Coronation Insurance Plc

Audited Financial Statements

the year ended 31 December 2021

CORONATION INSURANCE PLC

INTRODUCTION

Coronation Insurance Plc's audited Financial Statements complies with the applicable legal requirements of the Nigerian Securities and Exchange Commission regarding interim financial statements. These financial statements contain extract of the audited financial statements prepared in accordance with IAS 34 'Interim Financial Reporting' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria. Due to rounding numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

We confirmed that Coronation Insurance Plc has:

a. adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in the Financial Reporting Council of Nigeria (FRC), International Financial Reporting Standards (IFRS) and provisions of Rule 17.15(d) of the Listings Rules;

b. made specific enquiry of all directors and hereby confirm that its directors have complied with the required standard set out in the Listings Rules and in the Company's code of conduct regarding securities transactions by directors

In line with the provisions of Rule 2.2 of the Rules Governing Free Float Requirements, the shareholding pattern of the Company is disclosed at page 3 of the audited Financial Statements for the year ended 31st December, 2021.

We confirm that the Company's free float is in compliance with the Exchange's free float requirements for the Main Board on which the Company is listed

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORONATION INSURANCE PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Coronation Insurance Pie ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matter apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contract Liabilities and Reserve Adequacy Testing The Group has material insurance contract liabilities from both Life and non-Life businesses of N13.6 billion representing 75% of total liabilities of the Group and N9.174 billion representing 74% of the total liabilities for the Company. This is an area that involves significant judgment over uncertain future outcomes and therefore we considered it a key audit matter for our audit. Consistent with the insurance industry practice, the Group engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities at the year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgment is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities are disclosed in Note 21 to the consolidated and separate financial statements.	Our audit procedures on the valuation of Insurance Contract Liabilities and Reserve Adequacy Testing include: With the assistance of our in-house actuarial specialists we performed the following audit procedures on the Group's actuarial reports: i. We considered the appropriateness of the assumptions used in the valuation of the insurance contracts with reference to the Group's and industry's data and expectations of investment returns, future longevity and expense developments. ii. We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contracts in relation to laps or extension assumptions by reference to Group specific and industry data. iii. We assessed the competence and objectivity of the Group's external specialists, confirming they are qualified and affiliated with the appropriate industry bodies. *Other key audit procedures included:* i. We reviewed and documented management's process for estimating life policy benefits. ii. We assessed the design of internal controls over the integrity of underwriting and claims data in the system as well as over the reserving and claims processes. iii. We performed file reviews of specific underwriting contracts in order to maximize our understanding of the book of business and validate initial loss estimates. iv. We performed subsequent year claim payments to confirm the reasonableness of the initial loss estimates.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Coronation Insurance Pie Consolidated and Separate Financial Statements for the year ended 31 December 2021", which includes the Corporate Information, statement of Corporate responsibility, the Directors' Report, Corporate Governance Report, Management Commentary and Analysis, the Value Added Statements and the Five-Year Financial Summary as required by the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council Act, No.6, 2011, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.



Other Information - Continued

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of *the Consolidated and Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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

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

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Contraventions

The Group incurred penalties **in** respect of contraventions of the requirement of certain sections of the National Insurance Commission's Operational Guideline 2015, Securities and Exchange Commission and the Nigerian Exchange Limited during the financial year. Please see note 45.

Oluwasayo Elumaro, FCA
FRC/2012/ICA N/00000000139

For: Ernst & Young Lagos, Nigeria

29 Jul-2022



Analysis of shareholders

The shareholding pattern of the Company as at December 31st 2021 is as stated below:

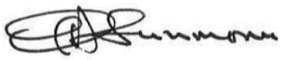
31 December 2021

Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1 - 1,000	651,181	127,929,478	79.30	0.53
1,001 - 5,000	123,488	264,319,384	15.04	1.10
5,001 - 10,000	21,237	153,981,427	2.59	0.64
10,001 - 50,000	19,807	405,873,419	2.41	1.69
50,001 - 100,000	2,550	176,136,793	0.31	0.73
100,001 - 500,000	2,145	433,164,178	0.26	1.81
500,001 - 1,000,000	322	232,219,771	0.04	0.97
1,000,001 - 5,000,000	326	631,337,817	0.04	2.63
5,000,001 - 10,000,000	49	340,399,428	0.01	1.42
10,000,001 - 50,000,000	41	825,023,995	0.00	3.44
50,000,001 - 100,000,000	10	771,039,371	0.00	3.21
100,000,001 - 500,000,000	7	1,188,668,158	0.00	4.95
500,000,001 - 1,000,000,000	2	1,373,723,049	0.00	5.73
1,000,000,001 - 5,000,000,000	2	2,261,492,220	0.00	9.43
5,000,000,001 & Above	2	14,806,371,018	0.00	61.71
	821,169	**23,991,679,506**	**100.00**	**100.00**

Consolidated and Seperate Statements of Financial Position

	Notes	Group 2021 31 Dec N'000	Group 2020 31 Dec N'000	Company 2021 31 Dec N'000	Company 2020 31 Dec N'000
ASSETS					
Cash and cash equivalents	9	7,058,446	2,409,304	4,221,508	837,091
Financial assets	10	9,727,383	14,711,696	1,879,313	3,718,298
Trade receivables	11	184,633	70,181	178,560	57,518
Reinsurance assets	12	5,548,949	4,868,100	4,110,000	3,615,541
Deferred acquisition cost	13	276,629	410,093	151,576	273,245
Other receivables & prepayments	14	757,920	692,201	446,639	586,765
Investment property	17	82,976	80,480	82,976	80,480
Investment in associates	15	11,216,496	11,199,306	5,423,440	5,423,440
Investment in subsidiaries	16	-	-	9,259,506	9,259,506
Intangible assets	19	444,887	513,106	319,818	364,227
Property and equipment	18	3,406,549	3,451,950	3,175,602	3,199,229
Right of use asset	14b	132,908	151,758	-	-
Current income tax asset	14	-	31,996	-	-
Deferred tax asset	23a	239,052	438,322	239,052	438,322
Statutory deposit	20	725,064	695,070	300,000	300,000
TOTAL ASSETS		39,801,890	39,723,562	29,787,989	28,153,661
LIABILITIES					
Insurance contract liabilities	25	13,636,718	10,904,867	9,174,769	7,066,561
Investment contract liabilities	26	1,034,638	1,120,526	-	-
Trade payables	21	330,085	201,665	158,738	136,939
Other payables	22	2,928,145	2,268,485	2,962,042	1,937,867
Lease liability	22b	23,488	83,163	-	-
Current income tax	24	260,039	176,000	134,896	43,359
TOTAL LIABILITIES		18,213,113	14,754,706	12,430,445	9,184,726
EQUITY					
Equity attributable to owners					
Share capital	27	11,995,952	11,995,952	11,995,952	11,995,952
Share premium	28	4,612,938	4,612,938	4,612,938	4,612,938
Contingency reserves	29	3,659,242	3,311,312	2,989,058	2,723,639
Other reserves	30	1,752,455	2,549,744	1,393,020	1,074,593
Retained earnings	31	(431,810)	2,498,910	(3,633,423)	(1,438,187)
TOTAL EQUITY		21,588,777	24,968,856	17,357,544	18,968,935
TOTAL LIABILITIES AND EQUITY		39,801,890	39,723,562	29,787,989	28,153,661

These financial statements were approved by the board of directors (BOD) on 18th July 2022 and signed on behalf of the board of directors by the directors listed below:



Mutiu Sunmonu
FRC/2014/IODN/00000006187
Chairman



Olamide Olajolo
FRC/2013/CIIN/00000000877
Managing Director

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Coronation Insurance Plc

Consolidated Statements of Profit

(All amounts in Naira thousands unless otherwise stated)

