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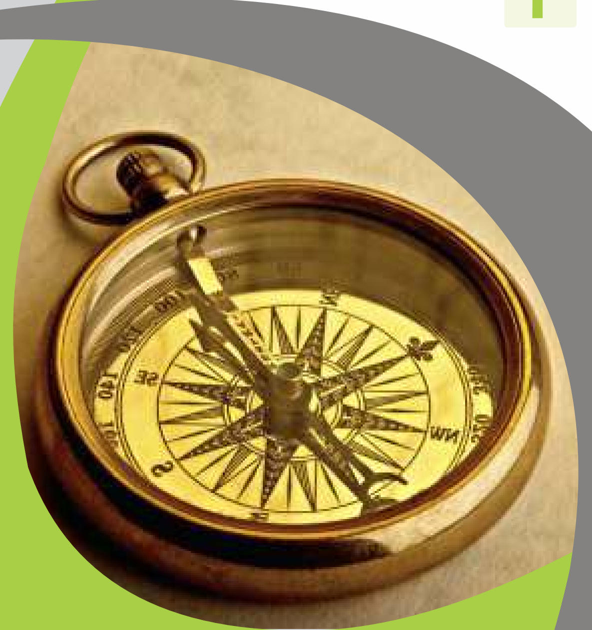

GUINEA INSURANCE PLC 2018 ANNUAL REPORT AND AUDITED ACCOUNT

Guinea Insurance Plc
...exceeding your expectations

TEAM WORK . PROFESSIONALISM . INTEGRITY . COMMITMENT

2019

ANNUAL REPORT

...moving forward

   

Contents

Guinea Insurance Plc
...exceeding your expectations

Our Company

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 61st Annual General Meeting of GUINEA INSURANCE PLC will be held at Nwaniba Hall, Ibom Hotel and Golf Resort, Nwaniba Road, Uyo, Akwa- Ibom State on Wednesday, 20th November, 2019 at 11.00 am to transact the following business:

A. ORDINARY BUSINESS

1. To receive the report of the Directors and Audited Financial Statements together with the Auditor's Report for the year ended 31st December, 2018.

2. To re- elect the following Directors retiring by rotation:
i. Mr. Godson Ugochukwu
ii. Mr. Samuel Onukwue
iii. Mr. Simon Oladayo Bolaji

3. To ratify the appointment of Mr. Ademola Abidogun as the Managing Director / Chief Executive Officer of the Company.

4. To elect/re-elect members of the Audit Committee in accordance with Section 359 (4) and (5) of the Company and Allied Matters Act, CA C20, Laws of the Federation of Nigeria 2004.

5. To authorize the Directors to fix the remuneration of the Auditors.

B. SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions.

6. "That the Directors be and are hereby authorized to undertake a merger of the Company with a similar company in the line of the Company's business pursuant to the provisions of Section 119 (1) (b) of the Investment and Securities Act, 2007 and Section 92 of the Federal Competition and Consumer Protection Act, 2018 as the directors may deem fit or determine, subject to obtaining the approvals of relevant regulatory authorities"

7. "That the Directors be and are hereby authorized to enter into and execute any agreement, deeds, notices and any other documents necessary for and or incidental to effecting resolution (6) above"

8. "That the Directors be and are hereby authorized to raise, whether by way of Public offer, private placements, rights issue , book building process or other methods, additional capital of up to ₦8,000,000,000 (Eight Billion Naira) by way of Issuance of shares , convertible or non- convertible loans, stocks, medium term notes, corporate bonds or other securities in such tranches , series or proportions, at such coupon or interest rates within such maturity periods, and on such terms and conditions

including the provision of security for repayment, as the directors may deem fit or determine , subject to obtaining the approvals of relevant regulatory authorities"

9. "That the Directors be and are hereby authorized to enter into and execute any agreement, deeds, notices and any other documents necessary for and or incidental to effecting resolution (8) above"

10. "That the Directors of the Company or anyone of them for the time being , be and are hereby authorized to appoint such professional parties and adviser, and to perform all such other acts and to do all such other things as may be necessary for or incidental to effecting the above resolutions, including without limitation, complying with directive of any regulatory authority"

11. "That the authorised share capital of the company be and is hereby increased from ₦4,000,000,000 to ₦12,000,000,000 by the addition of the sum of ₦8,000,000,000 divided into 16,000,000,000 ordinary shares of 50kobo each ranking in all respect pari- pasu with the existing shares of the Company"

12. "That the Memorandum of Association of the Company be and is hereby amended deleting the words: "The authorized share capital of the Company is ₦4,000,000,000 divided into 8,000,000,000 ordinary shares of 50kobo each" and substituting therefore with the following words: "The authorised share capital of the Company is ₦12,000,000,000 divided into 24,000,000,000 ordinary shares of 50kobo each"

13. To fix the remuneration of the Directors.

NOTES:

PROXY

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. A proxy need not be a member of the company. A form of proxy is enclosed and for it to be valid for the purpose of this meeting, it must be completed and deposited at the office of the Registrar, Cardinal stone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the time for holding the meeting.

RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Rule 19:12 of the Rule book of the Nigerian Stock Exchange (Issuers' Rules) reserves the right of Shareholders and other holders of the Company's Securities to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Tuesday, 19th November, 2019.

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Some dividend warrants and share certificates remain unclaimed or are yet to be presented to the Company for revalidation. A list in respect of same is circulated with the Annual Report and Financial Statements. Members affected are advised to write or call at the office of the Registrars of the Company, Cardinal stone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos.

In compliance with directives issued by the Securities and Exchange Commission, the issuance of dividend warrants to shareholders ceased on the 31st July, 2017. It therefore implies that payment of dividends is now only through electronic payment to shareholders with bank details record.

CLOSURE OF REGISTER OF MEMBERS AND TRANSFER BOOKS

The register of members and transfer books will be closed from Monday, 4th November,2019 to Friday 8th November, 2019, both days inclusive.

APPOINTMENT OF MEMBERS OF THE STATUTORY AUDIT COMMITTEE

In accordance with section 359 (5) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 any member may nominate a shareholder as a member of the Audit committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

Dated this 17th October, 2019.

BY ORDER OF THE BOARD

OLURANTI OKE
FRC/2013/NBA00000000646
Company Secretary

Registered Office
GUINEA INSURANCE PLC
33, Ikorodu Road, Jibowu, Lagos

OLURANTI OKE
Company Secretary

FOR THE YEAR ENDED 31st, DECEMBER 2018.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31, DECEMBER 2018

in thousands of Naira	31-Dec-18	31-Dec-17
Gross premium written	1,241,218	967,144
Net premium income	904,934	747,071
Claims expenses	(170,435)	(63,895)
(Loss)/Profit before taxation	**(49,998)**	**237,849**
Income tax (expense)/credit	(140,201)	13,184
(Loss)/Profit after taxation	**(190,199)**	**251,033**
Transfer to contingency reserve	37,237	50,207

FOR THE YEAR ENDED 31st DECEMBER 2018

DIRECTOR	CAPACITY	
Mr. Godson Ugochukwu	Chairman	
Mr. Ademola Abidogun	Managing Director	Appointed - September 2, 2019
Mr Babatunde Oshadiya	Managing Director	Resigned - January 31, 2019
Mr. Simon 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	
Mrs Isioma Omoshie-Okokuku	Executive Director, Marketing	
Mr. Pius Edobor	Executive Director, Finance & Administration	
Alhaji Abdulkerim Oshioke Kadiri	Independent Director	Resigned April 26, 2019
Mr. Oluwole Fayemi	Executive Director, Technical	
Mr. Samuel Onukwue	Independent Director	

COMPANY SECRETARY:	Oluranti Oke
COMPANY REGISTRATION NUMBER:	RC1808
REINSURERS:	Africa Reinsurance Corporation WAICA Reinsurance Corporation Continental Reinsurance Plc
REPORTING ACTUARY:	Ernst & Young, 10th Foor, 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
CONTACT DETAILS:	01-2934575/01-2934577, 07098212408 info@guineainsurance.com, www.guineainsurance.com
AUDITORS:	KPMG Professional Services, Bishop Aboyade Cole Street, Victoria Island, Lagos.
REGISTRAR:	Cardinalstone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos .
BANKERS:	Zenith Bank Plc First bank Plc Polaris Bank Plc Access Bank Plc Wema Bank Plc Guaranty Trust Bank Plc United Bank for Africa

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.

Directors also meet with shareholders at the Annual General Meetings and shareholders forum convened by the company. 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.

COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is made up of Twelve (12) Directors comprising Eight (8) Non -Executive Directors and Four (4) Executive Directors.

We confirm that our Non- Executive Directors are of strong calibre and contribute actively to Board deliberations and decision making. However, Non-Executive Directors are not appointed for a fixed period. There is a requirement in article 97 of the Company's memorandum and articles of association, whereby one-third (1/3) of Non-Executive Directors retire by rotation at every Annual General Meeting.

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 the Chief Executive Officer. The 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 regularly at least once in a quarter. Sufficient notices with clear agenda/report are 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 Board is responsible for controlling and managing the strategic business and constantly reviews and presents a balance and comprehensive assessment of the Company's performance and future prospects.

RE- ELECTION AND APPOINTMENT OF DIRECTORS

Three Directors namely: Mr. Godson Ugochukwu, Mr. Simon Bolaji and Mr. Samuel Onukwue will be up for re-election at the meeting. Their biographical details on page 019 - 020 to enable shareholders make informed decisions about their re-election.

The National Insurance Commission has approved the appointment of Mr. Ademola Abidogun.
A resolution will be proposed approving his appointment as the Managing Director of the Company.

BOARD COMMITTEES

The following are the Board Committees-

1. Finance, Investment & General Purpose:

The committee reviews and oversees financial control and performance, budgetary control and make 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 maximum returns while ensuring the protection of the assets of the company.

COMPOSITION

- Chief Osita Chidoka — Chairman
- Mr. Chukwuemeka Uzoukwu
- Mr. Simon Bolaji
- Alhaji Hassan Dantata
- Alhaji Abdulkerim Kadiri
- Mr. Samuel Onukwue
- All Executive Directors

2. Enterprise Risk Management & Governance Committee:

The committee which operates as a nomination committee reviews and recommends for approval to the Board matters bordering on Board appointments, Staff appointments, Staff compensation, welfare, promotions and recruitment into senior management positions.

The Committee also oversees the Company's risk management infrastructure, address risk and strategy simultaneously, including consideration of risk appetite, monitor risks, oversee risk exposures, advise the board on risk strategy, approve management risk committee charters and also oversee or Support the Chief Risk Officer of the Company.

COMPOSITION

- Mr. Samuel Onukwue — Chairman
- Mr. Anthony Achebe
- Alhaji Abdulkerim Kadiri
- Alhaji Hassan Dantata
- Dr. Mohammed Tahir Attahir
- Mr. Chukwuemeka Uzoukwu

2. Audit and Compliance Committee

The responsibilities of the Committee are as follows:

- The Committee shall be responsible for the review of the integrity of the data and information provided in the audit and /or Financial reports.

INDUCTION AND TRAINING OF BOARD MEMBERS

Crest and Waterfalls Consulting carried out training programmes for the Directors in the Course of the year. Directors were also made to attend a Compulsory training organised by NAICOM in conjunction with Doheney Services on Special Executive Training on Corporate Governance and Compliance.

The ANNUAL BOARD EVALUATION

The Annual Board Evaluation report is available on page XXXX

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

There is a remuneration policy for Directors and Senior Management whose aim is to align the interests of senior executives with the interests of shareholders and with the business strategy formulated by the board. The Policy shows how performance-based rewards are used to drive corporate performance, in particular.

MEETINGS OF EXECUTIVE DIRECTORS AND MANAGEMENT STAFF

Executive Directors meet monthly to address policy implementation and other operational issues.

Management Staff of the Company comprising of all Team Leads meets twice monthly to report on all activities of their Units.

MEETINGS OF THE BOARD OF DIRECTORS

The Board meets quarterly and it functions either as a full Board or through the underlisted Committees which are constituted as follows:

AUDIT COMMITTEE – In compliance with the provisions of Section 359 of the Companies and Allied matters Act, Cap C20, LFN 2004, the Company constituted an Audit Committee. As at December 31, 2018, the Audit Committee consisted of four (4) members, of which are Non-Executive Directors and the other two are Shareholders. The Committee which is chaired by a Shareholder has the responsibility of reviewing the scope, results of the audit, independence and objectivity of the auditors.

The Composition of the Committee as at December 31, 2018 is as follows:

1. Mr. Ayuba Kadiri Yemi	Chairman	(Shareholder Representative)
2. Mr . Peter Mgbeahuru	Member	(Shareholder Representative)
3. Mr. Simon Bolaji	Member	(Non-Executive Director)
4. Alhaji Abdulkerim Kadiri	Independent Director- Resigned 26th April, 2019	

- The Committee shall provide oversight functions with regard to both the Company's financial statements and its internal control and risk management functions.
- The Committee shall receive and review the internal Audit report and make recommendations to the Board on issues raised.
- Review the procedure put in place to encourage honest whistle blowing.

re-appointment and compensation of External Auditors to the Board and the shareholders.

- Ensure compliance to regulatory directives.

