

THIS RIGHTS CIRCULAR IS IMPORTANT AND SHOULD BE READ CAREFULLY.

If you are in any doubt about its contents or the action to be taken, please consult your Banker, Stockbroker, Accountant, Solicitor or any other Professional Adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements made in connection with the Right Circular are provided in sections 85 and 86 of the Investment and Securities Act No. 29, 2007 ("the Act").

**For information concerning certain risk factors which should be considered by shareholders, see "Risk Factors" on page 61- 62 of this Rights Circular**



RC: 6753

RIGHTS ISSUE

OF

13,635,796,006 ORDINARY SHARES OF ₦0.50 EACH

AT

₦0.50 PER SHARE

ON THE BASIS OF THIRTY-EIGHT (38) NEW ORDINARY SHARES FOR EVERY FIFTEEN (15) ORDINARY SHARES

HELD AS AT THE CLOSE OF BUSINESS ON JANUARY 31, 2020

PAYABLE IN FULL ON ACCEPTANCE

ACCEPTANCE LIST OPENS: AUGUST 10, 2020

ACCEPTANCE LIST CLOSSES: SEPTEMBER 17, 2020

THE RIGHTS BEING OFFERED ARE TRADABLE ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE FOR THE DURATION OF THE RIGHTS ISSUE

ISSUING HOUSE:



eczellon  
capital

ECZELLON CAPITAL LIMITED

Rc: 978786

This Right Circular and the securities which it offers, have been cleared and registered by the Securities and Exchange Commission. The Investment and Securities Act provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the Act for false and misleading statements or for any omission of a material fact in this Right Circular.

**THIS RIGHTS CIRCULAR IS DATED JULY 7, 2020**

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# IMPORTANT NOTICE

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No person is authorised to give information or make any representations concerning this Rights Issue. Any information or representation concerning this Issue that is not contained in this circular should not be relied upon as having been authorised by the Issuing House, Eczellon Capital Limited or its Directors.

This Rights Circular is intended to be read in conjunction with publicly available information at the designated office of the Issuer, Prestige Assurance Plc.

Each Investor/Shareholder to whom this Rights Circular is addressed should make his/her own independent evaluation and determine the amount of shares he/she would subscribe to, based on their own investment evaluation. This Rights Circular and the information stated herein do not constitute investment advice or an offer from the Issuing House to subscribe to the shares being offered. The recipient of this Rights Circular is expected to scrutinise the information contained therein and seek professional advice to aid investment decision.

## **Forward Looking Statements:**

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements can be identified by the use of forward-looking terminologies such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminologies. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer’s operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates.

Shareholders should be aware that forward-looking statements are not guarantees of future performance and that the Issuer’s actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Rights Circular.

## **Notice to Shareholders outside Nigeria:**

The distribution of this Rights Circular and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Issuer or the Issuing House that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes, should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

**Shareholders may confirm the clearance of the Rights Circular and registration of the securities with the Securities and Exchange Commission by contacting the Commission on [sec@sec.gov.ng](mailto:sec@sec.gov.ng) or +234(0)94621100; +234(0) 94621168.**

# 1. KEY TERMS AND DEFINITIONS

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"AGM"	Annual General Meeting
"Auditors"	Ernst & Young
"Board"	Board of Directors of Prestige Assurance Plc
"Brokerage"	Fees payable to the Receiving Agents in respect of returns bearing their stamp and duly allotted
"CHN"	Clearing House Number
"Circular" or "Rights Circular"	The legal document through which the offer is being made to a potential investor
"CSCS"	Central Securities and Clearing System
"Daily Official List"	List of companies quoted on the Nigerian Stock Exchange
"Directors"	The members of the Board of Directors of Prestige Assurance Plc as at the date of this Rights Circular are those persons listed out on page 12 of this document
"Existing Shareholders"	Ordinary Shareholders of the Company whose names appear on the register of members as at the Qualification Date.
"Issuer"	"Prestige Assurance Plc" or "Prestige" or "The Company"
"Issuing House"	Ezellon Capital Limited
"LFN"	Laws of the Federation of Nigeria
"NAICOM"	National Insurance Commission
"NSE"	Nigerian Stock Exchange
"Pari Passu"	Equally in all respect
"PAT"	Profit After Tax
"PBT"	Profit Before Tax
"Qualification Date"	January 31, 2020
"Rights Issue" or "the Issue"	The Rights Issue of 13,635,796,006 Ordinary Shares of ₦0.50k each, on the basis of thirty-eight new ordinary shares for every fifteen existing shares held as at the Qualification Date.
"RIN"	Registrars Identification Number
"SEC" or "the Commission"	Securities and Exchange Commission
"Shares"	13,635,796,006 new Ordinary Shares being offered via Rights Issue

## 2. CORPORATE DIRECTORY

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### Head Office and Registered Address:

Prestige Assurance Plc  
Prestige House  
19, Ligali Ayorinde Street  
Victoria Island  
Lagos

**Website:** [www.prestigeassuranceplc.com](http://www.prestigeassuranceplc.com)

### Branches:

Abuja Branch:  
Febson Mall  
Plot 25/25, Herbert Macaulay Way  
Suite T13  
Wuse Zone 4  
Abuja

Ikorodu Road (Lagos) Branch:  
202/204, Ikorodu Road  
Palm Groove  
Lagos

Apapa (Lagos) Branch:  
22, Kofo Abayomi Street  
Apapa  
Lagos

Kano Branch:  
38, Beruit Road  
Civic Centre  
Kano

Ibadan Branch:  
1st Floor, Goodwill House  
53, Oyo Road  
Oremeji Mokola  
Ibadan  
Oyo

Kaduna Branch:  
No. 24, Constitution Road  
Kaduna

Ikeja (Lagos) Branch:  
Trinity Mall  
No. 79/81, Awolowo Way  
Ikeja  
Lagos

Port-Harcourt Branch:  
13, Aba Road  
Port-Harcourt  
Rivers

### 3. ABRIDGED INDICATIVE OFFER TIMELINE

<b>Event</b>	<b>Date</b>	<b>Responsibility</b>
Acceptance list opens/Trading in Rights opens	August 10, 2020	Issuing House
Acceptance list closes/Trading in Rights closes	September 17, 2020	Issuing House
Receiving Agents make returns	September 22, 2020	Registrars/Issuing Houses
Forward Allotment Proposal and Draft Allotment Announcement (Newspaper Advertisement) to SEC	September 29, 2020	Issuing House
Receive SEC clearance of Allotment Proposal	October 2, 2020	Issuing House
Disburse net proceeds of the Rights Issue to Prestige Assurance Plc	October 5, 2020	Receiving Banks/Issuing House
Publish Allotment Announcement in two (2) national newspapers	October 6, 2020	Issuing House
Return rejected monies/excess application monies	October 12, 2020	Issuing House/Registrars/Receiving Agents
Credit CSCS accounts	October 14, 2020	Registrars
Forward declaration of compliance to NSE	October 15, 2020	Stockbrokers
Listing of new shares on NSE/Trading Commences	October 16, 2020	Issuing House/Stockbrokers
Forward post completion report to SEC	October 21, 2020	Issuing House

*\*Please note that all dates are only indicative and are subject to change without prior notice.*

## 4. THE RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the Investment and Securities Act No. 29 2007 and the Rules and Regulations of the Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to shareholders and the public with regards to the Rights Issue of 13,635,796,006 Ordinary Shares of 50kobo each in Prestige Assurance Plc by the Issuing House. An application has been made to the Council of the NSE for the admission to its daily official list of the 13,635,796,006 Ordinary Shares of 50kobo each being issued via the Rights Issue.

The Directors of Prestige Assurance Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors of Prestige have taken all reasonable care to ensure that the information contained herein are true and accurate in all respects and confirm having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The shares to be issued by the Company pursuant to the Rights Issue will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company.

ISSUING HOUSE:



RC: 978786

ON BEHALF OF:



RC: 6753

IS AUTHORISED TO RECEIVE ACCEPTANCES FOR THE

### RIGHTS ISSUE OF

**13,635,796,006 ORDINARY SHARES OF ₦0.50 EACH AT ₦0.50 PER SHARE**

ON THE BASIS OF THIRTY-EIGHT (38) NEW ORDINARY SHARES FOR EVERY EXISTING FIFTEEN (15) ORDINARY SHARES HELD AS AT CLOSE OF BUSINESS ON JANUARY 31, 2020 FOR THOSE SHAREHOLDERS WHOSE NAMES APPEAR ON THE REGISTER OF MEMBERS AND TRANSFER BOOKS OF THE COMPANY

PAYABLE IN FULL ON ACCEPTANCE

THE ACCEPTANCE LISTS FOR THE ORDINARY SHARES NOW BEING OFFERED WILL OPEN ON AUGUST 10, 2020 AND CLOSE ON SEPTEMBER 17, 2020

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT DECEMBER 31, 2019	Audited (₦'000)
Authorised Share Capital: 20,000,000,000 ordinary shares of 50k per share	10,000,000
<b>Equity and Reserves:</b>	
Issued and Paid up Share Capital: 5,382,551,055 ordinary shares of 50k per share	2,691,275
Share Premium	327,548
Contingency Reserves	2,195,538
Retained Earnings	746,727
Property Revaluation Reserves	791,472
Gratuity Revaluation Reserve	(8,567)
Fair Value Reserve	1,701,742
<b>Total Equity</b>	<b>8,445,735</b>



## 5. SUMMARY OF THE RIGHTS ISSUE

<i>This summary should be read in conjunction with the full text of this Rights Circular, from which it is derived:</i>																																									
Issuer	Prestige Assurance Plc ("Prestige" or "the Company" or "the Issuer")																																								
The Issue	13,635,796,006 Ordinary Shares of ₦0.50 each on the basis of thirty-eight (38) new ordinary shares for every existing fifteen (15) ordinary shares held at ₦0.50 per share.																																								
Issuing House	Ecellon Capital Limited ("Ecellon")																																								
Share Capital	<p><b>Authorised Share Capital:</b> ₦10,000,000,000 comprising of 20,000,000,000 Ordinary Shares at ₦0.50k each</p> <p><b>Issued and Fully Paid:</b> ₦2,691,275,528 comprising of 5,382,551,055 Ordinary Shares at ₦0.50K each</p> <p><b>Now being Issued:</b> 13,635,796,006 Ordinary Shares of ₦0.50K each at 50K Per Share</p>																																								
Method of Offer	By way of a Rights Issue to existing shareholders of the company as at the qualification date																																								
Purpose	This Rights Issue is being undertaken to enable Prestige Assurance Plc meet the revised minimum capital requirement of ₦10,000,000,000 (Ten Billion Naira) as stipulated by the industry regulator NAICOM, being the statutory requirement for the operation of a General Insurance Business.																																								
Use of Proceeds	<p>Following the deductions of offer costs – estimated at ₦143,098,240.16, the proceeds will be applied as stated below. Details on utilization can be found on page 64.</p> <table border="1"> <thead> <tr> <th>Use of Proceeds</th> <th>Amount (₦)</th> <th>%</th> <th>Completion Period</th> </tr> </thead> <tbody> <tr> <td>Enhancement of Investment and Underwriting Portfolio</td> <td>4,239,351,824.51</td> <td><b>63.5%</b></td> <td>Immediate</td> </tr> <tr> <td>Statutory Deposits with the Central Bank of Nigeria</td> <td>700,000,000.00</td> <td><b>10.5%</b></td> <td>Immediate</td> </tr> <tr> <td>Working Capital Enhancement</td> <td>667,479,976.28</td> <td><b>10.0%</b></td> <td>Immediate</td> </tr> <tr> <td>Upgrade of ICT Infrastructure for operations and E-business.</td> <td>333,739,988.14</td> <td><b>5.0%</b></td> <td>2021 (12 Months)</td> </tr> <tr> <td>Human Capital Development</td> <td>333,739,988.14</td> <td><b>5.0%</b></td> <td>2021 (12 Months)</td> </tr> <tr> <td>Research and Development</td> <td>133,495,995.26</td> <td><b>2.0%</b></td> <td>2021 (12 Months)</td> </tr> <tr> <td>Corporate Communications and Advertising</td> <td>166,869,994.07</td> <td><b>2.5%</b></td> <td>2021 (12 Months)</td> </tr> <tr> <td>Retail and Branch Expansion</td> <td>100,121,996.44</td> <td><b>1.5%</b></td> <td>2023 (36 Months)</td> </tr> <tr> <td><b>Total</b></td> <td><b>6,674,799,762.84</b></td> <td><b>100.00%</b></td> <td></td> </tr> </tbody> </table>	Use of Proceeds	Amount (₦)	%	Completion Period	Enhancement of Investment and Underwriting Portfolio	4,239,351,824.51	<b>63.5%</b>	Immediate	Statutory Deposits with the Central Bank of Nigeria	700,000,000.00	<b>10.5%</b>	Immediate	Working Capital Enhancement	667,479,976.28	<b>10.0%</b>	Immediate	Upgrade of ICT Infrastructure for operations and E-business.	333,739,988.14	<b>5.0%</b>	2021 (12 Months)	Human Capital Development	333,739,988.14	<b>5.0%</b>	2021 (12 Months)	Research and Development	133,495,995.26	<b>2.0%</b>	2021 (12 Months)	Corporate Communications and Advertising	166,869,994.07	<b>2.5%</b>	2021 (12 Months)	Retail and Branch Expansion	100,121,996.44	<b>1.5%</b>	2023 (36 Months)	<b>Total</b>	<b>6,674,799,762.84</b>	<b>100.00%</b>	
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<b>Total</b>	<b>6,674,799,762.84</b>	<b>100.00%</b>																																							
Provisional Allotment	Thirty-Eight (38) new ordinary Shares for every Fifteen (15) existing ordinary Shares of ₦0.50 each held as at the Qualification Date, for those shareholders whose names appeared on the Register of members and transfer books of the Company as at January 31, 2020																																								
Issue Price	₦0.50k																																								

## 5. SUMMARY OF THE RIGHTS ISSUE

Gross Issue Proceeds	₦6,817,898,003.00					
Net Issue Proceeds	₦6,674,799,762.84					
Payment Terms	In full on acceptance					
Currency	Nigerian Naira (₦)					
Status	All shares issued shall rank <i>pari passu</i> in all respects with the issued ordinary shares of the Company.					
Market Capitalization at Rights Issue Price	Pre Issue: ₦2,691,275,527.50 Post Issue: ₦9,509,173,530.50 (assuming all provisionally allotted shares are fully taken up on completion of the Rights Issue).					
Offer Opening Date	August 10, 2020					
Offer Closing Date	September 17, 2020					
Qualification Date	January 31, 2020					
Application for additional shares	Shares that are not taken up by the offer closing date will be allotted to shareholders who apply for additional shares on a pro-rata basis i.e. all subscribers will be allotted equal proportion of the amount applied for, in line with SEC's rules and regulations.					
Underwritten	At the instance of the Issuer, this Issue is not underwritten					
Financial Summary		<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
	Gross Premium Written	6,128,662	4,792,385	3,808,516	2,614,264	2,430,533
	PBT	509,605	645,430	697,989	340,394	20,339
	PAT	431,828	423,795	531,841	174,246	-137,003
	Total Assets	13,179,445	13,020,999	11,775,553	9,689,587	10,367,741
	Net Assets	8,445,735	8,101,086	7,508,121	6,228,262	5,809,578
	EPS (Kobo)	8.02	7.89	9.90	4.13	-2.94
Quotation	Prestige Assurance Plc's entire issued and paid up capital is listed on the NSE. The new shares being offered shall also be quoted on the NSE, an application has been made to the council of the Exchange for the admission of the Shares to its daily official list.					
Status	The Shares being issued will rank <i>Pari-Passu</i> in all respects with the existing issued Ordinary Shares of the Company.					
Indebtedness	As at December 31, 2019, the company's indebtedness stood at ₦10.029Mn in the ordinary course of business. This represents the book balance of the overdraft facility obtained during the financial year.					