		GROUP				COMPANY			
		2021	2020	2021	2020	2021	2020	2021	2020
	Note	3 Months Dec N'000	3 Months Dec N'000	YTD DEC N'000	YTD DEC N'000	3 Months Dec N'000	3 Months Dec N'000	YTD DEC N'000	YTD DEC N'000
Gross written premium	1a	3,064,062	2,922,067	14,130,020	16,185,896	1,952,832	2,430,836	8,847,306	11,636,903
Movement in Unearned premium	1b	676,056	1,537,044	(15,954)	1,124,525	264,413	769,414	(229,550)	700,305
Gross premium income		**3,765,828**	**4,442,505**	**14,139,777**	**17,293,815**	**2,247,983**	**3,200,251**	**8,648,494**	**12,337,208**
Reinsurance expenses	1c	(1,648,696)	(2,632,397)	(5,388,278)	(9,934,193)	(1,161,482)	(2,204,585)	(3,840,047)	(8,463,606)
Net premium Income	**1**	**2,117,132**	**1,810,108**	**8,751,499**	**7,359,622**	**1,086,500**	**995,666**	**4,808,447**	**3,873,602**
Fees and commission income	3	255,231	401,664	915,490	2,109,390	201,947	390,612	642,012	1,750,144
Net underwriting income		**2,372,363**	**2,211,772**	**9,666,988**	**9,469,013**	**1,288,447**	**1,386,278**	**5,450,459**	**5,623,746**
		-	-			-	-		
Claims Paid	2a	(1,081,133)	(997,964)	(5,247,601)	(3,743,924)	(403,943)	(420,951)	(2,517,190)	(1,862,827)
Movement in Outstanding Claims	2b	62,047	(378,113)	(2,063,677)	(3,165,875)	(403,573)	(631,352)	(1,909,397)	(3,091,861)
Claims expense recoverable	2c	234,617	656,837	2,198,028	3,703,624	222,611	716,045	1,486,901	3,088,755
Net claims expenses	**2**	**(784,470)**	**(719,240)**	**5,113,251**	**(3,206,175)**	**(584,904)**	**(336,258)**	**(2,939,685)**	**(1,865,932)**
Underwriting expenses	4	(763,347)	(874,971)	(2,710,186)	(2,983,105)	(550,448)	(619,567)	(1,851,099)	(2,036,327)
Increase in individual life fund	1b	(593,855)	58,599	(595,117)	11,529	-	-	-	-
Total underwriting expenses		**(2,141,672)**	**487,237**	**(8,418,554)**	**(4,154,903)**	**(1,135,352)**	**(955,825)**	**(4,790,784)**	**(3,902,258)**
		-	-			-	-		
Total underwriting profit		**230,691**	**676,161**	**1,248,434**	**3,291,262**	**153,094**	**430,453**	**659,675**	**1,721,488**
		-	-			-	-		
Investment income	5a	(288,197)	157,114	1,506,011	922,174	105,662	79,059	728,197	801,951
Profit on investment contracts		86,948	193,223	86,948	193,223	-	-	-	-
Net realized gain on financial assets	5b	213,377	67,218	183,305	67,218	(320,941)	48,073	108,713	65,647
Net FV Gain/Loss on Financial Asset	5b	(5)	-	-	-	(5)	-	-	-
Net fair value gain on investment property	5f	(56,922)	(190,944)	2,496	-	2,496	-	2,496	-
Other operating income	6	525,415	133,540	782,802	782,355	382,728	254,832	628,338	668,377
Total investment and other income		**480,615**	**360,152**	**2,561,561**	**1,964,970**	**169,939**	**381,963**	**1,467,744**	**1,535,975**
Net income		**711,306**	**1,036,313**	**3,809,995**	**5,256,232**	**323,034**	**812,416**	**2,127,419**	**3,257,463**
		-	-			-	-		
Management expenses	12 & 14	(6,116,259)	(4,903,613)	(5,977,752)	(5,185,565)	(3,335,285)	(2,897,482)	(3,437,641)	(2,954,435)
Finance cost on lease	7	(14,843)	56,106	(3,791)	(9,162)	-	32,757	-	-
Net expected credit loss write back/(charge) on financial assets at amortised cost	8	704,131	582,607	(440,113)	(182,236)	311,699	280,783	(244,669)	(180,860)
Net expected credit loss on financial assets at fair value through OCI	7	3,354,010	2,873,962	(2,162)	(51,681)	2,038,695	1,781,396	(439)	(6,852)
Total operating expenses		**(2,072,961)**	**(1,390,937)**	**(6,423,818)**	**(5,428,644)**	**(984,890)**	**(802,547)**	**(3,682,750)**	**(3,142,147)**
		-	-			-	-		
Operating profit		**(1,361,655)**	**(354,625)**	**(2,613,823)**	**(172,412)**	**(661,857)**	**9,869**	**(1,555,331)**	**115,316**
Share of Profit of Associate	5d	(65,451)	304,956	501,425	1,317,621	-	-		
Profit before tax		**(1,427,106)**	**(49,669)**	**(2,112,398)**	**1,145,209**	**(661,857)**	**9,869**	**(1,555,331)**	**115,316**
Income tax		(444,559)	259,090	(470,392)	56,951	(336,799)	187,890	(374,485)	100,176
Profit after tax		**(1,871,665)**	**209,421**	**(2,582,790)**	**1,202,159**	**(998,656)**	**197,759**	**(1,929,816)**	**215,492**
Other Comprehensive Income, net of tax:		-	-	-	-	-	-	-	-
Foreign currency translation difference of foreign operations		197,239	259,968	197,239	259,968	-	-	-	-
- Net (losses)/gains in fair value during the period		(958,912)	586,711	(958,912)	586,711	(306,756)	271,357	(306,756)	271,357
- Exchange loss on net investment in a foreign operation		(619,382)	-	(619,382)	-	-	-	-	-
- Net changes in ECL allowance on FVOCI during the year		440,150	61,118	1,301	61,118	85,149	16,288	439	16,288
Share of other comprehensive income of		(59,232)	552,998	(59,232)	552,998	-	-	-	-
- Fair value gain on equity securities during the period		644,299	66,716	644,299	66,716	625,622	78,384	625,622	78,384
- Exchange gain on FVOCI equity securities during the period		-	34,532	-	34,532	-	34,532	-	34,532
- Net realised loss on sales of equity instrument at FVTOIC	5e	912,427	(15,326)	-	(15,326)	-	(15,326)	-	(15,326)
Total Other Comprehensive Income		**581,095**	**1,546,718**	**(770,181)**	**1,546,718**	**404,015**	**385,235**	**319,305**	**385,235**
		-	-			-	-		
Total comprehensive income/loss		**(1,290,570)**	**2,748,877**	**(3,352,971)**	**2,748,877**	**(594,641)**	**600,727**	**(1,610,511)**	**600,727**
Basic Earning Per Share (Kobo)		2	2	(11)	7	0	0	(8)	1

Consolidated Statements of Changes in Equity - Group
For the year ended 31 December 2021
(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Contingency reserves	Other reserves	Accummulated Losses	Total equity
Balance at 1 January 2021	11,995,952	4,612,938	3,311,312	2,549,744	2,498,910	24,968,856
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(2,582,790)	(2,582,790)
Other comprehensive income						
Net changes in fair value of FVOCI financial instruments	-	-	-	(958,912)	-	(958,912)
Net reclassification adjustments for realised debt instruments				-	-	-
Fair value loss on equity securities during the period			-	644,299	-	644,299
Foreign currency translation difference	-	-	-	197,239	-	197,239
Share of other comprehensive income of associates	-	-	-	(59,232)	-	(59,232)
Exchange loss on net investment in a foreign operation*	-	-	-	(619,382)	-	(619,382)
ECL impairment on financial assets at FVOCI	-	-	-	(1,301)	-	(1,301)
Total other comprehensive loss for the year	-	-	-	(797,289)	-	(797,289)
Total comprehensive loss for year	-	-	-	(797,289)	(2,582,790)	(3,380,079)
Transactions with equity holders, recorded directly in equity:						
Transfer to contingency reserves	-	-	347,930	-	(347,930)	-
Total transactions with owners	-	-	347,930	-	(347,930)	-
Balance at 31 December 2021	11,995,952	4,612,938	3,659,242	1,752,455	(431,810)	21,588,777

* Coronation Life invested $5.145m in Coronation Ghana at an average of N555 to a USD. Coronation Ghana issued its equity capital to Coronation Life at N435 to a USD thereby creating an asset equity mismatch between Coronation Life cost of investment in Coronation Ghana and vice versa. On consolidation of Coronation Life and Coronation Ghana in the financial statements of the Group, the transactions were eliminated with the differences recognised as exchange loss on net investment in a foreign subsidiary.

Statement of Changes in Equity - Company
For the year ended 31 December 2021
(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021	11,995,952	4,612,938	2,723,639	1,074,593	(1,438,187)	18,968,935
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,929,816)	(1,929,816)
Other comprehensive income						
Net changes in fair value of FVOCI financial instruments	-		-	(306,756)	-	(306,756)
Net reclassification adjustments for realised debt instruments	-	-	-	-	-	-
Fair value movement on equity securities during the year	-	-	-	625,622	-	625,622
ECL impairment write back on financial assets at FVOCI	-	-	-	(439)	-	(439)
Total other comprehensive income for the year	-	-	-	318,426	-	318,426
Total comprehensive loss for year	-	-	-	318,426	(1,929,816)	(1,611,389)
Transactions with equity holders, recorded directly in equity:						
Transfer to contingency reserves	-	-	265,419	-	(265,419)	-
Total transactions with owners	-	-	265,419	-	(265,419)	-
Balance at 31 December 2021	11,995,952	4,612,938	2,989,058	1,393,020	(3,633,422)	17,357,546