Composition

- Alhaji Abdulkerim Kadiri (Chairman)
- Chief Osita Chidoka
- Mr. Simon Bolaji
- Mr. Anthony Achebe
- Dr. Mohammed Tahir Attahir

Meetings of the Board and Committees of the Board for the 2018 financial year are stated here under

BOARD MEETING ATTENDANCE 2018

Names of Directors	Feb 15	March 7	March 15	May 11	July 11	Oct 16
Mr. Godson Ugochukwu			●	●	●	●
Mrs. Isioma Omoshie Okokuku	●	●	●	●	●	●
Mr. Chukwuemeka Uzoukwu	●			●	●	●
Chief Osita Chidoka	●			●	●	●
Alhaji Hassan Dantata			●		●	●
Mr. Pius Edobor	●	●	●	●	●	●
Mr. Oluwole Fayemi	●	●	●	●	●	●
Mr. Samuel Onukwue		●	●	●	●	●
Mr. Simon Bolaji	●		●	●	●	●
Dr Mohammed Tahir	●	●	●	●	●	●
Mr. Anthony Achebe		●	●	●	●	●
Alhaji Abdulkerim Kadiri		●	●	●	●	
Mr. Babatunde Oshadiya		●	●	●	●	●

AUDIT COMMMITTEE MEETINGS 2018

Names of Members	Jan	Apr	July	Oct 17
Mr. Ayuba Quadri	●	●	●	●
Mr. Simon Bolaji	●	●	●	●
Alhaji Abdulkerim Kadiri	●	●	●	
Mr. Peter Mgbeahuru	●	●	●	●

AUDIT AND COMPLIANCE COMMITTEE MEETINGS 2018

Names of Directors	Jan	April	July	Oct 17
Mrs. Isioma Omoshie-Okokuku	●	●	●	●
Chief Osita Chidoka	●	●	●	●
Mr. Pius Edobor	●	●	●	●
Mr. Oluwole Fayemi	●	●	●	●
Mr. Anthony Achebe	●	●	●	●
Alhaji Abdulkerim Kadiri	●		●	●
Mr. Babatunde Oshadiya	●	●	●	●
Mr. Simon Bolaji	●	●	●	●
Dr. Mohammed Tahir Attahir	●	●	●	●

FINANCE, INVESTMENT AND GENERAL PURPOSES COMMITTEE MEETINGS 2018

Names of Directors	Jan (May)	Apr	July	Oct 15
Mrs Isioma Omoshie-Okokuku	●	●	●	●
Chief Osita Chidoka	●	●	●	●
Mr Pius Edobor	●	●	●	●
Mr. Oluwole Fayemi	●	●	●	●
Mr. Simon Bolaji	●	●	●	●
Mr Samuel Onukwue	●	●	●	●
Alhaji Abdulkerim Kadiri	●		●	
Mr. Babatunde Oshadiya	●	●	●	●
Alhaji Hassan Dantata	●	●	●	●
Mr. Chukwuemeka Uzoukwu	●	●	●	●

ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE MEETINGS 2018

Names of Directors	Jan	April	July	Oct 15
Mrs. Isioma Omoshie-Okokuku	●	●	●	●
Dr. Mohammed Tahir Attahir	●	●	●	●
Mr. Pius Edobor	●	●	●	●
Mr. Oluwole Fayemi	●	●	●	●
Mr. Anthony Achebe	●	●	●	●
Mr. Samuel Onukwue	●	●	●	●
Alhaji Abdulkerim Kadiri	●	●	●	
Mr. Babatunde Oshadiya	●	●	●	●
Alhaji Hassan Dantata	●	●	●	●
Mr. Chukwuemeka Uzoukwu	●	●	●	●

BY ORDER OF THE BOARD

Oluranti Oke
Company Secretary
FRC/2013/NBA00000000646

Registered Office
Guinea Insurance House
4th & 5th floor,
33, Ikorodu Road,
Jibowu, Lagos.

ANNUAL BOARD EVALUATION

Crest and Waterfalls Consulting, a firm of Corporate Governance Consultants, was engaged by Guinea Insurance PLC, to provide Corporate Governance Consultancy Services and in particular, to undertake the Board Performance Evaluation for the company for the years 2017-2018.

The evaluation 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 evaluation of the CEO could not be carried out as the Company was in an intricate process of changes in the office of the Managing Director.

As part of the process, we reviewed key governance documents of the company, including the Memorandum and articles of Association, the Board Charter, and the minutes of meetings and details of committee meetings. In addition, we administered key questionnaires to query the governance framework, board processes and practices, internal audit and risk management, stakeholder engagement and feedback mechanisms in the company.

In general, the performance for the whole board was good or satisfactory. The board scored very well in the overall evaluation at a level of 83.8% while the individual director assessment scored at a level of 91.7%. The chairman was rated at 84.8% or 4.24 out of a mean of 5. The Board Committees were scored at 84.3% or 4.21 out of a mean of 5. Our findings reveal that the Company has satisfactory board practices that encourage open debates, consideration of board matters and participation of members in decision making. A functional audit committee and a risk management framework are in place and being constantly monitored and reviewed.

Save for a 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 also identified a need to strengthen framework for feedback from stakeholders and communication of these feedbacks to the board as a whole. By industry benchmarks, the board has satisfactory board practices, corporate governance framework, and risk management frame work.

We have recommended continuous Director Development programs especially in the areas of risk management and also the core business of insurance for the board as a whole. Our other recommendations are contained in the full report.

Thank you for the opportunity to serve your interests.

For : Crest and Waterfalls Consulting
Ebere Okonkwo FCIS
Lead Consultant

Suite 303 His Glory Plaza Sefadu Close off Adetokunmbo Ademola Crescent Wuse 2 Abuja.
www.crestandwaterfalls.com 08067766877,08091212084, eberepe rez@gmail.com

Details of Directors for Re - Election

GODSON UGOCHUKWU
Chairman, Board of Directors

Godson Ugochukwu was appointed Chairman, Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Principal Partner at Fortress Solicitors with over 17 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.

SIMON OLADAYO BOLAJI
Non-Executive Director

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).

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.

Details of Directors for Re - Election

SAMUEL ONUKWUE
Non Executive Director

Sam was appointed to the Board on the 26th of September, 2017. Sam is an Accountant by Profession and holds an MBA from the university of Lagos as well as M sc. From Leeds metropolitan university, Leeds, UK. He is a fellow institute of chartered Accountants of Nigeria and also a Fellow of the Chartered Institute of Stockbrokers. He began his career with the Central Bank of Nigeria where he left as an Assistant Bank Examiner (Assistant Manager) to join as a pioneer staff of Ivory Merchant Bank Ltd. He later left Ivory Merchant Bank to join the multinational financial services firm of Thomas Cook Global Financial Services which was acquired by Travelex Group 2001.

In 2002 he established the stock broking firm of Mega Equities Ltd. (Member of Nigerian stock in May 2005, the Central Bank of Nigeria appointed him Executive Director of the then Citizens International Bank Ltd in furtherance of the consolidation policy of the central bank. He was able to successfully effect the Merger of the Bank with Five (5) other legacy banks into Spring Bank Plc within eight (8) months. He continued on the board of Spring Bank as Executive Director Operations and Information Technology and left in July, 2006 after the successful integration of the operations of the legacy banks to return to Mega Equities Ltd. He is currently the Group Chief Executive Officer of the investment banking outfits of Mega Capital Financial Services Ltd and serves on Board of Trustees of the Nigerian Stock Exchange's Investors' Protection Fund, Council of the Institute of Chartered Accountants of Nigeria, Eastern Zonal Council of the Nigerian Stock Exchange, Champion Breweries Plc. West African Glass Industries Plc. He was the Treasurer of Association of Stockbroking Houses of Nigeria and was recently elected the general Secretary of the association. He is a member of Ikoyi Club having served the club in various capacities since 1991 including General Secretary, Financial Secretary and Vice President and Chairman of think tank Committee.

GODSON UGOCHUKWU
Chairman, Board of Directors

Godson Ugochukwu was appointed Chairman, Board of Directors, Guinea Insurance PLC on 23rd March 2016. He is the Principal Partner at Fortress Solicitors with over 17 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. As an erudite insurance professional; he has attended numerous management courses and seminars both locally and internationally.

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.

CHUKWUEMEKA UZOUKWU
Non-Executive Director

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,

OSITA 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.

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 organizations 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).

ANTHONY ACHEBE
Non-Executive Director

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.

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).

SIMON OLADAYO BOLAJI
Non-Executive Director

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.

ABDULKERIM OSHIOKE KADIRI
Independent Director

Abdulkerim Kadiri was appointed an Independent Director on the Board of Guinea Insurance PLC on June 1, 2010. He is a distinguished Accountant and the Principal Managing Partner of Abdukerim Kadiri & Co (Chartered Accountants). He has more than two decades of experience in rendering Management and Financial Consultancy and has handled several projects relating to: Public Sector Accounting and Auditing, Taxation, Treasury, Valuation, Mergers & Amalgamations etc. His result oriented approach ensures that clients benefit from his vast arrays of efficient financial solutions. Prior to floating his private accounting firm, he was the Audit Manager at Uthman Audu Ekhar & Co (Chartered Accountants) and an Assistant Chief cum Head of Internal Audit at University of Benin Teaching Hospital (UBTH). In 1983, Abdulkerim obtained a Higher National Diploma (HND) in Accountancy from Auchi Polytechnic and an MBA in Business Administration from the University of Benin in 1998.

He is a Member of the: Institute of Chartered Accountants of Nigeria (ICAN); Chartered Institute of Taxation of Nigeria (CITN); Nigerian Institute of Management (NIM) and Chartered Institute of Public Finance & Accounts (CIPFA).

SAMUEL ONUKWUE
Non Executive Director

Samuel Onukwue 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 is Executive Director of GI's Marketing Division. Prior to assuming this position, she was the Ag. Managing Director/Chief Executive Officer of the Company. 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 PIUS,
Executive Director, Finance & Administration

Pius is GI's Executive Director of Finance and Administration. 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 is GI's Executive Director/Group Lead of Technical. 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.

Executive Management Team

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 is the appointed Executive Director, Marketing on September 2, 2019. Prior to her 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.

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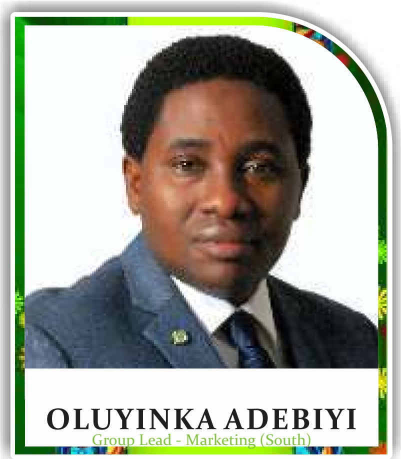


OLUYINKA ADEBIYI
Group Lead - Marketing (South)

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 at providing 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).

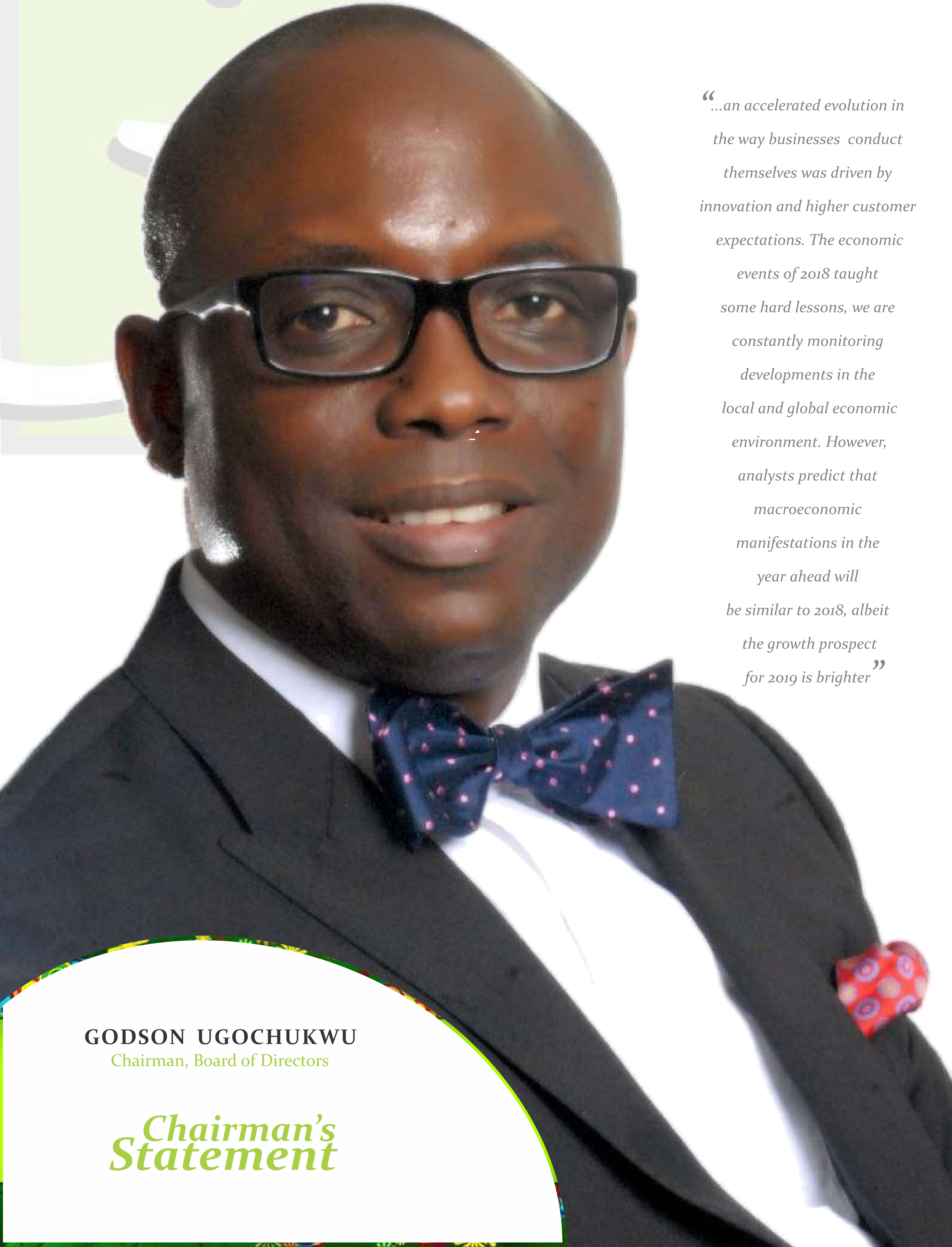
OGONNA OFFOR-ORABUEZE
Team Lead - Claims

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 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).

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.

"...an accelerated evolution in the way businesses conduct themselves was driven by innovation and higher customer expectations. The economic events of 2018 taught some hard lessons, we are constantly monitoring developments in the local and global economic environment. However, analysts predict that macroeconomic manifestations in the year ahead will be similar to 2018, albeit the growth prospect for 2019 is brighter"



GODSON UGOCHUKWU
Chairman, Board of Directors

Chairman's Statement

Esteemed Shareholders, Ladies and Gentlemen, it is again with great pleasure that I welcome you all to the 61st Annual General Meeting of the Company. I thank God for preserving our lives to be able to meet for yet another year to deliberate on issues concerning a Company so dear to our hearts and evolve policies and strategies to continue to move it forward. I am especially cheerful to see you all in good health and in great numbers. I thank God for His mercies in bringing us safely from places far and near to this august occasion.