## 5. SUMMARY OF THE RIGHTS ISSUE

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Claims and Litigation	<p>The Company in the ordinary course of business is presently involved in four (4) pending litigation cases ("Cases"). The total number of Cases instituted against the Company is three (3) whilst the Company initiated proceedings in one (1) case.</p> <p>The total amount claimed in the three (3) cases instituted against the Company is estimated at ₦444,725,595.89 (Four Hundred and Forty-Four Million, Seven Hundred and Twenty-Five Thousand, Five Hundred and Ninety-Five Naira and Eighty-Nine Kobo Only). The amount in the case instituted by the Company is ₦100,000,000 (One Hundred Million Naira).</p> <p>The Solicitors to the Issue are of the opinion that the aforementioned Cases are not likely to have any material adverse effect on the Company or the proposed Rights Issue and are not aware of any other pending and/or threatened claims or litigation, which may be material to the Rights Issue.</p> <p>A schedule of the Cases in which the Company is involved is available for inspection at the registered office of the Company.</p>
Settlement	<p>The CSCS accounts of shareholders will be credited not later than 15 working days from the date the allotment proposal is cleared. Shareholders are hereby advised to indicate the names of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces provided in the Acceptance Form.</p> <p>According to the SEC directive on dematerialization of Share Certificates, Shareholders who do not have valid CHN and CSCS account numbers will have their shares credited using a RIN.</p> <p>A RIN is a number allocated to Shareholders who do not have valid CHN and CSCS Numbers and is used for the purpose of warehousing their shareholding in public companies under the Registrars custody at CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Shareholders who do not have a valid CHN and CSCS account number are advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.</p>
Trading in Rights	The Rights are tradeable on the Exchange between August 10, 2020 and September 17, 2020

## 6. DIRECTORS AND COMPANY SECRETARY OF PRESTIGE ASSURANCE PLC

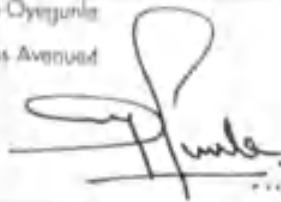
### Chairman, Board of Directors

Dr. Adedoyin Salami  
71, Lewis Street  
Lagos



### Directors

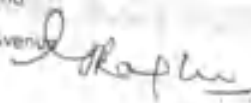
Mr. Mufaru Olokunle Oyejuna  
121, Funso Williams Avenue  
Ipani  
Lagos



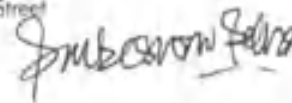
Mrs. Funmi Oyetunji  
4/6/1 Ocean Parade Towers  
1<sup>st</sup> Avenue  
Banana Island, Ikoyi  
Lagos



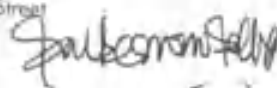
Mr. Gopalan Raghun  
88, Oba Akran Avenue  
Ipani  
Lagos



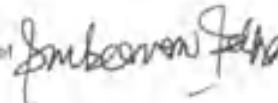
Mr. Sarbeswar Sahoo  
19 Ligali Ayarinde Street  
Victoria Island  
Lagos



Mr. Atul Sahai  
19 Ligali Ayarinde Street  
Victoria Island  
Lagos

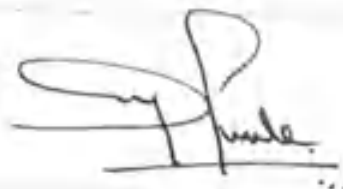


Mr. Anjan Dey  
19 Ligali Ayarinde Street  
Victoria Island  
Lagos



### Company Secretary

Mr. Abayomi Odulana  
19 Ligali Ayarinde Street  
Victoria Island  
Lagos



## 7. PROFESSIONAL PARTIES TO THE ISSUE

### Issuing House

Ezellion Capital Limited  
 Plot 161C (Building A) Rofu Taylor Close  
 Off Idejo Street, *2nd Floor CA*  
 Victoria Island  
 Lagos

### Solicitors to the Issue

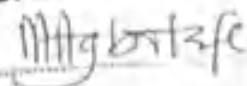
Dualé, Owa & Alim - Adedipe  
 1, Prof. Olayokun Olabisi Street  
 Remi Olowude Way  
 Lekki Phase I  
 Lagos

### Stockbrokers

Imperial Asset Managers Limited  
 The Ebenezer Place  
 148A, Reja Way, Off Association Road  
 Dolphin Estate, Ikoyi  
 Lagos

### Registrars


First Registrars and Investor Services Limited  
 2, Abebe Village Road  
 Iganmu  
 Road

**MODUPEOLA AJIGBOTAFE**  


### Receiving Banks

First Bank Nigeria Limited  
 Samuel Asabia House  
 35 Marina  
 Lagos

Sterling Bank Plc  
 Sterling Tower  
 20 Marina  
 Lagos

**DAPD OSUNKOJA**  


### Auditors

Ernst & Young (EY Nigeria)  
 12<sup>th</sup> & 13<sup>th</sup> Floors, UBA House  
 57 Marina  
 Lagos

~~Adewuyi Adeseyemo~~  
**Adewuyi Adeseyemo**

## 8. AUDIT COMMITTEE MEMBERS

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<b>Audit Committee Members</b>	
Engr. Olayiwola Tubun 19, Ligali Ayorinde Street, Victoria Island, Lagos	Mr. Muftau Olakunle Oyegunle 121, Funsho Williams Avenue Iponri Lagos
Mr. Sarbeswar Sahoo 19, Ligali Ayorinde Street, Victoria Island, Lagos	Mr. Gopalan Raghu 88, Oba Akran Avenue Iponri Lagos
Mrs. Anike Odusote 19, Ligali Ayorinde Street, Victoria Island, Lagos	Mr. Sekoni Nurudeen 19, Ligali Ayorinde Street, Victoria Island, Lagos



# PRESTIGE ASSURANCE PLC

RC: 4753

A Subsidiary Company of The New India Assurance Co. Ltd. (Mumbai), India  
HEAD OFFICE: 19, Ligali Ayarinde Street, Victoria Island P.O. Box 650, Marina, Lagos, Nigeria  
Tel: +(234) 08058930313, 08058900333, 0100PRESTIGE (77379443) Fax: 8713712  
E-mail: info@prestigeassurancplc.com Website: www.prestigeassurancplc.com

11<sup>th</sup> December, 2019

Prestige Assurance Plc  
19, Ligali Ayarinde Street  
Victoria Island  
Lagos  
To: All Shareholders of Prestige Assurance Plc

Dear Sir/Madam,

RIGHTS ISSUE OF 13,635,796,006 ORDINARY SHARES OF ₦0.50K EACH AT ₦0.50K PER SHARE BY PRESTIGE ASSURANCE PLC

### 1. Introduction:

The National Insurance Commission ("NAICOM") released a circular on 20<sup>th</sup> May, 2019 on the new requirement for the Minimum Paid up share capital for insurance companies in Nigeria, which communicates in details, the upward review of the minimum capital requirement for life, general, composite and reinsurance businesses to ₦8Billion, ₦10Billion, ₦18Billion and ₦20Billion respectively, effective 1<sup>st</sup> January 2021.

In line with the directive from NAICOM, Prestige Assurance Plc ("Prestige" or "the Company") requires additional capital to the tune of ₦6,817,898,003 (Six Billion, Eight Hundred and Seventeen Million, Eight Hundred and Ninety-Eight Thousand and Three Naira Only) to comply with the new minimum capital requirement of ₦10Billion to operate as a general insurance business in Nigeria.

Following the above, you had at the Annual General Meeting ("AGM") duly convened and held on 29<sup>th</sup> July, 2019, authorised the Board of Directors of Prestige to proceed to raise additional capital by way of a Rights Issue to its existing shareholders based on terms the directors may deem fit.

Furthermore, the Directors of Prestige at the board meeting held on 29<sup>th</sup> July, 2019 approved the issuance of 13,635,796,006 Ordinary Shares of ₦0.50k Each at ₦0.50k per Share on the basis of thirty-eight (38) new ordinary shares for every existing fifteen (15) ordinary shares of the Company. Accordingly, the Directors have sought relevant regulatory approvals from the Securities and Exchange Commission ("SEC") and NAICOM for the registration and listing of shares being issued.



Authorised and Regulated by the National Insurance Commission (NIC) 011

**Directors:**  
Dr. Dayin Salami (Chairman), Mr. Atal Sahai (Indian), Mr. M.O. Oyejunks, Mr. G. Raju (Indian),  
Mr. Anjan Dey (Indian), Mr. Fumi Oyetunji, Mr. V. Raja (Indian), Mr. Subenwar Saha (Indian) (Managing)

## 9. THE CHAIRMAN'S LETTER

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This Capital Raise, in addition to meeting NAICOM's regulatory requirements, will support the Company's strategic plan of increasing its Gross Premium Income and maximizing profits via expansion and deepening the Company's digital marketing, intensification of its retail sales, strengthening the company's portfolio of products in the retail market and increasing physical presence of the company nationwide by expanding its network of micro offices. Also, it is worthy to note that the Company has adequate working capital to continue to fund daily operations and settle current obligations as they become due.

This letter therefore sets out the rationale and impacts of the Rights Issue to the shareholders and company.

### 2. Rationale for the Rights Issue

The recent upward review of the minimum capital requirement as stipulated by NAICOM has necessitated Prestige Assurance Plc to raise additional capital via a Rights Issue. Prestige Assurance Plc currently has an admissible capital of ₦3,663,225,528 (Three Billion, Six Hundred and Sixty-Three Million, Two Hundred and Twenty-five Thousand, Five Hundred and Twenty-eight Naira Only). The company however seeks additional ₦6,817,898,003 (Six Billion, Eight Hundred and Seventeen Million, Eight Hundred and Ninety-Eight Thousand, Three Naira Only) in order to satisfy the ₦10,000,000,000 (ten Billion Naira Only) minimum capital required to operate as a general insurance business.

The Company has resolved to embark on a Rights Issue exercise to give existing shareholders the opportunity to retain shareholding position and make further investment in the Company by subscribing to their Rights whilst ensuring compliance with regulations by relevant regulatory authorities.

### 3. Use of Proceeds:

The proceeds of the Rights Issue will be utilized to achieve the new minimum capital requirement as stipulated by NAICOM and also create an avenue for the company to embark on strategic business expansion activities.

### 4. Terms of the Rights Issue:

Prestige Assurance Plc is offering 13,635,796,006 Ordinary Shares of ₦0.50k Each of ₦0.50k Per Share on the basis of Thirty-Eight (38) new shares for every Fifteen (15) existing shares held as at the qualification date. The shares will rank pari-passu in all respects with the issued ordinary shares of the Company. The shares will also be tradeable on the floor of the Nigerian Stock Exchange for the period of the offer. Shareholders who wish to trade their Rights should seek relevant advice from their Stockbrokers to guide them on the process.



## 9. THE CHAIRMAN'S LETTER

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### **B. Conclusion:**

This Board of Prestige Assurance Plc highly recommends that Shareholders take up their Rights. Shareholders that accept their Rights are expressing their commitment in ensuring that the Company is strategically positioned to achieve its long term growth objectives in the Insurance Sector.

Yours Faithfully,



Dr. Adel Amin Salami  
Chairman, Board of Directors

# 10. SWORN LETTER OF DECLARATION



## PRESTIGE ASSURANCE PLC

RC: 6753

A Subsidiary Company of The New India Assurance Co. Ltd. (Mumbai) India  
HEAD OFFICE 19, Ligali Ayorinde Street, Victoria Island P.O. Box 650, Mainland, Lagos, Nigeria  
Tel: (234) 08058820333, 08058820333, 0700PRESTIGE (77378443) Fax: 2713719  
E-mail: info@prestigeassuranceplc.com, Website: www.prestigeassuranceplc.com

BARRISTERS &  
NOTARIES PUBLIC  
6, Tokunboh Street, Lagos Island  
February 4, 2020

6, Tokunboh Street, Lagos Island

The Director General  
Securities and Exchange Commission  
272/273 Samuel Adesujo Ademulegun Crescent  
Central Business District  
Abuja

Dear Sir,

**PRESTIGE ASSURANCE PLC – RIGHTS ISSUE OF 13,635,796,006 ORDINARY SHARES OF ₦0.50K EACH AT ₦0.50K PER SHARE ON THE BASIS OF THIRTY-EIGHT (38) NEW ORDINARY SHARES FOR EVERY FIFTEEN (15) ORDINARY SHARES – SWORN DECLARATION ON FULL DISCLOSURE**

The Issuing House, on behalf of Prestige Assurance Plc "the Company" or "the Issuer", has prepared this Rights Circular with the aim of providing to investors, relevant details of the Company with respect to its Rights Issue. In line with Rule 280 (3) of the Rules and Regulations of the Securities and Exchange Commission and on behalf of the Directors of the Company, we hereby make the following declarations:

1. The Directors of Prestige Assurance Plc have taken all reasonable care to ensure that the information stated in the Rights Circular, is to the best of our knowledge and belief, true and accurate in all material respects and in accordance with the facts. We confirm that, to the best of our knowledge and belief, there are no omissions, which would make any fact or opinion herein misleading or untrue.
2. We confirm that there has been no significant change in the financial conditions or material adverse change in the financial prospects of the Company as at the date of the Rights Circular.
3. We hereby make this sworn declaration that we have fully disclosed all material facts in the Rights Circular prepared in connection with the Right Issue.

Signed for and on behalf of:  
PRESTIGE ASSURANCE PLC

*Mr. Abayomi Odulana*  
Mr. Abayomi Odulana  
Company Secretary

*Mr. Emmanuel Oluwadare*  
Mr. Emmanuel Oluwadare  
Chief Financial Officer

*Mr. Sarbeswar Sahoo*  
Mr. Sarbeswar Sahoo  
Managing Director/CEO

OLAYINKA, A; DOHERTY ESQ.  
OLAYINKA, A. DOHERTY & CO.  
BARRISTERS, SOLICITORS AND  
NOTARIES PUBLIC  
6, Tokunboh Street, Lagos Island  
Lagos State



Authorized and Regulated by the National Insurance Commission (NIC) 033

Directors  
Dr. Doyin Salami (Chairman), Mr. G. Srinivasan (Indian), Mr. G. Raghu (Indian), Mr. M. O. Oyesunke,  
Mrs. Funmi Adetunji, Mr. S. Pradhan (Indian), Mr. S. Sahoo (Indian), Dr. Balla Swamy (Indian) (Managing)

# 11. LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS



## PRESTIGE ASSURANCE PLC

RC: 6753

A Subsidiary Company of The New India Assurance Co. Ltd. (Mumbai) India  
HEAD OFFICE 19, Ligali Ayinde Street, Victoria Island P.O. Box 650, Marina, Lagos, Nigeria  
Tel: + (234) 08098830333, 08058830333, 0700PRESTIGE (77278443) fax: 27117712  
E-mail: info@prestigeassuranceplc.com Website: www.prestigeinsuranceplc.com

13<sup>th</sup> December, 2019

The Directors  
Ezcellon Capital Limited  
161C Rasifu Taylor Close  
Off Idejo Street  
Victoria Island  
Lagos

Dear Sirs,

### CONFIRMATION OF THE GOING CONCERN STATUS OF PRESTIGE ASSURANCE PLC.

We write with reference to the above subject matter;

In line with the provisions of the Companies and Allied Matters Act, (CAP C20 LFN 2004), the Directors of Prestige Assurance Plc ("Prestige" or "the Company") are required to prepare financial statements for each financial year that presents, in all respects, the true and fair state of affairs of the Company and of the profit or loss and other comprehensive income of the Company. The Directors are responsible for establishing adequate internal controls to safeguard its assets, prevent and detect fraud and other irregularities. They are also responsible for preparing the financial statements of the Company using suitable accounting policies supported by reasonable and prudent judgements, and are consistently applied.

The applicable International Financial Reporting Standards ("IFRS") have been followed and the Company's financial statements are prepared using accounting policies that comply with general accounting standards in Nigeria, including the Companies and Allied Matters Act, (CAP C20 LFN 2004), Insurance Act 2003 and the Financial Report Council of Nigeria Act, No.6, 2011.

The Directors therefore note that nothing has come to their attention to indicate that the company will not remain a going concern in the foreseeable future.