Consolidated Statements of Changes in Equity - Group
For the year ended 31 December 2020
(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2020	6,691,369	6,194,983	2,832,197	1,003,026	1,798,050	18,519,625
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,202,159	1,202,159
Other comprehensive income						
Net changes in fair value of FVOCI financial instruments	-	-	-	586,711	-	586,711
Fair value gain on equity securities during the period			-	66,716	-	66,716
Net reclassification adjustments for realised debt instruments	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	259,968	-	259,968
Share of other comprehensive income of associates	-	-	-	552,998	-	552,998
Exchange gain on FVOCI equity securities	-	-	-	34,532	-	34,532
ECL Impairment on financial assets at FVOCI	-	-	-	61,118	-	61,118
Transfer to retained earnings on disposed FVOCI equity securities	-	-	-	(15,326)	15,326	-
Total other comprehensive income for the year	-	-	-	1,546,718	15,326	1,562,043
Total comprehensive income for year	-	-	-	1,546,718	1,217,485	2,764,202
Transactions with equity holders, recorded directly in equity:						
Shares issued during the year - Rights issue	5,304,583	-	-	-	-	5,304,583
Share issue costs	-	(308,945)	-	-	(37,510)	(346,455)
Deduction from share premium - Rights issue discount	-	(1,273,100)	-	-	-	(1,273,100)
Transfer to contingency reserves	-	-	479,115	-	(479,115)	-
Total transactions with owners	5,304,583	(1,582,045)	479,115	-	(516,625)	3,685,028
Balance at 31 December 2020	11,995,952	4,612,938	3,311,312	2,549,744	2,498,910	24,968,856

Statement of Changes in Equity -Company
For the year ended 31 December 2020
(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2020	6,691,369	6,194,983	2,374,532	689,358	(1,319,898)	14,630,343
Total comprehensive income for the year						
Profit for the year	-	-	-	-	215,492	215,492
Other comprehensive income						
Net changes in fair value of FVOCI financial instruments	-	-	-	271,357	-	271,357
Exchange gain on FVOCI equity securities	-	-	-	34,532	-	34,532
Fair value movement on equity securities during the year	-	-	-	78,384	-	78,384
ECL Impairment on financial assets at FVOCI	-	-	-	16,288	-	16,288
Transfer to retained earnings on disposed FVOCI equity securities	-	-	-	(15,326)	15,326	-
Total other comprehensive income for the year	-	-	-	385,235	15,326	400,561
Total comprehensive income for year	-	-	-	385,235	230,818	616,053
Transactions with equity holders, recorded directly in equity:						
Shares issued during the year - Rights issue	5,304,583	-	-	-	-	5,304,583
Share issue costs	-	(308,945)	-	-	-	(308,945)
Deduction from share premium	-	(1,273,100)	-	-	-	(1,273,100)
Transfer to contingency reserves	-	-	349,107	-	(349,107)	-
Total transactions with owners	5,304,583	(1,582,045)	349,107	-	(349,107)	3,722,538
Balance at 31 December 2020	11,995,952	4,612,938	2,723,639	1,074,593	(1,438,187)	18,968,935

Statement of cash flows for the year ended 31 December 2021

	Group 2021 31-Dec N'000	Group 2020 31-Dec N'000	Company 2021 31-Dec N'000	Company 2020 31-Dec N'000
Operating activities				
Premiums received	13,216,418	15,801,411	8,726,264	11,586,274
Fees and commission received	915,490	2,003,961	658,963	1,663,951
Fees and commission paid	(2,858,897)	(2,964,455)	(1,734,009)	(1,935,203)
Reinsurance premiums paid	(5,052,780)	(8,548,866)	(3,879,052)	(7,868,009)
Gross claims paid to policy holders	(5,247,601)	(3,743,924)	(2,517,190)	(1,862,827)
Reinsurance recoveries on claims	1,459,555	780,560	852,590	777,670
Payments to employees	(1,416,382)	(1,095,625)	(835,722)	(676,819)
Other operating cash payments	(2,765,767)	(2,202,251)	(1,603,041)	(1,643,558)
Other operating cash receipts	126,609	12,422	325,477	295,589
Receipts from Investment contract	616,558	903,058	-	-
Payments to Investment contract	(694,924)	(962,186)	-	-
Premium received in advance	923,301	799,150	902,990	-
Cash paid for statutory deposit	-	-	-	-
Tax paid	(166,160)	(91,442)	(83,678)	(68,959)
Net cash generated from operating activities	**(944,580)**	**691,814**	**813,592**	**268,109**
Cash flows from investing activities				
Disposal of deposit for shares	-	-	-	-
Purchases of property and equipment	(418,990)	(430,019)	(265,795)	(314,632)
Purchases of intangible assets	(101,749)	(158,294)	(99,204)	(31,740)
Proceeds from sale of property and equipment	55,034	-	-	-
Purchases of investment securities	(8,501,916)	(16,678,677)	(2,579,058)	(7,721,148)
Proceeds from redemption of investment securities	13,404,646	12,566,447	4,718,984	7,207,990
Proceeds from sale of investment properties	-	53,055	-	53,055
Rental income received	5,025	1,367	5,025	1,367
Dividend income received	425,004	425,004	425,004	425,004
Other dividend income received	7,884	25,058	7,884	25,058
Interest income received	634,052	884,819	223,017	411,533
Net cash used in investing activities	**5,508,990**	**(3,311,240)**	**2,435,857**	**56,487**
Cash flows from financing activities				
Proceeds from issue of shares	-	3,898,591	-	3,898,591
Purchases of investment in subsidiaries	-	-	-	(3,898,591)
Principal payment on lease	(49,471)	(22,576)	-	-
Lease payments (interest)	(13,996)	(6,387)	-	-
Net cash used in financing activities	**(63,467)**	**3,869,628**	**-**	**-**
Cash and cash equivalents at beginning of year	2,410,920	1,153,511	838,199	506,398
Effect of exchange rate fluctuations on cash held	15,230	7,205	15,230	7,205
Reclassification of money market instruments from unquoted equity	136,360	-	120,704	-
Net increase in cash and cash equivalents	4,500,942	1,250,202	3,249,448	324,596
Cash and cash equivalent at end of year	**7,063,452**	**2,410,920**	**4,223,582**	**838,199**

Summary of Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents is as follows:

	Group 2021 31-Dec N'000	Group 2020 31-Dec N'000	Company 2021 31-Dec N'000	Company 2020 31-Dec N'000
Cash at bank and in hand	736,720	1,337,157	381,382	371,081
Money market placements	6,190,372	1,073,762	3,721,497	467,119
Reclassification	136,360	-	120,704	-
	7,063,452	**2,410,920**	**4,223,582**	**838,199**

1. Reporting entity

Coronation Insurance Plc (formerly Wapic Insurance Plc) ("Wapic" or ''the Group") together with its subsidiaries (collectively "the Group") is a public liability company domiciled in Nigeria with operations in Nigeria and Ghana. Coronation Insurance Plc (formerly Wapic Insurance Plc) was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited. It became a public limited liability company in 1990 when the Group's shares were listed on the Nigerian Stock Exchange. The Group secured a life insurance business license from the National Insurance Commission (NAICOM) in 2000, and became a composite insurance business. The Group separated the life business and transferred the related assets and liabilities to its subsidiary, Intercontinental Life Assurance Limited (now Coronation Life Assurance Limited (formerly Wapic Life Assurance Limited)), on 1 March 2007 through which it continues to provide life assurance services. Coronation Insurance Ghana Limited (formerly Wapic Insurance Ghana Limited), a wholly owned subsidiary of Coronation Insurance Plc (formerly Wapic Insurance Plc), was incorporated on 21 January 2008 to carry on general insurance business in Ghana from 19 February 2008. The address of the Group's corporate office is 119, Awolowo Road, Ikoyi. The Group is principally engaged in the business of underwriting life and non-life insurance risks and also issues a diversified portfolio of investment contracts products to provide its customers with asset management solutions for their savings and target investment plans.

Going concern

These financial statements have being prepared on the going concern basis. The Group and Company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group and Company due to sufficient capital adequacy ratio, healthy solvency margin and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group and Company is carried out to ensure that there are no going concern threats to the operation of the Group and Company.

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act (FRCN Act), to the extent that these laws are not in conflict with the requirement of IFRS.

The financial statements were authorised for issue by the directors on July 2022

(b) Functional and presentation currency

The financial statements are presented in Nigerian currency (Naira) which is the Group's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

- financial instruments at fair value through other comprehensive income are measured at fair value;
- investment properties are measured at fair value;
- land and building are carried at revalued amount; and
- Insurance liabilities are measured at present value of future cashflows.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

(e) Regulation

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

i) section 22 (1b) requires maintenance of contingency reserves for life and non-life business at specified rates as set out under note 3.12 to cover fluctuations in securities and variation in statistical estimates;

ii) section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

iii) section 10(3) requires insurance companies in Nigeria to deposit 10 per centum of the minimum paid up share capital with the Central Bank of Nigeria.

iv) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

v) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimatedin line with accounting policy 3.11 to comply with IFRS;

vi) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a) as actuarial valuations on life insurance liabilities are currently carried out on a yearly basis in line with IFRS.

