temporary differences	-	-
Total tax expense		
Tax Expense recognised in Other Comprehensive Income		
Capital Gains Tax on Revaluation Surplus	-	-

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The reasons for the difference between the actual tax charge for year and the standard rate of corporate tax in Nigeria applied to profits for the year are as follows:

	Company 2019	Company 2018
Profit/(loss) before tax	(39,460)	(39,460)
Tax at the statutory corporation tax rate of 30%	(11,838)	(11,838)
Effect of income that is exempt from taxation	(185,704)	(185,704)
Effect of expenses that are not deductible in determining taxable profit	236,055	236,055
Balancing charge	7,807	7,807
Capital allowances absorbed	(46,320)	(46,320)
Total fiscal profit for the year	-	-
Minimum tax	20,752	20,752
Tertiary education tax	-	-
Tax expense recognised in profit or loss statement	20,752	20,752
Effective tax rate	-53%	-53%

23 DEFERRED TAX

	Group 2019	Group 2018	Company 2019	Company 2018
Balance at the beginning of the year	63,798	60,784	48,994	48,994
Charge for the year:				
- Income statement	-	3,014	-	-
- Other comprehensive income	-	-	-	-
Balance at the end of the year	63,798	63,798	48,994	48,994
Non current	63,798	63,798	48,994	48,994

23.1 Deferred income tax are attributable to the following:

Company

	Opening balance as at 1 January 2019	Recognized in net income	Recognized in OCI	Closing Balance at 31 December 2019
Deferred tax liabilities				
Excess of NBV over TWDV	30,986	-	-	30,986
Unrealised Exchange gain				
Revaluation Surplus	18,008	-	-	18,008
	48,994	-	-	48,994
Deferred tax assets				
Other timing difference items	-	-	-	-
Net deferred tax liabilities	48,994	-	-	48,994

24 SHARE CAPITAL

	Group 2019	Group 2018	Company 2019	Company 2018
Authorised				
14,000,000,000 ordinary shares of 50k	7,000,000	7,000,000	7,000,000	7,000,000
Issued and fully paid				
14,000,000,000 Ordinary shares of 50k each	7,000,000	7,000,000	7,000,000	7,000,000

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25 SHARE PREMIUM

	Group 2019	Group 2018	Company 2019	Company 2018
Opening balance	1,023,465	1,023,465	1,023,465	1,023,465
At 31 December	1,023,465	1,023,465	1,023,465	1,023,465

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

26 CONTINGENCY RESERVES

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

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

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	947,401	872,330	947,401	872,330
Transfer from retained earnings(Note 29)	67,226	75,071	67,226	75,071
At 31 December	1,014,627	947,401	1,014,627	947,401

27 ASSETS REVALUATION RESERVES

	2019	2018	2019	2018
As at 1 January	63,089	356,539	63,089	356,539
Transfer to retained earnings from from property, plant and Equipment sold (Note 29 below)	-	(293,450)	-	(293,450)
Transfer from PPE:				
-cost (Note 15)	-	-	-	-
-accumulated depreciation(Note 15)	-	-	-	-
Revaluation for the year(Note 15)	-	-	-	-
At 31 December	63,089	63,089	63,089	63,089

The sum of N293.45Million represent the revaluation reserve on the Head Office buildings disposed during the year 2018.

28 FAIR VALUE RESERVE

	Group 2019	Group 2018	Company 2019	Company 2018
As at 1 January	1,270	370	1,270	370
Gain on Financial Assets (Note 7.2.2)	(1,248)	900	(1,248)	900
At December 31	22	1,270	22	1,270

This represents gain on financial assets at fair value through Other Comprehensive Income

29 RETAINED EARNINGS

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

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	(5,028,695)	(5,197,445)	(5,277,283)	(5,434,215)
Changes on initial application of IFRS 9	-	(1,544)	-	(1,235)
Restated opening balance	(5,028,695)	(5,198,989)	(5,277,283)	(5,435,450)
Total Dividend paid	(14,854)			
Dividend due to non-controlling shares	5,468			
Comprehensive income for the year	(243,408)	(48,085)	(277,279)	(60,212)
Transfer from Asset Revaluation Reserves (Note 27)	-	293,450	-	293,450
Transfer to contingency reserves (Note 26)	(67,226)	(75,071)	(67,226)	(75,071)
At 31 December	(5,348,715)	(5,028,695)	(5,621,788)	(5,277,283)