Yours Faithfully,

  
Saboo Sarberson  
Executive Director



  
NESTOR CHIKEZIE ORJI ESQ.  
NOTARY PUBLIC OF NIGERIA  
NO. 85, IGEWU STREET OLODI  
APAPA - LAGOS.  
CALL NO 509 00988  
YEAR OF CALL 1988  
Tel: 01164440788, 08088-800016  
E-mail: nestorji@yahoo.co.uk

  
M.O. Dye  
Non-Exec

Authorized and Resolved by the

Directors:

Dr. Doyin Salami (Chairman), Mr. G. Srinivasan (Indian), Mr. G. Raghuram (Indian),  
Mr. Femi Aderunji, Mr. S. Padhan (Indian), Mr. S. Saboo (Indian), Dr. Bala Suresh

## 12. LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS



**Ernst & Young**  
10th Floor  
UBA House  
57, Marina  
P. O. Box 2442, Marina  
Lagos.

Tel: +234 (01) 631 4500  
Fax: +234 (01) 463 0481  
Email: [Services@ng.ey.com](mailto:Services@ng.ey.com)  
[www.ey.com](http://www.ey.com)

The Directors  
Prestige Assurance Plc  
19, Ligali Ayorinde Street  
Victoria Island  
Lagos

and

The Directors  
Ezellon Capital Limited  
161c (Building A) Raufu Taylor Close  
Off Idejo Street  
Victoria Island  
Lagos

Dear Sir/Madam,

**PRESTIGE ASSURANCE PLC - RIGHTS ISSUE OF 13,635,796,006 ORDINARY SHARES OF 50 KOBO EACH ON THE BASIS OF 38 NEW ORDINARY SHARES FOR EVERY 15 ORDINARY SHARES AT 50 KOBO PER SHARE AMOUNTING TO N6.8 BILLION.**

We have audited the financial statements of Prestige Assurance Plc for the year ended 31 December 2018 and issued our report dated 25 March 2019. The financial statement was prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (IASB) and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council Act No.6, 2011 and National Insurance Commission guidelines and circulars.

We conducted our audit in accordance with International Standards on Auditing (ISA). One of our responsibilities under these standards is to obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statement, and to conclude based on the audit evidences obtained, whether a material uncertainty exists about the entity's ability to continue as a going concern. Our Audit report on the 2018 financial statements does not contain a modification in relation to going concern as a material uncertainty paragraph.

We note however that as described in ISA 200 "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standard on Auditing", the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for future events or conditions that may cause an entity to cease to continue as a going concern. We cannot predict such future events and conditions. Accordingly, the absence of any reference to material uncertainty about the Company's ability to continue as a going concern in our auditor's report can not be viewed as a guarantee as to the Company's ability to continue as a going concern.

This letter is issued solely in relation to the above mentioned proposed transaction for regulatory filing purpose.

Yours Faithfully

Jamilu Olakisan, FCA, FRC/2013/ICAN/00000003918  
For: Ernst and Young  
Lagos, Nigeria



## 13. FIVE- YEAR FINANCIAL INFORMATION

### 13.1 Statement of Profit or Loss and Other Comprehensive Income

	2019	2018	2017	2016	2015
	¥'000	¥'000	¥'000	¥'000	¥'000
Gross premium written	6,128,662	4,792,385	3,808,516	2,614,264	2,430,533
Reinsurance expenses	(2,963,077)	(2,380,781)	(1,936,597)	(1,445,723)	(1,506,867)
Net premium income	2,963,063	2,281,491	1,448,481	1,101,808	927,747
Fees and commission income	755,606	638,449	501,948	365,923	383,916
<b>Net underwriting income</b>	<b>3,718,669</b>	<b>2,919,940</b>	<b>1,950,429</b>	<b>1,467,731</b>	<b>1,311,663</b>
Claims expenses	(1,438,210)	(1,232,185)	(655,735)	(429,790)	(1,024,552)
Acquisition expenses	(935,756)	(664,425)	(483,596)	(369,349)	(324,622)
Maintenance expenses	(832,933)	(572,656)	(475,703)	(414,518)	(384,803)
<b>Underwriting expenses</b>	<b>(3,206,899)</b>	<b>(2,469,266)</b>	<b>(1,615,034)</b>	<b>(1,213,657)</b>	<b>(1,733,977)</b>
<b>Underwriting profit</b>	<b>511,770</b>	<b>450,674</b>	<b>335,395</b>	<b>254,074</b>	<b>(422,314)</b>
Interest income	448,098	533,921	539,569	-	-
Other investment income	254,761	365,359	291,370	417,824	532,637
Net fair value (loss)/gain on financial assets	(35,209)	(49,199)	40,602	(18,433)	(154,391)
Net fair value gain on investment property	45,731	106,706	152,438	(13,436)	165,146
	<b>1,225,151</b>	<b>1,407,461</b>	<b>1,359,374</b>	<b>640,029</b>	<b>121,078</b>
Other operating income	25,321	5,429	30,774	146,361	336,494
	1,250,472	1,412,890	1,390,148	786,390	457,572
Management expenses	(715,884)	(762,619)	(683,933)	(435,394)	(418,200)
Credit loss expense	(19,473)	(4,841)	-	-	-
Results from operating activities	515,115	645,430	706,215	350,996	39,372
Finance costs	(5,510)	-	(8,226)	(10,602)	(19,033)
Profit before income tax expense	509,605	645,430	697,989	340,394	20,339
Development Levy			-	-	-
Income tax expense	(77,777)	(221,635)	(166,148)	(118,402)	(157,342)
Profit for the year	431,828	423,795	531,841	221,992	(137,003)

## 13. FIVE- YEAR FINANCIAL INFORMATION

	2019	2018	2017	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Other comprehensive income:</b>					
<b><i>Items within OCI that may be reclassified to profit or loss in subsequent periods, net of tax:</i></b>					
Actuarial gain-change in assumption	-	-	-	-	-
Actuarial loss-experience adjustment	-	-	-	-	-
Net gain on valuation of available-for-sale financial assets	-	-	779,413	177,054	109,192
<b><i>Items within OCI that will not be reclassified to profit or loss in subsequent periods net of tax:</i></b>					
Revaluation gain on equity instruments at fair value through other comprehensive income (no tax impact)	16,212	180,278	-	-	-
Re-measurement gain/(loss) on defined benefit plan (net of tax)	(23,779)	28,645	(23,274)	19,638	(8,185)
Gain on revaluation of Land and Buildings (net of tax)	81,865	-	-	-	-
Transfer to revenue account	-	-	(8,121)	-	34,930
Total other comprehensive income for the year, net of tax	74,298	208,923	748,018	196,692	135,937
Total comprehensive income for the year, net of tax	506,126	632,718	1,279,859	418,684	(1,066)
Basic earnings per ordinary share (kobo)	8.02	7.89	9.90	4.13	(2.94)
Diluted earnings per ordinary share (kobo)	8.02	7.89	9.90	4.13	(2.94)



# 13. FIVE- YEAR FINANCIAL INFORMATION

## 13.2 Statement of Financial Position

	2019	2018	2017	2016	2015
	¥'000	¥'000	¥'000	¥'000	¥'000
<b>Assets</b>					
Cash and cash equivalents	798,109	955,338	1,010,492	862,680	1,312,659
Financial assets:					
- Fair value through profit or loss	174,598	209,807	259,006	495,841	514,274
- Equity instruments at fair value through other comprehensive income	2,121,889	2,105,676	-	-	-
- Debt instruments at amortised cost	2,543,216	2,535,445	-	-	-
- Held-to-trading	-	-	-	-	-
- Held-to-maturity	-	-	2,420,199	1,622,105	698,908
- Available-for-sale	-	-	1,878,385	1,098,213	820,187
- Loans and receivables	-	-	49,527	97,199	85,145
Trade receivables	21,616	7,753	6,517	7,931	2,723
Prepayment & other receivables	275,723	70,228	57,076	51,982	92,705
Reinsurance assets	2,371,252	2,533,080	1,705,937	1,339,406	2,686,944
Deferred acquisition costs	224,636	170,292	154,149	92,839	87,130
Finance lease receivables	204,184	203,165	184,030	132,943	129,070
Investment property	2,591,439	2,545,708	2,439,002	2,286,564	2,300,000
Intangible assets	33,978	39,786	44,475	9,162	10,152
Property, plant and equipment	1,518,805	1,344,721	1,266,758	1,292,722	1,327,844
Statutory deposit	300,000	300,000	300,000	300,000	300,000
<b>Total assets</b>	<b>13,179,445</b>	<b>13,020,999</b>	<b>11,775,553</b>	<b>9,689,587</b>	<b>10,367,741</b>
<b>Liabilities</b>					
Insurance contract liabilities	3,521,794	3,605,248	2,643,592	1,799,210	3,197,127
Trade payables	266,537	270,938	467,266	241,066	279,544
Other liabilities	176,630	225,017	295,978	565,557	107,590
Borrowings	10,029	2,553	72,078	152,335	223,149
Retirement benefits obligation	210,744	149,682	164,290	107,646	136,408
Current income tax payable	87,530	224,693	162,372	127,950	145,786
Deferred tax liabilities	460,446	441,782	461,856	467,561	468,559
<b>Total liabilities</b>	<b>4,733,710</b>	<b>4,919,913</b>	<b>4,267,432</b>	<b>3,461,325</b>	<b>4,558,163</b>
<b>Equity</b>					
Share capital	2,691,275	2,691,275	2,685,216	2,685,216	2,685,216
Share premium	327,548	327,548	1,127,599	1,127,599	1,127,599
Statutory contingency reserve	2,195,538	2,011,678	1,867,906	1,753,651	1,675,223
Retained earnings/(accumulated losses)	746,727	644,402	(347,325)	(776,511)	(945,069)
Gratuity valuation reserve	(8,567)	15,212	(13,433)	9,841	(9,797)
Fair value reserve	1,701,742	1,685,530	-	-	-
Available for sale reserve	-	-	1,450,955	671,542	494,488
Property revaluation reserve	791,472	725,441	737,203	756,924	781,918
<b>Total equity</b>	<b>8,445,735</b>	<b>8,101,086</b>	<b>7,508,121</b>	<b>6,228,262</b>	<b>5,809,578</b>
<b>Total liabilities and equity</b>	<b>13,179,445</b>	<b>13,020,999</b>	<b>11,775,553</b>	<b>9,689,587</b>	<b>10,367,741</b>

# 13. FIVE- YEAR FINANCIAL INFORMATION

## 13.3 Statement of Cashflow

	2019 ₹'000	2018 ₹'000	2017 ₹'000	2016 ₹'000	2015 ₹'000
<b>Cash flows from operating activities</b>					
Premiums received from policy holders	6,114,799	4,791,149	3,809,930	2,609,056	2,428,902
Commissions received	755,606	638,449	501,948	365,923	383,916
Commission paid	(990,100)	(680,568)	(544,906)	(375,058)	(340,536)
Reinsurance premium paid	(3,079,587)	(2,386,356)	(2,118,235)	(1,429,607)	(1,505,638)
Claims paid	(3,883,710)	(3,165,205)	(1,333,405)	(1,896,206)	(3,447,163)
Claims recoverable from re-insurers	2,441,538	1,920,623	927,416	1,333,188	1,580,787
Other operating cash payments	(1,679,671)	(1,534,887)	(1,129,920)	(315,612)	(1,024,601)
Other operating cash receipt	21,464	1,771	26,015	118,252	289,944
Cash flows (used in)/generated from operating activities	(299,661)	(415,024)	138,843	409,936	(1,634,389)
Income tax paid	(221,171)	(158,850)	(123,976)	(145,651)	(170,028)
Benefits paid	(12,405)	(14,289)	(14,894)	(35,634)	(22,321)
<b>Net cash used in operating activities</b>	(533,237)	(588,163)	(27)	228,651	(1,826,738)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(95,297)	(134,138)	(37,833)	(18,799)	(32,801)
Purchase of investment property	-	-	-	-	(34,854)
Purchase of intangible assets	-	(1,100)	(41,000)	(598)	(6,280)
Proceeds from disposal of property, plant and equipment	6,030	1,059	1,924	589	4,720
Purchase of held-for-trading assets	-	-	-	-	(44,352)
Proceeds on disposal of held-for-trading assets	-	-	402,606	-	233,371
Purchase of available-for-sales financial assets	-	-	-	(100,972)	(972)
Purchase of held-to-maturity financial assets	-	-	(614,312)	(1,001,321)	(531,713)
Proceeds on redemption of held-to-maturity financial assets	-	-	203,227	78,124	89,504
Proceed on sale of equity instrument measured at FVOCI	-	13,750	-	-	-
Proceeds on redemption of debt instruments at amortised cost	97,203	1,453,694	-	-	-



## 13. FIVE- YEAR FINANCIAL INFORMATION

	2019 ¥'000	2018 ¥'000	2017 ¥'000	2016 ¥'000	2015 ¥'000
Purchase of debt instruments at amortised cost	(156,169)	(1,568,162)	-	-	-
Interest received	448,098	565,418	138,343	290,883	301,842
Other investment income	100,560	189,361	35,566	33,502	20,366
Dividends received	154,201	169,531	130,635	93,439	184,025
<b>Net cash from investing activities</b>	<b>554,626</b>	<b>689,413</b>	<b>219,156</b>	<b>(625,153)</b>	<b>182,856</b>
<b>Cash flows from financing activities</b>					
Cost of shares issued	-	(17,481)	-	-	(12,493)
Refund on deposit for shares	-	-	-	-	(73,930)
Repayments of borrowings during the year	-	(72,078)	(154,225)	(68,255)	(273,019)
Repayment of interest portion of lease liabilities	(5,510)	-	-	-	-
Repayment of principal portion of lease liabilities	(16,934)	-	-	-	-
Cash dividend paid	(161,477)	-	-	-	-
<b>Net cash used in financing activities</b>	<b>(183,921)</b>	<b>(89,559)</b>	<b>(154,225)</b>	<b>(68,255)</b>	<b>(359,442)</b>
Net increase/(decrease) in cash and cash equivalents	(162,532)	11,691	64,904	(464,757)	(2,003,324)
Cash and cash equivalents at beginning of year	952,785	938,414	856,344	1,293,162	3,259,625
Effects of exchange rate changes on cash and cash equivalents	(2,173)	2,680	17,166	27,939	36,861
<b>Cash and cash equivalents at end of year</b>	<b>788,080</b>	<b>952,785</b>	<b>938,414</b>	<b>856,344</b>	<b>1,293,162</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 13.4 Notes to the Financial Statement

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>3 Gross premium income</b>		
Gross premium written	6,128,662	4,792,385
Changes in unearned income	(202,522)	(130,113)
	<u>5,926,140</u>	<u>4,662,272</u>
<b>4 Reinsurance expenses</b>		
Outward reinsurance	3,079,587	2,386,356
Decrease in prepaid reinsurance	(116,510)	(5,575)
	<u>2,963,077</u>	<u>2,380,781</u>
<b>5 Fees and commission income</b>		
Reinsurance commission for the year includes:		
Fire	495,975	385,758
Marine and aviation	130,070	135,390
Car and engineering	37,703	39,221
Oil and energy	31,505	30,744
General Accident	29,498	947
Bond	16,376	19,134
Goods in transit	6,667	24,110
Agriculture	3,897	-
Motor	3,592	3,145
Travel	323	-
Total fees and commission income	<u>755,606</u>	<u>638,449</u>
<b>6 Claims expenses</b>		
Claims paid during the year (Note 30.2)	3,883,710	3,165,205
(Decrease)/increase in outstanding claims	(285,976)	831,543
Claims incurred in the current accident year (Note 30.2)	3,597,734	3,996,748
Change in re-insurance assets (Note 23)	282,014	(843,940)
Reinsurance claims recoveries	(2,441,538)	(1,920,623)
	<u>1,438,210</u>	<u>1,232,185</u>
<b>7 Acquisition expenses</b>		
At 1 January	170,292	154,149
Commission for the year (Note 24)	990,100	680,568
Gross commissions	1,160,392	834,717
At 31 December	(224,636)	(170,292)
	<u>935,756</u>	<u>664,425</u>

## 13. FIVE – YEAR FINANCIAL INFORMATION

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>8 Maintenance expenses</b>		
Wages and salaries - Technical staff	299,648	239,634
VAT on commission	148,142	27,483
Insurance levy	79,437	38,372
Travelling	65,480	68,683
Entertainment and hotel expenses	37,674	38,397
Conveyance	34,879	23,794
Medical	33,260	28,577
Motor running expenses	31,734	26,606
Risk inspection survey	25,189	21,152
Staff welfare	18,714	10,176
Pension and Gratuity	19,617	17,301
Staff training	15,518	10,353
Postage, telephone and telegrams	9,630	9,348
Leave encashment	8,727	8,580
Industrial Training Fund	5,284	4,200
	<b>832,933</b>	<b>572,656</b>
<b>9 Interest income calculated using the effective interest method</b>		
-Interest income on bonds and treasury bills	304,431	383,411
-Interest income on call and deposit accounts	98,846	110,363
-Interest income on statutory deposit	43,602	39,159
-Interest income on staff and other loans	1,219	988
	<b>448,098</b>	<b>533,921</b>
<b>10 Other investment income</b>		
Dividend income	154,201	169,531
Rental income	49,451	150,549
Finance lease income	51,109	38,812
Profit on sale of equity shares	-	6,467
	<b>254,761</b>	<b>365,359</b>

10.1 This consists of N144 million (2018: N158.5 million) dividend received on the Company's investment in unquoted securities and 10.1 million (2018: N10.9 million) investment in quoted securities

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>11 Other operating income</b>		
Net foreign exchange (loss)/gain	(2,173)	2,680
Profit on disposal of property, plant and equipment	6,030	978
Sundry income (Note 11.1)	21,464	1,771
	<b>25,321</b>	<b>5,429</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

**11.1** This includes amount of N16.5 million recovered from the Company Former Director and N3.7 million receipt on claims which had previously been written off in prior years now recovered.