Section 59 of the Financial Reporting Council of Nigeria Act, (FRCN Act) provides that in matters of financial reporting, if there is any inconsistency between the FRCN Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has promulgated IFRS as the national financial reporting framework of Nigeria. Consequently, the provisions of section 20(1b) and 22(1a) of the National Insurance Act, which conflict with the provisions of IFRS have not been adopted:

(f) Reporting period

The statement of financial position has been prepared for a 12 month period.

(g) Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Standards and interpretations effective for the first time for 31 December 2021 year end

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform

IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. The Board identified two groups of accounting issues arising from IBOR reform that could affect financial reporting and divided its project, IBOR Reform and its Effects on Financial Reporting, into two phases:

pre-IBOR reform: where uncertainty could arise in the run-up to transition (Phase 1 amendments); and

post-IBOR reform: when that uncertainty goes away but companies update the rates in their contracts and the details of their hedging relationships (Phase 2 amendments). The Phase 2 amendments principally address the following issues.

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.

A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting. For example, a company will not need to discontinue existing hedging relationships because of changes to hedge documentation required solely by IBOR reform. Therefore, when a hedged risk changes due to benchmark reform, a company may update the hedge documentation to reflect the new benchmark rate and the hedge may be able to continue without interruption.

However, similar to the Phase 1 amendments, there is no exception from the measurement requirements that apply for the hedged items and hedging instruments under IFRS 9 or IAS 39 Financial Instruments: Recognition and Measurement. Once the new benchmark rate is in place, the hedged items and hedging instruments are remeasured based on the new rate and any hedge ineffectiveness will be recognised in profit or loss. So that users of financial statements can understand the effect of the reform on a company's financial instruments and risk management strategy, a company will need to provide additional information about:

the nature and extent of risks to which the Group is exposed arising from financial instruments subject to IBOR reform and how it manages those risks; and the Group's progress in completing its transition to alternative benchmark rates and how it is managing that transition.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. This amendment had no impact on the financial statements of the Group.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the Board issued COVID-19-Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. If the Board had taken no further action, the practical expedient would have expired in a few months.

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. In effect, it is available to be applied now, subject to any local endorsement requirements. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application.

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances. This means that lessees will need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendments but becomes eligible as a result of the extension. This amendment had no impact on the financial statements of the Group.

Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2022 or later periods:

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that costs of fulfilling a contract comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification is applicable for companies that apply the 'incremental cost' approach and they will need to recognise bigger and potentially more provisions.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 to contracts at the date when the amendments are first applied.
The Group is currently understudying the effect of this amendment to its financial statement and has not early adopted this amendment

Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41: Annual improvements 2018-2020

IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

IAS 41 Agriculture - The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.
Companies will therefore need to distinguish between:
•costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
•costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the Group first applies the amendments.
The Group has not early adopted this amendments for the comparative period and is still understudying the impact of this amendment to its financial statement

Amendments to IFRS 3: Reference to the Conceptual Framework

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. The Group has not early adopted this amendment and is understudying the impact of this amendment on its financial statements

IFRS 17 including amendments Initial application of IFRS 17 and IFRS 9 – Comparative Information: Insurance Contracts

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements. The standard is effective for annual periods beginning on or after 1 January 2023. The Group is still studying the effect of this amendment on its financial statement

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure Initiative: Accounting Policies

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;

The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023. The Group is understudying the effect of this amendment on its accounting policy

Amendments to IAS 1: Classification of liabilities as current or non-current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.
The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation

The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted. The Group has not early adopted this amendment and is currently understudying the potential impact of the amendment on its financial statement

Amendments to IAS 8: Definition of Accounting Estimates

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarifies the following:
- an entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.
- a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Group applies the amendments. The Group is still understudying the effect of this amendment on its financial statement

Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.
The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

Amendment to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.
When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.
Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or Joint Venture. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.

3 Significant accounting policies

Except for the changes explained above, the significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purpose of cashflow, cash and cash equivalents comprise of cash in hand and bank, short term bank deposits and treasury bills/bonds with a maturity of 90 days or less.

3.2 Financial instruments

Recognition and derecognition

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

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Group parts with or receives economic resources for the purchase or sale of the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

i) Financial assets

(a) Classification

the Group's financial assets include cash and short term deposits, loan and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills and bonds. the Group classifies its financial assets in the following categories:
-Amortised cost
-Fair value through other comprehensive income (FVOCI) and
-Fair value through profit or loss (FVTPL)

Classification of debt instruments

Management classifies its financial assets into any of the asset categories above on the basis of both:

-the Group's business model for managing the financial assets.

-The contractual cash flows characteristics of the financial assets.

1. Business Model Assessment

The business model assessment is one of the two steps to classify financial assets. The business model assessment of the Group's financial instruments is performed at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Judgment is needed to determine the level of aggregation to which the business model assessment is applied. That determination is made on the basis of how the Group manages its business, it is not made at the level of an individual asset, rather the Group performs this assessment at a higher level of aggregation which is at a portfolio level.

If cash flows are realised in a way that is different from the Group's expectations at the date that the Group assessed the business model (for example, if the Group sells more or fewer financial assets than it expected when it classified the assets), this does not:
- give rise to a prior period error in the Group's financial statements (as defined in IAS 8 Accounting policies, changes in accounting estimates and errors)
-change the classification of the remaining financial assets held in that business model (i.e., those assets that the Group recognised in prior periods and still holds), as long as the Group has considered all relevant information that was available at the time that it made the business model assessment.

However, when the Group assesses the business model for newly originated or newly purchased financial assets, it considers information about how cash flows were realised in the past, along with all other relevant information. Where there was a change in the way that cash flows are realised, then this will affect the classification of new assets recognised in the future.

Hold-to-collect business model

Where the Group's objective is to hold the asset (or portfolio of assets) to collect the contractual cashflows, the asset (or portfolio of assets) are classified under the 'hold to collect' business model. Financial assets that are held within this business model are measured at amortised cost (provided the asset also meets the contractual cash flow test – see below). Such assets are managed to realise cash flows by collecting contractual payments over the life of the instrument.

In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group considers the frequency and value of sales in prior periods, the timing of the sale of assets, the reasons for those sales, and the Group's expectations about future sales activity.

In accordance with IFRS 9, sales in themselves do not determine the business model and cannot be considered in isolation. However, information about past sales and expectations about future sales provide evidence related to how the Group's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised.

Hold-to-collect contractual cash flows and sell

Where the Group's objective is to hold a group of financial assets to collect the contractual cashflows and then to sell those financial assets, the portfolio of assets are classified under the 'hold to collect and sell' business model. The FVOCI measurement category is mandatory for portfolios of financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (provided the asset also meets the contractual cash flow test).

Collecting contractual cash flows and selling are fundamental to achieving the objective of the business model.

Compared to the business model with an objective to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective rather than only incidental to it. There is no threshold for the frequency or value of sales that can or must occur in this business model.

Other business models

IFRS 9 requires financial assets to be measured at fair value through profit or loss (FVTPL) if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

A business model that results in measurement at FVTPL is where the financial assets are held for trading or where the assets are managed on a fair value basis. In each case, the Group manages the financial assets with the objective of realising cash flows through the sale of the assets. the Group makes decisions based on the assets' fair values and manages the assets to realise those fair values.

2. The contractual cash flows assessment – the Solely Payments of Principal and Interest (SPPI) test

This assessment aims to identify whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending arrangement' that the application of the effective interest method provides useful information about the uncertainty, timing and amount of the financial asset's contractual cashflows.

The effective interest method is essentially to spread interest revenue or expense over time. Amortised cost or FVOCI measurement is only appropriate for simple cash flows that have low variability such as those of loans and receivables and debt securities.

Classification of equity instruments

Investment in equity instruments are always measured at fair value. Equity investments that are held for trading (including all equity derivative instruments such as warrants ane rights issues) are required to be classified at fair value through profit or loss.

the Group may acquire an investment in an equity instrument that is not held for trading. At initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present changes in fair value in other comprehensive income rather than profit or loss.

Amounts presented in OCI are not subsequently transferred to profit or loss, even on derecognition. However, the cumulative gain or loss may be transferred within equity. Equity investments are not subject to any impairment requirements.

Dividends from such investments should be recognised in profit or loss when the right to receive payment is probable and can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Amortised Cost

Financial instruments are measured at amortised cost, using the effective interest rate method.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any impairment allowance.

The impairment loss is reported as a deduction from the carrying value of the loan (using an allowance account) and recognised in profit or loss as 'loan impairment charges'.

Effective interest rate method

The effective interest method is a method used in calculating the amortised cost of a financial asset or financial liability and in the allocation and recognition of the interest income or expense in profit or loss over the relevant period.

The effective interest method differs from the straight-line method in that the amortisation under the effective interest method reflects a constant return on the carrying amount of the asset or the liability. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, over the expected life of the financial instrument to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. It is the internal rate of return of the financial asset or liability for that period.

ii) Fair value through Other Comprehensive Income

For the Group's investment in debt instruments measured at FVOCI, all movements in fair value should be taken through other comprehensive income except for the recognition of impairment losses, interest revenue in line with the effective interest rate method, foreign exchange gains and losses arising on derecognition of the asset which are recognised in the profit or loss.

