Veritas
KAPITAL ASSURANCE PLC

2019
ANNUAL REPORT AND ACCOUNTS


Veritas
KAPITAL ASSURANCE PLC
RC 11785
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TABLE OF CONTENTS

NOTICE IS HEREBY GIVEN that the Forty Third (43rd) ANNUAL GENERAL MEETING ("AGM") of the members of **VERITAS KAPITAL ASSURANCE PLC** ("The Company") will be held on **Thursday 23rd July, 2020** at Veritas Kapital Assurance Plc Head office, Plot 497 Abogo Largema Street, Central Business District, **Abuja, FCT**, at **10:00am** to transact the following business:

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2019, together with the reports of the Directors, Auditor and Audit Committee thereon.

2. To approve the appointments of the following Directors appointed since the last AGM:
- Mr. Kenneth Egbaran
- Mr. Wole Onasanya

3. To authorize the Directors to appoint and fix the remuneration of the Auditors for the 2020 financial year.

4. To elect members of the Audit Committee.

Dated this 2nd day of July, 2020

BY THE ORDER OF THE BOARD

SARATU UMAR GARBA
Company Secretary
FRC/2019/NBA/00000019159

NOTES

1. **COMPLIANCE WITH COVD-19 RELATED DIRECTIVES AND GUIDELINES**
The Federal Government of Nigeria, State Governments, Health Authorities, and Regulatory Agencies have each issued several directives and guidelines aimed at curbing the spread of Covid-19 in Nigeria. Particularly, the gathering of more than 20 People have been prohibited whilst the convening and conduct of this Annual General Meeting shall be done in compliance with these directives and Guidelines.

2. **PROXY**
A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy in his/her stead. A proxy need not be a member of the Company. A proxy form is attached at the end of the Annual Report. For the appointment to be valid, all valid instruments of proxy should be completed, duly stamped at the Stamp Duties Office and deposited at the registered office of the Company, or office of the Registrars, Unity Registrars Limited, No 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting, or through the following email address: info@unityregistrarsng.com.

3. **ATTENDANCE BY PROXY**
Given the continued COVID-19 pandemic and guidelines from the Federal Republic of Nigeria, health officials and Regulatory bodies, attendance at the Annual General Meeting shall only be by Proxy. A Member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies, to attend and vote in his stead:

   a) Mal. Ibrahim M Kashim
   b) Sen. Maj. Gen. M. Magoro (OFR)
   c) Hajia. Yabawa Lawan Wabi (mni)
   d) Mal. Usman Abaji
   e) Mr. Patrick Ajudua

4. **STAMPING OF PROXY FORM**
The Company has made arrangement at its cost for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. **AUDIT COMMITTEE**
In accordance with Section 359(5) of the Companies and Allied Matters Act, 2004, any shareholder may nominate a shareholder for an appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting. The Securities and Exchange Commission's Code of Corporate Governance for Public Companies indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We, therefore, request that nominations be accompanied by a copy of the nominee's curriculum vitae.

6. **APPOINTMENT OF DIRECTORS**
   i. Mr. Kenneth Egbaran has been appointed as Managing Director to fill in an existing vacancy.
   ii. Mr. Wole Onasanya has been appointed as Executive Director Finance and Investment to fill in an existing vacancy.

7. **QUESTIONS FROM SHAREHOLDERS**
Any member attending the meeting reserves the right to ask questions not only at the meeting but also in writing before the meeting. Any questions, observations or comments should be forwarded to the Company Secretariat, Veritas Kapital Assurance Plc, Plot 497 Abogo Largema Street, Off Constitutional Avenue, CBD, Abuja, not later than 48 hours before the time fixed for the meeting.

8. **E-DIVIDEND MANDATE**
Shareholders are advised to complete the e-dividend mandate form in this Annual Report and submit to the Registrars: Unity Registrars Limited, No. 25 Ogunlana Drive, Surulere, Lagos.

   This Form can also be downloaded from the Company's website at www.veritaskapital.com.

9. **UNCLAIMED DIVIDEND AND SHARE CERTIFICATES**

Some Dividend warrants and Share Certificates have remained unclaimed or are yet to be presented for payment or returned to the Registrars for revalidation. Affected Shareholders are advised to contact the Registrars, Unity Registrars Limited, No 25 Ogunlana Drive, Surulere, Lagos.

10. **CLOSURE OF REGISTER OF MEMBERS**
The Register of Members will be closed from Wednesday, July 1st, 2020 to Tuesday July 7th, 2020 (both days inclusive).

11. **WEBSITE**
A copy of this notice and other information relating to the meeting can be found at **www.veritaskapital.com**

12. **ELECTRONIC ANNUAL REPORT**
The electronic version of the Annual Report is available at www.veritaskapital.com.
Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via e-mail. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via e-mail to info@unityregistrarsng.com.

13. **LIVE STREAMING OF AGM**
The AGM will be streamed live online. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at **www.veritaskapital.com** and by the Registrars in due course.

Membership of the Board of Directors during the year ended 31 December, 2019

1	Mr. Thomas Etuh	Non-Executive Director	**Chairman**
2	Mr. Aminu Babangida	Non-Executive Director	
3	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
4	Mr. Nahim Abe Ibraheem	Non-Executive Director	
5	Hajia.Yabawa Lawan Wabi (mni)	Non-Executive Director	
6	Mrs.Priya Heal	Non-Executive Director	
7	Mal. Ibrahim M. Kashim	Independent Non-Executive Director	
8	Sen. Maj. Gen. M. Magoro (OFR) *Galadiman Zuru*	Non-Executive Director	
9	Mr. Kenneth Egbaran	Managing Director/CEO	
10	Mr. Wole Onasanya	Executive Director (Finance & Investment)	
11	Mr. Polycarp O. Didam	Resigned as Managing Director/CEO on 31st of July, 2019	
12	Mr. Olalekan A. Oyinlade	Resigned as Executive Director, Operations on 21st of August, 2019	

COMPANY SECRETARY
Ms. Saratu Umar Garba
FRC/2019/NBA/00000019159

REGISTERED OFFICE Plot 497, Abogo Largema Street Off Constitution Avenue Central Business District Abuja - FCT	**FRC REGISTRATION NO** FRC/2013/0000000000717 **RC NO** 11785

www.veritaskapital.com

RE-INSURERS African Reinsurance Corporation| Continental Reinsurance Corporation| WAICA Reinsurance Corporation| Meridian Risk Solutions Ltd, London| Nigerian Reinsurance Corporation| Alwen Hough Johnson (AHJ) Limited	**BANKERS** Unity Bank Plc| Guarantee Trust Bank Plc| First Bank of Nigeria Limited| Fidelity Bank Plc| Keystone Bank Limited| Sterling Bank Plc| Access Bank Plc
ACTUARIES O & A Hedge Actuarial Consulting *(Consulting Actuaries & Chartered Insurers)* FRC/2016/NAS/00000015764 Suite 28, Motorways Centre (Opposite 7UP Bottling Plant) No. 1 Motorways Avenue Alausa Ikeja - Lagos, Nigeria	**PROPERTY VALUERS** Osas and Oseji FRC/2012/NIESV/0000000522 Suite C7/8, Providence Plaza Plot 439c 3rd Avenue Gwarinpa II District, Abuja
AUDITORS Deloitte & Touché *(Chartered Accounts)* Civic Centre Towers Ozumba Mbadiwe Avenue Victoria Island Lagos	**REGISTRARS** Unity Registrars Limited 25 Ogunlana Drive Surulere Lagos.

BRIEF HISTORY

Veritas Kapital Assurance Plc, formerly known as UnityKapital Assurance was incorporated in 1973 as a Private Limited Liability Company, under the name, Kano State Insurance Company Limited with Registration Number RC 11785. It started business in 1974 at its Head Office in Kano State. The name was changed to Kapital Insurance Company Limited in 1981.

Following the Insurance Regulation of September, 2005, which required Insurance Companies to recapitalize to the level of ₦3billion for Non-Life Companies and ₦2billion for Life Companies, three Companies which had over the years shared similar vision and mission, met and decided to merge and consolidate. The Companies were, Kapital Insurance Company Limited, Intercontinental Assurance Company Limited and Global Commerce & General Assurance Company Limited.

In 2007, the scheme of the merger was implemented and the Company moved its Head Office to Plot 497 Abogo Largema Street, Off Constitutional Avenue, Central Business District, Abuja and changed its name to UnityKapital Assurance Plc on August 4, 2008.

Today, Veritas Kapital Assurance Plc is repositioned towards enhancing its competitiveness and becoming one of Nigerian's leading Insurance Company.

BRANCH NETWORK

STATE	BRANCH ADDRESS		
ABUJA	Head Office Plot 497, Abogo Largema Street, Off Constitution Avenue, Central Business District P.M.B 13233 Wuse, Abuja.		
LAGOS	Head Office Annex, Lagos Plot 173 Gbagada/Oshodi Expressway, Opposite UPS Express Office, Lagos.		
ANAMBRA	No 41, New Market Road, Onitsha.	BAUCHI	Maigoro Plaza, NO. 5, Yandoka Road, Bauchi. Bauchi state.
DELTA	No 60 Effurun Sapele Road, Warri - Delta state.	EDO	No. 82 First East Circular Road, Benin City.
KADUNA	Suite 5. Furniture Plaza, Ab2 Constitution Road, Opposite KC Holding Building, Kaduna-State	KANO	Veritas Kapital House, No. 116, Hadejiya Road, Kano.
MINNA	IK53/42 Old Airport Road, Minna - Niger State.	OYO	No 1, Adeoyo State Hospital Road, 1st Floor Wuraola Building, Ring Road Ibadan.
RIVERS	No 209 B Aba Road Rumuola by Rumuola-Stadium Link Road, Port Harcourt, Rivers State.	SOKOTO	No 11, Kano Road Opposite Central Bank Of Nigeria, Sokoto State.

Our ***Mission Statement*** defines the company's business, its objectives and its approach to reach those objectives while our ***Vision Statement*** describes the desired future position of the company. They provide direction for our Company and help ensure that we are all working towards the same goal.

Mission statement

To help our stakeholders have peace of mind

Vision statement

To be one of the Top Insurance Companies of choice in Africa.

Our Values, also known as **corporate values** or **core values**, are the fundamental beliefs upon which our business and its behaviour are based. They are the guiding principles that we have embraced as a Company to manage the internal affairs as well as the relationship with external stakeholders. They are:

- Team-work
- Proactive
- Service Excellence
- Responsibility
- Integrity
- Professionalism
- Respect
- Shareholder value

OUR COMMITMENTS

Shareholders

We are committed to fulfilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Managing the Company's business with appropriate standards of risk and control.
- Ensuring due care in the selection of our third-party advisers, including the Company's External Auditors.
- Acting with a due sense of responsibility on the confidence entrusted to the Company.
- Aiding Shareholder' understanding through the disclosure of relevant financial and non-financial information.
- Listening to the views of the Company's shareholders.

Customers
A satisfied and loyal customer base is core to our business.

We are committed to:
- Delivering a consistent and reliable level of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to the Company's customers.
- Handling complaints fairly and promptly.
- Respecting customers' rights to privacy and confidentiality.
- Protecting the customers and business from fraud.

Regulators
The Company has an open, cooperative and transparent relationship with Regulators.

We are committed to:
- Dealing with regulators in an open, cooperative and transparent manner.
- Managing the Company's business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set industry standards and global practices.

Employees
Motivated and skilled employees are critical to the Company's success.

We are committed to:
- Fostering a positive and challenging high-performance culture.
- Rewarding excellent performance and encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and excellent leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return, we expect our employees to:
- Act with integrity and take responsibility and accountability for their actions.
- Show support and commitment to change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding of and meet external and internal customers' needs.
- Show a relentless desire for success.
- Create a positive and effective working relationship.

Business Partners
We demand high standards from the companies we work with and believe that they should expect the same from us.

We are committed to:
- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely based on fair and objective business criteria and having regard to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting the Company's customers and our business from fraud.

Community & Environment
We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities.

We are committed to:
- As a business, we have a responsibility to manage our impacts on the environment through the appropriate use of resources such as energy, paper and water and the investment of our assets.
- We also have a responsibility to take proactive action on environmental issues that are likely to affect our business and community at large.
- In each of these areas, we will look to make continuous improvement and actively monitor our performance.

GROUP

	2019 N'000	2018 N'000	Changes N'000	%
Gross Premium	3,076,332	3,333,642	(257,310)	-8%
Net Premium	3,310,029	2,952,515	357,514	12%
Net claim incurred	(576,171)	(735,637)	159,466	-22%
Underwriting Profit	1,105,696	896,749	208,948	23%
Management Expenses	(2,617,936)	(2,917,007)	299,071	-10%
Profit/Loss before Taxation	214,375	(262,881)	477,256	182%
Taxation	(49,116)	(432,371)	383,255	-89%
Profit/Loss after Taxation	165,258	(695,252)	860,510	124%

COMPANY

	2019 N'000	2018 N'000	Changes N'000	%
Gross Premium	2,953,792	3,238,769	(284,977)	-9%
Net Premium	1,865,748	1,987,284	(121,536)	-6%
Net claim incurred	(482,826)	(664,405)	181,579	-27%
Underwriting Profit	1,076,777	873,154	203,624	23%
Management Expenses	(1,462,283)	(1,530,816)	68,533	-4%
Profit/Loss before Taxation	253,949	(50,782)	304,732	600%
Taxation	(130,527)	(272,513)	141,986	-52%
Profit/Loss after Taxation	123,422	(323,295)	446,718	138%

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT AT THE 43rd ANNUAL GENERAL MEETING OF VERITAS KAPITAL ASSURANCE PLC

Distinguished shareholders, members of the Board of Directors, Ladies and Gentlemen, it is with gratitude that I welcome you all to the 43rd Annual General Meeting and first ever virtual meeting of our company, Veritas Kapital Assurance Plc.

In accordance with the responsibilities of my office as Chairman, I present to you an overview of the 2019 global and domestic economy, a summary of our operating results for the year and an outline of our expectations for 2020.

Global Economy
2019 witnessed the slowest pace of growth for the global economy since the beginning of the recovery from the last global financial crisis that began in 2009. Last year was characterized by rising trade barriers leading to uncertainty on business activity worldwide.

Companies became more cautious about long-term spending and global purchases of machinery and equipment declined. Household demand for durable goods also weakened, leading to a reduction in industrial production. In summary, global trade in 2019 effectively stagnated.

World Central Banks reacted strongly to counter the weaker activity. The US Federal Reserve, the European Central Bank (ECB), and large emerging market Central Banks cut interest rates, while the ECB also restarted asset purchases.

These policies prevented a deeper economic contraction. Lower interest rates, combined with other initiatives supported purchases of nondurable goods and services, encouraging job creation. Tight labor markets and gradually rising wages, in turn, supported consumer confidence and household spending.

Domestic Economy
On the domestic economic front, 2019 was a mixed year for Nigeria. GDP growth remained stable at 2% in the first half of the year, having averaged 1.9% throughout 2018. By the end of the year this had improved to 2.3%, according to the IMF; however, inflation stood relatively high, at 11.3%

The Purchasing Managers' Index (PMI), which is an indicator for the direction of economic trends in the manufacturing and service sectors, deteriorated to 56.8 in December, 2019 from 57.7 in November, 2019 which had marked the highest point in 17 months. Despite the drop, the Index remained well above the 50-threshold, pointing to solid growth in the private sector.

Input cost inflation accelerated again, driven by the land border closure and higher labor costs. As a result, companies increased selling prices. Lastly, business confidence improved to a near one-year high, driven by positive expectations of business expansion.

The Nigerian Insurance Industry
The insurance sector recorded gross premium written of ₦490 billion in 2019, a 15.5% growth compared to 2018.

The industry has often been described as a 'broker market', with insurance brokers playing a key role in the success of the industry, accounting for over 90% of premiums realized by the sector.

Indifference to insurance, lack of adequate awareness about insurance by the general public and price wars between competitors remain key challenges for the sector. **We are optimistic** that some key initiatives will improve industry outlook in the near term. Such initiatives include improved financial inclusion drives by the government, increased focus on micro insurance and the insurance industry rebranding project. We also expect that the introduction of the Nigerian Insurance Industry Platform for sale of Third Party Motor Insurance will enable the industry capture more of the revenue that is currently lost to fake insurance. These initiatives, complemented by other strategic efforts by the regulator, will further deepen insurance penetration, grow premiums, and encourage insurance uptake by the public.

Financial Highlights
Distinguished Shareholders, your company generated gross written premium of ₦2.953Bn, compared to ₦3.238Bn in the prior year. This 9% decline was driven by loss of some key businesses.

Management expenses declined by 4% to ₦1.462Bn in 2019 from ₦1.530Bn in 2018, while profit before tax increased to ₦253Mn from a loss of ₦50Mn in the previous year.

Overall, we recorded an improvement in our balance sheet as net assets increased by 2% to ₦7.947Bn in 2019 from ₦7.781Bn the preceding year.

Expectations for 2020

Our focus for the future is simply innovation. Innovation is how we will win in the highly competitive environment that we operate in that is also further challenged by the effects of the novel Coronavirus pandemic. This will include innovation in processes, enhancement of our product portfolio, development of mutually beneficial partnerships and collaborations, while ensuring simplicity in all areas of your company’s operations. We are confident that the future remains ours to shape.

In spite of the pandemic, and the associated lockdown imposed on a significant portion of economic activities by the Federal Government, your Company has been providing seamless and uninterrupted service to customers and stakeholders. We activated our Business Continuity Plan by asking staff to work from home starting on Tuesday 24th March, 2020. Our offices have reopened since the ease of lockdown as directed by the Federal Government.

Even though Nigeria’s insurance industry has yet to exceed a penetration rate of 1%, we expect that several non-regulatory growth drivers will reverse these trends. Micro-insurance and index insurance in the Agriculture sector are potential growth areas for the industry.

Nevertheless, anticipation of the long-awaited boost to minimum capital requirements, when it is finally implemented, is likely to be the biggest influence on the sector’s potential future growth. Insurers are shoring up their capital base to meet the regulatory deadline, and will adjust their long-term strategies in response to it.

Appreciation

Distinguished shareholders, as we look forward to improved performance in the years ahead, I thank you for taking time from your busy schedules amidst the Coronavirus pandemic that has effected different facets of our lives to attend this virtual edition of your Company’s Annual General Meeting. Be rest assured of the Board’s continued commitment to the delivery of optimal returns.

Finally, I must also appreciate our esteemed clients, agents and brokers for their patronage. We assure you of our lasting commitment as we continue to solicit your support now and in the future.

Thank you and stay safe.

Thomas Etuh

CHAIRMAN, BOARD OF DIRECTORS

MR. THOMAS ETUH – Chairman, Board of Directors

Mr. Thomas A. Etuh has over the years acquired rich executive management experience spanning banking, corporate management, corporate leadership, and business administration. He served as the Chairman of the Board of Directors of Unity Bank Plc and has served as the pioneer Vice Chairman of the Board of the Bank.

A successful and serial entrepreneur/investor, Thomas is the Founder/Chairman of the TAK group of companies and holds similar business interests covering a wide range of industries both locally and internationally that include TAK Continental Limited, TAK Aviation, Thomasses and Associates Limited (UK) and Cape Cross Salt (PTY) of Namibia to name a few.

Thomas has attended various courses and trainings both home and abroad such as the Chief Executive Programme at the Lagos Business School, an MBA programme at the Business School of Netherlands, and Advanced Management Programme at the University of Navarra, Barcelona and a Leadership Programme at the London Business School.

An accomplished and methodical individual, Thomas Etuh possesses vast experience in the private sector sustaining a long track record of successful corporate management and first-class communication and administration skills.

MR. AMINU BABANGIDA – Non-Executive Director

Mr. Aminu Babangida is the Co-founder and Chief Executive Officer of Phoenix Energy; an energy distribution company that pioneered diesel home delivery services in the North. He is a member of both the Institute of Directors (IoD) and the Bank Directors Association of Nigeria (BDAN).

Aminu serves as Chairman at Unity Bank Plc and has also served in various capacities on several committees at the bank.

He holds an MA from the Westminster Business School, London, and a BA from Regents Business School, London. He also attended the College Du Leman and the Gstaad International School both in Switzerland, and the College of Petroleum and Energy Studies, Oxford, UK.

Aminu has attended many local and international trainings and workshops such as a Directors Training on Anti-Money Laundering & Combating of Financing of Terrorism – AML/CFT, facilitated by the CBN, an International Program on effective Enterprise Risk Management Oversight held in London, a workshop on capacity building programme on the Nigerian Sustainable banking principles facilitated by UNEP-FI to name a few.

HAJIA YABAWA LAWAN WABI *mni* – Non-Executive Director

Hajia Yabawa L. Wabi is an accomplished and versatile individual with deep knowledge and experience in the Nigerian Public Sector. She has held various senior positions in different Nigerian Ministries and Parastatals and served with distinction as Minister of Finance from 2010 – 2011.

She has demonstrated her sterling leadership attributes while serving as Permanent Secretary at the Ministry of Local Government & Chieftaincy Affairs Borno State, (2009 – 2010); Permanent Secretary, Ministry of Health, Borno State, (2007 – 2008); The Accountant General of Borno State (2003 – 2007), Director of Finance and Accounts at the Ministry of Works & Housing, Borno State, (2002 – 2003) just to name a few.

Hajia Yabawa is a Non- Executive Director at Unity Bank Plc. She is a Member of the Institute of Certified Public Accountants of Nigeria, The National Institute, and the Chartered Institute of Taxation of Nigeria, the Institute of Directors, and a Fellow of the Association of National Accountants of Nigeria.

MR. NAHIM ABE IBRAHEEM - Non-Executive Director

Mr. Nahim A. Ibraheem is a graduate of the prestigious University of Lagos, and is a member of the Petroleum Equipment Supplier of America (PESA), Lagos Polo Club and the USA Honour Society.

A consummate businessman and serial investor with deep experience in the private sector, Nahim has served at various senior capacities in a wide range of industries such as Country Adviser, Africa Merchant Bank (Fortis Bank), Paris France; Executive Director, EURONAT Nigeria Ltd; Chairman, SDEM Erectors Nigeria Ltd; Executive Director/Country Rep, VPEOPLE Energy Nig Ltd – the largest ship management company in the world. He has proven his integrity and business acumen having served as the mandated representative of Banque Belgolaise/Fortis Bank, Brussels, Belgium, and Societe Generale Bank, Cedex, France.

SEN. MAJ. GEN. M. MAGORO (RTD) OFR, PSC,FSS, USAWC – NON-Executive Director

A 1982 Graduate of the prestigious United States Army War College; Senator Major-General Mohammed Magoro (rtd) was once a Senator representing Kebbi-South Senatorial District in the Federal Republic of Nigeria.

He has served with distinction as Federal Commissioner for Transport (1976-1978), Minister of Internal Affairs (1984-1985), and Chairman National Maritime Authority (1987-1991), and is a member of several Senate Committees, amongst which he serves as Chairman, Senate Committee on National Security and Intelligence.

The Distinguished Senator is extensively travelled and has held various Military Commands and appointments; Commandant, Nigerian Army School of Infantry (1982-1983), and Commander Brigade of Guards (1979-1981) and has been honoured with numerous National Awards and Medals such as Officer of the Order of the Federal Republic (OFR), Royalty, Courage and Discipline Medal, and the National Service Medal to name a few.

DR OLUWAFUNSHO OBASANJO – Non-Executive Director

Dr. Oluwafunsho is the Managing Director of Axiom Agro Diagnostic Services Ltd a member of the Institute of Director (IoD); the Chartered Institute of Bankers. Dr. Oluwafunsho is a Non-Executive Director at Unity Bank Plc, serving in various Committees such as Chairman Board Credit Committee; Chairman Board Finance and General Purpose Committee; Member Board Risk Management Committee to name a few.

She holds an MSci from University College London and a PhD from the University of East Anglia. Dr. Oluwafunsho has attended a wide spectrum of regional and international training and workshops such as a Credit Approval Procedure organized by the Jafa Group in Ghana, a Business Strategy Retreat organized by Nextzon Business Services, an International Program on Effective Enterprise Risk Management Oversight organized by EuroMoney in London, UK, and many others.

MAL. IBRAHIM M. KASHIM – Independent Non-Executive Director

Mal. Ibrahim M. Kashim holds a Master's in Business Administration from the Abubakar Tafawa Balewa University, Bauchi, and is a 1983 graduate of Law from the University of Sokoto.

He started holding high capacity positions early enough in his eminent career following his stint as Company Secretary and Legal Adviser at the Bauchi Printing and Publishing Co. Ltd (BPPC) where he served with distinction. This position sharpened his intellect and deepened the overall knowledge that led him to an illustrious career at the Bureau of Public Enterprises where he served as Director (Post Privatization Monitoring Department) from 2012 to 2015.

Mal. Ibrahim Muhammad Kashim has attended many local and international courses and workshops; among these were the Business Planning and Growth Strategies for World-Class Leaders, London Management Centre, London, Logistics and Supply Chain Management at the prestigious Lagos Business School, and the Nigeria Development Forum (Bilateral International Retreat), Paris, France.

MRS. PRIYA HEAL – Non-Executive Director

Mrs Priya Heal is a target-oriented individual whose range of experience over the years has seen her covering various sectors in the business/financial world, establishing a presence in Europe, The Middle East and Africa.

She is co-founder and Managing Director of CHRONOS Asset Management, an Op-Co with expertise in advising, structuring, financing, managing and executing large scale projects. The Company has been tasked with a mandate to manage 5,000 properties within Germany.

Priya has served as Managing Director at Filter INVEST, Holland; Restructuring Consultant, Competition Authority (OFT), London, UK; she was a Member of the legal team at GEC Marconi, Surrey, UK; and has also established a local representative office for a Pipeline Integration Company in Johannesburg, South Africa.

With a primarily legal educational background and a skill set in squarely execution, Priya attended Yale University, USA; Called To Bar at the Lincolns Inn, UK; Inns of Court, School of Law, UK; Kings College, UK; LLB Law with German; and the University of Passau, Germany.

Mrs. Priya Heal is a member of the World Economic Forum.

Following the resignation of Mr. Polycarp O. Didam (Managing Director/CEO) and Mr. Olalekan A. Oyinlade (Executive Director, Operations), the following directors were appointed to fill the vacancy created:

a) Mr. Kenneth E. Egbaran – Managing Director/CEO
b) Mr. Wole Onasanya - Executive Director, Finance & Investment

MR. KENNETH E. EGBARAN – Managing Director/CEO

Kenneth Edore Egbaran is an insurance practitioner with over 30 years' experience spanning reinsurance, underwriting and broking.

He started his career as a Senior Superintendent with the Nigeria Reinsurance Corporation. He was a Marketing Director at A&G Insurance, worked with Afribank Insurance Brokers, Mainstream Global Insurance Brokers Ltd. and also with Crusader Insurance Limited (now Custodian Insurance Plc).

Before his appointment to Veritas Kapital Assurance Plc, he was the immediate past Managing Director at Goldlink Insurance Plc.

He is an alumnus of the Lagos State University, where he obtained an MBA in 2008. He became an Associate of the Chartered insurance institute of Nigeria and London in 1986; and an Associate of chartered insurance brokers in 2004. He has at various times attended strategic, personnel and risk management courses both locally and internationally.