		<b>2019</b>	<b>2018</b>
		<b>₦'000</b>	<b>₦'000</b>
<b>12 Management expenses</b>			
Wages and salaries - Administrative staff		211,680	188,957
Office expenses	Note 12.1	173,952	150,382
Depreciation of property, plant and equipment & right-of-use assets	Note 28	87,668	56,094
Other administrative expenses	Note 12.3	67,174	94,298
Other professional fees		45,024	76,422
Directors expense		37,152	15,722
Subscription		24,970	24,195
Insurance		16,617	11,831
Audit fees		14,000	13,000
Printing expenses		11,420	12,498
Advertisement and publicity		9,127	10,285
Bank charges		7,696	7,613
Amortisation	Note 27	5,808	5,788
Residential rates and other expenses		3,096	5,237
Fine	Note 12.4	500	-
Indirect taxes	Note 12.2	-	58,026
Productivity bonus	Note 32.2	-	32,271
		<u>715,884</u>	<u>762,619</u>
<b>Included in salaries and wages:</b>			
Post-employment benefits other than pensions		<u>39,497</u>	<u>40,603</u>

**12.1** Office expenses include office rate, generator expenses, office electricity, office cleanings, and library expenses. As at 31 December 2018, office expenses included rent amortised for the period. As at 1 January 2019, the company adopted IFRS 16. the office rental is no longer included in the office expenses line item and lease expense are now recognised as finance cost on lease liabilities (see note 14), and depreciation on right of use assets (see note 28).

**12.2** Indirect taxes include taxes on VAT and WHT arising from tax assessment.

**12.3** Other administrative expenses include AGM expenses, office repairs and maintenance, office guard expenses, gift expenses and donations.

**12.4** This fine relates to sanction by the NAICOM during the period on 2018 financial year where the Company exceeded 20% maximum limit of amount that is allowable to be placed with a single bank as contained in NAICOM prudential guidelines issued in July 2015.

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 13 Credit loss expense on financial assets

The table below shows the ECL charges on financial instruments for the year ended 31 December 2019 in the income statement:

	2019			2018		
	Stage 1	Stage 3	Total	Stage 1	Stage 3	Total
	Individual	Individual	Individual	Individual	Individual	Individual
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Cash and cash equivalents (Note 19.1)	(12,485)	-	(12,485)	(355)	-	(355)
Finance lease receivables (Note 25.2)	(19,237)	-	(19,237)	11,300	-	11,300
Debt instruments measured at amortised costs (Note 20.3.1)	(29,729)	80,924	51,195	(11,846)	5,742	(6,104)
<b>Total impairment loss</b>	<b>(61,451)</b>	<b>80,924</b>	<b>19,473</b>	<b>(901)</b>	<b>5,742</b>	<b>4,841</b>

### 14 Finance costs

Interest on lease liabilities

Note 32.3

	2019	2018
	₹'000	₹'000
	5,510	-
	<b>5,510</b>	<b>-</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>15 Taxation</b>		
<b>15.1 Income tax expense</b>		
<b>Per statement of profit or loss :</b>		
Income tax charge	75,573	-
Minimum tax	-	215,657
Education tax	8,435	5,514
<i>Current income tax expense</i>	84,008	221,171
Deferred tax (reversal)/expense	(6,231)	464
Income tax expense	77,777	221,635
<b>15.2 Per statement of financial position:</b>		
<i>Current income tax payable</i>		
At 1 January	224,693	162,372
Charged to profit or loss	84,008	221,171
Payments during the year	(221,171)	(158,850)
	87,530	224,693
Reconciliation of tax charge		
Profit before income tax expense	509,605	645,430
Tax at Nigerian's statutory income tax rate of 30%	152,882	193,629
Non-deductible expenses	130,582	105,524
Tax exempt income	(204,975)	(277,348)
Education tax levy	8,435	5,514
Tax rate differential on fair value gains	(9,146)	(21,341)
Impact of minimum tax	-	215,657
At effective income tax rate of 15% (2018 : 34%)	77,777	221,635
<b>15.3 Deferred Liabilities</b>		
Deferred income tax (assets)/liabilities are attributable to the following items:		
Deferred tax liabilities:		
Accelerated depreciation	444,947	375,214
Fair value gains on property, plant and equipment	35,085	-
Fair value gains on investment properties	4,573	145,740
	484,605	520,954
Deferred tax assets:		
Impairment on financial assets	(5,841)	(34,267)
Employee benefits	(18,318)	(44,905)
	(24,159)	(79,172)
Net	460,446	441,782

## 13. FIVE – YEAR FINANCIAL INFORMATION

<b>15 Taxation – continued</b>	<b>2019</b>	<b>2018</b>
<b>15.3 Movements in temporary differences during the year:</b>	<b>₹'000</b>	<b>₹'000</b>
As at 1 January	441,782	429,041
<b>Recognised in profit or loss during the period:</b>		
Accelerated depreciation	3,165	6,158
Fair value gains on investment properties	4,572	10,671
Impairment on financial assets	(5,841)	(1,452)
Employee benefits	(8,127)	(14,913)
<b>Total recognised in profit or loss</b>	<b>(6,231)</b>	<b>464</b>
<b>Recognised in other comprehensive income during the year:</b>		
Revaluation gain on property, plant and equipment	35,085	-
Employee benefits	(10,191)	12,277
<i>Total recognised in other comprehensive income on:</i>	<i>24,894</i>	<i>12,277</i>
At 31 December	460,446	441,782

### 16 Other comprehensive income/(loss), net of tax: Year ended 31 December 2019

	<b>Fair value reserve of financial Assets</b>	<b>Property revaluation reserve</b>	<b>Gratuity valuation reserve</b>	<b>Total</b>
Fair value loss on equity instruments designated at FVOCI	16,212	-	-	<b>16,212</b>
Revaluation of leasehold land and building (Note 28)				
<b>Remeasurement on defined benefit plan:</b>	-	116,950	-	<b>116,950</b>
Actuarial gain - Assumption (Note 34)	-	-	13,811	<b>13,811</b>
Actuarial loss - Experience (Note 34)	-	-	(47,781)	<b>(47,781)</b>
Income tax effect (Note 15.3)	-	(35,085)	10,191	<b>(24,894)</b>
	<b>16,212</b>	<b>81,865</b>	<b>(23,779)</b>	<b>74,298</b>

### Year ended 31 December 2018

Fair value gain on equity instruments designated at FVOCI	180,278	-	-	<b>180,278</b>
<b>Remeasurement on defined benefit plan:</b>				
Actuarial gain - Assumption (Note 34)	-	-	22,836	<b>22,836</b>
Actuarial gain - Experience (Note 34)	-	-	18,086	<b>18,086</b>
Income tax effect (Note 15.3)	-	-	(12,277)	<b>(12,277)</b>
	<b>180,278</b>	-	<b>28,645</b>	<b>208,923</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 17 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2019	2018
The following reflects the income and share data used in the basic earnings per share computations:		
Net profit attributable to ordinary shareholders (=N='000)	431,828	423,795
Weighted average number of shares for the year ('000)	5,382,549	5,371,063
Basic earnings per ordinary share (kobo)	8.02	7.89
Diluted earnings per ordinary share (kobo)	8.02	7.89

### 18 Distributions made and proposed

#### Cash dividends on ordinary shares declared and paid:

Interim dividend for 2019: ₦3 kobo per share	161,477	-
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At the annual general meeting of the Board of Directors of Prestige Assurance Plc held on 27 July 2019, an interim dividend of N161,476,480 or 3 kobo per share of 5,382,549,317 ordinary shares was approved by the Board in respect of the year ended 31 December 2019.

### 19 Cash and cash equivalents

	31 December 2019	31 December 2018
	₦'000	₦'000
Balances with local banks	459,124	369,309
Balances with foreign banks	2,259	2,275
Deposits and placements with local banks	345,000	604,513
	806,383	976,097
Less: Allowance for impairment losses	(8,274)	(20,759)
	798,109	955,338

#### 19.1 Gross carrying amount and impairment allowance for cash and cash equivalents

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for cash and cash equivalents is as follows:

	2019		2018	
	Stage 1 individual		Stage 1 individual	
	Gross carrying amount	ECL	Gross carrying amount	ECL
	₦'000	₦'000	₦'000	₦'000
<b>As at 1 January</b>	<b>976,097</b>	<b>20,759</b>	<b>1,010,492</b>	21,114
New assets originated or purchased	807,070	8,290	505,822	14,876
Assets derecognized or repaid (excluding write offs)	(976,097)	(20,759)	(540,217)	(17,931)
Unwind of discount	-	-	-	2,700
Foreign exchange adjustments	(687)	(16)	-	-
<b>At 31 December</b>	<b>806,383</b>	<b>8,274</b>	<b>976,097</b>	<b>20,759</b>



## 13. FIVE – YEAR FINANCIAL INFORMATION

<b>20 Financial assets</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>₦'000</b>	<b>₦'000</b>
Financial assets at fair value through profit or loss (Note 20.1)	174,598	209,807
Equity instruments measured at FVOCI (Note 20.2)	2,121,889	2,105,676
Debt instruments at amortised cost (Note 20.3)	2,543,216	2,535,445
	<b>4,839,703</b>	<b>4,850,928</b>
<b>20.1 Financial assets at fair value through profit or loss</b>	<b>174,598</b>	<b>209,807</b>
Movement of the fair value through profit or loss		
At 1 January	209,807	259,006
Net fair value loss	(35,209)	(49,199)
At 31 December	<b>174,598</b>	<b>209,807</b>
<b>20.2 Equity instruments measured at fair value through other comprehensive income</b>		
Leadway PFA scheme share	1,833,407	1,832,835
Leadway Protea Hotel Ltd	138,683	131,904
Nigerian Insurers Association pool	86,163	62,657
Waica Reinsurance Corporation	63,636	78,280
Total equity instruments measured at FVOCI	<b>2,121,889</b>	<b>2,105,676</b>
Disposal of equity instrument measured at FVOCI:		
Proceeds from disposal during the year	-	13,750
Gain on disposal during the year	-	(6,467)
Cost of disposed during the year	-	7,283
In 2019, the Company received dividends of N144,036,000 (2018: N158,550,000) from its FVOCI equities which was recorded in profit or loss as other investment income.		
<b>20.3 Debt instruments at amortised cost</b>	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
FGN Bonds	2,446,110	2,387,156
Corporate bonds	122,560	126,134
Lagos State series II bonds	21,377	21,377
Staff loans and advances	70,577	66,991
	<b>2,660,624</b>	<b>2,601,658</b>
Less: Allowance for credit losses (Note 20.3.1)	(117,408)	(66,213)
<b>Total debt instruments at amortised cost</b>	<b>2,543,216</b>	<b>2,535,445</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 20.3 Impairment losses on financial investments subject to impairment assessment

#### 20.3.1 Debt instruments measured at amortised cost

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for debt instruments at amortised cost is as follows:

	Stage 1 individual		Stage 3 individual		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
<b>As at 1 January 2019</b>	2,505,223	35,187	96,435	31,026	2,601,658	66,213
New assets originated or purchased	140,654	2,685	15,515	80,924	156,169	83,609
Assets derecognized or matured (excluding write offs)	(97,203)	(33,718)	-	-	(97,203)	(33,718)
Unwind of discount	-	1,304	-	-	-	1,304
<b>As at 31 December 2019</b>	2,548,674	5,458	111,950	111,950	2,660,624	117,408

	Stage 1 individual		Stage 3 individual		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
<b>As at 1 January 2018</b>	2,373,291	47,033	96,435	25,284	2,469,726	72,317
New assets originated or purchased	1,870,523	7,283	-	-	1,870,523	7,283
Assets derecognized or matured (excluding write offs)	(1,738,591)	(30,103)	-	-	(1,738,591)	(30,103)
Unwind of discount	-	10,974	-	5,742	-	16,716
<b>As at 31 December 2018</b>	2,505,223	35,187	96,435	31,026	2,601,658	66,213

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 21 Trade receivables

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
Due from brokers	21,616	7,753
<b>Age analysis of trade receivables</b>		
Days		
0-30	21,616	7,753
31-Above	-	-
<b>Total</b>	<b>21,616</b>	<b>7,753</b>

### 22 Prepayments and other receivables

Prepaid insurance - company's assets	15,053	14,907
Prepaid insurance - Minimum deposit premium	22,326	11,173
Prepaid rent	-	13,166
WHT receivables	20,149	13,063
Other receivables	228,824	28,548
	<u>286,352</u>	<u>80,857</u>
Impairment on other receivables	(10,629)	(10,629)
	<u>275,723</u>	<u>70,228</u>

Impairment loss on other receivables relates to amount advanced to Company's staff cooperative for purchase of land, but the transfer of ownership was not effected by the seller. In 2012, the company fully impaired the receivables as there was no evidence of recovery.

Other receivables comprises of advance to Company's staff cooperative of ₦10.6 million amount expended and advance of ₦36.9 million (2018: ₦17.92 million) to staffs.

Other receivables also include amount of ₦181.2 million being advances paid on issuing cost of right issues for re-capitalisation of shares.

### 23 Reinsurance assets

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
Reinsurance share of claims expenses paid	315,423	445,283
Reinsurance debtors (Note 23.2)	168,057	149,782
Claims recoverable from reinsurer	1,258,019	1,428,448
Allowance for impairment on claims recoverable	(18,695)	(22,372)
Total outstanding claims recoverable	<u>1,722,804</u>	<u>2,001,141</u>
Reinsurance share of unearned premium	648,448	531,939
	<u>2,371,252</u>	<u>2,533,080</u>

#### Movement on outstanding claims recoverable:

Outstanding claims recoverable:		
Balance at beginning	2,023,513	1,179,573
Change during the year (Note 6)	(282,014)	843,940
Balance at end of the year	<u>1,741,499</u>	<u>2,023,513</u>
Allowance for impairment on claims recoverable (Note 23.1)	(18,695)	(22,372)
	<u>1,722,804</u>	<u>2,001,141</u>

#### 23.1 Allowance for impairment on claims recoverable

At 1 January	22,372	22,372
Recovered during the year (Note 11.1)	(3,677)	-
At 31 December	<u>18,695</u>	<u>22,372</u>

**23.2** The reinsurance debtors comprise of amount due to Prestige on foreign facultative business and that of local facultative outwards.

