GUINEA INSURANCE PLC 2019 ANNUAL REPORT AND AUDITED ACCOUNT

ANNUAL REPORT 2019

RESILIENCE

Guinea Insurance Plc

...exceeding your expectations

OUR PHILOSOPHY: STRIVE HARDER AND FURTHER TO DELIVER PERSONALISED SERVICE

We recognise the changing nature of our customers' expectations and we are also very much aware of the imperative of embracing creativity and innovation because our consumers and their right to choose is at the heart of everything we do. We believe everyone should have the opportunity to seek, find and benefit from the services they need and want. Therefore, our purpose is to provide more and better choice.

Our world revolves around you

Everyone deserves a dependable ally - a strong backup that will not back out that is what you get from us.

Guaranteed round-the-clock cover

Everyone deserves a dependable ally - a strong backup that will not back out that is what you get from us.

Driven to serve

Truly effective and inspiring leaders are not actually driven to lead people; they are driven to serve. Come and experience a healthy dose of our exceptional service

Your protection, our premium

We continue to strive harder and further; expanding our expertise exponentially, adding value beyond measure to give you confidence to venture freely and in style

Business continuity, our policy

- We realise that the business terrain is saddled with lots of uncertainties especially when moving goods and valuables from one point to another

Vision

To be a leading insurance company in Nigeria

Mission

To provide professional services to our esteemed customers through the introduction of quality products, driven by state-of-the-art technology backed by a group of high-profiled personnel, to maximize returns to shareholders

Brand Values

- Integrity
- Professionalism
- Service
- Teamwork
- Commitment

Brand Personality

- Caring
- Contemporary
- Competent
- Dependable
- Confident
- Ethical

Guinea Insurance Plc

www.guineainsurance.com

HOW TO AVOID ACCIDENTS DURING THIS RAINY SEASON

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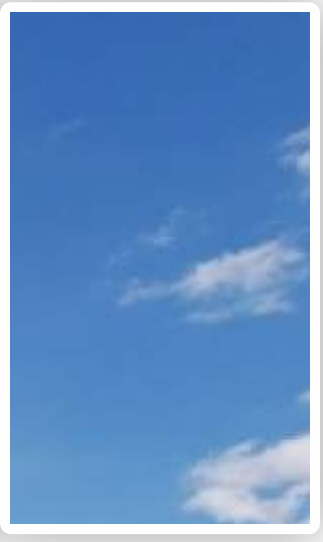
STRATEGIC REPORT AND SUSTAINABILITY



The history of **GUINEA INSURANCE PLC** dates back to the year 1948 when British West African Corporation Limited **(BEWAC)** opened an Insurance Department and became Chief Agents in Nigeria for Legal and General Assurance Society Limited of London. In 1950, the Agency was extended to Norwich Union Fire Insurance Society Limited, United Kingdom. In response to Business Growth and to maximize available opportunities, Legal & General Assurance Society Limited, Norwich Union Fire Insurance Society Limited, Northern Region Development Corporation Limited and British West African Corporation Limited jointly incorporated an insurance Company.

Thus, Guinea Insurance Company Limited became operative from December 3, 1958.The overseas shareholders held 51% majority shares before the indigenization decree of 1976, reversed the holding to 60% Nigerian interest, 40% overseas. The Overseas Shareholders divested their 40% holding to existing Nigerian Shareholders in 1998 thereby making the Company 100% Nigerian.

After the recent Recapitalization exercise in the industry, Guinea Insurance Plc is licensed by the National Insurance Commission **(NAICOM)** to operate as an Insurer for all classes of General Insurance business.

With the recent acquisition of majority shares by Chrome, a new Executive Management Team and a Chairman emerged. Now, the Company has been fully restructured and repositioned to meet the ever-changing needs of our numerous customers as well as the challenges of the new millennium. The share capital has been increased from N500m to a paid up of N4, 000,000,000.00. Thus making **GUINEA INSURANCE PLC** one of the most highly capitalized companies in the Nigerian Insurance industry today.

GUINEA INSURANCE PLC is now managed by a crop of highly skilled and committed professionals, driven by modern technology and supported by vibrant and resourceful Board of Directors led by Mr. Godson Ugochukwu. The company is positioned to provide excellent insurance services of global standard that yield high value-addition to our numerous customers.

The Head Office is presently located in its new Corporate Head Quarters at **GUINEA INSURANCE HOUSE** 33 lkorodu Road Jibowu Lagos together with a network of branches spread all over the country, we are poised to serve you better.

NOTICE IS HEREBY GIVEN THAT the 62nd Annual General Meeting of GUINEA INSURANCE PLC will be held at the Company's Head Office, Guinea Insurance House, 33, Ikorodu Road, Jibowu, Lagos including via teleconference on **Friday the 21st Day of August 2020 at 11.00 a.m.** prompt to transact the following business:

ORDINARY BUSINESS:

1. To lay before the Members, the Report of the Directors and the Audited Financial Statements together with the Auditors and Audit Committee Reports for the year ended 31st December, 2019.
2. To appoint BDO Professional Services as the External Auditors of the Company and authorize the Directors to fix their remuneration.
3. To re-elect the following Directors retiring by rotation:
   - Alhaji Hassan Dantata
   - Dr. Mohammed Tahir Attahir
   - Mr. Anthony Achebe
4. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS:

1. "That further to the resolution passed on the 10th day of December 2015 whereby the Directors of the Company were authorized to raise, whether by way of Private Placement, Rights Issue, Book Building Process or other methods, additional capital of up to ₦151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira Only), **the Directors are hereby duly authorized to raise additional capital of N151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira) by way of Private Placement of 302,800,000(Three Hundred and Two Million, Eight Hundred Thousand) Ordinary shares of 50 Kobo each out of the unissued capital of the Company at 50 kobo per share** subject to obtaining the approval of the relevant regulatory authorities"
2. To approve the remuneration of the Directors as stated in the 2019 Financial Statements of ₦1.2million and ₦1million for the Chairman and other Non-Executive Directors respectively for the financial year 2020.

NOTES:

SPECIAL PLACEMENT OF ₦151,400,000: The fund is part of the Company's effort to increase its share capital in-line with the National Insurance Commission's Recapitalization plan.

COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES: The Federal Government of Nigeria, State Government, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 20 people while the Corporate Affairs Commission (CAC) issued Guidelines on holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

PROXY:

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a Proxy Form must be completed and deposited either at the office of the Company's Registrar, Cardinalstone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time fixed for the meeting. A blank Proxy Form is attached to the Annual Report and may also be downloaded from the Company's website at www.guineainsurance.com

ATTENDANCE BY PROXY
In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated persons below:

- Mr. Godson Ugochukwu
- Mr. Samuel Onukwue
- Mr. Ademola Abidogun
- Mrs. Aderonke Olaleye
- Mr. Boniface Okezie
- Mr. Peter Mgbeahuru

STAMPING OF PROXY
The Company has made arrangement at its cost, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time.

ONLINE STREAMING OF AGM
The AGM will be streamed live online. This will enable Shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM online live streaming will be made available on the Company's YouTube Channel at: *https://tinyurl.com/giplc* **or** *https://www.youtube.com/channel/guineainsurancplc*

CLOSURE OF REGISTER
The Register of Members shall be closed from 11th August, 2020 to 14th August, 2020, (both days inclusive) for the purpose of updating the Register of Members.

NOMINATION OF STATUTORY AUDIT COMMITTEE MEMBERS
In accordance with Section 359(5) of the Companies and Allied Matters Act Cap C20, Laws of the Federal Republic of Nigeria, 2004, any member may nominate a shareholder as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Such notice of nominations should be sent via email to: *info@ dcsl.com.ng or ooke@dcsl.com.ng*

RIGHTS OF SECURITY HOLDERS TO ASK QUESTIONS
In compliance with Rule 19.12(c) of the Nigeria Stock Exchange's Rulebook, a member and other Security Holder of the Company have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the Meeting, and such questions must be submitted at least one week before the meeting.

Dated This 3rd Day of July, 2020

BY: ORDER OF THE BOARD

OLURANTI OKE
DCSL Corporate Services Limited
Company Secretary
FRC/2013/NBA/00000000646

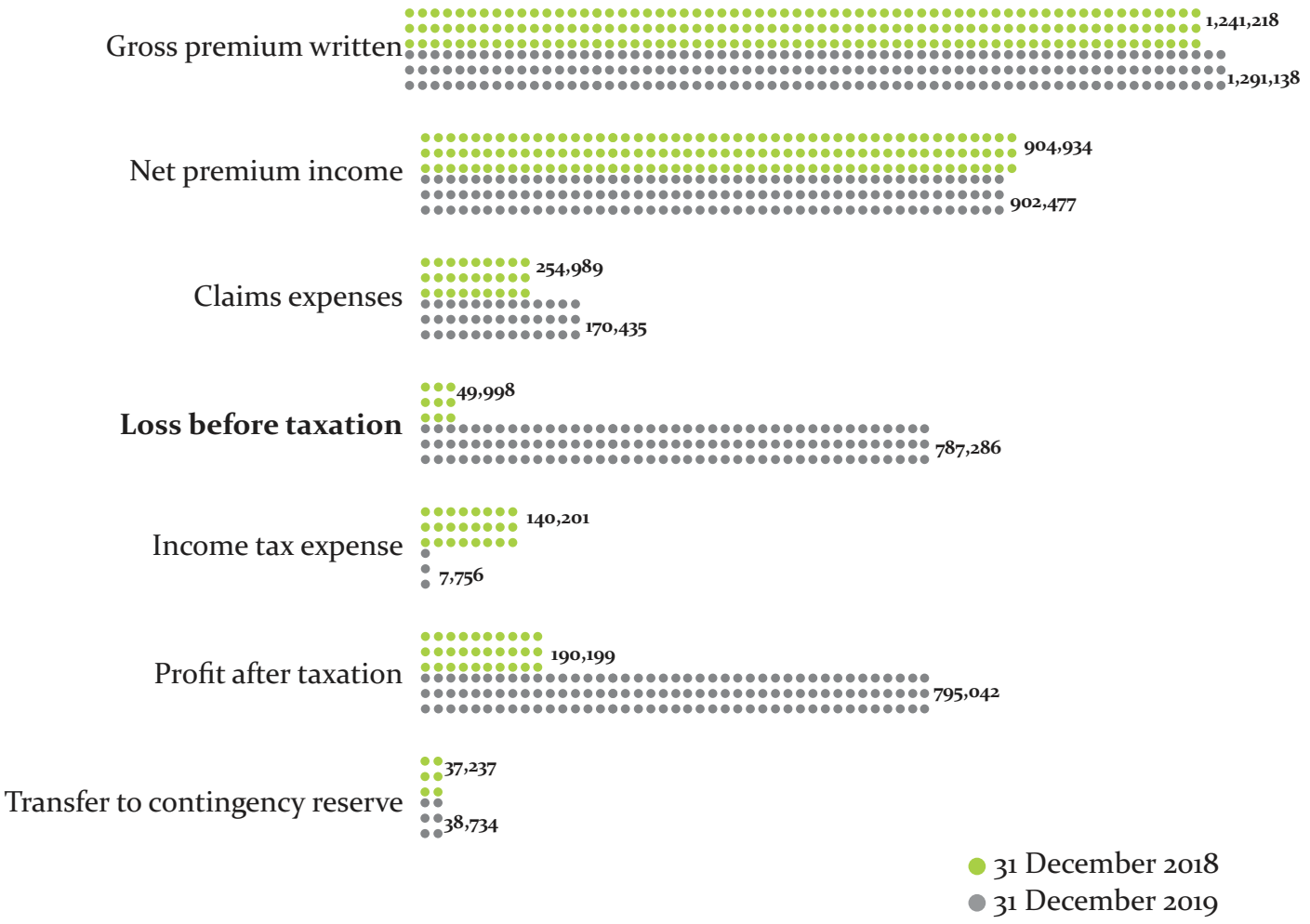
DIRECTORS	CAPACITY
Mr. Godson Ugochukwu	Chairman
Mr. Ademola Abidogun	Managing Director
Mrs Isioma Omoshie Okokuku	Executive Director
Mr. Pius Edobor	Executive Director
Mr. Oluwole Fayemi	Executive Director
Mr. Simon Oladayo Bolaji	Non-Executive Director
Mr. Anthony Achebe	Non-Executive Director
Alhaji Hassan Dantata	Non-Executive Director
Mr. Chukwuemeka Uzoukwu	Non-Executive Director
Chief Osita Chidoka	Non-Executive Director
Dr. Mohammed Tahir Attahir	Non-Executive Director
Mr. Samuel Onukwue	Non-Executive Director

COMPANY SECRETARY:	DCSL Corporate Services Limited- Appointed January 24th, 2020 FRC/2013/NBA/00000000646
COMPANY REGISTRATION NUMBER:	Rc1808
REINSURERS:	African Reinsurance Corporation WAICA Reinsurance Corporation Continental Reinsurance Plc
REPORTING ACTUARY:	Ernst & Young 10th Floor, UBA House 57, Marina - Lagos
ESTATE SURVEYOR AND VALUER	Ubosi Eleh & Co 27, Obafemi Awolowo Way, Ikeja, Lagos
REGISTERED OFFICE:	Guinea Insurance House 33, Ikorodu Road Jibowu Lagos, Nigeria
CONTACT DETAILS:	01-2934575/01-2934577 info@guineainsurance.com www.guineainsurance.com.
AUDITORS:	BDO Professional Services ADOL House, 15 CIPM Avenue, Central Business District, Alausa, Ikeja, Lagos, Nigeria. www.bdo-ng.com
REGISTRAR:	Cardinal Stone (Registrars) Limited (Formerly City Securities Limited) 358, Herbert Macaulay Way, Yaba, Lagos
BANKERS	Access Bank Plc First Bank of Nigeria Limited Guaranty Trust Bank Plc Jaiz Bank Plc Keystone Bank Limited Polaris Bank Limited United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc

Results of the Year Ending December 31, 2019

The Directors' are pleased to announce the trading results for the year ended 31 December, 2019 together with the comparative figures for the previous year

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2019



Introduction

Guinea Insurance is the preferred financial risks manager in Nigeria with highly trained professionals and a foundation of values that is built on doing the right thing for over 62 years. We do realize that a company is a community within a wider society; so we pride ourselves more as a citizen, a neighbour and a leader with a responsibility to make an ongoing, long-term positive impact on the world around us. Our longevity, talent, innovation, focus on the well-being of our stakeholders, and preservation of resources make us ideally aware of the importance of corporate social responsibility and the principles behind sustainable development.

These attributes are foundational to our business and essential to our purpose of creating sustainable outcomes for our various stakeholders – our investors, our agents, our customers, our employees, our communities, and society as a whole.

Our commitment to environmental, social and governance initiatives are core to our business and corporate philosophy. These efforts provide a sustainable foundation for Guinea Insurance's long-term growth. We focus on four areas: Strengthening Communities; Environmental Sustainability Operating Responsibly; Investing in Our People.

At Guinea Insurance, sustainability is not an initiative. It is a powerful and authentic part of who we are and what we do. This report therefore, chronicles our sustainability journey during 2019.

Sustainability – Our Approach

A well-functioning, sound and stable insurance market is of major importance to society at large, if it is committed to promoting sustainability, as it is central to the company and its stakeholders. Our business strategy is customer focused and everything we do, is for the benefit of our customers. This is evidently projected by the thrust of our vision and mission statement and it informs our resolve to continuously innovate and develop financial solutions that will meet their requirements. Guinea Insurance provides social and economic security to customers through high-quality insurance products and with our social license, we are committed to contributing our quota to the achievement of the SDGs and its implementation in Nigeria.

Risk Management and Governance Framework

To be effective, our approach to sustainability is well laid out in the charter of the Enterprise Risk Management & Governance Committee of the Board of Directors; it includes formal responsibility for and oversight of sustainability, corporate responsibility policies, programs and reporting. We employ a risk governance structure, overseen by the Enterprise Risk Management & Governance Committee and managed by Enterprise Risk Management ("ERM") department. It is aimed at providing a common framework for evaluating the risks embedded in and across our businesses and corporate centers, developing risk appetites, managing these risks and identifying current and future risk challenges and opportunities. The Committee meets quarterly, or more frequently as the case may be, to review ESG goals and progress as well as discuss environmental, social and governance (ESG) issues

Each of our businesses has a risk governance structure that is supported by a framework at the corporate level. Generally, our businesses are authorized to make day-to-day risk decisions that are consistent with enterprise risk policies and limits, and subject to enterprise oversight. Our governance structure is comprised of the Board and its committees, management committees and ERM and it is designed to support this framework in promoting the transition to a sustainable future, strengthening the trust in our customers and society as well as the ability to provide long term value to shareholders.

Contributing to the UN Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) represent a global call to action for stakeholders in all countries to come together and address some of the greatest barriers to sustainable development facing society. As the role business must play has become clearer, the goals have developed into an increasingly

The global set of 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly provides another valuable framework for self-assessment, and has been used since 2015 by governments, civil society and businesses alike. We have spotlighted areas in the report with the colorful icons shown above where our efforts correspond to these global goals, which the world aims to achieve by 2030. Guinea Insurance can take pride in driving progress on SDGs 4 (quality education), 5 (gender equality), 8 (decent work and economic growth), 9 (innovation and infrastructure), 10 (reduce inequalities), 11 (sustainable cities and communities), and 13 (climate action).

important tool for assessing the impacts of companies on society more comprehensively.

Our approach seeks to integrate ESG concerns by applying company-wide corporate rules and ESG instruments across all our underwriting, investment, and asset management activities. Thus, in the year ended 31st December 2019, initiatives that helped us advance our Sustainable Development strategy were focused on five priority areas: Transforming Commerce, Expanding Access, Investing in Our People, Operating Responsibly and Strengthening Communities. We highlight our progress in each of these areas in the following pages.

1. STRENGTHENING COMMUNITIES

We are committed to using the time, talent and assets of Guinea Insurance to empower consumers, strengthen our local communities and respond in times of need. Our approach leverages our sponsorship, educational programs and the passion of our employees to ensure that our social license is intact.

Employee Involvement

Through volunteerism, "Guinea Cleans – 3rd edition" staff recognition and other programs, we engaged and empowered our employees in our efforts to give back to our communities.

In 2019, employee volunteers from our Lagos and Abuja offices embarked on the 4th of our street phase cleaning CSR/awareness exercise tagged "Guinea Cleans" aimed at maintaining our social license as a responsible corporate citizen in the neighbourhood.

In our upcountry Abuja Office campaign tagged "showing a human face" food items and many other household items were donated to Fortitude Foundation Orphanage in Lugbe, Abuja and Facado Orphanage in Ado, New Karu, Nasarawa State.

Community Giving

In our corporate head-office area we serve, we provide philanthropic support to locally relevant programs helping to improve lives; focusing on at-risk youth and youth education.

In 2019: "At-risk youths who feel socially isolated from their peers have a higher rate of violent behavior and depressive thoughts. Our solemn reaction was to provide mentoring and support for the development of skills and interests mentally and physically by building a standard 5-a-Side football pitch. The physical exercise on this pitch brings about a broad spectrum of health and fitness effects that are at least as pronounced as for running, and in some cases even better. Also, positive norms in our local communities, schools, play grounds and society at large are protective factors against risky behaviors from peer group interactions and engagements that ultimately promote the spirit of true sportsmanship.

A roadmap towards achieving coherence and all-inclusiveness in the engagement of our local community was in the front burner in 2019. Note that this initiative was first activated in 2014 and tagged "Engaging Tomorrow's Leaders Today" It was aimed at providing a new lease of life to educational institutions at the bottom of the pyramid. We donated an array of educational items to primary schools situated within our business community. Prized gifts were presented as follows: 45 pupils won the special prized item i.e. branded school bags for excelling in any of the following categories: Academics, Sports, Morals, Neatness, Punctuality and Creativity. 41 Academic and Non-academic staff were appreciated for their astute presence of mind, high probity and dogged embrace of positive, organised teaching character and outlook, despite the numerous setbacks elicited by lack of adequate infrastructural facilities in the schools.

2. ENVIRONMENTAL SUSTAINABILITY

As we pursue our mission to connect the world, Guinea Insurance is committed to doing so in a manner that is responsible, ethical and sustainable. Our environmental sustainability strategy guides our efforts to measure our impact, implement reduction initiatives and report on our progress.

In 2019, Guinea Insurance once again put its social license to work by strategically aligning its corporate responsibility initiative of mitigating the adverse effect of climate change by collaborating with the Lagos State Parks and Gardens (LASPARKS) "green initiative" dedicated and committed to providing a beautiful, safe and healthy State as well as engage interested third parties in its environmental programs aimed at sustaining the environment through the establishment of functional parks, gardens, recreational centres etc.

Jibowu Flyover Under-Bridge:
construction of soft and hard landscaping/ beautification of the inner and outer environs of the bridge for building a befitting corporate car park aimed at: beautification of the environment with over 30% greenery thereby helping to reduce the effect of global warming and climate change; eradication of untenable traffic obstructions and road hazards supposedly caused by vehicles parked on road sides due to lack of space on the Fadeyi-Jibowu axis; repelled miscreants from using the dark and empty space as hideout and better safeguard human life and properties in Jibowu area of Lagos and its environs.

Jibowu Recreational Park:
Partnered with LASPARK in providing potential community benefits that readily come with a recreation center: staying healthy longer; reducing stress: benefits to families: reducing crime rates with children: increasing property value; keeping employees alert and around and promoting cultural diversity.

Jibowu Parks and Gardens:
our community investments initiatives are in tune with the global objectives of mitigating suffering, protecting the environment and public infrastructural development hence, our continued collaborative effort with LASPARK maintaining and continuously improving the Jibowu Parks and Gardens to meet global standards in the protection of public lands that have further proven to improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, produce habitat for wildlife, and provide a place for children and families to connect with nature and recreate outdoors.

3. OPERATING RESPONSIBLY

As a trusted brand in payments, we understand that Guinea Insurance's responsible business practices are fundamental to our success. They underpin our efforts to propel an expanding world of connected opportunities

4. INVESTING IN OUR PEOPLE

Guinea Insurance's Mission to provide professional services to our esteemed customers through the introduction of quality products, driven by state-of-the-art technology backed by a group of high-profiled personnel, to maximize returns to shareholders is fueled by the talent, diversity and dedication of our employees. We are investing in our employees to ensure we remain the employer of choice for the best and the brightest. We are also continually to building a culture that inspires leadership, encourages innovative thinking and welcomes everyone.

Corporate Governance

The Company is committed to the principles of Corporate Governance and Code of best practices and therefore takes account of and complies with the principles of good corporate governance. At Guinea Insurance PLC, the Board is committed to full disclosure and transparency in providing information to all stakeholders.

Corporate Governance policies are designed to ensure the protection of the long-term interest of all stakeholders in consideration of this therefore, the Board exercises the best of judgment in policy making, monitoring executive actions and directing the Company's strategies.

The Company remains committed to ensuring that the implementation of international best practices of Corporate Governance remains strong and unwavering. The Company complied with corporate governance requirements during the year under review as set out below:

The Board has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and complied with. Thus, the policies of the Board are designed to maintain its distinct duty as the link between shareholders and the Company's management led by the Chief Executive Officer.
Non- Executive Directors are appointed to the Board of Guinea Insurance Plc through a rigorous selection process as defined in the Company's Board Charter with a clearly defined three (3) year tenure of three (3) terms each.

Employee Development and Engagement

Guinea Insurance is a pioneer financial risk solution provider in the Non-life and Special Risks insurance business divisions with consolidated footings in Nigeria since 1948. Our position is strengthened through the leadership of every employee, no matter their level of employment.

To elevate our leadership culture, in 2019, we introduced the Recognition and Reward (R&R) framework - an important part of our approach to recognising our people and celebrating our achievements and performance. Essentially, the goal of R&R was to reinforce leadership principles that will engender a set of behaviors that guide the way we act.

Training and tools were rolled out to help employees integrate the principles into their day-to-day activities from the level of Team Leads down to subordinates. Daily and weekly internal engagement messages via company email newsletters and digital channels are also used to build-on and describe the qualities we seek in our employees and prospective candidates, likewise, it also defines what an employee can expect from us as a company.

Guinea Insurance understands that becoming the industry employer of choice requires providing best-in-class in-plant, knowledge sharing and open training and development opportunities, while creating innovative programs that enable a learning culture to flourish.

Diversity and Inclusion

Diversity in the workplace means that an organization employs a diverse team of people that is reflective of the society in which it exists and operates. Guinea Insurance is committed to cultivating a workplace culture that offers an inclusive leadership culture, and a diverse and inclusive environment that supports the development and advancement of all.

We foster a feeling of connectedness in the workplace, support diversity of thought, culture and background, fight for important initiatives like Equal Pay and actively work to eliminate unconscious biases that hold us all back.

Through our investments in diversity and inclusion training, and a strong focus on talent development and building an internal and external diverse talent pipeline, we are creating an environment to foster the growth and development of all of our employees because we do realise that there are certainly more visible and invisible elements that make individuals diverse from one another than those readily observable through human interactions, but these broad categories can help companies identify gaps in diversity. With leadership accountability for building diverse teams that drive added value and innovation, and public disclosure of gender and ethnicity data, we are also affirming our commitment to making Guinea Insurance a diverse and inclusive place for all. In the past year and in the future.

GOVERNANCE

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GOVERNANCE STRUCTURE

The Board

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Non- Executive Directors are appointed to the Board of Guinea Insurance Plc through a rigorous selection process as defined in the Company's Board Charter with a clearly defined three (3) year tenure of three (3) terms each.

Composition of the Board

The Board of Directors is currently made up of twelve (12) Directors comprising eight (8) Non - Executive Directors and four (4) Executive Directors.

Responsibilities of the Board

The role of the Board is well documented in the Board Charter which is revised from time to time based on the evolving nature of the responsibilities of the Board. The Board has ultimate responsibility for determining the strategic objectives and policies of the Company to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls.

The Board has delegated the responsibility for the day to day operations of the Company to Management and ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance.

Notwithstanding the delegation of the operations of the Company to Management, the Board reserved certain powers which include among others, monitoring and implementation of the Company's Strategy and financial objectives, approval of the Company's investment policies and framework, strategic commitments that may have material effects on the assets, profits or operation of the Company and any material changes in the nature of the business of the Company. The Board also reserves the power to approve the Company's Financial Statements, any significant changes in the Company's accounting policies and/or practices; appointment or removal of Company Secretary; approval of major changes in the Company's corporate or capital structure; recommendation to shareholders of the appointment or removal of Auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in General Meeting(s).

Other powers reserved for the Board are the determination of Board structure, size and composition (including appointment and removal of Directors, succession planning for the Board and Senior Management and Board Committee membership); oversight of the establishment, implementation and monitoring of the Company's Risk Management Framework, assessment of risks facing the Company, review and approval of new or revised risk policies recommended by Enterprise Risk Management (ERM) & Governance Committee for approval; approval of a

Remuneration Policy and packages of the Directors, appointment of the Managing Director; approval of Board performance evaluation processes, approval of the Company's Corporate Governance Framework and review of the performance of the Executive Directors; approval of policy documents on significant issues including Enterprise Risk Management, Human Resources, Corporate governance, Anti-Money laundering policies and approval of all matters of importance to the Company as a whole because of their strategic, financial, risk or reputational implications or consequences for the Company, among others.

