PRESTIGE ASSURANCE PLC

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Prestige

UNAUDITED FINANCIAL STATEMENTS

FIRST QUARTER

31ST MARCH 2022

PRESTIGE ASSURANCE PLC
REPORT OF THE DIRECTORS AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2022

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PRESTIGE ASSURANCE PLC
CERTIFICATE PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT
FOR THE PERIOD ENDED 31ST MARCH 2022

	2022 ₦'000	2021 ₦'000	% Changes
Gross premium written	4,277,033	3,004,081	42.37
Net premium income	1,569,057	1,523,816	2.97
Underwriting expenses	(1,423,550)	(886,380)	60.60
Interest Income	215,494	165,681	30.07
Other investment income	62,055	24,763	150.60
Other operating income	12,001	3,473	245.56
Profit Before Tax	622,034	888,289	(29.97)
Profit for the Period Ended	599,604	710,631	(15.62)
Net assets	13,396,550	12,782,711	4.80
Total assets	22,980,288	19,085,470	20.41
Basic earnings per share (Kobo)	4.52	5.36	(15.59)
Diluted earnings per share (Kobo)	4.52	5.36	(15.59)

PRESTIGE ASSURANCE PLC
CERTIFICATE PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT
FOR THE PERIOD ENDED 31ST MARCH 2022

We, the undersigned, hereby certify the following with regards to our unaudited financial statements for Year ended 31st March 2022

that:

(a) We have reviewed the financial statements.

(b) To the best of our knowledge, the financial statements does not:
- Contain any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements, misleading in the light of Circumstances under which such financial statements were made.

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

(d) We:
- Are responsible for establishing and maintaining internal controls.
- Have designed such internal controls to ensure that material information relating to the Company is made Known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared.
- Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.
- Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.

(e) We have disclosed to the Audit Committee:
- All significant deficiency in the design or operations of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's Audit Committee any material weakness in internal controls, and.
- Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.
- We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, includingany corrective actions with regard to significant deficiencies and material weaknesses.

....

Mr. Rajesh Kamble
Managing Director/CEO

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Mr. Oluwadare Emmanuel
Chief Financial Officer

27th April 2022

PRESTIGE ASSURANCE PLC
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED 31ST MARCH 2022

In accordance with the provision of Section 359 (6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, Management has reviewed the unaudited financial statements of the Company for Year ended 31st March 2022 and report as follows:

The accounting and reporting policies of the Company are consistent within legal requirements and agreed ethical practices.

The scope and planning of the internal audit was adequate.

The Company maintained effective systems of accounting and internal control during the period.

The Nature of the Business
Prestige Assurance Plc is a non–life insurance business with over sixty years' experience in Nigeria. The Company's core areas of business include motor, marine, bond, engineering, fire, aviation, oil and gas and general accident.

The Company is known for providing expertise knowledge especially in high-risk businesses such as aviation, marine, oil and gas.

Our Company is known by populace for prompt settlement of claims and other supports as it may be necessary. The

major bulk of our business comes from brokers market.

Management Objectives

I. To be in the forefront of risk carrying in Nigerian insurance market, with a penchant for quality products and efficient service delivery to our esteemed customers.

II. To position the Company amongst the best insurance companies in Nigeria.

III. To ensure that values are created for the stakeholders.

IV. To be an ethical company among the listed institution in Nigeria and the world at large.

Our Strategies
In order to meet the above objectives, the management of the Company have put the following strategies in place.

I. The Company has instituted sound corporate governance in order to drive both the internal process and the business Environment.

II. Adequate reinsurance has been put in place to absorb the impact of high risk which may likely occur due to the area of Specialization of the Company.

III. Aside from the normal business, the Company also provides add on services such as customer education, policy audit and lease financing.

Our Strategies – Continued

I. The Company engages in training and empowerment of her workforce to meet up with the challenges of modern business.

II. It is also in the current agenda of the Company to recruit more hands with specialized skills to compete favourably in the industry.

III. The Company has also met up with her civil responsibility and promised to do more to better the interest of Stakeholders at large.

Our Resources, Risks and Relationship

Our most valuable resources are our human capital. The staff welfare is paramount to the Company. Non-human resources are of small relevance without appropriate personnel to drive the system.

Insurance business is a kind of business that is full of risk known as insurable risks.

This is a known risk but which the likelihood and magnitude of the occurrence is not certain.

The Company has put in place a balanced re-insurance policy to absorb the impact of such risks at any time in future.

Aside from this, the Company is also faced with diverse risks which are financial and non-financial in nature. Several

strategies are already in place to mitigate their negative impact on the business and the Company itself.

Prestige Assurance Plc is a subsidiary of The New India Assurance Company Limited, Mumbai, India. Our parent company is one of the largest insurance business undertakers across the Afro-Asia continent (except Japan). The parent company provides support to us in all ramifications which had impact positively in term of skills and financial status to underwrite high risk businesses rarely underwritten by the local companies.

Financial Results and Prospects

For the Period ended 31st March 2022, the Gross Premium Income of the Company increased by 42.37% compared with same period in 2021.

Underwriting profit for the Period went down by ₦343 Million when compared with the previous period of 31st March 2021 whilst profit for the period decreased by ₦111 Million compared to prior period.

The Shareholder's Fund of the Company increased by ₦614 Million representing 4.08% Increase when compared with 31st March 2021.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

a. The Unaudited financial statements for the year ended 31st March 2022 were authorized for issue in accordance with a resolution of the Directors on 14th July 2020. Prestige Assurance Plc was incorporated on 6th January 1970. The Company is a subsidiary of New India Assurance Limited which was established on 18 August 1918.

Its registered office is located at 19, Ligali Ayorinde Street, Victoria Island, Lagos, Nigeria. The

Company is regulated by the National Insurance Commission of Nigeria (NAICOM).

b. Principal activity

The Company is licensed to carry non-life insurance business. The Company provides cover in all classes of insurance, basically non-life treaty and facultative insurance, backed by reinsurer in the London and African reinsurance markets. The products and services by the Company cuts across general accident, energy, fire, marine, workers compensation, terrorism and bond.

2. Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

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

2.2 Basis of presentation and preparation

The financial statements of Prestige Assurance Plc have been prepared on a going concern basis and is presented in order of liquidity. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

2.2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretation Committee (IFRIC) interpretations applicable to companies reporting under IFRS. Additional information required by national regulations, the Company and Allied Matters Act CAP C20 Law of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

2.2.2 Basis of measurements

The preparation of these financial statements has been based on the historical cost basis except for investment properties, land and building, financial assets at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In accordance with IFRS 4: Insurance Contracts, the Company has applied existing accounting policies for its Non-life insurance contracts, modified as appropriate to complywith the IFRS framework.

The principal accounting policies are set out below.

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations

In these financial statements, the Company has applied IFRS 9, IFRS 7R (Revised) and IFRS 15 effective for annual periods beginning on or after 1 January 2018, for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company.

a) IFRS 9 - Financial instruments: Impact on adoption

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. IFRS 9 replaces IAS 39 for annual periods on or after 1 January 2018.
As permitted by the transitional provisions of IFRS 9, the Company has not restated comparative information for 2017 for financial instruments in the scope of IFRS 9.

Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale(AFS), held-to-maturity and loans have been replaced by:

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition.
- Financial assets at FVTPL.

The accounting for financial liabilities remains largely the same as it was under IAS 39.

2.3 Changes in accounting policies and disclosures- continued

Changes to the impairment calculation
The adoption of IFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing IAS 39's incurred loss approach (with the exception of insurance related assets which is not within the scope of IFRS 9 just yet) with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for loans and other debt financial assets not held at FVPL. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case lifetime ECLs are calculated.

Details of the Company's impairment method are disclosed in Note 2.9.

b) IFRS 7 Revised (IFRS 7R)
To reflect the differences between IFRS 9 and IAS 39, IFRS 7 Financial Instruments: Disclosures was updated and the Company has adopted it, together with IFRS 9, for the year beginning 1 January 2018.

c) IFRS 15 Revenue from contracts with customers
The Company adopted IFRS 15 Revenue from contracts with customers on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 Revenue and establishes a five-step model to account for revenue arising from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurancecontracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model requires the Insurer to (i)identify the contract with the customer, (ii) identify each of the performance obligations included in the contract,
(iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

The adoption of IFRS 15 has no impact in the revenue recognition of the company as the revenue of the company is being recognized using IFRS 4 as amended. Revenue recognition for Net fair value (loss)/gain on financial assets and other investment income are recognised based on requirements of IFRS 9. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements.

d) IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations
The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financialstatements.

2.3 Changes in accounting policies and disclosures- continued

e) Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Company as it has already adopted IFRS in 2018.

f) Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

g) Impact of adoption of new standard on the third statement of financial position

The Company adopted new IFRS standards during the year which led to changes in its accounting policies. The Company applied these changes in accounting policies retrospectively and as such it is expected to present a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements as required by IAS 1.40A. However, the third statement of financial position is not presented because the company opted not to restate the comparative figures as permitted by IFRS 9 andIFRS 15.

h) Other standards that became effective during the year but have no impact on the Company's financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

2.4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Insurer intends to adopt these standards and interpretations, if applicable, when they become effective.

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet modelsimilar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate usedto determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

2.4 Standards issued but not yet effective- continued

IFRS 16 – Leases – continued

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.The standard's transition provisions permit certain reliefs.

In applying IFRS 16 for the first time, the Company will use the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January2018 as short-term leases

The Company plans to adopt IFRS 16 using modified retrospective approach. The Company has also elected not to apply IFRS 16 to contracts that were not identified as containing a lease under IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease. Thus, the adoption of IFRS 16 in 2019 will not have any material impact on the Company because the company is a lessor in some of its lease arrangement and only engage in short-term lease in a position it acts like a lessee.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)

- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period)

- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.

- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice

- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period

- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in profit or loss but are recognised directly on the statement of financial position.

- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

2.4 Standards issued but not yet effective- continued

IFRS 17 – Insurance Contracts – continued
IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2022, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.

However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Company is currently assessing the impact of IFRS 17 in its financial statements and its impact on the company financial statements cannot be ascertained as at 31st December 2018 due to the fact that the company is still undergoing assessment phase of the standard.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and taxrates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertaintyshould be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company does not expect this interpretation to have material impact on the financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless ofthe event or circumstance that causes the early termination of the contract and irrespective of which partypays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the financial statements of the Company.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or JointVenture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale orcontribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments have no impact on the financial statements of the company as the company has neither Associate nor Joint Venture.

2.4 Standards issued but not yet effective- continued

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment, or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlementusing: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement,without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity thendetermines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments have no impact on the financial statements of the company.

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

- **IFRS 3 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entirepreviously held interest in the joint operation.
An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments will not have an impact on the Company's financial statements.

2.4 Standards issued but not yet effective- continued

Annual Improvements 2015-2017 Cycle (issued in December 2017) - continued

• IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. Theamendments clarify that the previously held interests in that joint operation are not remeasured.
An entity applies those amendments to transactions in which it obtains joint control on or after the beginning ofthe first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

• IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, withearly application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

• IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

2.5 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparentfrom other sources. The estimates and associated assumptions are based on historical experience and otherfactors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Company's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Going Concern

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed and appropriate action taken to ensure that there are no going concern threats to the operation of the Company. The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the next 12 months ahead.

2.5 Significant accounting judgements, estimates and assumptions-continued

Critical judgments in applying the Company's accounting policies- continued
Insurance product classification and contract liabilities
The Company's non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 4, assets and liabilities of these contracts are accounted for under previously applied GAAP. Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments using valuation techniques
The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the company estimates the non-market observable inputs used in its valuation models.
Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

Valuation of Non-life insurance contract liabilities
For non-life insurance contract, estimates have to be made for the expected ultimate cost of all future payments attaching to incurred claims at the reporting date. These include incurred but not reported ("IBNR") claims. Due to the nature of insurance business, ultimate cost of claims is often not established with certainty until after the reporting date and therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of amounts due to contract holders. Actual results may differ resulting in positive or negative change in estimated liabilities.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Loss ratio method and BCL methods. The BCL method assumes that past experience is indicative of future experience i.e. claims recorded to date will continue to develop in a similar manner in the future while Loss ratio method is used for classes with limited claims payments or history and therefore a BCL method would be inappropriate. The loss ratio method allows for an estimate of the average ultimate loss ratio which needs to be assumed, it uses the incurred and paid to date loss ratio that have been experienced to date in previous accident years.
Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, attitude to claiming, foreign exchange rates, judicial decisions and operational process.

2.5 Significant accounting judgements, estimates and assumptions-continued

Estimates and assumptions- continued

Valuation of Non-life insurance contract liabilities

Similar judgements, estimates and assumptions are employed in the assessment of losses attaching to unearned premium exposures. The methods used are based on time apportionment principles together with significant judgement to assess the adequacy of theses liabilities and the attached uncertainty. The carrying value at the reporting date of non-life insurance contract liabilities is ₦7,616,675,000 (March 2021: ₦4,410,394,000).Further details on insurance contract liabilities are disclosed in Note 12 to the financial statements.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC)and are amortised to the profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additionalimpairment write-offs to the profit or loss.

Deferred tax assets and liabilities

The carrying value at the reporting date of net deferred tax liabilities is ₦454,606,000.00 (March 2021: ₦453,539,000.00). Further details on taxes are disclosed in Note 18 to the financial statements.

Valuation of pension benefit obligation

The cost of defined benefit pension plans and other post-employments benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-termnature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions arereviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 16to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation is ₦207,102,000.00

Valuation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 December 2021. A valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties.

Impairment under IFRS 9

The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost. The determination of impairment loss and allowance moves from the incurred credit loss model whereby creditlosses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

2.5 Significant accounting judgements, estimates and assumptions-continued

Estimates and assumptions- continued
Impairment under IFRS 9- continued

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 Months 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 stagebecause 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 alignedwith the regulatory definition. The treatment of the loans and other receivables in stage 3 remainssubstantially 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.

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, withouttaking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: The Company considers the obligor is unlikely to pay its credit obligations to the company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case-by-case basis for non-homogenous portfolios, or by applying portfolio-based parameters to individual financial assets in this portfolio by the Company's ECLmodel for homogenous portfolios.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:

1) The contractual cash flows that are due to the Company under the contract; and
2) The cash flows that the Company expects to receive.