30 NON-CONTROLLING INTERESTS IN EQUITY

	2019	2018
Managed Healthcare Services Limited (MHS)	242,811	230,139

The movement in non-controlling interest was as follows:

	2019	2018
Balance as at 1 January	230,139	223,496
Dividend received	(5,468)	-
Transfer from the profit or loss account	18,140	6,643
	242,811	230,139

The balance at the end of 2019 represents the interest of shareholders holding 36.81% (2018: 36.81%) of the shareholding of Managed Healthcare Services Limited.

31 RELATED PARTY TRANSACTIONS

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

Transactions with key management personnel

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

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

(a) Loans and advances	2019	2018
Balance outstanding as at January 1	32,270	19,941
Addition during the year	1,614	32,270
Repayment during the year	(1,223)	(19,941)
Balance outstanding as at 31 December	32,661	32,270

(b) Other Payables	2019	2018
Balance outstanding as at January 1	93,250	139,963
Additions during the year	86,411	16,160
Payment during the year	(85,178)	(62,873)
Balance outstanding as at 31 December	94,483	93,250

(c) Key management compensation

See note 48 for key management compensation

(d) Sale of insurance contracts and other services	2019	2018
Premium received (Note d(i))	18,931	7,766
Claims incurred	26,731	44,064

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

IN THOUSANDS OF NIGERIAN NAIRA

32 NET PREMIUM INCOME

	Group 2019	Group 2018	Company 2019	Company 2018
Gross direct premium written	3,011,191	2,978,748	2,191,841	2,432,216
Inward reinsurance premium	49,013	70,166	49,013	70,166
Gross premium written	3,060,204	3,048,914	2,240,854	2,502,382
Increase in unearned premiums (Note 17.3)	(58,932)	99,457	(58,932)	99,457
Gross Premium income	3,001,272	3,148,371	2,181,922	2,601,839
Less: Reinsurance costs (Note 33)	(689,250)	(862,996)	(689,250)	(862,996)
Net Premium income	2,312,022	2,285,375	1,492,672	1,738,843

33 REINSURANCE EXPENSES

	Group 2019	Group 2018	Company 2019	Company 2018
Prepaid reinsurance at the beginning of the year	194,855	208,735	194,855	208,735
Additions during the year (Note 9.1)	720,787	849,116	720,787	849,116
Total	915,642	1,057,851	915,642	1,057,851
Prepaid reinsurance at the end of the year (Note 9.1)	(226,392)	(194,855)	(226,392)	(194,855)
Reinsurance expenses	689,250	862,996	689,250	862,996

34 COMMISSION INCOME

Commission income	116,654	124,928	116,654	124,928

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

35 NET CLAIMS EXPENSES

	Group 2019	Group 2018	Company 2019	Company 2018
Gross claims paid during the year	1,778,907	1,679,808	1,414,016	1,421,582
Changes in Outstanding claims (Note 17.1)	(1,060,981)	698,250	(1,060,981)	698,250
Changes in IBNR (Note 17.2)	(44,133)	(47,469)	(44,133)	(47,469)
Total claims and loss adjustment expenses	673,793	2,330,589	308,902	2,072,363
Recoverable from re-insurance	(15,811)	(1,462,388)	(15,811)	(1,462,388)
	657,982	868,201	293,091	609,975
Recoverable from re-insurances				
Reinsurance share of claims paid during the year (Note 9.4)	(907,436)	(835,250)	(907,436)	(835,250)
Changes in the Reinsurance share of outstanding claims (Note 9.2)	831,197	(605,130)	831,197	(605,130)
Changes in Reinsurance share of IBNR (Note 9.3)	60,428	(22,008)	60,428	(22,008)
Recoverable from re-insurances	(15,811)	(1,462,388)	(15,811)	(1,462,388)

36 UNDERWRITING EXPENSES

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

	Group 2019	Group 2018	Company 2019	Company 2018
Acquisition costs (Note 10)	484,105	526,997	437,038	500,583
Other underwriting expenses	97,690	101,365	97,690	101,365
Total underwriting expenses	581,795	628,362	534,728	601,948

IN THOUSANDS OF NIGERIAN NAIRA

37 NET INCOME FROM NON-INSURANCE COMPANIES

	Group 2019	Group 2018	Company 2019	Company 2018
EA Capital Management Limited	6,959	21,385	-	-
Sunu Health Nigeria Limited	30,731	75,422	-	-
	37,690	96,807	-	-

These were the revenue of non-insurance businesses of the group's subsidiaries that is, EA Capital Management Limited and Sunu Health Nigeria Limited less direct costs of generating those businesses. This is the gross profit from the group's subsidiaries that are not related to insurance businesses.