Roles of the Chairman and Managing Director

Responsibilities at the top of the Company are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director/Chief Executive Officer and the Board Chairman is not involved in the day to day operations of the Company. The Board is responsible for controlling and managing the strategic business of the Company and constantly reviews and presents a balanced and comprehensive assessment of the Company's performance and future prospects.

The Board meets at least once a quarter during each financial year and additional on a needs basis based on business exigencies with sufficient notices with clear agendas given ahead of such meetings. All Directors have access to the Company Secretary who can only be appointed or removed by the Board and is also responsible to the Board.

The Executive Management Committee meets weekly to address policy implementation and other operational issues, while Management meetings are held bi-monthly with all Team Leads in attendance.

The Board functions as a full Board and discharges some of its oversight responsibilities through the underlisted Board and Statutory Committees which are constituted as follows:

BOARD COMMITTEES

1. Finance, Investment & General-Purpose Committee:

The Committee reviews and oversees financial control and performance, budgetary control and makes appropriate recommendations to the Board. The Committee reviews and recommends for approval matters relating to investment of the Company's funds and all other areas of asset management of the Company to ensure maximisation of returns to stakeholders. The membership of the Committee during the period under review is as indicated in the table below:

S/N	Name	Status	Designation
1	Chief Osita Chidoka	Non-Executive Director	Chairman
2	Mr. Chukwuemeka Uzoukwu	Non-Executive Director	Member
3	Mr. Simon Bolaji	Non-Executive Director	Member
4.	Alhaji Abdulkerim Kadiri	Independent Non-Executive	Member (Resigned w.e.f April 26, 2019)
5.	Alhaji Hassan Dantata	Non-Executive Director	Member
6	Mr. Samuel Onukwue	Non-Executive Director	Member

2. Enterprise Risk Management & Governance Committee:

The Committee reviews and recommends for approval to the Board matters bordering on Board appointments, Senior staff appointments, staff compensation, welfare, promotions and recruitment into Senior Management positions. The Committee reviews and recommend for approval by the Board, the Risk Management Policies and Framework, as well as assist the Board in its oversight of the Company's risk management strategy. The Committee also reviews and recommends for approval by the Board risk management procedures and controls for new products and services. The Committee was composed of the following members during the period under review:

S/N	Name	Status	Designation
1	Mr. Samuel Onukwue	Non-Executive Director	Chairman
2	Mr. Chukwuemeka Uzoukwu	Non-Executive Director	Member
3	Mr. Anthony Achebe	Non-Executive Director	Member
4.	Alhaji Abdulkerim Kadiri	Independent Non-Executive	Member (Resigned w.e.f April 26, 2019)
5.	Alhaji Hassan Dantata	Non-Executive Director	Member
6	Dr. Mohammed Tahir Attahir	Non-Executive Director	Member

3. Audit and Compliance Committee

The Committee provides oversight functions of both the Company's Financial Statements and its Internal Control and Risk Management functions. The Committee reviews the terms of engagement and recommends the appointment or re-appointment and compensation of External Auditors to the Board as well as responsible for reviewing the procedure put in place to encourage honest whistle blowing. The Committee is also responsible for the review of the Company's compliance level with applicable laws and regulatory requirements.

The Committee undertakes a periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Company's business. The membership of the Committee during the year under review is as indicated below:

S/N	Name	Status	Designation
1	Mr. Anthony Achebe	Non-Executive Director	Chairman
2	Dr. Mohammed Tahir Attahir	Non-Executive Director	Member
3	Mr. Simon Bolaji	Non-Executive Director	Member
4.	Alhaji Abdulkerim Kadiri	Independent Non-Executive	Member (Resigned w.e.f April 26, 2019)
5.	Chief Osita Chidoka	Non-Executive Director	Member
6.	Mr. Samuel Onukwue	Non-Executive Director	Member

4. Statutory Audit Committee

The Committee is constituted in compliance with the provisions of Section 359 of the Companies and Allied Matters Act, Cap C20, LFN 2004. As at 31st December 2019, the Statutory Audit Committee is composed of four (4) members, two of whom are Non-Executive Directors while the other two are representatives of the Shareholders. The Committee which is chaired by a Shareholder representative has the responsibility of reviewing the scope, results of the audit, independence and objectivity of the External Auditors. The Committee shall review the terms of engagement and recommend the appointment or re-appointment and compensation of External Auditors.

The Composition of the Committee as at 31st December 2019 is as follows:

S/N	Name	Status	Designation
1	Mr. Ayuba Quadri	Shareholder	Chairman (reappointed w.e.f Nov 20, 2019)
2	Mr. Peter Mgbeahuru	Shareholder Representative	Member (Resigned w.e.f Nov 20, 2019)
3	Mr. Simon Bolaji	Non-Executive Director	Member
4.	Alhaji Abdulkerim Kadiri	Independent Non-Executive	Member (Resigned w.e.f April 26, 2019)
5.	Mr. Waheed Sonibare	Shareholder Representative	Member (Appointed w.e.f Nov 20, 2019)
6.	Mr. Samuel Onukwue	Non-Executive Director	Member

Board Meeting Attendance

Names of Directors	January 26th	April 26th	July 25th	October 25th
Mr. Godson Ugochukwu	Present	Present	Present	Present
Mrs Isioma Omoshie Okokuku	Present	Absent with apology	Present	Present
Mr. Chukwuemeka Uzoukwu	Present	Present	Present	Present
Chief Osita Chidoka	Present	Present	Absent with apology	Present
Alhaji Hassan Dantata	Present	Present	Present	Present
Mr. Oluwole Fayemi	Present	Present	Present	Present
Mr. Samuel Onukwue	Present	Present	Absent with apology	Present
Mr. Simon Bolaji	Present	Present	Present	Present
Dr. Mohammed Tahir Attahir	Present	Present	Absent with apology	Present
Mr. Anthony Achebe	Present	Present	Present	Present
Alhaji Abdulkerim Kadiri	Present	Present	Not yet appointed/Ceased from being a member	Not yet appointed/Ceased from being a member

Present Absent with apology Not yet appointed/Ceased from being a member

Audit and Compliance Committee Attendance

Names of Directors	January 22nd	April 25th	July 25th	October 24th
Mr. Anthony Achebe	Present	Present	Present	Present
Chief Osita Chidoka	Absent with apology	Present	Present	Present
Mr. Simon Bolaji	Present	Present	Present	Present
Alhaji Abdulkerim Kadiri	Present	Present	Not yet appointed/Ceased from being a member	Not yet appointed/Ceased from being a member
Dr. Mohammed Tahir Attahir	Present	Present	Present	Present
Mr Pius Edobor	Present	Present	Present	Present
Mr. Samuel Onukwue	Present	Present	Present	Absent with apology

Present Absent with apology Not yet appointed/Ceased from being a member

Finance, Investment & General Purpose Committee Attendance

Names of Directors	January 21st	April 24th	July 24th	October 23rd
Chief Osita Chidoka	Absent with apology	Present	Present	Present
Mr. Simon Bolaji	Present	Present	Present	Present
Mr. Samuel Onukwue	Present	Present	Present	Absent with apology
Alhaji Abdulkerim Kadiri	Present	Present	Not yet appointed/Ceased from being a member	Not yet appointed/Ceased from being a member
Alhaji Hassan Dantata	Present	Present	Present	Present
Mr Chukwuemeka Uzoukwu	Present	Present	Present	Present

Present Absent with apology Not yet appointed/Ceased from being a member

Enterprise Risk Management & Governance Committee Attendance

Names of Directors	January 21st	April 24th	July 24th	October 23rd
Dr Mohammed Tahir Attahir	Present	Present	Present	Absent with apology
Mr. Anthony Achebe	Present	Present	Present	Present
Mr. Samuel Onukwue	Present	Present	Present	Absent with apology
Alhaji Abdulkerim Kadiri	Present	Present	Not yet appointed/Ceased from being a member	Not yet appointed/Ceased from being a member
Alhaji Hassan Dantata	Present	Present	Present	Present
Mr. Chukwuemeka Uzoukwu	Present	Present	Present	Present

Present Absent with apology Not yet appointed/Ceased from being a member

Statutory Audit Committee Meeting Attendance

Names of Directors	January 22nd	April 25th	July 25th	October 24th
Mr. Ayuba Quadri	Present	Present	Present	Present
Mr. Simon Bolaji	Present	Present	Present	Present
Alhaji Abdulkerim Kadiri	Present	Present	Not yet appointed/Ceased from being a member	Not yet appointed/Ceased from being a member
Mr. Peter Mgbeahuru	Present	Present	Present	Present

Present Absent with apology Not yet appointed/Ceased from being a member

DIRECTOR NOMINATION PROCESS

The Enterprise Risk Management and Governance Committee is charged with the responsibility of leading the process for Board appointments and for identifying and nominating suitable candidates for the approval of the Board. When considering an appointment, the Board seeks to achieve a balance and mix of appropriate skills and experience, with due consideration for integrity, professionalism, career success and ability to add value to the Company. The appointment of Directors is subject to the approval of the shareholders.

INDUCTION AND CONTINUOUS TRAINING

On appointment to the Board and the Board Committees, Directors receive an induction tailored to meet their individual requirement. The induction which is arranged by the Company Secretary may include meeting with senior management staff and key external advisors, to assist Directors in building a detailed understanding of the Company's operation, its strategic plan, its business environment, the key issues the company faces, and to introduce directors to their fiduciary duties and responsibilities. Training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the Company business and operating environment.

The Company is committed to keeping employees fully informed as much as possible, regarding the Company's performance and progress and seeking their views, wherever practicable, on matters which particularly affect them as employees. The Company also encourages staff to invest in the Company's equity; held staff meetings that discussed the Company's day to day operations, business focuses and staff welfare issues.

Management, professionals and technical experts are the Company's major assets, and investment in their future development continues. The Company's expanding skill base has been extended by a range of trainings provided to its employees whose opportunities for career development within the Company have thus been enhanced. Training is carried out at various levels through both in-house and external courses. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

By Order of The Board
DCSL Corporate Services Limited
Company Secretaries
FRC/2013/NBA00000000646
Registered Office
235, Ikorodu Road
Ilupeju, Lagos

CREST & WATERFALLS
• Legal • Governance • Training

Crest and Waterfalls Consulting, a firm of Corporate Governance Consultants, was engaged by Guinea Insurance PLC (GIPLC), to provide Corporate Governance Consultancy Services and in particular, to undertake the Corporate Governance Audit for the company for the year ended December 31st 2019.

The audit covered areas of the performance and effectiveness of the board as a whole, the board committees, individual members, the governance practices of the company, and the Chairman. The methodology of the audit was by benchmarking against the recommended principles and practices under the Nigerian Code of Corporate Governance 20018 and sector specific requirements under the NAICOM code for the Insurance industry and more generally the SEC Code of Corporate Governance for Public Companies in Nigeria.

In conducting the evaluation for GIPLC, we reviewed all the boards governance documents, committee charters, minute books and director profiles. The charters and governance documents were compared with the provisions of the aforementioned codes to ascertain if the provisions comply with established corporate governance principles. The Minute books, interviews and questionnaires provided relevant feedback on the corporate governance structures, frameworks, systems and practices of the company as a whole, as a basis of the report.

In general, the company has established satisfactory board processes that will encourage open debates, consideration of board matters and participation of members in decision making. By industry benchmarks, the board has satisfactory board practices, corporate governance framework, and risk management frame work.

Save for a continuing gender imbalance in composition, the board is comprised of the right mix of skills and experience, and the recruitment process of the board is clear and specified in the board charter. We have recommended continuous Director Development programs especially in the areas of risk management. In addition, we hope that the succession planning process will take into account the need for increased gender inclusiveness as retiring directors are replaced. Our other recommendations are contained in the full report.

Yours Faithfully

Ebere Okonkwo FCIS
Lead Consultant
FRC/2019/ICSAN/00000019165

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www.guineainsurance.com

House Holder Insurance

Your Protection, Our Premium!

Home is where the heart is. Protect your home and belongings from the unexpected. Our first-rate home insurance solutions are deliberately crafted to cover your high-value items against: .

- **Personal Liability to the public**
- **Loss of rent**
- **Loss or damage to building**
- **Loss or damage to content**



Guinea Insurance Plc

...exceeding your expectations

HEAD OFFICE:
Guinea Insurance House: 33 Ikorodu Road, Jibowu, Lagos, Nigeria. 01-2934575, 2934577
info@guineainsurance.com www.guineainsurance.com

MOHAMMED TAHIR ATTAHIR
Non-Executive Director

Mohammed T. Attahir was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Managing Director/CEO of Greenwich Ventures International Incorporated. A proven entrepreneur with over 40 years of professional experience in developing and managing people and businesses across a variety of sectors: Banking, Engineering and Construction, Manufacturing, Finance and Stock Broking, Data and Voice Communication. Mohammed holds a Higher National Diploma (HND) certificate in Marketing from Kaduna Polytechnic. He is a Member of the: Chartered Institute of Marketing, London (CIML); Institute of Corporate Administration Secretaries (ICAS). An Associate Member of: British Institute of Management (BIM); Nigerian Institute of Management (NIM). A Fellow of the: Institute of Corporate Administrators (ICA); Institute of Corporate Executive of Nigeria (ICE) and Honoris Causa, Business Management (PHD). Prior to his appointment as Director, he was Director: Global Investment and Marketing Services Limited, Greenwich Communications Limited, Incorporated Computers Limited and currently the Executive Chairman, Greenwich Enterprises.

ANTHONY ACHEBE
Non-Executive Director

Anthony Achebe was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is a seasoned Legal Practitioner with substantial years of experience in active legal practice. Anthony has built a successful track record of consistent value creation in various organisations in more than twenty eight (28) years of his post Call experience. He is a consummate deal maker and has leveraged his experience throughout the public and organized private sectors where he distinguished himself in the fields of Advocacy, Company Secretarial Administration, Corporate and Commercial Legal Practice, Financial Services Industry, Electricity Power Regulation and Labour Relations. He obtained an LL.B (Hons) degree from the University of Nigeria in June 1986 and thereafter proceeded to the Nigerian Law School where he was awarded a B.L .(Certificate of Call to the Nigerian Bar).

HASSAN AMINU DANTATA
Non-Executive Director

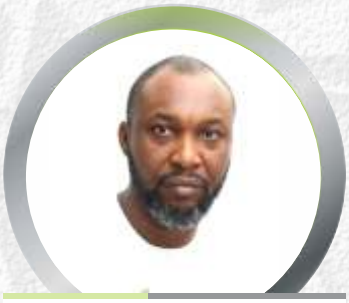
Dantata Hassan was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Executive Director of Dantata Organisation Limited; a business conglomerate with diverse interests in: Manufacturing, Construction, Property Development, Banking and Finance, Agriculture and Agro-Allied, Telecommunications, and Oil and Gas Exploration. His immense business acumen and presence of mind contributed in no small measure to the growth of the Dantata business empire in Kano, Nigeria. Hassan is a perceptive and upfront business analyst with over 13 years' experience in: Fertilizer Processing; Crude Oil Exploration and Marketing; Production of Sugar and Vegetable Oil etc. In 1997, Hassan graduated from Miami Dade College, USA with an Associate Art degree; in 2000 and 2003, he obtained Bachelor degrees in, International Business and Management, respectively from Florida International University.

GODSON UGOCHUKWU
Chairman, Board of Directors

ADEMOLA ABIDOGUN
Managing Director/CEO

CHUKWUEMEKA UZOUKWU
Non-Executive Director

HASSAN AMINU DANTATA
Non-Executive Director



OSITA CHIDOKA, OFR
Non-Executive Director

MOHAMMED TAHIR ATTAHIR
Non-Executive Director

SIMON OLADAYO BOLAJI
Non-Executive Director

SAMUEL ONUKWUE
Non Executive Director

ANTHONY ACHEBE
Non-Executive Director

ISIOMA OMOSHIE-OKOKUKU (MRS.)
Executive Director, Marketing

EDOBOR PIUS,
Executive Director, Finance & Administration

WOLE FAYEMI
Executive Director - Technical

GODSON CHUKWUDI UGOCHUKWU
Chairman, Board of Directors

Godson Chukwudi Ugochukwu was appointed Chairman, Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Principal Partner at Fortress Solicitors with over 14 years of consummate legal expertise in all aspects of Nigerian and International Laws and has served meritoriously in many top Nigerian law firms. Godson is an established specialist in Corporate and Commercial Law and Practice; Civil and Commercial Litigation; Maritime and Environmental Law; Oil and Gas; Information Technology and Investments; Alternative Dispute Resolution; Tax; Foreign Direct Investments; Project Finance; Business Law; Regulations and Investigation; Power; Private Enquiry; Employment and Labour; Real Estate and Insurance Law. In year 2000, he obtained a Bachelor of Laws (LLB) degree from the University of Nigeria, Nsukka and was later called to the Nigerian Bar in 2002. He is a Member of the: Nigerian Bar Association (NBA); International Bar Association (IBA); Oil & Gas Committee of the IBA; Arbitration Committee of the IBA; Intellectual Property and Entertainment Law Committee of the IBA and Corporate, Mergers & Acquisition Law Committee of the IBA.

ADEMOLA ABIDOGUN
Managing Director/CEO

Ademola was appointed Managing Director/CEO of Guinea Insurance PLC on September 2, 2019. He brings over two decades of leadership experience and direction to the table. A seasoned professional with inestimable depth and wealth of technical experience acknowledged across the industry. His combined expertise in marketing, insurance broking, underwriting/claims administration, oil and gas, banking, telecoms, reinsurance, product development, business risk advisory, special risks and strategic planning, offer a formidable springboard for relaunching the Company's propensity to act and hence, develop and implement sustainable plans for long-term growth and shareholder value creation. Prior to his appointment, Ademola had championed the affairs of many companies in the insurance industry; the most recent being: Fin Insurance Company Limited, where he served as Executive Director, Technical/Operations and Ag. Managing Director. In Cornerstone Insurance PLC, he pioneered the Bancassurance/Retail team as Assistant General Manager. He holds a Master of Science degree in Business Administration from the Rivers State College of Science and Technology (2007); He is an alumnus of the prestigious London and Lagos Business Schools as well as the University of Texas.

ANTHONY ACHEBE
Non-Executive Director

Anthony Achebe was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is a seasoned Legal Practitioner with substantial years of experience in active legal practice. Anthony has built a successful track record of consistent value creation in various organisations in more than twenty eight (28) years of his post Call experience. He is a consummate deal maker and has leveraged his experience throughout the public and organized private sectors where he distinguished himself in the fields of Advocacy, Company Secretarial Administration, Corporate and Commercial Legal Practice, Financial Services Industry, Electricity Power Regulation and Labour Relations. He obtained an LL.B (Hons) degree from the University of Nigeria in June 1986 and thereafter proceeded to the Nigerian Law School where he was awarded a B.L .(Certificate of Call to the Nigerian Bar).

MOHAMMED TAHIR ATTAHIR
Non-Executive Director

Mohammed T. Attahir was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Managing Director/CEO of Greenwich Ventures International Incorporated. A proven entrepreneur with over 40 years of professional experience in developing and managing people and businesses across a variety of sectors: Banking, Engineering and Construction, Manufacturing, Finance and Stock Broking, Data and Voice Communication. Mohammed holds a Higher National Diploma (HND) certificate in Marketing from Kaduna Polytechnic. He is a Member of the: Chartered Institute of Marketing, London (CIML); Institute of Corporate Administration Secretaries (ICAS). An Associate Member of: British Institute of Management (BIM); Nigerian Institute of Management (NIM). A Fellow of the: Institute of Corporate Administrators (ICA); Institute of Corporate Executive of Nigeria (ICE) and Honoris Causa, Business Management (PHD). Prior to his appointment as Director, he was Director: Global Investment and Marketing Services Limited, Greenwich Communications Limited, Incorporated Computers Limited and currently the Executive Chairman, Greenwich Enterprises.

CHUKWUEMEKA UZOUKWU, M.
Non-Executive Director

Emeka Uzoukwu was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is a proven management talent with over 18 years of professional experience marked by a trend of progressive positions of management responsibilities

home and abroad. As an entrepreneur by nature, Emeka has built a successful track record of continuous value creation in: Portfolio Management, Executive Management, Asset Allocation, Corporate Finance, Financial Advisory, Corporate Governance, Business Strategy, Private/Business Banking, Stock/Bond Brokerage and Business Development. Emeka obtained a BA in Economics, an MBA in Finance and Strategy from Hobart College, Geneva, New York and Loyola Marymount University, Angeles, CA respectively and others. His command of finance coupled with his international perspective of doing business makes him an exceptional resource on almost any project over the years. He is a member of the prestigious Institute of Directors (IoD) and an alumnus of the Massachusetts Institute of Technology, Cambridge, MA. Prior to his appointment as Director, Emeka was Head, Principal Investment in Chrome Group, Abuja, NG; Principal Financial Consultant in CG Hover LLC, Los Angeles, California; Financial Advisor/Wealth Manager, Citigroup/Smith Barney, Los Angeles, California and Financial Consultant, Merrill Lynch, San Diego, California.

OSITA BENJAMIN CHIDOKA, OFR
Non-Executive Director

Osita Chidoka was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is a dynamic personality with astonishing managerial discernment and entrepreneurial spirit. He served his country meritoriously as captain of key government parastatals: (2014 – 2015) Minister of Aviation, Federal Ministry of Aviation; (2007 – 2014) Corps Marshall and Chief Executive, Federal Road Safety Commission; (2005 2007) Senior Public Affairs Advisor, ExxonMobil – Mobil Producing Nigeria; (2003 - 2004) Legal Adviser/Special Assistant, Office of the President; (2000 - 2003) Personal Assistant to the Minister, Federal Ministry of Transport. Osita obtained a Bachelor of Science Degree in Management from the University of Nigeria, Nsukka. He thereafter proceeded to the School of Public Policy at George Masson University in the United States of America where he obtained a Master's Degree in Transport Policy and Logistics. He also holds a certificate in Global Strategy and Political Economy from Oxford University, UK and a Graduate Diploma in Maritime & Ports Management from the National University of Singapore.

SIMON OLADAYO BOLAJI
Non-Executive Director

Simon Bolaji was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Head of Revenue Cycle Services of Enugu Electricity Distribution Company (EEDC) PLC. A well versed professional with over 17 years of astute banking experience in: Operations, Sales and Marketing, Public Sector, Treasury, Commercial banking etc. Prior to joining EEDC, he served in various top positions in: Standard Chartered Bank, Intercontinental Bank, Fountain Trust Bank and Spring Bank PLC and had received many awards for his strength of character and outstanding performances. In 1997, Simon obtained a Bachelor of Education (B.Ed) degree in Auto Technology from Ahmadu Bello University, Zaria and an MBA in Financial Management from Federal University of Technology, Owerri in 2004. He is an Associate Member of the: Institute of Chartered Accountants of Nigeria (ICAN); Nigerian Institute of Management (NIM) and a Member of the Institute of Treasury Management (ITM)

HASSAN AMINU DANTATA
Non-Executive Director

Dantata Hassan was appointed a Member of the Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Executive Director of Dantata Organisation Limited; a business conglomerate with diverse interests in: Manufacturing, Construction, Property Development, Banking and Finance, Agriculture and Agro-Allied, Telecommunications, and Oil and Gas Exploration. His immense business acumen and presence of mind contributed in no small measure to the growth of the Dantata business empire in Kano, Nigeria. Hassan is a perceptive and upfront business analyst with over 13 years' experience in: Fertilizer Processing; Crude Oil Exploration and Marketing; Production of Sugar and Vegetable Oil etc. In 1997, Hassan graduated from Miami Dade College, USA with an Associate Art degree; in 2000 and 2003, he obtained Bachelor degrees in, International Business and Management, respectively from Florida International University.

SAMUEL ONUKWUE
Non-Executive Director

Samuel Onukwe was appointed a Member of the Board of Directors, Representing the Interest of Minority Shareholders, Guinea Insurance PLC on 26th September 2017. He is an accomplished executive with domestic and international experience in Investment Banking. Currently, he is the Managing Director/Chief Executive of Mega Equities Limited, a member of the Nigerian Stock Exchange and had served at various leading management levels in: Central Bank of Nigeria, Ivory Merchant Company, Thomas Cook/Travelex Global & financial services, Citizens International Bank/Spring Bank PLC, Nigerian Wire and Cable PLC, he also served as Senior Partner of Ekwueme Onukwue & Co. He possesses over two decades of hands-on experience with well-developed relationship management expertise that complements account acquisition skills, origination and execution of transactions, including financial modeling and analysis, company valuation, corporate and industry research, strategic analysis and recommendation, due diligence etc. Samuel is a graduate of Accountancy from Yaba College of Technology, holds an MBA in Banking & Finance from University of Lagos; an M.Sc. in Corporate Governance from Leeds Metropolitan University, United Kingdom. He is an Associate of both the

Chartered Institute of Stockbrokers and the Chartered Institute of Taxation, and has been a Fellow of the Institute of Chartered Accountants of Nigeria since 2000.

ISIOMA OMOSHIE-OKOKUKU (MRS.)
Executive Director, Marketing

Isioma Omoshie-Okokuku was appointed Executive Director, Corporate & Legal Services on 1st June 2016 and subsequently, Executive Director, Marketing on 2nd September 2019. Prior to her latest appointment, she was the Ag. Managing Director/Chief Executive Officer of Guinea Insurance PLC. A distinguished quick-witted legal luminary with over 20 years of professional experience in both public and private legal practices before joining Guinea Insurance PLC in 2009 as Company Secretary/Legal Adviser/Chief Compliance Office amongst others. She is widely known for her diligence, high probity and amiable strength of character; all of which, were instrumental to the re-positioning of the Legal and Compliance units of the Company for better service delivery. On the balance, today the Company is widely celebrated as the premium brand in the insurance space and an emerging leader in the provision of first-rate risk management solutions in Nigeria. Isioma's leadership marks have charted the course of the company's fortunes on the path of monumental growth especially, at a period of heightened turbulence in the economic state of the nation and insurance industry in particular. She studied law at the University of Benin (UNIBEN) where she received her first professional degree in Law - LLB in 1988 and was soon after called to the Nigerian Bar in 1989. Isioma is an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN).

EDOBOR OSARO PIUS
Executive Director, Finance & Administration

Pius was appointed Executive Director, Finance and Administration on 19th January 2017. A highly developed and analytical professional with over two decades of diversified service experience in: Finance and Accounting, Auditing, Investigation, Stock broking and Portfolio Management. He holds a Master's and Bachelor's degrees in Accounting from Saint Monica University, SW, Cameroon and Olabisi Onabanjo University respectively. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). An Associate Member of the: Chartered Institute of Stockbrokers (CIS); Chartered Institute of Taxation of Nigeria (CITN); Institute of Legal Executives of Nigeria (ILEX); Association of Certified Fraud Examiners (ACFE) and a Certified Member of Ethical Alliance. His career spans over 20 years and he has led many senior finance and administrations roles in various notable organizations such as: Lighthouse Financial Services; Aremu Akindele & Co; LASSA Limited and Global Scansystems in Nigeria.