2.5 Significant accounting judgements, estimates and assumptions-continued

Estimates and assumptions- continued
Impairment under IFRS 9- continued
Elements of ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:
The expected lifetime of a financial asset is a key factor in determine the lifetime expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (includingany borrower's extension option) over which it is exposed to credit risk.

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

i. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.
ii. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 3(m)(vi) on accounting policy for outstanding claims.
iii. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note (23) and note 3(t) to cover fluctuations in securities and variation in statistical estimates.
iv. Section 22 (1a) requires the maintenance of a general reserve known as life fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation as set out under note 15(b). The valuation is done annually by the Company, using independent experts.
v. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Actas set out under note 49.1.
vi. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid-up share capital with the Central Bank of Nigeria as set out under note 14.
vii. Section 25 (1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. Seenote 51 for assets allocation that covers policy holders' funds.

The Financial Reporting Council of Nigeria Act No. 6, 2011 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the Financial Reporting Council of Nigeria Act No. 6, 2011 and other Acts which are listed in section59(1) of the Financial Reporting Council of Nigeria Act No. 6, 2011, the Financial Reporting Council of Nigeria Act No. 6, 2011 shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the Financial Reporting Council of Nigeria Act No. 6, 2011 has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflictwith the provisions of IFRS have not been adopted:

i) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 3(m) (ii) on accounting policy for unexpired risk and unearned premium.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency spot rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognized in profit or loss.

2.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks net of overdraft. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.9 Financial instruments

2.9.1 Recognition and initial measurement

i. Initial recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The Company uses trade date accounting for regular way contracts when recording financial assets transactions.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

ii. Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises thedifference between the transaction price and fair value in Net fair value (loss)/gain on financial assets. In thosecases where fair value is based on models for which some of the inputs are not observable, the differencebetween the transaction price and the fair value is deferred and is only recognised in profit or loss when theinputs become observable, or when the instrument is derecognised.

iii. Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iv. Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

2.9.2 Classification of financial instruments

a. Policy applicable from 1 January 2018

The Company classifies its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) without recycling (equity instrument),
- Those to be measured at fair value through profit or loss (FVTPL) (equity instrument); and
- Those to be measured at amortised cost (debt instrument).

The classification depends on the Company's business model (i.e. business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and interest – SPPI test). The Company also classifies its financial liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

b. Policy applicable prior to 1 January 2018

The company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, held to maturity financial assets, loans and receivables and available for sale financial assets. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. The company also classifies its financial liabilities as other financial liabilities category.

2.9.3 Subsequent measurements

a. Financial assets - policy applicable from 1 January 2018

The subsequent measurement of financial assets depends on its initial classification:

(i) Debt instruments

Financial assets at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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 gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'. The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's net carrying amount.

(ii) Equity instruments
The Company subsequently measures all equity investments at fair value. The Company has designated its unquoted equity instruments to be measured at fair value through other comprehensive income (FVOCI) since the investments are not held for trading. For these instruments, the Company present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income (under Investment income) when the company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All other equity financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/ (loss) gain on financial assets in the profit or loss.

Business Model assessment
The Company assess the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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

2. how the performance of the portfolio is evaluated and reported to the Insurer's management.

3. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

4. How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

5. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Insurer's stated objective for managing financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stresscase' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financialassets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) assessment

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification. Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with abasic lending arrangement.

b. Financial assets - policy applicable prior to 1 January 2018

i. Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated at fair value through profit or loss upon initial recognition. The entity has no assets classified as held-for-trading at the end of the year. The entity has designated certain financial assets upon initial recognition at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. The investments are carried at fair value, with gains or losses arising from changes in thisvalue recognized in profit or loss in the period in which they arise. Composition/details are disclosed in notes.

ii. Held-to-maturity
The Company classifies financial assets as held to maturity when the Company has positive intent and ability to hold the securities to maturity. Held-to-maturity investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses. Interest on held-to- maturity investments is included in the profit or loss and are reported as 'interest income'.

iii. Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the two preceding categories which may be sold in response to the need for liquidity orchanges in interest rates, exchange rates or equity prices. These investments are initially recognised at fair value. After initial measurement, available-for-sale financial assets are subsequently measured at fair value. Fair valuegains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to profit or loss.

iv. Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- Those that the Company intends to sell in the short term which are reclassified as fair value through profitor loss and those that the Company upon initial recognition designates at fair value through profit or loss.
- Those that the Company upon initial recognition designates as Available-for-sale
- Those for which the holder may not recover substantially all of its initial investment other than because ofcredit risk.

They include:

(a) Trade receivables
Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Trade receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition,trade receivables are measured at amortized cost less any impairment losses. They include receivables fromBrokers and Co-insurance companies.

(b) Other receivables
Other receivables are made up of amounts due from parties which are not directly linked to insurance or investment contracts. Other receivables are stated after deductions of amount considered bad or doubtful of recovery. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts iscredited to the profit and loss account.

c. Financial liabilities - policy applicable for current and comparative periods

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

2.9.4 Reclassifications

(i) Policy applicable from 1 January 2018
The Company reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Company's operations.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets that are debt instruments. A change in the objective of the Company's business occurs only when the Company either begins or ceases to perform anactivity that is significant to its operations (e.g., via acquisition or disposal of a business line).

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

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

Financial liabilities are not reclassified after initial classification.

2.9.4 Modifications of financial assets and financial liabilities

(i) Financial assets
If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modifiedasset are substantially different. If the cash flows are substantially different, then the contractual rights to cashflows from the original financial asset are deemed to have expired. In this case, the original financial asset isderecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss as. If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The amount arising from adjusting the gross carrying amount is recognised as amodification gain or loss in profit or loss as part of impairment loss on financial assets for the year.

(ii) Financial liabilities
The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.9.5 Impairment of financial assets

(i) Policy applicable from to 1 January 2018
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moodys and Fitch as well as local ratings by Agusto and Co. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company's debt instruments at amortised cost comprise quoted sovereign bonds, corporate bonds, and others that are graded in the top investment category. The Company's fixed income investment portfolio consists of Investment grade and high speculative bonds and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Policy applicable prior to 1 January 2018

a. Financial assets carried at amortised cost

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

- Default or delinquency by a debtor.
- Restructuring of an amount due to the Company on terms that the Company would not consider favourable.
- Indications that a debtor or issuer will enter bankruptcy.
- The disappearance of an active market for the security because of financial difficulties; and
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments 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 futurecash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, and the amount of the loss is recognised inthe statement of profit of loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the original effective interest rate determined under contract. As is practically expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similarcredit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups ofsuch assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of thedebt instrument being evaluated. 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, the previously recognised impairment loss is reversed by adjusting the assets. The amount of the reversal is recognised in the statement of profit or loss.

(i) Trade receivables

These are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of insolvency, significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 30 days) that the Company will not be able to collect the entire amount due under the original terms of the invoice. Allowances for impairment are made based on "incurred loss model" which consider premiums outstanding and not received within one month subsequent to the year-end as lost, given default foreach customer and probability of default for the sectors in which the customer belongs. The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in statement of profit or loss. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the statement of profit or loss in the period the recoveries are made.