MR. WOLE ONASANYA – Executive Director, Finance & Investment

Wole is an experienced insurance, strategy and finance executive with over two decades' experience acquired in Nigeria and the United Sates. He worked as a Director at the New York office of American International Group (AIG) and as an investment banker with Credit Suisse in New York City, where he closed several corporate transactions. He began his career as an analyst at the Lagos office of Arthur Andersen (now KPMG) and went on to work as an investment associate with Ocean and Oil Holdings where he worked on corporate development and M&A transactions.

His areas of expertise include insurance product development and pricing; corporate transaction execution; insurance strategy development and implementation; and strategic planning.

He earned an MBA from Kellogg School of Management in the United States and a Bachelor's degree in Economics (second class upper) from the University of Ibadan. He is a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN).

Before he joined Veritas Kapital as Executive Director, Finance & Investment, he was the immediate past Chief Finance Officer at Ellah Lakes Plc.

PROFILE OF MR OLUSEGUN JAMES AKINTUNDE

Mr. Olusegun James Akintunde is presently a Specialist Training Consultant with the CBN-ALF South West Entrepreneurship Development Centre, Ibadan- a Partnership with the African Leadership Forum and Central Bank of Nigeria. **Akintunde** is a passionate Strategy and Human Capital Development and Leadership Trainer. With his zeal in Strategic Marketing Management, he has a special interest in Brand Management, Customer Relationship Management, Entrepreneurship, Strategy Development and Organizational Change Management and Leadership Development. He has over 32 years of work experience covering key socio-economic sectors of the economy ranging from Oil & Gas to Pharmaceutical (Health), Foods, Chemical and Allied Industries. With extensive knowledge in the management of Fast-Moving Consumer Goods (FMCG), he has an in-depth understanding of people business.

He has over the years displayed focused initiative with a positive outlook to challenges in Strategy and Implementation Development, Marketing and Sales and Customer Relationship Management. He is an advocate for adherence to management integrity and ethical discipline with rigorous strategic thinking in line with the dynamics of brutally turbulence business operating environment. He is a member of the **Board of the Audit Committee**, **Veritas Kapital Assurance, Plc**; **Faculty Member** of the Prestigious **Business School of Netherlands** as Academic Learning Coach and Supervisor to MBA Students' academic projects. He is a visiting Lecturer to **Jos Business School.**

As a dynamic and resourceful individual, **Mr. Akintunde** worked with Shell Marketing (National Oil & Chemical Marketing Company, NOLCHEM), first in Corporate Planning Unit, Sales & Marketing and Lubricant Divisions. Through the years, he has held progressively responsible management positions (both at the local and international levels) in Ciba-Geigy (Nig.) Ltd, Bayer Pharmaceuticals, Associated Match Industries, Grand Cereals & Oil Mills (a Subsidiary of UACN) and a Programme Director in Mashiah Foundation (an NGO, covering Plateau, Benue, Bauchi and Nasarawa States). He has deep feelings for people; providing dissolving opportunities to the challenged and the less vulnerable.

Akintunde is a graduate in Business Administration (Banking & Finance), ABU **(1982, Second Class Upper Division)**; **MBA** (Strategic Management), University of Ado-Ekiti, (1998/99). Member of both the Nigerian Institute of Marketing (NIMARK), and Nigerian Institute of Management (NIM).

PROFILE OF MAL. USMAN ABAJI

Mal. Usman Abaji is a graduate of History from the University of Maiduguri and possesses a Master’s in Business Administration from the ESUT Business School.

He is a member of several respected professional bodies including the Nigerian Institute of Management (Chartered) and is an Honorary Senior Member of the Institute (HCIB) Chartered Institute of Bankers of Nigeria. A consummate and experienced professional, He is an alumnus of the prestigious Harvard Business School and the Lagos Business School where he bagged certificates in Strategic Negotiation and attended the Senior Management Programme (SMP 17) respectively.

Usman brings to bear over three decades of cognate expertise encompassing the Nigerian financial services sector. Through his illustrious career, he has held various senior management positions in Unity Bank Plc were he served credibly as General Manager, Retail Banking Division; Zonal Head (North East) where is was responsible for the business development and growth of three regions, namely Bauchi, Maiduguri and Adamawa; Deputy General Manager/Head of the Treasury Marketing Department; Regional Head, commercial banking, and Head, Administration to name a few.

His financial sector knowledge also includes high-level stints at Intercity Bank Plc; Africa International Bank Limited and Savannah Bank Plc.

Usman has attended a wide plethora of local and international training, conferences and workshops such as Deal & Transaction Structuring (Jeff & O’Brien) Mar. 2008, Executive Management Training on Team Building etc (Konsult Serve) Mar. 2008, Executive Leadership Development (RAC) Aug. 2007. Banks (Treasury) Overseas Course (International Computer Systems, Jordan) 2006, Trade Union Management, Industrial Relations & Employment

Law Seminar (Folio Associates) 2004, Mandatory Continuing Professional Education Programme (NIM), 2004, Summit on the Nigeria Banking Sector reform (CIBN) 2004, Small and Medium Scale Enterprise Management and New Venture Creation Programme. (Kaduna Bus. Sch) 2004 Balance Scorecard and Performance Measurement (PMG Consulting) (2004), Audit Command Language Programme (ICB) (2004, to name a few.

Usman currently brings his enviable credentials to serve as the Executive Chairman of Ramaf Global Concept Limited.

PROFILE OF MAL. MUHAMMAD BASHIR ALHASSAN

Mal. Muhammad Alhassan is a First Class Accounting Graduate of the illustrious Bayero University, Kano.

He is a member of several esteemed professional bodies including the Chartered Institute of Taxation of Nigeria (Associate Member); Institute of Chartered Accountants of Nigeria (Fellow); and the Financial Reporting Council of Nigeria (Registered Member).

An astute and judicious professional, Muhammad brings to the fore over two decades of hands-on experience that encompasses both the Nigerian educational and financial sectors. He has served with distinction as Bursar at the Federal College of Education, Katsina; Deputy Bursar at Al' Qalam University, Katsina; Director of the National Library, Abuja; Manager at the Central Bank of Nigeria, where part of his portfolio included conducting capital verification exercise and examination of licensed banks, Analysis of monthly returns from banks following statutory requirement amongst others. He also served a stint as manager at FSB International Bank Plc.

Through the course of his career, Mohammad has attended various local, regional and international courses, training and conferences including but not limited to the International Public Sector Accounting Standard Training Workshop (Istanbul – Turkey); International Financial Reporting Standard Training Workshop (Dubai – UAE); The 2nd Nigerian Tertiary Top Executives and Stakeholders Programme (Malaysia); Fiscal Responsibility Act and Public Sector Financial Management Workshop (Nigeria); Leadership and Change Management (Agusto & Co); Corporate Finance and Investment Banking Course (F.I.T.C); Credit Analysis & Management (F.I.T.C).

The Insurance Industry
The Nigerian insurance sector, like every others in the economy, still struggled to overcome the challenges posed by the effects of the economic downturn, which left businesses in stagnated position.

The insurance industry in Nigeria is underdeveloped compared to its contemporary in developed countries. The sector has the potential for growth considering the high population of the country and the untapped penetration of insurance which give room for opportunities in the industry.

The economy overgrew the 2017 capital base regime which made NAICOM introduced a new minimum capital base for practitioners in the industry. We are positioned to fully comply with this directive within the regulatory timeline.

Business Overview
In the year under review, the Company made milestone achievements in its performance. The Profit before tax moved from a loss position recorded in the year 2018 and year 2017 to a profit of N253.95 million; an average growth of 600%. The board is committed to sustaining the growth in profitability through improved cost management and growth in all income lines.

Shareholders' equity grew organically by 2% from ₦7.78Bn to ₦7.95Bn in the year 2019 due to profit recorded in the year.

Overall, despite the continuous drop in the interest rate in the money market occasioned by CBN regulatory actions, we were able to sustain the yield on our investment portfolio.

Underwriting and claims ratio has reduced consistently owing to the quality of our risk management framework. Underwriting expense ratio dropped from 32% to 23% between 2017 and 2019 respectively, while claim ratio reduced significantly from 66% to 14% in the same period.

Outlook
The future looks promising for the insurance industry with several changes in the regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers.

We are committed to consistent growth in our financial indices, this we will achieve by leveraging our service delivery, financial strength, technological excellence and remarkable people.

We are especially grateful to you, our shareholders, for your continued understanding, commitment and support of the company.

ENTERPRISE RISK MANAGEMENT REPORT

Veritas Kapital Assurance Plc has a dynamic enterprise risk management framework tailored along with the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Proper risk management remains essential to the business activities of the company. The framework promotes a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework establishes the context, identifies, analyses, evaluates, treats, monitors communicates, and reviews the key risks it assumes in carrying on its business. These risks include market, credit, operational, liquidity, business, reserve, reputational, underwriting, reinsurance, claims risks, as well as legal, compliance risks. Enterprise risk management risk includes management's approach to risks inherent in the business and its appetite for these risk exposures. Under this approach, the Company continuously assesses its key risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risks include policies, procedures and tools that target specific broad risk categories.

Enterprise Risk Management Principles

The Company's risk management principles optimize value creation and returns on investments. They assist the Company in achieving its vision and delivery of business objectives. As part of the risk strategy to manage all the foreseeable key risk exposures, our guiding principles;

a) Uphold the Company's integrity and value system;
b) Support compliance with regulatory requirements;
c) Aid the understanding of the potential upside and downside of key risks;
d) Increase the probability of success and reduce the uncertainty of achieving the organization’s overall objectives;
e) Add sustainable value to all the activities of the organization;
f) Assure business growth with financial stability
g) Support the culture that “managing risk is everybody's responsibilities

Our risk management context is entrenched in our mission statement of becoming one of the top insurance companies of choice in Africa through wealth protection by a team of risk and investment managers that provide our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian market space.

Our Risk Culture

a) The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.
b) The Board and Senior Management consciously promote a proactive approach to risk management, ensure that the sustainability and reputation of the Company are not jeopardized while expanding its market share.
c) The Company’s management creates awareness of risk and risk management across the board.
d) The Company continually subjects its products, distribution channels, locations and customers to effective risk assessment and it will not engage in any business until it has objectively assessed and determine how to manage the associated risk.
e) The Company pays adequate attention to both quantifiable and unquantifiable risks.

Risk Management Framework

Our risk management framework was structured and embedded in our culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Unit Staff) assigned for adequate management of our business risks.

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st line of defence: Management:
The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business and delegating the responsibility of detailed oversight to Risk Committee. It also comprises the process or the risk owners who execute the controls to enhance the probability that the organization’s objectives will be achieved.

2nd line of defence: Risk oversight:
This comprises the Risk Management Committees and the Chief Risk Officer of the Company.

The Management evaluates the risks inherent within the business and ensures that they are appropriately captured within the business Risk Profile. The Chief Risk Officer ensures an understanding of Risk Management process throughout the organization to embed, improve continuously a risk awareness culture, work with business management to review and update the Risk and control register.

The Chief Risk Officer (CRO) is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Chief Risk officer includes communicating the Company's risk profile to the Board and Management Committee as well as communicating the decisions of the Board and Risk Management Committee to the other members of the Company.

3rd line of defence: Independent assurance:
It comprises the audit and internal control and the external auditors' function that provide independent and objective assurance of the effectiveness and adequacy of risk management control and governance processes.

Risk Appetite
The Company strives to drive its business initiatives without loss of value or unmitigated exposures to inherent risks. To improve the value of shareholders' wealth and remain profitable, the Company designed its appetite considering risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The Company's Risk Appetite objectives include:

a) Consistently strive to minimize the overall cost of risk exposure and its management through effective risk mitigation practices.
b) Optimization of capital employed through enhanced returns on equity.
c) Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is equal to the marginal cost of the risk.
d) Zero appetite for internal fraud activities.

Risk Management Policies and Procedures
The Enterprise Risk Management policies and procedures which have been strategically instituted aim at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, calculated risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to a successful implementation of risk controls.

Risk Classification
The Company can be exposed to many types of risks while carrying on its business. Some of these include:

Market Risk/Investment Risk	**Credit Risk**	**Operational Risk**
This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other relevant market conditions. The Company has established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over-concentration and overexposure to any particular market.	This is the risk that counterparty will default on payment or fail to perform any obligation to the Company. The Company has a system for conducting due diligence on the creditworthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming of credit notes by Insurance Brokers following “No Premium No Cover” by NAICOM. Our placements in banks is also determined by the rating (strength) of the bank and consider NAICOM	This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen disasters will result in unexpected losses. The Company has policies that cover the risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process

	guideline on the limit of exposure to a single bank.	automation, Information Technology (IT) support systems, data integrity, IT systems access controls, etc.
Liquidity Risk Liquidity risk exists when there is insufficient cash flow to meet the Company's operational and financial obligations and is usually associated with the inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Committee. Monthly reports and review of liquidity gaps are conducted to assess the level of liquidity risk.	**Reinsurance Risk** This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is the insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.	**Underwriting Risk** Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallizes when there are severe and frequent claims against the Company's projected capacity. The Company has embedded internal control processes to guide its insurance business against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policy and procedures which are enforced throughout the organisation.

Reputational Risk This is the risk of events that could cause public distrust and damages to the Company's integrity, brand and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day to day business of the Company. The Company's risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee quarterly.	**Business Risk** The Company's business risk is associated with gaining market shares and remaining profitable. This risk is considered through a documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand.

Legal/Compliance Risk Management

The Company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

a) Know-your-customer (KYC) procedure
b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
c) Anti-bribery and corruption measures
d) Guidelines for adherence to Corporate Governance principles
e) Gift policies
f) Whistleblowing policies

Risk Report

Risk assessments are collated and presented in a report called the Risk Report. The risk report draws senior management's attention to the key risk as well as the adequacy of existing controls to mitigate the risk. The risk report provides a summary of the ratings of the significant risks and the probability of occurrence within a specific period. This helps to estimate and prevent potential operational and financial losses.

Risk Control Self-assessment (RCSA)

The Company has a structure for risk assessment periodically and this is known as Risk control self-assessment (RCSA). It involves the identification of procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The controls are proactively assessed through risk analysis of our processes and review of policy requirements, loss events, and audit findings. The Company then updates the controls required to accomplish policy requirements, test the processes and controls for the adequacy of capability in risk mitigation. Risk Champions are engaged in each business or risk unit to facilitate the process of risk control self-assessment in the Company.

Health Safety and Environment (HSE) Management
The Health Safety and Environment Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework strengthens the policy statements, roles and responsibilities of the HSE officer.

Business Continuity Plan (BCP)
The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies. We aim to improve on gaps identified during any testing period.

RISK MANAGEMENT DECLARATION

The Board, Enterprise Risk Management Committee of Veritas Kapital Assurance Plc hereby declares As follows:

a) The Company has systems in place to ensure compliance with NAICOM guidelines;
b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company;
c) The Company has in place a Risk Management Strategy, developed following the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and
d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

Thomas A. Etuh
Chairman
FRC/2016/CIBN/00000014341

Kenneth Egbaran
Managing Director/CEO
FRC/2015/CIIN/00000011953

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By the provision of Section 359 (6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, we confirm that we have seen the Audit Plan and Scope and the Management' Letter on the audit of the books of the Group and Company and the response.

In our opinion, the plan and scope of the audit for the year ended 31 December, 2019 were adequate.

We have reviewed the auditor's findings and we are satisfied with the management response thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements and ethical practices.

Ibrahim M. Kashim
FRC/2017/NBA/00000016458
CHAIRMAN, AUDIT AND COMPLIANCE COMMITTEE

Members of the Audit and Compliance Committee are:

Mal. Ibrahim M. Kashim	**Independent Non-Executive Director**	**Chairman**
Mr. Nahim Abe Ibraheem	Non-Executive Director	Member
Hajia Yabawa Lawan Wabi *mni*	Non-Executive Director	Member
Mal. Muhammad B. Alhassan	Shareholders' Representative	Member
Alh. Usman Abaji	Shareholders' Representative	Member
Mr. Olusegun J. Akintunde	Shareholders' Representative	Member

DIRECTOR'S REPORT

The Directors have the pleasure in presenting the report on the affairs of Veritas Kapital Assurance Plc together with the audited consolidated and separate financial statements and auditors' report for the year ended 31 December, 2019.

1 Legal Form

The Company was incorporated in Nigeria under the Companies and Allied Matters Act, Cap C20, Laws of the Federation, of Nigeria (LFN) 2004 as a private limited liability company in 1973. It started business in 1974 as Kano State Insurance Company Limited. The name was changed to Kapital Insurance Company Limited in 1981. In 2005, it merged with Global Commerce and General Assurance Company Limited and Inter-Continental Assurance Company Limited. In 2008, the name on the Company was changed to Unity Kapital Assurance Plc and subsequently Veritas Kapital assurance plc. The Company became quoted on the Nigerian Stock Exchange (NSE) on 17th December 2009.

Veritas Kapital Assurance Plc, as at the reporting date, has two subsidiaries namely Veritas Glanvills Pensions Limited(70%) and Health Care Security Limited (94%) in addition to a 51.53% stake in Goldlink Insurance Plc.

2 Principal Activities and Business Review

The principal activity of the company is to transact general (Non-Life) insurance business. The Company ceased transacting life business in 2007. As reported in the past, the net balance on the life funds which is awaiting transfer to a life company is ₦131.46 million and is included in liabilities in these financial statements. The process of transfer of this fund to a life insurance company is still ongoing.

3 Operating results

The Group earned Gross premium of NGN3.076 billion in 2019 and NGN3.334 billion in 2018. Profit after tax was NGN164.98 million in 2019 as against a loss of NGN695.25 million in 2018. Highlights of the operating results for the year under review are as follows:

CONSOLIDATED RESULT AT A GLANCE				
	2019	**2018**	**Changes**	**%**
	N'000	**N'000**	**N'000**	
Gross Premium	3,076,332	3,333,642	(257,310)	-8%
Net Premium	3,310,029	2,952,515	357,514	12%
Net Claim incurred	(576,171)	(735,637)	159,466	22%
Underwriting Profit	1,105,697	896,749	208,948	23%
Management Expenses	(2,617,936)	(2,917,007)	299,071	10%
Impaired Changes on receivables				
Profit / (Loss) before Taxation	214,375	(262,881)	477,256	182 %
Taxation	(49,116)	(432,371)	383,255	-89 %
Profit/ (Loss) after taxation	**165,258**	**(695,252)**	860,510	124 %

4 Directors and their interest

The direct and indirect interests of the Directors in the issued share capital of the company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of section 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange as at 31 December, 2019 are as follows:

Names	Direct Shareholding	Indirect shareholding	%	Interest represented
Sen. Maj. Gen Mohammed Magoro (RTD)	105,952,347		0.76	
Mal. Ibrahim Kashim	2,225,077		0.02	
Mr. Thomas Etuh	112,280,700	7,668,676,709	56.11	Veritas Capital Management
Mr. Thomas Etuh		219,801,879	1.59	Tak Asset Management Limited

5 **Directors' Remuneration**

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by its Regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by the Securities and Exchange Commission, the Company discloses the remuneration paid to its directors as follows:

Type of package fixed	Description	Timing
Basic Salary	• Part of the gross salary package for Executive Directors only. • It reflects the industry competitive salary package and the extent to which the Company's objectives have	Paid monthly during the financial year.
13th-month salary	• Part of the gross salary package for Executive Directors only. • It reflects the industry competitive salary package and the extent to which the Company's objectives have	Paid last month of the financial year.
Director fees	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.	Paid quarterly to Non-Executive Directors only as approved by members at the Annual General Meeting.
Sitting allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.
Reimbursable travel and hotel expenses.	This is paid to Non-Executive Directors residing outside the venue for Board/Committee meetings.	Paid after each meeting.

6 **Changes on the Board**

In the financial year ended December 31, 2019, Mr. Kenneth Egbaran and Mr. Wole Onasanya were appointed as Managing Director/CEO and Executive Director, Finance and Investment respectively, to fill the vacancies created by the resignation of Mr. Polycarp O. Didam and Mr. Olalekan A. Oyinlade.

7 **Directors Interest in Contracts**

In compliance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

8 **Acquisition of Own Shares**

The company did not acquire any of its shares during the year ended 31 December, 2019.

9 **Property, Plant and Equipment**

Information relating to changes in property and equipment during the year is given in Note 14 to the financial statements.

10 **Security Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in issuers' Share, Rulebook of the Exchange, 2015 (Issuers' Rule), the Company that set up a Security Trading Policy that applies to all Employees and Directors. The Policy processes includes the need to enforce confidentiality against external advisers.

11 **Corporate Social Responsibility**

Veritas Kapital Assurance Plc remains committed to positively impacting the society through various initiatives and charitable donations while maximizing the creation of shared value for shareholders and stakeholders.

12 **Complaints Management Policy**

The Company has in place, a Compliant Management Policy and an investor complaints desk at the Head Office to resolve complaints arising from issues covered under the Investment and Securities Act (ISA) 2007 by the shareholders.

A copy of the Complaints Management Policy can found on the Company's Website: www.veritaskapital.com.

13 **Agent and Brokers**

The Company maintains a network of licensed agents and renders services to its customers through Insurance Licensed Brokers and Registered Agents.

14 **Human Resources**

Staff Gender Analysis

The number of males and females employed as at December 31, 2019 vis-a-vis total workforce is as follows:

EMPLOYEES	MALE	FEMALE	TOTAL
	65 (Sixty Five)	36 (Thirty Six)	101 (One Hundred and One)

Other Human Resources matters within the year in the review are as follows:

Staff Recruitment

The Company conforms with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to the board and top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointments are duly implemented.

Employee Involvement, Training and Development

In the year under review, we had a staff strength of 101 (65 Males and 36 Females.

Veritas Kapital Assurance Plc encourages the participation of employees in arriving at decisions in respect of matters affecting their well-being through various forums including town hall meetings.

The Company also places a high premium on the development of its Workforce. Consequently, employees were sponsored for various training courses in the year under review.

Employment Equity, Gender, Policies & Practices

Our resourcing and promotion policy ensures equity and is free from the discriminatory bias of gender, ethnic, origin, age, marital status, sexual orientation, disability, religion and other diversity issues. This is role modelled throughout our end to end employee life cycle process.

Employment of Physically Challenged Persons

Veritas Kapital Assurance Plc is an equal opportunity employer and does not discriminate on any ground. Thus, we provide employment opportunities to physically challenged persons. However, this goes beyond the need to ensure that there is no discrimination against such persons but driven by a deep conviction that even in disability, there could be immense ability.

Health, Safety and Welfare of Employees
Veritas Kapital Assurance Plc maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Also, the Company provides medical facilities to its employees and their immediate families at its expense.

The Company has in place several training programs, workshops and enlightenment programs/publications designed to equip staff members with basic health management tips, First Aid, fire prevention and other occupational safety skills. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company also operates a Group Life and Group Personal Accident (formerly known as Workmen's Compensation) Insurance covers and Employee Compensation Act contributions for the benefits of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 (amended in 2014) as well as a terminal gratuity scheme for its employees

Combating the global challenge on HIV/AIDS, Malaria and other health challenges
Veritas Kapital Assurance Plc has a robust plan to address HIV/AIDS, Malaria and other health challenges that might affect the company's employees and their families. The members of staff enjoy free and comprehensive medical services which are extended to members of their families through the payment of reasonable medical allowances.

Dissemination of Information
To maintain a shared perception of our goals, we are committed to communicating information to employees in a fast and effective manner as possible.

We consider this critical to the maintenance of team spirit and high employee morale. Circulars and newsletters are published in respect of relevant corporate issues. A good communication link with the workforce is also maintained through regular meetings between the Management and Staff. Engagement is viewed as an important driver of employee performance.

15 Share Capital Information
The analysis of the distribution of the shares of the Company as at December 31, 2019, is as follows:

Share Range Analysis	Holdings	Units	%	=N=
1-500000	472	26925903	0.19	13,462,952
500001-1000000	51	32412215	0.23	16,206,108
1000001-5000000	236	1695097208	12.22	847,548,604
50000001-10000000	15	1083097208	7.82	541,984,337
100000001-500000000	14	2229532677	16.08	1,114,766,339
500000001-1000000000	1	535758596	3.86	267,879,298
1000000001-50000000000	2	8262971394	59.59	4,131,485,697

According to the Register of Members as at December 31, 2019, no individual shareholder held more than 5% of the issued share capital of the Company except for the following:

Member	Share units	%
Dr. Emmanuel I. U Ojei	1,287,628,018	9.29
Veritas Capital Management	7,668,676,709	56.11

Share Capital History

YEAR	AUTHORIZED (₦)			ISSUED AND FULLY PAID UP			CONSIDERATION
	Increase	Cumulative	Naira Value (₦)	Increase	Cumulative	Naira Value (₦)	Increase
1974	200,000	200,000	100,000	200,000	200,000	100,000	Cash
1977	100,000	300,000	150,000	100,000	300,000	150,000	Cash
1978	37,500	337,500	168,750	37,500	337,500	168,750	Cash
1980	162,500	500,000	250,000		337,500	168,750	
1981		500,000	250,000	151,394	488,894	244,447	Cash
1983		500,000	250,000	11,106	500,000	250,000	Cash
1990	4,500,000	5,000,000	2,500,000	900,000	1,400,000	700,000	Cash & Bonus
1991	10,000,000	15,000,000	7,500,000	2,100,000	3,500,000	1,750,000	Cash & Bonus
1992		15,000,000	7,500,000	1,800,000	5,300,000	2,650,000	Cash
1993		15,000,000	7,500,000	4,700,000	10,000,000	5,000,000	Cash
1996	85,000,000	100,000,000	50,000,000	10,000,000	20,000,000	10,000,000	Cash & Bonus
1997		100,000,000	50,000,000	20,000,000	40,000,000	20,000,000	Cash & Bonus
1998		100,000,000	50,000,000	35,685,000	75,685,000	37,842,500	Cash & Bonus
1999		100,000,000	50,000,000	14,315,000	90,000,000	45,000,000	Cash
2003	400,000,000	500,000,000	250,000,000	30,000,000	120,000,000	60,000,000	Cash & Bonus
2004		500,000,000	250,000,000	230,000,000	350,000,000	175,000,000	Cash & Bonus
2005		500,000,000	250,000,000	44,000,000	394,000,000	197,000,000	Cash & Bonus
2006	3,000,000,000	3,500,000,000	1,750,000,000		394,000,000		
2007		3,500,000,000	1,750,000,000	2,000,000,000	2,394,000,000	1,197,000,000	Cash & Bonus
2008	3,500,000,000	7,000,000,000	3,500,000,000	3,606,000,000	6,000,000,000	3,000,000,000	
2008	7,000,000,000	14,000,000,000	7,000,000,000	6,000,000,000	12,000,000,000	6,000,000,000	Split 50k per share
2008		14,000,000,000	7,000,000,000	350,000,000	12,350,000,000	6,175,000,000	Cash
2009		14,000,000,000	7,000,000,000	650,000,000	13,000,000,000	6,500,000,000	Bonus
2011		14,000,000,000	7,000,000,000	866,666,666	13,866,666,666	6,933,333,333	Bonus

16 **Unclaimed Dividends Account**
These are maintained in a fixed deposit account with Unity Bank Plc. The amount is jointly managed by both VeritasKapital Assurance Plc and Unity Registrars Limited. The total amount in the account as at December 31, 2019 was ₦26.8million. Total unclaimed dividends as at December 31, 2019 was ₦24.2million.