WOLE FAYEMI
Executive Director - Technical

Wole was appointed Executive Director, Technical on 26th September 2017. A versatile financial risk manager with strong and decisive business acumen garnered over 16 years of diversified and extensive service delivery in: Insurance and Reinsurance Broking, Pricing, Underwriting/Claims administration, Product development, Business Risk Advisory and Energy and Special Risks. Holds a Master's and Bachelor's degrees in Economics from the University of Lagos and Ilorin respectively. He is an alumnus of the famed Pan Atlantic University (Lagos Business School); an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN) and a Professional Member of the Nigerian Institute of Management. His sagacity as a leader, team builder, mentor and committed professional; has positively transformed the company's risk management portfolio and repositioned the company on a reckonable customer-centric service path of sustainable and delivery. Before joining Guinea Insurance PLC, he had distinguished himself and served meritoriously in various capacities at Cornerstone Insurance PLC; ADIC Insurance Ltd (now NSIA); Solid Trust Insurance Brokers; Feybil Insurance and Reinsurance Brokers.

ADEMOLA ABIDOGUN
Managing Director/CEO

ISIOMA OMOSHIE-OKOKUKU (MRS.)
Executive Director, Marketing

EDOBOR PIUS,
Executive Director, Finance & Administration

WOLE FAYEMI
Executive Director - Technical

OLUYINKA ADEBIYI
Group Lead - Marketing (South)

OLUWASEYI ADEDIRAN
Group Lead - Marketing (North)

ADEBOWALE ADESOKAN
Team Lead - Underwriting

IJEOMA OKAFOR
Branch Lead - East

OGONNA OFFOR-ORABUEZE
Team Lead - Claims

OKE OLURANTI
Company Secretary Cum Legal Adviser

ADEMOLA ABIDOGUN
Managing Director/CEO

Ademola was appointed Managing Director/CEO of Guinea Insurance PLC on September 2, 2019. He brings over two decades of leadership experience and direction to the table. A seasoned professional with inestimable depth and wealth of technical experience acknowledged across the industry. His combined expertise in marketing, insurance broking, underwriting/claims administration, oil and gas, banking, telecoms, reinsurance, product development, business risk advisory, special risks and strategic planning, offer a formidable springboard for relaunching the Company's propensity to act and hence, develop and implement sustainable plans for long-term growth and shareholder value creation. Prior to his appointment, Ademola had championed the affairs of many companies in the insurance industry; the most recent being: Fin Insurance Company Limited, where he served as Executive Director, Technical/Operations and Ag. Managing Director. In Cornerstone Insurance PLC, he pioneered the Bancassurance/Retail team as Assistant General Manager. He holds a Master of Science degree in Business Administration from the Rivers State College of Science and Technology (2007); He is an alumnus of the prestigious London and Lagos Business Schools as well as the University of Texas. As an erudite insurance professional; he has attended numerous management courses and seminars both locally and internationally.

ISIOMA OMOSHIE-OKOKUKU (MRS.)
Executive Director, Marketing

Isioma Omoshie-Okokuku was appointed Executive Director, Corporate & Legal Services on 1st June 2016 and subsequently, Executive Director, Marketing on 2nd September 2019. Prior to her latest appointment, she was the Ag. Managing Director/Chief Executive Officer of Guinea Insurance PLC. A distinguished quick-witted legal luminary with over 20 years of professional experience in both public and private legal practices before joining Guinea Insurance PLC in 2009 as Company Secretary/Legal Adviser/Chief Compliance Office amongst others. She is widely known for her diligence, high probity and amiable strength of character; all of which, were instrumental to the re-positioning of the Legal and Compliance units of the Company for better service delivery. On the balance, today the Company is widely celebrated as the premium brand in the insurance space and an emerging leader in the provision of first-rate risk management solutions in Nigeria. Isioma's leadership marks have charted the course of the company's fortunes on the path of monumental growth especially, at a period of heightened turbulence in the economic state of the nation and insurance industry in particular. She studied law at the University of Benin (UNIBEN) where she received her first professional degree in Law - LLB in 1988 and was soon after called to the Nigerian Bar in 1989. Isioma is an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN).

EDOBOR OSARO PIUS
Executive Director, Finance & Administration

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WOLE FAYEMI
Executive Director - Technical

Wole was appointed Executive Director, Technical on 26th September 2017. A versatile financial risk manager with strong and decisive business acumen garnered over 16 years of diversified and extensive service delivery in: Insurance and Reinsurance Broking, Pricing, Underwriting/Claims administration, Product development, Business Risk Advisory and Energy and Special Risks. Holds a Master's and Bachelor's degrees in Economics from the University of Lagos and Ilorin respectively. He is an alumnus of the famed Pan Atlantic University (Lagos Business School); an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN) and a Professional Member of the Nigerian Institute of Management. His sagacity as a leader, team builder, mentor and committed professional; has positively transformed the company's risk management portfolio and repositioned the company on a reckonable customer-centric service path of sustainable and delivery. Before joining Guinea Insurance PLC, he had distinguished himself and served meritoriously in various capacities at Cornerstone Insurance PLC; ADIC Insurance Ltd (now NSIA); Solid Trust Insurance Brokers; Feybil Insurance and Reinsurance Brokers.

OLUYINKA ADEBIYI
Group Lead - Marketing (South)

Yinka is GI's Group Lead of Marketing in the Southern Region of Nigeria. A vibrant and analytical professional with remarkable aptitude for strategic marketing and business development. He has garnered over 16 years' experience spanning across: Underwriting, Sales & Marketing, Customer Management, Energy & Special Risks, Public Sector Account. He is an entrepreneurial business development professional with a passion for building strong bond with prospects and customers from lead generation to close and beyond through consultative, solution-based approach. Holds a Higher National Diploma (HND) in Mass Communications from Moshood Abiola Polytechnic, Master's degree in International Relations & Strategic Studies form Lagos State University (LASU). He is an Associate of the Chartered Insurance Institute (ACII); a member of the Nigerian Institute of Public Relations (NIPR) and Chartered Insurance Institute of Nigeria (CIIN).

OLUWASEYI ADEDIRAN
Group Lead - Marketing (North)

Seyi is GI's Group Lead – Marketing in the Northern Region of Nigeria. He is a dynamic and results-driven Branch/Territory Manager with over 13 years of successful new business development, competitive market share expansion and customer relationship development. Holds a Post Graduate Diploma in Management from Bayero University, Kano and a Higher National Diploma in Accounting from Lagos State Polytechnic. Seyi is especially acknowledged for leveraging finely-honed interpersonal and time management skills to successfully manage a team and increase profitability while deploying well defined understanding of the business technology interface and capacity to identify and align clients' emerging risk management needs. Possesses a successful and diverse background spanning technical, operational management, service delivery, project management, and business-development disciplines that underscore expertise in engaging decision makers and devising winning sales strategies and solutions. He is a Fellow of the: Chartered Institute of Loan & Risk Management of Nigeria (FCILRM); Associate Member of the Institute of Chartered Economists of Nigeria (ICEN) and a Student Member of Chartered Insurance Institute of Nigeria (CIIN).

ADEBOWALE ADESOKAN
Team Lead – Underwriting

Adebowale is GI's Senior Manager/Team Lead, Underwriting. She is an expert with over 15 years' of extensive experience in provision of technical assistance and guidance on underwriting of policies. Adebowale possesses good customer relationship generalship and a strong desire to deliver blue-ribbon services that continually made significant impact on the company's operations. She is well-versed in the spheres of general and underwriting insurance markets; query resolution, energy reinsurance, marine and aviation, insurance fraud & claims management, advanced fire insurance, risk and uncertainty management, loss adjustment, branch/territory management, underwriting strategy and planning etc. Holds a Master's degree in Business Administration from Ladoke Akintola University of Technology, Ogbomosho and a Higher National Diplomas in Insurance from the Lagos State Polytechnic. She is an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN).

OGONNA OFFOR–ORABUEZE
Team Lead – Claims

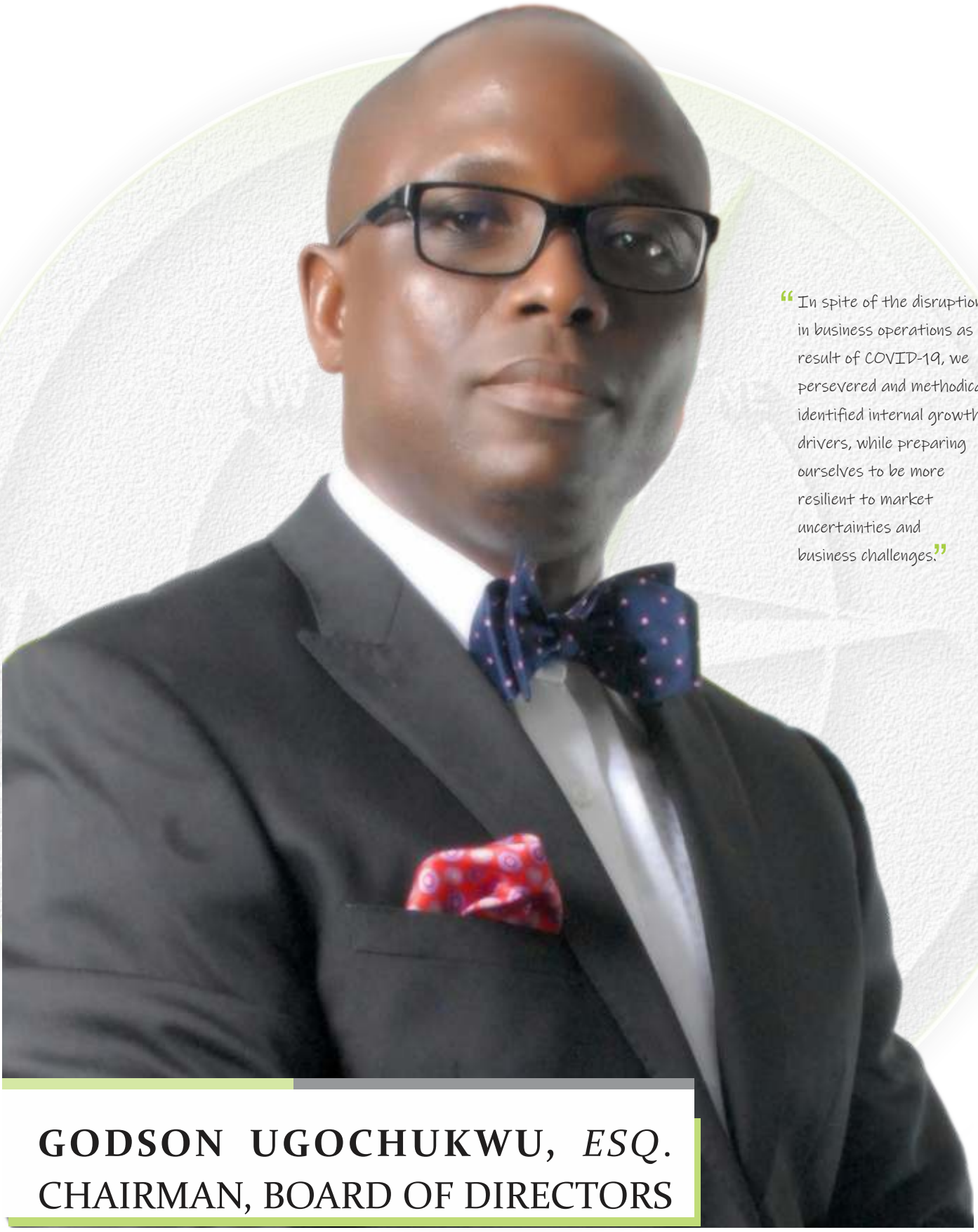
Ogonna is GI's Team Lead, Claims. She is a dedicated insurance professional with over 10 years astute experience in: risk assessment and mitigation; damage assessment, valuation of liability exposure, claims reports/documentation and policy interpretation. Ogonna's phlegm and presence of mind, have over the years positioned her for effective delivery of multiple, high-priority projects and also take pride in providing exemplary customer service. Holds a Master's degree in Business Administration from University of Lagos; Higher National Diploma (HND) from Federal Polytechnic, Oko and attended the West African Insurance Institute, Banjul, The Gambia (WAII) where she graduated and was awarded best student in "Insurance Supervision and Regulation; and Practice of Marketing." She is an Associate Member of the Chartered Insurance Institute of Nigeria (ACIIN) and has attended several courses both internationally and locally in oil and energy, reinsurance, underwriting and claims administration. .

IJEOMA OKAFOR
Branch Lead – East

Ijeoma is GI's Branch Lead in the Eastern part of Nigeria. An excellent team player with in-depth understanding of the sales cycle process that delivers valued based benefits with commitment, shared purpose and achievement of enterprise goals. She has invested more than 18 years of her progressive career in building top performing teams with focus on impeccable service delivery and accountability for greater accomplishments. Proficient in strategic analytics of fundamental influencers of business and industry trends within the spheres of: Insurance Underwriting, Claims Administration, Marketing, Competitive Market Intelligence, Business Development, Sales and Market Analytics. Holds a Master's degree in Business Administration an Higher National Diploma (HND) in General Agriculture from Federal College of Agric, Umudike, Abia State. She is an Associate of the Chartered Insurance Institute of Nigeria (CIIN).

OKE OLURANTI
Company Secretary Cum Legal Adviser

Oluranti is GI's Company Secretary cum Legal adviser. She is a well-versed professional with over 9 years' experience in Litigation, Commercial /Corporate Practice, Business Advisory & Regulation and Company Secretarial Matters etc. A professional member of the Nigerian Bar Association (NBA), an Accredited Practitioner with Corporate Affairs Commission; Associate Member, Chartered Institute of Arbitrators (Nigeria Branch); Registered Practitioner, Financial Reporting Council of Nigeria and Member, Institute of Chartered Secretaries and Administrators. She is a tried-and true proponent of first-class legal advice delivery and has boned up the ability to deliver that advice in a coherent and relevant way, combined with excellent transaction management and presentation skills. In no small doses, Oluranti has contributed immensely to the achievement of set objectives of the organisation, while minimising the legal and regulatory risks, both within and without. She studied law in the University of Ado Ekiti, (now Ekiti State University), where she obtained her LLB with honours and was called to the Nigerian Bar in 2009.



"In spite of the disruptions in business operations as a result of COVID-19, we persevered and methodically identified internal growth drivers, while preparing ourselves to be more resilient to market uncertainties and business challenges."

GODSON UGOCHUKWU, *ESQ.*
CHAIRMAN, BOARD OF DIRECTORS

Esteemed Shareholders, Members of the Board of Directors, Ladies and Gentlemen,

It is with much pleasure that I welcome you all to the 62nd Annual General Meeting of our great Company. I thank God for His abounding grace over us and for the opportunity to congregate virtually this year to discharge our shared responsibilities in the face of the current global health crisis occasioned by – the Novel Coronavirus (COVID-19) and its attendant global economic consequences.

The year 2019 was characterized by significant global and domestic economic speed bumps which impacted our business in several ways. Many structural changes and paradigms in our strategic approach to short-term priorities and long-term growth objectives had to be recalibrated. In spite of the disruptions in business operations as a result of COVID-19, we persevered and methodically identified internal growth drivers, while preparing ourselves to be more resilient to market uncertainties and business challenges. We are, as a result, well-positioned to cease emergent opportunities, even as we resiliently combat the challenges of the present. It is, therefore, against this background, that I will review the global and Nigerian economic and financial environments within which our Company operated in the past financial year.

Economic and Operating Environment

The global economy maintained modest growth in 2019, despite the influence of key economic and political issues like trade protectionism and Brexit. The Chinese economy continued to grow at a steady rate on the back of monetary and fiscal stimulus and makes crucial contributions to the economic developments of Hong Kong and Macau. On top of these positive market sentiments, the global economic condition is expected to be further benefited from the conclusion of the first phase of the Sino-US trade deal in the beginning of 2020.

Nigeria has the largest economy in Africa, which is highly dependent on oil revenues. The growth in the Nigerian economy has been crawling due to infrastructural deficit, high interest rates and various security challenges such as the Boko Haram terrorist insurgency, conflicts between cattle herdsmen and farmers and incessant kidnappings, all of which have taken a toll on the Nigerian economy. A more favourable business environment is likely to entice the startup of new businesses and the expansion of existing ones across different sectors of the economy. This, in turn, will boost the output of these sectors and the economy.

The Insurance Industry

Insurance operators were optimistic for a prosperous 2019, especially as the federal government had planned to embark on developmental projects reckoned to boost activities in the insurance sector. Furthermore with a saturation rate of just 0.5% and a population of almost 200million, Nigeria's insurance sector is attractive chiefly for its underinsurance potential. The number of uninsured prospective customers in Nigeria is among the world's largest within a single market. However, over the years, efforts aimed at closing this gap to realize that potential have not yielded expected dividends.

The Nigerian insurance market has been faced with different challenges in its efforts to serve the needs of the relevant stakeholders. Following the enactment of the Insurance Act in 2003, the National Insurance Commission (NAICOM) had, between the years 2015 and 2017 set in motion new laws for the re-classification of insurance companies. It increased capital base requirements with the aim of closing the gap created by the enormous untapped potential in the global insurance marketplace. This was to evolve a well-capitalized industry where insurers with deep pockets and excellent local capacity could operate and ultimately contribute to improving the Nigerian economy.

In May 2019, NAICOM reviewed and increased the paid-up share capital requirement for insurance companies. The requirement took immediate effect for new applications for insurance licences. However, existing insurance and reinsurance companies were required to fully comply with the New Minimum Capital Requirement no later than by June 30, 2020. The deadline was subsequently extended to 31st December, 2020. NAICOM recently segmented the recapitalization process into two phases. It specified that 50 per cent of the minimum paid-up capital for Insurance and 60 per cent for Reinsurance shall be met by 31st December, 2020. Ultimately Insurance companies are required to fully comply with the approved minimum paid-up capital not later than 30th September, 2021.

The upward review of the minimum capital requirement of Nigeria's insurance sector was long overdue. The reality of the new capital threshold and the available options for meeting it (including, mergers, acquisitions or direct injection of funds), however, have presented new challenges. Clearly, not all insurance companies will be able to meet the 30th September, 2021 deadline for conclusion of recapitalization. This will invariably lead to the mergers and acquisitions of insurance companies for compliance purposes. Hence, the onus is on insurance companies to critically evaluate the feasibility of each of the option in order to determine the most viable step forward. It is hoped that the new capital threshold when met, will infuse needed confidence in the insurance sector. Hopefully, the critical challenges confronting the industry, from investor apathy to poor insurance culture among Nigerians will also be addressed for insurance companies to grow, attract investment and boost share capital.

Our Financial Performance

The revenue pool of Nigerian insurance companies was impacted in year 2019 as a result of the dip in the general economy. Thus, premium payments decreased significantly. In a lot of cases, policies were not renewed for want of disposable income, amongst other economic challenges. Thus, the 2019 year was not one for the record books. Notwithstanding, your Company recorded modest earnings. For the year ended December 31, 2019. Gross Premium Written stood at N1.29 billion in 2019, as against N1.24 billion in 2018, representing an increase of 4.02%. Gross Premium Income decreased by 2.05% from N1.20 billion in 2018 to N1.17 billion in 2019. Net Premium Income also decreased slightly by 0.27% from N904.9 million in 2018 to N902.4 million in 2019. Due to operational efficiency in terms of people, processes and technology, investment income for the period under review increased considerably by 50.5%, from N139 million in 2018 to N210 million in 2019. Operational Expense of N868.6 million in 2019 was efficiently managed as we were able to turn in a savings of about 3% when compared to N904 million reported in 2018. However, the year resulted in a Loss of N795 million as against N190.1 recorded in 2018.

Outlook for Year 2020

The structure of the Nigerian Insurance Industry is set to change in the short term on account of the recapitalization exercise scheduled for completion on or before 30th September, 2021. Besides the anticipated growth in industry size, it is conceivable that a decline in the total number of operators and significant changes in ownership structure will be the result of the recapitalization.

The Nigerian insurance sector, according to Agusto & Co., is expected to witness considerable growth in the medium to long term, despite an interruption in 2020 due to the COVID-19 pandemic. In specific terms, players in the smaller life insurance segment of the market are expected to grow their collective premiums by 4.8% to N179.81 billion in 2020. This is a downwardly revised forecast due to the country's weakened economic condition. Meanwhile, the life insurance segment is expected to grow its premiums to as much as N207.96 billion by 2024. On the other hand, the non-life insurance segment of the market (which is significantly larger), is projected to grow its premiums by a revised 2.9% to N248.85 billion in 2020. In the medium term, growth in the non-life segment is expected to reach N321.53 billion in 2024.

I hate to end on a dour note, but I feel that industry players should be ready. The prevailing harsh economic conditions will continue to challenge the bottom line both in the near future and the long run. The unfortunate reality is that widespread poverty following on the heels of the pandemic would engender defaults and reduced premium remittances by the insured, and the deprioritising and restructuring of insurance policies as people pivot to basic survival as a priority.

As a responsible corporate citizen of Nigeria, the health and wellbeing of all stakeholders remains the core of our very existence at Guinea Insurance Plc. We will remain focused on driving growth and overcoming challenges. To do this, we will stay informed, keep calm and communicate with all stakeholders, as we continue to innovate on first-rate service provision by deploying cutting-edge technological handmaidens.

Conclusion

Thank you for your continued confidence and interest in Guinea Insurance Plc. I look forward to sharing some good news of growth and accomplishments with you all, soon enough. The Board and Management of your great Company thank you for the unflinching support and unwavering faith you have always shown to us. We will continue to work to earn such invaluable gifts.

I wish you all fruitful deliberations.

Godson Ugochukwu, Esq.
Chairman, Board of Directors

Pursuant to and in accordance with guidelines of NAICOM section 2.10 the Board hereby declares stating that, to the best of its knowledge and belief, having made appropriate enquiries

1. The company has a securities trading policy which shall apply to all employees and Directors and shall be circulated to all employees that may at any time possess any inside or material information about the Company.

2. That the Company publicizes its securities trading policy in its internal communications, on a regular basis, and places it on its website.

3. That all directors, persons discharging managerial responsibility and persons closely connected to them as well as all insiders of the Company should notify the Company in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of the Company on the day on which the transaction occurred and the Company should maintain a record of such transactions which shall be provided to The Exchange within two business days of The Exchange making a request in that regard.

4. That in relation to securities transactions by directors, the Company should disclose such in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any) That the Board is satisfied with the efficiency of the processes and systems surrounding the production of financial information of the company.

5. That the company has in place a Risk Management Strategy, developed in accordance with the requirements of the rules, setting out its approach to risk management; and The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations

Mr. Samuel Onukwue
Chairman Board Committee on
Enterprise Risk Management & Governance
FRC/2013/ICAN/00000004049

Ademola Abidogun
Managing Director/CEO
FRC/2013/CIIN/00000002257

Pursuant to and in accordance guidelines of NAICOM section 2.10 the Board hereby declares stating that, to the best of its knowledge and belief, having made appropriate enquiries:

a. The company has systems in place for the purpose of ensuring compliance with this guideline;

b. The Board is satisfied with the efficiency of the processes and systems surrounding the production of financial information of the company;

c. The company has in place a Risk Management Strategy, developed in accordance with the requirements of the guideline, setting out its approach to risk management; and

d. The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations.

Mr. Samuel Onukwue
Chairman Board Committee on
Enterprise Risk Management & Governance
FRC/2013/ICAN/00000004049

Oluwole Fayemi
Executive Director
FRC/2014/CIIN/00000006540

1.1 Introduction and Scope of the Policy

This Complaints Policy (the "Policy") is pursuant of Investments and Securities Act, 2007 (ISA), the Rules and Regulations made pursuant to the ISA, the rules and regulations of Securities Exchanges and guidelines of recognized trade associations to guide the company procedures to effectively manage and resolve complaints from clients and members of the general public.

Our management and staff are duly trained to respect the right of members of the public to complain about the standard of services provided by the company. Our core values of teamwork, service, commitment, integrity and professionalism speaks of our dealings with our insured and general public.

The company strives for fairness, equitable and timely resolution of complaints is described in this Policy.

1.2 Purpose

The purpose of the Complaints Handling Policy is to:

- Recognise customers' rights to complain.
- Provide an efficient, fair and accessible mechanism for resolving customer's complaints.
- Provide information to customers on the company's (Guinea) and the National Insurance Commission's (NAICOM) complaints handling process.
- Demonstrate Guinea's commitment to continual improvement on its services

1.3 Definitions

Claimant: means a person or a legal representative of a claimant who has a claim with the company.

Complaint: means a genuine expression of concern or dissatisfaction regarding the rendered services, or the complaints handling process itself, Made to the company by the claimant or on behalf of:

- A claimant;
- An individual client - including government agencies;
- A group or member of the public.

Complaint: does not necessarily mean a dispute with a decision or policy of Guinea. In particular, a complaint does not mean a dispute with:

- Guinea's assessment of liability with respect to a claim;
- Guinea's settlement offer on a claim;
- Guinea's assessment of, and payments for;
- Special Damages, being reasonable expenses related to the treatment of injuries received in a crash, together with compensation for any loss of earning capacity sustained.
- General Damages (Non Pecuniary Loss), being damages awarded for pain, suffering and inconvenience experienced as a result of injuries, together with any disability.

1.4 Mode of Complaint

A complaint may be made in person, by phone, fax, via email or company's website, in writing or verbally. However verbal complaints is documented immediately by the employee who receives the complaint.

Complainant means the person, group, orga nization or general public making the complaint. Client/Customer means a person, group, organisation receiving advice, a service, using the facilities, or engaged in a business relationship, or any other person or organisation having an interest in the functions or activities of the company.

Dispute means customer's formal disagreement with the services of Guinea Insurance Plc which leads to some type of internal or external review or determination.

Organisation means a company, firm, enterprise or association, or part thereof, whether incorporated or not, public or private, that has its own function(s)and administration.

2.1 Commitment

We are committed to efficient and effective complaints management. Our commitment involves:

- An organisational culture that welcomes complaints as an opportunity to continually improve on our services
- The development and maintenance of a computerised Complaints System to manage complaints;
- The adoption and dissemination of this policy Complaints Handling Policy'; and
- Reporting information about complaints management in executive and Board meetings and reports.

3.1 Fairness

We recognise the need to be fair to both the complainant and the company or employee against whom the complaint is made.

If a customer complains, we will:

- Treat the complainant with tact, courtesy and fair ness at all times;
- Maintain appropriate confidentiality of the complaint at all times;
- Not victimise or harass the complainant as a result of any complaint he/she makes against us;

- Not discriminate against the complainant because of any disability, his/her tribe, religion, age or sex.

4.1 Complaints about Employees

Complaints against employees should be referred directly to the relevant Team Lead and a determination will be made whether the complaint is an alleged breach of our Code of Conduct as defined by NAICOM Act 1997, the Team Lead should obtain further information and guidance on this from the Team Lead, Human Capital and Management on how to handle the complaint. Where and when appropriate, and in consideration our obligation or fairness to the complainant and employee, the employee will be given the opportunity to defend his stand.