(b) Assets classified as available-for-sale
The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 1 year or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss – measured as the difference between the acquisitioncost and the current fair value, less any impairment loss on those financial assets previously recognised in profit or loss is removed from equity and recognised in the statement of profit or loss.

Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the profit or loss. If in a subsequent period the fair value of a debt instrument classified as available for saleincreases and the increase can be objectively related to an event occurring after the impairment loss wasrecognised in profit or loss, the impairment loss is reversed through the profit or loss.

2.9.6 Write-off - policy applicable for current and comparative periods
After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

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

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee. The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Company's procedures for recovery of amount due.

A write-off constitutes a derecognition event. The write-off amount is used to reduce the carrying amount of the financial asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

2.9.6 Forward looking information
In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs,such as:

- GDP growth
- Unemployment rates
- Inflation rates
- Foreign exchange rates
- Market growth rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally madeas temporary adjustments when such differences are significantly material.

2.9.7 Derecognition of financial assets - policy applicable for current and comparative periods
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability. Impaired debts are derecognised when they are assessed as uncollectible.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.9.8 Derecognition of financial liabilities - policy applicable for current and comparative periods
The Company derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.9.9 Offsetting financial instruments - policy applicable for current and comparative periods
Financial assets and liabilities are offset and the net amount reported in the statement of financial position onlywhen there is a legally enforceable right to offset the recognised amounts and there is an intention to settle ona net basis, or to realize the asset and settle the liability simultaneously.

2.10 Income and expenses (Revenue recognition)
(i) Policy applicable from 1 January 2018
Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in profit or loss.

a. Amortised cost and gross carrying amount
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2018). The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

b. Calculation of interest income and expenses
The Company calculates interest income and expense by applying the effective interest rate to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.
However, for financial asset that have become credit-impaired subsequent to initial recognition and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interestrate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, then the Company reverts to calculating interest income on a gross basis.

(Policy applicable prior to 1 January 2018)
Interest income is recognised in profit or loss 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 liabilityare recognised as an adjustment to the effective interest rate of the instrument. Dividend income for equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities.

2.11 Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flowsthat are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in theestimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

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

The reinsurers' share of unearned premiums (i.e. the reinsurance assets) are recognised as an asset using principles consistent with the Company's method for determining unearned premium liability. The amount reflected on the statement of financial position is on a gross basis to indicate the extent of credit risk related to the reinsurance and its obligations to policy holders.

The Company assesses its reinsurance assets for impairment at each statement of financial position date. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit or loss. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

2.13 Deferred acquisition costs (DAC)

Commissions and other acquisition costs that are related to securing new contracts and renewing existing contracts are capitalized as Deferred Acquisition Costs (DAC) if they are separately identifiable, can be measured reliably and it is probable that they will be recovered. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts in line with premium revenue using assumptions consistent with those used in calculating unearned premium. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium. The DAC asset is tested for impairment annually and written down when it is not expected to be fully recovered.

2.14 Finance lease

Finance lease are recognised when the company transfers substantially all the risks and rewards of ownership of the leased assets to the leasee. Investment in finance lease at commencement is initially recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else at the entity's incremental borrowing rate. The finance lease is recorded as a receivable, at an amount equal to the net investment in the lease.

Interest income on investment in finance lease is recognised in the profit or loss as investment income in theperiod the interest is due receivable. An investment in finance lease is impaired if the carrying amount of theinvestment exceeds its recoverable or net realisable amount.

2.15 Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by thelessee under a finance lease) to earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost. Subsequently, investment property is carried at fair value at the reporting date determined by annual valuations 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 theyrelate.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as expense in the year in which it is incurred.

Investment properties are derecognised when either they have been disposed of 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 comprehensive income.

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 an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

2.16 Intangible assets

Intangible assets comprise computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software are capitalisedon the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised on straight line basis over the useful life of the asset.

Intangible assets- continued

Expenditure that is reliably measurable and meets the definition of an assets is capitalized.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 10years. The residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	10 years

2.17 Property, Plant and Equipment

(a) Recognition and measurement

All property, plant and equipment are initially recorded at cost. They are subsequently stated at cost less accumulated depreciation and impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the assets. An asset is recognized when it is probable that the economic benefits associated with the item flow to the entity and cost can be reliably measured.

(b) Subsequent costs

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

(c) Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease termand their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocatetheir cost or re-valued amounts over their estimated useful lives.

The estimated useful lives for the current and comparative period are as follows:

Plant and machinery	12.5%
Leasehold land and buildings	2% of cost/valuation
Furniture, fittings, and office equipment	10%
Computer equipment	33 1/3%
Motor vehicles	25%
Assets under lease	Over the period of lease

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Revaluation of land and building.

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

Property, plant and equipment- continued

When a property is revalued, any increase in it carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the of profit or loss.

When the value of a property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in profit or loss.

When revalued assets are being depreciated, part of the surplus is being realized as the asset is used. The amount of the surplus realized is the difference between the depreciation charged on the revalued amount and the lower depreciation which would be charged to property revaluation reserve and accumulated losses but notthrough profit or loss.
The revaluation of land and building is carried out every three (3) years.

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

2.18 Statutory deposit

Statutory deposit represents a fixed deposit with the Central Bank of Nigeria in accordance with section 10(3) ofthe Insurance Act, 2003. The deposit is recognised at the cost in the statement of financial position being 10% of the statutory minimum capital requirement of N3 billion for General insurance business. Interest income on the deposit is recognised in the statement of profit or loss in the period the interest is earned.

2.19 Insurance contracts and insurance contract liabilities

In accordance with IFRS 4 insurance contracts, the Company has continued to apply the accounting policies it applied in accordance with Nigerian GAAP. These contracts are accident, workmen's compensation, motor, marine and aviation and fire insurance.

Insurance contracts protect the Company's customers against the risk of harm from unforeseen events to their properties resulting from their legitimate activities. 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 Company's customers for damage suffered to their properties or for the value of property lost.

Others forms of Insurance contracts include but are not limited to workmen's compensation, motor, marine and aviation insurance.

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 arising from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company i.e. Claims incurred but not reported (IBNR) which isactuarial valuation. The Company does not discount its liabilities for unpaid claims other than for workmencompensation claims. Liabilities for unpaid claims are estimated using the impute of assessments of provision reported to the Company and analysis for the claims incurred but not reported (IBNR).

Insurance contracts and insurance contract liabilities- continued

Reinsurance contracts held

The Company holds the under-noted reinsurance contracts:

- Treaty Reinsurance Outward is usually between the Company and Reinsurers.
- Facultative Reinsurance Outward is usually between the Company and other insurance companies or between the Company and Reinsurers.
- Facultative reinsurance inwards are usually between the Company and other insurance Companies or be the Company and Reinsurers.

Premiums due to the reinsurers are paid and all claims and recoveries due from reinsurers are received. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses onone or more contracts issued by the Company and that meet the classification requirements for insurancecontracts are classified as reinsurance contracts held. Contracts that do not meet these classificationrequirements are classified as financial assets.

The benefits to which the Company is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amount associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The Company's Insurance liabilities or balances arising from insurance contracts primarily include those insurance contract liabilities that were valued by the Actuary. These include unearned premiums reserve and outstanding claim reserve.