17 **Audit and Compliance Committee**
By section 359(3) of the Company and Allied Matters Act, CAP C20 LFN 2004, the Audit Committee members of the Company re-elected at the last Annual General Meeting were as follows:

Mal. Ibrahim M. Kashim	Independent Non-Executive Director	Chairman
Hajia Yabawa Lawan Wabi *mni*	Non-Executive Director	Member
Mr. Nahim Abe Ibraheem	Non-Executive Director	Member
Mr. Olusegun J. Akintunde	Shareholders' representative	Member
Mal. Usman Abaji	Shareholders' representative	Member
Mal. Muhammad B. Alhassan	Shareholders' representative	Member

18 **Post Balance Sheet Events**
There are no significant post balance sheet events which have not been provided for in these financial statements.

19 **Auditors**
The Auditor, Messer Deloitte & Touché (Chartered Accountants), have indicated their willingness to continue in the office following section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

BY THE ORDER OF THE BOARD

SARATU UMAR GARBA
Company Secretary/Legal Adviser

CORPORATE GOVERNANCE REPORT

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March 17, 2020

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF VERITAS KAPITAL ASSURANCE PLC ("VERITAS") FOR THE YEAR ENDED 31ST DECEMBER 2019

In line with the provisions of **Section 2.1c (ii) of the National Insurance Commission (NAICOM) Implementation Guidelines for Corporate Governance, 2019 ("the NAICOM Code"), Section 15.6 of the Securities Exchange Commission (SEC) Code of Corporate Governance**, and **Section 15.1 of the Nigerian Code of Corporate Governance (NCCG),** DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of Veritas Kapital Assurance Plc ("Veritas") for the year-ended 31st December 2019. The appraisal entailed a review of the Company's corporate and statutory documents, the Minutes of Board and Board Committee meetings, policies and other ancillary documents made available to us. We also administered Board and Peer Review Surveys to the Directors.

The essence of the review was to ascertain the level of the Board's compliance with corporate governance practices with particular reference to the provisions of the NAICOM and SEC Codes and the NCCG and covered the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring of Performance
5. Risk Management and Compliance
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Following the review of the policies and processes in place we confirm that the Board of Directors is committed to ensuring prime corporate governance practices and adherence to the principles enshrined in the NAICOM and SEC Codes of Corporate Governance, the NCCG as well as globally accepted best practices. Furthermore, we confirm that the Board is committed to setting the pace with respect to enthroning the highest ethical standards and transparency in the conduct of the Company's business. Our findings from the Directors' Peer Assessment and Chairman's Leadership Assessment indicate that individual Directors satisfactorily discharged their governance responsibilities, performed creditably against the set yardsticks and continue to demonstrate strong commitment to enhancing the Company's growth.

We have brought to the attention of the Board those areas that require improvement and are satisfied that the Board has taken due notice of these.

Yours faithfully,

For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

Introduction
In Veritas Kapital Assurance Plc, we are committed to upholding the creed and principles of good Corporate Governance in all our operations. Our good corporate governance is the bedrock of strong public trust and confidence reposed in us by shareholders, business partners, employees and the financial markets and the key to our continued long-term success.

In the pursuit to deliver greater shareholder value, we continue to subject our operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success.

Our Code of Corporate Governance provides a robust framework for the governance of the Board and the Company. The Company also ensures compliance with the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission ("the SEC Code"), the revised Code of Corporate Governance for Insurance Companies in Nigeria issued by the National Insurance Commission and the Financial Reporting Council's National Code of Corporate Governance, 2018 ("the FRC Code").

Furthermore, the Company's Code of Corporate Governance ("the Code") is continuously reviewed to align with additional legal and regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. In addition to the Code, the Company aggressively promotes its core values to its employees through its Code of Professional Conduct; as well as Communications Policy, which regulates employee relations with internal and external parties. This is a strong indicator of the Company's determination to ensure that its employees remain professional at all times in their business practices.

The Company also conducts an Annual Board and Directors' Evaluation covering all aspects of the Boards' structure, composition, responsibilities, processes and relationships, in compliance with the requirement of the relevant Codes. To conduct the Annual Board Appraisal for the financial year ended December 31, 2019, the Board engaged the consultancy firm of Messer's DCSL Corporate Services Limited. The independent consultants carried out a comprehensive review of the effectiveness of the Board by evaluating the performance of the Board, the Board Committees and Directors.

The Board Evaluation report for the financial year ended December 31, 2019, by the independent consultants to the Board revealed that the Company was in substantial compliance with the provisions of the FRC Code.

During the 2019 financial year, the Company executed various governance initiatives/activities which included; the review of its Corporate Governance Code and other Corporate Governance Policies to align with additional regulatory requirements and global best practices, to remain a pacesetter in the area of good corporate governance practices. The Board and its Committees also carried out annual self-assessment to evaluate compliance with the terms of reference as contained in their respective Charters.

THE CORPORATE GOVERNANCE STRUCTURE
The Board
The governance of the Company resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board of Directors are responsible for the efficient operation of the Company and to ensure the Company fully discharges its legal, financial and regulatory responsibilities.

The Board is committed to the highest standards of business integrity, ethical values and governance; it ensures that an appropriate level of checks and balances is maintained. Members of the Board possess the right balance of expertise, skills and experience, which translates to an effective Board and an executive management team capable of steering the affairs of the Company in an ever-changing and challenging environment.

Furthermore, the Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to management.

Members of the Board of Directors are seasoned professionals, who have excelled in various sectors including; Banking, Accounting, Oil and Gas, Insurance, Private Business, Politics, Legal Profession etc. They possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations and decisions of the Board. The Directors have a good understanding of the Company's businesses and affairs to enable them properly evaluate information and responses provided by Management and to provide an objective challenge to Management.

In addition to the Board's direct oversight, the Board exercises its oversight responsibilities through its various committees namely:

a. Statutory Audit and Compliance Committee
b. Finance, Investment and General Purpose Committee
c. Establishment and Governance Committee
d. Enterprise Risk Management Committee

The Board and various Committees meet quarterly and additional meetings are convened as at when required. The Board is composed of a mix of Executive and Non-Executive Directors who are accountable to the shareholders.

The Board is comprised of 10 (Ten) members: 7 (Seven) Non-Executive Directors including the Chairman and 1 (One) Independent Director and 2 (Two) Executive Directors.

Composition of the Board of Directors

S/N	NAMES OF DIRECTORS	DESIGNATION	STATUS
	NON-EXECUTIVE DIRECTORS		
1	Mr. Thomas Etuh	Chairman	Existing Director
2	Mr. Aminu Babangida	Non-Executive Director	Existing Director
3	Hajia Yabawa Lawan Wabi *mni*	Non-Executive Director	Existing Director
4	Sen. Maj. Gen. M. Magoro (*OFR*)	Non-Executive Director	Existing Director
5	Mal. Ibrahim M. Kashim	Non-Executive Independent Director	Existing Director
6	Mrs Priya Heal	Non-Executive Director	Existing Director
7	Mr. Nahim Abe Ibraheem	Non-Executive Director	Existing Director
8	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	Existing Director
	EXECUTIVE DIRECTORS		
9	Mr. Kenneth Egbaran	Managing Director/CEO	Existing Director
10	Mr. Wole Onasanya	Executive Director, Finance and Investment	Existing Director

Gender analysis of the Board of Directors as at December 31, 2019 is as follows:

BOARD	MALE	FEMALE	TOTAL
	7 (Seven)	3 (Three)	10 (Ten)

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibilities, it is aware of the importance of achieving a balance between conformance to governance principles and economic importance.

The power reserved for the Board includes the following:

a. Determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board, Senior Management and Board Committee members.
b. Approval of mergers and acquisition, branch expansion/reduction, the establishment of subsidiaries, approval of remuneration policy and packages of the Board members.
c. Approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate Governance and Anti-money laundering.
d. Approval of resources and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with regulators.
e. Approval of major change to the Company's corporate structure, and changes relating to the Company's capital structure or its status as a public liability company.
f. Approval of quarterly, half-yearly, and full-year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices.
g. Approval of the Company's strategy, medium and short-term plans and its annual operating and capital expenditure budget.
h. Recommendation to shareholders of the appointment or removal of auditors and the remuneration of auditors.

The Chairman
The roles of the Chairman and Chief Executive Officer are separate and no one individual combines the two positions. The Chairman is responsible for providing overall leadership of the Company and the Board and eliciting the constructive participation of all Directors to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board to make informed decisions and provide advice to promote the success of the Company. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Chief Executive Officer
The Board has delegated the responsibility for the day-to-day management of the Company to the Managing Director/Chief Executive Officer, who is supported by Executive Management. The Managing Director executes the powers delegated to him following the guidelines approved by the Board of Directors. Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Chief Executive Officer is charged with the supervisory role over the technical operations of the Company. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

The Independent Director
The Independent Director is responsible for the protection of shareholder's rights and interest in the Company and brings a high degree of objectivity to the Board for sustaining stakeholder trust and confidence. The Independent Director does not have a significant shareholding interest or special business relationship with the Company.

The Company Secretary
The Company Secretary is a point of reference and support for the Directors. The Company Secretary performs both functional and administrative responsibilities to the Board and Management, respectively by assisting in the formulation of an annual Board plan, organization of Board meetings, ensuring that the minutes of each meeting highlights the resolutions of the Board and ensuring that the decisions are implemented.

Director's Nomination and Appointment Process
The Board Establishment and Governance Committee is charged with the responsibility of leading the process for Board appointments and for identifying, interviewing and nominating suitable candidates for the approval of the Board. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the National Insurance Commission and the Shareholders at the Annual General Meeting.

Appointments and Retirements
In the financial year ended December 31, 2019, Mr. Kenneth Egbaran and Mr. Wole Onasanya were appointed as Managing Director/CEO and Executive Director, Finance and Investment respectively, to fill the vacancy created by the resignation of Mr. Polycarp O. Didam and Mr. Olalekan A. Oyinlade.

The new Executive Directors would be presented to members for ratification of appointment.

Separation of the Positions of Chairman and Managing Director
The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for the implementation of the Company's business strategy and the day-to-day management of the business.

Induction and Continuous Training
Upon appointment to the Board and Board Committees, all Directors receive an induction tailored to meet their requirements.

The induction, which is arranged by the Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Bank's operations, its strategic plan, its business environment, the key issues the Company faces, and to introduce Directors to their fiduciary duties and responsibilities.

The Company Secretary is in charge of evolving a continuing education programme to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the programme, Directors are encouraged to periodically attend appropriate continuing education seminars or programmes which would be beneficial to the Company and the Directors' service on the Board.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, to enhance their performance on the Board and the various Committees to which they belong.

Non-Executive Director's (NED) Remuneration
The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM Code and the Financial Reporting Council (FRC) Code, which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees and reimbursable travel and hotel expenses.

Attendance to Board Meetings
The Board comprises of 10 members and held 6 meetings during the 2019 financial year. The following table highlights membership and attendance of Directors at the Board meeting within the year in review:

S/N	NAMES OF DIRECTORS	21.01.2019	14.03.2019	16.05.2019	25.07.2019	17.10.2019	06.12.2019
1	Mr. Thomas Etuh	✓	✓	✓	✓	✓	✓
2	Mr. Polycarp O. Didam	✓	✓	✓	LTB	LTB	LTB
3	Mr. Olalekan A. Oyinlade	✓	✓	✓	✓	LTB	LTB
4	Dr. Oluwafunsho A. Obasanjo	✓	✓	✓	✓	✓	✓
5	Sen. Maj. Gen. M. Magoro *OFR*	✓	✓	✓	✓	✓	✓
6	Mr. Nahim Abe Ibraheem	✓	✓	✓	✓	✓	✓
7	Mrs Priya Heal	✓	✓	✓	✓	✓	✓
8	Mal. Ibrahim M. Kashim	✓	✓	✓	✓	✓	✓
9	Hajia Yabawa L. Wabi *Mni*	✓	✓	✓	✓	✓	✓
10	Mr. Aminu Babangida	*	✓	✓	✓	✓	✓
11	Mr. Kenneth Ebgaran	NYM	NYM	NYM	NYM	✓	✓
12	Mr. Wole Onasanya	NYM	NYM	NYM	NYM	✓	✓

✓ Present *** Absent With Apology** **LTB: Left The Board** **NYM: Not Yet A Member**

Attendance to Board Committee Meetings
The Board carries out its responsibilities through its committees, namely: Statutory Audit and Compliance Committee, Establishment and Governance Committee, Finance, Investment and General Purpose Committee and Enterprise Risk Management Committee.

Through these Committees, the Board can more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board which retains responsibility for final decision making.
All Committees in the exercise of their powers as delegated, conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each committee. The Committees render reports their meetings and recommendations to the Board at the Board's quarterly meetings.

Below are the Committees' composition and meetings that took place during the year:

a. **Establishment and Governance Committee:**
The Establishment and Governance Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board and making recommendations to the Board regarding the tenures and the re-appointment of Non-Executive Directors on the Board and also review and submit to the Board for approval, staff qualified for Senior Management positions, bi-annually reviews the description of the Executive Directors and establish objectives to assess performance etc.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAMES OF MEMBERS	22.01.2019	18.02.2019	12.03.2019	14.05.2019	23.07.2019	15.10.2019	07.11.2019	03.12.2019
1	Sen. Maj. Gen. M. Magoro *OFR*	AHC		✓	✓	✓	✓	AHC	✓
2	Mr. Nahim Abe Ibraheem	AHC	AHC	✓	✓	✓	✓	AHC	✓
3	Mr. Aminu Babangida			✓	✓	✓	✓		✓
4	Mrs. Priya Heal	AHC		✓	✓	✓	✓	AHC	✓
5	Hajia Yabawa L. Wabi *mni*	AHC		✓	✓	✓	✓	AHC	✓
6	Mal. Ibrahim M. Kashim	AHC	AHC	✓	✓	✓	✓	AHC	✓
✓ Present * Absent With Apology AHC: Adhoc Committee Meeting									

b. Finance, Investment and General Purpose Committee:

The Finance, Investment and General Purpose Committee is responsible for monitoring the integrity of the financial statements of the Company and also consideration and approval of all investments above Management limit among others. The Committee comprises of members selected to provide a wide range of financial, commercial and international experience.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAMES OF MEMBERS	11.03.2019	14.05.2019	23.07.2019	15.10.2019	03.12.2019
1	Mr. Nahim Abe Ibraheem	✓	✓	✓	✓	✓
2	Hajia Yabawa L. Wabi *mni*	✓	✓	✓	✓	✓
3	Dr. Oluwafunsho A. Obasanjo	✓	✓	✓	✓	✓
4	Mrs. Priya Heal	✓	✓	✓	✓	✓
5	Mr. Polycarp O. Didam	✓	✓	LTB	LTB	LTB
6	Mr. Olalekan Oyinlade	✓	✓	✓	LTB	LTB
7	Mr. Kenneth Ebgaran	NYM	NYM	NYM	✓	✓
8	Mr. Wole Onasanya	NYM	NYM	NYM	✓	✓
✓ Present * Absent With Apology LTB: Left The Board NYM: Not Yet a Member						

c. Statutory Audit and Compliance Committee:

The Company has an Audit Committee set up by the provisions of the Companies and Allied Matters Act. It comprises of a mixture of Non-Executive Directors and shareholders elected at the Annual General Meeting. It evaluates annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and also reviews with management and the external auditors, the annual audited financial statements before its submission to the Board. During the year, the Committee approved the audit plan and scope of the external auditors' work for the financial year and reviewed quarterly and half-yearly financial results before they were presented to the Board. The Committee also received reports from management on the accounting system and internal controls framework of the Company.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAMES OF MEMBERS	11.03.2019	08.04.2019	13.05.2019	22.07.2019	01/02.08.2019	14.10.2019	16.11.2019	04.12.2019
1	Mal. Ibrahim M. Kashim	✓	AHC	✓	✓	AHC	✓	AHC	✓
2	Mr. Nahim Abe Ibraheem	✓	AHC	✓	✓	AHC	✓		✓
3	Hajia Yabawa L. Wabi *mni*	✓	AHC	✓	✓	AHC	*		✓
4	Alh. Usman Abaji	✓	AHC	✓	✓		✓	AHC	✓
5	Alh. Muhammad B. Alhassan	✓	AHC	✓	✓		✓		✓
6	Mr. Akintunde Olusegun	✓	AHC	✓	✓		✓	AHC	✓

✓ Present * Absent With Apology AHC: Adhoc Committee Meeting

d. Enterprise Risk Management Committee:

The primary purpose of the Enterprise Risk Management Committee is to assist the Board and the Audit Committee in supervising, reviewing and assessing the overall adequacy and integrity of the risk management framework of the Company. The coverage of supervision includes the following: Credit Risk, Reputational Risk, Operations Risk, Technology Risk, Market Risk, Liquidity Risk and other pervasive risks as may be posed by the events in the industry at any point in time.

The composition of the Committee and schedule of attendance during the financial year are as follows:

S/N	NAMES OF MEMBERS	12.03.2019	08.05.2019	13.05.2019	22.07.2019	14.10.2019	14.10.2019
1	Hajia Yabawa L. Wabi mni	✓	✓	✓	✓	✓	✓
2	Mr. Aminu Babangida	✓	✓	✓	✓	✓	✓
3	Mal. Ibrahim M. Kashim	✓	✓	✓	✓	✓	✓
4	Sen. Maj. Gen. M. Magoro	*	✓	✓	✓	✓	✓
5	Mrs Priya Heal	✓		✓	✓	✓	✓
6	Dr. Oluwafunsho A. Obasanjo	✓	✓	✓	✓	✓	✓
7	Mr. Polycarp O. Didam	✓	✓	✓	LTB	LTB	LTB
8	Mr. Olalekan Oyinlade	✓	✓	✓	✓	LTB	LTB
9	Mr. Kenneth Ebgaran	NYM	NYM	NYM	NYM	✓	✓
10	Mr. Wole Onasanya	NYM	NYM	NYM	NYM	✓	✓

✓ Present * Absent With Apology LTB: Left The Board NYM: Not Yet a Member

Annual Board Evaluation and Appraisal

The Company recognizes that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The Annual Board Appraisal for the financial year ended December 31, 2019, was conducted by Messer's DCSL Corporate Services Limited. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with the provisions of the various Codes.

The Annual Board and Director Review/Appraisal Report for the 2019 financial year has been included in this report.

Code of Business Conduct and Ethics

The Company has a Code of Business Conduct which is based on our purpose and values as an organization. The Code sets out collective and individual commitments to ethical business practices in line with the Company's global Policies, relevant laws, regulations and industry standards. The Code applies to all employees, Directors and business partners of the Company and employees are trained and annually certified on the salient provisions of the Code.

In addition to the Code of Business Ethics, we have policies which inspire and guide how we work every day and everywhere. These key policies govern our conduct in all facets of the Company's operations and include policies on Anti-Corruption, Anti-Money Laundering etc. We apply the principles of fairness, integrity and transparency in all our business dealings as entrenched in our Code of Business Ethics and in line with international best practices. Training, communication programmes and compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and comply with the provisions of the Code and policies.

Shareholders
The General Meeting of the Company is the highest decision-making body. The General Meetings are conducted transparently and fairly. Shareholders have the opportunity to express their opinions on the Company's financial results and other issues affecting it. The Annual General Meetings are attended by representatives of regulators such as the National Insurance Commission, the Securities and Exchange Commission, the Nigerian Stock Exchange, the Corporate Affairs Commission as well as representatives of Shareholders' Associations.

The Company has an Investors Relations Unit, which deals directly with enquiries from shareholders and ensures that Shareholders' views are escalated to Management and the Board. Also, quarterly, half-yearly and annual financial results are published in widely read national newspapers. The Company also dispatches its annual reports, providing the highlight of all the Company's activities to its Shareholders.

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

Communication Policy
The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the 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 understandable, is available on the Company's website: http://www.veritaskapital.com. The website is constantly updated with information as events occur.

The website also has an Investors Relations portal where the Company's Financial Reports and other relevant information is published and made accessible to its shareholders, stakeholders and the public. The main objective of the Company's Communication Policy is to support the Company in achieving the overall goals described in its core values which strengthens the Company's culture of transparency in pursuit of best corporate governance practices.

Insider Trading and Price Sensitive Information
The Company has in place a policy regarding trading in its shares by its Directors and employees on the terms and conditions similar to the standards set out by the Nigerian Stock Exchange. The policy is periodically circulated on the Company's internal communication network ("Intranet") to serve as a reminder to staff of their obligations.

Directors, insiders and their related persons in possession of confidential price sensitive information ("insider information") are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing of, selling, buying or transferring their shares in the Company for a "lock-up" 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.

Monitoring Compliance with Corporate Governance

a. The Chief Compliance Officer monitors compliance with money laundering requirements and implementation of the Code of Corporate Governance of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to National Insurance Commission (NAICOM) and Securities Exchange Commission (SEC) that they are not aware of any other violation of the corporate governance code other than as disclosed during the year.

b. Whistle Blowing Procedures: In line with the Groups commitment to instiling the best corporate governance practice, a whistleblowing procedure was established that ensures anonymity on any reported incidence(s). The Company has a dedicated e-mail address for whistleblowing procedures. The whistleblowing policy can be obtained from the Company's website: www.veritaskapital.com

Unclaimed Dividends
The list of unclaimed dividend has been provided by the Registrars in a separate document.

Compliance with Regulatory Requirements
The Company continued to maintain its commitment to achieving 100% compliance with Statutory and other Regulatory requirements. It complied substantially with the Codes of Corporate Governance of the National Insurance Commission (NAICOM), Securities and Exchange Commission (SEC) as well as post-listing requirements of the Nigerian Stock Exchange (NSE).

To ensure the effectiveness of the Company's compliance system, the level of compliance is monitored regularly by the Internal Audit weekly and by the Audit Committee and the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed (if any) prepared by the Chief Compliance Officer.

Management Committees
Management Committees are set up for a smooth and effective running of the Company. The Committees are risk-driven as they are set up to identify, analyze, synthesize and make recommendations on risks arising from day to day activities of the Company. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as necessary to immediately take action and decisions within the confines of their powers.

The Committees are as follows:

- Executive Committee
- Information Technology Steering Committee
- Claims Committee
- Salvage Committee
- Asset Disposal Committee
- Product Development Committee
- Cost Optimization Committee
- Management Committee

CERTIFICATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2019, the company has lodged all such returns as are required of a Company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

SARATU UMAR GARBA
Company Secretary/Legal Adviser
FRC/2019/NBA/00000019159
Abuja, Nigeria

Veritas
KAPITAL ASSURANCE PLC

Head Office: Plot 497, Abogo
Largema street, Wuse II Abuja.
Contact: +234(0)700 1000 500
www.veritaskapital.com
info@veritaskapital.com or
cic@veritaskapital.com

SUSTAINABILITY REPORT

Introduction
At Veritas Kapital Assurance Plc (The Company), we understand that the process of sustainability is a pathway of continual improvement. Our actions protect and enhance the natural resources that would be needed by future generations to enjoy a quality of life equal to or greater than our own. Hence, we do not only weigh the financial implications of every decision; but we also factor its potential impacts on sustainability goals.

This Sustainability Report covers the environment, economic, social and governance (Business and Ethical Conduct), Health Safety and Welfare at Work, Employee Involvement and Training and the Customers etc.

Economic

a) **Suppliers Relations Management and Ethics**
The Company has operating standards for purchasing and the selection of suppliers. Our ethical practices address procurement, transparency, confidentiality, fairness, corruption, conflict of interest, support for Small and Medium Enterprises (SMEs) and women-owned businesses, forced labour, social responsibility and Health & Safety. Annually, our approved list of vendors and contractors are reviewed in line with the service level agreements.

b) **Responsible Products and Services**
As one of the foremost underwriting firms, the Company is strategically positioned to impact on the Nigerian Insurance Market through its bouquet of customer-centric products and services. We continuously ensure that our transactions are carried out in line with applicable regulations and international best practices. Our commitment is evident in the entrenchment of economic and environmental considerations in our operations.

Social

a) **Diversity in the Workplace**
This refers to diversity across the workplace including at management level. These can be categorized along the dimensions of gender, age and physical abilities.

The Company employee policies prohibit discrimination on grounds of caste, creed, disability, race, ethnic group, religion, age, gender or economic background.

b) **Labour practices**
The Company supports equal opportunity policy structures and inclusive work environment that ensures employability, skills development and fair remuneration/benefits for its employees.

Employee Turnover Rate is low, the percentage of contract staff to full-time staff is 33% while our non-discrimination policy is adhered to. The company recognizes that women play a crucial role in achieving sound economic growth and poverty reduction. When empowered, they contribute significantly to family income and consequently, poverty reduction with female representation in its workforce and currently about 35%.

Incentive schemes designed to meet the circumstances of everyone are implemented wherever appropriate and some of these schemes include staff retirement benefit, productivity bonus, promotion and salary review.

Employee job satisfaction surveys are periodically conducted to obtain opinions on aspects of our relationship that requires improvement

c) **Occupational Health & Safety**
The Company recognizes her workforce as one of her most strategic assets. It strictly observes all health and safety regulations. The Company maintains business premises designed to guarantee the safety and healthy work conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Also, free medical services and counselling are provided for the Company's employees and their families through a reliable Health Management Organization (HMO). The company through its HMO periodically runs free health education and awareness programmes to staff.

The level of adherence to our Health, Safety and Environment policy was high. There was neither any injury nor fatality recorded in the year 2019 relative to the workforce.

d) **Human Rights**
While dealing with employees, suppliers and third-party contractors, the company ensures that business is done in a manner that respects human rights, that everyone is treated fairly and without discrimination. To ensure that we always meet this responsibility, we maintain an effective grievance mechanism and whistleblowing platforms that facilitate prompt identification and remediation of grievances.

No grievances about human rights impacts were filed, addressed, or resolved concerning suppliers, employees, customers or stakeholders.

e) **Society**
As part of social risk management, the Company also aligns its Corporate Social Responsibility (CSR) programs towards the goal for social development within communities in which the company operates by supporting education, improving health and increasing long-term employment.

Part of the positive social contribution of the Company within the year 2019 was the support towards health through the donation of bed covers and pillowcases to a specialist hospital.

Governance

a) **Anti-corruption**
The Company has zero-tolerance for corruption, bribery, money laundering, abuse of office and similar misdemeanours. The Company has put in place a robust Whistle Blowing Policy which enables staff to anonymously report unethical activities affecting any aspect of its operations. The company's anti-corruption policies and procedures are placed on our intranet for easy access to its employees and management.

There was no Incident, fine or exposure related to bribery and corruption within the period January 1 to December 31, 2019

Environmental

a) **Product and Services Responsibility**
There is little or no environmental impact arising from our products and services in the course of their lifecycle, (including product design, development, testing, etc.). Rather they aim at sustaining businesses of other establishments through the principle of indemnity.

b) **Waste Management (Reduction Of Paper Usage)**
We recognize that a better and prosperous future is linked to the well-being and health of our planet. The protection of the environment is important to us; we actively monitor our carbon footprint with respect to the use of paper and tracking our energy consumption through the consultation of Power Auditors.

The company has embraced the environmental management concepts of reduce, reuse and recycle. Most internally generated communication within the office is handled electronically without recourse to paper printing. Likewise, about 75 per cent of our customer policy renewal notices are delivered electronically.

c) **Energy (Contributing To Reduction Of Greenhouse Emissions)**
As the Company continues to pursue adaptation measures that promote sustainable operations in its business, its strategy of reducing greenhouse gas emission includes fitting energy efficient lighting facilities at our various branches/facilities. This has reduced our energy requirements for lighting by about 50% and our new lighting facilities are estimated to last longer than traditional incandescent lighting systems.

The old 500 KVA power plant at the Head Office has been replaced with a smaller, modern and efficient 300 KVA electricity generator which reduces emissions.