We must not, however, forget that there are some of us who were with us last year but are not here today because they have gone the way of all flesh. May we all rise and observe a minute's silence in honour of their passage and appreciation of their contributions to our Company in their lifetime...

We are grateful for their lives and pray God to grant them eternal rest. Amen.

The diverse sectors of the Nigerian economy experienced many challenges and scarce opportunities in the wake of the economic headwinds that spread through 2018. Political and regulatory upheavals around the world changed some of the ground rules on how underwriters operate. An accelerated evolution in the way businesses conduct themselves was driven by innovation and higher customer expectations, while aggressive newcomers looked to take market share from incumbent insurers. The competition was usual, if of an unfamiliar hue. But the operating environment was not. It was a tough year for every company competing in the restricted space. Your Company did its best to weather the storm, although our focused drive to grow top-line sales and bolster bottom-line profitability experienced material disruptions. We continue to tackle the emergent challenges, confident that our fundamental strengths – a strong and business-savvy Board, a competent and prudent management and the committed and enthusiastic staff with which your Company is blessed - will enable us to emerge better and stronger from current challenges.

In pursuance of this confidence and in order to further sharpen our competitive edge, we have, after a careful recruitment exercise, scaling through which was guaranteed to be for only the best, recruited a substantive Managing Director in the person of Mr. Ademola Abidogun. Mr. Abidogun brings to GIPLC 24 years' experience in providing strategic and operations leadership in uniquely challenging situations in the insurance industry. He has an impressive record in the turnaround and growth of insurance organizations. He is a Fellow of the Chartered Insurance Institute of Nigeria (CIIN). Until he joined GIPLC, Mr. Abidogun was Executive Director, Operations, with Fin Insurance Company Limited. We are happy to have him join us and I enlist your support to welcome him to the Board and Management of your great Company.

Before I present you with your Company's performance for the financial year ended 31st December 2018, I think it fit to first locate the presentation within the proper context of the operating environment and highlight the key aspects that shaped the performance.

The Macroeconomic and Operating Environment

Managing the effects of recession over the previous years required strategic moves that would guarantee growth. The global economy saw moderate growth in 2018, amidst ongoing trade tensions. Locally, notorious and lasting challenges, including, without limitation, the weak financing conditions, foreign exchange restrictions, widespread insecurity, amongst others, led to serious constriction in the Nigerian economy. The consequence was that the operating environment became increasingly harsh. In a country where insurance is at best treated as a necessary evil and at worst a matter for residual disposable income, occupying the very base of the totem pole of needs, the insurance industry was amongst the worst hit.

The economic statistics by the Nigerian Bureau of Statistics (NBS) indicated that the economy improved in the first half of year 2018, specifically, in Q1 of 2018. The GDP growth rate stood at 1.94 percent compared to the 0.82 percent recorded in the previous year. The delay in budget signing affected the implementation, thus leading to a fall in the GDP rate to 1.51%. However, the GDP grew to 1.81% in Q3 and further to 2.38% in Q4. Though there were slight fluctuations in the crude oil price in the course of the year, the oil price averaged $66.15 per barrel, which was an improvement compared to $49.9 in 2017. The exchange rate of the naira to the dollar remains flat at about N361 as a result of the continued intervention of the Central Bank of Nigeria (CBN) in the market. This largely mirrored further improvement in the non-oil sector.

The Information Communication Technology (ICT) sector attracted increased Foreign Direct Investment (FDI) from $32 billion in 2015 to $40 billion in 2018. The market overview and trade data for the ICT industry recorded an estimated total market size of $109 million which included a total local production of $3.9 million and total importation of $105 million.

The gross external reserves stood at US$43 billion as at December 2018 and according to the Debt Management Office (DMO) of the Federation, Nigeria's total debt stock rose by 12.25 per cent from N21.725tn in 2017 to N24.39tn in 2018.

Insurance Industry

We fail to take as gospel, the unvarnished truth that economic resilience is only achieved when there are adequate measures for risk mitigation and management. No economy can function or long survive without a stable insurance sector. Every sector of the financial services industry and economic activities are dependent upon a well-develop insurance sector. Industry outlook in 2018 was predicated on a moderate increase in Foreign Portfolio Investment (FPI) and a slowdown in HY'18, driven by uncertainty associated with the pre- and post-elections cycles in the country.

According to industry analysts, the asset base of the Nigerian insurance industry remained at N1.3 trillion as at December 2018, mirroring a development rate of 17% over the last three years. In 2018, the industry generated a Gross Premium Income of 448.6 billion which reflected a 12% increase year-on-year. Like many other sectors, the Nigerian Insurance Industry in 2018 faced many challenges that adversely affected its projected growth. Whilst the premium in view was growing at a low rate, reported claims continued to grow at an astronomical rate. As a result of this, the realization of transforming into a trillion-naira market remained an illusion for the industry and today, the Nigerian insurance sector is drifting far away into oblivion. Analysts and industry specialists identified a number of events and challenges that had profound impact on underwriters in 2018.

Our Financial Performance

Owing to several global and domestic factors as already outlined, this year was not one for the record books. However, we were able to register modest earnings. For the year ended December 31, 2018, your Company recorded a Gross Premium Written of N1.24 billion in 2018, as against N967 million in 2017, representing an increase of 28%. Gross Premium Income increased by 17% from N1.02 billion in 2017 to N1.20 billion in 2018. Net Premium Income also grew by 21% from N747.1 million in 2017 to N904.9 million in 2018. Our commitment and capacity to settle genuine claims to the insuring public was further demonstrated through the Rapid Claims Payment System (RCPS) as Claims paid on various classes of insurance increased considerably by 166% from N63.9 million in 2017 to N170.4 million in 2018. However, the year resulted in a Loss After Tax of N190.1 as against N251.1 Profit After Tax recorded in 2017. This represented a decline of 175.7%, owing in some parts, to the emergence of regulatory speed bumps within the insurance industry framework and in others, to a wave of economic headwinds causing the Nigerian economy to tank. Consequently, hopes of underwriters for accelerated growth and improved bottom-line profitability were staggered within the period under review.

Corporate Social Responsibility

We made significant progress in the adoption and integration of environmentally sustainable operational principles in line with the global agenda which aligns with the Millennium Development Goal seven (7). At Guinea Insurance, sustainability goes beyond a regulatory requirement. It signposts the future we desire. Therefore, we remain aware of our social footprint, based on responsible and socially sustainable engagements with the environment, the economy, and society in order to be sustainable over the long term.

Our Corporate Social Responsibility (CSR) and community investments initiatives were devised to align with global objectives of mitigating suffering, protecting the environment and public infrastructural development. We are in collaboration with Lagos State on its "green initiative" through the Lagos State Parks and Gardens (LASPARKS) – a Lagos State Government's agency that is dedicated to providing a beautiful, safe and healthy State and also engage interested third parties in its environmental sustainability programs in order to sustain the environment through the establishment of functional parks, gardens and recreational centres, tree planting etc.

Guinea Insurance Plc subsequently adopted, landscaped, beautified and maintained three of the State Government's sites namely: Jibowu Recreational Park, Jibowu Parks and Gardens and Jibowu Flyover Under-Bridge. We built a mini football pitch as an extended CSR package aimed at dissuading the youth residents of Jibowu and its environs from a life of wanton violence; to one that incorporates the three Cs model (Character, Community and Country) of good sportsmanship.

Outlook for 2019

It is with a great sense of responsibility that I share our perceptions and approach to business in 2019. The economic events of 2018 taught some hard lessons.

We are constantly monitoring developments in the local and global economic environment. However, analysts predict that macroeconomic manifestations in the year ahead will be similar to 2018, albeit the growth prospect for 2019 is brighter. The beacon of optimism in the outlook for 2019 is the gradual improvement in the performance of the non-oil sectors and their contributions to GDP which is expected to continue in the short to medium term. The major downsides to Nigeria's growth outlook for 2019 are significant fall in global crude oil price, and disruption to optimal oil production. The downsides to global growth outlook are weak commodities prices and international trade tensions. In view of these, we shall continue to be pragmatic in our projections while continually creating value for all our stakeholders.

Conclusion

On behalf of the Board, I would like to express my sincere thanks to everyone who has contributed to our success as a company over the last 12 months. In particular, I want to acknowledge and say a big thank you to our customers for the trust they continue to place in us; to our most appreciated shareholders for their unrelenting support and confidence in us; and to the amazing Management staff of our great Company; whose dedication to serving our customers is second to none.

Thank you for your continued support, trust and investment in the brand, products and people of Guinea Insurance PLC. I wish you all happy and fruitful deliberations in this year's Annual General Meeting.

God bless you all. And may God bless Guinea Insurance Plc and our beloved country, Nigeria.

Godson Ugochukwu, Esq.

Chairman, Board of Directors

Board Declaration on Security Trading Policy

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.

Alhaji A.O Kadiri
Chairman Board Committee on Audit,
Compliance & Risk Management
FRC/2013/ICAN/00000004049

Mr. Oluwole Fayemi
Execu tive Director
FRC/2014/CIIN/00000006540

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Mr. Samuel Onukwue
Chairman Board Committee on Audit Compliance & Risk Management
FRC/2014/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, organization 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 a 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 fairness 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 for 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 a 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 a 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 a 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 a complaint is not fully understood, telephone the person who lodged the complaint to ensure 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 a 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.

3.1 Remedies
We will endeavor 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.

Employee Training and Counseling
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 counseling.

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 authorised staff.

16. Categorizing 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

DOCUMENT REVIEW

NAME & SIGNATURE	SIGNATURE	DATE
Compliance Unit		17/10/2019

DOCUMENT APPROVAL

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 Audit Compliance & Risk Management
FRC/2013/ICAN/00000004049

Oluwole Fayemi
Executive Director
FRC/2014/CIIN/00000006540

1. Accounts
In compliance with the Company and Allied matters Act CAP C20 Laws of the Federation Nigeria 2004 and the Insurance Act 2003, the Directors have pleasure in submitting to members their Report together with the Audited Financial Statements of the Company for the year ended 31st December, 2018

2. Principal Activities
Guinea Insurance Plc is a Public Limited Liability Company having interests in General Insurance.

3. Commencement of Business
The Company commenced business in 1958.

4. Legal Form
The Company is a Public Limited Liability Company incorporated as a Private Limited Liability Company on the 3rd of December, 1958 in accordance with the provisions of the Companies and Allied Matters Act, transacting primarily General Insurance business. On the 17th of January, 1991 it was listed on the Nigerian Stock Exchange.

5. DIRECTORS

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

Mr. Godson Ugochukwu	Chairman	
Mr. Ademola Abidogun	Managing Director	Appointed - September 2, 2019
Mr Babatunde Oshadiya	Managing Director	Resigned - January 31, 2019
Mr. Simon 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	
Mrs Isioma Omoshie-Okokuku	Executive Director, Marketing	
Mr. Pius Edobor	Executive Director, Finance & Administration	
Alhaji Abdulkerim Oshioke Kadiri	Independent Director	Resigned April 26, 2019
Mr. Oluwole Fayemi	Executive Director, Technical	
Mr. Samuel Onukwue	Independent Director	

DIRECTORS NAME	Number of ordinary shares held (2018)	Number of ordinary shares held (2017)
Mr. Anthony Achebe	Indirect (1) 30,000 Indirect (2) 2,798,514,210 (Chrome Oil Services Limited)	Indirect (1) - 30,000 Indirect (2) - 2,291,781,210, (Chrome Oil Services Limited)
Mr. Chukwuemeka Uzoukwu	Indirect- (1) 21,600,000 Indirect (2) 1,288,252,777 (Nimek Investment Limited)	Indirect- (1) 21,600,000 Indirect (2) 1,288,252,777 (Nimek Investment Limited)
Alhaji A.O. Kadiri	Direct – 50,000	Direct – 50,000

No changes were made in the above holdings as at the date of this report and none of the Directors have notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act CAP C 20 Laws of the Federation of Nigeria 2004 of any disclosable interests in contracts in which the Company was involved as at 31 December 2018.

12. SHAREHOLDERS

(A) Major Shareholders

According to the register of members, the following shareholders of the company hold more than **5%** of the Issued Ordinary share capital of the company (as at 31, December, 2018)

Chrome Oil Services Limited

Nimek Investments Limited

SHARE HOLDING ANALYSIS

The shareholdingpat tern of the company is as stated below (as at December 31, 2018)

Range			*No. of Holders*	*Percent*	*Units*	*Percent*
1	-	10,000	*8,887*	*48.88%*	*40,869,275*	*0.67%*
10,001	-	100,000	*7,695*	*42.32%*	*302,540,908*	*4.93%*
100,001	-	1,000,000	*1,429*	*7.86%*	*429,207,826*	*6.99%*
1,000,001	-	10,000,000	*148*	*0.81%*	*409,805,822*	*6.67%*
10,000,001	-	100,000,000	*17*	*0.09%*	*403,168,118*	*6.57%*
100,000,001	-	1,000,000,000	*5*	*0.03%*	*1,207,641,064*	*19.67%*
1,000,000,001	-	99,999,999,999	*2*	*0.01%*	*3,346,766,987*	*54.50%*
Grand Total			***18,183***	***100.00%***	***6,140,,000,000***	***100%***

13. DIRECTORS RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements which

A. Give a true and fair view of the state of affairs of the company at the end of each Financial year, and of the profit or loss for the period and ensure compliance with the Companies and Allied Matters CAP C20 LFN 2004 and Insurance Act 2003. In doing so they ensure that:

a. Proper accounting records are maintained

b. Adequate Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities

c. Applicable accounting policies are adopted and consistently applied.

d. Judgments and estimates made are reasonable and prudent.

e. The going concern basis is used, unless it is inappropriate to presume that the Company shall continue in business

(B) Resignation

Mr. Babatunde Oshadiya resigned on the 30th of January, 2019 while Alhaji Abdulkerim Oshioke Kadiri resigned from the Board on the 26th of April, 2019.

14. Corporate Governance

The Company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of all stake holders.

15. Fixed Assets

Movements in fixed assets during the year are shown in note to Financial Statements. In the opinion of the directors, the total market value of the company's properties is not lower than the financial statements.

16. HUMAN RESOURCES

A. Employment of Disabled Persons

The Company in recognition of its special obligation to employ disabled persons, maintains a policy of giving fair consideration to application 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 31st December, 2018 no disabled person was employed in the company.