(i) Unearned premium reserve

Unearned premium provision is calculated using a time - apportionment basis, in particular, the 365ths method.

(ii) Outstanding claims reserve

Individual loss estimates are provided on each claim reported. In addition, provisions are made for adjustment expenses, changes in reported claims and for claims incurred but not reported (IBNR), based on past experience and business in force.

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test carried out by an Actuary.

(iii) Liability adequacy test

At the end of each 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 provisions of the Insurance Act, CAP I17 LFN 2004 require an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act No.6, 2011 gives superiority to the provisions of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act, CAP I17 LFN 2004, it supports the Company's prudential concerns.

Insurance contracts and insurance contract liabilities- continued

(iv) Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognized in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognized in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

2.20 Trade payables

Trade payables (i.e. insurance payables) are recognised when due and measured on initial recognition at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Trade payables include payables to agents and brokers, payables to reinsurance companies, payables to coinsurance companies and commission payable.

The fair value of a non-interest-bearing liability is its discounted repayment amount. Trade payables are derecognised when the obligation under the liability is settled, cancelled or expired.

2.21 Provisions and other payables

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

Provisions are measured at the best of estimate of the expenditure required to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.23 Retirement obligations and employee benefits

The Company operates the following contribution and benefit schemes for its employees:

Defined benefit gratuity scheme

The Company has a defined benefit gratuity scheme for management and non-management staff. Under this scheme, a specified amount as determined by actuarial valuation is contributed by the Company and chargedto the statement of profit or loss over the service life of each employee.

Retirement obligations and employee benefits- continued

The Company recognizes the following changes in the net defined benefit obligation under ''the employee benefit expense''. Service costs comprising current service costs, past services costs, gains and losses on curtailment and non-routine settlements.

Employees are entitled to gratuity after completing a minimum of five continuous full years of service. The gratuity obligation is calculated annually by Independent Actuaries using the projected unit credit method. The present value of the gratuity obligation is determined by discounting the estimated future cash outflows using market yields on high quality corporate bonds. The liability recognized in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Actuarial gains or losses arising from the valuation are credited or charged to statement of profit or loss and other comprehensive income in the financial year in which they arise.

Re-measurement arising from actuarial gains and losses are immediately recognized in the statement of financial position with corresponding debit or credit recognized in the retained earnings through OCI in periods in which they occur. Re-measurement are not reclassified in subsequent periods. Past service costs are recognized in the profit or loss on the earlier of:

- The date of plan amendment or curtailment and;
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset using the rate at the beginning of the period. The Company recognizes the following changes in the net defined benefit obligation under ''the employee benefit expense''. Service costs comprising current service costs, past services costs, gains and losses on curtailment and non-routine settlements.

Defined contribution pension scheme
The Company operates a defined contributory pension scheme for eligible employees. The Company and employees contribute 10% and 8% respectively of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014. The Company pays the contributions to a pension fund administrator. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short-term benefits
Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses when the associated services are rendered by the employees of the Company.

2.24 Income taxes- Company income tax and deferred tax liabilities

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the profit or loss because it includes not only items of income or expense that are taxable or deductible inother years but it further excludes items that are never taxable or deductible. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Income taxes- Company income tax and deferred tax liabilities- continued
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and theamounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities usingtax rates that are expected to apply in the year when the asset is realised 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 asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available againstwhich these losses can be utilised.

2.25 Share capital and share premium

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

2.26 Dividend on ordinary shares
Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

2.27 Statutory Contingency reserve
In compliance with Section 21 (2) of Insurance Act, CAP I17 LFN 2004, the contingency reserve is credited with the greater of 3% of gross premium written, or 20% of the net profits. This shall accumulate until it reaches theamount of greater of minimum paid-up capital or 50 percent of net premium.

2.28 Retained earnings/accumulated losses
This reserve represents amount set aside out of the profits of the Company which shall at the discretion of the Directors be applicable for meeting contingencies, repairs or maintenance of any works connected with the business of the Company, for equalizing dividends, for special dividend or bonus, or such other purposes forwhich the profits of the Company may lawfully be applied.

2.29 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the equity instruments designated at fair value through other comprehensive income. This amount cannot be recycled to profit or loss in subsequent period even if the instruments are derecognized. The available-for-sale reserve for 31 December 2019 comprises the cumulative net change in the fair value of the group's available-for-sale investments. Net fair value movements are not to be recycled to profit or loss if an underlying available-for-sale investment is either derecognized or impaired.

2.30 Property revaluation reserve

Subsequent to initial recognition, an item of property, plant and equipment may be revalued to fair value. However, if such item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset, which was previously recognized as an expense, in which case it is recognized in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in profit or loss.

2.31 Gratuity valuation reserve

The gratuity valuation reserve comprises the cumulative net change in the re-measurement gain/loss) on defined benefit plans.

2.32 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. 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 whollywithin the control of the company or the company has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities and contingent assets are never recognized rather they are disclosed in the financial statements when they arise.

2.33 Premium and unearned premium

Premiums written comprise the premium on contracts incepting in the financial year. Premiums written are stated gross of commission payable to agents and exclusive of taxes levied on premiums. The Company earns premium income evenly over the term of the insurance policy generally using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearnedpremium.

2.34 Reinsurance expenses

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

2.35 Fee and commission

Fees and commission income consist primarily of agency and brokerage commission, reinsurance and profit commissions, and other contract fees. Reinsurance commission receivables are deferred in the same way as acquisition costs. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

2.36 Claims expense

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. (See policy for reserve for outstanding claims above) The gross provision for claims represents the estimated liability arising from claims in current and preceding financial years which have not yet given rise to claims paid. The provision includes an allowance for claims management and handling expenses.

Claims expense- continued

The gross provision for claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in profit or loss in the financial period in which adjustments are made and disclosed separately if material.

2.37 Acquisition costs and maintenance expenses

Acquisition costs represent commissions payable and other expenses related to the acquisition of insurance contract revenues written during the financial year. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision (See policy for Deferred Acquisition Cost above). Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees, and other technical expenses. Maintenance expenses are those incurred in servicing existing policies/contract.

2.38 Management expenses

Management expenses are expenses other than claims, investment expenses, employee benefits, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of their origin.

Finance income and expenses

Finance income and expense for all interest-bearing financial instruments are recognised within 'finance income' and 'finance costs' in the profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the finance income or finance costs over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument.

The application of the method has the effect of recognizing income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral partof the effective interest rate.

Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expectedlife of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest usedto discount the future cash flows for the purpose of measuring the impairment loss.

2.39 Income tax expense

Income tax expense comprises current income tax, education tax levy, information technology tax and deferred tax. (See policy on taxation above).