Compliance

Adherence of activities to relevant environmental laws is high in the Company leading to nil monetary value of fines for non-compliance to environmental laws and regulations for the year 2019.

Conclusion

As a responsible business, we go beyond just doing the right thing. We aim to be a catalyst for change - using our skills and relationships to create a lasting impact on the world around us. We believe that our customers, employees, the wider community and the world we live in deserve to be treated ethically and actively supported.

We remain committed to continued sustainable growth and excellence; placing great value on our customers, our people and delivering benefits to our local communities without endangering our environment.

COMPLAINTS AND FEEDBACK MANAGEMENT

Introduction
Customer satisfaction is paramount for us at Veritas Kapital Assurance Plc, hence the delivery of exceptional customer experience across all channels will always be an integral part of our company's policy.

We recognize that customer feedback is an important tool in monitoring and responding to customer expectations hence we continue to imbibe good conduct practice across our business, with a range of initiatives to further improve the service and experience we offer to customers. The information gathered is used for detailed analysis to identify recurring issues which are reviewed by the relevant stakeholders for learning purposes and improvement of the Company's products and services with an emphasis on preventing a reoccurrence of such identified issues.

COMPLAINTS CHANNELS
Our goal is to ensure prompt resolution of enquiries, requests and complaints are that creates good experiences and mutual relationships beneficial relationship between VKA and our valued customers.

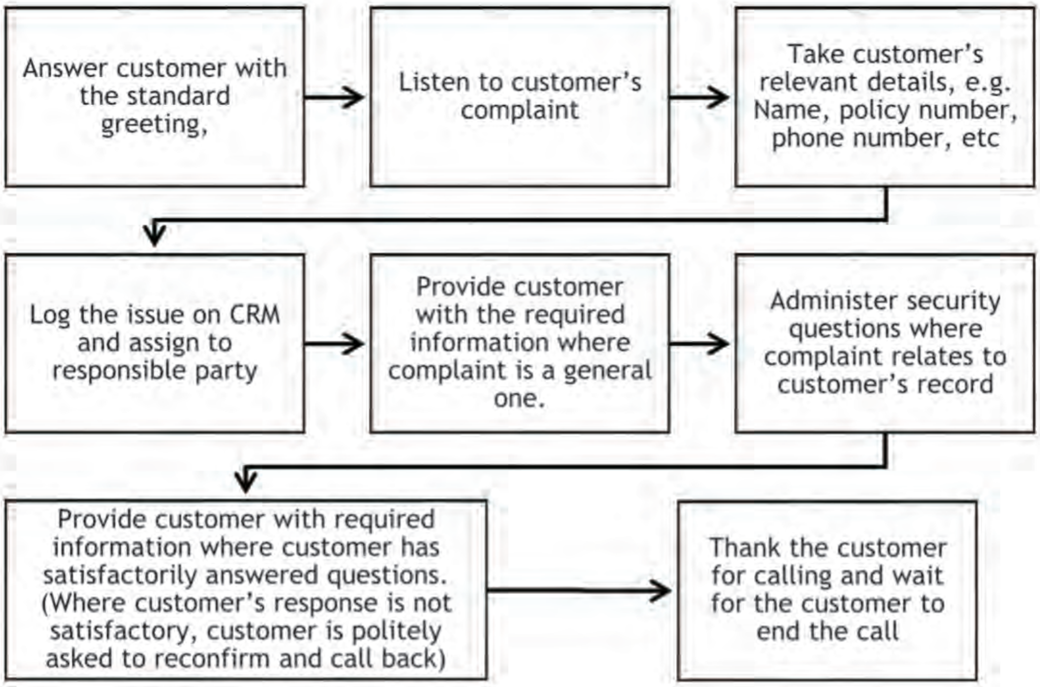
As part of our relationship management, we have multiple interaction channels with our customers.
These channels include:

1.	VKA CIC (Customer Interaction Centre: • cic@veritaskapital.com • 07001000500, +234 9 461 9999
2.	VKA Live Chat (Live chat)
3.	Correspondence from customers
4.	VKA Social media handles (Twitter, Instagram and Facebook)

Our branches across the 6 geopolitical are also available to customers for visitation and interaction. The addresses of our branches can be found on our website at https://veritaskapital.com/contact.

VKA's customer complaints management policy & Framework maps an appropriate process on how complaints are resolved and steps are taken to forestall future occurrence. We have a dedicated team who are responsible for prompt investigation and resolution of customer complaints within the approved timeline. The team collaborates with product and process owners within the business and ensures that complaints are resolved effectively. Complaints are ranked to ensure proper channelling & monitoring, documentation and effective feedback process of resolving complaints received.

The process of resolution is as follows:



Where information is not readily available and require follow-up with product/process owners, thank customer for calling and assure him/her that he/she will be contacted with an update. Such issues will be forwarded to the Product owner and to follow-up till resolution

NOTE: *complaint(s) life cycle ends when clients give okay status. There must be email communications irrespective of the channel the complaint(s) was received and resolved*
With these processes, we can adequately manage our customer's enquiries, requests and complaints through resolution and help us with our customer journey mapping whilst providing data for measuring relationship management.

CUSTOMERS PRODUCTS PERSPECTIVES:
Our customers' perspective on our products is essential to developing our product, thus our periodic interactive activities to get and evaluate their perceptions about our products and services. The interactive activities are:

- One-on-one meetings with top customers.
- Interviews with selected customers across policy types.
- Customer product satisfaction survey.

These assessments were carried out to give us a clear understanding of our perception from the customer's point of view and drive continuous product review and service experience strategy.

FEEDBACK ON CUSTOMERS' COMPLAINTS
Report on customers' complaints response is sent to appropriate units and groups within the organization for further review to ensure closure of identified gaps and maintain best practice. This process helps us:

As we persistently strive to always deliver great customer experience, VKA will keep improving on her customer touchpoints availability and accessibility for customers to effortlessly relate with us.

The table and graph below show the number of complaints received and resolved in the year under review.

These complaints were promptly resolved to the satisfaction of the customers just as the contributing factors were addressed to prevent reoccurrence.

In 2020, we will implement strategic initiatives that focus on people, process and technology to create a positive customer experience, that impacts positively on our customer's experience for all our customers.

STATEMENT OF DIRECTORS' RESPONSIBILITIES ON FINANCIAL STATEMENTS

The Directors of Veritas Kapital Assurance Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2019, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS"), and the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and Financial Reporting Council Act of Nigeria.

In preparing the financial statements, the Directors are responsible for:

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

The Directors are responsible for:

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

Going Concern

The directors have assessed the Company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

The Financial Statements of the company for the year ended 31st December 2019 was approved by the Board of Directors on 8th April, 2020.

BY ORDER OF THE BOARD

Thomas A. Etuh	Kenneth Egbaran
Chairman	Managing Director/CEO
FRC/2016/CIBN/00000014341	FRC/2015/CIIN/00000011953

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KAPITAL ASSURANCE PLC

VERITAS KAPITAL ASSURANCE PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

Veritas
KAPITAL ASSURANCE PLC

HOMEOWNER/FIRE & BURGLARY INSURANCE

HomeOwner/Fire & Burglary insurance

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Veritas Kapital Assurance Plc

Report on the Audit of the Consolidated and Separate financial statements

Opinion
We have audited the accompanying consolidated and separate financial statements of **Veritas Kapital Assurance Plc** (the company) and its subsidiaries (together the group) which comprise the Consolidated and separate statement of financial position as at 31 December 2019, the Consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, Consolidated and separate statement of cash flow for the year then ended, and the notes to the Consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the Consolidated and Separate financial position of **Veritas Kapital Assurance Plc** as at 31 December, 2019 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

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 Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contracts Loss Reserve	
Under IFRS 4, the Company is required to perform Liability adequacy test on its insurance contract Liabilities to ensure the carrying value of the liabilities are adequate. As disclosed in notes 16 to the financial statements, the insurance contract liabilities for the Company amounted to N2.01billion [2018:N2.33billion]. This represents about 63% of Company total liabilities as at 31 December 2019. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses as at 31 December 2019. This involves exercise of significant judgement and use of key inputs and	Our procedures included the following among others: We assessed and tested the design and operating effectiveness of selected key controls over actuarial methodology, integrity of data used in the actuarial valuation, and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves. In relation to the particular matters set out above, our substantive testing procedures included the following: ➢ Tested the completeness and accuracy of underlying claims data utilized by the

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Key Audit Matter	How the matter was addressed in the audit
assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary	company's actuaries in estimating general insurance loss reserves. ➢ Utilized information technology audit techniques to analyse claims through claims data plausibility checks and recalculation of claims development patterns. ➢ Involved Deloitte's actuarial specialists to independently test management's general insurance loss reserve studies and evaluate the reasonableness of the methodology and assumptions used against recognized actuarial practices and industry standards. ➢ Performed independent re-projections on selected product lines, particularly focusing on the largest and most uncertain general insurance reserves. For these product lines our actuarial specialists compared their re-projected reserves to those recorded by the company, and sought to understand any significant differences. ➢ Performed sensitivity testing and evaluated the appropriateness of any significant adjustments made to management's general insurance reserve estimates. Based on the work performed we concluded the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Goodwill	
Goodwill carrying value was N316.88 million on the group's statement of financial position as at 31 December 2019. This asset has been recognised in the consolidated statement of financial position. In line with the requirements of the applicable accounting standard, IAS 36, Impairment of Assets, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 12, there are a number of key sensitive judgements adopted by management in determining the inputs into these models which include: Revenue growth Operating margins Exchange rate fluctuations and The discount rates applied to the projected future cash flows.	We focused our testing of the impairment of goodwill on the key assumptions made by management. Our audit procedures included the following: • We tested all relevant controls over the generation of the key inputs, e.g. financial forecasts, discount rate, revenue growth rate, etc. that go into the valuation calculation. • Engaging our internal specialists to assist with: – Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36, Impairment of Assets. – Validating the assumptions used to calculate the discount rates, projected cash flows and recalculating these rates.

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Key Audit Matter	How the matter was addressed in the audit
Accordingly, the impairment test of this asset is considered to be a key audit matter. The Management have developed a valuation model to enable a fair determination of the discounted cash flows for the significant Cash Generating Units (CGUs) to which the goodwill relates.	• Analyzing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit. • Subjecting the key assumptions to sensitivity analyses. • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections. • Checking mathematical accuracy of the calculations We found that the assumptions used by management were comparable with historical performance and the expected future outlook and the discount rates used were appropriate in the circumstances. We consider the disclosure of the goodwill to be relevant and useful. Based on procedures performed, the goodwill recognised on acquisition of Healthcare Security Limited (N69.56 million) is considered impaired. The impairment charge has been appropriately recognised in the financial statement.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, Management Commentary, Enterprise Risk Management Report, Directors' Report, Chairman's Statement, result at a glance and MD/CEO's review, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to

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In preparing the consolidated and separate 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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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. 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and company's 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 consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee and the directors 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 and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee and/or the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 benefits derivable by the public from such communication.

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Report on Other Legal and Regulatory Requirements

- In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and Section 28 (2) of the Insurance Act I17 LFN 2004, we expressly state that:

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

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

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

Contraventions

The Group contravened certain sections of the Rule book of the Nigerian Stock Exchange during the year. The particulars thereof and penalties paid are as disclosed in Note 41 to the financial statements.

No other indication of non-compliance with laws and regulations was brought to our attention during the audit.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
24 March, 2020

Engagement partner: Joshua Ojo
FRC/2013/ICAN/00000000849

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the company") was initially incorporated under the name of Kapital Insurance Company Limited as a private limited liability company on the 8 August, 1973. on 14 March 2007, it acquired and merged withs two other insurance companies became a public limited liability company. its shares are quoted on the Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The Company has 91.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

1.2 Principal Activities

The principal business of the company is underwriting of non-life insurance risks.

The subsidiaries activities are:
Veritas Glanvills Pensions Limited, the Administration and management of pension fund assets.
Health Care Security Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated Financial statements comprise the Statements of Comprehensive income, Statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statmement of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods.
Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- investment property at fair value
- investment at fair value
- impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

The consolidated financial statements have been prepared on the going concern basis. The group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the group and company due to sufficient liquidity and based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the group is carried out to ensure that there are no going concern threats to the operation of the group.

1.7 Significant judgments and key sources of estimatiing uncertainty

In the process of applying the accounting policies adopted by the Group, the Directors make certain judgments and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgments and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors should include:

The judgments made by the directors in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- **Claims arising from insurance contracts**

  Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate.

- **Fair value of unquoted equity financial instruments**

  The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- **Property, Plant and equipment**

  Property, Plant and equipment represent one of the most significant proportion of the asset base of the Group, accounting for about 31% of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

Taxation
Whether it is probable that future taxable profits will be available against which temporary differences can be utilized; and

1.8 Functional and presentation currency
The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the Group.

1.9 Changes in accounting policy
The accounting policies adopted are consistent with those of the previous financial period except for IFRS 16 (Lease) which became effective January 2019. Adoption of the standard did not result in changes in the amounts previously recognised in the financial statements. However the standard affected disclosures.

1.10 Summary of significant accounting policies

1.10.1 Introduction to summary of accounting policies
The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New and amended standards and interpretations not yet adopted by the Company
Amendments to the following standard(s) became effective in the annual period starting from 1st January, 2019. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

IFRS 16 Leases
The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The standard does not significantly change the accounting for leases for lessors. However it requires lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

IFRS 16 became effective 1 January 2019. The group was not in any lease arrangement as at the year ended 31 December 2019.

Amendments to IAS 19
This amendment was issued 7 February 2018 and became effective 1 January 2019. It prescribes the accounting for all types of employee benefits except share-based payment, to which IFRS 2 applies. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 requires an entity to recognise:
• a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
• an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The amendments clarify that:
• on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and
• the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).

This amendment has no material impact on the group.

IFRIC 23 – Uncertainty over Income Tax Treatments
This standard which became effective 1 January 2019, clarifies the accounting for uncertainties in income taxes. 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 tax treatments under IAS 12. The Company has considered the guidiance included within the interpretation and concluded that the prescribed approach does not have a material impact on the Group.

Amendments to IFRS 2 - Share Based Payment - Classification and measurment of share based payment transactions
This standard clarifies classification and measurement of share based payment transactions with net settlement features for withholding tax obligations (i.e. equity settled share based payment for employees and cash settled share based payment for withholding taxes). It grants an exemption to alleviate operational issues encountered in dividing the share based payment into cash-settled and equity-settled component. The amendments also clarify modifications to terms and conditions that change classifications from cash-settled to equity-settled as well as application of non-market vesting conditions and market non-vesting conditions. These amendments do not have any material impact on the Group

Standards and interpretations issued/amended but not yet effective
The Group has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

New or amended standards and effective date	Summary of the requirements	Possible impact on financial statements
Amendments to IFRS 3 (Business Combination)	IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g. An acquisition or merger). In October 2018, after the post implementation review of IFRS 3, the IASB issued an amendment to IFRS 3 which centers majorly on the definition of a Business. They include: • That to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs: • Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. • Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired. • Remove the assessment of whether market participants are	The effective date is on or after 1st January 2020. The company is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after January 2020.

New or amended standards and effective date	Summary of the requirements	Possible impact on financial statements
	capable of replacing any missing inputs or processes and continuing to produce outputs: and • Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.	
Amendment to IAS 1 and IAS 8	In October 2018, the IASB issued the definition of 'material'. The amendments are intended to clarify, modify and ensure that the definition of 'material' is consistent across all IFRS. The amendments laid emphasis on five (5) ways material information can be obscured. These include: • If the language regarding a material item, transaction or other event is vague or unclear; • If information regarding a material item, transaction or other event is scattered in different places in the financial statements; • If dissimilar items, transactions or other events are inappropriately aggregated; • If similar items, transactions or other events are inappropriately disaggregated; and • If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.	The amendments are effective for annual reporting periods beginning on or after 1st January 2020. The Company has taken into consideration the new definition in the preparation of its annual account.

Amendments to References to the Conceptual Framework in IFRS Standards	The Conceptual Framework for Financial Reporting (Conceptual Framework) describes the objective of and concepts for general purpose financial reporting. It is a practical tool that helps the IASB to develop requirements in IFRS® Standards based on consistent concepts. Consideration of these concepts, in turn, should result in the IASB developing IFRS Standards that require entities to provide financial information that is useful to investors, lenders and other creditors. The IASB decided to revise the Conceptual Framework because some important issues were not covered and some guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes: • A new chapter on measurement; • Guidance on reporting financial performance; • Improved definitions of an asset and a liability, and guidance supporting these definitions; and • Clarifications in important areas, such as the roles of stewardship prudence and measurement uncertainty in financial reporting. The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.	The Group has taken into consideration the new definition in the preparation of its annual account.

IFRS 17 Insurance contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that all entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contarcts have on the entity's financial position, financial performance and cash flows. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2022.	The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after January 2022.

1.11 Presentation of financial statements

The Group presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Foreign currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the Group operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign echange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the income statements in the year in which they arise, except for difference arising on transaction of non-monetary available-for-sale financial assets, which are rcognised in other comprehensive income.

2.2 Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

An operating segment is a component of an entity:

- That engages in buisness activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).

-Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity)

-For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.

The Company currently operates a single line of business and entirely within a geographical region.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. cash equivalents have a maturity period of less than or equal to three months.

2.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

The Company classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on annual basis.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Company commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in the income statement.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future
financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the group expects to receive from the holder, the debtor or any other party. If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position

Derecognition of financial instruments

Previously recognised financial assets are derecognized when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the Company transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks, rewards and control tests.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or pledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Hedge Accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about a Company's risk management activities have also been introduced.

Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the Company's business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the group as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

I) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the Company as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are hose that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/ (losses) on financial assets classified as held for trading'.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/ (losses) on financial assets classified as held for trading'.Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

I) Amortised Cost

Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortised cost only if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition

ii) Fair Value through other comprehensive income (FVTOCI)

Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

a) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a Company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

Financial assets that are debt instruments, Lease receivables, Loan and advances to customers, Other Loans and receivables, Financial guarantee contracts issued; and Loan commitments issued. The Company measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Company measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.
Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairmentThe Company's process to assess changes in credit risk is multi-factor and has three main elements;

I. Quantitative element , a quantitative comparison of PD at the reporting date and PD at initial recognition
II. Qualitative elements III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).
For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the Company groups its exposures on the basis of shared credit risk characteristics.

Significant increase in credit risk

The Company decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration. The Company applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

I) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Company's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/ (losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

I) Assets classified as fair value through other comprehensive income

The Company can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

a. the Company's right to receive payment of the dividend is established;

b. it is probable that the economic benefits associated with the dividend will flow to the Company; and c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the financial asset had been measured at amortised cost.

a) Reclassification of financial assets

Reclassification of financial assets is determined by the Company's senior management, and is done as a result of external or internal changes which are significant to the Company's operations and demonstrable to external parties.

Reclassification of financial assets occurs when the Company changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

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Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised 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 that 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.

The classification of the Company's financial instruments have been summarised in the table below:

Category		Classes as determined by The Company		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and balances with Central bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account balances
				Placements
		Loans and advances to customers		FGN Treasury Bills
				Staff loans
		Investment securites	Listed debt	Corporate bonds
		Other assets		Fees receivable
				Intercompany receivable
				Other receivables
	Fair value through other comprehensive income	Listed Securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		

Financial liabilities	Financial liabilities at amortised cost	Insurance contract liabilities	Accruals
			Payables
		Trade payables	Other creditors
			Outstanding claims
			Unearned premiums
		Other liabilities	

Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income st atement.

Amortised cost measurement

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMD Q)).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Forward-Looking Information

In the context of IFRS 9, is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward- looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses.

2.5 Trade/Pension receivables

Receivables are recognised when due. These include amounts due from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivables impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

2.6 Reinsurance

The Group cedes insurance risk in the normal course of business for all of its businesses.

2.6.1 Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims or insurance contract liabilities associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The

Gains or losses on buying re-insurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligation to policy holders.

2.6.2 Reinsurance Liabilities

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.

2.7 Deferred Policy Acquisition Costs (DAC)

Acquisition cost 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 i calculated by applying to the acquisition expenses that ratio of unearned premium to written premium.

2.8 Prepayment
Prepayments are carried at cost less accumulated impairment losses.

2.9 Consolidation

2.9.1 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 the 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-Group transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealized losses are also eliminated in the same manner as unrealized 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 parent entity is measured at cost.

Acquisition-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.

2.9. 1a **Disposal of Subsidiaries**
On loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any controlling interest 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 equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.9.2 Investment in Associates
As associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. when the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.10 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuers. Gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

2.11 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Group are recognised as intangible assets.

Amortization is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life.

Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset it derecognized.

Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.12 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 4.9 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at 2.9.2 above.

2.13 Property, Plant and Equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet decomponetised as the asset has not been put into use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

Freehold land is not depreciated. Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

Leasehold land	**0%**	**Over the lease period**
Buildings	2%	2%
Furniture & Fittings	20%	20%
Office Equipment	20%	20%
Computer Equipment	20%	20%
Plant & Equipment	20%	20%
Motor Vehicles	25%	25%

Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.14 Statutory Deposits

Statutory Deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

2.15 Insurance Contract Liabilities

Significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2.15.1 Types of Insurance Contracts

Insurance contract may be non-life or life. The group issues only non-life insurance contracts. Non- life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for dam age suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her defendants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There are no maturity or surrender benefits.

2.15.2 Recognition and measurement of non-life insurance contracts

a.For all non-life insurance contract, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

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 claims 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 claims 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).

b.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 client's property (i.e. subrogation right).

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

c.Subrogation

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the Group has the right to receive future cash flow from the third party.

d.Deferred Income

Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a financially year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

e.Reinsurance Contracts held

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 insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f.Technical Resrves

These are computed in accordance with the provisions of section 22 of the insurance Act 2003 as follows:

*Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.
*Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims insured but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

f. Liability Adequacy Test

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

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance 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 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

2.16 Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortized 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.

2.17 Retirement Benefit Obligations Pension Cost

The Group operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.18 Provisions

General Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.1 **Deferred Income Tax**

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

* Current tax assets against current income tax liabilities and
* The deferred taxes relate to the same taxable entity and
* The same taxation authority

2. 20 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' inequity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2. 21 Statutory Contingency Reserve

The Group maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits

2.22 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.23 Assets Revaluation Reserve

This represents the Group's revaluation reserve emanating from revaluation of certain assets

2.24 Income Recognition

2.24.1 Gross Premiums

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder. For single premium business revenue is recognised on the date on which the policy is effect.

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.24.2 Reinsurance Premiums

Gross reinsurance premiums on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

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

2.24.3 Commission income

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income is recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. Fees and commission covering the reporting period are recognized in profit or loss as fees and commission income earned, while the unearned portion of fees and commission income is reported in the statement of financial position as deferred commission income.

2.24.4 Investment Income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms

.2.24.5 Management and Administrative Fees

Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portfolio valuation while the actual charge is effected against the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of

Administrative Fee

Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.24.6 Realized/Unrealized Gains and Losses

Realized or unrealized gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the difference between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction

2.25 Claims and Expenses Recognition

2.25.1 Gross Benefits and Claims

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance and investment contract liabilities. All claims paid and incurred are charged against revenue as expenses when incurred.

2.25.2 Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.26 Interest Income and Expense

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the entity estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs and discounts or premium that are integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the financial statement include:

*Interest on financial assets and liabilities measured at amortized cost calculated on an effective interest basis
*Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.

2.27 Expenses

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a deprecation or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. An expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.27.1 **Underwriting Expenses**

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These cost are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. In assessing value in use, he estimated future cash flows are discounted to their present value using a pre- discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. In this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.29 Earnings Per Share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the period.

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.

2.30 Dividends

Dividends on ordinary shares are recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.31 Comparatives

Where necessary, comparative have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.32 Contingent liabilities

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

2.33 Contingent assets

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the Group, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly writing the group's control.