The party concerned will be informed of the final resolution/decision and the reason for arriving at that decision, a copy of the final resolution will be sent to both parties.

5.1 Resources

The company's call centre is equip with the resources to handle complaints by way of a customised computerised Complaints System that is available to complainant, employees and management for the recording complaints. In addition, our customer call centre personnel are trained in the skills of listening, problem solving, and conflict resolution. Complaints beyond their control are reported to the appropriate quarters for resolution and feedback. Our customer Complaint Policy is covered during the induction program for all new employees. Employees who demonstrate our core Values in the resolution of customer complaints are recognised and rewarded through our Hall of Fame. Whilst those that goes otherwise are disciplined appropriately.

6.1 Visibility of the Complaints Process

We promote the existence of our Complaints Policy and Complaints System through:

(i) A direct link to 'Complaints' on the front page of our website.
(ii) Availability of How-to make complaint brochure in the Insurance Commission reception area'.
(iii) A brochure titled How-to make a complaint which is available on Insurance Commission website or upon request.
(iv) Publishing the numbers and categories of complaints we receive and the resulting improvements we have made in executive and Board reports.

7.1 Access to the Complaints Process

A person wishing to make complaint may do so in person, by telephone, by letter, by fax, by email or via our website.

All complaints made with us will be lodged via a 'Complaint Form', and recorded on to our Complaints System.

A person may lodge a complaint by filling out and completing a 'Complaint Form' at any of our branches or through drop a message on our website.

For complaints made in person or by telephone, letter, fax, or email, one of our staff members will complete a Complaint Form on behalf of the Complainant and attach any associated correspondence that has been received via letter, fax, email.

8.1 Assistance with Lodging Complaints

Our staff will assist people who may have difficulty making a complaint. For example, interpreters can be provided to assist people with limited English who would prefer an interpreter.

In addition, staff will complete a Complaints Form on behalf of anyone making a complaint over the phone or in person. They will also assist those with limited literacy skills by confirming the details of the complaint verbally.

9.1 Complaints Made on Behalf of Another Person

If it is difficult for a customer to personally make a complaint, a complaint may be made on his/her behalf by another person or legal practitioner.

10.1 Responding to Complaints

If a customer complains, we will:

- Attempt to resolve the complaint at the first point of contact, where possible;
- Acknowledge receipt of the complaint not later than two working days;
- Where complaint is not fully understood, telephone the person who lodged the complaint tonsure we understand the issues correctly; and
- For complaints not resolved "on the spot", aim to resolve the complaint and issue a response within 5 working days.

If these time frames cannot be met, we will tell the complainant why and give some idea of when we will reply in full.

We may, at any time after receiving a complaint, decide not to deal with the complaint, or to stop dealing with the complaint, because:

11.1 Charges

No fee is charged for any complaint lodged.

12.1 Complaints Bureau System

We have specialised Complaints System for recording, managing and reporting of complaints. This system enables complaints to be managed at various stages by various staff.

12.2 **First Stage:**

Recording and acknowledgment of the complaint and attempted resolution by front line staff.

12.3 Second Stage:

If the complainant is still not satisfied, a more senior staff member such as a Team Lead will review the person's complaint and the results of the review will be reported to the complainant and management. If the complainant remains dissatisfied, we will consider other options that may be available to achieve a resolution.

12.4 Third Stage:

If the complaint cannot be resolved by the Guinea Insurance Plc, the complainant will be referred to an outside agency, such as the Ombudsman.

13.1 Remedies

We will endeavour to resolve all complaints received as fairly as possible and in a timely manner. Some of the remedies that we may use to help resolve complaints include:

13.2 Rectify Mistakes

Where we have made a mistake, taken too long to follow up a matter, or simply overlooked a matter, we will take immediate action to rectify the mistake or situation.

13.3 Employee Training and Counselling

Where a complaint is made about an employee, whether it is about the employee's general manner or about the employee providing wrong information, and after investigation if we consider the complaint is justified, the employee will be provided with training and/or counselling.

13.4 Referral

As outlined in this Complaints Policy, if a complaint cannot be resolved by us, the complainant may be referred to the Ombudsman for insurance matters, The National Insurance Commission.

14. Collecting and Recording Information about Complaints

Complaint data will be recorded using the Complaint Form. Complaint data will be collected, analysed and reported using our Complaints System. Complaint data, enquiry outcomes and service improvements will be reported regularly to our management and Board Committee on Compliance.

15. Storage of Complaint Records

Records of all complaints will be retained in our Complaints System, for confidentiality, monitoring and evaluation purposes. Access to the complaints records will be restricted to unauthorised staff.

16. Categorising Complaints

Complaint data is collected, collated and reported in categories to enable us identify policies, practices, facilities, etc. that are in need of review and that also contribute to improved customer focus and business outcomes.

17. Review

The Complaints Policy will be reviewed at regular intervals to ensure it meets regulation and statue.

18. Enquiries

Direct enquiries about the Complaints Policy to:
The Managing Director
Guinea Insurance Plc
Guinea Insurance House
33, Ikorodu Road, Jibowu
Lagos State
Postal Address:
P.O. Box 1136, Lagos
Lagos State
Telephone: +234-1-2934575
Email: info@guineainsurance.com
Website : www.guineainsurance.com

NAME	SIGNATURE	DATE
Head, Technical		17/10/2019
Head, Underwriting		17/10/2019
Head, Claims Management		17/10/2019
Head, Reinsurance		17/10/2019

NAME	SIGNATURE	DATE
Compliance Unit		17/10/2019

NAME	SIGNATURE	DATE
Managing Director		17/10/2019
Chairman, Board of Directors		17/10/2019

The Code of Ethics is Guinea Insurance Plc. ("the Company or Guinea insurance") policy on business ethics and individual behavior. It complements and reinforces the existing Company policies.

The Code articulates basic rules and guidelines that help us make decisions.

Guinea Insurance is committed fully to compliance with applicable laws and regulations in all areas where we conduct business. It is the personal responsibility of each employee to abide by the letter and spirit of the applicable laws and regulations.

Mr. Samuel Onukwue
Chairman Board Committee on
Enterprise Risk Management & Governance
FRC/2013/ICAN/00000004049

Oluwole Fayemi
Executive Director
FRC/2014/CIIN/00000006540

Directors' Report

In compliance with the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Insurance Act 2003, the Directors have the pleasure of presenting their report on the affairs of Guinea Insurance Plc ("the Company") together with the audited financial statements and Independent auditor's report for the year ended 31 December 2019.

Legal form and principal activities

The Company is a public limited liability company which was initially incorporated as a private limited liability company on 3 December 1958 in accordance with the provisions of the Companies and Allied Matters Act, transacting primarily as a General Insurance business. The Company was formally listed on the Nigerian stock exchange On 17 January 1991.

Board of Directors

The Board of Directors of the Company during the year under review and to the date of this report is made up of the following:

DIRECTORS	CAPACITY
Mr. Godson Ugochukwu	Chairman
Mr. Ademola Abidogun	Managing Director
Mrs Isioma Omoshie Okokuku	Executive Director
Mr. Pius Edobor	Executive Director
Mr. Oluwole Fayemi	Executive Director
Mr. Simon Oladayo Bolaji	Non-Executive Director
Mr. Anthony Achebe	Non-Executive Director
Alhaji Hassan Dantata	Non-Executive Director
Mr. Chukwuemeka Uzoukwu	Non-Executive Director
Chief Osita Chidoka	Non-Executive Director
Dr. Mohammed Tahir Attahir	Non-Executive Director
Mr. Samuel Onukwue	Non-Executive Director

The Directors do not have any interest in the issued share capital of the Company.

Directors' interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 2004, none of the Directors had any direct or indirect interest in contracts or proposed contracts with the Company during the year.

According to the register of members, the Company's shareholdings include shareholders who held more than 5% of the issued share capital of the Company. "No other individual(s) holds 5% and above of the issued and fully paid shares of the company" as at 31 December 2019 are shown below:

	31 December 2019		31 December 2018	
	No. of Ordinary Shares	% Holding	No. of Ordinary Shares	% Holding
Chrome Oil Services Limited	2,798,514,210	46	2,798,514,210	46
Nimek Investments Limited	1,288,252,777	21	1,288,252,777	21
Total	**4,086,766,987**	**67**	**4,086,766,987**	**67**

RANGE	NO. OF HOLDERS	% OF HOLDERS	NO. OF HOLDERS	% OF HOLDERS
1 - 10000	8,887	49	8,887	49
10001 - 100000	7,695	42	7,695	42
100001 - 1000000	1,429	8	1,429	8
1000001 - 10000000	148	1	148	1
10000001 - 100000000	17	0	17	0
100000001 - 1000000000	5	0	5	0
1000000001 - 6140000000	2	0	2	0
TOTAL:	**18,183**	**100**	**18,183**	**100**

Property and equipment
Information relating to the Company's property, plant and equipment is detailed in the Note 25 of the financial statements.

Donations
There were no donations and sponsorship to charitable organizations during the year (2019: Nil).

Events After the Reporting Period

Corona Virus Disease
A new infectious disease was discovered in Wuhan, China in December 2019, which led to the death of many Chinese. It is known as the Coronavirus Disease 2019 (i.e. COVID-19). The disease is said to be non contagious but spreads through person to person contact.

Due to the mobility of people, the disease has spread across countries and has infected over three million people with two hundred thousand fatalities. To curtail the spread of the disease, countries imposed a lockdown of movement, which affected business operations, leading to the loss of businesses. Nigeria is not immune from the impact of COVID-19, with over two thousand reported cases and twenty-eight fatalities as of April 20, 2020.

The federal government declared a lockdown with effect from March 30, 2020 for an initial period of fourteen days, which was subsequently increased for a period of twenty more days, crippling business activities.

The lockdown affected business operations with revenue loss. Guinea Insurance Plc operations were also impacted as the companies Head Office in Lagos and some of its branches could not open for business operations. This has affected premium generation as some of the insuring public whose motor vehicle policy fell due for renewal during the period of the lockdown did not renew until after the lockdown.

The Federal Government reduced expenditure budget as a result of the fall in oil prices, which might also affect the government's insurance expenditure.

The total financial impact of COVID-19 cannot be readily ascertained at the time of the preparation of this Financial Statement, as it is dependant on when the virus will be contained. The financial impact of COVID-19 will not affect the figures in this financial statement in any way as the index case was discovered in Nigeria on March 1, 2020, which was after the year-end to which this account relates. But, it will affect the revenue of subsequent financial statements. The resultant impact

will be reported in the accounts from when the lockdown began in the year 2020.

Management undertook an assessment of the impact of the COVID-19 on the Company's ability to continue in business and resolved that despite the global challenges posed by the outbreak of the pandemic, the Company has the ability to remain a going concern.

There were no significant events after reporting date which could have had a material effect on the financial statements for the year ended 31 December 2019 which have not been adequately provided for or disclosed in the financial statements.

Employee Involvement and Training
The Company is committed to keeping its employees fully informed, as much as possible on its performance and progress, and seeking their views whenever practicable on matters which practically affect them as employees. Management's professional and technical expertise are the Company's major assets and investment in their further development continues. The Company's expanding skill-base has been extended by a range of training programs for its employees and opportunities for career development within the Company have thus been enhanced.

The Company is committed to keeping its employees fully informed, as much as possible on its performance and progress, and seeking their views whenever practicable on matters which practically affect them as employees. Management's professional and technical expertise are the Company's major assets and investment in their further development continues. The Company's expanding skill-base has been extended by a range of training programs for its employees and opportunities for career development within the Company have thus been enhanced.

Employment of Disabled Persons
The Company in recognition of its special obligation to employ disabled persons maintains a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude. All employees are given equal opportunities to develop themselves. As at 31 December 2019, no disabled person was employed in the Company.

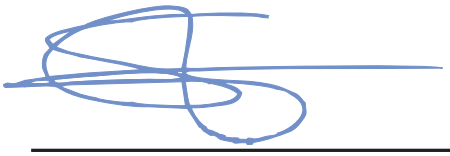
Health, Safety at Work & Welfare of Employees
Employees are informed of the health and safety regulations that are in force within the Company's premises. The Company provides subsidy to all employees for transportation, housing, lunch, medical expenses and insurance, etc.

Research and Development
The Company in its determination to maintain its status as one of the best in the industry continues to encourage research and development of existing and new products aimed at consistently improving the Company's position.

Auditors
In compliance with Section 33(2) of the Securities and Exchange Commission's Code of Corporate Governance and Section 22(1) of National Insurance Commission 2010 guidelines on the tenure of External Auditors, Messrs. BDO Professional Services (Chartered Accountants) have shown willingness to continue in office as the auditors in accordance with Section 357(2) of the Companies and Allied Matters Act 2004, as amended. A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

Compliance with the Code of Best Practices on Corporate Governance
The Directors confirm that they have reviewed the structure and activities of the Company in view of the Code of Best Practices on Corporate Governance for the Insurance Industry in Nigeria published in February 2009. The Directors confirm that the Company has substantially complied with the provisions of the Code of Best Practices on Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD



Oluranti Oke
DCSL Corporate Services Limited
Company Secretary
FRC/2013/NBA/00000000646

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act 2004 the Directors are responsible for the preparation of annual financial statements which gives a true and fair view of the financial position at the end of the financial year of the Company and of the operating result for the year then ended.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- The Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2004, Banks and Other Financial Institutions Act, 1991, Insurance Act 2003, Financial Reporting Council Act 2011 and the yearly Operational Guidelines issued by NAICOM.
- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

Mr. Ademola Abidogun
Managing Director
FRC/2016/CIIN/00000014549

Mr. Pius Edobor
Executive Director
FRC/2013/ICAN/0000000046

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

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2019 that:

- We have reviewed the report;

- To the best of our knowledge, the report does not contain:
  - Any untrue statement of a material fact, or
  - Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the Company as of, and for the periods presented in the report.

- We:
  - Are responsible for establishing and maintaining internal controls.
  - Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the Company particularly during the period in which the periodic reports are being prepared;
  - Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
  - Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- We have disclosed to the auditors of the Company and audit committee:
  - All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarise and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
  - Any fraud, whether or not material, that involved management or other employees who have significant role in the Company's internal controls;

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

Mr. Ademola Abidogun
Managing Director
FRC/2016/CIIN/00000014549

Mr. Pius Edobor
Executive Director
FRC/2013/ICAN/0000000046

To the members of Guinea Insurance Plc:

In accordance with the provision of Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Guinea Insurance Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and we acknowledge the cooperation of management and staff in the conduct of these responsibilities.

We confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices, and that the scope and planning of both the external and internal audits for the year ended 31 December 2019 were satisfactory and reinforce the Company's internal control systems.

We have deliberated with the external auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the external auditors' recommendations on accounting and internal control matters and with the effectiveness of the Company's system of accounting and internal control.

Ayuba Quadri Yemi
Chairman, Statutory Audit Committee
FRCN/2015/ICAN/00000013470
22 May 2020

Members of the Audit Committee are:

Ayuba Quadri Yemi	Shareholder Representative - Chairman
Mr. Waheed Sonibare	Shareholder Representative
Mr. Simon Oladayo Bolaji	Non-Executive Director
Mr. Samuel Onukwue	Non-Executive Director

FINANCIALS

GUINEA INSURANCE PLC

FINANCIAL STATEMENTS
31 DECEMBER 2019

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Guinea Insurance Plc

BDO

Tel: +234 1 7941667, 4710691
www.bdo-ng.com

ADOL House
15 CIPM Avenue
Central Business District,
Alausa, Ikeja
P. O. Box 4929, GPO, Marina
Lagos, Nigeria

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Guinea Insurance Plc which comprise, the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statements of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011, the Companies and Allied Matters Act, CAP C20, LFN 2004, Insurance Act CAP I17, LFN 2004 and the Prudential Guidelines issued by National Insurance Commission.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 43 to the financial statements which indicates that the Company's solvency margin of N2.336 billion as at 31 December 2019 (2018: N1.629 billion), was below the minimum regulatory requirement of N3 billion. The note also explains management plans to address the shortfall. Our opinion in respect of this is not modified.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

In view of large number of policies underwritten by the Company, the gap between the underwriting and finance
departments, and manual interference in the premium documentation, there is a risk that revenue may not be completely accounted for in the financial statements

Response

- We have tested the design and implementation of key controls over revenue recognition, focusing on the flow of information from the underwriting systems to the financial reporting ledger. In addition, we performed substantive analytical procedures on gross and unearned premium balances.

- We performed other substantive procedures to confirm completeness of revenue by:
  selecting some debit notes from hard copy files and traced to soft copy listing of premium and obtained serially generated debit notes and investigated missing and duplicated debit notes.

- We ensured that an appropriate and consistent revenue recognition policy is in place and in line with the Company's accounting policies.

Valuation of insurance contract liabilities

- Management has estimated the value of insurance contract liabilities in the Company's financial statements to be N845million as at year ended 31 December 2019 based on the actuarial valuation and liability adequacy test carried out by an external firm of Actuaries.

The valuation has been made on the following key assumptions which were determined by the Actuary:

- Reserves were calculated via a cash flow projection approach, taking into account future premiums, expenses and benefit payments including an allowance for benefits.
- The unexpired premium reserve for general business is calculated on the assumption that risk will occur evenly during the duration of the policy.
- The Company's claim payment approach will be sustained into the future.
- Weighted past average inflation will remain unchanged over the claim projection period.
- Gross claims amount includes all related claim expenses.
- An allowance was made for IBNR(Incurred But Not Reported) claims to take care of the delay in reporting claims.

Our response
We ascertained the following

- Evaluated and validated controls over insurance contract liabilities,
- Checked the claims register for completeness and accuracy of claims accrued,
- Reviewed transactions after year end for claims paid but not accrued,
- Evaluated the independent external Actuary's competence, capability and objectivity,
- Assessed the methodologies used and the appropriateness of the key assumptions,
- Checked the accuracy and relevance of data provided to the Actuary by management,
- Reviewed the results based on the assumptions

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the Chairman's statement and Directors' report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004, Insurance Act, CAP I17 LFN 2004, and the Prudential Guidelines issued by National Insurance Commission, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 International Standards on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Contravention of laws and regulations

During the year, the Company contravened certain sections of the Insurance Act, CAP I17, LFN 2004, NAICOM's operational guidelines and Securities & Exchange Commission rules.

Details of the contraventions and appropriate penalties thereon are disclosed in note 39.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, CAP C20, LFN, 2004 and Insurance Act CAP I17 LFN 2004 requires that in carrying out our audit we consider and report to you on the following matters. 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 Company

III. the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

IV. to the best of our knowledge, the Company complied with the requirements of the relevant circulars issued by National Insurance Commission (NAICOM) and the regulations of the Insurance Act CAP I17 LFN 2004 during the year.

Olugbemiga A. Akibayo
FRC/2013/ICAN/00000001076
For: BDO Professional Services
Chartered Accountants

Lagos, Nigeria
2 June 2020

	Notes	2019 N'000	2018 N'000
Assets			
Cash and cash equivalents financial assets:	14	680,541	746,176
- Available-for-sale financial assets	15	216,015	294,095
- Held to maturity	16	1,037,334	142,730
Trade receivables	17	5,226	3,472
Reinsurance assets	18	349,730	170,877
Deferred acquisition costs	19	53,319	42,858
Other receivables and prepayments	20	72,682	131,418
Investment properties	21	78,000	1,820,000
Intangible Asset	24	10	279
Property and equipment	25	778,933	736,216
Statutory deposit	26	333,654	333,654
Total assets		**3,605,444**	**4,421,775**
Liabilities			
Insurance contract liabilities	27	844,540	494,808
Trade payables	28	-	12,606
Other payables and accruals	29	132,396	356,080
Employee benefit obligations	30	4,316	2,141
Current tax payable	23(a)	90,809	196,193
Deferred tax liabilities	23(b)	107,368	102,712
Deposit for shares	31	151,400	151,400
Total liabilities		**1,330,829**	**1,315,940**
Equity			
Issued share capital	32	3,070,000	3,070,000
Share premium	33	337,545	337,545
Contingency reserve	34	518,878	480,144
Accumulated losses	35	(1,759,222)	(925,446)
Available-for-sale reserve	36	65,512	143,592
Other reserves	37	41,902	-
Total equity		**2,274,615**	**3,105,835**
Total liabilities and equity		**3,605,444**	**4,421,775**

These financial statements were approved by the Board of Directors and authorised for issue on 22 May, 2020 and signed on its behalf by:

Ademola Abidogun (Managing Director/Chief Executive Officer)
FRC/2016/CIIN/00000014549

Pius Edobor (Executive Director, Finance)
FRC/2013/ICAN/000000004638

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

Auditors' report, pages 1 to 3

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 N'000	2018 N'000
Gross premium written	1	1,291,138	1,241,218
Movement in unearned premuim	1	(115,043)	(40,521)
Gross premium income	1	1,176,095	1,200,697
Reinsurance expenses	2	(273,618)	(295,763)
Net premium income		902,477	904,934
Fees and commission income on reinsurance	3	70,960	72,785
Net underwriting Income		973,437	977,719
Claims expenses	4	(254,989)	(170,435)
Underwriting expenses	5	(284,538)	(282,688)
		(539,527)	(453,123)
Underwriting profit		**433,910**	**524,596**
Investment Income	6	210,059	139,538
Fair value gains on investment properties	7	3,000	50,000
Other operating income/(loss)	8	11,914	(10,117)
Loss on disposal of assets	21	(645,000)	-
Impairment reversal	10	67,444	150,000
Other operating expenses	9	(868,613)	(904,015)
Loss before taxation		**(787,286)**	**(49,998)**
Income tax expense	11	(7,756)	(140,201)
Loss for the year		**(795,042)**	**(190,199)**
Other comprehensive income			
Items within OCI that may be reclassified to the profit or loss:			
Net changes in fair value -Quoted equity	15(a)	(13,259)	(33,009)
Net changes in fair value -Unquoted equity	15(b)	(64,821)	(67,092)
Items within OCI that will not be reclassified to the profit or loss:			
Revaluation gain/(loss) on land and building	37	46,558	(10,000)
Total other comprehensive loss		**(31,522)**	**(110,101)**
Total comprehensive loss for the year, net of tax		**(826,564)**	**(300,300)**
Contigency Reserve	34	**38,734**	**37,237**
Loss per share - Basic and Diluted (kobo)	13	**(13)**	**(3)**

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

Auditors' report, pages 1 to 3

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued share capital	Accumulated Losses	Share premium	Contingency reserve	Reserves for FVOCI	Asset revaluation	Defined benefit	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January, 2019	3,070,000	(925,446)	337,545	480,144	143,592			3,105,835
Loss for the year	-	(795,042)	-	-	-	-	-	(795,042)
Other comprehensive income:								
Fair value changes on available-for-sale financial assets	-	-	-	-	(78,080)	-	-	(78,080)
Changes in valuation of land and building	-	-	-	-	-	46,558	-	46,558
Income tax impact on other comprehensive income	-	-	-	-	-	(4,656)	-	(4,656)
Total comprehensive income for the year	-	(795,042)	-	-	(78,080)	41,902	-	(831,219)
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(38,734)	-	38,734	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
	-	(38,734)	-	38,734	-	-	-	-
Balance 31 December, 2019	**3,070,000**	**(1,759,222)**	**337,545**	**518,878**	**65,512**	**41,902**	**-**	**2,274,616**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January, 2018	3,070,000	(704,964)	337,545	442,907	243,693	10,000	6,954	3,406,135
Loss for the year	-	(190,199)	-	-	-	-	-	(190,199)
Other comprehensive income:								
Fair value changes on available-for-sale financial assets	-	-	-	-	(100,101)	-	-	(100,101)
Changes in valuation of land and building	-	-	-	-	-	(10,000)	-	(10,000)
Total comprehensive income for the year	-	(190,199)	-	-	(100,101)	(10,000)	-	(300,300)
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(37,237)	-	37,237	-	-	-	-
Termination of employee defined benefit	-	6,954	-	-	-	-	(6,954)	-
	-	(30,283)	-	37,237	-	-	(6,954)	-
			-	-		-	-	-
Balance 31 December, 2018	**3,070,000**	**(925,446)**	**337,545**	**480,144**	**143,592**	**-**	**-**	**3,105,835**

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

Auditors' report, pages 1 to 3

	Notes	2019 N'000	2018 N'000
Cash flows from Operating Activities:			
Premium received	44	1,289,385	1,261,773
Commission received	44	82,250	71,472
Commission paid	19	(199,473)	(194,250)
Reinsurance premium paid	44	(465,077)	(305,575)
Gross claim paid	44	(204,762)	(284,039)
Reinsurance recoveries	44	54,744	42,694
Payments to employees	44	(346,664)	(379,686)
Other operating cash payments	44	(567,741)	(306,132)
Other income received	44	458	233
Tax paid	23(a)	(113,140)	(34,894)
Net cash outflows from operating activities		**(470,020)**	**(128,404)**
Cash flows from Investing Activities:			
Investment income received	44	210,059	139,028
Purchase of property and equipment	25	(44,109)	(95,459)
Proceeds from sale of property and equipment		2,518	647
Purchase of financial assets	16	(864,083)	(135,887)
Proceed from sale of investment properties		1,100,000	-
Net cash inflows /(outflow) from investing activities		**404,385**	**(91,671)**
Cash flows from Financing Activities:			
Deposit for shares	31	-	76,000
Net cash flows from financing activities		-	**76,000**
Net decrease in cash and cash equivalents		**(65,635)**	**(144,075)**
Effect of exchange rate changes on cash and cash equivalent		-	1,246
Cash and cash equivalents at 1 January		746,176	889,005
Cash and cash equivalents at 31 December, 2019		**680,541**	**746,176**

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

Auditors' report, pages 1 to 3

Statement of Significant Accounting Policies

I. Reporting entity

Guinea Insurance Plc ("the Company") was incorporated on 3 December 1958 as a Limited Liability Company and became a Public Liability Company on 17 January 1991. The overseas shareholders divested their 40% shareholding to existing Nigerian shareholders in 1988 thereby making the Company 100% Nigerian owned. The Company was established for the purpose of carrying on insurance business. The Company operated as an insurer for all classes of insurance business in Nigeria i.e. Life and pension, General business and Special risks till 2007, when it stopped the Life business and started underwriting all classes of General insurance business only. The Company's head office is located at Guinea Insurance House, 33 Ikorodu Road, Jibowu, Lagos.

The financial statements were authorised for issue by the Board of Directors on 22 May 2020.

II. Basis of accounting

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance and comply with the International Financial Reporting Standards (IFRSs), the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria Circulars.

The financial statements include the statements of financial position, statements of profit or loss and other comprehensive income, the statements of cash flows, the statement of changes in equity, summary of significant accounting policies and other explanatory information.

(b) Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except where expressly indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

1. Available-for-sale financial assets are measured at fair value;
2. Investment properties are measured at fair value;
3. Land and buildings are measured at fair value;
4. Insurance contract liabilities are measured at fair value;
5. Defined benefit liabilities are measured at fair value.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(e) Going Concern

These accounts have been prepared under the going concern assumption as Management does not have the intention to liquidate or to materially curtail the scale of its operations.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note IV to the financial statements.