38 INVESTMENT INCOME

	Group 2019	Group 2018	Company 2019	Company 2018
Cash and cash equivalents interest income	691,845	507,151	645,576	441,079
Dividend income	13,772	5,032	10,841	3,412
Rental income	13,912	7,395	5,517	4,782
	719,529	519,578	661,934	449,273

The investment income comprises the following:	2019	2018	2019	2018
Investment income attributable to shareholders	27,684	12,427	16,358	8,194
Investment income attributable to policyholders	691,845	507,151	645,576	441,079
	719,529	519,578	661,934	449,273

39 NET REALISED GAINS/(LOSS) ON FINANCIAL ASSETS

	Group 2019	Group 2018	Company 2019	Company 2018
Realised gain on unquoted equity securities	-	-	-	-
Realised gain/(loss)on quoted equity securities(Note 7.1a(ii))	-	(773)	-	(773)
	-	(773)	-	(773)

40 NET FAIR VALUE GAIN/(LOSS) ON FINANCIAL ASSETS

	Group 2019	Group 2018	Company 2019	Company 2018
Net fair value Gain/(loss) on financial assets at fair value through profit or loss	(15,443)	(10,898)	(7,135)	(5,206)

41 OTHER OPERATING INCOME

	Group 2019	Group 2018	Company 2019	Company 2018
Profit/(loss) from sale of property, plant & equipment	4,520	236,785	2,656	236,783
Exchange gain	32,142	82,626	32,142	82,626
Bank interest	999	1,556	986	1,538
Other income	53,095	182,834	48,793	158,268
	90,756	503,801	84,577	479,215

42 IMPAIRMENT LOSS

	Group 2019	Group 2018	Company 2019	Company 2018
Impairment on other trade receivables (Note 8.3)	2,134	5,213	-	-
Impairment loss -other receivables	35,778		35,778	-
Impairment on Placement with financial institutions(Note 42.1)	3,186	8,787	3,037	8,787
Impairment no longer required on placements(Note 42.1)	(8,787)	(1,601)	(8,787)	(1,152)
Impairment no longer required on FGN Securities(Note 42.1)	(1,944)		(1,894)	
Impairment on FGN Securities (Note 42.1)	300	1,838	280	1,811
	30,667	14,237	28,414	9,446

42.1 The movement in impairment on FGN Securities and placements with financial institutions is as follows:

	FGN Securities		Placement with banks	
	Group 2019	Company 2019	Group 2019	Company 2019
Opening balance	1,944	1,894	8,787	8,787
charges during the period	300	280	3,186	3,037
impairment no longer required	(1,944)	(1,894)	(8,787)	(8,787)
Closing balance	**300**	**280**	**3,186**	**3,037**

IN THOUSANDS OF NIGERIAN NAIRA

43 OTHER OPERATING EXPENSES

	Group 2019	Group 2018	Company 2019	Company 2018
Depreciation and amortization charges	158,593	178,602	109,589	141,137
Auditors remuneration	11,808	12,416	7,343	7,951
Non-audit service expenses	-	-	-	-
Directors expenses	42,508	39,079	34,136	29,946
Professional fees	35,251	69,723	28,099	63,070
Bank charges	8,527	8,535	6,060	5,945
Training expenses	18,604	10,205	16,503	7,559
Communication expenses	118,560	124,548	109,556	114,222
Marketing expenses	53,544	48,601	40,090	35,276
Statutory fees	19,128	53,721	19,128	53,645
Repairs and maintenance	70,565	70,733	42,877	49,812
Diesel and electricity	137,914	118,494	129,161	111,508
Rent and rates	409,777	26,049	403,451	16,883
Insurance expenses	31,095	19,964	16,084	14,262
Pension and gratuity	37,853	42,961	25,155	29,600
Printing and stationery	16,781	8,370	7,849	2,706
Travelling and accomodation	80,686	91,952	65,974	80,284
Rebranding expenses	4,672	140,359	4,672	140,359
Other administrative expenses	65,736	86,440	42,894	61,783
	1,321,602	1,150,752	1,108,619	965,948