FINANCIAL STATEMENT

	Note	31-Dec-2019 Group N'000	31-Dec-2018 Group N'000	31-Dec-2019 Company N'000	31-Dec-2018 Company N'000
ASSETS					
Cash and cash equivalents	3	4,372,408	4,549,657	3,659,345	3,981,106
Financial assets	4	1,906,676	788,376	1,303,071	87,435
Reinsurance assets	6	389,960	643,363	389,960	643,363
Deferred acquisition cost	7	107,340	161,294	107,340	161,294
Other receivables and prepayments	8	425,574	548,071	409,596	596,921
Investment in subsidiaries	9	-	-	1,576,300	1,576,300
Investment properties	11	412,111	880,201	412,111	880,201
Goodwill	12	316,884	386,444	-	-
Intangible assets - Software	13	72,567	77,450	40,253	47,606
Property, plant and equipment	14	3,736,923	3,654,376	2,893,407	2,730,955
Statutory deposit	15	355,000	355,000	355,000	355,000
Deferred tax asset	21.1	8,486	-	-	
Total assets		**12,103,929**	**12,044,232**	**11,146,383**	**11,060,181**
Liabilities:					
Insurance contract liabilities	16	2,012,465	2,331,582	2,007,596	2,330,632
Trade payables	17	229,840	115,467	229,840	115,467
retirement benefit obligation	18	11,246	9,581	-	-
Provision and other payables	19	651,833	530,176	377,934	274,050
Income tax liabilities	20	80,306	93,994	40,923	56,815
Deferred Tax Liabilities	21.2	554,978	607,046	542,136	501,814
Total Liabilities		**3,540,668**	**3,687,846**	**3,198,429**	**3,278,778**
EQUITY					
Share capital & reserves:					
Issued and paid up share capital	22	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	23	663,600	663,600	663,600	663,600
Statutory Contingency reserves	24	939,949	851,335	939,949	851,335
Retained earnings	25	(2,262,822)	(2,358,811)	(2,440,338)	(2,475,146)
Asset revaluation reserve	26.1	1,809,964	1,773,780	1,809,964	1,773,780
Fair value reserve	26.2	40,213	34,501	41,446	34,501
Non Controlling interest	38	439,024	458,648	-	-
Total equity		**8,563,261**	**8,356,386**	**7,947,954**	**7,781,403**
Total equity & Liabilities		**12,103,929**	**12,044,232**	**11,146,383**	**11,060,181**

Thomas Etuh
FRC/2016/CIBN/00000014341
Chairman

Kenneth Egbaran
FRC/2015/CIIN/00000011953
Managing Director

Mojeed Somorin
FRC/2017/ICAN/00000016849
Chief Financial Officer

	Note	Group 2019 N'000	Group 2018 N'000	Company 2019 N'000	Company 2018 N'000
Gross Premium written		3,076,332	3,333,642	2,953,792	3,238,769
Gross Premium Income	28	3,310,029	2,952,515	3,187,765	2,857,688
Reinsurance Expenses	29	(1,322,017)	(870,404)	(1,322,017)	(870,404)
Net premium income		1,988,012	2,082,111	1,865,748	1,987,284
Fees and commission income	30	166,979	111,819	166,979	111,819
Net underwriting income		2,154,991	2,193,930	2,032,727	2,099,103
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(576,171)	(735,637)	(482,826)	(664,405)
Underwriting expenses	32	(473,124)	(561,544)	(473,124)	(561,544)
Underwriting result		1,105,696	896,749	1,076,777	873,154
Investment income	34	1,538,232	1,491,035	515,676	508,403
Fair value changes in financial assets-FVTPL	4a&b	(4,048)	(4,373)	(4,048)	(4,373)
Fair value changes in investment property	11	14,325	-	14,325	-
Other operating income	35	153,834	326,654	16,477	147,717
Impairment write back or (loss) on assets	33	25,660	(54,791)	97,024	(44,867)
Finance cost	18a(i)	(1,389)	(1,148)	-	-
Management expenses	36	(2,617,936)	(2,917,007)	(1,462,283)	(1,530,816)
Profit/(Loss) before tax		**214,375**	**(262,881)**	**253,949**	**(50,782)**
Income tax expense	37	(49,116)	(432,371)	(130,527)	(272,513)
Profit/(Loss) for the year from continuing operations		**165,258**	**(695,252)**	**123,422**	**(323,295)**
Other Comprehensive Income net of tax					
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on available for sales equities	26b	-	-	-	-
		-	-	-	-
Items that will not reclassified subsequently to profit or loss:					
Gain on revaluation of property, plant and equipment		36,184	214,012	36,184	214,013
Net actuarial (losses) / gains on retirement benefit obligation	18a(i)	(1,233)	695		
Fair value adjustment on financial assets at FVOCI		6,945	(422)	6,945	(422)
		41,896	214,285	43,129	213,591
Total Comprehensive Income for the Year		207,154	(480,966)	166,551	(109,704)
Profit for the year, attributable to:					
* Non-controlling interests		(19,345)	(63,424)		
* Owners' of the Parent		184,603	(631,828)		
		165,258	**(695,252)**		
Total Comprehensive Income, attributable to:					
* Non-controlling interests		(19,345)	(63,424)		
* Owners' of the Parent		226,499	(417,542)		
		207,154	**(480,966)**		
Basic Earnings/(Loss) per Share	27	0.02	(0.10)	0.02	(0.12)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve	Fair value reserve	Contingency Reserve N'000	Retained Earnings N'000	Total	Non-controlling interest N'000	Total N'000
As at 1 January 2019	6,933,333	663,600	1,773,780	34,501	851,335	(2,358,811)	7,897,738	458,648	8,356,386
Transferred from statement of Profit or loss for the	-	-	-	-	-	184,603	184,603	(19,345)	165,258
Other Comprehensive Income:							-		-
Changes in fair value of FVOCI Investments	-	-	-	6,945	-		6,945	-	6,945
Net actuarial gains on retirement benefit obligations	-	-	-	(1,233)			(1,233)	-	(1,233)
Revaluation gain on PPE	-	-	36,184	-	-	-	36,184	-	36,184
							-		-
Total Comprehensive Income	**-**	**-**	**36,184**	**5,712**	**-**	**184,603**	**226,499**	**(19,345)**	**207,154**
Transfer to Contingency Reserve	-	-	-	-	88,614	(88,614)	-		-
									-
Transactions with owners of equity									-
Dividends to equity holders	-	-	-	-	-	-	-	(279)	(279)
As at 31 December, 2019	**6,933,333**	**663,600**	**1,809,964**	**40,213**	**939,949**	**(2,262,822)**	**8,124,238**	**439,024**	**8,563,262**

	Share Capital N'000	Share Premium N'000	Asset revaluation reserve N'000	Fair value reserve N'000	Contingency Reserve N'000	Retained Earnings N'000	Total N'000	Non-controlling interest N'000	Total N'000
As at 1 January 2018	6,933,333	663,600	1,559,768	34,923	754,172	(1,620,171)	8,325,625	525,135	8,850,760
Impact of transition to IFRS 9						(10,344)	(10,344)	(2,840)	(13,184)
									-
Restated opening balance	6,933,333	663,600	1,559,768	34,923	754,172	(1,630,515)	8,315,281	522,295	8,837,576
Transferred from statement of Profit or loss for the	-	-	-	-	-	(631,828)	(631,828)	(63,424)	(695,252)
Other Comprehensive Income:									
Changes in fair value of AFS Investments	-	-	-	(422)	-	-	(422)	-	(422)
Net actuarial gains on retirement benefit						695			
Gain on revaluation of properties, plant	-	-	214,012	-	-	-	214,012	-	214,012
							-		-
Total Comprehensive Income	-	-	214,012	(422)	-	(631,133)	(632,250)	(63,424)	(695,674)
Transfer to Contingency Reserve	-	-	-	-	97,163	(97,163)	-	-	-
Transactions with owners of equity									
Dividends to equity holders	-	-	-	-	-	-	-	(223)	(223)
As at 31 December, 2018	**6,933,333**	**663,600**	**1,773,780**	**34,501**	**851,335**	**(2,358,811)**	**7,897,739**	**458,648**	**8,356,386**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2019	**6,933,333**	**663,600**	**1,773,780**	**34,501**	**851,335**	**(2,475,146)**	**7,781,403**
Transferred from statement of Profit or loss for the year	-	-	-	-	-	123,422	123,422
Other Comprehensive Income:	-	-	-	6,945	-		6,945
Changes in fair value of AFS Investments	-	-	-	-	-	-	-
	-	-	36,184	-	-	-	36,184
Total Comprehensive Income	**6,933,333**	**663,600**	**1,809,964**	**41,446**	**851,335**	**(2,351,724)**	**7,947,954**
Transfer to Contingency Reserve					88,614	(88,614)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at December 31 2019	**6,933,333**	**663,600**	**1,809,964**	**41,446**	**939,949**	**(2,440,338)**	**7,947,954**

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2018	**6,933,333**	**663,600**	**1,559,768**	**34,923**	**754,172**	**(2,052,713)**	**7,893,083**
Impact of transition to IFRS 9						(1,975)	(1,975)
Adjusted opening earnings	**6,933,333**	**663,600**	**1,559,768**	**34,923**	**754,172**	**(2,054,688)**	**7,891,108**
Transferred from statement of Profit or loss for the year	**-**	**-**	**-**	**-**	**-**	**(323,295)**	**(323,295)**
Other Comprehensive Income:	-	-	-	(422)	-		(422)
Changes in fair value of AFS Investments	-	-	-	-	-	-	-
	-	-	214,012	-	-	-	214,012
Total Comprehensive income	6,933,333	663,600	1,773,780	34,501	754,172	(2,377,983)	7,781,403
Transfer to Contingency Reserve					97,163	(97,163)	-
Gain on revaluation of properties, plant							
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at December 31 2018	**6,933,333**	**663,600**	**1,773,780**	**34,501**	**851,335**	**(2,475,146)**	**7,781,403**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities	Notes	2019 Group N'000	2018 Group N'000	2019 Parent N'000	2018 Parent N'000
Premium received	28	3,076,331	3,340,320	2,953,792	3,245,447
Commission received	30	166,979	111,819	166,979	111,819
Reinsurance receipts in respect of claims	31(a)	90,730	-	90,730	-
Other operating income	34	172,984	184,435	35,627	9,913
Cash paid to and on behalf of employees	36	(1,351,803)	(1,359,927)	(729,969)	(802,677)
Reinsurance premium paid	29	(1,102,709)	(991,605)	(1,102,709)	(991,605)
Insurance benefits and claims paid	31	(652,674)	(729,328)	(562,972)	(658,096)
Underwriting expense	32	(281,226)	(602,281)	(281,226)	(602,281)
Cash paid to intermidiaries and other suppliers		(996,011)	(875,786)	(493,884)	(519,628)
Company income tax paid	20	(115,933)	(69,068)	(106,097)	(49,214)
Net cash usedin/from operating activites		**(993,333)**	**(991,421)**	**(29,730)**	**(256,322)**
Cash flow from Investing Activities					
Purchase of property, Plant and equipments	14	(284,419)	(721,865)	(242,593)	(62,916)
Purchase of intangible assets	13b	(23,666)	(27,377)	(7,813)	(10,492)
Proceed from sale of property and equipment		22,699	60,010	22,699	59,000
Proceed from disposal of investment property		663,953	-	663,953	-
Dividend income	34	1,174	839	5,186	4,048
Interest received	34	1,531,519	1,490,196	478,385	504,355
Purchase of amortised cost investment		(1,299,248)	(99,700)	(1,206,016)	-
Redemption/repayment on armotised cost investments		212,497	256,213	-	-
Purchase of investment property	11		-	-	-
Net cash provided by investing activites		**824,509**	**958,316**	**(286,199)**	**493,995**
Cash flow from Financing Activities					
Dividend paid		(279)	(223)	-	-
Net cash provided by financing activites		(279)	**(223)**	**-**	**-**
Net increase/(decrease) in cash and cash equivalent		(169,103)	(33,328)	(315,930)	237,673
Cash and cash equivalent at the beginning		4,549,657	4,602,898	3,981,106	3,756,993
Cumulative effect of transition to IFRS 9 (ECL)		-	(19,913)	-	(13,560)
Adjustment for ECLs not involving cash outflows		(8,147)	-	(5,831)	-
Cash and cash equivalent at the end of the year		4,372,407	4,549,657	3,659,345	3,981,106

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General information

Veritas Kapital Assurance plc ('the company') was initally incorporated under the name of Kapital Insurance Company Limited as a private Limited liability companyon the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company .Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off constitution Avenue, Central Business District, Abuja. Nigeria

The principal business of the company is underwriting of non-life insurance risks.

The Company has 91.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

3 Cash and cash equivalents	Group	Group	Company	Company
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
This comprises of :				
Cash at hand	540	556	465	441
Cash at Bank	315,986	133,426	202,663	113,516
Short term deposit (Staff gratuity fund assets)*	18,197	119,476	18,197	119,476
Short term deposit (note 3a)	4,045,832	4,311,984	3,443,851	3,761,233
	4,380,555	4,565,442	3,665,176	3,994,666
Adjustment for ECL on fixed deposit (note 3.1)	(8,147)	(15,785)	(5,831)	(13,560)
Total	**4,372,408**	**4,549,657**	**3,659,345**	**3,981,106**

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1 Movement in Adjustment ECL	Group	Group	Company	Company
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
As at 1 January	15,785	-	13,560	-
Opening ECL adjustment on transition date	-	5,108	-	1,975
Write back (Note 33)	(7,638)	10,677	(7,729)	11,585
As at 31 December	**8,147**	**15,785**	**5,831**	**13,560**

a Financed by:

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

	Group	Group	Company	Company
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
Financed by Insurance fund	2,007,596	2,330,632	2,007,596	2,330,632
Financed by other funds	2,038,236	1,981,352	1,436,255	1,430,601
	4,045,832	**4,311,984**	**3,443,851**	**3,761,233**

Short term deposits consist of placements with commercial banks with a maturity date of less than 3 months.

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
4	**Financial Assets**				
	This comprises of:				
	Fair value through profit or loss (note 4a)	46,616	50,664	46,616	50,664
	Armotised Cost (Note 4b)	1,816,344	700,941	1,212,739	-
	Fair Value through OCI (Note 4c)	43,716	36,771	43,716	36,771
		1,906,676	**788,376**	**1,303,071**	**87,435**
	Current	1,862,960	751,605	1,212,739	50,664
	Non-current	43,716	36,771	90,332	36,771
		1,906,676	**788,376**	**1,303,071**	**87,435**

a(i) These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting year and are derived as follows:

Movement in FVTPL during the year	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Fair value at 1 January	50,664	55,037	50,664	55,037
Fair value loss	(4,048)	(4,373)	(4,048)	(4,373)
Fair value as at 31 December	**46,616**	**50,664**	**46,616**	**50,664**

a(ii) Historical movement in FVTPL

Cost at initial recognition	143,587	143,587	143,587	143,587
Accumulated fair value losses to date	(96,971)	(92,923)	(96,971)	(92,923)
Fair value as at 31 December	**46,616**	**50,664**	**46,616**	**50,664**

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
b	**Amortised Cost**				
	FGN treasury bills see note (i) below	250,887	145,576	209,026	-
	State/FGN government bonds see note (ii) below	509,095	499,292	-	-
	Corporate bond see note (iii) below	1,056,362	56,073	1,003,713	-
		1,816,344	**700,941**	**1,212,739**	**-**
	Balance at 1 January	707,909	-	-	-
	Transfer from held to maturity	-	839,056	-	
	Additions	1,299,247	99,700	1,206,015	
	Redemption/Repayment during the year	(212,497)	(256,213)	-	
	Accrued interest	50,209	25,366	26,567	-
	Balance at 31 December	1,844,868	707,909	1,232,582	-
	Expected credit loss	(28,524)	(6,968)	(19,843)	-
		1,816,344	**700,941**	**1,212,739**	**-**
i	**FGN Treasury Bills**				
	Balance at 1 January	146,023	-	-	-
	Reclassification	-	309,070	-	-
	Additions	256,015	87,700	206,015	-
	Redemption/Repayment during the year	(155,519)	(250,747)	-	-
	Accrued interest	7,407	-	5,972	-
	Balance at 31 December	**253,926**	**146,023**	**211,987**	-
	ECL	(3,039)	(447)	(2,961)	-
		250,887	**145,576**	**209,026**	-

ii	FGN Bonds and State Bonds				
	Balance at 1 January	505,666	-	-	-
	Reclassification from HTM to AC as at 1 Jan	-	479,986	-	-
	Additions	43,232	12,000	-	-
	Redemption/Repayment during the year	(49,326)	(5,466)	-	-
	Accrued interest	17,945	19,146	-	-
	Balance at 31 December	**517,517**	**505,666**	-	-
	ECL	(8,422)	(6,374)	-	-
		509,095	**499,292**	-	-
iii	Corporate Bonds				
	Balance at 1 January	56,220	-	-	-
	Reclassification from HTM to AC as at Jan 1, 2018	-	50,000	-	-
	Additions	1,000,000	-	1,000,000	-
	Redemption/Repayment during the year	(7,652)	-	-	-
	Accrued interest	24,857	6,220	20,595	-
	Balance at 31 December	**1,073,425**	**56,220**	**1,020,595**	-
	ECL	**(17,063)**	**(147)**	**(16,882)**	
		1,056,362	**56,073**	**1,003,713**	-
iv	**Movement in expected credit losses (ECL) during the year**				
	Balance at 1 January	6,968	-	-	-
	Addition during the year	21,556	6,968	19,843	-
	Balance at 31 December	28,524	6,968	19,843	-

c Fair value through other comprehensive income

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Fair value at 1 January	36,771	-	36,771	-
Transfer from Available for sale	-	37,193	-	37,193
Fair value (loss) / gain	6,945	(422)	6,945	(422)
Balance at 31 December	**43,716**	**36,771**	**43,716**	**36,771**

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
5 a	**Trade receivables**				
	This comprises of:				
	Premium receivable from insurance bokers	491,457	491,457	491,457	491,457
	Premium receivable from insurance agents	61,428	61,428	61,428	61,428
	Premium receivable from policy holders	2,166	2,166	2,166	2,166
	Premium receivable from insurance compainies	189,093	189,093	189,093	189,093
		744,144	744,144	744,144	744,144
	Less:				
	Impairment of premium receivables	(744,144)	(744,144)	(744,144)	(744,144)
		-	-	-	-
b	**Age analysis of gross trade receivables are as follows**				
	0-30 days	-	-	-	-
	Above 30 days	-	-	-	-
		-	-	-	-

c Analysis of movement in impairment

Group

	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	545,262	-	-	545,262
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	744,144	-	-	744,144

Company

	Balance at 1 January N'000	Addition N'000	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	545,262	-	-	545,262
Premium receivable from insurance agents	6,728	-	-	6,728
Premium receivable from policy holders	55,610	-	-	55,610
Premium receivable from insurance companies	136,544	-	-	136,544
	744,144	-	-	744,144

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
6	**Reinsurance assets**				
	This is analysed as follows:				
	Prepaid reinsurance(see note(a) below)	96,020	249,776	96,020	249,776
	Reinsurer' share of outstanding claims (see note(b)below)	293,940	323,540	293,940	323,540
	Reinsurers share of claims paid	-	70,047	-	70,047
		389,960	**643,363**	**389,960**	**643,363**
a	Movement in prepaid reinsurance is as follows:				
	Balance 1 January	249,776	78,867	249,776	78,867
	Additions during the year	1,168,260	1,041,313	1,168,260	1,041,313
	Amortized in the year - reinsurance expenses (see note 29)	(1,322,017)	(870,404)	(1,322,017)	(870,404)
	Balance 31 December	**96,020**	**249,776**	**96,020**	**249,776**

b Movement in reinsurer' share of outstanding claims

Balance at 1 January	323,540	323,540	323,540	323,540
Movement in Reinsurers/coinsurers' share of outstanding claims reported during the year	(29,600)	-	(29,600)	-
Balance at 31 December	**293,940**	**323,540**	**293,940**	**323,540**

c Movement in reinsurer share of claim paid

Balance at 1 January	70,047	28,001	70,047	28,001
Movement in reinsurers/co-assurer's share of paid claims during the year	(70,047)	42,046	(70,047)	42,046
	-	**70,047**	**-**	**70,047**
Current	389,960	643,363	389,960	643,363
Non-Current	-	-	-	-
	389,960	**643,363**	**389,960**	**643,363**

7 Deferred acquisition cost

a This is analysed as follows:

Agric	659	-	659	-
Motor	15,188	23,813	15,188	23,813
Fire	39,594	44,619	39,594	44,619
General Accident	8,606	14,513	8,606	14,513
Marine	6,638	11,909	6,638	11,909
Aviation	6,773	2,207	6,773	2,207
Engineering	10,543	25,892	10,543	25,892
Oil and Gas	18,013	32,891	18,013	32,891
Bond	1,326	5,450	1,326	5,450
Total	**107,340**	**161,294**	**107,340**	**161,294**

The movement in deferred acquisition cost is as follow:

Acquisition Cost brought forward	161,294	98,318	161,294	98,318
Acquisition Costs during the period (note 32)	295,624	551,202	295,624	551,202
Total	456,918	649,520	456,918	649,520
Amortised during the year (see note 32)	(349,578)	(488,226)	(349,578)	(488,226)
Acquisition costs carried forward	**107,340**	**161,294**	**107,340**	**161,294**
Current	161,294	161,294	161,294	161,294
Non-current	-	-	-	-
	161,294	**161,294**	**161,294**	**161,294**

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
8 Other receivables and prepayments				
The balance is analysed as follow:				
Receivables from staff (see note (a) below)	18,653	43,423	12,549	30,628
Deposit for investment (See Note (b)below)	121,457	121,457	121,457	121,457
Commercial papers (See Note (c)below)	261,872	261,872	261,872	261,872
Prepayment	23,921	29,632	8,996	9,410
Inventory	21,105	10,070	8,006	7,557
Receivables from Related parties	62,033	41,975	233,033	277,975
Fees receivables and other receivables	260,993	285,821	108,143	122,259
ASO saving and loans(see note (e) below)	-	219,361	-	219,361
	770,034	1,013,609	754,055	1,050,517
Impairment of other receivables and prepayment(See Note (h)below)	(344,459)	(465,538)	(344,459)	(453,597)
	425,574	**548,071**	**409,596**	**596,921**
Current	425,574	548,071	409,596	596,921
Non-current	-	-	-	-
	425,574	**548,071**	**409,596**	**596,921**

a Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

Balance at 1 January	43,423	46,900	30,628	38,252
Addition	15,596	57,848	15,596	40,722
Impairment charge during the year	-	(284)	-	(284)
Repayment during the year	(40,366)	(61,041)	(33,675)	(48,062)
	18,653	43,423	12,549	30,628

b Deposit for investment represent net balances with Lighthouse stockbrokers and Chapel hill for purchase of quoted equities on the Nigeria Stock exchange and investment in other financial instruments. A deed assigning 437,686 units of Lighthouse share in Systemspecs was entered into on 23 December 2019 in consideration for its balance of N93.1 million and N44.4 million net balance due on Back-up Network Limited commercial papers.

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
c Commercial papers represents receivables from the following entities				
a) Back-up Network Ltd	44,412	44,412	44,412	44,412
b) TKM Mestro Nigeria Ltd	131,649	131,649	131,649	131,649
c) Off-shore Intergrated Concession Ltd	39,711	39,711	39,711	39,711
d) Kruger Brent Global Services Ltd	46,099	46,099	46,099	46,099
	261,872	**261,872**	**261,872**	**261,872**

These commercial papers with the exception of backup network limited (which have been considered in note 8b above) have being impaired by the company as they are in doubt of recovery.

d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end

e This represents amount receivable from Aso Savings and loans on the fund placed with the entity. As at the reporting date, the placement had been fully settled by the Aso Savings through a debt for asset swap to the tune of N176 million (see note 11), claims payment due from Veritas Kapital amounting to N57.37 million and Cash received from Aso Savings. see movement below

Movement in receivables from Aso savings	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
At 1 January	219,361	219,361	219,361	219,361
Accrued interest.	24,543	-	24,543	
Cash received from Aso savings	(10,538)	-	(10,538)	-
Property received from aso savinps and loans	(176,000)	-	(176,000)	-
Claims payment due to Aso Savinps	(57,366)	-	(57,366)	-
At 31 December	**-**	**219,361**	**-**	**219,361**

f The movement in impairment charge is as follows:

Balance at 1 January	465,538	422,781	453,597	420,315
Provision no longer required	(161,384)	(14,985)	(149,444)	(14,985)
Impairment charge during the year	40,306	57,742	40,306	48,267
Balance at 31 December	**344,460**	**465,538**	**344,459**	**453,597**

Company

	Balance at 1 Jan 2019	Addition	Provision no longer required	Write-off	Balance at 31 Dec 2019
				-	
Commercial papers (See note 8(b))	261,872	-	(39,998)	-	221,874
Prepayment	31,502	-	-	-	31,502
Receivables from staff	19,129	-	-	-	19,129
Deposit for investment (See note 8(b))	93,111	-	(93,111)	-	0
Inventory	7,567	-	-	-	7,567
Nigeria Liability Pool	6,825	-	-	-	6,825
Fees receivable and other receivables	33,591	40,306	(16,335)	-	57,562
	453,597	**40,306**	**(149,444)**		**344,459**

Group

	Balance at 1 Jan 2019	Addition	Provision no longer required	Write-off	Balance at 31 Dec 2019
Commercial papers	261,872	-	(39,998)	-	221,874

	Balance at 1 Jan 2019	Addition	Provision no longer required	Write-off	Balance at 31 Dec 2019
Commercial papers	261,872	-	(39,998)	-	221,874
Prepayment	31,502	-	-	-	31,502
Receivables from staff	19,129	-	-	-	19,129
Deposit for investment	93,111	-	(93,111)	-	-
Inventory	7,567	-	-	-	7,567
Nigeria Liability Pool	6,825	-	-	-	6,825
Fees receivable and other receivables	45,531	40,306	(16,335)	(11,940)	57,562
	465,537	**40,306**	**(149,444)**	**(11,940)**	**344,459**

g This relates to amount recoverable from:

1. Subsidiary- Veritas Glanvills Pensions Limited as at 31 December 2019 for property situated at Plot 1698 c and D Oyin Jolayemi Street, V.I. Lagos disposed to the latter in 2018. The transaction was carried out at arm's length. The sales price was based on the most recent valuation carried out by Osas and Oseji estate surveyors and Valuers. The sum outstanding is N171 million (N236 million, 2018).
2. Associate- Goldlink Insurance Plc as at 31 December 2019 for various expenses incurred on their behalf amounting to N62.033 million (N41.975 million)

9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 31 December 2019.

The details of the subsidiaries and principal activities are detailed below:

	31-Dec-2019 N'000	31-Dec-2018 N'000
Veritas Glanvills Pension Limited at cost (See Note (a) below)	1,160,000	1,160,000
Health care Security Limited at cost (See Note (b) below)	416,300	416,300
	1,576,300	1,576,300

a Veritas Glanvills Pension Limited has issued share ordinary share capital of 1.5 billion units of N1 each.Veritas Kapital holds 1.05 billion (70%): The Company was incorporated on 20 April 2005, and licensed by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos

b Health Care Security Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The Company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Veritas Glanvill Pension		Healthcare Security	
	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-19 N'000	31-Dec-18 N'000
Total revenue	1,037,171	1,047,727	249,016	105,118
Profit/(Loss) before tax	2,547	(122,958)	30,254	23,547
Total assets	1,764,201	1,871,367	623,633	582,228
Total liabilities	414,512	453,686	98,728	69,239
Shareholders fund	1,349,689	1,417,681	524,905	512,989

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
10	**Investment in Associates**	1,010,650	1,010,650	1,010,650	1,010,650
	Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)	(1,010,650)	(1,010,650)
		-	-	-	-

Goldlink Insurance Plc

Veritas Kapital holds 1,268,064,351 (2017:1,268,314,351) ordinary shares representing 51.53% (2017:44.65%) holdings in Goldlink Insurance Plc as at 31/12/2018. The increase in the percentage holding in Goldlink Insurance Plc is due to shares forfeited and surrendered by shareholders in Goldlink Insurance Plc in 2018 due to non-cash payment.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level. In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

11 Investment properties

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been deteremined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2012/NIESV/0000000522) as at 31 December 2019, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The movement in the fair value of investment properties as at 31 December 2019 is as follows:

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Balance at 1 January	880,201	880,201	880,201	880,201
Addition	176,000	-	176,000	-
Disposal	(658,415)		(658,415)	
Fair value gain	14,325	-	14,325	-
Balance at 31 December	**412,111**	**880,201**	**412,111**	**880,201**

Measurement of fair value

a Fair value hierarchy.

The fair value measurement for the investment properties of N412,111 (2018:N880,201) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b **Valuation technique and significant unobservation inputs**

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

Valuation technique	Significant unobservable inputs	between key unobservable inputs and fair value
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value.This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent tim.References were made to prices of land and comparable properties in the nighbourhood.The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location ,quality of construction and off-site facilities.	- Price per square meter - rate of development in the area - Quality of the building - Influx of people and/or businesses to the area	The estimated fair value would increase(decrease) if the rate of development in the area increases(decreases), quality of the building increases (decreases), influx of people and/or business to the area increases(decreases)

c Analysed below is the list of investment properties whose titles are yet to be perfected as at the reporting date.