(f) Reporting period

The financial statements have been prepared for a 12 month period ended 31 December, 2019.

(g) Changes in accounting policies

I. New standards, interpretations and amendments effective from 1 January 2019

After considering the changes in the standards, the Company has continued to apply the accounting policies set out in note (III) to all periods presented in these financial statements. The effective standard that was considered for financial year ended 31 December 2019 is IFRS 16 Leases.

Statement of Significant Accounting Policies

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors . IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption is permitted only for entities that adopt IFRS 15.

The above mentioned standard adopted on 1 January 2019, did not have any effect on the Company's previously reported financial results or disclosures and had no material impact on the Company's accounting policies as the company does not have any lease arrangement that qualify under IFRS 16 in its book for the period under review.

ii. New standards, interpretations and amendments issued but not yet effective

The following are the new standards and interpretations that have been issued, but are not mandatory for the financial year ended 31 December 2019. They have not been adopted in preparing the financial statements for the year ended 31 December 2019.

Standard/Interpretation		Date issued by IASB	Effective date period beginning on or after
Conceptual Framework amendments	Amendments to references to Conceptual Framework in IFRS Standards	March 2018	1 January 2020
IFRS 3 Amendment	Definition of a business	October 2018	1 January 2020
Definition of Material	Amendments to IAS I and IAS 8	October 2018	1 January 2020
IFRS 17	Insurance Contracts	May 2017	1-Jan-23
IFRS 10 and IAS 28 amendment	Sales or Contribution of assets between an investor and its Associate or Joint Venture	September 2014	Deferred indefinitely

Amendments to IFRS 4: Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forthcoming new insurance contracts standard; IFRS 17. The amendment provides two different options for insurance companies: a temporary exemption from IFRS 9 (i.e. the 'deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. Effective date is 1 January 2018 or when the entity first applies IFRS 9.

IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

The Company is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Company and the activities of the Company are predominantly connected with insurance. To determine if the Company's activities are predominantly connected with insurance, we have assessed the ratio of the Company's liabilities connected with insurance compared with it's total liability.

Statement of Significant Accounting Policies

Guinea Insurance Plc has carried out this predominance assessment on its liabilities from 31 December 2015 to 31 December 2019 as follows:

Balance Sheet item (Liabilities)	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	Does it relates to insurance activities
					(unaudited)	
	N'000	N'000	N'000	N'000	N'000	
Insurance contract liabilities						
- Outstanding claims provision						
	519,871	328,663	321,630	235,870	470,559	Yes
- Provision for unearned premium	278,389	271,715	218,417	258,938	373,981	Yes
Finance lease obligation	15,556					Yes
Trade payable	14,334	59,121	41,738	12,606	0	Yes
Other payables and accruals						
- Accrued expenses	81,371	75,217	47,648	43,337	41,677	Yes
- Deferred revenue	10,333	4,292	664	3,172	3,348	No
-Statutory payable	31,049	36,290	13,004	42,850	17,812	Yes
- Other payable	39,951	25,868	42,710	249,584	36,607	Yes
- Deferred commission income	14,394	17,881	18,350	17,037	28,327	Yes
Employee benefit obligations	17,052	12,895	23,652	2,141	4,316	Yes
Current income tax payable	103,768	131,815	117,947	196,193	83,053	Yes
Deferred tax liabilities	90,083	130,237	75,651	102,712	104,012	Yes
Deposit for shares	-	-	75,400	151,400	151,400	No
Total Liabilities	1,216,151	1,093,994	996,811	1,315,940	1,315,092	
Total Liabilities connected to insurance activities	1,190,262	1,089,702	920,747	1,161,268	1,160,344	
Percentage of liabilities connected to insurance activities	97.87%	99.61%	92.37%	88.25%	88.23%	

Based on the above, the Company's liabilities is consistently above the eighty percent (80%) threshold of activities connected with insurance. As such it qualifies to adopt the temporary exemption approach.

III. Significant Accounting Policies

Significant accounting policies are defined as those that reflect significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

Except for the changes explained in Note II(f) above, the Company consistently applied the following accounting policies to the periods presented in the financial statements.

(a) Insurance contract liabilities

(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Company only enters into insurance contracts. Therefore, the Company's insurance contract liabilities represent its liability to the policy holders. Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analysis and the Company deems liabilities reported as adequate. The liability comprises reserves for unearned premium, unexpired risk, outstanding claims and incurred but not reported claims.

Financial guarantee contracts are recognised as insurance contracts. Liability adequacy testing is performed to ensure that the carrying amount of the liability for financial guarantee contracts is sufficient.

At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report. In accordance with IFRS 4, the Company has continued to apply its accounting policies on Insurance contracts under its previous Generally

Statement of Significant Accounting Policies

Accepted Accounting Principles.

Unearned premium
The unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

Reserve for unexpired risk
A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims
Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)
A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report from registered actuary engaged by the Company.

Liability Adequacy Test
At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognised in profit or loss by increasing the carrying amount of the related insurance liabilities. The Liability Adequacy Test (LAT) was carried out by Ernst and Young Nigeria (FRC/2012/NAS/0000000000738), a recognised firm of actuaries.

Actuarial valuation
An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. All surpluses and deficits arising therefrom are charged to profit or loss.

(ii) Recognition and Measurement of Insurance contracts

Premium
Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and have been duly certified. Gross premiums are stated gross of commissions, taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.
Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance
Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.
Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.
Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that the event has a reliably measurable impact on the amounts the Company will receive from the reinsurer.
Reinsurance cost represents outward premium paid/payable to reinsurance companies less the unexpired portion as at the end of the financial year.

Claims
Claims incurred comprise claims and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

(b) Revenue Recognition

(i) Gross Premium written
Gross premium written comprises the premiums on insurance contracts entered into during the year,

Statement of Significant Accounting Policies

irrespective of whether they relate in whole or in part to a later accounting period. It is recognized at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in (a)(ii) of the statement of accounting policies.

(ii)Gross premium income

This represents the earned portion of premium received and is recognized as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(iii)Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

(iv)Investment Income

Investment income consists of dividends, interest and rental income on investment properties, interest income on loans and receivables, realized gains and losses as well as unrealized gains and losses on fair value assets. Rental income is recognized on an accrual basis.

(v)Interest income

Interest income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

(vi)Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established

(vii) Realized gains and losses and unrealized gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction. Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the

reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(viii)Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property and equipment, salvage recoveries and other sundry income.

(c) Expense Recognition

(i)Claims expenses

Claims expenses consist claims and claims handling expenses incurred within the reporting period, less the amount recoverable from the reinsurance companies.

(ii)Insurance claims and claims incurred

Gross benefits and claims consist benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage

Some non-life insurance contracts permit the Company to sell (usually damaged) property recovered in the process of settling a claim. Salvage income is recognised when the Company sells the property it reclaimed from the insured.

Statement of Significant Accounting Policies

Subrogation

Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of receiving the amount of the claim paid to the insured for the loss. Subrogation income is recognised when the Company reclaims the amount paid as claims from the third party who caused the insured to suffer the loss.

(iii) Underwriting expenses

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to profit or loss as they accrue or become payable.

(iv) Other Operating expenses

Other operating expenses are recognised in profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

(d) Reinsurance assets

The Company cedes reinsurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract.

Reinsurance assets are assessed for impairment at each reporting date. If there is reliable objective evidence that a reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognizes the impairment loss in profit or loss.

(e) Trade receivables

Trade receivables comprise premium receivables. Premium receivables are those for which credit notes issued by brokers are within 30 days, in conformity with the "NO PREMIUM NO COVER" policy.

Individual reinsurance receivables that are identified as impaired are assessed for specific impairment. All other reinsurance receivables are assessed for collective impairment. The model for collective impairment is based on incurred loss model. The probability of default and the age of the debts are also taken into account in arriving at the impairment amount. When an insurance receivable is considered uncollectible, it is written off against the impairment allowance account. Trade receivables are classified as loans and receivables and subsequently measured at amortised cost.

(f) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. Acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised systematically over the life of the contracts at each reporting date.

(g) Foreign currency transactions

The Nigerian Naira is the Company'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 date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Company to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

Statement of Significant Accounting Policies

(I) Financial Instruments

(i) Classification of financial assets

The classification of the Company's financial assets depends on the nature and purpose of the financial assets and are determined at the time of initial recognition. The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications.

The Company classifies its financial assets into the following categories:

- Held to maturity financial assets;
- Available for sale financial assets;
- Financial assets at fair value through profit or loss and;
- Loans and receivables;

The Company's financial liabilities are classified as other financial liabilities. They include trade and other payables.

(ii) Initial recognition and measurement

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified as fair value through profit and loss. Financial instruments are derecognized when the rights to receive cash flows from the financial instruments have expired or where the Company has transferred substantially all risks and rewards of ownership.

(iii) Subsequent measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their categorization as follows:

Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity, and which are not designated as fair value through profit or loss, or as available for sale and do not meet the definition of loans and receivables. Were the Company to sell more than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale assets and the difference between amortised cost and fair value will be accounted for in other comprehensive income.

Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any provisions for impairment.

Available-for-sale

Financial assets classified by the Group as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in fair value reserve in equity until the financial asset is derecognised or impaired. When available-for-sale financial assets are disposed off, the fair value adjustments accumulated in other comprehensive income are recognised in profit or loss.

Available-for-sale financial assets are impaired when there has been a significant or prolonged decline in the fair value of the financial asset below its cost. The cumulative fair value adjustments previously recognised in OCI on the impaired financial assets are reclassified to profit or loss. Reversal of impairments on equity available-for-sale financial assets are recognised in OCI.

Interest income, calculated using the effective interest method, is recognised in profit or loss. Dividends received on available-for-sale financial instruments are recognised in income statement when the Group's right to receive payment has been established.

Financial Assets at fair value through profit or loss

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

Subsequent to initial recognition, these investments are re-measured at fair value, with gains and losses arising from changes in this value recognized in profit or loss in the period in which they arise. The

Statement of Significant Accounting Policies

fair values of quoted instruments in active markets are based on current prices as stated on the Nigerian Stock Exchange. Interest earned and dividends received while holding trading assets at fair value through profit or loss are reported as investment income.

Loans and receivable

Loans and receivable on the statement of financial position comprise gross insurance receivable and impairment allowance Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

When the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in profit or loss as "impairment losses".

Financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest rate.

(iv) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, then the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio. The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(v)Amortised cost measurement

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

(vi)Impairment of financial assets

The Company assesses its financial assets, other than those at FVTPL, for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence that a financial asset or group of financial assets is impaired could include:

Loans and receivables

For loans and receivables, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(vii)Offsetting financial instruments

Financial assets and financial liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a

Statement of Significant Accounting Policies

net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or from gains and losses arising from a similar group of transactions such as in the Company's trading activities. However, the Company presents such gains and losses separately if they are material.

(viii) De-recognition of financial instruments

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and financial liability separately.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

(j) Trade and other payables

Trade payables

Trade payables are recognized when due. These include amounts due to agents, reinsurers, co-assurers and insurance contract holders. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied and the impact will not be material.

Accruals and other payables

Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate 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 not applied and the impact will not be material.

(k) Other receivables and prepayments

Other receivables balances include dividend receivable and accrued investment income. The Company has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Company constantly monitors its exposure to their receivables via periodic review.

Prepayment are essentially prepaid rents and prepaid employee benefits. Other receivables and prepayments are carried at cost less accumulated amortisation and impairment losses.

(l) Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Investment properties are measured initially at cost plus any directly attributable expenses.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values of the investment properties are evaluated and assessed annually by an accredited external valuer.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period of de-recognition. The carrying amount of the asset represents the fair value of the asset as at the date of the latest valuation before disposal.

Transfers

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

Statement of Significant Accounting Policies

(m) Property and equipment

Recognition and measurement

All items of property and equipment are initially recognized once they are available for use, at cost and subsequently measured at cost less accumulated depreciation and impairment losses, except land & building which are measured at the fair value as at reporting date. Property and equipment comprise motor vehicles, office furniture, office equipment and computer equipment. Assessment for impairments of properties, plant and equipment are carried out annually.

Subsequent costs

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

Depreciation

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Land	Not depreciated
Building	20 years
Computer equipment	3 years
Office furniture and fittings	5 years
Motor vehicles	4 years

De-recognition and impairment of non financial asset

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

The carrying amounts of the Company's non-financial assets are considered to be impaired when there exists any indication that the asset's recoverable amount is less than the carrying amount. Assessment for impairment should be carried out annually. 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 there are separately identifiable cash flows (cash generating units). Impairment losses are recognized in profit or loss.

Impairment losses recognized 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. 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 recognized. Reversals of impairment losses are recognized in profit or loss.

(n) Income and deferred tax

(i) Current tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss 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. Taxable profit differs from profit as reported in the Company's statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized on all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets

Statement of Significant Accounting Policies

and liabilities are not recognized if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(o) Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LFN 2004 for the general insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation and are measured at amortised cost.

(p) Hypothecation of assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not co-mingled with shareholders'.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in the financial statements, note 45.

(q) Deferred income

Deferred income comprises deferred rental income and deferred acquisition income. Deferred rental income relates to rents received in advance. These are amortized and transferred to the statement of profit or loss over the periods that they relate.

Deferred acquisition income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred acquisition income are amortized systematically over the life of the contracts at each reporting date.

(r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(s) Employee benefits liabilities

(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company and employees contribute 10% and 8% respectively (2017: 10% and 8%) each of the qualifying monthly emoluments in line with the Pension Reform Act.

(I) The Company's monthly contribution to the plan is recognized as an expense in profit or loss as part of staff cost. The Company remits contributions to privately administered pension fund administration

Statement of Significant Accounting Policies

on a monthly basis. The Company has no further payment obligation once the contributions have been remitted. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

(ii) Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Defined benefit plan

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The Company has a Gratuity Scheme for its employees. The scheme is non - contributory and employees qualify for benefits after five years' service. Provision for gratuity is made when it is determined that there is a shortfall in the assets funding liabilities.

The scheme was closed to new entrants in April 2011 and future service after this date does not attract gratuity benefits. Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Company) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' in statement of profit or loss and other comprehensive income (by function):

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, net interest expense or income.

The defined benefit plan was discontinued and fully settled during the year.

(t) Capital and reserves

(i) Share capital

The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs.

(ii) Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve

The Company maintains contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003. In compliance with this regulatory requirement, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(iv) Accumulated losses

The reserve comprises undistributed losses from previous years and the current year. Retained losses is classified as part of equity in the statement of financial position.

(u) Deposit for shares

Deposit for shares represents financial instruments that do not meet the definition of financial liabilities and are classified as financial liabilities. The instruments neither put the Company under any obligation to deliver cash or other financial assets to another party nor require the exchange of its financial assets or financial liabilities with another party under potentially unfavourable conditions but are to be settled by delivering a fixed number of Company's

Statement of Significant Accounting Policies

equity instruments to the other party.

(v) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Company's statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(w) Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Company that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof. The Company's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Motor;
- Marine and Aviation; General accident;
- Fire.

This is the measure used by the Company's Chief Executive for the purposes of resource allocation and assessment of segment performance.

(x) Earnings/(loss) per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. The Company has no type of shares that would have dilutive effect.

(y) Intangible assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of five years using the straight line method.

Statement of Significant Accounting Policies

" Intangible assets are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

An intangible asset shall be derecognized by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is recognised.

IV. Critical accounting estimates and judgments

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

Assumptions and estimation uncertainties

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised thus:

- in the period in which the estimate is revised, if the revision affects only that period, or
- in the period of the revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are stated below:

Judgments

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

(a) Fair value measurement

The Directors are required to make judgment in selecting an appropriate valuation technique for some financial assets. The significant estimates and judgments applied in determination of fair value of financial assets are as follows:

- *Valuation of unquoted securities*

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using prices of recent transactions. Where such information is not available, the investments are valued based on various valuation techniques and methods. The unquoted shares in the Company's portfolio for the year ended 31 December 2019 were valued at Over-the-counter (OTC) prices.

- *Valuation of quoted securities*

The fair value of financial instruments where active market price exists are determined by applying the market price on the last trading day of the financial period.

- *Valuation of land and building*

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Company's land and buildings.

- *Valuation of investment properties*

The Company's investment property is held for the purpose of capital appreciation and rental income generation. The Company's investment property was revalued by an external, independent valuer on 31 December 2019 using the comparative approach method of valuation to arrive at the open market value as at 31 December 2019. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40.

b (i) Impairment of financial assets

Management's judgment is required to assess and determine the amount of impairment for financial assets carried at amortized costs as well as the amount of impairment for trade receivables. The significant estimates and judgments applied in assessing the impairment on financial assets are as

Statement of Significant Accounting Policies

shown in the statement of accounting policies .

b (ii) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and recognised in other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase and recognise in other comprehensive income.

(c) Determination of fair value of investment properties

Fair value of investment properties is determined by a registered estate valuer using market prices of properties in similar locations and industry information on rent. Factors applied is determined by estimation of certainty.

(d) Current tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an

Insurance business shall be taxed as;:

- an insurance company, whether proprietary or mutual, other than a life insurance company; or
- a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the period for which the profits are being ascertained, subject to the limitation below:

An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes-

(i) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;

(ii) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

Statement of Significant Accounting Policies

(e) Trade receivable

Trade receivable is strictly in compliance with the National Insurance Commission (NAICOM) guideline which requires that the receipt of an insurance premium shall be a condition precedent to a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the premium is paid in advance. However, a receivable period of 30 days is allowed in a brokered business, otherwise, the receivable is considered impaired and an impairment loss recognised in profit or loss.

(f) Liabilities arising from insurance contracts

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

V. Financial & Insurance Risk Management

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The company has established a risk management function with clear terms of reference from the board of directors, it's committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. Lastly, a company policy framework which sets out the risk profiles for the company, risk management, control and business conduct standards for the company's operations has been put in place. Each policy has a number of senior management charged with overseeing compliance with the policy throughout the company.

(a) Financial asset valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker.

The Company has several financial instruments. These assets were valued making use of other valuation methods other than quoted prices, such as net asset method and income method.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Company has several financial instruments. These assets were valued making use of other valuation method other than quoted prices.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

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

Level 3 - This includes financial instruments, the valuation of which incorporate significant inputs for

Notes to the financial statements

the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the instrument. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table analyses financial instruments measured at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is cateogrised. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on valuation technique that uses unobservable inputs.

31 December 2019 **Financial Assets:** Available for sale:-	Notes	**Level 1** **N'000**	**Level 2** **N'000**	**Level 3** **N'000**	**Total** **N'000**
Listed equity shares	15	53,500	-	-	53,500
Unlisted equity shares	15	-	-	162,515	162,515
Total financial assets measured at fair value		53,500	-	162,515	216,015
31 December 2018 **Financial Assets:** Available for sale:-					
Listed equity shares	15	66,759	-	-	66,759
Unlisted equity shares	15	-	-	227,336	227,336
Total financial assets measured at fair value		66,759	-	227,336	294,095

Level 3 fair value measurements

Reconciliation

The following tables shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy and analyses the total gains and losses recognised recognised in OCI during the year.

2019		**Equity securities**
Balance at 1 January	15(b)	230,504
Total gain/ (losses)Recognised in OCI	15(b)	(64,821)
Balance at 31 December		165,683
Total gain/(losses) recognized in OCI Net change in fair value	15(b)	(64,821)
Net amount reclassified to profit or loss		-

Financial instruments not measured at fair value ***31 December 2019***	**Level 1** **N'000**	**Level 2** **N'000**	**Level 3** **N'000**	**Total** **N'000**
Held-to-maturity financial assets	1,037,334	-	-	1,037,334

31 December 2018	**Level 1** **N'000**	**Level 2** **N'000**	**Level 3** **N'000**	**Total** **N'000**
Held-to-maturity financial assets	1,037,334	-	-	1,037,334

No fair value disclosures are provided for trade receivables, other receivables, trade payables, accruals and other payables that are measured at amortised cost because their carrying value are a reasonable approximation of fair value.

Notes to the financial statements

Cash and cash equivalents
Cash and cash equivalents consists of cash on hand and current balances with banks.
The carrying amounts of current balances with banks and other financial institutions is a reasonable approximation of fair value which is the amount receivable on demand.

Trade receivables and other receivables
The carrying amounts of trade receivables and other receivables are reasonable approximation of their fair values which are receivable on demand.

Trade payables, accruals and other payables
The carrying amounts of trade payables, accruals and other payables are reasonable approximations of their fair values which are repayable on demand.
The Company is exposed to the following categories of risk as a consequence of offering different financial products and services by the Company;

(i) Market risk
Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Company has put in place a clearly defined market risk management framework that provides the Board of Directors and Management with guidance on market risk management processes. The company has also prescribed tolerable market related losses, vis-a -vis the quantum of available capital and level of other risk exposures.

The company's market risk policy and strategy are anchored on the following:

- product diversification which involves trading, application and investment in a wide range and class of products such as debt, equity, foreign exchange instruments, corporate securities and government securities;
- risk taking within well-defined limits with the sole purpose of creating and enhancing shareholder value and competitive advantage;
- effective utilisation of risk capital;
- continuous re-evaluation of risk appetite and communication of same through market risk limits;
- independent market risk management function that reports directly to Management;
- robust market risk management infrastructure reinforced by a strong automated system for controlling, monitoring and deployment of a variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity analysis, ratio analysis and management action triggers.

Financial & Insurance Risk Management (Cont'd)

Foreign Currency risk

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates.

The Company receives certain premiums in foreign currency, in addition to Naira, from its clients; hence, exposures to exchange rate fluctuations arise. The Company is also exposed to foreign currency denominated in dollars through a domiciliary bank balance. Foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies, and their total

The Company's exposure to foreign exchange risk as at year end amounted to approximately N239 million (2018: N142 million) arising from USD denominated and N3.6 million (2018: NIL) arising from EURO denominated as cash and bank balances. Foreign currency risks arising from insurance contract liabilities have been considered by the Actuary in estimating insurance contract liabilities.

The carrying amounts of the Company's foreign currency denominated assets are as follows:

31 December 2019	NGN'000	Total
Assets (Cash & cash equivalents)	172,287	172,287
31 December 2018	NGN'000	Total
Assets (Cash & cash equivalents)	142,189	142,189

Notes to the financial statements

Foreign currency

The ***sensitivity analysis*** following table details the Company's sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

The following tables show the effect on the profit before tax as at 31 December 2019 from N360/$ (2018: N364/$) closing rate. These closing rates were determined by obtaining NAFEX rate.

31 December 2019 *In thousands of Naira*	**Base**	**NGN'000**	**Total**
10% increase	172,287	17,229	17,229
10% decrease	172,287	(17,229)	(17,229)

31 December 2018 *In thousands of Naira*	**Base**	**NGN'000**	**Total**
10% increase	142,189	14,219	14,219
10% decrease	142,189	(14,219)	(14,219)

Interest rate risk

The Company's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates. Changes in interest rates result to reduction in income 'spread' or the difference between the amounts that the Company is required to pay under the contracts and the rate of return the Company is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Company's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of our liability cash flow profile.

Also, the Company manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate movements.

Furthermore, the Company uses sensitivity analysis to measure the impact of interest rate changes and movements on the value of our financial assets scenarios.

The Company's exposure to interest rate risk is limited to changes in fixed income and money market instruments interest rates. These instruments have fixed interest rates.

Interest rate profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are as follows:

Financial instruments	Notes	**2019** **N'000**	**2018** **N'000**
Cash and cash equivalents	14	551,565	43,324
Placements	14	128,976	702,819
Held-to maturity financial assets	16	1,037,334	142,730
Statutory deposits	26	333,654	333,654
		2,051,529	1,222,527

Notes to the financial statements

Interest rate sensitivity analysis
The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. A 10% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Base N'000	2019 N'000	Base N'000	2018 N'000
10% increase	2,051,529	205,153	1,222,527	122,253
10% decrease	2,051,529	(205,153)	1,222,527	(122,253)

Other price risk management
The Company is exposed to equity price risks arising from equity investments both quoted and unquoted equity. The shares included in financial assets represent investments in listed securities that present the Company with opportunity for return through dividend income and capital appreciation. The carrying amounts of the Company's equity investments are as follows:

	Notes	2019 N'000	2018 N'000
Equity Securities; - Listed	15	53,500	66,759
Equity Securities; - Unlisted	15	162,515	227,336
		216,015	**294,095**

Equity price sensitivity analysis
The sensitivity analysis below have been determined based on the exposure to equity price changes for both listed and unlisted equities at the balance sheet date. A 10% increase or decrease is used when reporting price change risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Listed Equity	Base N'000	2019 N'000	Base N'000	2018 N'000
10% increase	53,500	5,350	66,759	6,676
10% decrease	53,500	(5,350)	66,759	(6,676)

Unlisted Equity	Base N'000	2019 N'000	Base N'000	2018 N'000
10% increase	162,515	16,252	227,336	22,734
10% decrease	162,515	(16,252)	227,336	(22,734)

Financial & Insurance Risk Management (Cont'd)

(ii) Credit risk

Credit risk refers to the risk that counter parties will default on their contractual obligations resulting in financial loss to the Company. The key areas of exposure to credit risk for the Company are in relation to its investment portfolio, reinsurance program and receivables from reinsurers and other intermediaries.

The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Reinsurance assets are reinsurers' share of outstanding claims and prepaid reinsurance. They are allocated below on the basis of ratings for claims paying ability.

Notes to the financial statements

Analysis of financial assets based on past due status

2019	Held to maturity investments N'000	Recoverable from reinsurers N'000	Other receivables N'000	Trade receivables N'000	Total N'000
Past due and impaired (specific)	-	-	72,682	5,226	77,908
Past due more than 90 days	-	-	-	-	-
Past due 31 to 90 days	-	-	-	-	-
Past due less than 30 days	-	-	-	-	-
Neither past due nor impaired	1,166,310	241,138	-	-	1,407,448
Total Carrying Amount	**1,166,310**	**241,138**	**72,682**	**5,226**	**1,485,356**

2018	Held to maturity investments N'000	Recoverable from reinsurers N'000	Other receivables N'000	Trade receivables N'000	Total N'000
Past due and impaired (specific)	-	-	160,734	9,898	170,632
Past due more than 90 days	-	-	-	-	-
Past due 31 to 90 days	-	-	-	-	-
Past due less than 30 days	-	-	-	-	-
Neither past due nor impaired	845,549	99,476	92,955	3,472	1,041,452
Total Carrying Amount	**845,549**	**99,476**	**253,689**	**13,370**	**1,212,084**

An analysis of counterparty credit exposure for financial assets which are neither past due nor impaired is as shown in the table below:

31 December 2019	**Unrated**	**A/A-**	**AA**	**B/B+**	**BB-**	**BBB**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Held-to-maturity investments	-	-	-	1,166,310	-	-	1,166,310
Recoverable from reinsurers	241,138	-	-	-	-	-	241,138
Other receivables	72,682	-	-	-	-	-	72,682
Trade receivables	5,226	-	-	-	-	-	5,226
	319,046	-	-	**1,166,310**	-	-	**1,485,356**

31 December 2018	**Unrated**	**A/A-**	**AA**	**B/B+**	**BB-**	**BBB**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Held-to-maturity investments	106,104	-	-	352,889	386,556	-	845,549
Recoverable from reinsurers	99,476	-	-	-	-	-	99,476
Other receivables	92,955	-	-	-	-	-	92,955
Trade receivables	3,472	-	-	-	-	-	3,472
	302,007	-	-	**352,889**	**386,556**	-	**1,041,452**

Concentration of credit risk

The company monitors concentration of credit risk by sector

31 December 2019	Financial Institutions N'000	Government N'000	Individuals N'000	Total N'000
Held-to-maturity investments	128,976	1,037,334	-	1,166,310
Recoverable from reinsurers	241,138	-	-	241,138
Other receivables	-	-	72,682	72,682
Trade receivables	5,226	-	-	5,226
	375,340	**1,037,334**	**72,682**	**1,485,356**

31 December 2018	Financial Institutions N'000	Government N'000	Individuals N'000	Total N'000
Held-to-maturity investments	702,819	142,730	-	845,549
Recoverable from reinsurers	99,476	-	-	99,476
Other receivables	-	-	253,689	253,689
Trade receivables	13,370	-	-	13,370
	815,665	**142,730**	**253,689**	**1,212,084**

Notes to the financial statements

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

Guinea Insurance's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The finance unit receives information from operations unit regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The finance unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid trading securities to ensure that sufficient liquidity is maintained within the Company as a whole.