B. Employees 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 is 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 programmes for its employees and opportunities for career development within the company have thus been enhanced.

C . Health Safety & Welfare

Employees are made aware of the health and safety regulations in force within the premises of the company. The Company provides subsidies to all employees for transportation, housing, lunch and medical expenses.

17. Research & Development

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

18. Post-Balance Sheet

On 28 January 2019, the National Insurance Commission suspended the Company from writing new insurance business. The Company proceeded to obtain an injunction from the Federal High Court, Abuja and on 8 February 2019, the Federal High Court, Abuja granted an order of mandatory injunction restraining NAICOM from enforcing the suspension pending the hearing and resolution by the courts. As at the date the financial statements were signed off, the case is still being litigated and a resolution is yet to be reached.

On 21 February, 2019, the Company sold its investment property located at 21, Nnamdi Azikiwe Street, Lagos Island, which had a fair value of N625million as at 31 December, 2018 for a sale price of N300million, thus realising a loss disposal of N325million on the sale of the investment property.

On 26 July, 2019 the Board of Directors appointed Mr. Ademola .A. Abidogun as Managing Director of Guinea Insurance Plc.The appointment is subject to the approval of the National Insurance Commission (NAICOM). On 3 August, 2019, the Company received a letter of "No Objection" from NAICOM in respect of the appointment of Mr. Ademola .A. Abidogun as Managing Director of Guinea Insurance Plc. However, as at the time of the issue of these financial statements, the Board of Directors is still in the process of obtaining NAICOM approval for the appointment of Mr. Ademola .A. Abidogun as Managing Director of Guinea Insurance Plc.

19. Donations

The Company made contributions to charitable and non- political organisation amounting to N520,000 (2017;NIL).The donation was made to Lagos State Parks and Gardens Agency (LASPARK).

20. Auditors

Deloitte and Touche have expressed their willingness to provide the Company with External Audit Services in accordance with S.357 (1) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. A resolution will be proposed at the Annual General Meeting to appoint them and also authorize the Directors to fix their remuneration.

By Order of the Board

Oluranti Oke
Company Secretary
FRC/2013/NBA00000000928

Registered Office
GUINEA INSURANCE HOUSE
33, Ikorodu Road, Jibowu
11th October 2019

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended December 31, 2018 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 statement, misleading in the light of the circumstances under which such statement was 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 the undersigned:

- Are responsible for establishing and maintaining internal controls
- Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to us by officers within those entities particularly during the period in which the reports are being prepared:
- Have evaluated the effectiveness of our 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 the evaluation as of that date;

W**e have disclosed to the Auditors of the Company and Audit Committee:**

- All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process,
- Summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

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

Mr. Oluwole Fayemi	**Mr. Pius Edobor**
Executive Director	**Executive Director**
FRC/2014/CIIN/00000006540	**FRC/2013/ICAN/0000000046**
3rd August, 2019	

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. Oluwole Fayemi
Executive Director
FRC/2014/CIIN/00000006540
3 August, 2019

Mr. Pius Edobor
Executive Director
FRC/2013/ICAN/000000004638
3 August, 2019

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:

1. 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.

2. 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 2018 were satisfactory and reinforce the Company's internal control systems.

3. 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.

Dated 3rd August, 2019

Mr. Ayuba Quadri Yemi
For Chairman, Audit Committee
FRCN/2015/ICAN/00000013470

MEMBERS OF THE AUDIT COMMITTEE ARE:

1. Ayuba Quadri Yemi	Shareholder Representative - Chairman
2. Mr Peter Mgbeahuru	Shareholder Representative
3. Alhaji Abdulkerim Oshioke Kadiri	Independent Director
4. Mr. Simon Oladayo Bolaji	Non- Executive Director
5. Oke Oluranti	Secretary to the Committee

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Guinea Insurance Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guinea Insurance Plc ("the Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 12 to 69.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, 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 (NAICOM) guidelines and circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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 IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

i) Regulatory suspension

We draw attention to Note 43 to the financial statements, which indicates that the National Insurance Commission (NAICOM) issued a regulatory order on 28 January 2019 suspending the company from underwriting new insurance business. The Company has obtained an injunction from the Federal High Courts on 8 February 2019. The Federal High Court, Abuja granted an order of mandatory injunction restraining NAICOM from enforcing the suspension pending the hearing and resolution of the matter by the court of Law.

KPMG

ii) Solvency Margin

We draw attention to Note 44 to the financial statements, which indicates that the Company's solvency margin of N1.632 billion as at 31 December 2018, was less than the minimum regulatory requirement of N3 billion. The note also explains managements plan to address the shortfall and why under the circumstance, the financial statements are prepared on a going concern basis.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Valuation of Insurance Contract Liabilities

The valuation of insurance contract liabilities involves significant judgment and uncertainties that require specific knowledge and competencies. This requires special audit consideration because of the likelihood and potential magnitude of misstatements to the determination of incurred but not reported claims reserves for reported claims, where the eventual liabilities differ from the estimated amounts.

The components of the insurance contract liabilities and the areas of significant estimation uncertainties and judgments made by the Directors include the following:

- provisions for reported claims are based on historical experiences, however, the actual eventual liabilities may be significantly different from the amounts of provisions recognized;
- the estimation of liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involves economic assumptions such as inflation rate and discount rates for which eventual outcomes are uncertain and may deviate from the estimates; and
- judgment is required in estimating the period over which claims are expected to settle.

How the matter was addressed in our audit

Our audit procedures included the following amongst others:

- We evaluated the design and operating effectiveness of key controls designed to ensure the completeness and accuracy of the data used in the actuarial process, including key data reconciliations and management's review of loss estimates.
- We evaluated whether the Company's methodology (including approved changes to prior year) to determine the Incurred But Not Reported (IBNR) claims reserve was applied appropriately and is in accordance with the Company's accounting policies and relevant accounting standards and actuarial methodologies.

- We engaged our Actuarial specialist to consider the Company's valuation methodology, and to review the appropriateness of key assumptions included in the determination of the estimates, for consistency between reporting periods. These key assumptions included period-to-period loss development factors, average and ultimate loss factors and the expected ultimate losses.

- We assessed key judgments and assumptions to determine whether they are reasonable considering the stability of claims payment patterns, new products offered or changes in the mix of business, and changes to the market/ economic conditions. We also assessed whether the overall level of reserving was adequate given the consideration of historical and current claims expense, updated for changes to the products or current events or conditions, and management's overall methodology.
- We assessed the reasonableness of other components of the estimate including salvage recoveries and claims handling expense estimate.
- We assessed the competence, independence and objectivity of management's external actuary.
- We evaluated the accuracy, completeness and relevance of data on which the estimate was based by inspecting relevant documentation.

The Company's accounting policies, critical accounting estimates and judgments, notes on insurance contract liabilities and insurance risk is shown in note III (a), IV (f) and note 27 respectively.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information which comprises the Corporate information, Directors' report, statement of Directors' responsibilities, report of the statutory Audit Committee and other national disclosures, but does not include the financial statements and our audit report thereon. Other information also include information about the financial highlights, Chairman's statement, Chief executives statement, Board declaration on enterprise risk management, certification pursuant to section 60 – 29 of the Investments act no.29 2007. These would be obtained after the date of the audit report.

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

Responsibilities of Directors for the Financial Statements

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

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, 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 Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and Section 28(2) of the Insurance Act 2003.

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Penalties

The Company paid penalties in respect of contraventions of the requirements of the Financial Reporting Council during the year ended 31 December 2018. Details of the penalties are disclosed in note 40 to the financial statements.

Nneka

Nneka C. Eluma, FCA

FRC/2013/ICAN/00000000785

For: KPMG Professional Services

Chartered Accountants

9 September, 2019

Lagos, Nigeria

As at 31 December

In thousands of Naira	Notes	2018	2017
Assets			
Cash and cash equivalents	15	746,176	889,005
Financial investments			
- Available -for- sale financial assets	16	294,095	394,196
- Held -to-maturity financial assets	17	142,730	-
Trade receivables	18	3,472	24,027
Reinsurance assets	19	170,877	205,047
Deferred acquisition costs	20	42,858	32,241
Other receivables and prepayments	21	131,418	37,914
Investment properties	22	1,820,000	1,770,000
Intangible Asset	24	279	998
Property and equipment	25	736,216	715,864
Statutory deposit	26	333,654	333,654
Total assets		**4,421,775**	**4,402,946**
Liabilities			
Insurance contract liabilities	27	494,808	540,047
Trade payables	28	12,606	41,738
Provisions	29	2,908	-
Other payables and accruals	30	353,172	122,376
Employee benefit obligations	31	2,141	23,652
Current tax payable	23.1	196,193	117,947
Deferred taxliabilities	23.2	102,712	75,651
Deposit for shares	32	151,400	75,400
Total liabilities		**1,315,940**	**996,811**
Equity			
Issued share capital	33.2	3,070,000	3,070,000
Share premium	34	337,545	337,545
Contingency reserve	35	480,144	442,907
Accumulated losses	36	(925,446)	(704,964)
Available-for-sale reserve	37	143,592	243,693
Other reserves	38	-	16,954
Total equity		**3,105,835**	**3,406,135**
		4,421,775	**4,402,946**

These financial statements were approved by the Board of Directors on 3 August 2019 and signed on behalf of the Board of directors by:

Mr. Oluwole Fayemi (Executive Director, Technical)
FRC/2014/CIIN/00000006540

Mr. Pius Edobor (Executive Director, Finance)
FRC/2013/ICAN/00000004638

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

Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December

In thousands of Naira	Notes	2018	2017
Gross premium written	1	1,241,218	967,144
Unearned premium	1	(40,521)	53,298
Gross premium income		1,200,697	1,020,442
Reinsurance expenses	2	(295,763)	(273,371)
Net premium income		904,934	747,071
Fees and commission income on reinsurance	3	72,785	64,756
Net underwriting Income		977,719	811,827
Claims expenses	4	(170,435)	(63,895)
Underwriting expenses	5	(282,688)	(246,812)
		(453,123)	(310,707)
Underwriting profit		**524,596**	**501,120**
Investment Income	6	139,538	208,316
Fair value gains on investment properties	7	50,000	252,500
Other operating income	8	(10,117)	60,103
Impairment reversal/(charge) on financial assets	10	150,000	(108,722)
Finance cost	11	-	(737)
Other operating expenses	9	(904,015)	(674,731)
(Loss)/Profit before taxation		**(49,998)**	**237,849**
Income tax (expense)/credit	12.1	(140,201)	13,184
(Loss)/Profit after taxation		**(190,199)**	**251,033**
Other comprehensive income			
Items within OCI that may be reclassified to the profit or loss:			
Available-for-sale financial assets			
Net changes in fair value -Quoted equity	37	(33,009)	11,631
Net changes in fair value -Unquoted equity	37	(67,092)	194,644
Items within OCI that will not be reclassified to the profit or loss:			
Revaluation (loss)/gain on land	25	(10,000)	10,000
Related tax	23.2	-	6,508
Remeasurement loss on defined benefit	31.1(c)	-	(2,563)
Total other comprehensive (loss)/income		**(110,101)**	**220,220**
Total comprehensive (Loss)/Profit for the year, afet tax		**(300,300)**	**471,253**
Contingency Reserve	35	**37,237**	**50,207**
Earnings per share- Basic and Diluted (kobo)	14	(3.10)	4.09

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

Statement of Changes in Equity

For the year ended 31 December, 2018 *In thousands of Naira*	Issued Share Capital	Accumulated Losses	Share Premium	Contingency Reserve	AFS Reserves	Asset Revaluation	Defined Benefit	Total Equity
As at 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 availablefor - sale financial assets:								
• Quoted equity	-	-	-	-	(33,009)	-	-	(33,009)
• Unquoted equity	-	-	-	-	(67,092)	-	-	(67,092)
- Revaluation loss on PPE	-	-	-	-	-	(10,000)	-	(10,000)
- Income tax impact on OCI	-	-	-	-	-	-	-	-
Totalcomprehensive 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)**	-
As at 31 December 2018	**3,070,000**	**(925,446)**	**337,545**	**480,144**	**143,592**	-	-	**3,105,835**
For the year ended 31 December 2017 *In thousands of Naira*								
As at 1 January 2017	3,070,000	(905,791)	337,545	392,701	45,167	-	3,009	2,942,631
Profit for the year	-	251,033	-	-	-	-	-	251,033
Other comprehensive income:								
- Reversal of prior year fair value loss	-	-	-	-	(7,749)	-	-	(7,749)
- Fair value changes on availablefor-sale financial assets:								
• Quotedequity	-	-	-	-	11,631	-	-	11,631
• Unquotedequity	-	-	-	-	194,644	-	-	194,644
- revaluation gain on PPE	-	-	-	-	-	10,000	-	10,000
- Employee defined benefit	-	-	-	-	-	-	(2,563)	(2,563)
- Income taximpact on OCI	-	-	-	-	-	-	6,508	6,508
Total comprehensive income for the year	-	**251,033**	-	-	**198,526**	**10,000**	**3,945**	**463,504**
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(50,207)	-	50,207	-	-	-	-
	-	(50,207)	-	50,207	-	-	-	-
As at 31 December 2017	**3,070,000**	**(704,964)**	**337,545**	**442,907**	**243,693**	**10,000**	**6,954**	**3,406,135**

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

For the year ended 31 December

	Notes	2018	2017
Operating activities:			
Premium received	45.1	1,261,773	962,039
Commission received	45.2	71,472	65,225
Commission paid	5(a)	(194,250)	(154,226)
Reinsurance premium paid	45.3	(305,575)	(286,672)
Gross claims paid	45.4	(284,039)	(161,511)
Reinsurance recoveries	45.4	42,694	58,354
Payments to employees	45.5	(379,686)	(296,532)
Other operating cash payments	45.6	(306,132)	(404,304)
Other income received	45.8	233	7,933
Tax paid	23.1	(34,894)	(48,762)
Net cash flow used in operating activities		**(128,404)**	**(258,456)**
Investing activities:			
Investment income received	45.7	139,028	198,241
Purchase ofproperty and equipment	25	(95,459)	(38,727)
Proceed from sale of property and equipment	45.11	647	-
Proceed from sale of Investment property		-	65,000
Purchase of Intangible Assets	24	-	-
Purchase of financial assets	17, 16.1(b)	(135,887)	(47,345)
Net cash flows (used in)/ generated from investing activities		**(91,671)**	**177,169**
Financing activities:			
Deposit for shares	45.9	76,000	75,400
Interest repayment on finance lease	11	-	(737)
Principal repayment on finance lease		-	(797)
Net cash flows from financing activities		**76,000**	**73,866**
Net decrease in cash and cash equivalents		(144,075)	(7,421)
Effect of exchange rate changes on cash and cash equivalent	8	1,246	14,258
Cash and cash equivalents at January		889,005	882,168
Cash and cash equivalents at 31 December, 2018		**746,176**	**889,005**

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

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.