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	45,000	45,000	45,000	45,000
No 35 Kafur Street, Off Isa Kaita Road Kaduna	55,494	55,494	55,494	55,494
No 893/894 Jolly Nyame Street Bosso LGA, Kano	5,672	11,344	5,672	11,344
No. 91 Planner lane, NNDC Quarters, Off BUK Rd. Sharadda	63,000	63,000	63,000	63,000
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	20,945	20,943	20,945	20,943
6 units of 3 bedroom flat known as blk A flt 7&8, blk B flt 7 and blk D flt 4,5&6 at evergreen estate, Durumi Abuja.	30,000	180,000	30,000	180,000
7units of 3-bedroom flats known and identified as Block 8 Flat 2, Block 9 Flat 1&2, Block 14 Flat 2, Block 16 Flat 2 and Block 20 Flat 1&3 Aso Garden Estate Kanasa Abuja.	168,000	-	168,000	-
1 Unit of 4-Bedroom s Flat known and identified as Block D, Flat 5, Hillview Estate, Gaduwa District, Abuja.	24,000	24,000	24,000	24,000
Property situated and Municipally identified as No. 5, Atakpame Street, Off ademola Adetokunbo Crescent, Wuse II, District Abuja	-	200,000	-	200,000
Property situated and identified as No. AC - 7A & B, professon Jerry Gana Street, Danladi Nasisi Housing Estate,]Maririri Quarters Kano, Kano State	-	6,084	-	6,084
Property situated and identified as No. AC - BA & B, professon Jerry Gana Street, Danladi Nasisi Housing Estate,]Maririri Quarters Kano, Kano State	-	6,084	-	6,084
Property situated and identified as No. AC - 9A & B, Professor Jerry Gana Street, Danladi Nasidi Housing Estate, Mariri Quarters Kano, Kano State.	-	6,084	-	6,084
Property situated and identified as No. AC - 10A & B, Professor Jerry Gana Street, Danladi Nasidi Housing Estate, Mariri quarters, Kano, Kano.	-	6,084	-	6,084
Property situated and identified as No. AC - 11A & B, Professor Jerry Gana Street, Danladi Nasidi Housing Estate, Mariri quarters, Kano, Kano.	-	6,084	-	6,084
25No. Lock-up shops situated and Known as No. 12, Farmers Center Market, Taradani Local Government Area, Kano State.	-	70,000	-	70,000
Property situated at Plot No. 68, Planner Lane, NNDC Quarters, Off BUK Road, Sharada Kano, Kano State	-	72,000	-	72,000
Property situated at No. 103 A&B, Lafiya Road, Nasarawa GRA, Kano State.	-	108,000	-	108,000
	412,111	**880,201**	**412,111**	**880,201**

The movement in the fair value of investment properties as at 31 December 2019 is as follows

	Status of Title Documents	Balance at 1 Jan 2019	Additions	Disposals	Revaluation gain or loss	Balance at 31 Dec. 2019
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
No. 5 Atakpema Street, off Adetokunbo Ademola Street, Wuse II Abuja	Certificate of Occupancy No. 1932w-12d43-697br-bfb8u-10	200,000	-	(200,000)	-	-
No 35 Kafur Street, Off Isa Kaita Road Kaduna	Certificate of Occupancy No. 027560	55,494	-	-	-	55,494
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-7A	6,084	-	(6,084)	-	-
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-8A	6,084	-	(6,084)	-	-
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-9	6,084	-	(6,084)	-	-
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-10A	6,084	-	(6,084)	-	-
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-11A	6,084	-	(6,084)	-	-
No 893/894 Jolly Nyame Street Bosso LGA, Kano	KSHC/EST/DNHE/BE-27	11,344	-	(5,672)	-	5,672
Plot No 37, city centre, Kano	Right of Occupancy No. COM/93/58	70,000	-	(70,000)	-	-
No. 68 Planner lane, NNDC Quarters, Off BUK Rd. Sharadda	Certificate of Occupancy No. LKN/RES/85/150	72,000	-	(72,000)	-	-
No. 91 Planner lane, NNDC Quarters, Off BUK Rd. Sharadda	Certificate of Occupancy No. LKN/RES/85/150	63,000	-	-	-	63,000
No. 103 A&B Lafiya Rd, Nassarawa GRA, Kano.	Certificate of Occupancy No. LKN/RES/RC/133	108,000	-	(108,000)	-	-
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	Certificate of Occupancy No. LKN/RES/82/282	20,945	-	-	-	20,945
6 units of 3 bedroom flat known as blk A flt 7&8, blk B flt 7 and blk D flt 4,5&6 at evergreen estate, Durumi Abuja.	Certificate of Occupancy No. FCT/ABU/MCSC/11092	180,000	-	(150,000)	-	30,000
Block D flat 5 Hillview Estate Gaduwa District Abuja	Certificate of Occupancy No. 1932w-10645-65f7r-bbb2u-10	24,000	-	-	-	24,000
7units of 3-bedroom flats known and identified as Block 8 Flat 2, Block 9 Flat 1&2, Block 14 Flat 2, Block 16 Flat 2 and Block 20 Flat 1&3 Aso Garden Estate Kanasa Abuja.		-	176,000	(22,325)	14,325	168,000
		880,201	**176,000**	**(658,417)**	**14,325**	**412,111**

The movement in the fair value of investment properties as at 31 December 2018 is as follows

	Status of Title Documents	Balance at 1 Jan 2018	Additions	Disposals	Revaluation gain or loss	Balance at 31 Dec. 2018
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
No. 5 Atakpema Street, off Adetokunbo Ademola Street, Wuse II Abuja	Certificate of Occupancy No. 1932w-12d43-697br-bfb8u-10	200,000	-	-	-	200,000
No 35 Kafur Street, Off Isa Kaita Road Kaduna	Certificate of Occupancy No. 027560	55,494	-	-	-	55,494
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-7A	6,084	-	-	-	6,084
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-8A	6,084	-	-	-	6,084
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-9	6,084	-	-	-	6,084
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-10A	6,084	-	-	-	6,084
No AC-7 A&B Prof. Jerry Gana Street, Danladi Nasidi Housing Estate	KSHC/EST/DNHE/AC-11A	6,084	-	-	-	6,084
No 893/894 Jolly Nyame Street Bosso LGA, Kano	KSHC/EST/DNHE/BE-27	11,344	-	-	-	11,344
Plot No 37, city centre, Kano	Right of Occupancy No. COM/93/58	70,000	-	-	-	70,000
No. 68 Planner lane, NNDC Quarters, Off BUK Rd. Sharadda	Certificate of Occupancy No. LKN/RES/85/150	72,000	-	-	-	72,000
No. 91 Planner lane, NNDC Quarters, Off BUK Rd. Sharadda	Certificate of Occupancy No. LKN/RES/85/150	63,000	-	-	-	63,000
No. 103 A&B Lafiya Rd, Nassarawa GRA, Kano.	Certificate of Occupancy No. LKN/RES/RC/133	108,000	-	-	-	108,000
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	Certificate of Occupancy No. LKN/RES/82/282	20,943	-	-	-	20,943
6 units of 3 bedroom flat known as blk A flt 7&8, blk B flt 7 and blk D flt 4,5&6 at evergreen estate, Durumi Abuja.	Certificate of Occupancy No. FCT/ABU/MCSC/11092	180,000				180,000
Block D flat 5 Hillview Estate Gaduwa District Abuja	Certificate of Occupancy No. 1932w-10645-65f7r-bbb2u-10	24,000				24,000
		880,201	**-**	**-**	**-**	**880,201**

INVESTMENT PROPERTIES NOT IN THE NAME OF VERITAS KAPITAL AS AT YEAR END DECEMBER, 2019.

LOCATION	Title document number	Amount	STEPS TAKEN FOR PERFECTION
No 35 Kafur Street, Off Isa Kaita Road Kaduna	Certificate of Occupancy No. 027560	55,494,000.00	Perfection nearing conclusion
Property at No. 173, Oshodi - Gbagada Expressway, Gbagada, Lagos, Lagos State	Certificate of Occupancy No. 1124/SD/4	280,000,000.00	We await receipt of the registered Deed & C of 0 from lands registry in Lagos

		31-Dec-19 N'000	31-Dec-18 N'000
12	**Goodwill**		
	The goodwill is arising on acquisitions in the following subsidiaries:		
	Veritas Glanvills Pension	316,884	316,884
	Healthcare Securities	-	69,560
		316,884	**386,444**
a	Analysis of movement		
	Balance at 1 January	386,444	386,444
	Impairment (see note 33)	(69,560)	-
	Balance at 31 December	**316,884**	**386,444**

Impairment charge relates to goodwill arising on acquisition of Healthcare Security Limited which was fully impaired at year end.

The calculation of value-in-use was based on the following key assumptions
- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

-A terminal growth rate (averaging 2.8% for HCSL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for HCSL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for HCSL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

- The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

Assessment of impairment on goodwill was developed by the management of the company.

13 Intangible assets - Software

This comprises of acquired computersoftware which does not form part of a related hardware.

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
	72,567	77,450	(40,253)	47,606
Computer software				
Cost				
Balance, at 1 January	373,830	346,453	285,989	275,497
Additions	23,666	27,377	(7,813)	10,492
Balance, 31 December	397,496	373,830	293,802	285,989
Accumulated amortisation				
Balance, at 1 January	296,380	255,871	238,383	207,119
Amortisation expense	28,549	40,509	15,167	31,264
Balance, 31 December	324,929	296,380	253,550	238,383
Carrying amount 31 December	**72,567**	**77,450**	**(40,253)**	**47,606**

14 a GROUP
Property, plant and equipment

Cost/Valuation	**Leasehold land N'000**	**Building N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Work in progress N'000**	**Total N'000**
At 1 January	911,272	1,986,453	473,211	573,811	142,871	498,373	4,585,991
Additions	-	8,262	80,781	93,226	34,950	67,200	284,419
Revaluation adjustments	10,000	26,184	-	-	-		36,184
Transfer	-	246,269	13,905	-	4,023	(264,197)	-
Write off (see note 36)	-	-	-	-	-	(43,692)	(43,692)
Disposals	-	-	(46,183)	(53,065)	(24,158)	-	(123,406)
As at 31 December	921,272	2,267,168	521,714	613,973	157,685	257,684	4,739,496
Accumulated depreciation							-
At 1 January	-	28,152	385,621	386,814	131,029	-	931,616
Depreciation expenses	-	8,171	67,072	74,299	28,512	-	178,054
Disposals	-	-	(40,693)	(42,248)	(24,156)	-	(107,097)
As at 31 December	-	36,323	412,000	418,865	135,385	-	1,002,573
Carrying amount as at 31 December, 2019	**921,272**	**2,230,845**	**109,714**	**195,108**	**22,301**	**257,684**	**3,736,923**

Group

	Leasehold land N'000	**Building N'000**	**Office computer equipment N'000**	**Motor vehicles N'000**	**Office furniture and fittings N'000**	**Work in progress N'000**	**Total N'000**
Cost/Valuation							
At 1 January	1,067,272	1,940,743	418,006	448,241	144,229	-	4,018,491
Additions	-	5,088	58,251	151,567	8,586	498,373	721,865
Revaluation adjustments	100,000	114,013	-	-	-	-	214,013
Elimination on disposal	-	(34,391)	-	-	-	-	(34,391)
Disposals	(256,000)	(39,000)	(3,046)	(25,997)	(9,944)	-	(333,987)
As at 31 December	911,272	1,986,453	473,211	573,811	142,871	498,373	4,585,991
Accumulated depreciation							-
At 1 January	-	24,860	330,025	343,402	136,667	-	834,954
Depreciation expenses	-	37,683	58,520	68,549	4,276	-	169,029
Revaluation adjustments	-	(34,391)	-	-	-	-	(34,391)
Disposals	-	-	(2,924)	(25,137)	(9,915)	-	(37,976)
As at 31 December	-	28,152	385,621	386,814	131,029	-	931,616
Carrying amount as at 31 December, 2018	**911,272**	**1,958,301**	**87,590**	**186,997**	**11,843**	**498,373**	**3,654,376**

14 b Company
Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	891,272	1,760,169	253,739	287,955	110,637	-	3,303,772
Additions		8,262	56,144	81,935	29,195	67,056	242,593
Revaluation adjustments	10,000	26,184	-	-	-	-	36,184
Disposals			(46,183)	(50,790)	(24,158)	-	(121,131)
As at 31 December	901,272	1,794,615	263,701	319,100	115,674	67,056	3,461,419
Accumulated depreciation							-
At 1 January	-	-	231,594	234,090	107,133	-	572,817
Depreciation expenses			40,146	35,289	24,581	-	100,016
Revaluation adjustments				-	-	-	-
Disposals			(40,693)	(39,973)	(24,156)	-	(104,822)
As at 31 December	-	-	231,047	229,406	107,559	-	568,012
Carrying amount as at 31 December, 2019	**901,272**	**1,794,615**	**32,654**	**89,695**	**8,115**	**67,056**	**2,893,407**

Company
Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	1,047,272	1,719,547	249,694	250,892	116,334	-	3,383,739
							-
Additions			6,854	51,910	4,152	-	62,916
Revaluation adjustments	100,000	79,622	-	-	-	-	179,622
Disposals	(256,000)	(39,000)	(2,809)	(14,847)	(9,849)	-	(322,505)
As at 31 December	891,272	1,760,169	253,739	287,955	110,637	-	3,303,772
Accumulated depreciation							
At 1 January	-	-	194,483	222,987	116,324	-	533,794
Depreciation expenses		34,391	39,919	25,950	658	-	100,918
Revaluation adjustments		(34,391)				-	(34,391)
Disposals			(2,808)	(14,847)	(9,849)	-	(27,504)
As at 31 December	**-**	**-**	**231,594**	**234,090**	**107,133**	**-**	**572,817**
Carrying amount as at 31 December, 2018	891,272	1,760,169	22,146	53,864	3,504	-	2,730,955

a) Land and Building was independently valued by Osas&Osas and Partners, Estate surveyors &Valuers (FRC/2012/0000000000522) in 2019 to ascertain the open market value of land and building .The open market value of land and building as at 31 December 2019 was N2,695,887,000 (2018:2,651,441,000)

14c. Leasehold Land and Building Comprises:

	31 December 2019			31 December 201		
Group	Leasehold Land N'000	Building N'000	Total N'000	Leasehold Land N'000	Building N'000	Total N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	238,098	238,098	-	-	-
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	700,000	1,500,000	2,200,000	700,000	1,471,440	2,171,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos	132,057	147,943	280,000	132,057	147,943	280,000
Plot 116 Hadejia Road, Yankaba, Kano.	69,215	146,671	215,886	59,215	140,785	200,000
26, Commercial Avenue, Sabo, Yaba, Lagos	20,000	198,133	218,133	20,000	198,133	218,133
	921,272	2,230,845	3,152,117	911,272	1,958,301	2,869,573
Parent						
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	-	-	-	-	-	-
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	700,000	1,500,000	2,200,000	700,000	1,471,440	2,171,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos	132,057	147,943	280,000	132,057	147,943	280,000
Plot 116 Hadejia Road, Yankaba, Kano.	69,215	146,671	215,886	59,215	140,785	200,000
	901,272	1,794,614	2,695,886	891,272	1,760,168	2,651,440

14d Movement in leasehold land and building is as follows:

Group 2019

	Status of title documents	Balance as at Jan 1, 2018 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciatior N'000	Revaluation adjustment N'000	Balance as at 31 December 2019 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	-	-	-	246,269	(8,171)		238,098
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,171,440	8,262	-	-	-	20,298	2,200,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	280,000	-	-	-	-		280,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	200,000	-	-	-	-	15,886	215,886
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	218,133	-	-	-	-		218,133
		2,869,573	8,262	-	246,269	(8,171)	36,184	3,152,117

Group 2018

	Status of title documents	balance as at Jan 1, 2017 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciatior N'000	Revaluation adjustment N'000	Balance as at 31 December 2018 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	295,000	-	(295,000)	-	-	-	-
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,071,818	-	-	-	(28,616)	128,238	2,171,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	200,000	-	-	-	(2,959)	82,959	280,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	200,000	-	-	-	(2,816)	2,816	200,000
26, Commercial Avenue, Sabo, Yaba, Lagos	Governor Consent (Deed of Assignment)	216,336	1,797	-	-	-	-	218,133
		2,983,154	1,797	(295,000)	-	(34,391)	214,013	2,869,573

Company 2019

	Status of title documents	balance as at Jan 1, 2018 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciatior N'000	Revaluation adjustment N'000	Balance as at 31 December 2019 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	-	-					-
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,171,440	8,262			-	20,298	2,200,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	280,000						280,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	200,000					15,886	215,886
		2,651,440	8,262	-	-	-	36,184	2,695,886

Company 2018

	Status of title documents	balance as at Jan 1, 2017 N'000	Addition N'000	Disposals N'000	Transfer N'000	Depreciatior N'000	Revaluation adjustment N'000	Balance as at 31 December 2018 N'000
Plot 1698 C and D Oyin Jolayemi St. V.I. Lagos	Certificate of Occupancy No. 53/53/187A	295,000	-	(295,000)	-	-	-	-
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MISC/5687	2,071,818	-	-	-	(28,616)	128,238	2,171,440
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	200,000	-	-	-	(2,959)	82,959	280,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/96/64	200,000	-	-	-	(2,816)	2,816	200,000
		2,766,818	-	(295,000)	-	(34,391)	214,013	2,651,440

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
15	**Statutory deposit**	**355,000**	**355,000**	**355,000**	**355,000**

This represent amount deposited with the Central bank of Nigeria (CBN) as at December, 2019 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

16	**Insurance contract liabilities**	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
	Outstanding claims(see Note(a) below)				
	Outstanding claims reported	1,113,141	1,214,825	1,113,141	1,214,825
	Claims incurred but not reported	205,657	189,393	202,014	189,393
		1,318,798	1,404,218	1,315,154	1,404,218
	Unearned premium(see Note (b) below)	693,667	927,363	692,442	926,414
		2,012,465	**2,331,582**	**2,007,596**	**2,330,632**
a	**Provision for outstanding claims**				
	Motor insurance	44,760	29,544	44,760	29,544
	Fire insurance	204,005	46,348	204,005	46,348
	General accident insurance	64,516	218,513	64,516	218,513
	Marine insurance	74,806	17,003	74,806	17,003
	Engineering	131,199	109,138	131,199	109,138
	Aviation	41,670	95,975	41,670	95,975
	Oil and gas	697,871	887,056	697,871	887,056
	Bond	304	642	304	642
	Agric	56,023	-	56,023	-
	PHI	3,643	-	-	-
		1,318,798	**1,404,218**	**1,315,155**	**1,404,218**
a(i)	Movement in outstanding claims:				
	Balance at 1 January	1,214,825	959,478	1,214,825	959,478
	(Decrease)/Increase in Outstanding Claims (see note 3	(101,684)	255,347	(101,684)	255,347
	Balance at 31 December	**1,113,141**	**1,214,825**	**1,113,141**	**1,214,825**
a(ii)	Movement in IBNR is analysed as follows:				
	Balance at 1 January	189,393	182,279	189,393	182,279
	Increase in IBNR (see note 31)	16,264	7,114	12,621	7,114
	Balance at 31 December	**205,657**	**189,393**	**202,014**	**189,393**

a(iii) Age analysis of outstanding claims is analysed below

	2019		**2018**	
No. of Days	Number of Claimants	Outstanding claims (N'000)	Number of Claimants	Outstanding claims (N'000)
0-90	120	173,149	74	20,347
91-180	108	161,324	33	25,145
181-270	53	68,222	70	29,190
271-365	68	21,695	79	41,207
Above 365	446	688,751	454	1,098,936
Total	795	1,113,141	710	1,214,825

All claims are recorded as outstanding claims upon receipt of notification from the broker/beneficiary. Claims are setttled within the stipulated timelines in accordance with section 70 of the insurance Act 2003. Upon receipt of signed discharge voucher from the beneficiary, as at 31 December 2019, the balance of outstanding claims above 90 days represents claims for which appropriate complete documentation are yet to be received.

a(iv) The investment in respect of these insurance funds is a stated in Note 3b.
Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the management of the company with the use of a professional actuary (O and A Hedge Actuarial Consulting) with FRC registration number FRC/2016/NAS/00000015764

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
b	**Reserve for unearned premium**				
	Motor insurance	170,230	205,845	170,230	205,845
	Fire insurance	244,765	251,766	244,765	251,766
	General accident insurance	43,355	71,369	43,355	71,369
	Marine insurance	32,645	55,726	32,645	55,726
	Engineering	51,611	128,024	51,611	128,024
	Aviation	34,455	11,405	34,455	11,405
	Oil and gas	100,295	166,873	100,295	166,873
	Bond	6,630	27,250	6,630	27,250
	Agric	3,034	-	3,034	
	1% PHI PREMIUM	1,225	949	-	-
		688,246	919,207	687,021	918,258
	AURR	5,421	8,156	5,421	8,156
		693,667	**927,363**	**692,442**	**926,414**

b(i) Movement in unearned premium can be analysed as follows:

Balance at 1 January	927,363	546,237	926,414	545,333
(Decrease)/Increase in unearned premium(see note 28	(233,696)	381,126	(233,972)	381,081
	693,667	**927,363**	**692,442**	**926,414**

17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and prokers at year end.The carrying amounts disclosed below approximate the fair values at the reporting date.

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
This is analysed as follows:				
Co-insurance premium	116,868	49,708	116,868	49,708
Commission payable	112,972	65,758	112,972	65,758
	229,840	**115,467**	**229,840**	**115,467**

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
18	**Retirement benefit obligation**				
	Gratuity Scheme				
	Balance at 1 January	9,581	7,272	-	-
	Contributions in the period(see note (a) below)	1,665	2,309	-	-
	Balance at 31 December	**11,246**	**9,581**	**-**	**-**

a **Defined Benefit Scheme**

Healthcare Security Limited has a non-contributory defined gratuity scheme whereby on separation, staff who have spent a minimum number of periods are paid a sum based on their qualifying emoluments and the number of periods spent in service of the Company. The actuarial valuation of the scheme for 31 December 2019 was performed by PENMED Actuarial Consultants FRC/2014/NAS/0000000953.

Summary of membership data	2019	2018
Active Members	13	14
Total annual emoluments	N21.97mn	N23.53mn
Average Liability duration over future service	21	21

Underlying assumptions

The rate used to discount Pre-retirement employment benefit obligations is determined in line with IAS19, with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds are used. The actuary is of the opinion that there is no deep market in corporate bonds in Nigeria and as such, assumptions underlying the determination of discount rates are referenced to the yield on Nigeria Government Bonds of medium duration, as compiled by the debt management office, after provision for small risk premium to be included in the discount rate assumption.

Benefit Liability and assets	**2019 N'000**	**2018 N'000**
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
(Deficit) / Surplus of Funded Plans	(11,246)	(9,581)
Present Value of Unfunded Obligations	-	-
Unrecognized past service cost		
(Liability)/Asset Recognition in the	(11,246)	(9,581)

(i). **Reconciliation of Defined Benefit Obligation**

Changes in the present value of the defined benefit obligation are as follows;

	2019 N'000	**2018 N'000**
At 1 January	9,581	7,272
Current service cost*	1,596	1,856
Interest Cost	1,389	1,148
Employees Contribution	-	-
Benefit paid (estimate)	(2,553)	
Actuarial losses/(gains) due to change in financial assumptions	(509)	(1,806)
Actuarial losses/(gains) due to change in demographic assumptions	1,742	1,111
At 31 December	**11,246**	**9,581**

*Current service cost was included as part of staff cost in note 36

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

	Group	Group	Company	Company
19 Provision and other payables	**31-Dec-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
This is analysed as follows:	**N'000**	**N'000**	**N'000**	**N'000**
Life insurance fund (Note 19a)	131,417	131,417	131,417	131,417
PAYE tax, VAT, NHF and other remitable deductions	26,021	32,788	1,597	7,127
Staff accounts (see note 19a)	35,374	22,017	30,552	22,017
Accrued professional fees (see note 19c)	202,110	43,750	46,291	35,000
Accrued NAICOM levy	28,755	20,000	28,755	20,000
Supplies & Services Bills Payables (note 19e)	58,507	43,845	36,319	-
Other accruals and payables (see note 19f)	60,584	62,804	60,558	7,822
Unclaimed dividends	24,248	24,248	24,248	24,248
Due to employees (see note 3)	18,197	117,539	18,197	26,420
Pension Protection fund	66,619	31,766	-	-
	651,833	**530,174**	**377,934**	**274,051**

a Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

b Staff account balance is in respect of variable pay provision, unremitted amount on behalf of staff to various PFAs for the month of December 2019 and deductions from staff salary to be remitted to their co-operative scheme administrator.

c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

f Included in other accruals are unmatched inflows into various bank accounts and stale unpresented cheques.

	Group	Group	Company	Company
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
	N'000	**N'000**	**N'000**	**N'000**
Current	429,549	342,743	222,269	118,386
Non-Current	222,284	187,431	155,665	155,665
	651,833	**530,174**	**377,934**	**274,051**

20 Income tax liabilities				
Company income tax	48,269	59,694	31,123	43,990
Education tax	8,544	14,312	6,225	12,825
Under provision in prior years	52,857	6,614	52,857	6,614
Per income statement	109,670	80,620	90,205	63,429
Balance at beginning of the year	93,994	82,442	56,815	42,600
Witholding tax utilsed	(7,425)	-	-	-
Payments/adjustment	(115,933)	(69,068)	(106,097)	(49,214)
Per statement of financial position	**80,306**	**93,994**	**40,923**	**56,815**
21.1 Deferred tax asset				
At 1 January	-	43,721	-	-
Write back to income statement	8,486	(43,721)	-	-
At 31 December	**8,486**	**-**	-	-

	Group	Group	Company	Company
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
	N'000	**N'000**	**N'000**	**N'000**
21.2 Deferred tax liability				
At 1 January	607,046	299,016	501,814	292,730
Charges for the year	43,489	308,030	40,322	209,084
Write back	(95,557)	-	-	-
At 31 December	**554,978**	**607,046**	**542,136**	**501,814**

22	Issued and paid up share capital	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-19 N'000	31-Dec-18 N'000
a	**Authorised**	7,000,000	7,000,000	7,000,000	7,000,000
	14 billion ordinary shares of 50 kobo each				
b	**Issued and fully paid**	**6,933,333**	**6,933,333**	**6,933,333**	**6,933,333**
	At 31 December				

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as decleared from time to time, and are entitled to one vote per share at the meetings of the Company.