44 FINANCE COSTS

	Group 2019	Group 2018	Company 2019	Company 2018
Loan interest (Note 21.1)	121,859	115,400	121,859	115,400
Exchange loss arising from Daewoo loan (Note 21.1)	36,563	70,438	36,563	70,438
Restructuring fee	114,899	-	114,899	-
	273,321	185,838	273,321	185,838

45 PROFIT OR LOSS

The Profit or Loss is stated after charging/(crediting):

	Group 2019	Group 2018	Company 2019	Company 2018
Depreciation	102,124	124,864	59941	91,104
Audit fees	11,808	12,416	7,343	7,951
Net foreign exchange gain	-32,142	-82,626	-32,142	-82,626
Staff costs	561,117	663,178	352,692	442,820

Messrs SIAO did not provide other services except audit services

46 PROFIT/(LOSS) PER SHARE

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

	Group 2019	Group 2018	Company 2019	Company 2018
Profit/(Loss) attributable to the equity holders	(243,408)	(48,085)	(277,279)	(60,212)
Total number of ordinary shares of 50k each in issue	14,000,000	14,000,000	14,000,000	14,000,000
Weighted average number of ordinary shares in issue (thousands)	14,000,000	14,000,000	14,000,000	14,000,000
Basic profit/(loss per share (kobo)	(1.74)	(0.34)	(1.98)	(0.43)
Diluted profit/(loss) per share (kobo)	(1.74)	(0.34)	(1.98)	(0.43)

IN THOUSANDS OF NIGERIAN NAIRA

47 CASH GENERATED FROM OPERATIONS

This comprises:

	Group 2019	Group 2018	Company 2019	Company 2018
Profit/(loss) for the year	(243,408)	(48,085)	(277,279)	(60,212)
Adjustment to reconcile profit before taxation to net cash flow from operations:				
Depreciation charges	102,124	124,864	59,941	91,104
(Profit) on sale of property, plant and equipment	(4,520)	(236,785)	(2,656)	(236,783)
Dividend income	(13,772)	(5,032)	(10,841)	(3,412)
Rental income	(13,912)	(7,395)	(5,517)	(4,782)
Interest charges and exchange difference on borrowings	158,422	185,838	158,422	185,838
changes on initial application of IFRS		-		-
Impairment of quoted equity securities	15,443	10,898	7,135	5,206
Gain on quoted equity securities	-	773	-	773
Net fair value gain on investment properties	(6,490)	(11,085)	(5,307)	(7,917)
Amortization of intangible assets	56,470	53,857	49,649	50,032
Non-controlling interest	18,140	6,643		-
Operating profit before changes in working	68,497	74,491	(26,453)	19,847
Changes in working capital:				
Decrease/(increase) in trade receivables	(29,099)	38,962	(2,449)	10,006
(Increase)/Decrease in reinsurance receivables	1,185,347	(972,821)	1,185,347	(972,821)
(Increase)/decrease in other receivables	307,414	(423,669)	300,173	(357,771)
(Increase)/decrease in deferred acquisition	(14,372)	22,068	(14,372)	22,068
Decrease in statutory deposit	-	(15,000)	-	(15,000)
Increase/(decrease) in insurance contract liabilities	(1,046,182)	551,324	(1,046,182)	551,324
Decrease in trade payables	(53,400)	36,670	(42,314)	44,086
(Decrease)/Increase in other payables	43,790	268,572	(277,520)	271,339
Decrease in obligation under finance lease	-	-	-	-
(Decrease)/increase in income tax liabilities	9,679	(72,509)	(9,548)	(34,548)
Increase in deferred tax liabilities	-	3,014	-	-
Decrease in deposit for shares		-		-
Changes in working capital	403,177	(563,389)	93,135	(481,317)
Net cash from operating activities	471,674	(488,898)	66,682	(461,470)