## 13. FIVE – YEAR FINANCIAL INFORMATION

		<b>2019</b>	<b>2018</b>
		<b>₹'000</b>	<b>₹'000</b>
<b>24 Deferred acquisition costs</b>			
At 1 January		170,292	154,149
Commission paid during the year	(Note 7)	990,100	680,568
Amortised to profit or loss	(Note 7)	(935,756)	(664,425)
At 31 December		<u>224,636</u>	<u>170,292</u>
<b>25 Finance lease receivables</b>			
At 1 January		230,418	184,030
Additions during the year		201,795	225,541
Repayment during the year		(220,013)	(179,154)
Finance lease receivables		<u>212,200</u>	<u>230,418</u>
<i>Less:</i> Allowance for credit losses		(8,016)	(27,253)
		<u>204,184</u>	<u>203,165</u>

### 25.1

	<b>2019</b>		<b>2018</b>	
	₹'000	₹'000	₹'000	₹'000
	Minimum Payments	Present Value of Payments	Minimum Payments	Present Value of Payments
The present value of the lease obligations are as follows:				
Not later than one year	175,078	175,078	52,773	52,773
Later than one year, not later than five years	41,658	37,122	213,411	177,645
Later than five years	-	-	-	-
Total minimum lease payments	<u>216,736</u>	<u>212,200</u>	<u>266,184</u>	<u>230,418</u>
Less amount representing finance charges	(4,536)	-	(35,766)	-
Present value of minimum lease payments	<b><u>212,200</u></b>	<b><u>212,200</u></b>	<b><u>230,418</u></b>	<b><u>230,418</u></b>

**25.2** An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance lease receivables is as follows:

	2019		2018	
	Stage 1 individual		Stage 1 individual	
	Gross Carrying Amount	ECL	Gross Carrying Amount	ECL
	₹'000	₹'000	₹'000	₹'000
<b>As at 1 January</b>	<b>230,418</b>	<b>27,253</b>	<b>184,030</b>	15,953
New assets originated or purchased	201,795	5,916	46,388	7,950
Assets derecognized or repaid (excluding write offs)	(220,013)	(25,607)	-	-
Unwind of discount	-	454	-	3,350
<b>At 31 December</b>	<b><u>212,200</u></b>	<b><u>8,016</u></b>	<b><u>230,418</u></b>	<b><u>27,253</u></b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

<b>26 Investment property</b>	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
At 1 January	2,545,708	2,439,002
Net fair value gains on investment properties	45,731	106,706
At 31 December	<u>2,591,439</u>	<u>2,545,708</u>

Investment property is stated at fair value, which has been determined based on valuations performed by J C Obasi & Co (FRC/2013/NIESV/0000002148), a professional firm of Estate Surveyors and Valuers who are accredited independent valuers, and signed by J.C. Obasi (FRC/2019/00000013129) as at 31 December 2019. These valuers are specialists in valuing these types of investment properties. The fair value of the properties has been determined using investment/income approach in accordance with that recommended by the international valuation standards committee. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the profit or loss.

The company enters into operating leases for all of its investment properties in the prior year. The Lease agreement was terminated in the current period with no extension between the company and the lessee. A rental income of N 49,451,000 deferred in the previous year was earned during the period. This was recognized in other income. Direct operating expenses arising in respect of such properties during the year are included in administrative expenses.

These are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
Rental income derived from investment properties	49,451	150,549
Direct operating expenses (including repairs & maintenance) generating Income	(3,567)	(2,991)
Net income arising from investment properties carried at fair value	<u>45,884</u>	<u>147,558</u>

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 26 Investment property - continued

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			Total ₹'000
	Quoted prices in active Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Date of valuation - 31 December 2019	₹'000	₹'000	₹'000	0
Investment properties	-	-	2,591,439	2,591,439
Date of valuation - 31 December 2018				
Investment properties	-	-	2,545,708	2,545,708

### Description of valuation techniques used and key inputs to valuation on investment properties

#### Office building

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2019	2018
Investment/ income approach	Total net lettable space	3,260m2	3,260m2
	Estimated rental value per sqm per year	N 70,000	=50,000 - =N=80,000
	Rent growth p.a.	6%	6%
	Long-term	-	1.40%
		-	8.88% - 8.96%
	Contingencies at effective gross rent	15%	-
	Management and Maintenance cost per annum per rent	20%	-

# 13. FIVE – YEAR FINANCIAL INFORMATION

## 26 Investment property - continued

The below shows the sensitivity of the carrying amounts to the methods, assumptions and estimates underlying investment property valuation

<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	Increase/(decrease in inputs	Effect on fair value Increase/(decrease
			<b>₦'000</b>
<i>Investment/ income approach</i>	<i>Estimated rental value per sqm. per year</i>	5000	185,103/ (185,103)
	Rent growth p.a.	1%	431,907/ (431,907)
	Contingencies at effective gross rent	5%	(152,438)/ 152,438
	Management and Maintenance cost per annum per rent	5%	(161,965)/ 161,965

### Description of valuation techniques used and key inputs to valuation on investment properties- continued

The investment/income approach centres around the thesis that value is the present worth of future right to income. It looks only to property's future income as may be reasonably be anticipated during the estimated economic life of the property. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

### Location of investment

<b>property</b>	<b>Valuation technique</b>	<b>Significant unobservable input</b>
No. 19B Ligali Ayorinde Street, Victoria Island Lagos	The valuation was based on the market value of the property, with reference to the investment/income approach method of valuation. The method looks only to a property's future income as may reasonably be anticipated during the estimated economic life of the property. Further value analysis was carried out using market comparison method approach as check.	It is a purposely built office building on 7 floors with a mezzanine floor. The 7 story office building has office and parking spaces inside the underground. The parking lot can take about 43 vehicles at a time.  The site is rectangular in shape and appears firm, level and well drained. It is fenced round in block walls with a double leaf metal entrance gate. The site area is approximately 1054sqm.

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 27 Intangible assets

<b>Cost:</b>	<b>Computer software ¥'000</b>	<b>Total ¥'000</b>
At 1 January 2018	56,878	56,878
Additions	1,100	1,100
At 31 December 2018	57,978	57,978
Additions	-	-
At 31 December 2019	57,978	57,978
<b>Accumulated amortisation and impairment:</b>		
At 1 January 2018	12,404	12,404
Amortisation	5,788	5,788
At 31 December 2018	18,192	18,192
Amortisation	5,808	5,808
<b>At 31 December 2019</b>	<b>24,000</b>	<b>24,000</b>
<b>Carrying amount:</b>		
At 31 December 2019	33,978	33,978
At 31 December 2018	39,786	39,786



## 13. FIVE – YEAR FINANCIAL INFORMATION

### 28 Property, plant , equipment & right-of-use assets

	Plant & machinery	Land	Furniture & Building	Computer fittings	Motor equipment	Assets onRight-of-use vehicles	lease	assets	Total
Cost/Valuation:	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
At 1 January 2018	34,700	400,000	808,640	53,726	90,196	169,588	758,432	-	2,315,282
Additions	489	-	64,951	27,296	5,967	35,435	-	-	134,138
Disposals	-	-	-	(158)	-	(6,185)	-	-	(6,343)
At 31 December 2018	35,189	400,000	873,591	80,864	96,163	198,838	758,432	-	2,443,077
Effect of adoption of IFRS 16 as at 1 January 2019 - Note 2.3(a)	-	-	-	-	-	-	-	49,505	49,505
Additions	15,130	-	-	890	3,377	75,900	-	-	95,297
Disposals	(4,300)	-	-	-	-	(30,617)	-	-	(34,917)
Revaluation adjustment	-	50,000	66,950	-	-	-	-	-	116,950
*Transfer	-	-	(38,291)	-	-	-	-	-	(38,291)
<b>At 31 December 2019</b>	<b>46,019</b>	<b>450,000</b>	<b>902,250</b>	<b>81,754</b>	<b>99,540</b>	<b>244,121</b>	<b>758,432</b>	<b>49,505</b>	<b>2,631,621</b>
Accumulated depreciation:									
At 1 January 2018	28,912	-	-	40,483	89,487	131,210	758,432	-	1,048,524
Charge for the year	1,481	-	18,878	5,223	2,991	27,521	-	-	56,094
Disposals	-	-	-	(77)	-	(6,185)	-	-	(6,262)
At 31 December 2018	30,393	-	18,878	45,629	92,478	152,546	758,432	-	1,098,356
Charge for the year	3,283	-	19,413	5,302	3,567	39,480	-	16,623	87,668
Disposals	(4,300)	-	-	-	-	(30,617)	-	-	(34,917)
*Transfer	-	-	(38,291)	-	-	-	-	-	(38,291)
At 31 December 2019	29,376	-	-	50,931	96,045	161,409	758,432	16,623	1,112,816
Net book value:									
At 31 December 2019	16,643	450,000	902,250	30,823	3,495	82,712	-	32,882	1,518,805
At 31 December 2018	4,796	400,000	854,713	35,235	3,685	46,292	-	-	1,344,721

## 13. FIVE – YEAR FINANCIAL INFORMATION

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- 28.1 \* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.
- 28.2 The gross carrying amount of the fully depreciated property, plant and equipment that is still in use by the company as at reporting date is N273 million (2018:N273 million)
- 28.3 If the leasehold land and Building of the company were measured using the cost model, the carrying amounts would be N656,898,267 (2018: 664,056,133)
- 28.4 The Company had no capital commitment as at end of the year (2018: Nil)
- 28.5 No impairment test was performed during the year as there was no indication of impairment on any of the assets in use by the Company.
- 28.6 None of the property, plant and equipment of the Company has been pledged as security for borrowings and otherwise, as at the end of the year (2018: Nil).

## 13. FIVE – YEAR FINANCIAL INFORMATION

		<b>2019</b>	<b>2018</b>
		<b>₦'000</b>	<b>₦'000</b>
<b>29 Statutory deposit</b>			
Deposits with CBN		<b>300,000</b>	<b>300,000</b>
<p>Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 9(1) and Section 10(3) of the Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at amortised cost.</p>			
<b>30 Insurance contract liabilities</b>		<b>2019</b>	<b>2018</b>
		<b>₦'000</b>	<b>₦'000</b>
Unearned premium reserve	(Note 30.1)	1,432,867	1,230,345
Outstanding claims reserve	(Note 30.2)	2,088,927	2,374,903
<b>Total insurance liabilities</b>		<b>3,521,794</b>	<b>3,605,248</b>
<b>Reserve for Unearned</b>			
<b>30.1 Premium</b>			
At 1 January		1,230,345	1,100,232
Premium written in the year	(Note 3)	6,128,662	4,792,385
Premium earned during the year	(Note 3)	(5,926,140)	(4,662,272)
<b>At 31 December</b>		<b>1,432,867</b>	<b>1,230,345</b>
<b>Reserve for Outstanding</b>			
<b>30.2 Claims</b>			
At 1 January		2,374,903	1,543,360
Incurred in the current accident year	(Note 6)	3,597,734	3,996,748
Paid during the year	(Note 6)	(3,883,710)	(3,165,205)
<b>At 31 December</b>		<b>2,088,927</b>	<b>2,374,903</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 30.3 Analysis of Insurance Contract Liabilities

	2019			2018		
	Gross ₹'000	Reinsurance ₹'000	Net ₹'000	Gross ₹'000	Reinsurance ₹'000	Net ₹'000
Outstanding						
Claims	1,411,584	848,468	563,116	1,803,378	1,060,936	742,442
IBNR	677,343	409,551	267,792	571,525	367,512	204,013
Total outstanding						
Claims	2,088,927	1,258,019	830,908	2,374,903	1,428,448	946,455
Unearned premium	1,432,867	648,448	784,419	1,230,345	535,007	695,338
<b>Total</b>	<b>3,521,794</b>	<b>1,906,467</b>	<b>1,615,327</b>	<b>3,605,248</b>	<b>1,963,455</b>	<b>1,641,793</b>

Age analysis of total outstanding claims as at 31 December 2019

CLASS	Above 365					Total
	0-90	91-180	181-270	271-365	days	
Bond	-	22,000	3,052	4,941	4,000	33,993
Engineering	10,700	2,247	802	4,854	5,255	23,858
Employers' liability	8,298	-	700	-	1,980	10,978
Fire	24,402	10,430	77,691	118,673	860,123	1,091,319
General accident	25,508	11,967	20,600	20,611	28,400	107,086
Goods-in-transit	2,362	27,099	1,200	1,234	700	32,595
Marine	4,208	4,042	6,368	5,734	15,168	35,520
Oil and energy	-	18,000	6,480	6,840	3,500	34,820
Motor	4,695	21,350	6,100	1,950	7,320	41,415
Overall - Total	80,173	117,135	122,993	164,837	926,446	1,411,584

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 30.3 Analysis of Insurance Contract Liabilities - continued

Those claims outstanding beyond 90 days are due to incomplete documentation and awaiting adjuster's reports  
Age analysis of outstanding claims as at 31 December 2018

CLASS	0-90	91-180	181-270	271-365	Above 365 days	Total
Bond	30,000	-	-	-	-	30,000
Engineering	5,558	18,471	300	1,305	100	25,734
Employers' liability	100	610	1,200	70	-	1,980
Fire	886,756	38,965	14,790	56,989	289,324	1,286,824
General accident	36,329	31,294	7,887	500	63,286	139,296
Goods-in-transit	9,000	20,929	2,133	-	500	32,562
Marine	41,191	40,456	2,350	9,644	69,463	163,104
Oil and energy	-	1,000	-	-	88,458	89,458
Motor	17,615	5,270	3,585	7,150	800	34,420
Overall – Total	1,026,549	156,995	32,245	75,658	511,931	1,803,378

Those claims outstanding beyond 90 days are due to incomplete documentation and awaiting adjusters' reports.

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>31 Trade payables</b>		
Due to agents	5,215	5,463
Due to brokers	14,079	52,517
Due to direct insured	47	3,866
Due to reinsurers	85,568	43,315
Due to insurance	4,315	23,072
Deferred commission received (Note 31.1)	157,313	142,705
	<u>266,537</u>	<u>270,938</u>
<b>31.1</b> This relates to commission received on unexpired policies ceded to reinsurance companies.		
<b>32 Other liabilities</b>		
Industrial Training fund	5,000	4,200
Insurance levy	61,500	30,040
Provision for productivity bonus (Note 32.2)	13,391	48,144
Other payables (Note 32.1)	72,103	124,960
Withholding tax	2,746	2,782
VAT	2,485	14,891
Lease liability (Note 32.3)	19,405	-
	<u>176,630</u>	<u>225,017</u>
<b>32.1</b> Other payable comprises claims payable to policy holders.		
<b>32.2</b> Movement in Provision for productivity bonus		
At 1 January	48,144	46,938
Additions (Note 12)	-	32,271
Paid in the year	(34,753)	(31,065)
	<u>13,391</u>	<u>48,144</u>

## 13. FIVE – YEAR FINANCIAL INFORMATION

**32.3** Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
As at 1 January (Note 2.3a)	36,339	-
Accretion of interest	5,510	-
Payments	(22,444)	-
<b>As at 31 December 2018</b>	<b>19,405</b>	<b>-</b>

### 33 Borrowings

Balance as at beginning of the year	-	72,078
Repayments during the year	-	(72,078)
Balance as at end of the year	-	-
Overdrafts (Book balance)	10,029	2,553
	<b>10,029</b>	<b>2,553</b>

### 34 Retirement benefits obligation

The Group operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2019 by Zamara Consulting Actuaries Nigeria Limited. This is an independent Actuary Consultant registered with the Financial Reporting Council of Nigeria (FRCN) with FRC number FRC/2018/NAS/00000012910 and signed by Seth S. Chengo with FRC number FRC/2018/NAS/00000016912. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.

	<b>2019</b>	<b>2018</b>
	<b>₦'000</b>	<b>₦'000</b>
Balance at the beginning of the year	149,682	164,290
Current service cost	14,942	17,386
Interest cost	24,555	23,217
Benefits paid	(12,405)	(14,289)
Actuarial loss/(gain)	33,970	(40,922)
<b>Retirement benefits obligation</b>	<b>210,744</b>	<b>149,682</b>

## 13. FIVE – YEAR FINANCIAL INFORMATION

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Discount rate	12.9%	15.5%
Rate of salary increase	13%	13%
Rate of inflation	12%	12%

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>The amounts recognised in profit or loss</b>		
Current service cost	14,942	17,386
Interest cost	24,555	23,217
<b>Total, included in staff costs</b>	<b>39,497</b>	<b>40,603</b>

### The amounts recognised in other comprehensive income

Actuarial gain - change in assumption (Note 16)	13,811	22,836
Actuarial (loss)/gain - experience adjustment (Note 16)	(47,781)	18,086
<b>Re-measurement (loss)/gain on net defined benefit plans</b>	<b>(33,970)</b>	<b>40,922</b>

The plan is unfunded.