All liquidity policies and procedures are subject to review and approval by the Board of Directors. Daily reports cover the liquidity position of the Company. A summary report, including any exceptions and remedial action taken, is submitted regularly to the Company's finance unit. The Company relies on the fixed deposit balances with the Banks in meeting its liquidity need.

Maturity profile

The following table shows the Company's expected maturity for its non-derivative assets. The table has been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

It also shows details of the expected maturity profile of the Company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. It includes both interest and principal cash flows.

Reinsurers' share of unearned premiums are excluded from this analysis.

2019	Notes	Carrying amount	Gross Nominal inflow/(outflow)	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial assets		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	14	680,541	680,541	551,565	128,976	-	-	-
Available-for-sale financial	15	216,015	216,015	-	-	-	-	216,015
Held-to-maturity financial	16	1,037,334	1,037,334	-	-	1,037,334	-	-
Trade receivables	17	5,226	5,226	5,226	-	-	-	-
Reinsurance assets (excluding prepaid reinsurance)	18	212,822	212,822	-	212,822	-	-	-
Other receivables (excluding prepayments and WHT receivables)	20	29,460	29,460	-	-	29,460	-	-
Statutory deposits	26	333,654	333,654	-	-	-	-	333,654
		2,515,052	2,515,052	556,791	341,798	1,066,794	-	549,669
Non-derivative financial liabilities								
Trade payables	28	-	-	-	-	-	-	-
Accruals & other payables (excluding statue based deductions and unearned rent income)	29	(111,236)	(111,236)	-	-	(111,236)	-	-
		(111,236)	(111,236)	-	-	(111,236)	-	-
Gap (asset - liabilities)		**2,403,816**	**2,403,816**	**556,791**	**341,798**	**955,558**	-	**549,669**

Notes to the financial statements

2018	Notes	Carrying Amount	Contractual cashflow	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial assets		**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	14	746,176	750,173	43,357	706,816	-	-	-
Available-for-sale financial assets	15	294,095	294,095	-	-	-	-	294,095
Held-to-maturity financial assets	16	142,730	144,696	144,696	-	-	-	-
Trade receivables	17	3,472	3,472	3,472	-	-	-	-
Reinsurance assets (excluding prepaid reinsurance)	18	99,476	99,476	-	99,476	-	-	-
Other receivables (excluding prepayments and WHT receivables)	20	92,954	92,954	-	-	92,954	-	-
Statutory deposits	26	333,654	333,654	-	-	-	-	333,654
		1,712,557	1,718,520	191,525	806,292	92,954	-	627,749
Non-derivative financial liabilities								
Trade payables	28	(12,606)	(12,606)	-	(12,606)	-	-	-
Accruals & other payables (excluding statue based deductions and unearned rent income)	29	(307,150)	(307,150)	-	-	(307,150)	-	-
		(319,756)	(319,756)	-	(12,606)	(307,150)	-	-
Gap (asset - liabilities)		1,392,801	1,398,764	191,525	793,686	(214,196)	-	627,749

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets and other sources listed in "Sources of Liquidity" above.

(iv) Insurance risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on regulations which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Financial & Insurance Risk Management (Cont'd)

The Company writes fire, general accident, marine & aviation and motor risks primarily over a duration usually twelve month. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The concentration of insurance by the location of the underlying risk is summarised below by reference to liabilities.

	Gross		Reinsurance		Net	
	2019 N'000	**2018 N'000**	**2019 N'000**	**2018 N'000**	**2019 N'000**	**2018 N'000**
- Within Nigeria	1,291,138	1,241,218	273,618	295,763	1,017,520	945,455
- Outside Nigeria	-	-	-	-	-	-
Total	**1,291,138**	**1,241,218**	**273,618**	**295,763**	**1,017,520**	**945,455**

Notes to the financial statements

The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

Outstanding claims	Gross 2019 N'000	Reinsurance 2019 N'000	Net 2019 N'000	Gross 2018 N'000	Reinsurance 2018 N'000	Net 2018 N'000
General Accident	214,327	50,942	163,385	88,516	10,715	77,801
Fire	94,052	46,214	47,838	49,852	18,925	30,927
Marine & Aviation	6,796	2,551	4,245	7,952	1,067	6,885
Motor	36,785	220	36,565	24,979	6,345	18,634
TOTAL	**351,960**	**99,927**	**252,033**	**171,299**	**37,052**	**134,247**

IBNR	Gross 2019 N'000	Reinsurance 2019 N'000	Net 2019 N'000	Gross 2018 N'000	Reinsurance 2018 N'000	Net 2018 N'000
General Accident	30,086	18,659	11,427	34,588	23,125	11,463
Fire	53,295	6,601	46,694	15,543	7,829	7,714
Marine & Aviation	13,998	1,711	12,287	9,961	483	9,478
Motor	21,220	1,345	19,875	4,479	377	4,102
TOTAL	**118,599**	**28,316**	**90,283**	**64,571**	**31,814**	**32,757**

Unearned premium	Gross 2019 N'000	Reinsurance 2019 N'000	Net 2019 N'000	Gross 2018 N'000	Reinsurance 2018 N'000	Net 2018 N'000
General Accident	127,243	56,225	71,018	118,938	24,569	94,369
Fire	84,947	39,206	45,741	52,955	23,698	29,257
Marine & Aviation	15,120	4,317	10,803	10,967	4,269	6,698
Motor	146,671	8,844	137,827	76,078	4,290	71,788
TOTAL	**373,981**	**108,592**	**265,389**	**258,938**	**56,826**	**202,112**

Outstanding claims on insurance contracts

Outstanding claim represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position.

(a) Methodology

(I) Valuation

Ernst and Young Nigeria adopted the 365th (time apportionment) method. Each policy's unexpired insurance period (UP) was calculated as the exact number of days of insurance cover available after the valuation date.

The Unearned Premium Reserve is calculated as: Premium *(UP)/ full policy duration.

(ii) Discounting

No allowance has been made for discounting as it is not expected to have a significant impact given the relatively short-tailed claims run-off.

(iii) Reserving Methods and Assumptions - 31 December 2019

The volume of data in the reserving classes influenced the methodologies used. Four methods were used for the projection of claims;

(a) The Basic Chain Ladder Method (BCL)

The Basic Chain Ladder method forms the basis to the deterministic reserving methods explained below. For each class of business, historical paid claims were grouped into accident year cohorts–representing when they were paid after their accident year. These cohorts form the development triangles. Each accident years, paid claims were accumulated to the valuation date and projected into the future to attain the expected ultimate claim arising in the year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the cumulated paid claims and the estimated ultimate claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years.

Notes to the financial statements

(b) The loss ratio method

This method is simple and gives an approximate estimate. This method was adopted as a check on the actuary's ultimate projections and also where there were insufficient data to be credible to use for the statistical approaches. Under this method, Ultimate claims were obtained by studying the historical loss ratios, investigating any differences and using judgments to derive a loss ratio. Paid claims already emerged were then deducted from the estimated Ultimate claims to obtain our reserves.

(c) A Bornheutter Ferguson method

This method investigates the trend of the claim frequency and average cost per claim for each accident year. An Average of the fully run off accident years was used as a guide on the ultimate claim frequency and ultimate average cost which was then adopted for the accident years that are not fully run off. Large losses distorting the claims payment trend was excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method.

(d) Frequency and Severity Method

This method investigates the trend of the claim frequency and average cost per claim for each accident year. An Average of the fully run off accident years was used as a guide on the ultimate claim frequency and ultimate average cost which was then adopted for the accident years that are not fully run off. Large losses distorting the claims payment trend was excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method.

Choice of Method

The IBNR reserves are determined using deterministic calculations which provide a "best estimate" of the reserve. The "bestestimate" is determined by applying a combination of the Chain Ladder ("CL") and the Bornhuetter-Ferguson ("BF") methods to attritional paid claims triangles. The combination between a CL and BF methods aims to reflect the reliability of information when estimating the IBNR. For earlier accident years, where the development is reasonably mature, a CL approach was used which relied more heavily on the data to set the ultimate level of claims. For later accident periods where there still exists a large degree of uncertainty about the ultimate level of claims and the reported to date is a less reliable estimate of the ultimate loss, a BF method is used which makes use of an estimate of the ultimate loss ratio. The results of the Inflation Adjusted Chain Ladder method (Discounted) and Bornhuetter-Ferguson are dependent upon the stability of the triangulated claims information used to derive the claims development patterns. The triangulations are examined for any anomalous movements that may have distorted the estimated patterns in order to smooth these out. This prevents distortion of the results by once-off extreme movements and therefore ensures a stable result from year to year.

IBNR results **Class of business**			**Gross 2019 N'000**	**Gross 2018 N'000**
General Accident			30,086	34,588
Fire			53,295	15,543
Marine & Aviation			13,998	9,961
Motor			21,220	4,479
TOTAL			**118,599**	**64,571**
Outstanding claims results Class of business			**Gross 2019 N'000**	**Gross 2018 N'000**
General Accident			214,327	88,516
Fire			94,052	49,852
Marine & Aviation			6,796	7,952
Motor			36,785	24,979
TOTAL			**351,960**	**171,299**
UPR results Class of business	**AURR N'000**	**UPR N'000**	**Gross 2019 N'000**	**Gross 2018 N'000**
General Accident	969	126,830	127,243	118,938
Fire	6,566	78,381	84,947	52,955
Marine & Aviation	615	13,949	15,120	10,967
Motor	-	146,671	146,671	76,078
TOTAL	**8,150**	**365,831**	**373,981**	**258,938**

Notes to the financial statements

Financial & Insurance Risk Management (Cont'd)

Sensitivity analysis

The cumulative triangulations that were used in the reserve report as at 31 December 2019 carried out by Ernst and Young Nigeria for all class of the business where triangulation methods were used, i.e. for Fire, General Accident and Motor. The triangulations including and excluding exceptionally large losses are shown below:

General accident

Accident Year	1	2	3	4	5	6	7	8	9	10
2010	27,848	28,629	1,825	16,329	387	-	656	4,000	10	-
2011	14,855	19,686	25,574	11,561	3,863	482	-	-	-	-
2012	7,500	23,702	9,283	10 ,932	11 ,285	5,373	13	-	-	-
2013	11 ,869	42 ,996	35 ,232	69	105	-	-	-	-	-
2014	17,462	14,874	1,840	11,026	160	452	-	-	-	-
2015	15,190	11,025	838	2,257	182	-	-	-	-	-
2016	8,204	6,214	3,263	556	-	-	-	-	-	-
2017	13,373	25,955	13,488	-	-	-	-	-	-	-
2018	4,067	6,507	-	-	-	-	-	-	-	-
2019	9,695	-	-	-	-	-	-	-	-	-

Fire Accident Year	1	2	3	4	5	6	7	8	9	10
2009	155	554	1,367	2,240	-	-	93	-	-	-
2010	-	2,781	509	162	-	-	-	-	-	-
2011	167	104	1,275	-	54	-	-	150	892	-
2012	90	2,512	2,102	706	-	890	-	116	-	-
2013	527	5,405	1,066	862	-	6	-	-	-	-
2014	2,387	4,725	1,218	155	932	-	-	-	-	-
2015	3,884	4,753	1,478	2,677	-	-	-	-	-	-
2016	7,680	18 ,233	12,071	61	-	-	-	-	-	-
2017	10,425	21,530	2,576	-	-	-	-	-	-	-
2018	4,508	29,118	-		-	-	-	-	-	-
2019	11,130	-	-		-	-	-	-	-	-

Motor Accident Year	1	2	3	4	5	6	7	8	9	10
2009	19,518	18,395	1,917	-	-	11	-	-	-	-
2010	12,429	11,088	5,021	419	1,187	225	-	-	-	-
2011	9,652	21,095	2,503	692	902	216	-	1,317	953	-
2012	8,492	6,863	909	-	18	-	-	-	-	-
2013	8,626	8,768	-	-	-	-	-	-	-	-
2014	24,727	14,728	2,321	-	-	45	-	-	-	-
2015	32,140	14,748	484	142	954	-	-	-	-	-
2016	23,351	12,604	752	-	-	-	-	-	-	-
2017	25,328	9,370	1,276	-	-	-	-	-	-	-
2018	34,189	9,262	-		-	-	-	-	-	-
2019	24,657	-	-		-	-	-	-	-	-

Marine and Aviation Accident Year	1	2	3	4	5	6	7	8	9	10
2009	-	4,416	-	254	-	-	-	-	-	-
2010	335	1,265	-	2,426	-	-	-	-	-	-
2011	220	3,047	1,912	146	-	-	-	-	-	-
2012	4,871	3,602	13	-	-	-	-	-	-	-
2013	1,938	213	-	-	-	-	-	-	-	-
2014	-	2,854	374	-	-	-	-	-	-	-
2015	258	397	11	23	-	-	-	-	-	-
2016	4,287	1,019	-	-	-	-	-	-	-	-
2017	4,101	5,309	-	-	-	-	-	-	-	-
2018	-	304	-		-	-	-	-	-	-
2019	-	-	-		-	-	-	-	-	-

Notes to the financial statements

Financial & Insurance Risk Management (Cont'd)

Capital Management

Our capital management framework is primarily based on statutory risk-based capital and solvency margin measures. The Company manages its capital to ensure that it continues as a going concern and complies with the regulators' capital requirements while maximizing the return to stakeholders through the optimization of its equity balance. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and a retained loss. Reinsurance is also used as part of capital management.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Company has been maintained and preserved over the reporting periods. The minimum regulatory capital for general insurers in Nigeria is N3 billion.

The Company equally measures its capital using an economic capital model which is the Company's own assessment of the amount of capital it needs to hold which takes into account both financial and non-financial assumptions. In most cases the internally required capital is determined by the application of percentages to premiums, claims, reserves and expenses.

There was no change made neither to the capital base nor to the objectives, policies and processes for managing capital.

Under our capital management policy approved by the Board of Directors, the Managing Director and the Chief Financial Officer are authorized to approve capital actions on behalf of the Company and to further delegate authority with respect to capital actions to appropriate officers. Any capital commitment that exceeds the authority granted to senior management is separately authorized by the Board.

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.

The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, whichever is greater.

Statement of Solvency Margin Computation

Under S.24 (1) of the Insurance Act 2003

Admissible Assets	2019 N'000 Total	2019 N'000 Inadmissible	2019 N'000 Admissible		2018 N'000 Admissible
Cash and cash equivalents	680,541	-	680,541		746,176
Financial assets:					-
Available-for-sale financial assets	216,015	-	216,015		294,095
Held to maturity	1,037,334	-	1,037,334		142,730
Trade receivables	5,226	-	5,226		3,472
Reinsurance assets	349,730	-	349,730		170,877
Deferred acquisition costs	53,319	-	53,319		42,858
Other receivables and prepayments	72,682	46,145	26,537		92,550
Investment properties	78,000	-	78,000		1,000,000
Intangible Asset	10	10	-		-
Property, plant and equipment	778,933	-	778,933		16,216
Statutory deposit	333,654	-	333,654		333,654
Total assets	**3,605,444**	**46,155**	**3,559,289**	**A**	**2,842,628**
Less admissible liabilities					
Insurance contract liabilities	844,540	-	844,540		494,808
Trade payables	-	-	-		12,606
Other payables and accruals	132,396	-	132,396		356,080
Employee benefit obligations	4,316	-	4,316		2,141
Current tax payable	90,809	-	90,809		196,193
Deferred tax liabilities	107,368	107,368	-		-
Deposit for shares	151,400		151,400		151,400
Total liabilities	**1,330,829**	**107,368**	**1,223,461**	**B**	**1,213,228**
Minimum to be maintained:			2,335,828		1,629,400
The higher of 15% of net premium and			193,671		97,433
Minimum paid up share capital			3,000,000		3,000,000
Surplus					
Solvency margin (A-B) = C			(664,172)		(1,370,600)

Notes to the financial statements

Financial assets and liabilities

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

2019	Notes	Loans and receivables	Available-for-sale	Other financial asset/(liabilities) at amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	14	680,541	-	-	680,541	680,541
Available for sale financial assets	15	-	216,015	-	216,015	216,015
Held-to-maturity financial assets	16			1,037,334	1,037,334	1,037,334
Trade receivables	17	5,226	-	-	5,226	5,226
Reinsurance assets (excluding prepaid reinsurance)	18	241,138	-	-	241,138	241,138
Other receivables (excluding prepayments and WHT receivables)	20	29,460	-	-	29,460	29,460
Statutory deposits	26	333,654	-	-	333,654	333,654
		1,290,019	**216,015**	**1,037,334**	**2,543,368**	**2,543,368**
Trade payables	28	-	-	-	-	-
Accruals & other payables (excluding statue based deductions and unearned rent income)	29	-	-	(111,236)	(111,236)	(111,236)
		-	-	**(111,236)**	**(111,236)**	**(111,236)**

2018	Notes	Loans and receivables	Available-for-sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	14	746,176	-	-	746,176	746,176
Available for sale	15	-	294,095	-	294,095	294,095
Held to maturities	16	-	-	142,730	142,730	142,730
Trade receivables	17	3,472	-	-	3,472	3,472
Reinsurance assets (excluding prepaid reinsurance)	18	99,476	-	-	99,476	99,476
Other receivables (excluding prepayments and WHT receivables)	20	92,954	-	-	92,954	92,954
Statutory deposits	26	333,654	-		333,654	1,378,903
		1,275,732	**294,095**	**142,730**	**1,712,557**	**2,757,806**
Trade payables	28	-	-	(12,606)	(12,606)	(12,606)
Accruals & other payables (excluding statue based deductions and	29	-	-	(307,150)	(307,150)	(307,150)
unearned rent income)		-	-	**(319,756)**	**(319,756)**	**(319,756)**

Notes to the financial statements

Segment Reporting

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Company's revenue and result by reportable segment in 2019 and 2018.

December, 2019	**Motor**	**General accident**	**Marine and Aviation**	**Fire**	**Total**
Income:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross premium written	455,303	517,454	62,666	255,715	1,291,138
Change in unearned premium reserve	(55,662)	(25,676)	(4,886)	(28,819)	(115,043)
Gross premium income	399,641	491,778	57,780	226,896	1,176,095
Reinsurance premium expenses	(26,668)	(147,859)	(12,769)	(86,322)	(273,618)
Net insurance premium earned	372,973	343,919	45,011	140,574	902,477
Fee and commission income	4,127	35,219	3,527	28,087	70,960
Net underwriting income/(loss)	377,100	379,138	48,538	168,661	973,437
Gross claims paid	(50,759)	(59,994)	(547)	(93,473)	(204,773)
Change in outstanding claims/IBNR	(10,170)	(35,997)	12,891	(28,657)	(61,933)
Gross claims expenses incurred	(60,929)	(95,991)	12,344	(122,130)	(266,706)
Reinsurance claims recovery	11,299	(11,989)	(1,655)	14,062	11,717
Net claims expenses incurred/(recovered)	(49,630)	(107,980)	10,689	(108,068)	(254,989)
Underwriting expenses:					
Acquisition cost	(47,598)	(83,078)	(11,331)	(47,005)	(189,012)
Maintenance cost	(20,470)	(46,721)	(5,030)	(23,305)	(95,526)
Total underwriting expenses	(68,068)	(129,799)	(16,361)	(70,310)	(284,538)
Underwriting profit/(loss)	**259,402**	**141,359**	**42,866**	**(9,717)**	**433,910**

December, 2018	**Motor**	**General accident**	**Marine and Aviation**	**Fire**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Income:					
Gross premium written	328,822	608,159	72,460	231,777	1,241,218
Change in unearned premium reserve	(9,657)	(6,354)	(2,254)	(22,256)	(40,521)
Gross premium income	319,165	601,805	70,206	209,521	1,200,697
Reinsurance premium expenses	(11,675)	(173,931)	(11,840)	(98,317)	(295,763)
Net insurance premium earned	307,490	427,874	58,366	111,204	904,934
Fee and commission income	6,624	31,854	3,112	31,195	72,785
Net underwriting income/(loss)	314,114	459,728	61,478	142,399	977,719
Gross claims paid	(104,608)	(77,725)	(27,040)	(74,666)	(284,039)
Change in outstanding claims/IBNR	6,640	48,279	(312)	31,153	85,760
Gross claims expenses incurred	(97,968)	(29,446)	(27,352)	(43,513)	(198,279)
Reinsurance claims recovery	13,758	4,135	3,841	6,110	27,844
Net claims expenses incurred/(recovered)	(84,210)	(25,311)	(23,511)	(37,403)	(170,435)
Underwriting expenses:					
Acquisition cost	(37,837)	(92,282)	(13,077)	(40,436)	(183,632)
Maintenance cost	(22,533)	(46,206)	(2,043)	(28,274)	(99,056)
Total underwriting expenses	(144,580)	(163,799)	(38,631)	(106,113)	(453,123)
Underwriting profit	**169,534**	**295,929**	**22,847**	**36,286**	**524,596**

Notes to the financial statements

1 **Gross premium income**	2019 N'000	2018 N'000
Gross premium written	1,291,138	1,241,218
Movement in unearned premium (Note 1(c))	(115,043)	(40,521)
	1,176,095	**1,200,697**

(a) **Gross Premium Income Movement**	Gross premium written 2019 N'000	Movement in unearned premium 2019 N'000	Gross premium income 2019 N'000
Motor	455,303	70,594	384,709
Fire	255,715	31,991	223,724
Marine and aviation	62,666	4,153	58,513
General Accident	332,262	8,305	323,957
Oil and Gas	185,193	-	185,193
	1,291,138	**115,043**	**1,176,095**

(b) **Gross Premium Income Movement**	Gross premium written 2018 N'000	Movement in unearned premium 2018 N'000	Gross premium income 2018 N'000
Motor	328,822	(9,657)	319,165
Fire	231,777	(22,256)	209,521
Marine and Aviation	72,460	(2,254)	70,206
General Accident	608,159	(6,354)	601,805
Oil and Gas	-	-	-
	1,241,218	**(40,521)**	**1,200,697**

(c) **Changes In unearned premium per class of insurance business**	Unearned Premium As At 1 January 2019 N'000	Increase/ (Decrease) in Unearned premium N'000	Unearned Premium As At 31 December 2019 N'000
Motor	76,077	70,594	146,671
Fire	52,955	31,991	84,946
Marine & Aviation	10,967	4,153	15,120
General Accident	118,939	8,305	127,244
	258,938	**115,043**	**373,981**

(d) Further analysis of the increase/decrease in unearned premium in line with the Actuarial valuation for the year ended 31 December 2019 is stated below;

	AURR N'000	UPR N'000	TOTAL N'000
Motor	-	70,594	70,594
Fire	6,566	25,425	31,991
Marine & Aviation	615	3,538	4,153
General Accident	969	7,336	8,305
	8,150	- **106,893**	**115,043**

2 **Re-insurance expenses**	N'000	N'000
Gross premium ceded to reinsurers	354,795	279,233
Movement in reinsurance expense	(81,177)	16,530
	273,618	**295,763**

3 **Fees and commission income**	N'000	N'000
Commission received on treaty reinsurance	40,505	40,807
Commission received on facultative reinsurance	30,455	31,978
	70,960	**72,785**

4 Claims expenses	N'000	N'000
Claims paid during the year	204,762	284,039
Movement in outstanding claims (Note 27(b))	180,661	(44,319)
Movement in IBNR (Note 27(c))	54,028	(41,441)
Total claims incured for the year	439,451	198,279
Recoveries from reinsurers	(184,462)	(27,844)
	254,989	**170,435**

Notes to the financial statements

		2019	2018
5	Underwriting expenses	N'000	N'000
	Aquisition cost (Note19)	189,012	183,632
	Underwriting cost (5(a))	95,526	99,056
		284,538	**282,688**

(a)	Analysis of underwriting cost:	N'000	N'000
	Survey expenses	20,387	21,111
	Early payment discount	39,057	54,822
	ORC expenses	23,657	11,985
	Tracking fees	8,235	8,073
	Bidding expenses	3,169	2,680
	Superintending fees	1,021	385
		95,526	**99,056**

6	**Investment income**	N'000	N'000
	Rental income from land and building	8,593	5,755
	Dividend income on Available for sale equities	7,794	13,144
	Interest income on statutory deposit with CBN	53,566	40,911
	Interest income on fixed deposits	87,425	67,583
	Interest income on treasury bills	52,682	11,635
		210,059	139,028
	Gain from sale of investment property	-	510
		210,059	**139,538**

7	**Net fair value gains**	N'000	N'000
	Fair value gains on investment properties (Note 21)	3,000	50,000

The Company's investment property was revalued and a fair value gain of N3 million (2018: N50 million) was recognised in the statement of profit or loss. The Company's loss after tax of N784 million (2018: N190 million) contained N3 million (2018: N50million) fair value gain from revaluation of investment property

8	**Other operating income**	N'000	N'000
	Recoveries	-	182
	Revaluation gain on building (Note 25)	-	17,378
	Revaluation loss on land (see Note 25)	-	(33,000)
	Realized forex gains	-	1,246
	Unrealized forex gains	-	4,026
	Gain on disposal of property, plant and equipment	1,558	-
	Write back of provision for trade receivables no longer required	9,898	-
	Sundry Income	458	51
		11,914	**(10,117)**

9	**Other operating expenses**	N'000	N'000
	Depreciation (see note 25)	46,990	49,348
	Amortisation (see note 24)	269	719
	Auditors' remuneration	6,170	9,000
	Sta ffcost (Note 9 (a))	348,839	358,175
	Legal and professional fees	144,836	100,054
	Rent and Rates	10,493	11,553
	Administrative expenses (Note 9 (b))	311,016	375,166
		868,613	**904,015**

(a)	**Sta ffcost**	N'000	N'000
	Wages and salaries	335,356	344,659
	Pension costs	13,483	13,516
	Total employee benefits expense	**348,839**	**358,175**

Notes to the financial statements

(b) Administrative expense	2019 N'000	2018 N'000
AGM Expenses	13,786	15,444
Penalties (Note 39)	4,985	5,000
Consultancy fees	2,888	32,387
Directors fees and allowances (see note 41 (b))	14,800	11,820
Directors expenses	24,816	15,631
Fuel	24,548	22,147
NAICOM Dues	6,878	6,614
VAT & WHT expenses	292	41,244
Office running expenses *	177,682	145,359
Contractors outsourced staff	23,442	47,017
Statutory Levy	2,615	3,701
Subscription	374	5,449
Tour and travel	12,855	24,119
Other expenses	1,055	14,865
	311,016	390,797

* Office running expenses includes car repairs and maintenance, ICT expenses and office maintenance.