IN THOUSANDS OF NIGERIAN NAIRA

48 SALARIES, BENEFITS AND DIRECTORS FEES AND REMUNERATION

	Group 2019	Group 2018	Company 2019	Company 2018
Chairman's and other directors' emoluments				
48.1 The remuneration paid to directors are as follows:				
Executive compensation	72,195	84,260	53,359	65,539
Fees and sitting allowances	42,358	37,494	34,136	29,249
Total	114,553	121,754	87,495	94,788
48.2 Fees and other emoluments disclosed above include amounts paid to:				
Chairman	11,627	10,667	9,960	8,700
Highest paid director	47,901	25,715	25,510	25,715
48.3 **The number of directors who had no emoluments is**	NIL	NIL	NIL	NIL

49 EMPLOYEES BENEFITS

49.1 EMPLOYEES REMUNERATED AT HIGHER RATES

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

N N	Group 2019 Number	Group 2018 Number	Company 2019 Number	Company 2018 Number
300,001 to 500,000	6	22	4	9
500,001 - 750,000	7	15	5	9
750,001 - 1,000,000	26	26	16	17
1,000,001 - 2,000,000	55	69	22	26
2,000,001 - 3,000,000	33	31	22	17
3,000,001 - 4,000,000	12	10	6	8
4,000,001 - 5,000,000	11	7	11	6
5,000,001 and above	22	27	14	17
	172	207	100	109

49.2 Staff costs

	Group 2019	Group 2018	Company 2019	Company 2018
Managerial	64	57	31	36
Senior	94	132	60	65
Junior	14	18	9	8
	172	207	100	109
Staff costs	561,117	663,178	352,692	442,820

IN THOUSANDS OF NIGERIAN NAIRA

49.3 EMPLOYEES' RETIREMENT BENEFITS

The company and its subsidiaries operate a contributory retirement benefit scheme. For Companies resident in Nigeria the Contributions to the scheme are funded through payroll deductions at the rate of 8% monthly for employees and 10% employer's contribution in compliance with the provisions of the Pension Reform Act, 2014.

50 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

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

51 CONTRAVENTION OF LAWS AND REGULATIONS

The Company did not contravene any law and regulation during the year

52 CONTINGENT LIABILITIES

There is no contingent liabilities against the Company as at December 31, 2019 (2018: nil)

53 EVENTS AFTER REPORTING PERIOD

There were no events after the reporting period which could have a material effect on the financial position of the Company as at 31 December 2019 and profit attributable to equity holders.

54 HYPOTHECATION

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

Group - 31 December 2019	Insurance funds	Shareholders' funds	Total
Assets			
Cash and Cash equivalents	2,775,280		2,775,280
Financial assets	2,399,566	1,515,121	3,914,687
Trade receivables	-	148,780	148,780
Re-insurance receivables	1,279,326		1,279,326
Deferred acquisition costs		118,311	118,311
Other receivables and prepayments		561,399	561,399
Investment property		390,351	390,351
Intangible assets		728,783	728,783
Property, plant and Equipment		922,599	922,599
Statutory deposit		315,000	315,000
Total Assets	6,454,172	4,700,344	11,154,516
Liabilities			
Insurance contract liabilities	2,883,079		2,883,079
Trade payables		15,986	15,986
Provision and other payables		1,148,056	1,148,056
Deposit for shares		5,825	5,825
Borrowings		2,989,127	2,989,127
Income tax liabilities		53,346	53,346
Deferred tax liabilities		63,798	63,798
Total Liabilities	2,883,079	4,276,138	7,159,217
SURPLUS	3,571,093	424,206	3,995,299

IN THOUSANDS OF NIGERIAN NAIRA

Group - 31 December 2018	Insurance funds	Shareholders' funds	Total
Assets			
Cash and Cash equivalents	2,510,861	-	2,510,861
Financial assets	1,755,091	2,040,003	3,795,094
Trade receivables		119,681	119,681
Re-insurance receivables	2,464,673	-	2,464,673
Deferred acquisition costs	-	103,939	103,939
Other receivables and prepayments	-	868,813	868,813
Investment property	-	374,924	374,924
Intangible assets	-	783,640	783,640
Property, plant and Equipment	-	942,127	942,127
Statutory deposit	-	315,000	315,000
Total Assets	6,730,625	5,548,127	**12,278,752**
Liabilities			
Insurance contract liabilities	3,929,261	-	3,929,261
Trade payables	-	69,386	69,386
Provision and other payables	-	1,104,266	1,104,266
Deposit for shares	-	1,000	1,000
Borrowings	-	2,830,705	2,830,705
Income tax liabilities	-	43,667	43,667
Deferred tax liabilities	-	63,798	63,798
Total Liabilities	**3,929,261**	**4,112,822**	**8,042,083**
SURPLUS	**2,801,364**	**1,435,305**	**4,236,669**