Therefore, fair value changes will be split in the interest income on an effective interest basis (which are posted to profit or loss) and fair value gains or losses (which are posted to other comprehensive income).

All equity investments held by the Group are required to be measured at fair value through profit or loss. However, the Group can make the irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. Where the Group elects the irrevocable option, amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Nevertheless, the Group may transfer the cumulative gain or loss within equity. Dividends on such equity instruments are recognised in profit or loss in 'Dividend income' when the Group's right to receive payment is established.

the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(d) Impairment of financial assets

the Group will assess on a forward looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts.
No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

General Approach

Under the general approach, at each reporting date, the Group recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

· 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality

· Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis or when a loan becomes credit impaired respectively.

Staging

Stage 1: On origination, a financial asset (provided that it is not a purchased or originated credit impaired asset) will be in stage 1 of the general model for expected credit losses. Financial assets that have not had a significant increase in credit risk since initial recognition or that (upon assessment and option selected by the Group) have low credit risk at the reporting date remain in stage 1.

For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the Group) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised and interest revenue is still calculated on the gross carrying amount of the asset.

Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the Group is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

the Group, when determining whether the credit risk on a financial instrument has increased significantly, considers reasonable and supportable (both historical and forward-looking) information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

Stage 3: This includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). This is done by applying the EIR in subsequent reporting periods to the amortised cost of the financial asset.

When the Group has no reasonable expectations of recovering the financial asset, then the gross carrying amount of the financial asset can be directly reduced in its entirety via a write off. A write-off constitutes a derecognition event.

Simplified approach

The simplified approach does not require the Group to track the changes in credit risk, but, instead, requires the Group to recognise a loss allowance based on lifetime ECLs at each reporting date, right from origination.

the Group recognizes lifetime ECLs at each reporting period for trade receivables or other receivables that result from transactions within the scope of IFRS 15 and that do not contain a significant financing component.

Measurement of expected credit losses

The standard defines credit loss as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument (i.e., the weighted average of credit losses with the respective risks of a default occurring as the weights).

When measuring ECLs, in order to derive an unbiased and probability-weighted amount, the Group should evaluated a range of possible outcomes. This involves identifying possible scenarios that specify:

a. The amount and timing of the cash flows for particular outcomes

b. The estimated probability of these outcomes

c. Exposure at default (EAD): The EAD estimates the percentage of exposure the Group might lose if the borrower defaults.

3.3 Other receivables and prepayments

Other receivables are measured at amortised cost less accumulated impairment losses while prepayment are carried at cost less accumulated impairment losses.

3.4 Reinsurance assets and reinsurance liabilities

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts assets and liabilities have been set out under note 3.17 (e).

3.5 Deferred acquisition cost

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

3.6 Investment property

Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both.
Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, registered with the Financial Reporting Council (FRC) of Nigeria as well as holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.
Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.
Investment properties are disclosed separately from the property and equipment used for the purposes of the business.
The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

3.7 Intangible assets

Software

Recognition of software acquired is only allowed if it is probable that future economic benefits attributable to this intangible asset will flow to the Group.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs should not be included.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life with the estimated useful life of software being five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Upon disposal of software or when no future economic benefits are expected to flow from its use, such software are derecognise from the books. Gains or losses arising on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in profit or loss in the year of derecognition.

3.8 Property and equipment

Recognition and measurement

All items of property and equipment except land and buildings are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land and buildings are initially recognised at cost and subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Depreciation

Depreciation is calculated on property and equipment on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date.
No depreciation is charged on items of property and equipment until they are available for use.
Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.
Depreciation is computed as follows:

Land	-	Over the lease period
Buildings	-	Over 50 years
Office equipment	-	Over 5 years
Computer equipment	-	Over 3 years
Motor vehicles	-	Over 4 years
CWIP	-	Nil

Revaluation of land and building

Land and building is valued on an open market basis by qualified property valuers at least once every 3 years if there are evidences of significant changes in the carrying value.

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

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

Derecognition

An item of property and equipment is derecognised when it is disposed of or where no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss as other income. Where a revalued asset is disposed or scrapped, the revaluation reserve balance in respect of that asset is transferred as a reserve reclassification from other reserves to retained earnings.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are considered to be impaired when there exist any indication that the asset's recoverable amount is less than the carrying amount, it is then assessed for impairment to determine the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which they are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.9 Investment in associates

The Group in accordance with the accounting standards recognises all entities where it has more than 20% interest but less than 51% interest and for which it the Group has the power to participate in the financial and operating policy decisions of the investee but that power does not conver it control or joint control of the policies of the investee.

The equity method is a method of accounting whereby the investment in an associate is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The Group has elected to recognise all interest in associates in the separate financial statement at cost.

As at the reporting date, the Group has two associates including Coronation Merchant Bank and Coronation Securities Limited with 25.5% equity interest in the book. See note 15 on investment in associates for further reference.

3.10 Investment in subsidiaries

The Group in accordance with the accounting standards recognises all entities where it has at 51% interest and also has control over the operating and financial decisions of the entity as subsidiary.

The Group has control over a subsidiary or an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group uses the consolidation method and where it prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances for the company and its subsidiaries.

As at the reporting date, the Group has a wholly owned subsidiaires Coronation Life Assurance Limited and a indirect wholly owned subsidiary Coronation Ghana Limited. See note 16 for further disclosures requirements of IFRS 12 on subsidiaries

3.11 Statutory deposit

These deposits represent bank balances required by the insurance regulator of the Group to be placed with the Central Bank of Nigeria (and the Central bank of Ghana for its subsidiary) and are based on 10% of the statutory minimum capitalisation. These deposits are not available for day to day use and are stated at amortised cost.

3.12 Share capital, dividend on ordinary shares, earnings per share, retained earnings & revaluation reserve

(i) Share capital

The Group classifies ordinary shares as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(iii) Earnings per share

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

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. A diluted earnings per share is determined where appropriate.

(iv) Diluted Earnings per share

The Group determines diluted earnings per share based on profit attirbutable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for effect of all dilutive potential ordinary shares

(v) Retained earnings/(deficit)

This account accumulates net profits or losses from operations.

(vi) Revaluation reserve

Revaluation reserve represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property, plant and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed and some of the surplus are transfered to retained earnings as the asset is used by the entity. The amount of the surplus transfered is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss.

3.13 Life insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 3.17. Insurance contracts. The reserves include Incurred But Not Reported (IBNR), Unearned Premium Reserve (UPR) and Life fund and these liabilities arising from life insurance contracts are determined as follows:

(a). Life fund
This is made up of liabilities on life policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in profit and loss.

(b). Reserving methodology and assumptions

Data segmentation

The data used for reserving is segmented into the 2 classes as follows:
Individual business
Group business

Valuation and assumptions

The valuation for both the individual business and Group business utilises various assumptions which include:

- the valuation age is taken as Age Last Birthday at the valuation date;
- the period to maturity is taken as the full term of the policy less the expired term.
- full credit is given to premiums due between valuation date and the end of the premium paying term.

For all individual risk business, the gross premium method of valuation was used.
Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

An unexpired premium reserve (UPR) was included for Group life business after allowing for acquisition expenses at a ratio of 15% of premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR) for adequacy and an AURR may also be held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claim rates underlying the AURR were based on pooled historical scheme claims experience. Allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the expected claims, from which the IBNR portion is determined.

3.14 Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Nigerian Insurance Act to cover fluctuations in securities and variations in statistical estimates. For life business, the reserve is calculated at the rate equal to the higher of 1% of gross premiums and 10% of net profit while for Non-Life business, the reserve is calculated at the rate equal to the higher of 3% of gross premiums and 20% of net profit.

3.15 Liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of note 3.11.

The recognition of liability for investment contracts have been set out under note 3.18. Reserve for investment contract liabilities have been taken as the amount standing to the credit of the policy holders at the valuation date.

3.16 Trade and other payables

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

Other payables:
Other payables are initially recognised at fair value and subsequently measured at amortised cost.

3.17 Provisions

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

3.18 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realizable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is possible that future profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

3.19 Insurance contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

Life insurance contracts are issued to indemnify the insured life, the dependent or other thirdparty in the event of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured. These contracts insure events associated with human life (for example, death or survival) over a long duration.

In addition, the Group has short term life insurance contracts which protect the policyholders from the consequences of events (such as death or disability) over usually an annual period. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

Recognition and measurement

(a) Gross premium written

Premiums and annuity considerations written and/or receivable under life insurance contracts are stated gross of commission and recognised when due. Premium written relates to risks assumed during the period.

(b) Claims expenses

Claims and benefits relating to life insurance contracts are recognised as expense on notification. The measurement of life insurance contract liabilities has been set out under note 3.11. Claims expenses are expenses related to the settlement of insurance risk obligations.