(e) Reporting Period

The financial statements have been prepared for a 12 month period ended 31 December, 2018.

(f) Changes in Accounting Policies

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 interpretations and standards that was considered for financial year ended 31 December 2018 are:

(i) Transfers of investment property (Amendments to IAS 40)
(ii) Revenue from contracts with customers (IFRS 15)
(iii) Foreign currency transactions (IFRIC 22)
(iv) Annual improvement to IFRSs 2014 - 2017 cycle

The above mentioned amendments to the IFRS standards, adopted on 1 January 2018, 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.

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts

IIn 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.
See assessment below:

COMPANY INFORMATION AND STATEMENT OF 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 of the Company for the year ended 31 December 2018 were authorised for issue in accordance with the resolution of the Board of Directors on 3 August, 2019.

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 statements 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 building 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.

LIABILITIES	AS REPORTED (A)	ADMISSIBLE FOR PREDOMINANCE TEST (B)
In thousands of naira	31-Dec-15	31-Dec-15
Insurance contract liabilities	798,260	798,260
Finance lease obligation	15,556	-
Trade payables	14,334	14,334
Other payables and accruals:		-
- Accrued expenses	81,371	-
- Rent received in advance	10,333	-
- Statutory payables	31,049	31,049
- Other payables	39,951	-
- Deferred commission income	14,394	14,394
Employee benefit obligations	17,052	17,052
Current tax payable	103,768	103,768
Deferred tax liabilities	90,083	-
	1,216,151	**978,857**
	Score =(B/A)%	**80%**

Given a score of 80% for the Company, we assessed whether the Company engages in a significant activity unconnected with insurance. Based on our assessment, we concluded that the Company does not engage in a significant activity unconnected with insurance since majority of the activities from which the Company earns income and incur expenses are insurance-related.

The Company has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

a) Its activities are predominantly connected with insurance contracts;

b) As at 31 Dec 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was N1.1b which was 91% of the total carrying amount of all its liabilities as at that date.

c) The company's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Company earns income and incur expenses are insurance-related

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

The Company's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

2018	Loans and receivables	Other financial assets at amortised cost	Carrying amount	Fair value
	N'ooo	N'ooo	N'ooo	N'ooo
Cash and cash equivalents	746,176	-	746,176	746,176
Held - to - maturity financial assets	-	142,730	142,730	141,999
Trade receivables	3,472	-	3,472	3,472
Reinsurance assets (excluding prepaid reinsurance)	99,476	-	99,476	99,476
Other receivables (excluding prepayments and WHT receivables)	92,954	-	92,954	92,954
Statutory deposits	333,654	-	333,654	333,654
	1,275,732	**142,730**	**1,418,462**	**1,417,731**

'The measurement basis of all financial assets are expected to remain unchanged even after IFRS 9 adoption. Hence, there will be no change in the gross carrying amounts of the financial assets upon the adoption of IFRS 9.
We have not completed the Expected Credit Loss (ECL) model, hence we do not have estimates for the impairment charge to the statement of profit or loss and other comprehensive income.

(g) New or amended standards and interpretation not yet effective

A number of new standards, amendment to standards and interpretations are effective for annual periods beginning on or after 1 January 2019 and early application is permitted; however, the Company has not applied the new or amended standards in preparing these financial statements.

Those standards, amendment to standards and interpretations which may be relevant to the Company are set out below:

Standard Not Yet Effective		Date Issued by IASB	Effective Date	Summary of the Requirements and Impact Assessment
Amendments to IFRS 9	Prepayment Features with Negative Compensation	October 2017	1 January 2019	The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted. The Company will adopt the amendment along with the effective date of IFRS 9 (2022) at the earliest. The impact of the adoption of this amendment on the Company is being assessed.
IFRS 17	Insurance Contracts	May 2017	1 January 2021	IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as: - Reinsurance contracts held; - Direct participating contracts; and - Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in the future financial statements.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in the future financial statements.

Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	September 2016	1 January 2018	The differing effective dates of IFRS 9 Financial Instruments and the new insurance contracts standard could have a significant impact on insurers.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB has issued amendments to IFRS 4 Insurance Contracts. The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

1. Temporary exemption from IFRS 9 – Some Companies are permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement. To qualify for this exemption the Company's activities need to be predominantly connected with insurance.

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.
These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value

2018	Available For Sale	Carrying Amount	Fair Value
	N'000	N'000	N'000
Quoted Equity Securities	66,759	66,759	66,759
Unquoted Equity Securities	227,336	227,336	227,336
	294,095	294,095	294,095

Company information and Statement of accounting policies

iii) The table below provides an estimation of the expected impacts of IFRS 9 adoption on the classification and measurement of financial assets as at 31 December 2018 and 1 January 2018.

Financial Asset	IAS 39 Classification	IFRS 9 Classification and Measurement	Carrying Amount 31 December 2018
31 December 2018			
Cash and cash equivalents	Loans and receivables	Amortised cost	746,176
Held-to-maturity financial assets	Held to maturity	Amortised cost	142,730
Available-for-sale financial assets			
- Quoted equities	Available for sale	FVTOCI	66,759
- Unquoted equities	Available for sale	FVTOCI	227,336
Trade receivables	Loans and receivables	Amortised cost	3,472
Reinsurance assets (excluding prepaid reinsurance)	Loans and receivables	Amortised cost	99,476
Other receivables (excluding prepayments and WHT receivables)	Loans and receivables	Amortised cost	92,954
Statutory deposits	Loans and receivables	Amortised cost	333,654

Financial Asset	IAS 39 Classification	IFRS 9 Classification and Measurement	Carrying amount 1 January 2018
1 January 2018			
Cash and cash equivalents	Loans and receivables	Amortised cost	889,005
Available-for-sale financial assets			
- Quoted equities	Available for sale	FVTOCI	99,768
- Unquoted equities	Available for sale	FVTOCI	294,428
Trade receivables	Loans and receivables	Amortised cost	24,027
Reinsurance assets (excluding prepaid reinsurance)	Loans and receivables	Amortised cost	114,326
Other receivables (excluding prepayments and WHT receivables)	Loans and receivables	Amortised cost	26,120
Statutory deposits	Loans and receivables	Amortised cost	333,654

assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

The Company has assessed and concluded that it meets the exemption criteria. The Company has therefore opted to be temporarily exempted from adopting IFRS 9.

Standard Not Yet Effective		Date Issued by IASB	Effective Date	Summary of the Requirements and Impact Assessment
IFRS 16	Leases	October 2016	1 January 2019	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 actual impact of applying IFRS 16 of the financial statements in the period of initial application will depend on future economic conditions, including the Company's borrowing rate at 1 January 2019, the composition of the Company's lease portfolio at that date, the Company's latest assessment of whether it will exercise any lease renewal options and the extent to which the Company chooses to use practical expedients and recognition exemptions. No significant impact is expected for the Company's financial statements resulting from the application of IFRS 16.

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 case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the 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 Accepted Accounting Principles.

Unearned premium provision

The provision for 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/00000000000738), 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, 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.

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 claims paid from the third party.

(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) Management expenses
Management 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 policy holders.

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.

(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 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 recognizes 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 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.

(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.

Subsequent cost
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 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 46.

(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.

® 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 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. Re- measurements, 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. Re-measurements 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 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. "Intangible assets which are not available for use 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 included in the following notes:
Note III (i)(iv) - Determination of fair value
Note III (a) - Valuation of insurance contract liability
Note III (m) - Valuation of land and building

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 shown in the statement of accounting policies and in notes III (i)(iv) and III (i)(vi) for impairment.

- 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 2018 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 2018 using the comparative approach method of valuation to arrive at the open market value as at 31 December 2018. 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 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 recognize 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

(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.

(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 recognized 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.

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 2018 *In thousands of Naira*	Notes	Level 1	Level 2	Level 3	Total
Financial Assets:					
-					
Listed equity shares	16.1	66,759	-	-	66,759
Unlisted equity shares	16.1	-	-	227,336	227,336
Total financial assets measured at fair value		**66,759**	**-**	**227,336**	**294,095**
31 December 2017					
In thousands of Naira		**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Available for sale:-					
Listed equity shares	16.1	99,768	-	-	99,768
Unlisted equity shares	16.1	-	-	294,428	294,428
					-
Total financial assets measured at fair value		**99,768**	**-**	**294,428**	**394,196**

V. Financial & Insurance Risk Management

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.

2018 *In thousands of Naira*		**Equity securities**
Balance at 1 January	16.1	297,596
Total gain/ (losses)		
Recognised in OCI	16.1	(67,092)
Balance at 31 December		230,504
Total gain/(losses) recognized in OCI		
Net change infair value	16.1	(67,092)
Net amount reclassified to profit or loss		-

Financial instruments not measured at fair value				
31 December 2018				
In thousands of Naira	Level 1	Level 2	Level 3	Total
Held-to-maturity financial assets	141,999	-	-	141,999
31 December 2017				
In thousands of Naira	Level 1	Level 2	Level 3	Total
Held-to-maturity financial assets	-	-	-	-

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 organizational 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 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 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 reporting market risk;

• 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.

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 sum.

The Company's exposure to foreign exchange risk as at year end amounted to approximately N142 million (2017: N351 million) arising from USD denominated 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-Dec-18	NGN'000	Total
Assets (Cash & cash equivalents)	142,191	142,191
	142,191	**142,191**
31-Dec-17	**NGN'000**	**Total**
In thousands of Naira		
Assets (Cash & cash equivalents)	351,507	351,507
	351,507	**351,507**

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.

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

Foreign currency sensitivity analysis

The 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.

31 -Dec-18	Base	NGN'000	Total
In thousands of Naira			
10% increase	142,191	14,219	14,219
10% decrease	142,191	(14,219)	(14,219)
31 -Dec -17	**Base**	**NGN'000**	**Total**
In thousands of Naira			
10% increase	351,507	35,151	35,151
10% decrease	351,507	(35,151)	(35,151)

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 *In thousands of Naira*	Notes	2018	2017
Cash and cash equivalents	15	43,324	37,317
Placements	15	702,819	851,688
Held-to-maturity financial assets	17	142,730	-
Statutory deposits	26	333,654	333,654
		1,222,527	**1,222,659**

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.

In thousands of Naira	Base	2018	Base	2017
10% increase	1,222,527	122,253	1,222,659	122,266
10% decrease	1,222,527	(122,253)	1,222,659	(122,266)

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	2018 N'000	2017 N'000
Equity Securities;- Listed	16	66,759	99,768
Equity Securities;- Unlisted	16	227,336	294,428
		294,095	394,196

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 *In thousands ofNaira*	Base	2018	Base	2017
10% increase	66,759	6,676	99,768	9,977
10% decrease	66,759	(6,676)	99,768	(9,977)
Unlisted Equity *In thousands of Naira*	**Base**	**2018**	**Base**	**2017**
10% increase	227,336	22,734	294,428	29,443
10% decrease	227,336	(22,734)	294,428	(29,443)

(ii) Credit risk

Credit risk refers to the risk that counterparties 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.

Analysis of financial assets based on past due status

2018	Held to maturity investments	Recoverable from reinsurers	Other receivables	Trade receivables	Total
	N'000	N'000	N'000	N'000	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**
2017	**Held to maturity investments**	**Recoverable from reinsurers**	**Other receivables**	**Trade receivables**	**Total**
	N'000	N'000	N'000	N'000	N'000
Past due and impaired (specific)	-	-	311,139	9,898	321,037
Past due more than 90 days	-	-	-	-	-
Past due 31 to 90 days	-	-	-	-	-
Past due less than 30 days	-	-	-	-	-
Neither past due nor impaired	851,688	114,326	25,716	24,027	1,015,757
Total Carrying Amount	**851,688**	**114,326**	**336,855**	**33,925**	**1,336,794**

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

31 December 2018 *In thousands of Naira*	Unrated	A/A-	AA	B/B+	BB-	BBB	Total
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**
31 December 2017 ***In thousands of Naira***	**Unrated**	**A/A-**	**AA**	**B/B+**	**BB-**	**BBB**	**Total**
Held-to-maturity investments	71,828	-	-	330,390	449,470	-	851,688
Recoverable from reinsurers	114,326	-	-	-	-	-	114,326
Otherreceivables	25,716	-	-	-	-	-	25,716
Trade receivables	24,027	-	-	-	-	-	24,027
	235,897	-	-	**330,390**	**449,470**	-	**1,015,757**

Concentration of credit risk

The company monitors concentration of credit risk by sector

31 December 2018	Financial Institutions	Government	Individuals	Total
Held-to-maturity investments	702,819	142,730	-	845,549
Recoverable from reinsurers				
Other receivables				
Trade receivables		-	-	13,370
	815,665	142,730	253,689	1,212,084
31 December 2017	**Financial Institutions**	**Government**	**Individuals**	**Total**
Held-to-maturity investments	851,688	-	-	851,688
Recoverable from reinsurers	114,326	-	-	114,326
Other receivables	-	-	336,855	336,855
Trade receivables	33,925	-	-	33,925
	999,939	-	336,855	1,336,794

(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.