2.40 Earnings per share

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

2.41 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of dealings in Issuers' Shares, Rule book of the Exchange 2015 (Issuers Rule) Prestige Assurance Plc maintains a Security Trading Policy, which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's Securities. The Policy is periodically reviewed by the Board and updated. The Company has made specific enquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

PRESTIGE ASSURANCE PLC

THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2022

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Statement of Profit or Loss for the Period Ended 31st March, 2022

	Notes	31-Mar 2022 ₦'000	31-Mar 2021 ₦'000
Gross premium Written		**4,277,033**	**3,004,081**
Gross premiums income	26	3,464,509	2,659,154
Re-insurance expenses	27	(1,895,452)	(1,135,338)
Net premium income		1,569,057	1,523,816
Commission income	28	432,850	283,656
Total underwriting income		2,001,907	1,807,472
Claims expenses	30	(552,948)	(217,676)
Acquisition cost	29	(557,280)	(380,149)
Maintenance cost		(313,322)	(288,555)
Total underwriting expenses		(1,423,550)	(886,380)
Underwriting profit		578,357	921,092
Investment income	31	277,549	190,444
Other Income	32	12,001	3,473
Net fair value gain on financial assets		(11,120)	(9,495)
NET OPERATING INCOME		856,788	1,105,514
Less:			
Management expenses		(230,491)	(212,415)
Credit Loss expenses		(3,398)	(4,060)
Results from operating activities		622,900	889,039
Finance costs		(866)	(750)
Profit before income tax expense		622,034	888,289
Less			
Income tax expense		(22,429)	(177,658)
PROFIT AFTER TAXATION		599,604	710,631
RETAINED PROFIT FOR THE PERIOD		599,604	710,631

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Statement of Other Comprehensive Income
For The Period Ended 31st March, 2022

	2022 N'000	2021 N'000
Profit for the year	599,604	710,631
Other comprehensive income:		
Items within OCI that will not be reclassified to profit		
or loss in subsequent periods net of tax:		
Revaluation gain on equity instruments at fair value		
through other comprehensive income (tax exemt)	-	-
Re-measurement gain/(loss) on defined benefit plan(net of tax)	-	-
Total other comprehensive income for the year (net of tax)	-	-
Total comprehensive income for the year (net of tax)	599,604	710,631
Earnings per share:		
Basic earnings per share (kobo)	4.52	5.36
Diluted earnings per share (kobo)	4.52	5.36

Prestige Assurance Plc

Unaudited IFRS Financial Results For The First Quarter Ended 31st March, 2022

Statement of Financial Position as at 31st March, 2022

	Notes	31-Mar 2022 ₦'000	31-Dec 20201 ₦'000
Assets			
Cash and Cash Equivalents	1	4,325,885	4,311,842
Financial Assets:			
Fair value through profit or loss	2a	212,178	223,298
Debt instruments at amortised cost	2b	3,626,730	3,366,929
Equity instruments at fair value through OCI	2c	2,458,312	2,458,312
Trade Receivables	3	1,176,764	28,169
Prepayment & other receivables	4	124,605	169,705
Reinsurance Assets	5	5,681,703	5,871,208
Deferred Acquisition Cost	6	536,199	355,125
Investment in Finance Lease	7	488,536	428,034
Investment Property	8	2,587,084	2,587,084
Intangible Assets	9	28,059	23,283
Property, Plant and Equipment	10	1,434,233	1,456,389
Statutory Deposit	11	300,000	300,000
Total Assets		22,980,288	21,579,378
Liabilities			
Insurance Contract liabilities	12	7,516,675	7,088,713
Trade Payables	13	365,219	262,461
Provisions and other payables	14	657,752	482,795
Short Term borrowing	15	271,987	-
Retirement benefits obligations	16	207,102	207,102
Current Income tax liabilities	17	110,933	88,504
Deferred tax liabiliies	18	454,071	454,071
Total liabilities		9,583,739	8,583,646
Equity			
Issued and paid up share capital	19	6,626,281	6,626,281
Share Premium	20	36,623	36,623
Contingency reserves	21	2,812,332	2,684,020
Revenue Reserve	22	1,130,609	858,104
Property Revaluation reserves	23	737,566	737,566
Reseve on Actuarial valuation of Gratuity	24	14,973	14,973
Fair value reserve	25	2,038,165	2,038,165
Total Equity		13,396,550	12,995,732
Total liabilities and reserves		22,980,288	21,579,378

These unaudited financial statements were approved by the Board of Directors on 27th April, 2022 and signed on its behalf by:

....

Mr. Muftau Oyegunle
Director
FRC/2015/CIIN/00000012362

....

Mr. Rajesh Kamble
Managing Director/CEO
FRC/2022/PRO/DIR/003/00000023923

....

Mr. Oluwadare Emmanuel
Chief Financial Officer
FRC/2013/ICAN/00000003649

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Statement of Cash flows

For The Period Ended 31st March, 2022

	2022 ₦'000	2021 ₦'000
Cash Flows from Operating Activites		
Premium received from policy holders	3,128,438	2,625,925
Commission received	446,703	307,799
Commission paid	(738,354)	(479,627)
Reinsurance premium paid	(2,165,859)	(1,387,990)
Claims Paid	(2,051,673)	(1,668,785)
Claims Recovered	1,736,574	1,184,489
Other operating cash payments	(848,671)	(425,633)
Other operating income	6,281	3,473
Cash flows (used in)/generated from operating activities	(486,560)	159,651
Company income tax paid	-	-
Benefits paid	-	(3,937)
Net cash consumed by operating activities	**(486,560)**	**155,714**
Cash flows from investing activites		
Purchase of property, plant & equipment	(4,124)	(3,552)
Proceeds on disposal of property, plant & equipment	5,720	-
Proceeds on redemption of debt instruments measured at amortised cost	150,000	-
Purchase of debt instruments at amortised cost	(187,777)	(180,160)
Interest received	215,494	165,681
Other investment income	20,159	15,914
Dividends received	41,896	8,849
Net Cash inflow/(outflow) from investing activities	**241,368**	**6,732**
Cash Flows from Financing activities		
Repayment of interest portion of lease liabilities	(866)	(750)
Repayment of principal portion of lease liabilities	(12,687)	(6,308)
Net Cash inflow/outflow from financing activities	**(13,553)**	**(7,058)**
Net increase in cash and cash equivalents	(258,744)	155,388
Cash and cash equivalents at the beginning	4,311,842	1,369,570
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end year	**4,053,098**	**1,524,958**

Prestige Assurance Plc
Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Statement of Changes in Equity

	Share Capital N'000	Share Premium N'000	Statutory Contingency Reserve N'000	Retained Earnings N'000	Fair Value Reserve N'000	Gratuity Valuation Reserve N'000	Property Revaluation Reserve N'000	Total N'000
Balance 1st January 2022	6,626,281	36,623	2,684,020	858,104	2,038,165	14,973	737,566	12,995,732
Profit for the year	-	-	-	599,605	-	-	-	599,605
Other comprehensive income(net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income(net of tax)	-	-	-	599,605	-	-	-	599,605
Transactions with equity holders, recorded directly in equity								
Transfer to statutory contingency reserve	-	-	128,311	(128,311)	-	-	-	-
Dividend(Proposed)	-	-	-	(198,787)	-	-	-	(198,787)
Balance 31st March, 2022	**6,626,281**	**36,623**	**2,812,331**	**1,130,611**	**2,038,165**	**14,973**	**737,566**	**13,396,550**

Prestige Assurance Plc
Statement of Changes in Equity
The First Quarter Ended 31st March, 2021