(c) Claims expenses recoverable

Claims expenses recoverable are amounts recoverable on the gross claims expenses. This is estimated in manner consistent with the outstanding claims provision and claims incurred associated with the polices and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(d) Deferred income

Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred based on the tenor of the underlying contracs. It is calculated by applying the reinsurance commission income ratio of prepaid reinsurance to reinsurance cost.

(e) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Group under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognised as an expense when due. The Group had the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

(f) Unearned premiums

Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

3.20 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

3.21 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amortised cost at amount payable at each reporting date. The Group does not have contracts with discretionary participating features.

Individual deposit-based business comprises the various Wapic Trust, Wapic Gold, Wapic Cash and Wapic Val policies and their reserve comprises of the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves were calculated using a gross premium cash flow approach as described above. The rate of return applied on the policyholders balance are also in accordance with the terms and conditions of each product.

3.22 Fees and commission income

Fees and commissions are recognized on ceding business to the re-insurer and undertaking policy adminsitration for collectively administered policies. Commission are earned and credited to profit or loss over the period the service is provided.

3.23 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.
Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.24 Income recognition

(i) Gross premium income

Gross written premiums recognised for assumed insurance risks during the year are amortised over the period of the insurance contract. The gross premiums written are recognised as gross premiums income by adjusting for the movement in the unearned premiums reserves for insurance risks brought forward from the last year at the beginning of the year and the required unearned premiums reserves for the outstanding insurance risks at the end of the year. The recognised gross premiums income represent the earned portion of all insurance contracts in force during the year both from preceeding years and the current year.

(ii) Fees and commission income

Fees and commission income are recognised on the commission and policy admin fees received in respect of businesses ceded out to reinsurance companies and other insurance companies and fees earned from other related financial services during the period.

(iii) Investment income

Investment income comprise interest income earned on short-term deposits, rental income. and income earned on trading of securities including all realized and unrealized fair value changes, dividends and foreign exchange differences. Investment income, other than interest income, is recognised at fair value and on an accrual basis.

Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

(iv) Other operating income

Other operating income comprises of profit from sale of property and equipment, interest income earned on staff loans and net foreign exchange gain. Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method.

(v) Dividend income

Dividend is recognized when the Group's right to receive the dividend has been established. The right to receive dividend is established when the dividend has been duly declared.

3.25 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These expenses are recognised in the profit or loss for the related period.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit and loss.

Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after reporting sheet date are discounted to present value.

3.26 Foreign currency transactions

The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting sheet date; the resulting foreign exchange gain or loss is recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value and are recognised in equity (translation reserve). For a non-monetary financial asset held for trading or designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income and transfer to equity when the asset is sold or becomes impaired.

3.27 Management and other operating expenses

Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

3.28 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. Significant geographical regions have been identified as the secondary basis of reporting.

3.29 Dividends

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends paid to shareholders are subject to witholding tax deduction at the appropriate rate. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.30 Leases

the Group leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options. The lease period ranges from 1 year to 40 years. The lease agreements do not impose any covenants; however, leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

At commencement date of a lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:- fixed payments (including in-substance fixed payments), less any lease incentives receivable- variable lease payment that are based on an index or a rate- amounts expected to be payable by the Group under residual value guarantees- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

Right of use Assets

Right-of-use assets are measured at cost comprising the following: - the amount of the initial measurement of lease liability- any lease payments made at or before the commencement date less any lease incentives received- any initial direct costs, and- restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

Extension and termination options are included in the property leases. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised on profit or loss on a straight-line basis over the period of the lease.

3.31 Contingent liabilities

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

3.32 Actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to the profit or loss.

3.33 Related party

Related parties refers to persons or entities that are related to the entity preparing the financial statements. At every reporting date, the Group discloses every transaction it had carried out during the period with its related parties.

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4 Critical accounting estimates and judgments

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

(i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(b). Further disclosures on the Group's valuation methodology have been made on note 6 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Actuarial valuation of insurance contracts liabilities

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection technique called the Basic Chain Ladder (BCL).

The main assumption underlying these techniques is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

For Life Insurance contracts, the liabilities are estimated using appropriate and acceptable base tables of standard mortality according to the type and nature of the insurance contracts. Assumptions such as expenses inflation, valuation interest rate, mortality and claims experience are considered in estimating the required reserves for individual life contracts fund and the incurred but not reported claims under the Group life and non-life insurance contracts. The sensitivities to various valuation index for the life business is included under note 5 (Sensitivity Analysis).

(iii) Expected Credit Loss

The determination of Expected Credit Loss on financial assets requires the use of techniques as described in accounting policy 3.2(a). Further disclosures on the Company's valuation methodology have been made on note 3.2(d) (impairment) . Determination of expected credit loss requires varying degrees of judgement on the probability at default, loss given defaault, uncertainty of forward looking information and other risks affecting the specific instrument.

Coronation Insurance Plc.

Statement of Financial Position as at 31 December 2021

		COMPANY December 2021 N'000	GROUP December 2021 N'000
1	Net Premium Income		
	Gross Written Premium (Note 1a)	8,847,306	14,130,020
	Unearned Premium (Note 1b)	(198,812)	(15,954)
	Reinsurance Cost (Note 1c)	(3,840,047)	(5,388,278)
	Net Premium Income	**4,808,447**	**8,725,789**
a	*Analysis of Gross Written Premium*		
	Motor	914,292	2,118,453
	Fire	442,161	752,876
	General Accident	2,111,313	2,307,014
	Marine	922,085	961,996
	Aviation	-	-
	Engineering	2,144,601	2,203,314
	Oil & Energy	2,307,605	2,307,605
	Bond	5,250	5,250
	Group Life	-	2,428,982
	Individual Life	-	1,044,531
	Bancassurance Premium	-	-
	Co-Assurance Premium	-	-
		8,847,307	**14,130,021**
b	*Analysis of Unearned Premium*		
	Motor	(67,056)	(73,366)
	Fire	(13,432)	(63,765)
	General Accident	(567,115)	(580,529)
	Marine	(97,085)	(97,724)
	Aviation	-	-
	Engineering	409,089	404,532
	Oil & Energy	136,209	136,209
	Bond	576	576
	Group Life	-	283,820
	Individual Life	-	-
	Sub Total	**(198,814)**	**9,754**
c	*Analysis of Reinsurance Expenses*		
	Motor	(139,211)	(310,203)
	Fire	(518,464)	(663,984)
	General Accident	(74,464)	(168,186)
	Marine	(276,605)	(299,965)
	Aviation	-	-
	Engineering	(1,183,237)	(1,218,740)
	Oil & Energy	(1,561,708)	(1,561,708)
	Bond	(46,400)	(46,400)
	Travels	(39,958)	(39,958)
	Group Life		(1,123,719)
	Individual Life	-	44,585
	Facultative Outward Group Life	-	-
	Co-assurance Premium (Outward)	-	-
	Movement in Prepaid reinsurance cost - Group life	-	-
	Movement in Prepaid reinsurance cost - Individual life	-	-
	Sub Total	**(3,840,047)**	**(5,388,278)**

2	Claims Expenses Incurred		
	Gross Claims Paid (Note 2a)	(2,517,190)	(5,247,601)
	Movement in Outstanding Claim (Note 2b & 2c)	(1,909,397)	(2,063,677)
	Claims Recoverable (Note 2d & 2e & 2f&e2)	1,486,902	2,198,028
	Net Claims Expenses	**(2,939,685)**	**(5,113,250)**
a	*Analysis of Gross Claims Paid*		
	Motor	(562,495)	(1,221,404)
	Fire	(861,135)	(909,988)
	General Accident	(507,850)	(588,713)
	Marine	(75,980)	(75,980)
	Aviation	(801)	(801)
	Engineering	(175,282)	(198,310)
	Oil & Energy	(333,647)	(333,647)
	Bond	-	-
	Group Life	-	(1,881,390)
	Individual Life	-	(37,369)
	Sub Total	**(2,517,190)**	**(5,247,601)**
b	*Analysis of Movement in Outstanding Claims*		
	Motor	(41,494)	(33,723)
	Fire	(1,355,504)	(1,374,478)
	General Accident	(102,402)	(103,798)
	Marine	(255,261)	(257,970)
	Aviation	-	-
	Engineering	1,167	(13,918)
	Oil & Energy	(286,709)	(286,709)
	Bond	-	-
	Group Life	-	(240,712)
	Individual Life	-	-
	Sub Total	**(2,040,203)**	**(2,311,307)**
c	*Analysis of Movement in Outstanding Claims IBNR*		
	Motor	14,131	14,131
	Fire	(19,652)	(19,652)
	General Accident	27,137	27,137
	Marine	(23,936)	(23,936)
	Aviation	9,204	9,204
	Engineering	222,594	222,594
	Oil & Energy	(98,672)	(98,672)
	Bond	-	-
	Group Life	-	116,824
	Individual Life	-	-
	Total	**130,806**	**247,630**
d	***Analysis of Reinsurance Recovery***		
	Motor	53,675	235,127
	Fire	514,378	537,512
	General Accident	242,283	286,175
	Marine	32,174	32,174
	Aviation	-	-
	Engineering	77,556	94,841
	Oil & Energy	-	-
	Bond	-	-
	Group Life	-	360,642
	Individual Life	-	-
	Sub Total	**920,066**	**1,546,471**