2018	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	15	746,176	750,173	43,357	706,816	-	-	-
Available-for-sale financial assets	16	294,095	294,095	-	-	-	-	294,095
Held-to-maturity financial assets	17	142,730	144,696	144,696	-	-	-	-
Trade receivables	18	3,472	3,472	3,472	-	-	-	-
Reinsurance assets (excluding prepaid reinsurance)	19	99,476	99,476	-	99,476	-	-	-
Other receivables (excluding prepayments and WHT receivables)	21	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)	30	(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**

2017	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	15	889,005	889,005	-	889,005	-	-	-
Available-for-sale financial assets	16	394,196	394,196	-	-	-	-	394,196
Trade receivables	18	24,027	24,027	24,027	-	-	-	-
Reinsurance assets (excluding prepaid reinsurance)	19	114,326	114,326	-	114,326	-	-	-
Other receivables (excluding prepayments and WHT receivables)	21	26,120	24,007	-	-	24,007	-	-
Statutory deposits	26	333,654	333,654	-	-	-	-	333,654
		1,781,328	1,779,215	24,027	1,003,331	24,007	-	727,850
Non-derivative financial liabilities								
Trade payables	28	(41,738)	(41,738)	-	(41,738)	-	-	-
Accruals & other payables (excluding statue based deductions and unearned rent income)	30	(108,708)	(108,708)	-	-	(108,708)	-	-
		(150,446)	(150,446)	-	(41,738)	(108,708)	-	-
Gap (asset- liabilities)		**1,630,882**	**1,628,769**	**24,027**	**961,593**	**(84,701)**	-	**727,850**

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.

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.

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

	Gross		Reinsurance		Net	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000	2018 N'000	2017 N'000
- WithinNigeria	1,241,218	967,144	295,763	273,371	945,455	693,773
- OutsideNigeria	-	-	-	-	-	-
Total	**1,241,218**	**967,144**	**295,763**	**273,371**	**945,455**	**693,773**

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

Outstanding claims	Gross 2018 N'ooo	Reinsurance 2018 N'ooo	Net 2018 N'ooo	Gross 2017 N'ooo	Reinsurance 2017 N'ooo	Net 2017 N'ooo
General Accident	88,516	10,715	77,801	122,701	20,107	102,594
Fire	49,852	18,925	30,927	68,082	25,905	42,177
Marine & Aviation	7,952	1,067	6,885	8,588	15	8,573
Motor	24,979	6,345	18,634	16,247	o	16,247
TOTAL	**171,299**	**37,052**	**134,247**	**215,618**	**46,027**	**169,591**

IBNR	Gross 2018 N'ooo	Reinsurance 2018 N'ooo	Net 2018 N'ooo	Gross 2017 N'ooo	Reinsurance 2017 N'ooo	Net 2017 N'ooo
General Accident	34,588	23,125	11,463	48,682	39,461	9,221
Fire	15,543	7,829	7,714	28,466	16,292	12,174
Marine & Aviation	9,961	483	9,478	9,013	3,308	5,705
Motor	4,479	377	4,102	19,851	9,238	10,613
TOTAL	**64,571**	**31,814**	**32,757**	**106,012**	**68,299**	**37,713**

Unearned premium	Gross 2018 N'ooo	Reinsurance 2018 N'ooo	Net 2018 N'ooo	Gross 2017 N'ooo	Reinsurance 2017 N'ooo	Net 2017 N'ooo
General Accident	118,938	24,569	94,369	112,585	37,407	75,178
Fire	52,955	23,698	29,257	30,699	31,655	(956)
Marine & Aviation	10,967	4,269	6,698	8,713	1,919	6,794
Motor	76,078	4,290	71,788	66,420	1,615	64,805
TOTAL	**258,938**	**56,826**	**202,112**	**218,417**	**72,596**	**145,821**

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 2018
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.

(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 essentially combines the estimates attained from the above two methods. The BF method takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, the more past information there is available, the higher the weighting given to the chain ladder estimate.

(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 "best-estimate" 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	Gross 2018	Gross 2017
Class of business	N'000	N'000
General Accident	34,588	48,681
Fire	15,543	28,466
Marine &Aviation	9,961	9,013
Motor	4,479	19,852
TOTAL	64,571	106,012

Outstanding claims results	Gross 2018	Gross 2017
Class of business	N'000	N'000
General Accident	88,516	122,701
Fire	49,852	68,082
Marine & Aviation	7,952	8,588
Motor	24,979	16,247
TOTAL	171,299	215,618

UPR results	Gross 2018	Gross 2017
Class of business	N'000	N'000
General Accident	118,938	112,585
Fire	52,955	30,699
Marine & Aviation	10,967	8,713
Motor	76,078	66,420
TOTAL	258,938	218,417

Sensitivity analysis.

The cumulative triangulations that were used in the reserve report as at 31 December 2018 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:

Claims paid triangulation as at 31 December 2018 excluding large claims.

General Accident

Accident	1	2	3	4	5	6	7	8	9	10
2009	4,589	25 ,962	4,701	2,130	7,999	13 ,478	1,989	-	-	-
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	-	-	-	-	-
2015	15 ,190	11 ,025	838	2,257	-	-	-	-	-	-
2016	8,204	6,214	3,263	-	-	-	-	-	-	-
2017	13 ,373	25,955	-	-	-	-	-	-	-	-
2018	4,067	-	-	-	-	-	-	-	-	-

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	31 -Dec-18			31 -Dec-17
In thousands of Naira	**Total**	**Inadmissible**	**Admissible**	**Admissible**
Cash and cash equivalents	746,176	-	746,176	889,005
Financial assets:				
- Available-for-sale financial assets	294,095	-	294,095	394,196
- Held-to-maturity financial assets	142,730	-	142,730	
Trade receivables	3,472	-	3,472	24,027
Reinsurance assets	170,877	-	170,877	205,047
Deferred acquisition costs	42,858	-	42,858	32,241
Other receivables and prepayments	131,418	38,868	92,550	25,716
Investment properties	1,820,000	820,000	1,000,000	1,770,000
Intangible Asset	279	279	-	-
Property and equipment	736,216	720,000	16,216	715,865
Statutory deposit	333,654	-	333,654	333,654
	-	-		
Total assets	**4,421,775**	**1,579,147**	**2,842,628 A**	**4,389,751**
Less admissible liabilities				
Insurance contract liabilities	494,808	-	494,808	540,046
Trade payables	12,606	-	12,606	41,738
Provisions	2,908	-	2,908	-
Other payables and accruals	353,172	-	353,172	122,376
Employee benefit obligations	2,141	-	2,141	23,652
Current tax payable	196,193	-	196,193	117,947
Deferred tax liabilities	102,712	102,712	-	-
Deposit for shares	151,400	-	151,400	75,400
Total liabilities	**1,315,940**	**102,712**	**1,213,228 B**	**921,159**
			1,629,400	3,468,592
Minimum to be maintained:				
The higher of 15% of net premium and			135,740	111,615
Minimum paid up share capital			3,000,000	3,000,000
Surplus				
Solvency margin (A-B) = C D			(1,370,600)	468,592

The Company's solvency margin of N 1.629 billion (2017: N3.468 billion) is below the minimum capital of N3,000,000,000
(2017: N3,000,000,000) prescribed by the Insurance Act of Nigeria. See Note 44 for management's plan to address the shortfall in solvency margin.

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.

2018	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	15	746,176	-	-	746,176	746,176
Available for sale financial assets	16	-	294,095	-	294,095	294,095
Held-to-maturity financial assets	17			142,730	142,730	141,999
Trade receivables	18	3,472	-	-	3,472	3,472
Reinsurance assets (excluding prepaid reinsurance)	19	99,476	-	-	99,476	99,476
Other receivables (excluding prepayments and WHT receivables)	21	92,954	-	-	92,954	92,954
Statutory deposits	26	333,654	-	-	333,654	333,654
		1,275,732	**294,095**	**142,730**	**1,712,557**	**1,711,826**
Trade payables	28	-	-	(12,606)	(12,606)	(12,606)
Accruals & other payables (excluding statue based deductions and unearned rent income)	30	-	-	(307,150)	(307,150)	(307,150)
		-	-	**(319,756)**	**(319,756)**	**(319,756)**

2017	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	15	889,005	-	-	889,005	889,005
Available for sale	16	-	394,196	-	394,196	394,196
Trade receivables	18	24,027	-	-	24,027	24,027
Reinsurance assets (excluding prepaid reinsurance)	19	114,326	-	-	114,326	114,326
Other receivables (excluding prepayments and WHT receivables)	21	26,120	-	-	26,120	26,120
Statutory deposits	26	333,654	-	-	333,654	333,654
		1,387,132	**394,196**	-	**1,781,328**	**1,781,328**
Trade payables	28	-	-	(41,738)	(41,738)	(41,738)
Accruals & other payables (excluding statue based deductions and unearned rent income)	30	-	-	(108,708)	(108,708)	(108,708)
		-	-	**(150,446)**	**(150,446)**	**(150,446)**

Fire

Accident	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	-	-
2012	90	2,512	2,102	706	-	890	-	-	-	-
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	-	-	-	-	-	-	-
2017	10,425	21,530	-	-	-	-	-	-	-	-
2018	4,517	-	-		-	-	-	-	-	-

Motor

Accident	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	-	-
2012	8,492	6,863	909	-	18	-	-	-	-	-
2013	8,626	8,768	-	-	-	-	-	-	-	-
2014	24 ,727	14 ,728	2,321	-	-	-	-	-	-	-
2015	32 ,140	14 ,748	484	142	-	-	-	-	-	-
2016	23 ,351	12 ,604	752	-	-	-	-	-	-	-
2017	25,328	9,370	-	-	-	-	-	-	-	-
2018	34,189	-	-		-	-	-	-	-	-

Marine and Aviation

Accident	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	-	-	-		-	-	-	-	-	-

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-

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 2018 and 2017.

31 -Dec-18	Motor N'000	General accident N'000	Marine and Aviation N'000	Fire N'000	Total 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	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**

31 -Dec-17	Motor N'000	General accident N'000	Marine N'000	Fire N'000	Total N'000
Income:					
Gross premium written	187,634	510,458	43,937	225,116	967,145
Change in unearned premium reserve	58,881	(37,285)	(4,306)	36,007	53,297
Gross premium income	246,515	473,173	39,631	261,123	1,020,442
Reinsurance premium expenses	(3,520)	(147,866)	(11,220)	(113,736)	(276,342)
Net insurance premium earned	242,995	325,307	28,411	147,387	744,100
Fee and commission income	704	38,956	15,557	9,539	64,756
Net underwriting income	243,699	364,263	43,968	156,926	808,856
Gross claims paid	(42,859)	(74,759)	(5,130)	(38,764)	(161,512)
Change in outstanding claims/IBNR	44,852	17,396	(35,440)	(19,774)	7,034
Gross claims expenses incurred	1,993	(57,363)	(40,570)	(58,538)	(154,478)
Reinsurance claims recovery	18,290	37,014	5,281	29,999	90,584
Net claims expenses incurred/(recovered)	20,283	(20,349)	(35,289)	(28,539)	(63,894)
Underwriting expenses:					
Acquisition cost	(24,258)	(78,537)	(6,975)	(51,311)	(161,081)
Maintenance cost	(21,461)	(39,683)	(1,108)	(20,508)	(82,760)
Total underwriting expenses	(25,437)	(138,569)	(43,372)	(100,358)	(307,736)
Underwriting profit	**218,262**	**225,694**	**596**	**56,568**	**501,120**

5	**Underwriting expenses** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
	Acquisition cost (see note 20 and see (a) below)	183,632	161,081
	Maintenance cost	99,056	85,731
		282,688	**246,812**
(a)	*Analysis of acquisition cost:*		
	Gross acquisition cost for the year	194,250	154,226
	Movement in acquisition cost	(10,618)	6,855
		183,632	**161,081**

6	**Investment income** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
	Rental income from land and building	5,755	5,604
	Dividend income on AFS equity	13,144	35,541
	Interest income on statutory deposit with CBN	40,911	77,794
	Interest income on fixed deposit	67,583	77,593
	Interest income on treasury bills	11,635	1,709
		139,028	**198,241**
	Gain from sale of properties	510	10,075
		139,538	**208,316**

7	**Net fair value gains** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
	Fair value gains on investment properties (see note 22)	50,000	252,500
		50,000	**252,500**

(8a) In the current year, an increase in revaluation gain on building of N17.4m was recognised in profit or loss in order to reverse a revaluation decrease of N18.6m on building which was previously recognised in profit or loss.

(8b) In the current year, a decrease in revaluation on land of N43 was recorded. N10 million of the loss was used to offset the available revaluation surplus, while N33 million was recognised in profit or loss.

1 Gross premium income

In thousands of Naira	31-Dec-18	31-Dec-17
Gross premium written	1,241,218	967,144
Movement in unearned premium (see note 27.4)	(40,521)	53,298
	1,200,697	**1,020,442**

(a) Gross Premium Income Movement

In thousands of Naira	Gross premium written	Movement in unearned premium (see note 27.4)	Gross premium income
	31 Dec 18	31 Dec 18	31 Dec 18
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
	1,241,218	**(40,521)**	**1,200,697**

(b) Gross Premium Income Movement

In thousands of Naira	Gross premium written	Movement in unearned premium (see note 27.4)	Gross premium income
	31-Dec-17	31-Dec-17	31-Dec-17
Motor	187,634	23,851	211,485
Fire	225,116	36,007	261,123
Marine and aviation	43,937	(3,473)	40,464
General Accident	510,457	(3,087)	507,370
	967,144	**53,298**	**1,020,442**

2 Re-insurance expenses

In thousands of Naira	31-Dec-18	31-Dec-17
Gross premium ceded to reinsurers	(279,233)	(269,289)
Movement in reinsurance expense	(16,530)	(4,082)
	(295,763)	**(273,371)**

3 Fees and commission income

In thousands of Naira	31-Dec-18	31-Dec-17
Commission received on treaty reinsurance	40,807	35,552
Commission received on facultative reinsurance	31,978	29,204
	72,785	**64,756**

4 Claims expenses

In thousands of Naira	31-Dec-18	31-Dec-17
Claims paid during the year	284,039	161,512
Movement in outstanding claims (see note 27.2)	(44,319)	(44,201)
Movement in IBNR (see note 27.3)	(41,441)	37,168
Total claims incurred for the year	198,279	154,479
Recoveries from reinsurers	(27,844)	(90,584)
	170,435	**63,895**

9 Other operating expenses

In thousands of Naira	31-Dec-18	31-Dec-17
Depreciation (see note 25)	49,348	66,745
Amortisation (see note 24)	719	808
Auditors' remuneration	9,000	11,500
Staff cost (see 9 (a) below)	358,175	295,900
Legal and professional fees	100,054	23,152
Rent and Rates	11,553	13,785
Administrative expenses (see 9 (b) below)	375,166	262,841
	904,015	**674,731**

9 (a) Staff cost

In thousands of Naira	31-Dec-18	31-Dec-17
Wages and salaries	344,659	274,449
Defined benefit plan cost (see note 31.1)	-	9,771
Pension costs	13,516	11,680
Total employee benefits expense	**358,175**	**295,900**

9 (b) Administrative expense

In thousands of Naira	31-Dec-18	31-Dec-17
AGM Expenses	15,444	21,487
Penalties (see note 40)	5,000	13,530
Consultancy fees	32,387	700
Directors fees and allowances (see note 42 (b))	11,820	13,100
Fuel	22,147	29,149
NAICOM Dues	6,614	10,324
VAT & WHT expenses	41,244	1,536
Office running expenses *	145,359	84,873
Contractors outsourced staff	47,017	40,734
Statutory Levy	3,701	14,580
Subscription	5,449	4,906
Tour and travel	24,119	16,480
Other expenses	14,865	11,442
	375,166	**262,841**

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

10 Impairment (reversal)/charge on financial assets

In thousands of Naira	31-Dec-18	31-Dec-17
Other receivables (see note 21.1)	(150,000)	108,722
	(150,000)	**108,722**

11 Finance cost

In thousands of Naira	31-Dec-18	31-Dec-17
	-	737
	-	**737**

This represents interest charged on motor vehicles purchased on finance lease.