	Share Capital N'000	Share Premium N'000	Statutory Contingency Reserve N'000	Retained Earnings N'000	Fair Value Reserve N'000	Gratuity Valuation Reserve N'000	Property Revaluation Reserve N'000	Total N'000
Balance as at 1st January 2021	6,626,281	36,623	2,405,800	752,400	1,810,269	7,502	764,519	12,403,394
								-
Profit for the year	-	-	-	710,631	-	-	-	710,631
Other comprehensive income(net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income(net of tax)	-	-	-	710,631	-	-	-	710,631
Transfer to statutory contingency reserve	-	-	142,126	(142,126)	-	-	-	-
Dividend(Proposed)	-	-	-	(331,314)	-	-	-	(331,314)
Balance as at 31st March, 2021	**6,626,281**	**36,623**	**2,547,926**	**989,591**	**1,810,269**	**7,502**	**764,519**	**12,782,711**

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Notes to the Financial Statements

		31-Mar 2022 ₦'000	31-Dec 20201 ₦'000
1	**Cash and cash equivalents**		
	Balance with local banks	475,108	740,552
	Balance with foreign bank	2,747	2,747
	Deposits and Placements with local banks	3,852,774	3,572,487
		4,330,629	4,315,786
	Less: Allowance for impairment losses	(4,744)	(3,944)
		4,325,885	4,311,842
2	**Financial Assets**		
a	**Financial assets at fair value through profit or loss**		
	Balance at the beginning of the year	223,298	200,808
	Addition during the period	-	25,104
	Disposal during the period	-	(24,691)
	Realised gains on financial assets at FVTPL	-	10,260
		223,298	211,481
	Dimunition/Appreciation during the period	(11,120)	11,817
	Total	212,178	223,298
		212,178	223,298
b	**Debt instruments at amortised cost**		
	FGN bonds	3,536,414	3,110,898
	Corporate bonds	101,569	102,024
	Lagos State series ii bonds	-	-
	Treasury bills	-	147,257
	Staff loans and advances	94,142	111,245
		3,732,125	3,471,424
	Less: Allowance for credit losses	(105,395)	(104,495)
	Total dabt instruments at amortised cost	3,626,730	3,366,929
c	**Equity instruments at fair value through OCI**		
	Leadway PFA scheme share	2,078,304	2,078,304
	Leadway Leola Hotel Ltd	131,530	131,530
	Nigerian Insurers Association Pool	136,307	136,307
	Waica Reinsurance Corporation	112,171	112,171
		2,458,312	2,458,312
3	**Trade Receivables**		
	Amount due from brokers	1,176,764	28,169
	Amount due from insurance companies	-	-
		1,176,764	28,169
	Age analysis of trade receivables		
	Days		
	0-30	1,176,764	28,169
	31-above	-	-
	Total	1,176,764	28,169
4	**Prepayment & other receivables**		
	Prepaid insurance- company's assets	14,894	19,677
	Prepaid Insurance- minimum deposit premium	-	36,686
	Prepaid internet	15,357	-
	WHT receivables	46,799	37,366
	Other receivables	58,184	86,605
		135,234	180,334
	Less Impairment	(10,629)	(10,629)
	Balance at end of period	124,605	169,705

Impairment loss on other receivables relates to amount advanced to Company's staff cooperative purchase of land but the transfer of ownership was not effected by the seller,
the company fully impaired the receivables as there was no evidence of recovery.

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31 March, 2022

Notes to the Financial Statements

		31-Mar 2022 ₦'000	31-Dec 2021 ₦'000
5	**Reinsurance Assets**		
	Co-insurance share of claims expenses paid	296,449	284,625
	Reinsurance debtors	683,112	538,164
	Reinsurance share of oustanding claims expenses	3,347,208	3,970,124
	Allowance for Impairment of claims recoverable	-	(6,232)
	Total outstanding claims recoverable	4,326,768	4,786,681
	Reinsurance share of unearned premium	1,354,934	1,084,527
	Balance at end of the year	5,681,703	5,871,208
(a)	Outstanding claims recoverable:		
	Balance at beginning	3,970,124	2,045,401
	Increase/(Decrease) during the year	(622,412)	1,924,723
	Balance at end of the year	3,347,712	3,970,124

As at December 2015, reinsurance assets of N18,695,000 representing recovery expected from Universal Insurance Plc was impaired. The balance of N6,232,000 remains has now been recovered in this current year.

		31-Mar 2022 ₦'000	31-Dec 2021 ₦'000
6	**Deferred Acquisition Cost**		
	Balance at the beginning of the year	355,125	258,866
	Commission incurred during the period	738,354	1,517,874
	Amotised to profit or loss	(557,280)	(1,421,615)
	Balance at the end of the period	536,199	355,125
7	**Finance lease receivables**		
	At I January	444,649	389,831
	Additions during the period	211,048	396,000
	Repayment during the year	(148,848)	(341,182)
		506,849	444,649
	Less: Allowance for credit losses	(18,313)	(16,615)
		488,536	428,034
8	**Investment Property**		
	Balance at beginning of the year	2,587,084	2,547,886
	Additions	-	-
	Disposal	-	-
		2,587,084	2,547,886
	Appreciation/(Diminution)	-	39,198
		2,587,084	2,587,084
9	**Intangible Assets**		
	Cost:		
	Balance at beginning of the year	23,283	28,181
	Additions	6,000	-
	Disposal	-	-
	Amortisation	(1,224)	(4,898)
	Balance at the end of the quarter	28,059	23,283

Notes to the Financial Statements

10 Property, Plant and Equipment
31st March, 2022

	Plant and Machinery N'000	Leasehold Land N'000	Building N'000	Furniture and fittings N'000	Computer equipment N'000	Motor Vehicles N'000	Right -of-Use Assets N'000	Total N'000
Cost/valuation								
At 1st January 2022	57,567	450,000	902,250	85,508	112,817	332,153	69,020	2,009,315
Additions	-	-	-	1,312	2,412	-	400	4,124
Disposals	-	-	-	-	-	(15,915)	-	(15,915)
At 31st March, 2022	57,567	450,000	902,250	86,820	115,229	316,238	69,420	1,997,524
Depreciation								
At 1st January 2022	37,228	-	61,064	60,979	105,828	232,011	55,816	552,926
Charge for the year	903	-	7,633	1,218	1,222	11,201	4,103	26,280
Disposals	-		-	-	-	(15,915)	-	(15,915)
				-	-			
At 31 March, 2022	38,131	-	68,697	62,197	107,050	227,297	59,919	563,291
Net book values at:								
31st March, 2022	19,436	450,000	833,553	24,623	8,179	88,941	9,501	1,434,233

Property,Plant and Equipment
31st December 2021

	Plant and Machinery N'000	Leasehold Land N'000	Building N'000	Furniture and fittings N'000	Computer equipment N'000	Motor Vehicles N'000	Right -of-Use Assets N'000	Total N'000
Cost/valuation								
At 1st January 2021	46,548	450,000	902,250	82,391	103,040	248,664	56,333	1,889,226
Additions	11,019	-	-	3,117	9,777	105,966	12,687	142,566
Revaluation	-	-	-	-	-	-	-	-
Disposals	-		-	-	-	(22,477)	-	(22,477)
At 31st December 2021	57,567	450,000	902,250	85,508	112,817	332,153	69,020	2,009,315
Depreciation								
At 1st January 2021	32,493	-	30,532	56,085	100,228	196,184	33,798	449,320
Charge for the year	4,735	-	30,532	4,894	5,600	55,984	22,018	123,763
Disposals	-	-	-	-	-	(20,157)	-	(20,157)
At 31 December 2021	37,228	-	61,064	60,979	105,828	232,011	55,816	552,926
Net book value at December 2021	20,339	450,000	841,186	24,529	6,989	100,142	13,203	1,456,389

Notes to the Financial Statements

		31-Mar 2022 ₦'000	31-Dec 2021 ₦'000
11	**Statutory deposit**	**300,000**	**300,000**
	Balance at the beginning and end of the year	300,000	300,000

This represents amount deposited with the Central Bank of Nigeria at the financial year end in accordance with the provisions of sections 9(1) and 10(3) of the Insurance Act, CAP I17, LFN 2004.