e	**Analysis of Movement in Outstanding Claims Recoverables**		
	Motor	(65)	15,191
	Fire	601,214	613,902
	General Accident	(178,033)	(181,457)
	Marine	61,798	64,132
	Aviation	-	-
	Engineering	68,063	67,477
	Oil & Energy	43,842	43,842
	Bond	-	-
	Group Life	-	130,885
	Individual Life	-	-
	Total	**596,819**	**753,972**
f	**Analysis of Movement in Outstanding Claims IBNR Recoverables**		
	Motor	(11,895)	101,331
	Fire	10,646	9,849
	General Accident	(20,480)	(21,455)
	Marine	14,328	14,328
	Aviation	-	-
	Engineering	(22,581)	(24,811)
	Oil & Energy	-	-
	Bond	-	-
	Group Life	-	(181,657)
	Individual Life	-	-
	Total	**(29,982)**	**(102,415)**
e	**Analysis of Movement in Paid Claims Recoverables**		
	Group Life - Outstanding claims	-	-
	Group Life - Paid Claim- Treaty Recoveries	-	-
	Individual Life	-	-
	Non- Life	-	-
	Total	**-**	**-**
3	**Fees and Commission Income**		
	Motor	35,758	77,967
	Fire	144,185	186,759
	General Accident	98,039	126,280
	Marine	87,789	95,352
	Aviation	-	-
	Engineering	111,194	122,623
	Oil & Energy	164,110	164,110
	Bond	938	938
	Group Life	-	141,461
	Coinsurance Commission Reciverables	-	-
	Individual Life	-	-
	Policy admin fee income	-	-
	Coinsurance Commission Reciverables	-	-
	Deferred fees and commission cost - Group	-	-
	Deferred fees and commission cost - Individual	-	-
	Total	**642,013**	**915,491**

4	**Underwriting Expenses**		
	Motor	234,874	467,069
	Fire	58,399	119,906
	General Accident	389,019	428,497
	Marine	85,680	91,733
	Aviation	-	-
	Engineering	484,614	494,500
	Oil & Energy	598,514	598,514
	Bond	-	-
	Maintenance expenses	-	-
	Maintenance expenses- Investment Link products	-	-
	Bancassurance Commission	-	-
	Group Life	-	509,967
	Individual Life	-	-
	Deferred acquisition cost	-	-
	Total	**1,851,100**	**2,710,186**
5a	**Investment income**		
	Interest income	319,202	1,513,021
	Interest on statutory deposit	13,583	22,581
	Dividend income from equity investment	390,387	(34,616)
	Dividend income from Associate	-	-
	Rental income	5,025	5,025
	Gain/(loss) on disposal of investment property	-	-
	Net FV Gain /Loss on Financial Asset		-
		728,197	**1,506,011**
	Net realised (loss)/gain on financial assets	-	-
	Total	**728,197**	**1,506,011**
5b	**Fair Value Gain/ Loss through profit or loss**		
	Equity	0	0
	Investment Property	-	-
		0	**0**
5c	**Fair Value Gain/ Loss through other comprehensive income**		
	Equity securities	1,250,078	1,612,334
	Fixed income securities	272,143	2,640,742
	Property and equipment revaluation gain/(loss)	-	-
	ECL on FVOCI (reclassification)	-	-
		1,522,221	**4,253,076**
5d	**Share of Profit of Associate**	**-**	**501,425**

5e	**Share of Other Comprehensive income of Associate**	**-**	**(59,232)**
5f	**Profit on deposit administered contracts**		
	Income:		
	Investment income	-	65,966
	Other income	-	-
		-	**65,966**
	Less: expenses		
	Guaranteed interest	-	-
	Policy admin expenses	-	-
	Other expenses	-	-
		-	**65,966**
6	**Other Operating Income**		
	Profit from sale of property and equipment	-	18,201
	Other income received (a)	31,860	129,783
	Foreign exchange gain/(loss)	596,478	634,818
	Interest on staff loans	-	-
	Recoverables from Reinsurance	-	-
	Sundry income	-	-
		628,338	**782,802**
7	**Operating Expenses**		
	Depreciation (see note 18 & 19)	289,428	431,952
	Amortization of intangible assets (see note 17)	143,614	182,757
	Directors emoluments	55,230	133,269
	Auditors remuneration	30,000	69,195
	Professional fees:		
	- Legal services fees	6,053	18,060
	- Professional fee on actuarial services and tax advisory services	7,688	322,982
	- Professional fees on advisory services	432,821	454,117
	- Professional fees on corporate strategy development	6,175	31,962
	Corporate branding and advert	37,001	44,917
	Board expenses	24,401	29,733
	Rent and rate	48,207	230,371
	Insurance cost	15,006	30,022
	Printing and stationaries	22,514	37,517
	Newspapers and periodicals	270	406
	Transport and tour	179,902	208,289
	Support staff cost	238,790	337,124
	Business marketing expenses	58,908	86,475
	Subscription	15,347	24,073
	Recruitment expense	24,449	31,185
	Write off of assets (see (i) below)	55,116	232,419
	Repairs and maintenance	477,737	586,174
	Others	725	347,446
	Annual general meeting expense	27,766	28,850
	Registrar maintenance expense	64,806	64,806
	Statutory dues and levies	102,719	168,615
	Audit and performance review expense	27,564	31,760
	Bank charges	110,022	161,244
	Custodian fees	33,316	105,401
	Donations	4,500	6,422
	Corporate philanthropy	1,898	11,636
	Impairment on Other assets	-	-
		2,541,971	**4,449,177**

8	**Employee Benefit Expense**		
	Staff Cost	419,445	903,731
	Pension cost	13,837	34,220
	Staff training	64,039	124,867
	Other staff cost	398,349	451,437
		895,670	**1,514,256**
9	**Cash and Cash equivalents**		
	Cash at hand	-	-
	Cash and call Balance with local banks	381,382	736,720
	Money Market Placement	3,721,497	6,190,372
	Reclassification	120,704	136,360
	ECL	(2,074)	(5,006)
		4,221,508	**7,058,446**
10	**Financial Assets**		
	Held to Maturity (HTM)/ Amortised cost (Note 10a)	357,092	5,474,308
	Held for Trading (HFT) (Note 10b)	-	-
	Available for Sale (AFS) / FVOCI (Note 10c)	1,522,221	4,253,076
		1,879,313	**9,727,383**
	Impairment (ECL)	-	-
		1,879,313	**9,727,383**
a	***Analysis of HTM Securities***		
	– Corporate bonds	366,765	366,765
	– Government bonds	-	5,100,800
	– Treasury bills	-	66,496
	ECL Allowance on opening financial assets		
	– Promissiory notes	-	-
	Impairment on financial assets	(9,673)	(59,754)
	Interest Receivable on Bonds	-	-
	Carrying amount at amortised cost	**357,092**	**5,474,308**
b	***Analysis of HFT Securities***		
	- Quoted/ Listed Equities	-	-
	- Fair value adjustment	-	-
	Carrying amount	**-**	**-**
c	***Analysis of AFS Securities***		
	Unquoted/ Unlisted Equities	1,250,055	1,550,055
	Quoted Equities	24	62,279
	Fixed Income Securities		-
	– Corporate bonds	-	254,952
	– Government bonds	272,143	1,978,708
	– Treasury bills	-	-
	– Promissiory notes	-	407,082
	Carrying amount	**1,522,222**	**4,253,076**

11	**Trade Receivables**		
	Due from Agents	-	-
	Due from Brokers	209,908	224,893
	Due from Bancassurance	-	-
	Due from Reinsurers	-	-
	Due from Insurance companies	-	-
		209,908	**224,893**
	Less: Impairment on Trade Receivables	(31,348)	(40,260)
	Total	**178,560**	**184,633**
	Movement in Impairment Allowance		
	At start of period	171,445	172,445
	Reclassification of provision	-	-
	Recoveries during the year	-	-
	Write-off during the period	(171,445)	(171,445)
	Impairment charge during the year	31,348	39,259
	At end of period	**31,348**	**40,260**
12	**Reinsurance Assets**		
	Reinsurance Share of IBNR	108,400	345,940
	Reinsurance Recoverables from OCR	3,239,713	3,911,840
	Reinsurance Recoverables on Return Premium	-	-
	Recoverable from Paid Claims	98,003	341,408
	Reinsurance share of AURR	-	-
	Reinsurance assets - Prepaid reins (MDP)	-	-
	Treaty receivables	-	-
	Prepaid Reinsurance Asset	869,824	1,155,702
		4,315,941	**5,754,890**
	Less: Impairment allowance	(205,940)	(205,941)
	Total	**4,110,000**	**5,548,949**
		-	-
	Provision	-	-
	At start of period	706	2,534
	Movements during the period	205,234	203,407
	Exchange difference	-	-
	At end of period	**205,940**	**205,941**
13	**Deferred Acquisition Cost**		
	Balance brought forward	273,245	410,093
	Exchange Difference	-	3,343
	Addition during the period	1,729,429	2,908,224
	Amortised during the year	(1,851,099)	(3,045,031)
	Balance carried forward	**151,576**	**276,629**
14	**Other Receivables and Prepayments**		
	Intercompany receivables	67,458	40,879
	Capitalisation expenses	-	20,573
	Deposit for Shares	-	-
	Staff Debtors	28,576	69,089
	Prepaid expenses	273,579	498,000
	Sundry receivables (see note (iii) below)	1,412,850	1,888,717
	Accrued Expenses	16,072	16,072
		1,798,535	**2,533,331**
	Impairment Allowance	(1,351,896)	(1,775,411)
		446,639	**757,920**