12 Current tax

12.1 Charge for the year

In thousands of Naira	31 -Dec-18	31 -Dec-17
Recognised in profit or loss		
Income tax	52,863	22,244
Tertiary education tax	4,961	10,213
NITDA	-	2,437
Prior year under provision	55,316	-
	113,140	34,894
Deferred tax (credit)/charge (see note 23.2)	27,061	(48,078)
	140,201	**(13,184)**

12.2 Reconciliation of effective tax rate

	31 -Dec-18		31 -Dec-17	
In thousands of Naira	Tax rate %	Amount	Tax rate %	Amount
Profit/(loss) before tax		(49,998)		247,974
Income tax using the domestic corporation tax rate	30%	(14,999)	30%	74,392
Non-deductible expenses	724%	362,142	134%	331,419
Tax exempt income	30%	(14,946)	14%	(33,787)
Impact of Industry tax law	505%	(252,273)	160%	(397,857)
Tertiary education tax	10%	4,961	4%	10,213
Information technology levy	0%	-	1%	2,436
Changes in estimates related to prior years	111%	55,316	0%	-
	280%	**140,201**	**5%**	**(13,184)**

13 Dividends paid and proposed

No dividend was proposed or paid by the Company for the period ended December 31, 2018 (2017: Nil).

14 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. There are no potential diluted shares

	31 -Dec-18	31 -Dec-17
(Loss)/profit attributable to ordinary shareholders (N'000)	(190,199)	251,033
Weighted average number of ordinary shares issued ('000)	6,140,000	6,140,000
Basic and diluted earnings per ordinary share (Kobo)	(3.10)	4.09

There were no dilutive shares during the year

15 Cash and cash equivalents

In thousands of Naira	31 -Dec-18	31 -Dec-17
Cash and cash equivalent comprises :		
Cash in hand	33	-
Balance held with banks in Nigeria	43,324	37,317
Placement with banks (see (a) below)	702,819	851,688
	746,176	**889,005**

Placement with banks 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 10.5% (2017: 9.2%) obtainable in the market. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and are all current balances.

16	Available for - sale financial assets	31-Dec-18	31-Dec-17
	In thousands of Naira		
	Available-for-sale financial assets	294,095	394,196
		294,095	**394,196**

16.1	Available-for-sale financial assets comprises:	31-Dec-18	31-Dec-17
	In thousands of Naira		
	Equity securities		
	Quoted (see (a) below)	66,759	99,768
	Unquoted (see (b) below)	230,504	297,596
	Impairment loss (see (c) below)	(3,168)	(3,168)
	Total available for-sale financial assets	**294,095**	**394,196**

(a)	Quoted Equities:		
	In thousands of Naira	31-Dec-18	31-Dec-17
	At 1 January	99,768	88,137
	Fair value (loss)/gain (see note 37)	(33,009)	11,631
	At 31 December	**66,759**	**99,768**

(b)	Unquoted Equities:		
	In thousands of Naira	31-Dec-18	31-Dec-17
	At 1 January	297,596	55,607
	Addition through rights issue	-	47,345
	Fair value (loss)/gain (see note 37)	(67,092)	194,644
	At 31 December	**230,504**	**297,596**
	Classification	31-Dec-18	31-Dec-17
	Current	-	-
	Non-current	294,095	394,196
		294,095	**394,196**

(c)	The movement in impairment of unquoted equities	31-Dec-18	31-Dec-17
	In thousands of Naira		
	As 1 January	3,168	3,168
	Impairment (reversal)/charge during the year	-	-
	As at 31 December	**3,168**	**3,168**

17	Held-to-maturity financial assets	31-Dec-18	31-Dec-17
	In thousands of Naira		
	Treasury bills	142,730	-
		142,730	-

i Quoted Debt securities Treasury bills

	31-Dec-18	31-Dec-17
In thousands of Naira		
Nigerian Treasury Bills- 27-Jul-2018	142,730	-
	142,730	-

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

In thousands of Naira	31-Dec-18	31-Dec-17
Beginning of the year	-	-
Additions during the year	135,887	-
accrued Interest	6,843	-
	142,730	-
Classification	31-Dec-18	31-Dec-17
Current	142,730	-
Non-current	-	-
	142,730	-

Trade receivables *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
Gross insurance receivables	13,370	33,925
Impairment allowance	(9,898)	(9,898)
	3,472	**24,027**

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

18.1 **Trade receivables comprises the followings:** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
Insurance companies	1,885	4,370
Broker	11,485	29,555
	13,370	**33,925**

18.2 **Impairment of trade receivables are as follows** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
Insurance companies	2,623	2,623
Broker	7,275	7,275
	9,898	**9,898**

18.3 **Movement in impairment of trade receivable:** *In thousands of Naira*	**31-Dec-17**	**31-Dec-16**
At 1 January	9,898	9,898
Impairment (reversal)/charge during the year	-	-
As at 31 December	**9,898**	**9,898**

Impairment allowance involves all trade receivables aged over 30 days.

Classification of Trade receivables	**31-Dec-18**	**31-Dec-17**
Current	3,472	24,027
Non-current	-	-
	3,472	**24,027**

19 **Reinsurance asset** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
Prepaid reinsurance premium	71,401	90,721
Reinsurance recoverable on claims paid and outstanding claims	67,662	46,027
Reserve for IBNR (see note (a))	31,814	68,299
	170,877	**205,047**

Prepaid reinsurance represents the unexpired risk on premium ceded to reinsurer

(a) **Movement in IBNR** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
At 1 January	68,299	11,439
(Decrease)/increase during the year	(36,485)	56,860
At 31 December	**31,814**	**68,299**

Classification	**31-Dec-18**	**31-Dec-17**
Current	170,877	205,047
Non-current	-	-
	170,877	**205,047**

(b) **Movement in prepaid reinsurance** *In thousands of Naira*	**31-Dec-18**	**31-Dec-17**
At 1 January	90,721	94,803
Reinsurance expense (see note 2)	295,763	273,371
Reinsurance cost	(315,083)	(277,453)
	71,401	**90,721**

20 Deferred acquisition cost

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

In thousands of Naira	Fire	Motor	General accident	Marine and aviation	Total
As at 1 January 2017	13,634	10,602	13,819	1,040	39,095
Additional Acquisition cost for the year	43,953	21,654	81,025	7,595	154,227
Amortization for the year (see note 5)	(51,311)	(24,258)	(78,537)	(6,975)	(161,081)
As at 31 December 2017	**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 (see note 5)	(40,436)	(37,837)	(92,282)	(13,077)	(183,632)
As At December 31, 2018	**10,919**	**9,644**	**20,205**	**2,090**	**42,858**
2018					
Current	10,919	9,644	20,205	2,090	42,858
Non-current	-	-	-	-	-
	10,919	**9,644**	**20,205**	**2,090**	**42,858**
2017					
Current	6,276	7,998	16,307	1,660	32,241
Non-current	-	-	-	-	-
	6,276	**7,998**	**16,307**	**1,660**	**32,241**

21 Other receivables and prepayment		
In thousands of Naira	31-Dec-18	31-Dec-17
Financial assets		
Sundry debtors	6,627	-
Accrued interest on statutory deposit	15,923	25,716
Due from Global Scan systems (Note 41)	137,444	217,444
Deposit for computerization	93,695	93,695
	253,689	336,855
Impairment charge on financial assets	(160,735)	(310,735)
Total financial assets	92,954	26,120
Non-financial assets		
Prepaid staff expense	6,326	1,350
Withholding tax receivable	7,875	6,556
Prepayments	27,726	7,351
	41,927	15,257
Impairment charge on non-financial assets	(3,463)	(3,463)
Total non-financial assets	38,464	11,794
Gross other receivables	295,616	352,112
Impairment charge on other receivables (see note 21.1)	(164,198)	(314,198)
	131,418	37,914
Classification		
	31-Dec-18	31-Dec-17
Current	131,418	37,914
Non-current	-	-
	131,418	37,914
21.1 Movement on impairment		
As 1 January	314,198	205,476
Impairment (reversal)/charge during the year (see note 10)*	(150,000)	108,722
As at 31 December	164,198	314,198

*During the year, the company recovered N80 million of its receivable from Global Scan Systems and subsequent to year end, the company recovered a further N70 million of the receivable from Global Scan System. The receivable from Global Scan System had been fully impaired in the prior years, therefore these recoveries resulted in the reversal of impairment of N150 million.

The carrying amounts disclosed above reasonably approximate the fair value at the reporting date. All other receivable amounts are collectible within one year and the prepayment utilisable within one year.

22 Investment properties		
In thousands of Naira	31-Dec-18	31-Dec-17
Reconciliation of carrying amount		
At 1 January	1,770,000	1,572,500
Disposal	-	(55,000)
Fair value adjustment (see note 7)	50,000	252,500
As at 31 December	**1,820,000**	**1,770,000**

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.

22.1 *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 analyzed and compared with the subject property.
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	31 -Dec-18 *In thousands of Naira*	31 -Dec-17 *In thousands of Naira*
1	230, Idowu Martins Street off Adeola Odeku, V.I., Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRC/2013/NIESV/00000001493	ESV A-576	1,120,000	1,100,000
2	21, Nnamdi Azikwe Road, Lagos Island, Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRC/2013/NIESV/00000001493	ESV A-576	625,000	600,000
3	5, Primate Adejobi Crescent, Anthony Village, Lagos	Ubosi Eleh & Co.	27, Obafemi Awolowo Way, Ikeja, Lagos.	FRC/2013/NIESV/00000001493	ESV A-576	75,000	70,000
						1,820,000	1,770,000

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 Investment Property	Valuation technique	Significant unobservable input
1		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.	The size of the land is about 2,983.513m². The neighbourhood is business area with commercial structures like banking hall, high rise office complex. The neighbourhood house head office of various multinational companies. The area is fully developed and complement with residential properties. The neighbourhood is a low density area.
2	221, Nnamdi Azikwe Road, Lagos Island, 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 2983.13m². The property is located in central business area fully developed with retail & whole sale market. The neighbourhood is a high density area.

3	5, Primate Adejobi Crescent, Anthony Village, 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.	The land area is 627.20m2. The neighbourhood is predominant with residential properties and estate

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.

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.

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.

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 2018				
Investment property	-	-	1,820,000	1,820,000
Date of valuation- 31 December 2017				
Investment property	-	-	1,770,000	1,770,000

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.

25 Property and equipment *In thousands of Naira*	Motor Vehicles	Building	Land	Computer Equipment	Office Furniture and Fittings	Work in progress	Total
Cost/Revalued Amount							
At 1st January 2017	**211,618**	**550,000**	**150,000**	**103,999**	**93,557**	**-**	**1,109,175**
Additions	4,869	16,116	-	1,908	1,884	13,950	38,727
Revaluation surplus (see note 8)	-	-	10,000	-	-	-	10,000
Net off of accumulated depreciation on revaluation	-	(27,500)	-	-	-	-	(27,500)
Revaluation loss (see note 8)	-	(18,616)	-	-	-	-	(18,616)
At 31 December 2017	**216,487**	**520,000**	**160,000**	**105,907**	**95,441**	**13,950**	**1,111,785**
Additions	1,940	2,403	83,000	4,471	3,645	-	95,459
Revaluation surplus	-	-	-	-	-	-	-
Net off of accumulated depreciation on revaluation	-	(33,731)	-	-	-	-	(33,731)
Revaluation Gain/(Loss) (see note 8)	-	17,378	(43,000)	-	-	-	(25,622)
Reclassifications		13,950				(13,950)	
Disposals	-	-	-	(167)	(207)	-	(374)
As At 31 December2018	**218,427**	**520,000**	**200,000**	**110,211**	**98,879**	**-**	**1,147,517**
Accumulated depreciation							
At 1st January 2017	190,489	-	-	101,852	64,335	-	356,676
Depreciation for the year	20,550	27,500	-	1,631	17,064	-	66,745
Disposals	-	-	-	-	-	-	-
Net off of accumulated depreciation on revaluation	-	(27,500)	-	-	-	-	(27,500)
At 31 December 2017	**211,039**	**-**	**-**	**103,483**	**81,399**	**-**	**395,921**
Depreciation for the year	2,939	33,731	-	2,235	10,443	-	49,348
Disposals	-	-	-	(39)	(198)	-	(237)
Net off of accumulated depreciation on revaluation	-	(33,731)	-	-	-	-	(33,731)
As At 31 December 2018	**213,978**	**-**	**-**	**105,679**	**91,644**	**-**	**411,301**
Carrying amount							
As At 31 December 2018	**4,449**	**520,000**	**200,000**	**4,532**	**7,235**	**-**	**736,216**
As at 31 December 2017	**5,448**	**520,000**	**160,000**	**2,424**	**14,042**	**13,950**	**715,864**

(a) All categories of property and equipment are initially recorded at cost. Subsequently, land and building are measured using revaluation model. The net off of accumulated depreciation on revaluation 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/2013/NIESV/00000001493). 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 2018. The valuation method is the comparable method. A revaluation gain of N17.3 million on building was recognized in the statement of profit or loss (2017: N18.6 million on building was recognized in the statement of profit or loss), while a revaluation loss of N43 million on land was recognized, with N33 million recorded in the statement of profit or loss and N10 million recorded in the OCI during the year (2017: N10 million on land was recognized in the OCI).
(b) There were no impairment losses on any class of asset during the year (2017: Nill)
(c)There were no capitalized borrowing costs (2017: Nil)
(d) There were no lien on encumbrances on any asset (2017: Nil)
(e) All classes of property and equipment were non-current
(f) Land and buildings are measured using revaluation model

Classification

	31-Dec-18	31-Dec-17
Current	-	-
Non-current	1,820,000	1,770,000
	1,820,000	**1,770,000**

23 **Current Tax Liability**

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

23.1 **Current tax payable**

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	117,947	131,815
Payments during the year	(34,894)	(48,762)
Charge for the year (see note 12.1)	113,140	34,894
At the end of the year	**196,193**	**117,947**

23.2 **Deferred tax liabilities**

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	75,651	130,237
Charge to profit or loss for the year (see note 12.1)	27,061	(48,078)
Recognized in OCI	-	(6,508)
As at 31 December	**102,712**	**75,651**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2017: 10%) on investment properties and 30% (2017: 30%) on other items.