		31-Mar 2022 ₦'000	31-Dec 2021 ₦'000
12	**Insurance Contract Liabilities**		
	Provision for outstanding claims	4,649,270	5,033,832
	Unearned premium	2,867,405	2,054,881
		7,516,675	7,088,713
13	**Trade payables**		
	Due to agents	-	-
	Due to brokers	5,999	-
	Due to direct insured	12,713	318
	Due to reinsurers	16,070	-
	Due to insurance companies	54,440	-
	unexpired commssion	275,996	262,143
		365,219	262,461
14	**Provisions and other payables**		
	Industrial training fund	445	6,391
	Insurance levy	1,760	95,000
	profit sharing	35,139	35,139
	Other payables	387,220	335,237
	WHT	2,294	3,052
	VAT	24,463	1,199
	Dividend(Proposed)	198,788	-
	Lease liability	7,643	6,777
		657,752	482,795
15	**Short term borrowings**		
	Balance at the beginning of the year	-	-
	Addtion during the period(Bank balances)	-	-
	Interest payable	-	-
	Payment during the period	-	-
	Overdraft (book balance)	271,987	-
	Balance at the end of the period	271,987	-
16	**Retirement benefits obligations**		
	Balance at the beginning of the year	207,102	195,543
	Benefits paid	-	(8,876)
	Additional provision	-	31,108
	Actuarial (gain)/ loss	-	(10,673)
	Balance at the end of the period	207,102	207,102
17	**Taxation**		
	Per Income Statement		
	Income tax	21,385	25,520
	Education tax	1,044	6,222
	Previous years under provision for income tax	-	6,593
	NITDF levy	-	8,236
	Police fund levy	-	41
	Deferred taxation	-	(2,670)
		22,429	43,942
	Per balance sheet		
	Balance at the beginning of the year	88,504	78,281
	Income tax	21,385	40,390
	Education tax	1,044	6,222
	Payments during the year	-	(36,389)
		110,933	88,504

(a) The amount provided as income tax on the profit for the period has been computed on the basis of the Companies Tax rate of 5% of net premium written in line with the Companies Income Tax Act, CAP C21, LFN 2020 taken into consideration effective income tax rate.

(b) Education tax is computed at 2% of assessable profit in line with Education Tax Act CAP E4, LFN 2004.

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Notes to the Financial Statements

		31-Mar 2022 ₦'000	31-Dec 2021 ₦'000
18	**Deferred taxation**		
	Balance at the beginning of the year	454,071	453,539
	Fair value gains (net)	-	(2,670)
	(Writeback)/provision for the year	-	3,202
	Balance at the end of the period	454,071	454,071
19	**Share Capital**		
i	**Authorised:**		
	20,000,000,000 ordinary shares of 50k per share	10,000,000	10,000,000
ii	**Issued and fully paid:**		
	13,252,562,188 ordinary shares of 50k per share	6,626,281	6,626,281
		6,626,281	6,626,281
20	**Share Premium**		
	Balance at the beginning of the year	36,623	36,623
	Balance at the end of the period	36,623	36,623
21	**Contingency Reserve**		
	Balance at the beginning of the year	2,684,020	2,405,800
	Transfer from profit and loss account	128,311	278,220
	Balance at the end of the period	2,812,331	2,684,020
22	**Retained Earnings**		
	Balance at the beginning of the year	858,104	752,401
	Transfer to Contingency reserves	(128,311)	(278,220)
	Transfer from property revaluation reserve	-	26,953
	Transfer from/to profit and loss	599,604	688,284
	Dividend paid/(proposed)	(198,788)	(331,314)
	Balance at the end of the period	1,130,609	858,104
23	**Property revaluation reserves**		
	Balance at the beginning of the year	737,566	764,519
	Transfer to retained earnings	-	(26,953)
		737,566	737,566
24	**Reserves on Actuarial Valuation of Gratuity**		
	Balance at the beginning of the year	14,973	7,502
	Actuarial gain/(loss) during the year	-	7,471
	Balance at the end of the period	14,973	14,973
25	**Fair value reserve**		
	Balance at the beginning of the year	2,038,165	1,810,269
	Gain on valuation during the period	-	227,896
	Balance at the end of the preiod	2,038,165	2,038,165

Prestige Assurance Plc

Unaudited IFRS Financial Results For
The First Quarter Ended 31st March, 2022

Notes to the Financial Statements

	31-Mar 2022 ₦'000	31-Mar 2021 ₦'000
26 Gross Premium Earned		
Direct Premium	4,155,275	2,854,431
Inward reinsurance premiums	121,758	149,650
Gross Written Premium	4,277,033	3,004,081
(Increase)/decrease in unearned Premium	(812,524)	(344,927)
Gross Premium income	3,464,509	2,659,154
27 Reinsurance Cost		
Reinsurance premium paid	2,165,859	1,387,990
Increase/(Decrease) in Prepaid reinsurance	(270,407)	(252,652)
Reinsurance cost	1,895,452	1,135,338
28 Commission Earned		
Commission receivable during the period	446,703	307,799
Unearned commission Income b/fwd	262,143	179,504
Unearned commission Income c/fwd	(275,996)	(203,647)
Commission Earned	432,850	283,656
29 Commission Paid		
Commission Paid during the period	738,354	479,627
Deferred commission Income b/fwd	355,125	258,867
Deferred commission Income c/fwd	(536,199)	(358,345)
Commission Paid	557,280	380,149
30 Net Claims Incurred		
Claims paid during the year	2,051,673	1,668,785
Increase/(Decrease) Outstanding Claims	(384,562)	(771,276)
Gross Claims Incurred during the year	1,667,110	897,509
Reinsurance Recovered	(1,736,574)	(1,444,275)
Change in reinsurance assets	622,412	764,442
Net claims expenses	552,948	217,676
31 Investment Income		
Interest income		
Interest income on bonds and treasury bills	212,649	165,680
interest income on call and deposit accounts	-	-
Interest income on statutory deposit	2,652	-
Interest income on staff and other loans	193	1
Rental income		
Finance lease contingent rental income	20,159	15,914
Dividends		
Dividends from equity investments	11	8,849
Dividends from un-quoted investments	41,885	-
	277,549	190,444
32 Other Income		
Profit on disposal of property, plant and equipment	5,720	-
Insurance claims recovery	-	282
Sundry income	6,281	3,191
	12,001	3,473