Company - 31 December 2019	Insurance funds		Shareholders' funds	Total
Assets				
Cash and Cash equivalents	2,315,337		-	2,315,337
Financial assets	2,399,566		1,188,355	3,587,921
Trade receivables			5,978	5,978
Reinsurance receivables	1,279,326		-	1,279,326
Deferred acquisition costs			118,311	118,311
Other receivables and prepayments			410,110	410,110
Investment in subsidiaries			659,624	659,624
Investment properties			336,000	336,000
Intangible assets			712,310	712,310
Property, plant and Equipment			407,618	407,618
Statutory deposit			315,000	315,000
Total Assets	5,994,229	-	4,153,306	10,147,535
Liabilities				
Insurance contract liabilities	2,883,079			2,883,079
Trade payables			1,924	1,924
Provision and other payables			726,077	726,077
Borrowings			2,989,127	2,989,127
Income tax liabilities			18,919	18,919
Deferred tax liabilities			48,994	48,994
Total Liabilities	2,883,079	-	3,785,041	6,668,120
SURPLUS	3,111,150	-	368,265	3,479,415

IN THOUSANDS OF NIGERIAN NAIRA

Company - 31 December 2018	Insurance funds		Shareholders' funds	Total
Assets				
Cash and Cash equivalents	2,458,227		-	2,458,227
Financial assets	1,466,923		1,987,076	3,453,999
Trade receivables			3,529	3,529
Reinsurance receivables	2,464,673		-	2,464,673
Deferred acquisition costs			103,939	103,939
Other receivables and prepayments			710,283	710,283
Investment in subsidiaries			659,624	659,624
Investment properties			321,756	321,756
Intangible assets			761,959	761,959
Property, plant and equipment			390,215	390,215
Statutory deposit			315,000	315,000
Total Assets	**6,389,823**	-	**5,253,381**	**11,643,204**
Liabilities				
Insurance contract liabilities	3,929,261			3,929,261
Trade payables			44,238	44,238
Provision and other payables			1,003,597	1,003,597
Borrowings			2,830,705	2,830,705
Income tax liabilities			28,467	28,467
Deferred tax liabilities			48,994	48,994
Total Liabilities	**3,929,261**	-	**3,956,001**	**7,885,262**
SURPLUS	**2,460,562**	-	**1,297,380**	**3,757,942**

OTHER NATIONAL DISCLOSURE
STATEMENT OF VALUE ADDED (GROUP)

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

	2019 ₦'000	%	2018 ₦'000	%
Gross premium earned	3,001,272		3,148,371	
Investment, commission and other income	926,457		1,226,659	
Re-insurance, claims, commission and services	(3,055,476)		(3,270,569)	
Value added	872,253	100	1,104,461	100
% Value added	29%		35%	
Applied as follows:				
Payment to employees				
Employee benefit expenses	561,117	64	663,178	60
Payment to providers of capital				
Interest and similar charges	273,321	31	185,838	17
Payment to government				
Taxation	37,263	4	43,095	4
Retained for replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	102,124	12	124,864	11
Amortisation of intangible asset	56,470	6	53,857	5
Contingency reserve	67,226	8	75,071	7
Profit/(loss) for the year	(225,268)	(26)	(41,442)	(4)
	872,253	100	1,104,461	100

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
STATEMENT OF VALUE ADDED (COMPANY)

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

	2019 ₦'000	%	2018 ₦'000	%
Gross premium earned	2,181,922		2,601,839	
Investment, commission and other income	832,118		1,034,961	
Re-insurance, claims, commission and services	(2,477,286)		(2,831,395)	
Value added	536,754	100	805,405	100
% Value added	25%		31%	
Applied as follows:				
Payment to employees				
Employee benefit expenses	352,692	66	442,820	55
Payment to providers of capital				
Interest and similar charges	273,321	51	185,838	23
Payment to government				
Taxation	11,204	2	20,752	3
Retained for replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	59,941	11	91,104	11
Amortisation of intangible asset	49,649	9	50,032	6
Contingency reserve	67,226	13	75,071	9
Loss for the year	(277,279)	(52)	(60,212)	(7)
	536,754	100	805,405	100