### Sensitivity analysis

Reasonable possible changes at reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

	Defined benefit obligation	
	<b>Increase</b>	<b>Decrease</b>
	<b>₹'000</b>	<b>₹'000</b>
Discount rate (1% movement)	22,100	(22,100)
Mortality rate (1% movement)	100	(100)

The analysis does not take account of the full distribution of Cashflow expected under the plan, it does provide an approximation of sensitivity of the assumption shown.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. The following are the expected payments or contributions to the defined benefit plan in future years:

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'000</b>
Within the next 12 months (next annual reporting period)	14,509	14,900
Between 2 and 5 years	37,367	61,261
Between 5 and 10 years	32,359	35,406
Beyond 10 years	131,328	94,531
<b>Total expected payments</b>	<b>215,563</b>	<b>206,098</b>

Average duration of the defined benefit obligation at the end of the reporting period is 30 years (2018: 24.3 years)

## 13. FIVE – YEAR FINANCIAL INFORMATION

### 40.1 Reconciliation of profit before income tax expense to net cash (used in)/from operating activities

	Note	<b>2019</b>	<b>2018</b>
		<b>₹'000</b>	<b>₹'000</b>
Profit before income tax expense		509,605	645,430
<i>Adjustments to reconcile net income to</i>			
<b>Net cash provided by operating activities:</b>			
Depreciation of property, plant, equipment and right-of-use	28	87,668	56,094
Assets			
Amortisation of intangible assets	27	5,808	5,788
Profit on disposal of property, plant, equipment and right-of-use assets		(6,030)	(978)
Interest income	9	(448,098)	(533,921)
Other investment income	10	(254,761)	(365,359)
Net fair value loss on financial assets		35,209	49,199
Credit loss expense/(reversal)		51,195	(6,104)
Gain on investment properties		(45,731)	(106,706)
Exchange loss/(gain)		2,173	(2,680)
Interest costs on retirement benefit obligations		39,497	40,603
Finance cost		5,510	-
<b>Changes in assets and liabilities</b>			
Increase in trade receivables		(13,863)	(1,236)
Increase in other assets and receivables		(218,661)	(27,100)
Decrease/ (Increase) in reinsurance assets		161,828	(827,143)
Increase in deferred acquisition costs		(54,344)	(16,143)
Increase in finance lease assets		(1,019)	(19,135)
Increase in unearned premium		202,522	130,113
(Decrease)/Increase in claims provision		(285,976)	831,543
Decrease in trade payables		(4,401)	(196,328)
Decrease in other liabilities		(67,792)	(70,961)
Income tax paid		(221,171)	(158,850)
Benefits paid		(12,405)	(14,289)
Net cash used in operating activities		(533,237)	(588,163)



## 13. FIVE – YEAR FINANCIAL INFORMATION

### 40.2 Reconciliation of other operating cash payments

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'000</b>
Auditors' remuneration	(14,000)	(13,000)
Maintenance expenses	(832,933)	(572,656)
Management expenses	(701,884)	(762,619)
Change in other assets and receivables	(205,634)	(34,808)
Change in trade payables and other liabilities	(72,193)	(267,289)
	<u>(1,826,644)</u>	<u>(1,650,372)</u>
Less:		
Depreciation	87,668	56,094
Amortisation	5,808	5,788
Audit fees	14,000	13,000
Current services cost	14,942	17,386
Interest cost	24,555	23,217
	<u>(1,679,671)</u>	<u>(1,534,887)</u>

### 41 Cash and cash equivalents for purposes of the statement of cash flows

	<b>2019</b>	<b>2018</b>
	<b>₹'000</b>	<b>₹'00</b>
	<b>0</b>	
Bank and cash balances	<u>454,649</u>	<u>363,145</u>
Deposits and placements	343,459	592,193
Overdrafts (Book balance) - Note 33	(10,029)	(2,553)
	<u>788,080</u>	<u>952,785</u>

## 14. STATUTORY AND GENERAL INFORMATION

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### 14.1. Brief Profile of Prestige Assurance Plc

Prestige Assurance was established in Nigeria in 1952 as a branch of The New India Assurance Company Limited, Mumbai. The company was later incorporated and licensed in January 6, 1970, to write all classes of Non-life insurance in Nigeria.

Following the indigenization decree by the Government of Nigeria, the company's name was changed to Prestige Assurance Plc on September 24, 1992. After a successful recapitalization in 2007 and subsequent Rights issue exercise in 2015, Prestige Assurance Plc currently operates as a subsidiary company of the New India Assurance Company Ltd, Mumbai with 69.5 percent shareholding.

With over 65 years of service delivery in Nigeria, Prestige Assurance is currently one of the foremost insurance companies in Nigeria with shareholder's fund in excess of ₦8.4Billion as at December 31, 2019. The company has established a reputation for excellent delivery of insurance products and services, especially in special risks, such as fire & special peril, oil & energy, aviation, engineering, and industrial risk management.

### 14.2. Service Offerings

The major insurance products offered by Prestige Assurance include: Health Insurance, Motor Insurance, Marine Insurance, Mobile Insurance and Travel Insurance. Some of the specific products offered by Prestige Assurance include:

#### *Prestige Salary Protection Shield (PSPS):*

The purpose of this product is to provide for a given period, a predetermined monthly income for an individual who has just lost his/her job.

#### *Prestige Medi-claim Policy:*

The company launched its health insurance products to meet the medical exigencies of every Nigerian and expatriates.

#### *Motor (Automobile):*

The company provides insurance for cars, trucks, motorcycles, and other road vehicles. This insurance offers financial protection against theft of the vehicle, and against damage to the vehicle sustained from events other than traffic collisions, and damage sustained by colliding with stationary objects.

## 14. STATUTORY AND GENERAL INFORMATION

### *Group & Personal Accident*

This type of insurance offered by Prestige Assurance covers accidental, violent, external and visible bodily injury resulting in death, or disablement.

### *Money Policy*

Loss of money occasioned by robbery or theft whilst in transit, in securely locked safe, on the premises and while in personal custody of a designated or named officer.

### *Householder Policy*

This policy is designed to meet the insurance requirements of a householder by combining under a single policy, a number of our standard policies usually taken by householders.

### 14.3. Share Capital History

The changes to Prestige Assurance Plc's Issued Share Capital since incorporation are summarized below:

Date	AUTHORISED		ISSUED AND FULLY PAID		
	Change (N)	Cumulative (N)	Change (N)	Cumulative (N)	Consideration
6/1/1970	50,000	50,000	50,000	50,000	Cash
11/3/1975	450,000	500,000	-	50,000	-
18/01/1977	-	500,000	125,000	175,000	Cash
18/04/1977	-	500,000	125,000	300,000	Bonus 5:7
26/06/1981	500,000	1,000,000	-	300,000	-
27/05/1983	-	1,000,000	300,000	600,000	Bonus 1.1
5/12/1985	-	1,000,000	400,000	1,000,000	Bonus 2.3
8/8/1986	1,000,000	2,000,000	-	1,000,000	-
30/12/1986	-	2,000,000	1,000,000	2,000,000	Bonus 1.1
1/9/1988	1,000,000	3,000,000	1,000,000	3,000,000	Bonus 1.2
18/09/1990	7,000,000	10,000,000	3,000,000	6,000,000	Bonus 1.1
29/12/1992	-	10,000,000	3,000,000	9,000,000	Bonus 1.2
9/9/1994	500,000	15,000,000	-	9,000,000	-
8/12/1994	-	15,000,000	3,000,000	12,000,000	Bonus 1.3
22/09/1995	35,000,000	50,000,000	-	12,000,000	-
24/10/1995	-	50,000,000	6,000,000	18,000,000	Bonus 1.2
18/12/1996	-	50,000,000	9,000,000	27,000,000	Bonus 1.2
25/09/1997	50,000,000	100,000,000	-	27,000,000	-
15/12/1997	-	100,000,000	43,200,000	70,200,000	Bonus 8.5
28/09/2000	50,000,000	150,000,000	-	70,200,000	-
13/12/2000	-	150,000,000	17,550,000	87,750,000	Bonus 1.4
12/12/2001	-	150,000,000	21,937,500	109,687,500	Bonus 1.4
25/09/2002	100,000,000	250,000,000	-	109,687,500	-
12/11/2003	-	250,000,000	54,843,700	164,531,250	Rights 1:2
24/02/2004	-	250,000,000	41,132,813	205,664,063	Bonus 1.4

## 14. STATUTORY AND GENERAL INFORMATION

AUTHORISED			ISSUED AND FULLY PAID		
Date	Change (₹)	Cumulative (₹)	Change (₹)	Cumulative (₹)	Consideration
28/05/2004	-	250,000,000	38,417,064	244,081,127	Right (Surplus subscription)
23/08/2005	250,000,000	500,000,000	-	244,081,127	-
22/12/2005	-	500,000,000	122,040,564	366,121,691	Bonus 1:2
7/2/2006	500,000,000	2,000,000,000	-	366,121,691	-
3/11/2006	-	2,000,000,000	91,530,425	457,652,114	Bonus 1.4
22/12/2006	-	2,000,000,000	340,000,000	797,652,114	Public offer
29/3/2007	-	2,000,000,000	62,341,750	859,993,864	Public offer (Over subscription)
31/3/2006	-	2,000,000,000	214,998,466	1,074,992,330	Bonus 1:4
14/8/2011	1,000,000,000	3,000,000,000	179,165,389	1,254,157,000	Bonus 1:6
26/03/2015	-	3,000,000,000	1,431,060,141	2,685,217,141	Right Issue
5/6/2018	(776,511,093)	2,223,489,000	(776,511,093)	1,908,706,048	Reconstruction
6/12/2018	776,511,000	3,000,000,000	782,569,480	2,691,275,528	Bonus 41 : 100
16/12/2019	7,000,000,000	10,000,000,000	-	2,691,275,528	-

### 14.4. Shareholding Structure

As at December 31, 2019, the Issued and Paid Up Share Capital of the Company stood at 5,382,551,055 Ordinary Shares at ₹0.50k each held by the following beneficiaries:

Shareholders	Units Held	%
The New India Assurance Company, Mumbai	3,740,912,628	69.50%
Lead way Assurance Company	617,497,471	11.47%
Others	1,024,140,956	19.03%
<b>Total</b>	<b>5,382,551,055</b>	<b>100</b>

Except as disclosed above, no other individual shareholder holds more than 5% of the total issued and paid up share capital of Prestige Assurance Plc.

### 14.5. Directors Beneficial Interest

The direct and indirect interest of Directors of Prestige in the issued share capital of the company as recorded in the register of Directors Shareholding and as notified for the purpose of section 275 and 276 of the Companies and Allied Matters Act CAP C20 LFN 2004 and the listing requirements of the NSE is shown in the table below:

## 14. STATUTORY AND GENERAL INFORMATION

Shareholders	Organization	Direct Shareholding	Indirect Shareholding
Dr. Adedoyin Salami		-	-
Mr. Gopalan Srinivasan		-	3,740,912,628
Mr. Muftau Olakunle Oyegunle	Leadway Assurance Limited	1,135,928	616,107,411
Mr. Gopalan Raghu	Chanrai Group Nigeria Ltd.	-	132,340,253
Mr. Sibharth Prandan		-	-
Mr. Sarbeswar Sahoo		-	-
Mrs. Funmi Oyetunji	Independent Non-Executive Director Designate	10,022	-
Mr. Atul Sahai		-	-
Mr. Anjan Dey		-	-

### 14.6. Profile of Board of Directors

#### Dr. Doyin Salami – Chairman, Board of Directors

Dr. Adedoyin Salami is a co- Founder and Partner at KAINOS Edge Consulting and a member of the Adjunct faculty at the Lagos Business School (LBS), Pan-Atlantic University where he leads sessions in Economic Environment of Business. He also serves as the current Chairman, Board of Directors of Prestige Assurance Plc.

Dr. Salami obtained his Bachelor’s Degree in Economics from Queen Mary College, University of London, United Kingdom in 1984. He also obtained his Masters and Doctorate Degree from the same institution in 1985 and 1989 respectively. In 1999, he completed an Advanced Managers Programme (AMP) from Lagos Business School.

Prior to joining the LBS, Dr. Salami was Managing Partner of Edward Kingston Associates, a firm of Economics Consultants, where he led a team to build a Macroeconomic Model of the Nigerian economy. Following the merger between Edward Kingston Associates and Softskills Limited to become KAINOS Edge Consulting Ltd, Dr. Salami currently leads the Markets Practice at KAINOS Edge Consulting. Other consulting activities carried out by Dr. Salami include assignments for the Department for International Development (DFID), World Bank, United Nations Industrial Development Organisation (UNIDO), United States Agency for International Development (USAID) and International Finance Corporation (IFC).

Beyond Teaching and Consulting, Dr. Salami is also engaged in both policy advocacy and public policy making. Policy advocacy has been on the platform of the Nigerian Economic Summit Group (NESG), where he currently

## 14. STATUTORY AND GENERAL INFORMATION

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sits on the Board. Prior to joining its Board, he also led the organisation of the 15th edition of the annual Nigerian Economic Summit as Joint-Chairman of the Central Organising Committee.

Dr. Salami also serves as a non-executive Director of several companies which include ARM Investment Managers, Diamond Pension Fund Custodian (DPFC), First World Communities Ltd and Investment Securities Limited.

### Mr. Muftau O. Oyegunle – Non-Executive Director

Mr. Muftau Olakunle Oyegunle is an insurance professional with extensive experience in underwriting. He has served as General Manager in different capacities such as commercial, operations etc. at Leadway Assurance Company Limited. He formerly served as Director of Prestige Assurance Plc and presently, he is a Non-Executive Director at Prestige Assurance Plc.

Mr. Oyegunle serves as a Fellow of the Chartered Insurance Institute, London. Apart from his formal training, he has attended several courses and seminars including the Advanced Course in General Insurance organized by the Swiss Insurance Training Institute.

He obtained his Bachelor's Degree in Sociology from the University of Ibadan in 1982 and his Master's Degree in Human Resource Management in 2000 from Herald University, Jersey, United Kingdom.

### Mrs. Funmi Oyetunji – Non-Executive Director

Mrs. Funmi Oyetunji is the Managing Director of Abitos Financial Services Limited, a financial advisory and real estate investment company, a position she has held since 2002.

Mrs. Oyetunji has over 30 years of experience in audit, financial services, banking and asset management. From 1981 to 1992, she built a career in audit and business/financial advisory with the firms of Coopers and Lybrand and Z.O Ososanya & Co in Nigeria and KPMG in the UK. Her banking experience spanned ten years from 1992 to 2002 when she held senior management positions including head of Foreign Operations and Bank Treasurer at First Bank of Nigeria.

She has been a Non-Executive Director of Ecobank Nigeria Limited since April 2012. She has taught Accounting and Finance on the executive programs of the Lagos Business School and IBFC Augusto. She has also taught Asset & Liability Management for the Money Market Association of Nigeria. She is a member of the International Women Society. She is also a Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and The Association of Certified Accountants (ACCA) in the UK. She graduated from the University of Nigeria in 1977 with a BSc in Accountancy.

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### Mr. Gopalan Raghu – Non-Executive Director

Mr. Raghu obtained his Bachelor's Degree from Loyola College, Madras, India in 1979. He is a Chartered Accountant and an Associate of Company Secretaries, India. He joined Messrs H. B. Chanrai Group of Companies in 1980 as its Financial Controller and rose to the position of General Manager in 1985. In 1991, he was appointed Group Managing Director of H.B. Chanrai Group.

He is a Director of various companies including J. T. Chanrai & Co (PH) Ltd, Woollen & Synthetics Textile Mfg. Co Ltd, Standard Biscuits Nig. Ltd, Agro Products Nig. Ltd and Polythene Enterprises Nig. Ltd and a Trustee of Indian Language School, Lagos.

### Mr. Sarbeswar Sahoo – Managing Director:

Mr. Sahoo holds Master's Degree in Commerce (September 1984) from Berhampur University, India, and Masters in Business Administration - Finance & Marketing (August 2003) from Utkal University, India. Mr. Sahoo is also a Fellow of the Insurance Institute of India (FII), April 1995.