10 Impairment reversal on financial assets	N'000	N'000
Write back of impairment on other receivables (Note 20(c))	67,444	150,000

11 Current tax

(a) Charge for the year	N'000	N'000
Recognised in profit or loss		
Income tax	-	52,863
Minimum tax	6,456	-
Tetiary education tax	-	4,961
NITDA	-	-
Prior year under provision	1,300	55,316
	7,756	113,140
Defered tax charge (Note 23 (b))	-	27,061
	7,756	140,201

(b) Reconciliation of effective tax rate	31 December 2019		31 December 2018	
	Tax rate %	Amount	Tax rate %	Amount
Loss before tax		(787,286)		(49,998)
Income tax using the domestic corporation tax rate	30%	(236,186)	30%	(14,999)
Non-deductible expenses	-7%	53,030	-724%	362,142
Tax exempt income	-1%	(7,946)	30%	(14,946)
Impact of Industry tax law	-21%	162,842	505%	(252,273)
Tertiary education tax	0%	-	-10%	4,961
Information technology levy	0%	-	0%	-
Changes in estimates related to prior years	-5%	36,016	-111%	55,316
	-1%	**7,756**	**-280%**	**140,201**

12 Dividends paid and proposed

No dividend was proposed or paid by the Company for the period ended 31 December, 2019 (2018: nil).

Notes to the financial statements

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year outstanding at the reporting date.

	2019	2018
	N'000	N'000
Loss attributable to ordinary shareholders	(795,042)	(190,199)
	'000	'000
Weighted average number of ordinary shares issued	6,140,000	6,140,000
Basic and diluted earnings per ordinary share (Kobo)	(12.95)	(3.10)

14 Cash and cash equivalents

	N'000	N'000
Cash and cash equivalent comprises :		
Cash in Hand	-	33
Balance held with banks in Nigeria	551,565	43,324
Placements	128,976	702,819
	680,541	**746,176**
Representing:	**N'000**	**N'000**
Policyholder's fund	529,141	611,643
Shareholder's fund	151,400	134,533
	680,541	746,176

Placements comprise deposits with maturity periods of less than 90 days from the value date of the instruments. All placements are subject to an average variable interest rate of 8% (2018: 10.5%) obtainable in the money market.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date and are all current balances

15 Financial assets at fair value through other comprehensive income

Equity securities	N'000	N'000
Quoted (Note 15(a))	53,500	66,759
Unquoted (Note 15(b))	165,683	230,504
Impairment loss	(3,168)	(3,168)
	216,015	294,095

(a) Quoted Equities:	N'000	N'000
At 1 January	66,759	99,768
Fair value loss (Note 36)	(13,259)	(33,009)
At 31 December	53,500	66,759

(b) Unquoted Equities:	N'000	N'000
At 1 January	230,504	297,596
Addition through rights issue	-	-
Fair value loss (Note 36)	(64,821)	(67,092)
At 31 December	**165,683**	**230,504**

Classification	N'000	N'000
Current	-	-
Non-current	216,015	294,095
	216,015	294,095

(c) The movement in impairment of unquoted equities	N'000	N'000
As 1 January	3,168	3,168
Impairment (reversal)/charge during the year	-	-
As at 31 December	3,168	3,168

Notes to the financial statements

		2019	2018
16	Financial assets at Amortised costs	N'000	N'000
	Treasury bills	1,037,334	142,730
(a)	Quoted Debt securities - Treasury bills	N'000	N'000
	Nigerian Treasury Bills	1,037,334	142,730

Movement in held to maturity investment securities during the year is as follows:

	N'000	N'000
Beginning of the year	142,730	-
Additions during the year	864,083	135,887
Interest accrued	30,521	6,843
	1,037,334	142,730

Classification	N'000	N'000
Current	1,037,334	142,730
Non-current	-	-
	1,037,334	142,730

17	Trade receivables	N'000	N'000
	Gross insurance receivables	5,226	13,370
	Impairment allowance	-	(9,898)
		5,226	3,472

The carrying amounts disclosed above approximate fair value at the reporting date. Impairment allowance involves all trade receivables aged over 30 days.

(a)	Trade receivables comprises the followings:	N'000	N'000
	Insurance companies	-	1,885
	Broker	5,226	11,485
		5,226	13,370

(b)	Impairment of trade receivables are as follows	N'000	N'000
	Insurance companies	-	2,623
	Broker	-	7,275
		-	9,898

(c)	Movement in impairment of trade receivable:	N'000	N'000
	At 1 January	9,898	9,898
	Impairment (reversal)/charge during the year	(9,898)	-
	As at 31 December	-	9,898

Impairment allowance involves all trade receivables aged over 30 days.

	Classification of Trade receivables	N'000	N'000
	Current	5,226	13,370
	Non-current	-	-
		5,226	13,370

(d)	The age analysis of trade receivables is as follows:	N'000	N'000
	Within 30 days	5,226	3,472
	Above 30 days	-	9,898
		5,226	13,370

Notes to the financial statements

18	Reinsurance asset	2019 N'000	2018 N'000
	Prepaid reinsurance premium	108,592	71,401
	Reinsurance share of paid claims	112,895	30,610
	Reinsurance share of outstanding claims	99,927	37,052
	Reserve for IBNR (Note 18(a))	28,316	31,814
		349,730	**170,877**

Prepaid reinsurance reprsents the unexpired risk on premium ceded to reinsurer

(a)	Movement in IBNR	N'000	N'000
	At 1 January	31,814	68,299
	Decrease during the year	(3,498)	(36,485)
	At 31 December	28,316	31,814

	Classification	N'000	
	Current	349,730	170,877
	Non-current	-	-
		349,730	170,877

(b)	Movement in prepaid reinsurance	N'000	N'000
	At 1 January	71,401	90,721
	Reinsurance expense (Note 2)	273,618	295,763
	Reinsurance cost	(236,427)	(315,083)
	At 31 December	108,592	71,401

19 Deferred acquisition cost

This represent the unexpired portion of the commission paid to brokers and agents at the reporting date.

	Fire N'000	Motor N'000	General accident N'000	Marine and aviation N'000	Total N'000
As at 1 January 2018	6,276	7,998	16,307	1,660	32,241
Additional Acquisition cost for the year	45,079	39,483	96,180	13,507	194,249
Amortization for the year (Note 5)	(40,436)	(37,837)	(92,282)	(13,077)	(183,632)
As at 1 January 2019	10,919	9,644	20,205	2,090	42,858
Additional Acquisition cost for the year	51,666	55,281	80,419	12,107	199,473
Amortization for the year (Note 5)	(47,005)	(47,598)	(83,078)	(11,331)	(189,012)
As at 31 December 2019	15,580	17,327	17,546	2,866	53,319
2019					
Current	15,580	17,327	17,546	2,866	53,319
Non-current	-	-	-	-	-
	15,580	17,327	17,546	2,866	53,319
2018					
Current	10,919	9,644	20,205	2,090	42,858
Non-current	-	-	-	-	-
	10,919	9,644	20,205	2,090	42,858

Notes to the financial statements

		2019	2018
20	Other receivables and prepayments	N'000	N'000
	Financial assets(Note 25(a))	29,460	92,954
	Non-financial assets (Note 25(b))	43,222	38,464
		72,682	131,418
(a)	*Financial assets*		
	Sundry debtors	1,263	6,627
	Accrued interest on statutory deposit	25,274	14,964
	Due from Global Scan systems(Note 40)	-	137,444
	Deposit for computerization	93,880	93,695
	Rent receivable	2,334	959
		122,751	253,689
	Impairment charge on financial assets	(93,291)	(160,735)
	Total financial assets	29,460	92,954

(c)	*Non-financial assets*	N'000	N'000
	Prepaid staff expense	4,500	6,326
	Withholding tax receivable	8,461	7,875
	Prepayments	33,724	27,726
		46,685	41,927
	Impairment charge on non-financial assets	(3,463)	(3,463)
	Total non-financial assets	43,222	38,464
		N'000	N'000
	Gross other receivables (Note 20(a))	169,436	295,616
	Impairment charge on other receivables	(96,754)	(164,198)
		72,682	131,418
i	Classification	N'000	N'000
	Current	72,682	131,418
	Non-current	-	-
		72,682	131,418
(d)	Movement on impairment	N'000	N'000
	As 1 January	164,198	314,198
	Impairment (reversal)/charge during the year (Note 10)	(67,444)	(150,000)
	As at 31 December	96,754	164,198

The carrying amounts disclosed above reasonably approximate the fair value at the reporting date. All other receivable amounts are collectible within one year except for Due from Global Scansystems Technologies and Deposit for Computerization which have been fully impaired. Prepayments are utilisable within one year.

During the year, the company recovered additional N110.0 million of its receivable from Global Scan Systems. The receivable from Global Scan System had been fully recovered during the year. Therefore these recoveries resulted in the reversal of impairment of N67.4 million.

		2019	2018
21	Investment properties	N'000	N'000
	Reconciliation of carrying amount		
	At 1 January	1,820,000	1,770,000
	Disposal	(1,100,000)	-
		720,000	1,770,000
	Loss on disposal	(645,000)	-
	Fair value adjustment (Note 7)	3,000	50,000
	At 31 December	78,000	1,820,000

Notes to the financial statements

Investment properties are stated at fair value, which has been determined based on valuations performed by Ubosi Eleh & Co.(FRCN/2014/NIESV/00000003997), accredited independent valuers, The valuer is a specialist in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific peculiarities corroborated with available data derived from previous experiences. Two of the properties were sold during the period ended 31st December, 2019 for N1.1Billion (Cost: 1.745Billion)

22. Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or Description of valuation techniques used and key inputs to valuation on investment properties The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands on or are being marketed for sale (investment method). By nature, detailed information on concluded transactions is difficult to come by. We have therefore relied on past transactions and recent adverts in deriving the value of the subject properties. At least,eight properties were analysed and compared with the subject There are no restrictions on the reliability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

Valuation

S/N	Location of Investment property	Name of valuer	Address of valuer	FRC number	NIESVA Reg. No	**2019** **N'000**	**2018** **N'000**
1	230, Idowu Martins Street off Adeola Odeku, V.I., Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRCN/2014/NIESV/00000003997	ESV A -576	-	1,120,000
2	21, Nnamdi Azikwe Road, Lagos Island, Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRCN/2014/NIESV/00000003997	ESV A -576	-	625,000
3	5, Primate Adejobi Crescent, Anthony Village, Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRCN/2014/NIESV/00000003997	ESV A -576	78,000	75,000
						78,000	1,820,000

The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands onDescription of valuation techniques used and key inputs to valuation on investment properties. or are being marketed for sale. (Open Market Basis Approach)

S/N	Location of Investment property	Level	Valuation technique	Significant unobservable input
1	5, Primate Adejobi Crescent, Anthony Village, Lagos	Level 3	Investment approach was adopted in arriving at the fair value through the analysis of comparable of recent rental values of similar properties within the neighbourhood	The land area is 611.62m2. The neighbourhood is predominant with residential properties and estate.

Notes to the financial statements

By nature, detailed information on concluded transactions is difficult to come by. Therefore reliance was placed on past transactions and recent adverts in deriving the value of the subject properties. At least, eight properties were analysed and compared with the subject property.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

Investment properties

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

During the reporting period ended 31 December 2019, there were no transfers between level 1 and 2 and in and out of level 3.

Fair value disclosure on investment properties is as follows:

Fair value measurement using

	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December, 2019	N'000	N'000	N'000	N'000
Investment property	-	-	78,000	78,000
Date of valuation - 31 December, 2018				
Investment property	-	-	1,820,000	1,820,000

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

Under the open market basis the current cost of reconstructing the existing structure together with improvement in today's market, adequately depreciated to reflect its physical wear and tear, age, functional and economical obsolescence plus site value in its existing use as at the date of inspection. The duration of the cash flows and specific timing of inflows are determined by event such as rent reviews, lease renewals and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by the agreement at the time of letting out the property. Periodic cash flow is typically estimated as gross income less non recoverable expense, collection losses, lease incentives, maintenance cost, agent and commission cost, and other operating and management expenses.

Notes to the financial statements

	2019 N'000	2018 N'000
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs & maintenance)	-	-
Profit arising from investment properties carried at fair value	-	-
Classification	N'000	N'000
Current	-	-
Non-current	78,000	1,820,000
	78,000	1,820,000

23 Current Tax Liability

The movement on tax payable account during the year is as follows:

		2019	2018
(a)	Current tax payable	N'000	N'000
	At 1 January	196,193	117,947
	Payments during the year	(113,140)	(34,894)
	Charge for the year (Note 11(a))	7,756	113,140
	At 31 December	90,809	196,193
(b)	Deferred tax liabilities	N'000	N'000
	At 1 January	102,712	75,651
	Charge to profit or loss for the year (Note 11(a))	-	27,061
	Recognized in Other Comprehensive Income	4,656	-
		107,368	102,712

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2018: 10%) on investment properties and 30% (2018: 30%) on other items.

(c) Deferred tax liability of N (2018: N) was recognized as at year end. It is attributable to the following;

	N'000	N'000
Property and equipment	-	(75,762)
Investment property	-	(30,250)
Revaluation of land	-	3,300
	-	(102,712)

24	Intangible Asset	N'000	N'000
	At 1 January	86,929	86,929
	Additions	-	-
	At 31 December	86,929	86,929
	Accumulated amortisation and impairment:	N'000	N'000
	At 1 January	86,650	85,931
	Amortization	269	719
	At 31 December	86,919	86,650
	Carrying amount:		
	At 31 December	10	279

The intangible assets are non-current.

Notes to the financial statements

(h) Measurements of fair values

The fair value of land and building at the reporting date are determined by external, independent property valuers, having appropiate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the property, annually.

The fair value measurement of land and building has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The valuation techniques and significant unobservable inputs used in measuring the fair values of land and building are disclosed below.

There were no transfers between fair value hierarchies during the year

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

The valuation of the properties is based on the price for which comparable land and properties are being exchanged hands on or
are being marketed for sale. (Open Market Basis Approach)

S/N	Location of Land and building	Valuation technique	Significant unobservable input
1	Guinea Insurance House, 33, Ikorodu, Jibowu, Lagos	The basis of valuation is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming: • a willing buyer; • a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; • values will remain static throughout the period; • the property will be freely exposed to the market; • no account is to be taken of an additional bid by a special purchaser; • no account is to be taken of expenses of realization, which may arise in the event of a disposal.	Area of the land is 1,240.01m2. The neighbourhood is of high density area predominantly with both commercial and residential structures. Commercial properties such as block of office, eateries, banks, filling station. Motor park among others. The neighbourhood is a high density area.

By nature, detailed information on concluded transactions is difficult to come by. Therefore reliance was placed on past transactions and recent adverts in deriving the value of the subject properties. At least, eight properties were analysed and compared with the subject property.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

Under the open market basis the current cost of reconstructing the existing structure together with improvement in today's market, adequately depreciated to reflect its physical wear and tear, age, functional and economical obsolescence plus site value in its existing use as at the date of inspection. The duration of the cash flows and specific timing of inflows are determined by event such as rent reviews, lease renewals and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by the agreement at the time of letting out the property. Periodic cash flow is typically estimated as gross income less non recoverable expense, collection losses, lease incentives, maintenance cost, agent and commission cost, and other operating and management expenses.

Notes to the financial statements

25 Property, Plant and equipment	Building	Land	Computer Equipment	Furniture and Fittings	Motor Vehicles	Work in progress	Total
Cost/Revaluation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2018	520,000	160,000	105,907	95,441	216,487	13,950	1,111,785
Additions	2,403	83,000	4,471	3,645	1,940	-	95,459
Net off of accumulated depreciation on revaluation	(33,731)	-	-	-	-	-	(33,731)
Revaluation Gain/(Loss) (Note 8)	17,378	(43,000)	-	-	-	-	(25,622)
Reclasification	13,950		-			(13,950)	-
Disposals	-	-	(167)	(207)	-	-	(374)
At 31 December 2018	520,000	200,000	110,211	98,879	218,427	-	1,147,517
Additions	630	-	1,691	12,592	29,196	-	44,109
Revaluation Gain (Note 37)	41,558	5,000	-	-	-	-	46,558
Net off of accumulated depreciation on revaluation	(37,188)	-	-	-	-	-	(37,188)
Disposals	-	-	-	(478)	(15,025)	-	(15,503)
At 31 December 2019	525,000	205,000	111,902	110,993	232,598	-	1,185,493
Accumulated depreciation	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2018	-	-	103,483	81,399	211,039	-	395,921
Depreciation for the year	33,731	-	2,235	10,443	2,939	-	49,348
Disposals	-		(39)	(198)	-		(237)
Net off of accumulated depreciation on revaluation	(33,731)	-	-	-	-	-	(33,731)
At 31 December 2018	-	-	105,679	91,644	213,978	-	411,301
Depreciation for the period	37,188		2,569	3,932	3,301	-	46,990
Net off of accumulated depreciation on revaluation	(37,188)	-	-	-	-	-	(37,188)
Disposals			-	(19)	(14,524)		(14,543)
At 31 December 2019	-	-	108,248	95,557	202,755	-	406,560
Carrying amount							
At 31 December 2019	525,000	205,000	3,654	15,436	29,843	-	778,933
At 31 December 2018	520,000	200,000	4,532	7,235	4,449	-	736,216

(a) All categories of property and equipment are initially recorded at cost. Subsequently, land and building are measured using revaluation model. The elimination adjustment shows the netting-off of accumulated depreciation against the carrying amount (previous revalued amount) in order to show the net book value as at the day of revaluation.

A valuation was conducted by Ubosi Eleh & Co.(FRC/2014/NIESV/00000003997). They have relevant recognized professional qualification and experience in the property being valued. The property was valued using the OMV basis as at 31 December 2019. The valuation method is the comparable method.

(b) There were no impairment losses on any class of assets during the year (2018: Nill)

(c) There were no capitalized borrowing costs (2018: Nil)

(d) There were no lien or encumberances on any asset

(e) All classes of property and equipment were non-current

(f) Land and buildings are measured using revaluation model and elimination

(g) Land and building: historical cost

If the revalued assets were carried using the cost model, the carrying amounts as at 31 December 2019 would be as follows:

	Land	Building
	N'000	N'000
Cost	316,000	674,589
Additions	-	2,403
Accumulated depreciation	-	(182,808)
Net book value	**316,000**	**494,184**

Notes to the financial statements

26 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at 31 December, 2019 (2018: ₦333,654,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 10% per annum (2018: 12.39%) and this has been included within investment income. The cash amount held is considered to be a restricted cash balance and do not qualify as cash and cash equivalent.

	2019 N'000	2018 N'000
Statutory deposit	333,654	333,654

27 Insurance contract liabilities	N'000	N'000
Provision for reported claims by policyholders (Note 27(a))	351,960	171,299
Provisions for claims incurred but not reported (IBNR) (Note 27(c))	118,599	64,571
Outstanding claims provisions (Note 27(a))	470,559	235,870
Provision for unearned premiums (Note 27(d))	365,831	258,938
Provision for AURR	8,150	-
	844,540	494,808

The cash and cash equivalents as described in note 15 serves as a cash cover for the insurance contract liabilities.

Classification	N'000	N'000
Current	468,777	493,026
Non-current	1,782	1,782
	470,559	494,808

(a) Outstanding claims provision: represents the ultimate cost of settling all claims arising from incidents reported as at the reporting date

Age analysis of outstanding claims is as follows:

Days	N'000	N'000
0-90	-	39,260
91-180	-	19,160
181-270	-	11,036
271-365	-	4,995
Above 365	-	96,848
	-	171,299
IBNR (Note 27(c))	118,599	64,571
	118,599	**235,870**

Of the outstanding claims, 8% are within 90 days holding days period whilst 92% are above 90 days holding period. Most of the claims in these bands are largely outstanding due to Guinea's participation as co-insurer and not the lead, thus making it difficult to get relevant claims documents from the insured/brokers without going through the Lead on the accounts.

(b) Outstanding reported claims provision	N'000	N'000
At 1 January	171,299	215,618
Movement during the year (Note 4)	180,661	(44,319)
At 31 December	351,960	171,299

(c) IBNR provision	N'000	N'000
At 1 January	64,571	106,012
Movement during the year	54,028	(41,441)
At 31 December	118,599	64,571

(d) Provision for unearned premiums	N'000	N'000
At 1 January	258,938	218,417
Movement during the year (Note 1)	106,893	40,521
At 31 December	365,831	258,938

28	Trade payables	2019 N'000	2018 N'000
	This represnts the amount payable to insurance companies on facultative placements	-	12,606

Trade payables are recognised when due. These include amount due to agents, brokers and insurance and reinsurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

The company has the right to set-off reinsurance payables against the amount due from reinsures and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred. Commissions payables to the brokers also form part of trade payables.

Trade payables are derecognized when the obligation under the liability is settled, cancelled or expired.

29	Other payables and accruals	N'000	N'000
	Accrued expenses	46,302	43,337
	Deferred revenue	3,348	3,172
	Deferred commission income	28,327	17,037
	Statutory payables	17,812	42,850
	Stale cheques	16,950	14,642
	Other payables	19,657	235,042
		132,396	356,080
		N'000	N'000
	Due within 12 months	132,396	356,080
	Due after 12 months	-	-
		132,396	356,080

Deferred revenue represent rental income arising from operating lease on investment properties and is accounted for on a straight line basis over the lease terms. Rental income is included in investment income.

Other payables represent outstanding NAICOM charges, union dues, travel insurance, stale cheque, unclaimed dividend and other creditors.

30	Employee benefit obligations		
	Defined benefit		
	Employee Benefit	N'000	N'000
	End of service benefit plan (Note 30(a))	2,141	2,141
	Defined benefit plan	2,175	-
		4,316	2,141
	Classified as;		
	Current	4,316	2,141
	Non-Current		
		4,316	2,141

(a) The end of service benefit plan qualify as a defined benefit obligation and was actuarially determined at year end upto December 31, 2017. This obligation has been settled fully in the year 2018. The balance of N4,316,000 standing in the account as at 31 December 2019 represents the N2,141,000 over-valued amount in the actuarial valuation and N2,175,000 defined benefits plan for the staff.

31	Deposit for shares	N'000	N'000
	Deposit for shares	151,400	151,400

Notes to the financial statements

Breakdown of deposit for shares	2019	2018
Investors	N'000	N'000
Simon Bolaji	500	500
Emeka Uzoukwu	900	900
Kosch Ventures Limited	150,000	150,000
	151,400	**151,400**

Movement in deposit for shares is analysed as follows:

	N'000	N'000
Balance at the beginning of the year	151,400	75,400
Additions during the year	-	76,000
Balance at the end of the year	**151,400**	**151,400**

Deposit for shares represents funds from three parties for subscription to the equity shares of the Company. The parties include Simon Bolaji, Emeka Uzoukwu and Kosch Ventures Limited. As at the date the financial statements were finalised, the company was in the process of completing a private placement of the shares.
The company has elected to classify these deposit as a liability until the completion of the listing process.

32 Share capital and reserve

(a) Authorised and issued share capital	N'000	N'000
Authorised share capital		
8 billion Ordinary shares of No.50k each	4,000,000	4,000,000
(b) Issued and fully paid	N'000	N'000
6,140,000,000 Ordinary shares of No.50k each	3,070,000	3,070,000

33 Share premium	N'000	N'000
At the beginning and at the end	337,545	337,545

34 Statutory contingency reserve

In accordance with the Insurance Act of Nigeria, a contingency reserve is credited with the greater of 3% of total premium or 20% of profit of general insurance business. This shall accumulate until it reach the amount of greater of minimum paid up capital or 50% of net premium.

	N'000	N'000
At 1 January	480,144	442,907
Transfer from accumulated losses	38,734	37,237
As at December	518,878	480,144

35 Accumulated Losses	N'000	N'000
At 1 January	(925,446)	(704,964)
Loss for the year	(795,042)	(190,199)
Transfer to contingency reserve	(38,734)	(37,237)
Transfer from employee benefit reserves	-	6,954
As at December	(1,759,222)	(925,446)

36 Available -for- sale reserve	N'000	N'000
At 1 January	143,592	243,693
Reversal of prior year fair value loss	-	-
Fair value changes - Quoted Equity (Note 15(a))	(13,259)	(33,009)
Fair value changes - Unquoted Equity (Note 15(b))	(64,821)	(67,092)
As at December	**65,512**	**143,592**

A valuation of the Company's unquoted equity was conducted by Pedabo (FRC/2013/ICAN/00000000904). They have relevant recognized professional qualification and experience.

Notes to the financial statements

37 Other reserves

a Revaluation reserve

	N'000	N'000
At 1 January	-	10,000
Revaluation gain/(loss) on property, plant and equipment (Note 25)	46,558	(10,000)
Deferred tax impact on OCI	(4,656)	-
As at December	41,902	-

The revaluation reserve is related to the revaluation of property and equipment (land and building), which are measured using the revaluation model.

b Defined benefit reserve

The defined benefit reserve relates to the actuarial gains or losses on remeasurment of the defined benefit obligation.

38 Contingencies and commitments

(a) Legal proceedings and regulations

The Company is a party to ten (2018: 7) legal actions during the year arising out of its normal business operations. Total estimated liability from the legal actions amount to N275.0 million (2018: N494.92 million). The Directors believe, based on currently available information and advice of the legal counsel, that none of the outcomes that will result from such proceedings will have a material adverse effect on the financial position of the Company.

(b) Capital commitments

The Company had no capital commitments as at year end (2018: Nil)

39 Contravention of laws and regulations

The Company incurred the following penalty/fine during the year:

Description	2019 N'000	2018 N'000
Penalties imposed by the Financial Reporting Council (FRC) of Nigeria for restatement of 2016 accounts	-	5,000
Penalties imposed by the Securities Exchange Commission for late filing of the 2018 accounts	4,625	-
Penalties imposed by the Securities Exchange Commission for late filing of the 2018 accounts	360	-
	4,985	5,000

40 Related party disclosures

The Company entered into transaction with shareholders of the company and key management personnel in the normal course of business.