23 Share premium

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Share premium comprises additional paid-in capital in excess of their per value.				
Balance at 31 December	**663,600**	**663,600**	**663,600**	**663,600**

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits andthe amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Balance at 1 January	851,335	754,172	851,335	754,172
Transfer from retained earnings	88,614	97,163	88,614	97,163
Balance at 31 December	**939,949**	**851,335**	**939,949**	**851,335**

25 Retained earnings

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Balance at 1 January	(2,358,811)	(1,620,171)	(2,475,146)	(2,052,713)
Impact of transition to IFRS 9	-	(10,344)	-	(1,975)
Transferred from statement of Profit or loss for the year	184,603	(631,828)	123,422	(323,295)
Net actuarial gains on retirement benefit obligation	-	695	-	-
Transfer to Contingency Reserve	(88,614)	(97,163)	(88,614)	(97,163)
Balance at 31 December	**(2,262,821)**	**(2,358,811)**	**(2,440,337)**	**(2,475,146)**

26.1 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Group 31-Dec-19	Group 31-Dec-18	Company 31-Dec-19	Company 31-Dec-18
Land	**N'000**	**N'000**	**N'000**	**N'000**
Balance at 1 January	736,068	636,068	736,068	636,068
Revaluation surplus	10,000	119,146	10,000	100,000
Balance at 31 December	**746,068**	**755,214**	**746,068**	**736,068**
Building				
Balance at 1 January	1,037,712	923,700	1,037,712	923,700
Revaluation surplus	26,185	94,866	26,185	114,012
Balance at 31 December	**1,063,897**	**1,018,566**	**1,063,897**	**1,037,712**
Carrying amount	**1,809,965**	**1,773,780**	**1,809,965**	**1,773,780**

26.2 FVOCI reserve

	Group 31-Dec-19	Group 31-Dec-18	Company 31-Dec-19	Company 31-Dec-18
Balance at 1 January	34,501	34,923	34,501	34,923
Net actuarial gains on retirement benefit obligation	(1,233)	-	-	-
Fair value gain on FVOCI financial instrument	6,945	(422)	6,945	(422)
	40,213	**34,501**	**41,446**	**34,501**

27 Earnings/(Loss)per share

Basic earnings per share (kobo)

The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Group 31-Dec-19	Group 31-Dec-18	Company 31-Dec-19	Company 31-Dec-18
Profit after tax attributable to equity holders N'000	165,258	(629,538)	123,422	(316,820)
Weighed average no. of ordinary shares at end of year	6,933,333	6,933,333	6,933,333	6,933,333
Basic earnings/(loss) per share (kobo)	0.02	(0.09)	0.02	(0.05)

The Company does not have any instrument with a dilutive effect on its capital,Hence, the basic earnings per share is same as diluted earnings per share

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
28	**Gross premium**				
	Gross premium earned (see note (a)below)	3,054,142	3,099,256	2,931,603	3,004,383
	Inward reinsurance premium (see note (b)below)	22,189	234,386	22,189	234,386
	Gross written premium	3,076,332	3,333,642	2,953,792	3,238,769
	Changes in unearned premium (see note 16 b(i))	233,696	(381,127)	233,972	(381,081)
		3,310,029	**2,952,515**	**3,187,765**	**2,857,688**
a	**Group premium earned is further analysed as follows:**				
	Fire	589,332	558,302	589,332	558,302
	General accident	325,410	230,599	325,410	230,599
	Marine	120,382	155,040	120,382	155,040
	Motor	502,039	536,030	502,039	536,030
	Oil and gas	515,226	996,698	515,226	996,698
	Aviation	137,938	41,646	137,938	41,646
	Engineering	226,929	420,502	226,929	420,502
	Bond	11,350	65,566	11,350	65,566
	Agric	502,997		502,997	
	PHI Premium	122,539	94,873	-	-
		3,054,142	**3,099,256**	**2,931,603**	**3,004,383**
b	**Inward reinsurance premium**				
	Fire	4,961	31,197	4,961	31,197
	Motor	6,782	15,409	6,782	15,409
	General accident	391	69,772	391	69,772
	Aviation	120	2,897	120	2,897
	Engineering	3,004	87,730	3,004	87,730
	Marine	2,316	10,274	2,316	10,274
	Oil and gas	3,000	17,107	3,000	17,107
	Agric	1,615	-	1,615	-
		22,189	**234,386**	**22,189**	**234,386**
29	**Reinsurance cost**				
	Reinsurance cost	1,168,261	1,041,313	1,168,261	1,041,313
	Movement in prepaid reinsurance	153,756	(170,909)	153,756	(170,909)
	Reinsurance expenses (note 6a)	**1,322,017**	**870,404**	**1,322,017**	**870,404**
30	**Commission income**	**166,979**	**111,819**	**166,979**	**111,819**
	Deferred commission income at 1 January	-	-	-	-
	Fees and Commission income during the year	166,979	111,819	166,979	111,819
	Fees and commission earned during the year	(166,979)	(111,819)	(166,979)	(111,819)
	Deferred commission as at 31 December	-	-	-	-
31	**Claims expenses**				
	Direct claims paid	562,972	658,096	562,972	658,096
	Changes in outstanding claims (see note 16 a(i))	(101,684)	255,347	(101,684)	255,347
	Actuarial losses in outstanding claims (see note 16a(ii))	16,264	7,114	12,621	7,114
	PHI claims	89,702	71,232	-	-
	Gross claims incurred	567,254	991,789	473,909	920,557
	Reinsurance recovery(see note 31(a)below	8,917	(256,152)	8,917	(256,152)
		576,171	**735,637**	**482,826**	**664,405**
31a	**Analysis of reinsurance recoverable**				
	Reinsurance recovery on paid claims	90,730	-	90,730	-
	Reinsurance recoverable on outstanding claims (see note 6b)	(29,600)	214,106	(29,600)	214,106
	Movement in reinsurer's share of paid claims	(70,047)	42,046	(70,047)	42,046
	Total reinsurance recoverable	**(8,917)**	**256,152**	**(8,917)**	**256,152**
32	**Underwriting expenses**				
	Acquisition costs during the year	295,624	551,202	295,624	551,202
	Movement in deferred acquisiition	53,953	(62,976)	53,953	(62,976)
	Acquisition expenses during the year(See note 7)	349,578	488,226	349,578	488,226
	Maintenance cost during the year	123,546	73,318	123,546	73,318
	Total underwriting expenses	**473,124**	**561,544**	**473,124**	**561,544**

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
33	**Impairment of financial assets**				
	Impairment (write back)/charge on other assets	(109,138)	45,222	(109,138)	33,282
	Impairment charge on goodwill (see note 12)	69,560	-	-	-
	ECL charge on financial asset (see note 4b)	21,556	(1,108)	19,843	-
	ECL (write back) / charge on placement (see note 3.1)	(7,638)	10,677	(7,729)	11,585
		(25,660)	54,791	(97,024)	44,867
34	**Investment income**				
	Dividends from equity investments at FVTPL	1,174	839	5,186	4,048
	Profit on disposal of investment property	5,539	-	5,539	-
	Interest received from:				
	Bonds	86,767	-	20,595	-
	FGN Treasury bills	19,416	-	5,972	-
	Short term deposits	526,908	675,439	434,307	452,111
	RSA asset based fee	854,350	762,513	-	-
	Statutory deposit	44,078	52,244	44,078	52,244
		1,538,232	**1,491,035**	**515,676**	**508,403**
	Further analysed as follows:				
	Attributable to policy holders fund	108,292	106,765	108,292	106,765
	attributable to shareholders funds.	1,429,940	1,384,270	407,384	401,638
		1,538,232	**1,491,035**	**515,676**	**508,403**
35	**Other operating income**				
	Rental and other incomes	14,084	9,903	14,084	9,903
	Profit on sale of property, plant and equipment	6,390	4,415	6,390	4,415
	RSA administrative fee income	92,767	141,493	-	-
	Exchange (loss) / gain	(25,540)	133,389	(25,540)	133,389
	Admin charges- Formal sector	43,577	26,609	-	-
	Sundry income	22,555	10,845	21,543	10
		153,834	**326,654**	**16,477**	**147,717**
36	**Management expenses**				
	Staff costs	1,290,864	1,408,334	748,361	775,161
	Directors' allowances and expenses	360,357	347,810	210,059	191,103
	Depreciation and amortisation	206,603	209,538	115,183	132,181
	Professional fees	136,948	90,989	115,235	77,764
	Audit fees	28,495	31,750	20,000	20,000
	Marketing and advertisement	122,061	107,571	45,839	51,380
	Administrative expenses	154,284	164,328	83,085	111,507
	NITDA information technology levy	2,589	-	2,566	-
	Repairs and maintenance	25,531	67,155	7,460	36,763
	Travel costs and allowances	49,819	87,038	23,596	47,950
	NAICOM Levy	40,703	24,810	40,703	24,810
	Donation	7,518	9,644	504	-
	Electricity and power	27,868	28,481	20,166	25,574
	Penalty charge (see note 41)	1,650	199,278	1,650	16,833
	Subscription	22,274	15,672	8,588	8,750
	Printing and stationeries	17,837	24,000	7,545	8,530
	Information technology expenses	22,425	57,834	11,740	2,511
	Write-offs	43,692	-	-	-
	Pension protection fund levy	34,883	17,580	-	-
	Rent and rate	21,535	25,196	-	-
		2,617,936	**2,917,007**	**1,462,283**	**1,530,816**

37a	**Income tax expense**				
	Education tax	8,544	14,312	6,225	12,825
	Company income tax	48,269	59,694	31,123	43,990
	Under provision in prior years	52,857	6,614	52,857	6,614
	Deferred tax expense	(60,554)	351,751	40,322	209,084
		49,116	**432,371**	**130,527**	**272,513**

		Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Parent 31-Dec-19 N'000	Parent 31-Dec-18 N'000
37b	**Reconciliation of effective tax rate**				
	(loss)\Profit for the year after income tax	165,258	(688,081)	123,422	(316,820)
	Total Tax expense;				
	Income	48,269	59,694	31,123	43,990
	Education	8,544	14,312	6,225	12,825
	Deferred	(60,554)	351,751	40,322	209,084
	Under provision in previous years	52,857	6,614	52,857	6,614
	Total income tax expense in comprehensive income	214,375	(255,710)	253,949	(44,307)

38 **Non-Controlling interest**

The movement in non-controlling interest during the year is shown below:

	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000
Balance, beginning of year	458,648	525,135
Impact of transition to IFRS 9	-	(2,840)
Share of loss for the period	(19,345)	(63,424)
Dividend Paid	(279)	(223)
	439,024	**458,648**

39 **Proposed Dividend**

There was no propose dividend during the year (2018: Nil)

40 **Contingent liabilities**

There were claims and litigations against the company as at 31 December, 2019, amounting to N38,350,904.89 (2018: N20,280,589.43). No provision is made in respect of this our legal team is of the opinion that it is not certain an outflow of economic resources will be required to settle this amount in the future.

41 Contraventions

31 December 2019	Group	Parent
NATURE OF CONTRAVENTIONS	**N,000**	**N,000**
Late filing of 2018 Audited Financial Statements to SEC	1,650	1,650
	1,650	**1,650**
31 December 2018		
NATURE OF CONTRAVENTIONS		
Late submission of fire returns	250	250
Resubmission of 2017 AFS	500	500
Late filing of 2017 Audited financial statements to SEC	16,100	16,100
*Contravention of investment guidelines (PENCOM)	182,445	-
	199,295	**16,850**

42 Related Parties Transactions

a Transactions between the company, and the subsidiaries also meet the definition of related party transactions the Company enters into transactions with its subsidiaries, Major shareholders and its key management personnel

	Relationship	Premium written N,000	Claims paid N,000
Veritas	Major Shareholder	36,728	10,627
Veritas Glanvills Pensions Limted	Subsidiary	8,878	1,397
Healthcare Security Ltd	Subsidiary	1,074	67

b **Compensation of key management personnel**

Key management personnel of the group include all directors,executive and non-executive, senior management.
The summary of compensation of key management personnel for the year is as follows:

Salaries	118,783	97,818
Fees	125,000	124,313
Total compensation to key management personnel	243,783	222,131
Directors cost	85,059	34,484
Salaries and wages	550,169	156,319
Pension cost	73,414	191,102
Total Directors cost	708,642	381,905
Renumeration of highest paid Director/Chairman		
Renumeration of highest paid Director	20,000	28,819

43 Information regarding employees

The table below shows the number of staff whose emoluments during the year excluding pension contributions were within the ranges stated:

			2019 Number	2018 Number	2019 Number	2018 Number
Below	-	500,000	0	38	0	38
500,001	-	1,500,000	61	182	21	106
1,500,001	-	2,500,000	85	84	15	43
2,500,001	-	3,500,000	25	36	17	22
3,500,001	-	4,500,000	20	16	11	9
4,500,001	-	5,500,000	25	5	22	3
5,500,001	-	6,500,000	6	37	1	33
6,500,001	-	7,500,000	5	5	0	0
7,500,001	-	8,500,000	9	3	5	0
8,500,001	-	9,500,000	3	9	1	9
9,500,001	-	10,500,000	5	3	-	2
10,500,001	-	and above	13	12	8	8
			257	**430**	**101**	**273**

44 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilties. 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 and investment contracts. in response to the risk, the Company's assets and liabilities at 31/12/2019 were allocated as follows:

	Policy Holders N'000	Shareholders' Funds N'000	Total N'000
Cash and cash equivalents	2,007,596	1,651,749	3,659,345
Financial assets		1,303,071	1,303,071
Trade receivables			-
Reinsurance assets	389,960		389,960
Deferred acquisition cost	107,340		107,340
Other receivables and prepayments		409,595	409,595
investment in subsidiaries		1,576,300	1,576,300
Investment in associates			-
Investment properties	164,844	247,267	412,111
Goodwill and other intangible asset		40,253	40,253
Property, Plant and Equipment		2,893,407	2,893,407
Statutory Deposits		355,000	355,000
Total assets	**2,669,740**	**8,476,642**	**11,146,382**
Insurance contract liabilities	2,007,596	-	2,007,596
Shareholders and other funds	-	9,138,786	9,138,786
Total funds	**2,007,596**	**9,138,786**	**11,146,382**
Surplus / (deficit)	662,144	(662,144)	-

45 SEGMENT REPORTING

Identification of reportable segments

The business activities of Veritas Kapital Plc Group are first organized by product and type of service: insurance activities, asset management activities and Health Management activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Non-life business
- Pension Administration
- Health Care

Non-Life Business

The non -life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from engineering, aviation, marine liability, motor liability, oil and energy, bond, fire and property. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Pension Administration

This reportable segment include the administration and management of the retirement benefits of members. The administration includes making investment decisions, collection of contribution and making payment to retiree's in-line with provisions of Pension Reform Act 2014. The revenue earned includes administration and management fees received and receivable on members' contributions and the Net Asset value of Funds under Management respectively.

Health Care

This reportable segment is a National Health Maintenance Organization (HMO) duly licensed and accredited by the National Health Insurance Scheme which provide Health Insurance Services to individuals and organizations in both the private sector and the formal sector under the National Health Insurance Scheme (NHIS).

Business Segment Information- Consolidated statement of financial position

	Non-life		Pension administrator		Healthcare		Elimination		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Assets:	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000	=N= '000
Cash and Cash Equivalents	3,659,345	3,981,106	137,453	33,051	575,609	535,500			4,372,408	4,549,657
Financial Assets	1,303,071	87,435	603,605	700,942					1,906,675	788,376
Reinsurance Assets	389,960	643,363	-						389,960	643,363
Deferred Acquisition Cost	107,340	161,294	-						107,340	161,294
Other receivables and prepayment	409,595	596,921	167,862	164,825	19,118	22,327	(171,000)	(236,000)	425,575	548,073
Investment in subsidiaries	1,576,300	1,576,300					(1,576,300)	(1,576,300)	-	-
Investment in Associate	-	-							-	-
Investment Properties	412,111	880,201							412,111	880,201
Goodwill	-	-					316,884	386,444	316,884	386,444
Intangible Assets	40,253	47,606	32,446	29,845					72,699	77,451
Property, Plant and Equipment	2,893,407	2,730,955	814,610	899,019	28,906	24,401			3,736,923	3,654,375
Statutory Deposit	355,000	355,000							355,000	355,000
Deferred Tax Asset	-	-	8,356	-					8,356	0
Total Assets	11,146,382	11,060,181	1,764,332	1,827,683	623,633	582,228	(1,430,416)	(1,425,856)	12,103,931	12,044,234
Liabilities:										
Insurance contract liabilities	2,007,596	2,330,632			9,704	950			2,017,300	2,331,582
Trade payables	229,840	115,467							229,840	115,467
Employees retirement benefit obligat	-	0			11,246	9,581			11,246	9,581
Provision and other payables	377,934	274,051	403,993	469,334	36,070	22,787	(171,000)	(235,993)	646,997	530,179
Income tax liabilities	40,923	56,815	10,650	10,933	28,866	26,246			80,439	93,994
Deferred Tax Liabilities	542,136	501,814		95,556	12,842	9,675			554,978	607,045
Other Liabilities										-
Issued and paid up share capital	6,933,333	6,933,333	1,500,000	1,500,000	429,075	429,075	(1,929,075)	(1,929,075)	6,933,333	6,933,333
Share premium	663,600	663,600			8,946	8,946	(76,198)	(8,946)	596,348	663,600
Statutory Contingency reserves	939,949	851,335	67,252	67,254				(67,254)	1,007,201	851,335
Retained earnings	(2,440,338)	(2,475,146)	(217,564)	(355,621)	86,884	74,968	306,554	396,989	(2,264,464)	(2,358,810)
Other Component of Equity	-	0								-
Asset revaluation reserve	1,809,964	1,773,780	0	40,227				(40,226)	1,809,964	1,773,781
Fair value reserve	41,446	34,501							41,446	34,501
Non Controlling interest(NCI)							439,303	458,649	439,303	458,649
	11,146,382	11,060,181	1,764,332	1,827,683	623,633	582,228	(1,430,416)	(1,425,856)	12,103,931	12,044,234

Business Segment Information- Consolidated statement of Comprehensive Income

	Non-life		Pension administrator		Healthcare		Consolidation Adjustments		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Net Underwriting Income	2,031,118	2,099,103	2,569	(10,291)	122,263	105,118	-	-	2,155,950	2,193,930
Profit/(Loss) before tax	253,949	(50,782)	2,569	(231,742)	31,487	23,547	(73,917)	(3,209)	214,089	(262,186)
Profit/Loss after tax	123,422	(323,295)	98,033	(380,021)	17,442	11,968	(73,917)	(3,209)	164,980	(694,557)

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments.

46 **Risk management framework**

(a) Capital management objectives,policies and approach

The Company has established the following capital management objectives,policies and approach to managing the risks that affect its capital position:

(i) To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.

(ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(iv) To align the profile of assets and liabilities taking account of risks inherent in the bu

(v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). 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. The Company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Company is equity shareholders' funds.

The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources as at 31 December:

	2019	2018
Total shareholders' funds	7,947,954	7,427,651
Regulatory required capital	3,000,000	3,000,000
Excess capital reserve	4,947,954	4,427,651

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insuranc Act 2003 defines the 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 the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N3billion) whichever is higher.

47 Solvency Margin

The solvency margin for the company as at 31 December 2019 is as follows:

	Total Assets N'000	Inadmisible Assets N'000	Admissible Assets N'000
Cash and cash equivalents	3,659,345		3,659,345
Financial assets	1,303,071		1,303,071
Trade receivable	-		-
Reinsurance assets	389,960		389,960
Deferred acquisition cost	107,340		107,340
Other receivables and prepayments	409,596	390,466	19,130
Investment in subsidiaries	1,576,300		1,576,300
Investment in Associates	-		-
Investment properties	412,111	55,494	356,617
Goodwill	-		-
Intangible assets - Software	40,253		40,253
Property, plant and equipment	2,893,407	1,943,154	950,253
Statutory deposits	355,000		355,000
Deferred tax asset	-		-
Total Admissible Assets	**11,146,383**	2,389,114	**8,757,269**
Insurance contract liabilities	2,007,596		2,007,596
Trade payables	229,840		229,840
Employees retirement benefit obligations	-		-
Provision and other payables	377,934		377,934
Income tax liabilities	40,923		40,923
Deferred Tax Liabilities	542,136	542,136	-
Total Admissible liabilities	**3,198,429**		**2,656,293**
Solvency Margin			6,100,976
The higher of 15% OF Net premium or Minimum capital base	3,000,000.00		3,000,000
Excess			3,100,976
Solvency ratio			203%

48 Financial instruments - Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2019		Carrying amount								
In thousands of naira	Note	Designated at fair value	Armotised cost	Fair value through OCI	Other Financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Fair value through OCI		-	-	43,716	-	43,716	43,716	-	-	43,716
Fair Value through Profit or Loss		46,616	-	-	-	46,616	46,616	-	-	46,616
		46,616	-	43,716	-	90,332				
Financial assets not measured at fair value										
Cash and cash equivalents		-	316,526	-	-	316,526				
Reinsurance assets*^		-	293,940	-	-	293,940				
Placements		-	4,055,882	-	-	4,055,882				
Statutory deposit		-	355,000	-	-	355,000				
		-	5,021,348	-	-	5,021,348				
Financial liabilities not measured at fair value										
Other payables*		-	-	-	651,833	651,833				
Trade payables*		-	-	-	229,840	229,840				
		-	**-**	**-**	**881,673**	**881,673**				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (N94.41 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

31 December 2018 — **Carrying amount**

In thousands of naira	**Note**	**Designated at fair value**	**armotised cost**	**Fair value through OCI**	**Other Financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets		50,664	-	36,771	-	87,435	87,435	_		87,435
		-	-	**36,771**	**0**	**87,435**				
Financial assets not measured at fair value										
Cash and cash equivalents		-	113,958	-	-	113,958				
Reinsurance assets*^		-	393,587	-	-	393,587				
Placements		-	3,880,709	-	-	3,880,709				
Statutory deposit		-	355,000	-	-	355,000				
		_	**4,743,253**	**0**	-	**4,743,253**				
Financial liabilities not measured at fair value										
Other payables*		_	_	_	530,176	530,176				
Trade payables*		_	_	_	115,467	115,467				
		_	**_**	**_**	**645,643**	**645,643**				

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as receivables, payables and reinsurance assets because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (#249.78 million)

^^ Unquoted equities not measured at fair value comprise of unquoted equities carried at cost as their fair value was not readily available.

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments
Credit risk
Liquidity risk
Market risk

(b)(i) Risk management framework

The company has an Enterprise -wide Risk Management (ERM)Frame work that is responsible for identifying and managing the inherent and residual risks facing the Company. The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors for on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(b)(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arisies principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

In addition to credit risks arising out of investments and transactions with clients, Veritas Kapital Assurance actively assumes Credit Risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

Veritas Kapital Assurance's strategy as Insurance Company does not entail the elimination of Credit Risk but rather to take on Credit Risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring Credit Risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate Credit Risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, Veritas Kapital Assurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken.
Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.
The organization is committed to:

a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations.
b) Identify Credit Risk in each investment, loan or other activity of the Insurance Company.
c) Utilize appropriate, accurate and timely tools to measure credit risk.
d) Set acceptable risk parameters.
e) Maintain acceptable levels of credit risk for existing individual credit exposures.
f) Maintain acceptable levels of overall credit risk for Veritas Kapital Assurance's Portfolio; and
g) Coordinate Credit Risk Management with the management of other risks inherent in Veritas Kapital Assurance's business activities.

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

The Company's credit risk can be analysed as follows:

	2019	2018
	N'000	**N'000**
Reinsurance receivables (see note (a) below)	389,960	643,363
Cash and cash equivalents (see note (b) below)	4,372,408	4,549,657
Debt Instruments (see note (c) below)	1,816,344	700,941
Statutory deposit	355,000	355,000
	6,933,712	6,248,961

a Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of set-off. None of its receivables from reinsurance companies was impaired as at 31 December 2019 (2018: NIL)

b Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

c Armotized cost

The Company's Debt instruments are investment in treasury bills with Government and reputable financial institutions. None of its investment was impaired as at 31 December 2019 (2018: NIL)

The Company did not have any debt securities that were past due but not impaired as at 31 December 2019 (2018: nil)

Veritas Kapital Assurance Plc is exposed to risk relating to its investment securities (Fixed deposits and receivables). Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other receivables.

Collateral held and other credit enhancements, and their financial effect
The Company does not hold collateral or any other enhancements against any of its receivables as at 31 December 2019.
Trade receivables
The Company has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Company 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.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

- 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 Company has a bilateral contract defaults on one or more obligations.

- 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.

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

Management of credit risk due to trade receivables
The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Company credit risk is constantly reviewed and approved during the Management Committee meetings. It also ensured that adequate provisions are taken in line with IFRS 9. Other credit risk management includes:

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Company in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Company 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.
- Assessment of credit risk. All first-hand 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 MC meetings.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables. However, with the inception of IFRS 9 which becomes effective for annual periods beginning on/after 1 January 2018, the Expected Credit Losses (ECL) method of impairment calculation will be in force.

The Company uses the aging of receivables as the major parameter in calculating impairment. However, based on NAICOM's “No Premium No Cover” guidelines which state that “all insurance covers shall be provided on a strict 'no premium no cover' basis”, only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets). This contrast to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, as there were instead covered by International Accounting standards 37: ""Provisions, contingent liabilities and contingent assets (IAS 37).

The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, The Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired

The Company does not originate or purchase credit impaired loans or receivables Impairment Methodology Calculation of Expected Credit Losses Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED according to the formular set below:

ECL	=	PD	X	EAD	X	LGD
12 -month / lifetime Expected Credit Loss (ECL)		Probability of default		Exposure at default		Loss Given Default (after consideration of collaterals and recoveries)

The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information will impact the various ECL components as follows:

Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.

Loss Given Default – Collateral values will vary based on the stage of an economic cycle.

Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moodys credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the rage of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN;
- Inter-bank transactions guaranteed by the FGN or CBN; and
- Inter-bank transactions among supervised institutions collateralized by FGN Bonds,
- Treasury Bills or other similar sovereign bills.

Treatment of loans and other receivables

All loans issued fall within the scope of debt instruments as financial assets. This covers e.g. Inter- company loans, staff loans and mortgages etc.

Estimation of impairment on the loans based on expected loss is done in the three-stage approach with specific consideration for change in credit risk and forward-looking assumptions.

Intercompany loans are considered low credit risk if it meets the required conditions. Estimation and provision for impairment is based on simplified one stage approach. Loans are put in one bucket e.g. stage 1 and assess the 12 month ECL as long as there are no assets for assessed to have had significant increase in credit risk or the initial criteria for categorizing the asset as low risk has changed.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due, In addition, the Company also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees

The Company considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counter-party becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognises a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and therefore re- classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year. Expected credit loss The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

Impairment losses on financial investments subject to impairment assessment Debt instruments measured at amortised cost The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal / Moody's credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are also provided.

		2019			2018		
Internal rating grade	Moody's rating	12mECL	LTECL	Total	12mECL	LTECL	Total
Performing		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents							
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	4,380,555	-	4,380,555	3,727,761		3,727,761
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D			-			-
				-			-
Total Gross Amount		4,380,555	-	4,380,555	3,727,761	-	3,727,761
				-			-
ECL		(8,147)		(8,147)	(12,707)	-	(12,707)
Total Net Amount		4,372,408	-	4,372,408	3,715,054	-	3,715,054
				-			-
- amortised cost				-			-
High grade	AAA-A+	-	-	-	-	-	-
Standard grade	BBB-B+	1,844,868	-	1,844,868	-	-	-
Past due but not impaired	C-CCC	-	-	-	-	-	-
Default	D			-			-
				-			-
Total Gross Amount		1,844,868	-	1,844,868	-	-	-
				-			-
ECL		(28,524)		(28,524)	-	-	-
				-			-
Total Net Amount		1,816,344	-	1,816,344	-	-	-

As at 31 December 2019, Group had no asset reposed as security against asset. The group policy is to pursue timely realisation of collateral in an orderly manner in the case of default. The company does not generally use the non-cash collateral for its own operations.

As at 31 December 2019, the Company has not pledged any of its assets as collateral for any liability or payable balance (2018: nil)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

When determining whether the credit risk (i.e. Risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort, This includes both qualitative and quantitative information analysis based on the Company's experience, expert credit assessment and forward looking information. The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the remaining life time probability of default (PD) as at reporting date with the remaining Life time PD for this point in time that was estimated on initial recognition of the exposure.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings.
To determine whether published ratings remain p to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published rating, the group also reviews changes in Bond yields together with available press and regulatory information about issuers.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experienced credit judgment. Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date. The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B- or higher based on the Moody rating which is equivalent to an internal risk grade of standard grade or higher.

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due. Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

-The criteria are capable of identifying significant increase in credit risk before an exposure is in default; -The criteria do no align with the point in time when the asset becomes 30 days past due;
-The average time between the identification of a significant increase in credit risk and default appears reasonable -Exposures are not generally transferred from 12- month ECL measurement to credit impaired and There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Definition of default
The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held); or the financial asset Is more than 90 days past due.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of Forward looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL. It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the Company's Investment and risk committee, economic experts and consideration of a variety of external actual and forecast information. This process involves developing three additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Nigeria, supranational organizations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a best estimate and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes."

Measurement of ECL

The calculation of the expected credit loss is based on the key risk parameters of Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD)

To determine the Lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of sovereign and corporate obligors with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated and adjusted to reflect forward looking information as described below. Changes in the rating for counterparties and exposure lead to a change in estimate of the associated PD.

Loss Given Default is the magnitude off the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against the defaulted counterparties. The LGD for sovereign fixed income exposures are based on publications by Moody's and the models consider the structure, collateral, seniority of claims and recovery cot of any collateral that is integral to the financial asset. For loans secured with properties or asset, loan to value ratios are key parameter in determining LGD. LGDs are calculated on discounted cash flow basis using effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company deprives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount. As described in the accounting policy, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period. The modelling of parameter is carried out on an individual basis or collective basis where the assets share same risk characteristics like instrument type, credit risk rating and grading, collateral type, date of initial recognition or remaining term to maturity or industry. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

When ECL are measured using parameters based on collective modelling, a significant input into the measurement of ECL is the external benchmark information that the Company uses to derive the default rates of its portfolios. This includes the PDs provided in the Moody's or Standards and Poor default study and the LGDs provided in the recovery studies reports provided by the same rating agencies.