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
FIVE YEAR FINANCIAL SUMMARY -GROUP
IN THOUSANDS OF NIGERIAN NAIRA

Statement of Financial Position

	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents	2,775,280	2,510,861	3,438,906	3,599,976	3,596,868
Financial assets	3,914,687	3,795,094	653,512	123,607	657,025
Trade receivables	148,780	119,681	158,643	271,360	489,931
Reinsurance receivables	1,279,326	2,464,673	1,491,852	870,359	1,236,171
Deferred acquisition cost	118,311	103,939	126,007	95,863	247,150
Prepayments and other receivables	561,399	868,813	445,143	400,683	497,210
Investment properties	390,351	374,924	361,656	351,400	397,477
Intangible assets	728,783	783,640	818,575	865,587	972,035
Property, plant and equipment	922,599	942,127	3,551,091	3,391,045	3,427,816
Statutory deposit	315,000	315,000	300,000	300,000	324,302
Total assets	11,154,516	12,278,752	11,345,385	10,269,880	11,845,985
Liabilities					
Insurance Contract Liabilities	2,883,079	3,929,261	3,377,937	2,577,030	2,706,871
Trade payables	15,986	69,386	32,716	36,031	148,998
Other payables	1,148,056	1,104,266	835,694	950,746	865,555
Deposit for shares	5,825	1,000	-	18,179	800
Borrowings	2,989,127	2,830,705	2,644,867	2,432,750	1,945,815
Income tax liabilities	53,346	43,667	116,176	143,456	153,657
Deferred tax	63,798	63,798	60,784	60,784	22,359
Total liabilities	7,159,217	8,042,083	7,068,174	6,218,976	5,844,055
Net Assets	3,995,299	4,236,669	4,277,211	4,050,904	6,001,930
Equity					
Paid up share capital	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Share premium	1,023,465	1,023,465	1,023,465	1,023,465	1,023,465
Contingency reserves	1,014,627	947,402	872,330	792,147	837,291
Revaluation reserves	63,089	63,089	356,539	156,490	168,890
Available for sale reserve	22	1,270	370	250	-
Retained earnings	(5,348,715)	(5,028,696)	(5,198,989)	(5,120,756)	(3,419,521)
Foreign currency translation reserve		-	-	-	(43,974)
	3,752,488	4,006,530	4,053,715	3,851,596	5,566,151
Non controlling interest	242,811	230,139	223,496	199,308	435,779
Total equity	3,995,299	4,236,669	4,277,211	4,050,904	6,001,930

Statement of Profit or Loss and Other Comprehensive Income

	2019	2018	2017	2016	2015
Gross premium written	3,060,204	3,048,914	3,131,705	4,836,334	4,470,627
Net underwriting income	2,428,676	2,410,303	2,481,788	3,821,080	3,660,476
Total underwriting expenses	1,239,777	1,496,563	1,393,148	2,868,368	1,859,204
Total underwriting profit	1,188,899	913,740	1,088,640	952,712	1,801,272
Total investment and other income	809,803	1,131,271	889,986	1,073,417	918,996
Total income	1,998,702	2,045,011	1,978,626	2,026,129	2,720,268
Expenses	(2,186,707)	(2,043,358)	(1,936,239)	(3,567,803)	(3,207,301)
Profit/(loss) before tax	(188,005)	1,653	42,387	(1,541,674)	(487,033)
Tax	37,263	43,095	36,714	165,211	93,161
Profit/(loss) after tax	(225,268)	(41,442)	5,673	(1,706,885)	(580,194)
Other comprehensive income:					
Gain on available for sale financial assets	(1,248)	900	370	250	(2,999)
Exchange difference on translation of foreign operations		-	-	(22,373)	(22,143)
Revaluation gain on property, plant and equipment		-	200,049	-	-
Other comprehensive income for the year	(1,248)	900	200,419	(22,123)	(25,142)
Total comprehensive income for the year	(226,516)	(40,542)	206,092	(1,729,008)	(605,336)
Basic (loss)/earnings per share	(1.74)	(0.34)	0.02	(12.56)	(4.50)
Diluted (loss)/earnings per share	(1.74)	(0.34)	0.02	(12.56)	(6.70)