He joined The New India Assurance Company Limited in 1988 where he served in various locations across India in different capacities ranging from Accounts, Claims, Personnel and various aspects of Branch, Division and Region Operations. Prior to his deputation at Prestige Assurance, he served as Regional Manager in charge of Bhubaneswar Regional operations. He was posted to Prestige Assurance Plc as General Manager Risk Control in November 2015 to oversee Operations, Marketing, Underwriting and Claims and in December 2019, he was appointed as the Managing Director of Prestige Assurance Plc.

Mr. Sahoo has over 27 years' experience in General Insurance industry and has undergone various professional trainings and workshops which cut across different aspects of Insurance. He is a visiting faculty to Management Institutions and Insurance Training Institute.

### Mr. Anjan Dey – Director:

Anjan Dey obtained his Bachelor's Degree and MBA from University of Allahabad in 1982 and 1985 respectively. He is also an Associate of the Insurance Institute of India (1992).

Anjan Dey started his career with New India Assurance Company Limited 1986 and 2013 where he held several roles in different branches of the Company. He also worked with Tanzindia Assurance Company Limited between 2008 and 2013 where he served in various capacities including Managing Director/Chief Executive Officer. He was recently appointed as a Director of Prestige Assurance Plc in January 2020.

He has over thirty (30) years' experience in the insurance business. Anjan Dey brings to the Board of Prestige Assurance Plc, his wealth of experience in the Insurance space.

## 14. STATUTORY AND GENERAL INFORMATION

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### Mr. Atul Sahai - Director:

Mr. Atul Sahai has over 35 years' in insurance sector. His experience spans across business development, risk negotiation and risk inspection. He obtained his Bachelor's Degree and Master's Degree from University of Lucknow in 1981 and 1983 respectively. He has also obtained several professional qualifications. Some of the them include: Licentiate in Insurance Studies from the Insurance Institute of India (1991); Associate in Insurance Studies from the Insurance Institute of India (1997), Diploma in Computer Management from Diploma in Computer Management Premier Academy (1994) and Certificate Programme on Capital Markets from University of Mumbai (2007).

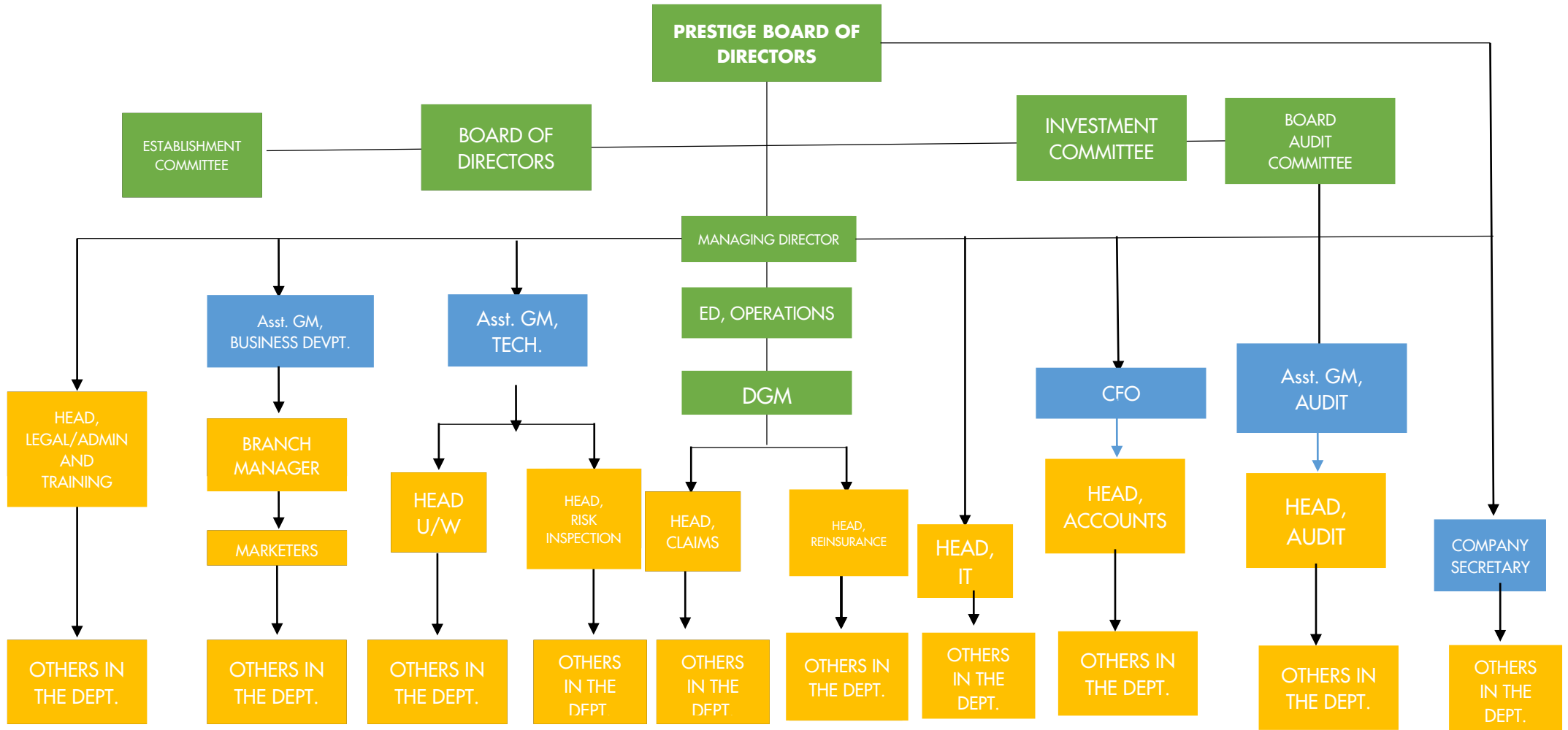
He started his working career with The New India Assurance Company Limited, Mumbai in 1984 where he worked in various capacities such as Branch Manager, Divisional Manager and Senior Divisional Manager on insurance business development.

On promotion as Deputy General Manager, his services were transferred to Oriental Insurance Co Delhi, where he played a significant role in the Company Technical departments such as Health, Motor, Reinsurance and Foreign Operations. He was promoted to General Manager in 2015 and handled all the technical departments with impressive growth and profitability. Ministry of Finance, Government of India appointed him as Chairman-Cum-Managing Director, New India Assurance Company from December 2018 till date.



# 14. STATUTORY AND GENERAL INFORMATION

## 14.7. Organogram of Prestige Assurance Plc



## 14. STATUTORY AND GENERAL INFORMATION

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### 14.8. Material Contracts

A Vending Agreement between Prestige Assurance Plc and Ecellon Capital Limited dated July 7, 2020 has been executed in connection with this Rights Issue. The company has however not entered into any other material contracts except in its ordinary course of business.

### 14.9. Consents

#### Directors of the Issuer

Dr. Adedoyin Salami

Mr. Muftau Olakunle Oyegunle

Mrs. Funmi Oyetunji

Mr. Gopalan Raghu

Mr. Sarbeswar Sahoo

Mr. Anjan Dey

Mr. Atul Sahai

#### Company Secretary

Mr. Abayomi Odulana

#### Professional Parties

##### ***Issuing House:***

Ecellon Capital Limited

##### ***Solicitors:***

Duale, Ovia & Alex – Adedipe

##### ***Stockbrokers:***

Imperial Asset Managers Limited

##### ***Registrars:***

First Registrars and Investor Services Limited

##### ***Auditors:***

Ernst & Young (EY Nigeria)

##### ***Receiving Bank:***

First Bank Nigeria Limited

Sterling Bank Plc

## 14. STATUTORY AND GENERAL INFORMATION

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### 14.10. Statement of Indebtedness

As at December 31, 2019, the company's indebtedness stood at ₦10.029Mn in the ordinary course of business. This represent the book balance of the overdraft facility obtained during the financial year.

### 14.11. Claims and Litigation

The Company in the ordinary course of business is presently involved in four (4) pending litigation cases ("Cases"). The total number of Cases instituted against the Company is three (3) whilst the Company initiated proceedings in one (1) case.

The total amount claimed in the three (3) cases instituted against the Company is estimated at ₦444,725,595.89 (Four Hundred and Forty-Four Million, Seven Hundred and Twenty- Five Thousand, Five Hundred and Ninety-Five Naira and Eighty-Nine Kobo Only). The amount in the case instituted by the Company is ₦100,000,000 (One Hundred Million Naira).

The Solicitors to the Issue are of the opinion that the aforementioned Cases are not likely to have any material adverse effect on the Company or the proposed Rights Issue and are not aware of any other pending and/or threatened claims or litigation, which may be material to the Rights Issue.

A schedule of the Cases in which the Company is involved is available for inspection at the registered office of the Company.

### 14.12. Mergers and Acquisitions

The Company is not aware of any investor seeking to acquire a majority stake in the Company, nor is the Company actively seeking to acquire a majority stake in another entity.

### 14.13. Relationship Between the Company and its Advisors

As at date of this Rights Circular, there is no relationship between the Company and its Advisers except in the ordinary course of business.

### 14.14. Research and Development

While Prestige continues to adopt best practices in its operational process, the company did not make any research and development capital expenditure over the last three (3) years.

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### 14.15. Related Party Transactions

Below is a summary of related party transactions as at December 31, 2019

#### Compensation of key management personnel:

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

	2019 N'000	2018 N'000
<b>Short-term employee benefits:</b>		
Salaries and allowances	57,356	49,680
<b>Long-term employee benefits</b>		
Post-employment pension benefits	-	-
	<b>57,356</b>	<b>49,680</b>

<b>Amount Paid to the highest paid Director</b>	<b>19,548</b>	<b>18,425</b>
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The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Number	Number
Below N1,000,000	-	3
N1,000,001 – N4,000,000	4	1
N4,000,001 – N7,000,000	-	-
N7,000,001 and above	2	2
	<b>6</b>	<b>6</b>

#### *Employees*

The following employees are the number of persons in employment of the Company as at 31 December

	Number	Number
Executive Directors	2	2
Management (Managers & above)	10	9
Senior Staff	47	44
Junior Staff	33	27
	<b>92</b>	<b>82</b>

	N'000	N'000
Staff Cost		
Salaries and Allowances	452,216	437,171
Staff pension	19,617	17,301
Staff gratuity	39,495	40,603
	<b>511,328</b>	<b>495,075</b>

The number of employees of the Company, other than Directors who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

Emolument Range	2019 Number	2018 Number
N500,000 – N1,000,000	2	-
N1,000,001 – N1,500,000	-	3
N1,500,001 – N2,000,000	5	4
N2,000,001 – N2,500,000	15	13

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N2,500,001 – N3,000,000	11	9
N3,000,001 – Above	59	53
	<b>92</b>	<b>82</b>

### 14.16. Cost and Expenses

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and the NSE, professional parties, brokerage, and printing and distribution expenses, are estimated at ₦143,098,240.16, representing 2.10% of the Issue proceeds and are payable by Prestige Assurance.

### 14.17. Subsidiaries and Associated Companies

Prestige Assurance Plc is a subsidiary of The New India Assurance Company Limited. As at December 31, 2019, New India Insurance Company Limited holds 69.50% shareholding, which accounts for majority shareholding in Prestige Assurance Plc.

### 14.18. Risk

*These are risks associated with Rights Issue. These risks may have an adverse effect on the performance of the Issuer and cause a deviation from the expected outcomes stated in this Rights Circular. The risks described below are those that have been identified by the Issuer and its advisers and are not exhaustive. Certain risks may arise which are unknown to the Issuer. Accepting Shareholders and their Advisers should carefully consider the following risks together with the information set out in this Rights Circular prior to taking an investment decision.*

#### *14.18.1. Company Specific Risks:*

These are risks that are peculiar to Prestige Assurance Plc and they include operational failure, reputational risk, financial risks, insurance risks, strategic risks, poor management, poor internal control, inadequate cash flow, undue influence on management decisions by third parties etc. A combination of these risks may interplay to affect the business operations of the Company which may affect its ability to deliver value to its stakeholders.

#### *14.18.2. Economic Risks:*

Nigeria's economy is largely dependent on activities in the global crude oil market and key macroeconomic variables like, exchange rate, interest rates, inflation, monetary and fiscal policies will be adversely affected in the event that there is a shock in the global crude oil market. The nation's Real and Financial sectors are largely sensitive to the aforementioned economic risk factors. A prevailing economic risk during the time of this Issue is the negative impact of Coronavirus (COVID-19) on the global and domestic economy which has disrupted business operations and threatened the profitability of various sectors of the economy, most especially the Financial Sector.

Consequently, Prestige Assurance, being a player in the Financial Sector, is exposed to the economic risks as a

## 14. STATUTORY AND GENERAL INFORMATION

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shock to the general economy will affect premium payment by its Policyholders and the value of the Company's investments in the financial market. This may erode the investments of its Shareholders and hence, is an inherent risk associated with the subscription to this current Rights Issue.

### *14.18.3. Legal Risk:*

Current and future litigations against the Company may lead to the payment of penalties and fines as damages to the Claimants thereby posing a threat to the company's revenues and its profitability. The materiality of the judgment against the company may affect the Company's ability to deliver value to its current and future Shareholders.

### *14.18.4. Industry/ Sectoral Risk:*

Industry risks external to the Company's business operations like poor perception in the market, prominence of unethical practices and poor asset quality of Insurance companies pose risks to the investment of shareholders. This is as any of the aforementioned risks may interplay to trigger bearish sentiments in the financial market leading to a depreciation in the Company's share price and consequently, loss of value to the Shareholders.

### *14.18.5. Regulatory Risk:*

The business operations of the company may be negatively impacted in the event that new industry regulations affect the ability of the company to continue business operations in the country. The Company's business operations may also be threatened in the event that the Company is unable to meet new regulatory standards. This poses a risk to Shareholders' investment as they risk losing their investments in the occurrence of such event.

### *14.18.6. Environment Risks*

These are risks to the Company's business operations as a result of natural occurrences of events like floods, hurricanes, tornadoes, volcanic eruptions, earthquakes, tsunamis, storms, and other geologic processes. In recent times, Nigeria has been affected by a rising rate of flooding in some regions and this poses a risk to the Company's business operations if any of its branches is affected by this natural disaster.

## 14.19. Underwriting

This Issue is not underwritten at the instance of the Issuer.