An overview of the approach to estimating ECLs is set out in Note 2.1 Summary of significant accounting policies and in Note 2.3 Significant accounting judgments, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Moody's, Standards and Poor, Economist associate etc.) and its investment team verifies the accuracy of inputs to the Company's ECL models including

(c)(iii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation n.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on f financial liabilities over the next 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements.

31 December 2019		Contractual cash flows					
	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	229,840	229,840	206,183	23,657	-	-	-
Other payables	651,833	651,833	292,261	359,572	-	-	-
	881,673	881,673	498,444	383,229			_

31 December 2018		Contractual cash flows					
	Carrying amount	Total	3 month or less	3 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	115,467	115,467	91,810	23,657	_	_	_
Provisions and other payables	488,197	488,197	118,555	369,643	_	_	-
	603,664	603,664	210,365	393,300	_	_	-

Maturity analysis
The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets:	0	4,372,408	4,372,408	0	4,549,657	4,549,657
Reinsurance assets	389,960	-	389,960	643,363	-	643,363
Trade debtors	-	-	0	-	-	-
Deferred acquisition cost	107,340	-	107,340	161,294	-	161,294
Other receivables and prepayments	425,574	-	425,574	548,071	-	548,071
Statutory deposit	-	355,000	355,000		355,000	355,000
	922,874	**4,727,408**	**5,650,282**	**1,352,728**	**4,904,657**	**6,257,385**
Insurance contract liabilities	2,012,465	-	2,012,465	2,331,582	-	2,331,582
Trade payables	229,840	-	229,840	115,467	-	115,467
Other payables and accruals	651,833	-	651,833	530,174	-	530,174
Current tax payable	80,306	-	80,306	93,994	-	93,994
Deferred Tax		554,978	554,978	-	607,046	607,046
Retirement benefit obligation	-	11,246	11,246	-	9,581	9,581
Total liabilities	**2,974,445**	**566,224**	**3,540,669**	**3,071,217**	**616,627**	**3,687,844**

(c)(iv) Market risk
Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk
The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian naira.

The currencies in which these transactions are primarily denominated are the Nigerian naira.

However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and united states dollars.

Exposure to currency risk
The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 December 2019			31 December 2018		
In Thousands of	**Carrying**	**USD**	**NGN**	**Carrying value**	**USD**	**NGN**
Cash and cash equivalent	3,659,345	2,920	3,656,425	15,429,020	42	15,428,978
Financial assets	1,303,071		1,303,071	728,360	2,000	726,360
Net statements of financial **position exposure**	4,962,416	2,920	4,959,496	16,157,380	2,042	16,155,338

The following significant exchange rates have been applied.

	Year- end spot rate	
	2019	**2018**
Naira		
USD 1	364.7	364.18

Sensitivity analysis
A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts show below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		Equity, net of tax	
Effects in thousand of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2019				
USD (10% movement)	292	-292	292	-292
31 December 2018				
USD (10% movement)	204	-204	204	-204

(c)(v) Interest rate risk
The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate.
This eliminates the variability the variability in the risks and returns on the Company's interest bearing assets and liabilities.

Exposure to interest rate risk
The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share insurance which is taken out to reduce the overall exposure of the Company to certain classes of business. On-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single insurance contract.

The Company principally issues the following types of general insurance contracts: Fire, Motor, Bond, Personal accident, Aviation, Marine and Oil and gas. Risks under non-life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedure sand frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. Hurricanes, earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic even to approximately 50% of shareholders 'equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed2% of shareholders 'equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

We have adopted actuarial methods and assumptions that are consistent with those used in prior years.
The level of

The calculation of the reserves was conducted on both deterministic (assuming average historic experience would be Chain Ladder Method (CL)
We have used the Chain Ladder method which is the most widely used method in loss reserving, and it is the starting point of the other reserving methods described in this report. The Chain Ladder also called Loss development triangle method uses statistical projection technique that relies on the setting of past known claim payments by year of origin (accident year) and year of payment (development
year). Using historical claims paid for each class, we grouped the claims into 10 years cohorts, considering the age-age-claim amounts paid. These cohorts are called loss development triangles. Each left - right diagonal represents the total loss amounts paid in that year for losses reported in each accident year. The age-to-age claim amounts are then accumulated from the origin year to the valuation date. The cumulated incremental paid claims (2008-2017) to the valuation date are then projected to their expected ultimate claim estimate, using factors called link ratios or development factors. The gross claim reserves are then derived from the difference between the cumulated actual paid claims and the estimated ultimate claim. Variants of the chain ladder method were exploited to reflect adequately the key characteristics of the risks being reserved for by the company.

The IACL is a variant of the chain ladder method and it could be used with allowance for time value of money (discounting or no discounting). Under this method, the historical age -to- age paid claims are increased in line with relevant inflation index from their accident year of or payment to the valuation year before being cumulated. The cumulated payments in money terms of the valuation year are projected into the future. The decumulated payments are then projected forward to their expected year of payment and ultimate claim estimate, allowing for future inflation. Published year - to - year inflation factors used in our projection is as stated in the assumptions section of this report. We have calculated for two types of this

Expected Loss Ratio Method
We estimated the ultimate loss ratio from historical data for each class of business and multiplied this by the earned premium for that class in each accident year to obtain the ultimate claim for each accident year. In arriving at the historical loss ratio, we considered the underwriter's views. We then deducted the actual paid claim amount to date to give the required outstanding claim reserve. This app roach is considered appropriate for as it is not affected by distortions in data and although it is simplistic but gives an approximate estimate. We applied this method for classes where there is no sufficient mass of data to generate credible results using other more sophisticated methods.

Claims development table
The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The estimated technical reserves are derived statically through analyzing the company's non- life policy data for policies underwritten and emerging claims over each of the past 6 (six) underwriting years.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

In Thousands of naira	31-Dec-19	31-Dec-18
Fixed-rate instruments		
Cash deposit	316,526	133,982
Money market placement	4,064,029	4,431,460
Armotized	1,816,344	700,941
	6,196,899	5,266,383

Cashflow sensitivity analysis for fixed-rate instruments

	Profit	loss	Equity,	net of tax
Effect in thousands of naira	100bp increase	100bp decrease	100bp increase	100bp decrease
31 December 2019				
Financial instruments	619,690	-619,690	369,475	-369,475
	619,690	(619,690)	369,475	(369,475)
31 December 2018				
Financial instruments	526,638	-526,638	404,095	-404,095
	526,638	(526,638)	404,095	(404,095)

The analysis assumes that all other variables, in particular, foreign currency exchange rates remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or **Other market price risk**

The Company is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations.

The management of the Company monitors the proportion of equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Company's investment strategy is to maximize investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

The Company's has equity investments some of which are listed on the Nigeria Stock Exchange and are classified as fair value through profit or loss. A 2% increase in the share price of those equities at the reporting date would have increased equity by N .932 million after tax (2018: N1.100million). An equal change in the opposite direction would have reduced equity by N.932 million after tax (2018: N1.100million).

Chain Ladder Method – General Accident Claims.

Incremental Chain Ladder's Claim payments (in N'000) by Development Year								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	7	8
2012	33,990	21,773	15,842	600	224	-	199	-
2013	16,588	31,640	5,228	1,415	1,587	1,325	8,099	
2014	30,121	93,655	177,334	1,173	459	16,428		
2015	15,689	28,558	6,166	3,880	1,587			
2016	35,366	7,786	4,704	220				
2017	16,629	19,687	8,217					
2018	70,443	23,496						
2019	28,747							

General Accident paid Incremental paid claim amounts allowing for inflation to 2019 money terms

Incremental Chain Ladder Paid Claim Amount (in N'000) by Development Year								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
2012	69,406	196,217	343,535	2,086	716	21,925		
2013	32,870	55,323	10,964	6,054	2,118	-		
2014	68,512	13,844	7,340	294	-	-		
2015	29,568	30,719	10,967	-	-			
2016	109,918	31,359	-	-				
2017	38,367	8,909	8,677					
2018	82,915	24,810						
2019	30,355							

Cumulative inflation adjusted General Accident Claim amounts (NGN'000)

CL / Paid triangle Completed triangle by development year								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
2012	69,406	265,622	609,157	611,243	611,959	633,884	633,884	633,884
2013	32,870	88,193	99,157	105,211	107,329	107,329	107,329	
2014	68,512	82,356	89,696	89,990	89,990	89,990		
2015	29,568	60,288	71,254	71,254	71,254			
2016	109,918	141,277	141,277	141,277				
2017	38,367	47,276	55,952					
2018	82,915	107,725						
2019	30,355							

Projected Cumulative inflation adjusted General Accident Claim amounts

Completed triangle								
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
2012	30,121	123,776	301,110	302,283	302,742	319,170	319,170	319,170
2013	15,689	44,247	50,413	54,293	55,880	55,880	55,880	55,880
2014	35,366	43,152	47,856	48,076	48,076	48,076	48,076	48,076
2015	16,629	36,316	44,533	44,533	44,533	46,571	46,571	46,571
2016	70,443	93,939	93,939	93,939	94,421	98,942	98,942	98,942
2017	28,747	36,316	44,533	45,026	45,241	47,254	47,254	47,254
2018	70,443	93,939	109,460	110,663	111,186	116,097	116,097	116,097
2019	28,747	45,243	52,629	53,201	53,451	55,788	55,788	55,788

Chain Ladder Method – Marine Claims

	Incremental Chain Ladder's Claim payments (in N'000) by Development Year						
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**
2012	40	97	-	-	-	-	-
2013	221	70,418	-	-	-	-	-
2014	5,269	3,990	14,747	-	-	-	
2015	25,487	166	144	60	-		
2016	654	4,996	-	-			
2017	7,549	574	-				
2018	797	4,437					
2019	4,373						

Marine paid claim amounts allowing for inflation to 2019 money terms

Inflation Adjusted Incremental Chain Ladder's Paid Claim Amount (in N'000) by Development Year								
Acciden t Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
2012	92	203	-	-	-	-	-	-
2013	463	136,415	-	-	-	-	-	
2014	10,207	7,095	23,011	-	-	-		
2015	45,319	259	192	71	-			
2016	1,020	6,668	-	-				
2017	10,075	676	-					
2018	938	4,685						
2019	4,618							

Inflation Adjusted Cumulative Marine paid claim amounts, allowing for inflation to 2019 money terms

	Cumulative Incremental Chain Ladder Paid Claim Amount (in N'000) by Development Year							
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
2012	92	295	295	295	295	295	295	295
2013	463	136,878	136,878	136,878	136,878	136,878	136,878	
2014	10,207	17,302	40,313	40,313	40,313	40,313		
2015	45,319	45,578	45,770	45,841	45,841			
2016	1,020	7,688	7,688	7,688				
2017	10,075	10,751	10,751					
2018	938	5,623						
2019	4,618							

Projected inflation adjusted Marine Claim amounts (NGN'000)

	Completed triangle							
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	7	8
2012	40	137	137	137	137	137	137	137
2013	221	70,639	70,639	70,639	70,639	70,639	70,639	70,639
2014	5,269	9,259	24,006	24,006	24,006	24,006	24,006	24,006
2015	25,487	25,653	25,797	25,857	25,857	25,857	25,857	25,857
2016	654	5,650	5,650	5,650	5,650	5,650	5,650	5,650
2017	7,549	8,123	8,123	8,747	8,747	8,747	8,747	8,747
2018	797	5,234	6,554	6,999	6,999	6,999	6,999	6,999
2019	4,373	6,153	7,803	8,359	8,359	8,359	8,359	8,359

Incremental Chain Ladder's Claim payments (in NGN'000) by Development Year

Incremental Chain Ladder's Claim payments (in N'000) by Development Year								
Accident Year	1	2	3	4	5	6	7	8
2012	4,666	314,422	90	2,442	1,131	-	-	-
2013	6,998	9,346	1,245	15	3,844	-	-	
2014	26,301	7,911	3,378	2	-	-		
2015	7,646	109,700	2,111	2,333	265			
2016	4,790	23,419	16,389	269				
2017	39,630	54,776	4,369					
2018	78,342	10,912						
2019	6,544							

Cumulative Chain Ladder's Claim payments (in NGN'000) by Development Year allowing for Inflation

Incremental Chain Ladder's Claim payments (in N'000) by Development Year								
Accident Year	1	2	3	4	5	6	7	8
2012	10,752	669,497	669,671	674,014	675,778	675,778	675,778	675,778
2013	14,662	32,767	34,981	35,004	40,134	40,134	40,134	
2014	50,951	65,017	70,288	70,291	70,291	70,291		
2015	13,595	184,770	187,587	190,333	190,613			
2016	7,474	38,730	58,021	58,305				
2017	52,892	117,366	121,979					
2018	92,213	103,735						
2019	6,910							

PARENT UNDERWRITING REVENUE ACCOUNT
for the year ended Decemeber 31, 2019

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERIN	BOND	AGRIC	DECEMBER 2019	DECEMBER 2018
INCOME	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Direct premium	589,332	325,410	120,382	502,039	515,225	137,938	226,929	11,350	502,998	**2,931,603**	**3,004,383**
Inward premium	4,961	391	2,316	6,782	3,000	120	3,004	-	1,616	**22,189**	**234,386**
Gross premium written	**594,293**	**325,801**	**122,697**	**508,821**	**518,225**	**138,058**	**229,933**	**11,350**	**504,613**	**2,953,792**	**3,238,769**
(Increase)/Decrease in provision for unexpired risks	7,001	23,080	(23,050)	35,615	17,411	75,501	66,603	(3,034)	34,846	**233,972**	**(381,081)**
Gross premium earned	**601,293**	**348,881**	**99,647**	**544,436**	**535,636**	**213,559**	**296,535**	**8,316**	**539,459**	**3,187,764**	**2,857,688**
Outward premium	(243,632)	(153,410)	(48,384)	(19,877)	(314,597)	-	(104,101)	(1,316)	(282,945)	**(1,168,261)**	**(1,041,313)**
Prepaid reinsurance	(18,111)	(60,971)	(4,191)	-	(57,310)	(71)	(12,070)	-	(1,031)	**(153,756)**	**170,909**
Net Premium earned	**339,551**	**134,500**	**47,072**	**524,560**	**163,729**	**213,488**	**180,364**	**7,001**	**255,482**	**1,865,747**	**1,987,285**
Commission Received	33,081	22,424	8,309	1,260	55,871	-	17,471	288	28,274	**166,979**	**111,819**
TOTAL OPERATING INCOME	**372,631**	**156,925**	**55,381**	**525,819**	**219,600**	**213,488**	**197,835**	**7,289**	**283,757**	**2,032,726**	**2,099,104**
Claims Expenses											
Gross claims paid	(114,899)	(229,878)	(16,739)	(107,937)	(51,264)	(5,622)	(36,634)	-	-	**(562,972)**	**(658,096)**
Increase/(Decrease) in provision for outstanding claims	176,430	(232,006)	81,053	279,914	(129,301)	(88,670)	2,533	(891)	-	**89,063**	**(310,925)**
Gross claims incurred	**61,531**	**(461,884)**	**64,314**	**171,977**	**(180,565)**	**(94,291)**	**(34,101)**	**(891)**	**-**	**(473,909)**	**(969,020)**
Reinsurance claims recoveries	(3,309)	(5,356)	(974)	(4,130)	5,764	-	(913)	-	-	**(8,917)**	**304,616**
Net claims incurred	**58,223**	**(467,241)**	**63,341**	**167,847**	**(174,800)**	**(94,291)**	**(35,014)**	**(891)**	**-**	**(482,826)**	**(664,404)**
Underwriting Expenses											
Acquisition cost	(96,094)	(70,886)	(23,242)	(76,159)	99,664	(34,846)	(54,099)	(2,897)	(160,612)	**(419,170)**	**(551,202)**
Movement in deferred Acusisition cost	(5,025)	(5,907)	(5,271)	(8,625)	(14,878)	4,565	(15,348)	(4,124)	659	**(53,953)**	**62,976**
Acquisition & maintenance costs less deferred cost	**(101,118)**	**(76,793)**	**(28,513)**	**(84,784)**	**84,786**	**(30,281)**	**(69,447)**	**(7,021)**	**(159,953)**	**(473,123)**	**(561,544)**
TOTAL DIRECT EXPENSES	**(42,895)**	**(544,034)**	**34,828**	**83,063**	**(90,014)**	**(124,572)**	**(104,461)**	**(7,912)**	**(159,953)**	**(955,950)**	**(1,225,948)**
UNDERWRITING PROFIT:											
2019	**329,736**	**(387,109)**	**90,209**	**608,883**	**129,586**	**88,916**	**93,374**	**(623)**	**123,804**	**1,076,776**	**873,156**
2018	**438,119**	**159,506**	**(43,802)**	**210,544**	**(53,862)**	**(28,081)**	**169,664**	**21,085**	**-**		

Veritas
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GENERAL ACCIDENT INSURANCE

General Accident Insurance

The VKA underwriters are technically savvy and vast in dispensing appropriate Accident Covers and settling your claims in record time (GIT, Money, Disability, Loss of Employment, Medicals, Bonds, Engineering and all Risk Insurance).

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VALUE ADDED STATEMENT

Value added statement

	Group 2019	%	Group 2018	%	Parent 2019	%	Parent 2018	%
Gross premium income	3,310,029		2,952,515		3,187,765		2,857,688	
Investment Income	1,538,232		1,491,035		515,676		508,403	
Other income	331,090		434,100		193,733		255,163	
Reinsirance claims, commission and operating expenses	(3,467,508)		(3,521,510)		(2,779,680)		(2,764,393)	
Value added	1,711,842	100	1,356,140	100	1,117,494	100	856,861	100
Applied to pay								
Staff cost	1,290,864	75	1,408,787	82	748,361	67	775,162	73
Government as tax	109,670	6	432,371	25	90,205	8	272,513	26
To provider finance								
Shareholders as dividend								
Retained in the business								
Deferred Tax	(60,554)	(4)	351,751	21	40,322	4	209,084	20
Depreciation and amortisation	206,603	12	209,538	12	115,183	10	132,181	12
Retained profit for the year	165,258	10	(694,557)	(41)	123,422	11	(323,295)	(30)
	1,711,842	**100**	**1,707,890**	**100**	**1,117,494**	**100**	**1,065,645**	**100**

	GROUP 2019	GROUP 2018	GROUP 2017	GROUP 2016	GROUP 2015
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	4,372,408	4,549,657	4,602,898	4,691,391	5,393,268
Financial assets	1,906,676	788,376	931,286	1,084,689	431,448
Trade receivables	-	-	6,678	-	1,723.00
Reinsurance assets	389,960	643,363	216,302	144,579	193,019
Deferred acquisition cost	107,340	161,294	98,318	90,191	137,687
Other receivables and prepayments	425,574	548,071	539,675	494,120	336,713
Investment in subsidiaries	-	-	-	-	-
Investment in associates	-	-	-	-	-
Investment properties	412,111	880,201	880,201	676,201	576,609
Goodwill and other intangible asset	316,884	386,444	386,444	386,444	386,444
Intangible assets- Software	72,567	77,450	90,582	93,675	88,558
Property, plant and equipment	3,736,923	3,654,376	3,183,537	3,183,747	2,390,589
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Deferred tax asset	8,486.00	-	43,721	46,403	85,369
Total assets	**12,103,929**	**12,044,232**	**11,334,642**	**11,246,439**	**10,376,427**
LIABILITIES					
Insurance contract liabilities	2,012,465	2,331,582	1,687,994	1,007,068	983,522
Trade payables	229,840	115,467	43,520	9,024	1,933
Employees retirement benefit obligations	11,246	9,581.00	7,272	-	78,581
Provision and other payables	651,833	530,176	363,639	279,401	245,159
Income tax liabilities	80,306	93,994	82,442	68,452	97,785
Deferred tax liabilities	554,978	607,046	299,016	262,624	181,321
Total liabilities	**3,540,668**	**3,687,846**	**2,483,883**	**1,626,569**	**1,588,301**
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	**663,600**	**663,600**
Statutory contingency reserves	939,949	851,335	754,172	**684,549**	**623,627**
Retained earnings	-2,262,822	(2,358,811)	-1,620,172	(732,208)	(672,173)
Asset revaluation reserve	1,809,964	1,773,780	1,559,768	1,559,768	837,605
Fair value reserve	40,213	34,501	34,923	33,725	-
Non Controlling interest(NCI)	439,024	458,648	525,135	477,104	402,134
Shareholders fund	**8,563,261**	**8,356,386**	**8,850,759**	**9,619,871**	**8,788,126**
TOTAL LIABILITIES AND EQUITY	**12,103,929**	**12,044,232**	**11,334,642**	**11,246,440**	**10,376,427**
Gross premium written	3,076,332	3,333,642	2,411,074	2,110,768	2,651,717
Underwriting Profit	1,105,697	896,749	102,134	473,460	1,043,957
Profit(loss) before taxation .	214,375	(262,881)	(558,604)	408,911	441,617
Taxation	(49,116)	(432,371)	(142,037)	(123,225)	(119,636)
Profit after taxation	165,258	(695,252)	(700,641)	285,686	321,981

STATEMENT OF FINANCIAL POSITION

	Company 2019	Company 2018	Company 2017	Company 2016	Company 2015
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	3,659,345	3,981,106	3,756,993	4,037,438	4,365,288
Financial assets	1,303,071	87,435	92,230	162,666	133,223
Trade receivables	-	-	6,678	-	1,723.00
Reinsurance assets	389,960	643,363	216,302	144,580	193,019
Deferred acquisition cost	107,340	161,294	98,318	90,191	137,687
Other receivables and prepayments	409,596	596,921	335,483	331,801	226,120
Investment in subsidiaries	1,576,300	1,576,300	1,576,300	1,576,300	1,576,300
Investment in associates	-	-	-	-	-
Investment properties	412,111	880,201	880,202	676,201	576,609
Intangible asset	(253,550)	47,606	68,378	86,725	75,489
Property, plant and equipment	2,893,407	2,730,955	2,849,945	2,875,075	2,077,110
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Total assets	**10,852,581**	**11,060,181**	**10,235,829**	**10,335,977**	**9,717,568**
LIABILITIES					
Insurance contract liabilities	2,007,596	2,330,632	1,687,090	1,007,068	983,522
Trade payables	229,840	115,467	43,520	9,024	1,933
Employees retirement benefit obligations	-	-	-	-	78,581
Provision and other payables	377,934	274,051	276,807	218,677	164,829
Income tax liabilities	40,923	56,815	42,600	19,883	65,359
Deferred tax liabilities	542,136	501,814	292,730	258,004	177,764
Total liabilities	**3,198,429**	**3,278,778**	**2,342,747**	**1,512,656**	**1,471,988**
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	939,949	851,335	754,171	684,549	623,267
Retained earnings	-2,440,338	(2,475,146)	-2,052,713	(1,051,655)	(812,225)
Asset revaluation reserve	1,809,964	1,773,780	1,559,768	1,559,769	837,605
Fair value reserve	41,446	34,501	34,923	33,725	-
Shareholders fund	**7,947,954**	**7,781,403**	**7,893,082**	**8,823,321**	**8,245,580**
TOTAL LIABILITIES AND EQUITY	**11,146,383**	**11,060,181**	**10,235,829**	**10,335,977**	**9,717,568**
Gross premium written	2,953,792	3,238,769	2,320,768	2,042,788	2,651,717
Underwriting Profit(Loss)	1,076,778	873,154	76,784	451,738	1,043,957
Profit(loss) before taxation .	253,949	(50,782)	(744,268)	85,175	411,081
Taxation	(130,527)	(272,513)	(117,834)	(54,283)	(70,578)
Profit(loss) after taxation	**123,422**	**(323,295)**	**(862,102)**	**30,892.00**	**340,503**

REGISTRATIONS / ADMISSION FORMS

PROXY FORM

43rd ANNUAL GENERAL MEETING of the members of VERITAS KAPITAL ASSURANCE PLC to be held on Thursday 23rd July, 2020 at Veritas Kapital Assurance PLC head office, Plot 497 Abogo Largema Street, Central Business District, Abuja, FCT at 10:00 a.m.

I/We .... (Name of Shareholder in block letters), being a member(s) of the above named Company, Veritas Kapital Assurance Plc, hereby appoint any of the under listed proposed proxies:

a) Mal. Ibrahim M. Kashim
b) Sen. Maj. Gen. M. Magoro OFR
c) Hajia Yabawa Lawan Wabi *mni*
d) Mal. Usman Abaji
e) Mr. Patrick Ajudua

as my/our proxy to attend and vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Thursday, 23rd July, 2020 and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated this .... day of ...., 2020.

SIGNATURE OF SHAREHOLDER:

Please indicate an 'X' in the appropriate box how you may wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2019, together with the reports of the Directors, Auditor and Audit Committee thereon.			
2. To approve the appointments of the following Directors appointed since the last AGM: • Mr. Kenneth Egbaran • Mr. Wole Onasanya			
3. To authorize the Directors to appoint and fix the remuneration of the Auditors for the 2020 financial year.			
4. To elect members of the Audit Committee.			

NOTES

1. A Member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the Company. A Proxy Form is attached to this Notice and is valid for the meeting.
2. Shareholders should note that the Corporate Affairs Commission has in view of the Covid-19 pandemic and following the Government's restriction on public gathering, approved the attendance to the meeting shall only be by proxy to ensure public health and safety.
3. Shareholders are therefore requested to submit their completed proxy forms in line with the Corporate Affairs Commissions' Guideline to the office of the Company Secretary, Veritas Kapital Assurance PLC, Plot 497 Abogo Largema street, Central Busin ess District, Abuja, FCT or office of the Registrars, Unity Registrars Ltd, 25 Ogunlana Drive, Surulere, Lagos not more than 48 hours before the time of the meeting or through the following email address: info@unityregistrarsng.com.
4. If the shareholder is a company, this form must be under its common seal or under its common seal or he hand and seal of its attorney.

UNITY REGISTRARS LIMITED

Website: www.unityregistrarsng.com Email: Info@unityregistrarsng.com Tel: 08085009235

Affix
Current
Passport
(To be stamped by Bankers)
Write your name at the back of your passport photograph

URL
Unity Registrars Ltd.

Only Clearing Banks are acceptable

Instruction

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Unity Registrars Limited
25 Ogunlana Drive,
Surulere,Lagos
Lagos State.

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name First Name Other Names

Address:

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	REGISTRARS ACCOUNT NO
	AFROIL PLC	
	BGL PLC	
	CARANDA MANAGEMENT SERV. LTD	
	DVCF OIL & GAS FUND	
	DVCF OIL & GAS PLC	
	LOTUS CAPITAL HALAL FUND	
	NORTHLINK BROKERS PLC	
	PELICAN PRINTS LIMITED	
	ROKANA PLC	
	UNITY BANK PLC	
	UNITY REGISTRARS LTD	
	VERITAS KAPITAL ASSURANCE PLC	

UNITY REGISTRARS LIMITED
Website: **www.unityregistrarsng.com** Email: **info@unityregistrarsng.com** Tel: **08085009235**

VERITAS KAPITAL ASSURANCE PLC. • ANNUAL REPORT AND ACCOUNTS 2019

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