SUNU ASSURANCES NIGERIA PLC AND ITS SUBSIDIARY COMPANIES
FIVE YEAR FINANCIAL SUMMARY - COMPANY
IN THOUSANDS OF NIGERIAN NAIRA

Statement of Financial Position

	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents	2,315,337	2,458,227	3,011,382	3,083,899	3,169,212
Financial assets	3,587,921	3,453,999	537,023	120,079	127,692
Trade receivables	5,978	3,529	13,535	-	4,078
Reinsurance receivables	1,279,326	2,464,673	1,491,852	870,359	938,439
Deferred acquisition cost	118,311	103,939	126,007	95,863	142,249
Prepayments and other receivables	410,110	710,283	352,511	320,639	307,005
Investment in subsidiaries	659,624	659,624	659,624	659,624	929,976
Investment properties	336,000	321,756	311,656	301,400	301,400
Intangible assets	712,310	761,959	805,642	853,667	909,447
Property, plant and equipment	407,618	390,215	3,075,245	2,966,375	2,898,218
Statutory deposit	315,000	315,000	300,000	300,000	300,000
Total assets	10,147,535	11,643,204	10,684,477	9,571,905	10,027,716
Liabilities					
Insurance Contract Liabilities	2,883,079	3,929,261	3,377,937	2,577,030	2,143,016
Trade payables	1,924	44,238	152	13,132	43,013
Other payables	726,077	1,003,597	732,258	786,076	577,916
Borrowings	2,989,127	2,830,705	2,644,867	2,435,245	1,955,095
Income tax liabilities	18,919	28,467	63,015	89,625	87,132
Deferred tax	48,994	48,994	48,994	48,994	48,994
Total liabilities	**6,668,120**	7,885,262	6,867,223	5,950,102	4,855,166
Net Assets	3,479,415	3,757,942	3,817,254	3,621,803	5,172,550
Equity					
Paid up share capital	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Share premium	1,023,465	1,023,465	1,023,465	1,023,465	1,023,465
Contingency reserves	1,014,627	947,402	872,330	792,147	731,725
Revaluation reserves	63,089	63,089	356,539	156,490	168,890
Available for sale reserve	22	1,270	370	250	-
Retained earnings	(5,621,788)	(5,277,284)	(5,435,450)	(5,350,549)	(3,751,530)
Shareholders funds	3,479,415	3,757,942	3,817,254	3,621,803	5,172,550

Statement of Profit or Loss and Other Comprehensive Income

	2019	2018	2017	2016	2015
Gross premium written	2,240,854	2,502,382	2,672,770	2,014,077	2,476,046
Net underwriting income	1,609,326	1,863,771	2,022,853	1,381,955	2,048,069
Total underwriting expenses	827,819	1,211,923	1,171,943	1,505,984	986,935
Total underwriting profit	781,507	651,848	850,910	(124,029)	1,061,134
Total investment and other income	715,464	936,405	631,255	826,661	503,767
Total income	1,496,971	1,588,253	1,482,165	702,632	1,564,901
Expenses	(1,763,046)	(1,627,713)	(1,453,580)	(2,190,811)	(2,260,472)
(loss) before tax	(266,075)	(39,460)	28,585	(1,488,179)	(695,571)
Tax	(11,204)	(20,752)	(32,318)	(62,818)	(50,359)
(Loss) after tax	(277,279)	(60,212)	(3,733)	(1,550,997)	(745,930)
Other comprehensive income:					
Gain on available for sale financial assets	(1,248)	900	370	250	(2,999)
Revaluation gain on property, plant and equipment		-	200,049	-	-
Other comprehensive income for the year	(1,248)	900	200,419	250	(2,999)
Total comprehensive income for the year	(278,527)	(59,312)	196,686	(1,550,747)	(748,929)
Basic (loss) per share	(1.98)	(0.43)	(0.03)	(11.08)	(5.30)
Diluted (loss) per share	(1.98)	(0.43)	(0.03)	(11.08)	(8.00)