## 14.20. Declarations

Except as otherwise disclosed in this Rights Circular:

- i. No Share of Prestige Assurance is under option or agreed conditionally or unconditionally to be put under option;
- ii. No commissions, discounts, brokerages or other special terms have been granted by Prestige Assurance to any person in connection with the issue or sale of any share of the Company

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- iii. There are no founders, management or deferred shares or any options outstanding;
- iv. There are no material service agreements between Prestige Assurance and any of its directors and employees
- v. No Director of the Prestige Assurance has had any interest, direct or indirect in any property purchased or proposed to be purchased by the Company in the three years prior to the date of this Rights Circular; and
- vi. No Director of the Company is or has been involved in any of the following:
  - A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she was a partner or any company of which he/she is or was a Director or key personnel;
  - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
  - The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

### 14.21. Purpose and Use of Proceeds

This Rights Issue is being undertaken to enable Prestige Assurance Plc meet the revised minimum capital requirement of ₦10,000,000,000 (Ten Billion Naira) as stipulated by the industry regulator NAICOM, being the statutory requirement for the operation of a General Insurance Business. Following the deductions of offer costs – estimated at ₦143,098,240.16 (representing 2.10% of the gross issue proceeds), the proceeds will be applied as stated below:

S/N	Use of Proceeds	Amount (₦)	%	Completion Period
1	Enhancement of Investment and Underwriting Portfolio	4,239,351,824.51	63.5%	Immediate
2	Statutory Deposits with the Central Bank of Nigeria	700,000,000.00	10.5%	Immediate
3	Working Capital Enhancement	667,479,976.28	10.0%	Immediate
4	Upgrade of ICT Infrastructure for operations and E-business.	333,739,988.14	5.0%	2021 (12 Months)
5	Human Capital Development	333,739,988.14	5.0%	2021 (12 Months)
6	Research and Development	133,495,995.26	2.0%	2021 (12 Months)
7	Corporate Communications and Advertising	166,869,994.07	2.5%	2021 (12 Months)
8	Retail and Branch Expansion	100,121,996.44	1.5%	2023 (36 Months)
	<b>Total</b>	<b>6,674,799,762.84</b>	<b>100.00%</b>	

## 14. STATUTORY AND GENERAL INFORMATION

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### 14.22. Details of Proceed Utilization

- A major portion of the use of Proceeds i.e. 63.5% will be utilized to enhance the company's investment and underwriting capacity, thus enabling the company better underwrite risks and increase its retention capacity. The company will also invest this portion of the use of proceeds in securities such as sovereign bonds, corporate bonds and other securities that are graded in the top investment category.
- To ensure that the company complies with the statutory requirement of the Central Bank of Nigeria (CBN), such that existing insurance companies are required to deposit 10% of their share capital with CBN, the company will make a deposit of ₦700Million equivalent to 10.5% of the proceeds to meet up with this requirement.
- The company plans to utilize 10% of the proceeds utilization as working capital enhancement which would aid in maintaining the shareholders' funds of the company.
- The company has allocated 5% of the proceeds utilization to upgrade its ICT infrastructure for operations and E-business. The company plans to introduce Digital Insurance as a means of enhancing insurance penetration and improved visibility.
- The company plans to invest in Human Capital and has allocated 5% of the proceeds utilization for this purpose. This would be achieved by embarking on both internal and external trainings of its staff, recruitment of additional staff, thus improving their capacity and that of the company.
- The company has allocated 2% of the proceed utilization to fund research and development. The proposed research and development will be targeted at the development and improvement of new and existing products and services of the Company
- 2.5% of the proceed utilization has been allotted to enhance corporate communications and advertisement of the company. This is aimed at promoting new and existing products of the company, thereby improving their access to a wider market.
- The company also plans to expand its branches in Abuja, Lagos (Apapa, Ikeja and Ikorodu), Kano, Ibadan, Kaduna and Port-Harcourt and plans to establish a branch in Akure. Thus, the company has allocated 1.5% of the proceed utilization for this purpose and plans to complete this process by 2023.

### 14.23. Documents available for Inspection

Copies of the following documents are available for inspection at the office of the Issuer, Eczellon Capital Limited during normal business hours for the period of the offer.

1. The Certificate of Incorporation of the Company
2. The Memorandum and Articles of Association of the Company
3. The Rights Circular issued in respect of the Issue
4. The Audited Financial Statement of the Company for Years 2015, 2016, 2017, 2018 and 2019
5. The Shareholders Resolution authorizing the Issue



## 14. STATUTORY AND GENERAL INFORMATION

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6. The Board Resolution authorizing the Issue
7. The List of Claims and Litigation of the company referred to above
8. Material Contracts – Vending Agreement dated July 7, 2020 between Prestige Assurance Plc and Eczellon Capital Limited in connection with the Rights Issue
9. Consent Letters of the Company's Directors, Company Secretary and Professional Parties on the transaction as listed in 14.9 above
10. Letter of Approval from SEC
11. Letter of Approval from NSE

## 15. PROVISIONAL ALLOTMENT LETTER

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Dear Sir/Madam,

RIGHTS ISSUE OF 13,635,796,006 ORDINARY SHARES OF ₦0.50K EACH AT ₦0.50K PER SHARE BY PRESTIGE ASSURANCE PLC

### **Provisional Allotment:**

The Chairman's letter dated December 11, 2019 on page 15 of this Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of Ordinary Shares set out on the first page of the enclosed Acceptance/Renunciation Form, representing Thirty-Eight (38) new ordinary share for every Fifteen (15) ordinary share registered in your name at the close of business on January 31, 2020. The new Ordinary Shares will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

You may accept all or some of the shares offered to you or renounce your Rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box B of the Acceptance/Renunciation Form, while if renouncing your Rights partially or in full, kindly complete box C of the form. You may also apply for additional shares over and above your provisional allotment as described in below.

### **Acceptance and Payment:**

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities and Exchange Commission. If payment is not received by September 17, 2020, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

#### *Full Acceptance:*

If you wish to accept this provisional allotment in full, please complete box B of the Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 69 of this document not later than September 17, 2020. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "PRESTIGE ASSURANCE PLC RIGHTS" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post. Any payment made electronically or with a value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Issue Proceeds Account stated on the Acceptance/Renunciation Form. Such payment

## 15. PROVISIONAL ALLOTMENT LETTER

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must include the following transfer instruction narrative: “[FULL NAME OF SHAREHOLDER]’s PAYMENT FOR PRESTIGE ASSURANCE PLC RIGHTS”.

### **Applying for Additional Shares:**

This may be done by completing item (ii) and (iii) of box B of the Acceptance/Renunciation Form. Payment should be made in accordance with the detailed description made above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for.

### **Partial Acceptance:**

To accept your provisional allotment partially, please complete box C of the Acceptance/ Renunciation Form and submit the completed Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 69 of this document together along with full amount payable in respect of the number of shares you wish to accept. Payment should be made in as described above.

### **Trading in Rights on the NSE:**

The approval of The Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between August 10, 2020 and September 17, 2020 at the price at which the Rights are quoted on The Exchange. If you wish to trade your Rights, you may do so on the floor of The Exchange between these dates. Please complete item ii of box C of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase traded Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing traded Rights. Any purchaser of Rights may also trade those Rights between these dates.

### **Allotment of Additional Shares:**

Ordinary shares which are not taken up by the Offer Closing Date will be allotted on a pro-rated basis to shareholders who apply for additional shares i.e. all subscribers will be allotted equal proportion of the amount applied for according to the Rules and Regulations of the Securities and Exchange Commission.

### **Subscription Monies:**

Acceptance/Renunciation Forms must be accompanied with the full amount due on acceptance All subscription monies will be retained in interest yielding bank accounts by the Receiving Bank.

### **Surplus Application Monies:**

If any application for additional shares is not accepted or accepted for fewer shares than the number of shares applied for; a cheque for the balance of the amount paid together with accrued interest will be returned by

## 15. PROVISIONAL ALLOTMENT LETTER

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registered post within 5 (five) working days of allotment. Any electronic payment with a value exceeding ₦10 million would be made via RTGS or NEFT into the affected subscriber's bank account details stated on the Acceptance/Renunciation Form.

**Rounding Principle:**

The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue will be rounded to the nearest whole number.

**Settlement:**

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment.

Yours Faithfully,

For: Prestige Assurance Plc



**Abayomi Odulana**

Company Secretary

## 16. RECEIVING AGENTS

A copy of this Rights Circular has been forwarded to each of the Shareholders whose names appeared in the Company's Register of Members as at January 31, 2020. The completed Acceptance forms together with a cheque, bank draft or evidence of payment via bank transfer for the full amount payable may be returned to any of the receiving agents listed below to whom brokerage will be paid at the rate of 0.5% of the value of shares allotted in respect of the Acceptance Forms bearing their official stamp.

*Prestige Assurance and the Issuing House, Eczellon Capital Limited cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstance.*

BANKS <sup>1</sup>			
Access Bank Plc	First City Monument Bank Plc	Providus Bank	Union Bank of Nigeria Limited
Citi Bank Nigeria Limited	Globus Bank Limited	Stanbic IBTC Bank Limited	United Bank for Africa Plc
Diamond Bank Plc	Guaranty Trust Bank Plc	Standard Chartered Bank Nigeria Limited	Unity Bank Plc
Ecobank Nigeria Plc	Heritage Banking Company Limited	Sterling Bank Plc	Wema Bank Plc
Fidelity Bank Plc	Keystone Bank	SunTrust Bank Nigeria Limited	Zenith Bank Plc
First Bank Nigeria Plc	Polaris Bank	Titan Trust Bank Limited	
STOCKBROKERS AND OTHERS <sup>2</sup>			
Absa Securities Nigeria Limited	FBC Trust & Securities Limited	Morgan Capital Securities Limited	Topmost Securities Limited
Afrinvest Securities Nigeria Limited	FBNQuest Securities Limited	Mountain Investment & Securities Limited	Tower Securities & Investment Coy. Ltd
Anchoria Investment & Securities Limited	FCSL Asset Mgt. Company Limited	Network Capital Limited	Trade link Securities Limited
Apel Asset Limited	Fidelity Finance Company Limited	Networth Securities & Finance Limited	Traders Trust & Investment Coy. Ltd
APT Securities & Funds Limited	Financial Trust Company Nigeria Limited	Newdevco Investment & Securities Limited	Transworld Investment & Securities Limited
ARM Securities Limited	Finmal Securities Limited	Nigerian International Securities Limited	Trust Yields Securities Limited
Arthur Stevens Asset Management Limited	First Integrated Capital Mgt. Limited	Nigerian Stockbrokers Limited	Transbanc Capital Management Limited
Associated Asset Managers Limited	FIS Securities Limited	Nova Finance & Securities Limited	Trusthouse Investments Limited
Atlas Portfolio Limited	Foresight Securities & Investment Limited	Osborne Capital Markets Limited	TRW Stockbrokers Limited
Bauchi Investment Corp. Securities Limited	Forte Financial Limited	PAC Securities Limited	Tyndale Securities Limited
Belfry Investment & Securities Limited	Forthright Securities & Investment Limited	Peace Capital Markets Limited	UIDC Securities Limited
Bestworth Asset & Trust Limited	Fortress Capital Limited	Pilot Securities Limited	UNEX Capital Limited
Calyx Securities Limited	FSDH Securities Limited	Planet Capital Limited	Union Capital Markets Limited
Camry Securities Limited	FSL Securities Limited	Portfolio Advisers Limited	United Capital Securities Limited
Capital Asset Limited	Funds Matrix & Asset Mgt. Limited	Premium Capital & Stockbrokers Limited	Valmon Securities Limited
Capital Bancorp Plc	Fundvine Capital & Securities Limited	Primewealth Capital Limited	ValueLine Securities & Investments Limited
Capital Express Securities Limited	Futureview Securities Limited	Prominent Securities Limited	Vetiva Securities Limited
Capital Trust Brokers Limited	Gidauniya Investment & Securities Limited	PSI Securities Limited	WCM Capital Limited
Cardinal Stone Securities Limited	Global Asset Mgt. Nigeria Limited	Pyramid Securities Limited	WSTC Securities Limited
Cashcraft Securities Limited	Globalview Capital Limited	Qualinvest Capital Limited	Zion Stockbrokers & Securities Limited
Cashville Investment & Securities Limited	Golden Securities Limited	Quantum Zenith Securities & Investments Ltd	
CDL Capital Markets Limited	Greenwich Securities Limited	Rainbow Securities Limited	
Centre Point Investment Limited	Growth & Devpt. Asset Mgt. Limited	Readings Investment Limited	
Century Securities Limited	Grune Capital Limited	Regency Assets Management Limited	
Chapel Hill Denham Securities Limited	GTI Securities Limited	Rencap Securities (Nig) Limited	
Charwell Securities Limited	Harmony Investment & Securities Ltd	Resort Securities Limited	
Citi Investment Capital Limited	Heartbeat Investments Limited	Reward Investment & Service Limited	
City Code Trust & Invest Company Limited	Hedge Securities & Investments Limited	RMB Nigeria Stockbrokers Limited	
Compass Investments & Securities Limited	Helix Securities Limited	Rostrum Investment & Securities Limited	
Cordros Securities Limited	Heritage Capital Markets Limited	Rowet Capital Management Limited	
Core Securities Limited	IMCG Securities Limited	Royal Crest Finance Limited	
Coronation Securities Limited	Icon Stockbrokers Limited	Royal Guaranty & Trust Limited	
Cowry Securities Limited	Imperial Asset Managers Limited	Royal Trust Securities Limited	
Crane Securities Limited	Integrated Trust & Investments Limited	Sankore Securities Limited	
Crossworld Securities Limited	Interstate Securities Limited	Santrust Securities Limited	
Crown Capital Limited	Investment One Stockbrokers Int'l Limited	Securities & Capital Mgt. Coy. Ltd.	
CSL Stockbrokers Limited	Investors & Trust Company Limited	Securities Africa Financial Limited	
Deep Trust & Investments Limited	Kapital Care Trust & Securities Limited	Securities Swaps Limited	
De – Lords Securities Limited	Kedari Capital Limited	Shalom Investments & Securities Limited	
Dominion Trust Limited	Kinley Securities & Investment Limited	Shelong Investments Limited	
DSU Brokerage Services Limited	Kofana Securities & Investment Limited	Sigma Securities Limited	
Dunbell Securities Limited	Lambeth Capital Limited	Signet Investments & Securities Limited	
Dunn Loren Merrifield Securities Limited	Lead Securities & Investment Limited	Skyview Capital Limited	
Dynamic Portfolio Limited	Lighthouse Asset Mgt. Limited	Smadac Securities Limited	
EDC Securities Limited	Magnartis Finance & Investment Limited	Solid Rock Securities & Investments Plc	
Edgefield Capital Management Limited	Mainstreet Bank Securities Limited	Spring Board Trust & Investments Limited	
EFG Hermes Nigeria Limited	Maxifund Investment & Securities Plc	Spring Trust & Securities Limited	
El- Elyon Alliance & Securities Limited	MBC Securities Limited	Stanbic IBTC Stockbrokers Limited	
Elixir Securities Limited	Mega Equities Limited	Standard Union Securities Limited	
Enterprise Stockbrokers Limited	Meristem Stockbrokers Limited	Tellimer Capital Limited	
Equity Capital Solutions Limited	Midas Stockbrokers Limited	The Bridge Securities Limited	
Eurocomm Securities Limited	Mission Securities Limited	Tiddo Securities Limited	
Falcon Securities Limited	Molten Trust Limited	Tomil Trust Limited	

<sup>1</sup> Source: Central Bank of Nigeria  
<sup>2</sup> Source: Nigerian Stock Exchange



# 17. ACCEPTANCE/RENUNCIATION FORM

Application List Opens  
August 10, 2020



RC.6753

Application List Closes  
September 17, 2020

## ACCEPTANCE/RENUNCIATION FORM

### (A) TRADING IN RIGHTS

- i. Shareholders who renounce their Rights partially or in full may trade their Rights on the floor of The Exchange. The renounced Rights will be traded actively on the floor of The Exchange.
- ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights (see A. below) and/or apply for additional shares by completing item (ii) of box B below.
- iii. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box B will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.
- iv. If you wish to purchase traded Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing PRESTIGE ASSURANCE PLC Rights.

DETAILS OF SHAREHOLDER'S  
PROVISIONAL ALLOTMENT

PLEASE COMPLETE SECTION B OR C AS APPLICABLE

### (B) FORM OF FULL ACCEPTANCE AND REQUEST FOR ADDITIONAL SHARES

- i. I/We accept this allotment in full as shown above.
- ii. I/We also apply for the following additional shares

This section should be completed if you wish to apply for additional shares

No of additional shares applied for	Additional Amount payable at 50 Kobo Per Share
	<b>N</b>

- iii. I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us in accordance with the Provisional Allotment Letter contained in the Rights Circular.
- iv. I/We enclose my/our bank draft for **N**..... being the amount payable as shown above, plus any additional amount payable as shown in item (ii) above.

### (C) FORM OF RENUNCIATION OR PARTIAL ACCEPTANCE

1 No. of Shares Accepted	2 Amount Payable at 50 Kobo Per Share	3 No. of Share Renounced
	<b>N</b>	

- i. I/We accept the number of shares as shown in Column (1) above and enclose my/our bank draft for **N**..... shown in column (2) above.
- ii. I/We hereby renounce my/our right to Ordinary Shares shown in Column (3) above being the balance of the Ordinary Shares allotted to me/us.
- iii. I/We confirm that I/We wish to trade my/our rights to ..... Ordinary Shares (being my/our renounced shares as shown in Column (3) above on the floors of The Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.

(For either B or C)

(For joint/Corporate Allottees)

Signature.....

2nd Signature .....

Date.....

Next of Kin.....

Clearing House Number (CHN):

CSCS NO (if you want shares allotted credited to your CSCS A/C)

<b>C</b>																			
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Name of your Stockbroker

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Stamp of Receiving Agent

SEAL OF CORPORATE ALLOTTEE