14b	**Right of Use Asset**		
	Right of use asset	-	151,758
	Accumulated depreciation of right of use asset	-	(18,850)
		-	**132,908**
15	**Investment in associates**		
	Coronation Merchant Bank Limited/Coronation Securities Limited		
	- Opening balance	5,423,440	11,199,306
	- Additions/(disposals)	-	-
	- Interim audit adjustment:	-	-
	Share of profit during the year	-	-
	Share of other comprehensive income during the year		-
	- Dividend received during the year	-	(425,004)
	- Withholding Tax receivable on dividend received	-	-
	- Share of profit during the period	-	501,425
	- Share of other comprehensive income during the period	-	(59,232)
		5,423,440	**11,216,496**
16	**Investment in subsidiaries**		
	Coronation Insurance Ghana Limited	1,460,915	-
	Exchange gain/loss	-	-
	Coronation Life Assurance Limited	7,798,591	-
		9,259,506	**-**
17	**Investment Properties**		
	Investment Property (Note 16a)	82,976	82,976
	Investment Property W.I.P (Note 16b)	-	-
		82,976	**82,976**
a	**Investment Properties**		
	- Ocean Garden Lekki Epe	80,000	80,000
	- Magboro Estate	2,976	2,976
		82,976	**82,976**

18a	**Property, Plant & Equipment**		
	Cost	5,293,188	6,112,520
	Accumulated Depreciation	(2,117,586)	(2,705,971)
	Net Book Value	**3,175,602**	**3,406,549**
19	**Intangible Assets**		
	Cost	1,010,016	1,215,105
	Accumulated Depreciation	(690,198)	(770,218)
	Net Book Value	**319,818**	**444,887**
20	**Statutory deposit**		
	At start of period	300,000	695,070
	Additions during the period	-	-
	Exchange Difference	-	29,994
	At end of period	**300,000**	**725,064**
21	**Trade Payables**		
	Reinsurance	158,738	276,179
	Commissions payable	-	53,906
	Brokers/Agents	-	-
		158,738	**330,085**
22	**Provisions & Other Payables**		
	Premium Deposit	902,990	923,301
	Commission payables	-	-
	Reinsurance Commission Received in advance	-	-
	Accrued expenses	291,946	562,302
	Other tax payables	142,556	174,673
	Accounts payable (see (b) below)	1,463,927	1,131,871
	Deferred commission income	160,623	135,998
	NSITF	-	-
	Provident Fund	-	-
	Sundry Creditors	-	-
	Impairment of payable on United Steel	-	-
	Bank Overdraft	-	-
	Transist/Unclaimed Bank Items	-	-
	Customers Deposits	-	-
	Total	**2,962,042**	**2,928,145**
22b	**Right of Use Liability**		
	Rent Received in Advance	-	23,488
	Accumulated Amortization of right of use Liability	-	
	Right of Use Liability	**-**	**23,488**

23	**Deferred Income Tax**		
	Deferred Tax Assets (Note 23a)	239,052	239,052
	Deferred Tax Liabilities (Note 23b)	-	-
	Total	**239,052**	**239,052**
a	**Deferred Tax Assets**		
	At start of period	239,052	239,052
	Exchange difference	-	-
	Charge for the period	-	-
	Revaluation of property & equipment	-	-
	At end of period	**239,052**	**239,052**
24	**Current Income Tax liabilities**		
	Tax Charge for the Year		
	Company Income Tax Charge	147,580	234,336
	Interim & Full Year Appropriation Adjustment	-	-
	Minimum tax	-	-
	Education tax	27,635	27,635
	Under/(over) provision from prior year	-	-
	Information Technology Development Levy	-	-
	National fiscal stabilisation levy	-	9,151
	Total Charge for the period	**175,214**	**271,122**
	Deferred tax liability/(assets)charge for the period	199,270	199,270
	Income tax expense	**374,485**	**470,392**
25	**Insurance Contract Liabilities**		
a	Claims payable	-	-
b	Claims reported and loss adjustment expenses (Note 25a)	6,362,513	7,870,937
c	Outstanding claims IBNR (Note 25b)	841,768	1,924,309
d	Unearned Premium (Note 25c)	1,970,488	3,040,782
e	Life Fund (Note 25d)	-	800,690
	Total	**9,174,769**	**13,636,718**
a	***Outstanding claims & Outstanding claims IBNR***		
	Motor	104,230	715,484
	Fire	2,436,372	2,488,893
	General accident	709,488	756,168
	Marine	1,878,339	1,899,652
	Aviation	22,082	22,082
	Engineering	468,791	506,262
	Oil and Energy	1,580,480	1,580,480
	Bond	4,500	4,500
	Life business: - Group Life	-	1,164,149
	- Individual Life	-	657,577
	Total	**7,204,281**	**9,795,246**

b	**Unearned Premium**		
	Motor	301,284	782,825
	Fire	259,548	396,881
	General Accident	791,759	844,825
	Marine	214,272	227,233
	Aviation	-	-
	Engineering	336,097	336,097
	Oil and Energy	66,824	92,271
	Bond	705	705
	Life	-	341,342
		1,970,488	**3,022,179**
c	Life fund		
	At start of year	-	205,573
	Opening fund reconciliation adjustment	-	-
	Interim Audit Adjustment	-	-
	Transfer from revenue account	-	595,117
	At the end of year	**-**	**800,690**
26	**Investment Contract Liabilities**		
	At start of period	-	1,120,526
	Additions	-	616,558
	Withdrawals	-	(694,924)
	Guarantee interest	-	44,599
	Guarantee interest - Interim Audit Adjustment	-	-
	Guarantee interest - Full Year Audit Adjustment	-	-
	Release of surplus reserves	-	(52,120)
	Opening fund reconciliation adjustment	-	-
	At end of period	**-**	**1,034,638**
26.1	**Group Deposit Administration - Investmnent Contract**		
	At start of period	-	980,167
	Additions	-	-
	Withdrawals	-	-
	Guaranteed interest	-	-
	At end of period	**-**	**980,167**

26.2	**Individual Deposit Administration - Investment Contract**		
	At start of period	-	54,472
	Additions	-	-
	Withdrawals	-	-
	Guaranteed interest	-	-
	At end of period	**-**	**54,472**
27	**Share capital**	Number	Number
	Authorised:	30,000,000,000	30,000,000,000
	Issued:	23,991,679,506	23,991,679,506
	Issued and fully paid:		
	At start of the year	11,995,952	11,995,952
	Movements	-	-
	At end of year	**11,995,952**	**11,995,952**
28	**Share premium**		
	At start of the year	4,612,938	4,612,938
	Movements	-	-
	At end of year	**4,612,938**	**4,612,938**
29	**Contingency reserve**		
	At start of period	2,723,639	3,311,311
	Exchange Gain/Loss on Cedi Opening Balance	-	-
	Opening Balance adjustment	-	-
	Full Year Appropriation Adjustment	-	-
	Appropriation from profit and loss accounts	265,419	347,930
	At end of year	**2,989,058**	**3,659,242**
30	**Other reserves**		
	Revaluation reserve	1,111,600	1,087,093
	Foreign currency translation reserve	-	350,450
	Fair value reserve	300,788	111,603
	Merger reserves	(19,367)	(19,367)
	Share of other comprehensive income of associates	-	222,676
	At end of year	**1,393,020**	**1,752,455**
31	**Retained earnings**		
	At start of the year	(1,438,187)	2,498,910
	Interim & Full Year Appropriation Adjustment	-	-
	Transfer from profit or loss	(1,929,816)	(2,582,790)
	Transfer to contigency reserve	(265,419)	(347,930)
	Prior year adj	-	-
	Reconciliation reserves	-	-
	Share of Associate profit at start of year	-	-
	Dividend paid during the year	-	-
	Movement in Share of Associate profit during the year	-	-
	Transfer to revaluation Reserve	-	-
	At end of year	**(3,633,422)**	**(431,810)**