(a) Details of significant transactions carried out with related parties during the year are as follows:

Transactions during the period

Company/Individual	Type of relationship	Nature of transaction	2019 N'000	2018 N'000
Global Scans Technology Limited (see note 21)	Common shareholder	Investment in commercial paper	-	137,444
Amount represents investment in a commercial paper floated by Global Scan Technology a Company owned by Sir Emeka Offor - A majority shareholder of the Company. The commercial paper that was fully impaired as at 31 December 2018, and has now been fully recovered with the last payment of N110.0 million received in 2019.				
Choffan Nigerian Limited - (Kiss FM)	Common shareholder	Rental Income	-	5,178

41 Employees and directors

a. Employees

The average number of persons employed by the Company during the year was as follows:

	N'000	N'000
Executive directors	4	4
Management	19	19
Non-management	57	56
	80	79

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

	2019 Number	2018 Number
Less than N800,001	-	-
N800,001 - N2,000,000	37	34
N2,000,001 - N2,800,000	10	10
N2,800,001 - N3,500,000	9	12
N3,500,001 - and Above	24	19
	80	75

Notes to the financial statements

b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:	N'000	N'000
Fees and sitting allowances (see note 9 (b))	14,800	11,820
Executive compensation (see (a) below)	57,333	54,000
	72,133	65,820
The chairman	1,200	1,200
The highest paid director	28,000	21,000

Executive compensation is included as part of sta ffcost.

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

	Number	Number
Below N1,600,000	8	9
N1,600,000 - N2,000,000	-	-
N2,000,001 - N2,900,000	-	-
N2,900,001 - N3,400,000	-	-
N3,400,000 - and above	4	4
	12	13

42 Events after the reporting period

CORONAVIRUS DISEASE

A new infectious disease was discovered in Wuhan, China in December 2019, which led to the death of many Chinese. It is known as the Coronavirus Disease 2019 (i.e. COVID-19). The disease is said to be non-contagious but spreads through person to person contact. Due to the mobility of people, the disease has spread across countries and has infected over three million people with two hundred thousand fatalities. To curtail the spread of the disease, countries imposed a lockdown of movement, which affected business operations, leading to the loss of businesses. Nigeria is not immune from the impact of COVID-19, with over two thousand reported cases and twenty-eight fatalities as of April 20, 2020. The federal government declared a lockdown with effect from March 30, 2020 for an initial period of fourteen days, which was subsequently increased for a period of twenty more days, crippling business activities.

The lockdown affected business operations with revenue loss. Guinea Insurance Plc operations were also impacted as the companies Head Office in Lagos and some of its branches could not open for business operations. This has affected premium generation as some of the insuring public whose motor vehicle policy fell due for renewal during the period of the lockdown did not renew until after the lockdown. the Federal Government has reduced its expenditure budget as a result of the fall of oil prices, which might also affect the government's insurance expenditure.

The total financial impact of COVI-19 cannot be readily ascertained at the time of the preparation of this financial statements, as it is depended on when the virus will be contained. The financial impact of COVID-19 will not affect the figures in these financial statements in any way as the index case was discovered in Nigeria on March 1, 2020, which was after the year-end to which this account relates. But, it will affect the revenue of subsequent financial statements. The resultant impact will be reported in the accounts from when the lockdown began in the year 2020.

The management assessed the impact of COVID-19 on the business continuity of the company are we believe that it will not affect the ability of the company to continue in business.

43 Solvency Margin

The Company's solvency margin of N2.336 billion as at 31 December 2019 (2018: N1.629 billion) was below the minimum capital requirement of N3,000,000,000 prescribed by the Insurance Act of Nigeria. The ability of the Company to continue to take on new businesses is significantly hinged on successfully addressing the shortfall in the solvency margin to meet the minimum solvency margin requirements of the Insurance Act.

Subsequent to year end, Management has made plans to bring in core investors to buy shares in the company, with a deposit of N150.0 million from an investor and talks is ongoing to raise another N500.0 million from an existing core investor. Based on the foregoing, The Directors confirm the Company to continue as a going concern, realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements are prepared on the going concern basis.

Notes to the financial statements

44	Reconciliation of Statement of Cash flow	Notes	2019	2018
(a)	Premium received		**N'000**	**N'000**
	Gross written premium per income statement	1	1,291,138	1,241,218
	(Decrease)/increase in insurance receivables		(1,754)	20,555
			1,289,385	1,261,773
(b)	Commission received		**N'000**	N'000
	Change in deferred commission income		11,290	(1,313)
	Fees and commission income per income statement	3	70,960	72,785
			82,250	71,472
(c)	Reinsurance premium paid		**N'000**	**N'000**
	Reinsurance premium per income instatement	2	(273,618)	(295,763)
	Change in trade payables (see note 28)		(12,606)	(29,132)
	(Increase)/decrease in reinsurance asset		(178,853)	19,320
			(465,077)	(305,575)
(d)	Gross claims paid net of recoveries		**N'000**	**N'000**
	Claims recovered		54,744	42,694
	Gross claims paid per income statement	4	(204,762)	(284,039)
			(150,018)	(241,345)
(e)	Payments to employees		N'000	N'000
	Employee benefits expenses	9(a)	348,839	358,175
	Decrease in employee benefit obligations		(2,175)	21,511
			346,664	379,686
(f)	Other operating cash payments		**N'000**	**N'000**
	Other Operating expenses		(402,793)	(443,424)
	Less: Non-Cash Items			
	Decrease in other receivables and prepayments		58,736	(93,504)
	(Increase)/decrease in other payables		(223,684)	230,796
			(567,741)	(306,132)
(g)	Investment income received		**N'000**	**N'000**
	Rental income from land and building	6	8,593	5,755
	Dividend income on AFS equity	6	7,794	13,144
	Interest income on statutory deposit with CBN	6	53,566	40,911
	Interest income on fixed placement	6	87,425	67,583
	Interest income on treasury bills	6	52,682	11,635
			210,059	139,028
(h)	Other income received		**N'000**	**N'000**
	Recoveries from other receivables	8	-	182
	Sundry Income	8	458	51
			458	233
(i)	Deposit for shares		**N'000**	**N'000**
	Balance at the start of the year	31	151,400	75,400
	Cash inflow	31	-	76,000
	Balance at the end of the year	31	151,400	151,400
(j)	Procceds from sale of property and equipment		**N'000**	**N'000**
	Cost of property and equipment disposed	25	15,503	374
	Accumulated depreciation of property and equipment disposed	25	(14,543)	(237)
	Gain on disposal of property and equipment	8	1,558	510
	Proceeds on disposal		2,518	647

Notes to the financial statements

45 Hypothecation of insurance fund on assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not comingled with shareholders'. In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.
The assets hypothecated are shown below:

	31 December 2019			31 December 2018		
	Insurance funds	Shareholders funds	Total	Insurance funds	Shareholders funds	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	680,541	-	680,541	746,176	-	746,176
Financial investments						
- Available-for-sale financial assets	-	216,015	216,015	-	294,095	294,095
- Held-to-maturity financial assets	-	1,037,334	1,037,334	-	142,730	142,730
Trade receivables	-	5,226	5,226	-	3,472	3,472
Reinsurance assets	349,730	-	349,730	170,877	-	170,877
Deferred acquisition costs	-	53,319	53,319	-	42,858	42,858
Other receivables and prepayments	-	72,682	72,682	-	131,418	131,418
Investment properties	-	78,000	78,000	-	1,820,000	1,820,000
Intangible Asset	-	10	10	-	279	279
Property and equipment	-	778,933	778,933	-	736,216	736,216
Statutory deposit	-	333,654	333,654	-	333,654	333,654
Total assets	1,030,271	2,575,173	3,605,444	917,053	3,504,722	4,421,775
Liabilities						
Insurance contract liabilities	844,540	-	844,540	494,808	-	494,808
Trade payables	-	-	-	-	12,606	12,606
Other payables and accruals	-	132,396	132,396	-	356,080	356,080
Employee benefit obligations	-	4,316	4,316	-	2,141	2,141
Current tax payable	-	90,809	90,809	-	196,193	196,193
Deferred tax liabilities	-	107,368	107,368	-	102,712	102,712
Deposit for shares	-	151,400	151,400	-	151,400	151,400
Total liabilities	**844,540**	**486,289**	**1,330,829**	**494,808**	**821,132**	**1,315,940**
SURPLUS	**185,731**	**2,088,884**	**2,274,615**	**422,245**	**2,683,590**	**3,105,835**

OTHER NATIONAL DISCLOSURES

for the year ended 31 December 2019

	2019 N'000	%	2018 N'000	%
Net premium income	973,437		977,719	
Reinsurance, claims, commission and others	(1,657,042)		(949,615)	
Investment and other income	224,973		179,421	
Impairment writeback/(charge)	67,444		150,000	
Value (absorbed)/added	(391,188)	(100)	357,525	100
Applied as follows:				
Salaries, wages and other benefits	348,839	89	358,175	100
Government taxes	7,756	-	140,201	39
Retained in the business				
Depreciation & Amortization of property and equipment & Intangible assets	47,259	12	50,067	14
Appropriation to contingency reserve	38,734	10	37,237	10
To augment reserves	(833,776)	(213)	(227,436)	(63)
	(391,188)	(102)	358,244	100

	2019 N'000	2018 N'000	2017 N'000	Restated 2016 N'000	2015 N'000
ASSETS					
Cash and cash equivalents	680,541	746,176	889,005	882,168	886,970
Financial assets at FVOCI	216,015	294,095	394,196	140,576	143,462
Financial assets at Amortised cost	1,037,334	142,730	-	-	-
Trade receivables	5,226	3,472	24,027	18,922	3,331
Reinsurance assets	349,730	170,877	205,047	176,900	190,297
Deferred acqusition cost	53,319	42,858	32,241	39,095	42,341
Other receivables and prepayment	72,682	131,418	37,914	137,159	325,438
Investment properties	78,000	1,820,000	1,770,000	1,572,500	1,420,500
Intangible Asset	10	279	998	1,806	8,439
Property and equipment	778,933	736,216	715,864	752,499	780,325
Statutory deposits	333,654	333,654	333,654	315,000	315,000
Total Assets	3,605,444	4,421,775	4,402,946	4,036,625	4,116,103
EQUITY & LIABILITIES					
Share Capital & Reserves:					
Ordinary share capital	3,070,000	3,070,000	3,070,000	3,070,000	3,070,000
Share premium	337,545	337,545	337,545	337,545	337,545
Contingency reserve	518,878	480,144	442,907	392,701	365,300
Accumulated losses	(1,759,222)	(925,446)	(704,964)	(905,791)	(918,995)
Available-for-sale reserve	65,512	143,592	260,647	48,176	46,102
Other reserves	41,902	-	-	-	-
Total Equity	2,274,615	3,105,835	3,406,135	2,942,631	2,899,952
Insurance contract liabilities	844,540	494,808	540,047	600,378	798,260
Finance lease obligation	-	-	-	-	15,556
Trade payables	-	12,606	41,738	59,121	14,334
Provisions	-	2,908	-	-	-
Accruals & other payables	132,396	353,172	122,376	159,548	177,098
Retirement benefit obligations	4,316	2,141	23,652	12,895	17,052
Income tax payable	90,809	196,193	117,947	131,815	103,768
Deferred tax liabilities	107,368	102,712	75,651	130,238	90,083
Deposit for shares	151,400	151,400	75,400	-	-
Total Liabilities	1,330,829	1,315,940	996,811	1,093,995	1,216,151
Total Equity & Liabilities	3,605,444	4,421,775	4,402,946	4,036,625	4,116,103

STATEMENT OF COMPREHENSIVE INCOME

	2019 N'000	2018 N'000	2017 N'000	Restated 2016 N'000	2015 N'000
Gross premium written	1,291,138	1,241,218	967,144	906,692	870,287
Net premium earned	902,477	904,934	747,071	649,549	759,131
(Loss)/profit before taxation	(787,286)	(49,998)	237,849	176,290	46,906
Taxation	(7,756)	(140,201)	13,184	(135,685)	54,133
(Loss)/profit for the year	(795,042)	(190,199)	251,033	40,605	(7,227)
Transfer to contingency reserve	38,734	37,237	50,207	27,401	26,109
(Loss)/earnings per N1 share (basic)	(13)	(3.1)	4.09	0.04	(0.10)

The Company was incorporated on December 3, 1958 with a nominal Share Capital of ₦200, 000 divided into 100,000 Ordinary Shares of N2 each. The changes in the share capital of the Company since incorporation are summarized below:

	Authorized Share Capital Increase				Issued & Fully Paid Capital Increase				
DATE	UNITS	PRICE	FROM	TO	UNITS	PRICE	FROM	TO	
			AMOUNT	AMOUNT			AMOUNT	AMOUNT	CONSIDERATION
	"000"	N	N(000)	N(000)	"000"	N	N(000)	N(000)	
1959	100	2.00	-	200	76	2.00	-	152	Cash
1973	-	2.00	-	200	0.5	2.00	1	153	Bonus
1974	50	2.00	100	300	38.25	2.00	76.5	229.5	Bonus
1977	100	2.00	200	500	57.375	2.00	114.75	344.25	Bonus
1981	250	2.00	500	1,000	240.975	2.00	481.95	826.2	Bonus
1985	500	2.00	1,000	2,000	344.25	2.00	688.5	1,514.7	Bonus
1986	500	2.00	1,000	3,000	504.9	2.00	1,009.8	2,524.5	Bonus
1989	6,000	0.50	3,000	6,000	2,524.5	0.50	1,262.25	3,786.75	Bonus
1991	18,000	0.50	9,000	15,000	-	0.50	-	3,786.75	Bonus
1992	30,000	0.50	15,000	30,000	15,147	0.50	7,573.5	11,360.25	Rights
1993	40,000	0.50	20,000	50,000	14,496.408	0.50	7,248.204	18,608.454	Rights
1997	140,000	0.50	70,000	120,000	37,016.908	0.50	18,508.454	37,216.908	Bonus
2001	-	0.50	-	120,000	165,566.184	0.50	82,783.092	120,000	Rights
2002	260,000	0.50	130,000	250,000	-	0.50	-	120,000	-
2003	500,000	0.50	250,000	500,000	-	0.50	-	120,000	-
2004	-	0.50	250,000	500,000	480,000	0.50	240,000	360,000	Rights
2005	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2006	-	0.50	-	500,000	-	0.50	-	360,000	Nil
2007	5,000,000	0.50	500,000	3,000,000	-	0.50	-	360,000	Nil
2008	-	0.50	-	3,000,000		0.50		2,550,000	Nil
2011	-	0.50	-	3,000,000	300,000	0.50	2,550,000	2,700,000	Absorption of Life business
2012	400,000	0.50	3,000,000	3,200,000,	-	0.50	-	2,700,000,	-
2013	-	0.50	-	3,200,000	740,000	0.50	2,700,000	3,070,000	cash
2014	-	-	-	3,200,000	-		-	3,070,000	

Information on unclaimed dividends with figures as at 31st December 2019 for Guinea Insurance Ordinary Shares may be obtained by shareholders at:

358, Herbert Macaulay Road Yaba Lagos | Nigeria
01-7120090
registrars@cardinalstone.com

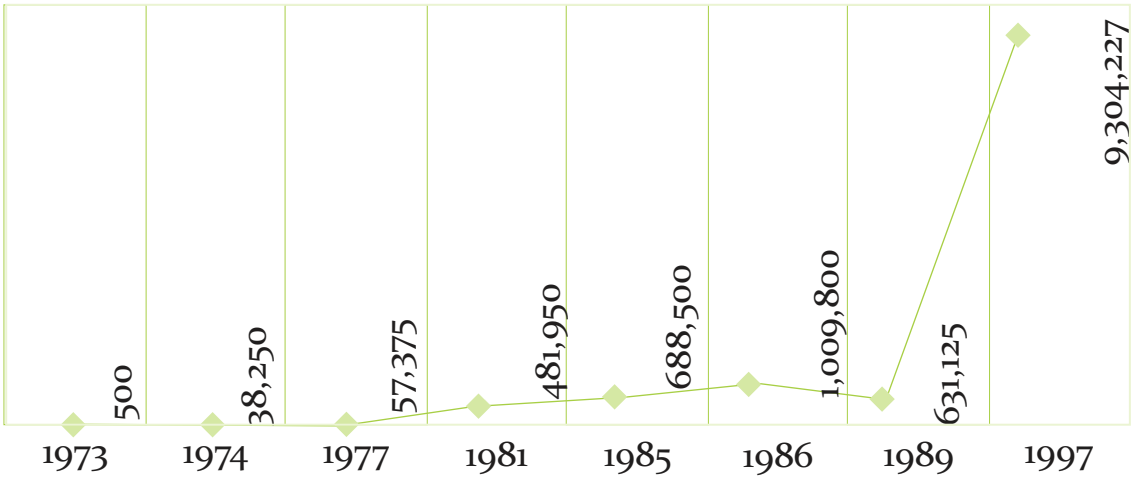
About CardinalStone Registrars Limited

CardinalStone Registrars Limited (previously known as City Securities Registrars) was incorporated in April 2002 and commenced full operations in March 2007. The Company was a wholly-owned subsidiary of First City Monument Bank Plc ("FCMB") till April 2013, when it was acquired by CardinalStone Partners Limited.

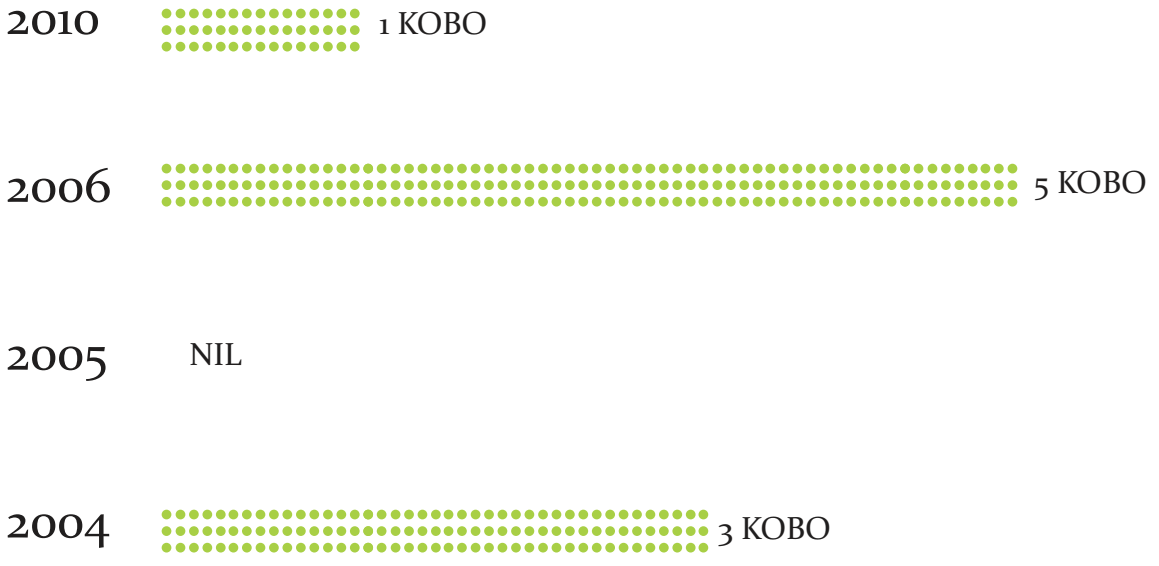
CardinalStone Registrars Limited (CSRL) has continued to deliver world-class quality service to its clients leveraging on the core values of the CardinalStone group including professionalism, integrity, innovation and creativity.

As a leading securities registration and data administration service provider, CSRL acts as Registrars to a wide spectrum of companies across various industries and currently manages registers of over two million shareholders across a wide variety of companies/institutions in different industries in Nigeria. Our mission is to exceed clients' and other stakeholders' expectations by leveraging cutting-edge technology to provide outstanding and innovative services.

BONUS HISTORY



DIVIDEND HISTORY



Dear Shareholder,

E-Dividend and E-Bonus

Experience has shown that many Shareholders do not receive their dividend warrants weeks and in some cases even months after the dividend warrants were dispatched.

To prevent this and facilitate the prompt receipt of your future dividends and bonus Certificates, we will be introducing the e-dividend and e-bonus which is a fast, reliable and efficient way of receiving dividends and bonus directly into your bank and personal accounts with the Central Securities Clearing System (CSCS).

To benefit from the e-dividend and e-bonus system, you need to have a bank account as well as a CSCS account to be opened with the assistance of a Stock Broker of your choice. The mandate form on the next page has been designed in this regard. Please fill it as appropriate and forward it to our Registrars for necessary action.

For further information, we advise that you get in touch with either of the following:

The Registrars
Cardinalstone Registrars Limited
358, Herbert Macaulay Way Yaba Lagos

Yours faithfully,

OLURANTI OKE
DCSL Corporate Services Limited
Company Secretary
FRC/2013/NBA/00000000646

CORPORATE HEAD OFFICE	Guinea lnsurance House 33, lkorodu Road, Jibowu, Lagos. 01-2934575, 01- 2934577
BENIN	82, 1st East Circular Road, Benin City, Edo State Contact : Stephen Ovonlen Tel: 052-240035, 08033166898
PORT HARCOURT	125, Stadium Road, Indigo Mall, Port Harcourt Contact: Joseph Nwokolo Tel: 0803336497
ONITSHA	4, Ridge Road, G.R.A Stock Exchange Building , Onitsha Contact: Ijeoma Okafor Tel: 08037508525
ABUJA	UAC Complex Beside SEC & Opp. Arewa Suites Central Business District, Abuja Contact: Seyi Adediran Tel: 08037552910
KADUNA	NNIL Building (2ND FLOOR) NO. 4 Waf Road P. O. BOX 108 Kaduna Contact: Jafaar Babasaleh Tel: 08033359797
KANO	2nd Floor, 22, Zaria Opposite Umar Ibnkhatabu Mosque, Kano Contact: Ladi Jacob Tel: 07036470347

Please admit

Shareholder's Full Name .....

To be completed in advance by Shareholders or his duly appointed proxy to the 62nd Annual General Meeting of Guinea Insurance Plc which will take place at Guinea Insurance House, 33 Ikorodu Road, Jibowu, Lagos State

1. The admission card must be produced by the Shareholder or his proxy to obtain entrance to the meeting.

2. Shareholders or proxies are requested to sign the admission card before the meeting.
   Number of Shares held (to be completed by the Company's Officials)

Number of Shares held .....

OLURANTI OKE
DCSL Corporate Services Limited
Company Secretary
FRC/2013/NBA/00000000646

Annual General Meeting at Guinea Insurance House, 33 Ikorodu Road, Jibowu, Lagos State

Number of Shares (to be completed by the Company's Officials)

Number of Share Held ..... (To be completed by the Company's Officials)

Shareholder's full name .....
To be completed in advance Shareholders).

.....

Signature of person attending
(To be signed in the presence of the Company's Official at the entrance of the Hall)

Date _____

The Registrars, Cardinalstone Registrars Ltd.
358, Herbert Macaulay Way Yaba Lagos

Dear Sir,

Mandate Form for E-Bonus and E-Dividend,

I/We hereby mandate you to include my/our shareholding in Guinea Insurance Plc among the e-bonus beneficiaries for future bonus issues. My/Our Shareholding particulars are:

Surname ..... Other Names .....

Address ..... Signature .....

Telephone ..... Account Number .....

Note: please ensure that names are identical with those on your Share certificates

CSCS Clearing House No. .....

I/We will also like to receive my/our future dividends directly into my/our bank account electronically through edividend. My/Our bank account are as stated below:

Bank ... . Branch .....

Account Number..... Bank Sort Code.....

.....
Signature (s) of Shareholder(s)

NOTICE OF 62ND ANNUAL GENERAL MEETING OF GUINEA INSURANCE PLC

Annual General Meeting of **GUINEA INSURANCE PLC** will be held at the Company's Head Office, Guinea Insurance House, 33, Ikorodu Road, Jibowu, Lagos including via teleconference on **Friday** the **21st Day of August 2020** at **11.00 a.m.** prompt

I /We ..... being a member/members of Guinea Insurance Plc hereby appoint

.....or Failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us on my behalf at the 61st Annual General Meeting of the Company to be held on **Friday** the **21st Day of August 2020.**

Dated this ..... day of..... 2020

_____

Shareholder's Signature

RESOLUTION	FOR	AGAINST
1. To lay before the Members, the Report of the Directors and the Audited Financial Statements together with the Auditors and Audit Committee Reports for the year ended 31st December, 2019.		
2. To appoint BDO Professional Services as the External Auditors of the Company and authorize the Directors to fix their remuneration.		
3. To re-elect the following Directors retiring by rotation: Alhaji Hassan Dantata Dr. Mohammed Tahir Attahir Mr. Anthony Achebe		
4. To elect members of the Statutory Audit Committee.		
5. "That further to the resolution passed on the 10th day of December 2015 whereby the Directors of the Company were authorized to raise, whether by way of Private Placement, Rights Issue, Book Building Process or other methods, additional capital of up to ₦151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira Only), the Directors are hereby duly authorized to raise additional capital of N151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira) by way of Private Placement of 302,800,000(Three Hundred and Two Million, Eight Hundred Thousand) Ordinary shares of 50 Kobo each out of the unissued capital of the Company at 50 kobo per share subject to obtaining the approval of the relevant regulatory authorities"		
6. To approve the remuneration of the Directors as stated in the 2019 Financial Statements of ₦1.2million and ₦1million for the Chairman and other Non-Executive Directors respectively for the financial year 2020.		
7. "That further to the resolution passed on the 10th day of December 2015 whereby the Directors of the Company were authorized to raise, whether by way of Private Placement, Rights Issue, Book Building Process or other methods, additional capital of up to ₦151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira Only), the Directors are hereby duly authorized to raise additional capital of N151,400,000 (One Hundred and Fifty-One Million, Four Hundred Thousand Naira) by way of Private Placement of 302,800,000(Three Hundred and Two Million, Eight Hundred Thousand) Ordinary shares of 50 Kobo each out of the unissued capital of the Company at 50 kobo per share subject to obtaining the approval of the relevant regulatory authorities"		
8. To approve the remuneration of the Directors as stated in the 2019 Financial Statements of ₦1.2million and ₦1million for the Chairman and other Non-Executive Directors respectively for the financial year 2020.		

Please indicate "x" in the appropriate square how you wish your vote to be cast on the resolution set out above unless otherwise instructed, the Proxy will vote or abstain from the voting at his/her discretion.

NB: Completed proxy forms may be sent to the following e-mail addresses: stella.kolawole@cardinalstone.com and/or ooke@dcsl.com

By enrolling in electronic delivery service, you have agreed to receive future announcements /shareholder communication materials stated above by E- mail/Compact Disc (CD) /Internet Address (URL). These materials can be made available to you electronically either semi annually or annually. Annual Report, Proxy Form, Prospectus and Newsletter are examples of shareholder communications that can be made to you electronically. The subscription enrolment will be effective for all your holdings in GUINEA INSURANCE PLC on an ongoing basis unless you change or cancel your enrolment. This initiative is in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128 (6) of September 2011 which states that ' A Registrar of a public Company may dispatch Annual Reports and notices of General Meetings to shareholders by electronic means'

....

Name (surname first) Signature and Date

Affix N50.00

Postage Stamp Here

The Registrar

Cardinalstone Registrars ltd

358, Herbert Macaulay Way

Yaba Lagos

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Guinea Insurance Plc

www.guineainsurance.com

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