23.3 Deferred tax liability of N102,712,000 (2017: N75,651,178) was recognized as at year end. It is attributable to the following;

	31-Dec-18 N'000	31-Dec-17 N'000
Property and equipment	(75,762)	56,909
Employee benefit	-	(6,508)
Investment property	(30,250)	25,250
Revaluation of land	3,300	-
	(102,712)	**75,651**

24 **Intangible Assets**

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	86,929	86,929
Addition	-	-
At 31 December	86,929	86,929
Accumulated amortisation and impairment:		
At 1 January	85,931	85,123
Amortization	719	808
As at 31 December	86,650	85,931
Carrying amount:		
At 31 December	**279**	**998**

The intangible assets are non-current.

g **Land and building: historical cost**
If therevaluedassetswere carriedusingthecost model,thecarryingamountsas at31 December2018 wouldbeas follows:

In thousands of Naira	Land	Building
Cost	233,000	653,517
Accumulated depreciation	-	(148,958)
Net book value	**316,000**	**504,559**

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)

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 1,240.01m^2. 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.

26 **Statutory deposit**

This represents the amount deposited with the Central Bank of Nigeria and capitalized interest of N18.6 million as at December 31, 2018 (2017: N18.6 million) in accordance with Section 10 (3) of Insurance Act 2003. The amount increases or decreases in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance and do not qualify as cash and cash equivalent.

	31-Dec-18	31-Dec-17
Statutory deposit	333,654	333,654

Classification	**31-Dec-18**	**31-Dec-17**
Current		
Non-current	333,654	333,654
	333,654	**333,654**

27 **Insurance contract liabilities**	**31-Dec-18**	**31-Dec-17**
In thousands of Naira		
Provision for reported claims by policyholders (see note 27.2)	171,299	215,618
Provisions for claims incurred but not reported (IBNR) (see note 27.3)	64,571	106,012
Outstanding claims provisions (see note 27.1)	235,870	321,630
Provision for unearned premiums (see note 27.4)	258,938	218,417
Total insurance contract liabilities	**494,808**	**540,047**

See note 27.1 for ageing analysis of provision for reported claims

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

Classification	**31-Dec-18**	**31-Dec-17**
Current	493,026	537,374
Non-current	1,782	2,673
	494,808	**540,047**

27.1 **Outstanding claims provision** : represents the ultimate cost of settling all claims arising from incidents reported as at the

Age analysis of outstanding claims is as follows:

Days	**31-Dec-18**	**31-Dec-17**
0-90	39,260	15,302
91-180	19,160	9,010
181-270	11,036	12,217
271-365	4,995	9,955
Above 365	96,848	169,134
	171,299	215,618
IBNR (see note 27.3)	64,571	106,012
	235,870	**321,630**

Of the outstanding claims, 23% are within 90 days holding days period whilst 77% 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.

27.2 Outstanding reported claims provision

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	215,618	259,819
Movement during the year (see note 4)	(44,319)	(44,201)
As at 31 December	**171,299**	**215,618**

27.3 IBNR provision

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	106,012	68,844
Movement during the year (see note 4)	(41,441)	37,168
As at 31 December	**64,571**	**106,012**

27.4 Provision for unearned premiums

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	218,417	271,715
Movement during the year (see note 1)	40,521	(53,298)
As at 31 December	**258,938**	**218,417**

28 Trade payables

In thousands of Naira This represents the amount payable to insurance companies on facultative placements	31-Dec-18	31-Dec-17
	12,606	41,738
	12,606	**41,738**

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.

Classification	31-Dec-18	31-Dec-17
Current	12,606	41,738
Non-current	-	-
	12,606	**41,738**

29 Provisions

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	-	-
Provisions made during the year (see (a) below)	2,908	-
Balance as at 31 December 2018	**2,908**	-
Due within 12 months	-	-
Due after 12 months	2,908	-
	2,908	-

(a) Provisions are in respect of legal cases against the Company, which the courts have granted judgment against the company. The cases have been appealed and amounts are not expected to be payable within one year.

(e) Actuarial Assumptions

The following are the actuarial assumptions at the reporting date

	31 -Dec-18	31 -Dec-17
Discount rate	-	14.0%
Rate of inflation	-	12.0%
Mortality rate	-	A67/70 Ultimate tables

Sensitivity analysis

We have assessed the impact of disclosure of sensitivity analysis of the defined benefit obligation and have considered it to be immaterial.

		31 -Dec-18	31 -Dec-17
32	**Deposit for shares**		
	In thousands of Naira		
	As at 31 December	**151,400**	**75,400**
	Breakdown of deposit for shares		
	Investors	**31 -Dec-18**	**31 -Dec-17**
	In thousands of Naira		
	Simon Bolaji	500	500
	Emeka Uzoukwu	900	900
	Kosch Ventures Limited	150,000	-
	Abutex Global Concepts Limited	-	74,000
		151,400	**75,400**

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.

33 Share capital and reserve

		31 -Dec-18	31 -Dec-17
33.1	**Authorised and issued share capital**		
	Authorised share capital		
	8 billion (2017: 6.4 billion) Ordinary shares of N0.50k each	**4,000,000**	**3,200,000**
33.2	**Issued and fully paid**		
		31 -Dec-18	**31 -Dec-17**
	At 1 January	3,070,000	3,070,000
	As at December	**3,070,000**	**3,070,000**
34	**Share premium**		
		31 -Dec-18	**31 -Dec-17**
		337,545	337,545
	As at December	**337,545**	**337,545**

30	Other payables and accruals	31-Dec-18	31-Dec-17
	Accrued expenses	43,337	47,648
	Deferred revenue (See note 30.2)	3,172	664
	Deferred commission income	17,037	18,350
	Statutory payables	42,850	13,004
	Other payables	246,776	42,710
		353,172	**122,376**
	Due within 12 months	353,172	122,376
	Due after 12 months	-	-
		353,172	**122,376**

30.1 Other payables represent outstanding union dues, travel insurance, stale cheque, unclaimed dividend and other creditors. All amounts are payable within one year.

30.2 Deferred Revenue

In thousands of Naira	31-Dec-18	31-Dec-17
Deferred rental income	3,172	664
As at December	**3,172**	**664**

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

31 Employee benefit obligations

31.1 Defined Benefit

Employee Benefit	31-Dec-18	31-Dec-17
End of service benefit plan (see note (a) below)	-	21,694
Defined contribution plan	2,141	1,958
	2,141	**23,652**
Classified as;		
Current	2,141	1,958
Non-Current	-	21,694
	2,141	**23,652**

The end of service benefit plan which qualify as a defined benefit obligation was discontinued and fully settled during the year.

(a) The details of the defined benefit plan are as below:

In thousands of Nigerian Naira	31-Dec-18	31-Dec-17
Present value of defined benefit obligation	-	**21,694**

(b) Present value of defined benefit obligation

In thousands of Nigerian Naira	31-Dec-18	31-Dec-17
Balance beginning of the year	21,694	9,360
Interest cost	-	1,380
Past service cost	-	10,895
Actuarial gain- assumptions	-	1,845
Actuarial gain- experience	-	718
Benefit paid by fund	(21,694)	(2,504)
Balance end of year	-	**21,694**

(c) Recognized in the OCI

In thousands of Nigerian Naira	31-Dec-18	31-Dec-17
Actuarial gain- assumptions	-	1,845
Actuarial gain- experience	-	718
Net periodic benefit cost	-	**2,563**

(d) Recognised in the profit or loss

In thousands of Nigerian Naira	31-Dec-18	31-Dec-17
Actuarial gain -assumptions	-	1,380
Past service cost	-	10,895
Benefit paid by fund	-	(2,504)
(see note 9 (a))	-	**9,771**

35 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 reaches the amount of greater of minimum paid up capital or 50% of net premium.

In thousands of Naira	31-Dec-18	31-Dec-17
At 1 January	442,907	392,700
Transfer from accumulated losses	37,237	50,207
As at December	**480,144**	**442,907**

36 **Accumulated Losses** *In thousands of Naira*	31-Dec-18	31-Dec-17
At 1 January	(704,964)	(905,791)
Profit for the year	(190,199)	251,033
Transfer to contingency reserve	(37,237)	(50,206)
Transfer from employee benefit reserve	6,954	-
As at December	**(925,446)**	**(704,964)**

37 **Available for sale Financial Assets Reserve** *In thousands of Naira*	31-Dec-18	31-Dec-17
At 1 January	243,693	45,167
Reversal of prior year fair value loss	-	(7,749)
Fair value changes - Quoted Equity (see note 16.1 (a))	(33,009)	11,631
Fair value changes - Unquoted Equity (See (a) below & note 16.1 (b))	(67,092)	194,644
As at December	143,592	243,693

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

38 Other reserves

a Revaluation reserve

The revaluation reserve 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

39 Contingencies and commitments

(a) Legal proceedings and regulations

Contingencies and commitments

(a) Legal proceedings and regulations

The Company is a party to 7 (2017: 4) legal actions during the year arising out of its normal business operations. Total estimated liability from the legal actions amount to N 494.92 million (2017: N60.63 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 (2017: Nil)

40 Contravention of laws and regulations

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

Description *In thousands of Naira*	31-Dec-18	30-Dec-17
Penalties imposed by the Financial Reporting Council (FRC) of Nigeria for restatement of 2016 accounts	5,000	-
Penalties imposed by the Nigerian Stock Exchange (NSE) for late filing of 2016 accounts	-	6,380
Penalties imposed by the Securities Exchange Commission for late filing of the 2014, 2015 and 2016 accounts	-	6,650
Penalties imposed by NAICOM for contravention of the prudential guidelines on allowable limits for placements with Banks	-	500
	5,000	**13,530**

41 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

In thousands of Naira Company/Individual	Type of relationship	Nature of transaction	31-Dec-18	30-Dec-17
Sir Emeka Offor	Shareholder	Sales proceeds on disposal of Port-harcourt investment property	-	65,000
Global Scans Technology Limited (see note 21)	Common shareholder	Investment in commercial paper	137,444	217,444
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 was fully impaired as at 31 December 2018 due to uncertainty regarding its recoverability.				
Choffan Nigerian Limited (Kiss FM)	Common shareholder	Rental Income	5,178	1,580
Sir Emeka Offor	Shareholder	Gain on disposal of Port-harcourt investment property	-	10,000

42 Employees and directors

a. *Employees*

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

In thousands of Naira	31-Dec-18	30-Dec-17
Executive directors	4	3
Management	19	22
Non-management	56	55
	79	**80**

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:

	Number	Number
Less than N800,001	-	8
N800,001 - N2,000,000	34	33
N2,000,001 - N2,800,000	10	13
N2,800,001 - N3,500,000	12	8
N3,500,001 - and Above	19	15
	75	**77**

b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

In thousands of Naira	31 -Dec-18	31 -Dec-17
Fees and sitting allowances (see note 9 (b))	11,820	13,100
Executive compensation (see (a) below)	54,000	41,000
	65,820	**54,100**
The chairman	1,200	1,200
The highest paid director	21,000	21,000

(a) Executive compensation is included as part of staff cost.

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

	31 -Dec-18 Number	31 -Dec-17 Number
Below N1,600,000	13	9
N1,600,000 - N2,000,000	-	-
N2,000,001 - N2,900,000	-	-
N2,900,001 - N3,400,000	-	-
N3,400,000 and above	-	-
	13	9

43 Events after the reporting period

A. Regulatory Order

On 28 January 2019 the National Insurance Commission issued a regulatory order suspending the Company from underwriting new insurance businesses. The Company proceeded to obtain an injunction from the High Courts and on 8th February 2019, the Federal High Court, Abuja granted an order of mandatory injunction restraining NAICOM from enforcing the suspension pending the hearing and resolution of the matter by the court of Law.

As at the date of approval of these financial statements, the case is still under litigation. The Directors have reviewed the facts of the case together with its solicitors and are confident that Guinea Insurance PLC will be successful in the ongoing lawsuit.

In addition, based on the cash flow forecasts and budgets of Guinea Insurance Plc up to 31 December 2019, the Directors are confident that the Company will have sufficient financial resources available to meet its commitments in the foreseeable future. Accordingly, the Board continues to adopt the going concern basis for the preparation of these financial statements.

B. Sale of Investment Property

On 21 February 2019, the Company sold its investment property located at 21 Nnamdi Azikiwe Road, Lagos Island, which had a fair value of N625 million as at 31 December 2018 for a sale price of N300 million, thus realizing a loss on disposal of N325 million on the sale of the investment property.

C. Appointment of Managing Director

On the 26 July 2019, the Board of Directors appointed Mr. Ademola A. Abidogun as Managing Director of Guinea Insurance Plc. The appointment is subject to the approval of the National Insurance Commission (NAICOM). On 3 August 2019, the Company received a letter of "No Objection" from NAICOM in respect to the appointment of Mr. Ademola A. Abidogun as Managing Director of Guinea Insurance Plc. However, as at the time of the issue of these financial statements, the Board of Directors is still in the process of obtaining NAICOM approval for the appointment of Mr. Ademola A. Abidogun as Managing Directors of Guinea Insurance Plc.

44 Solvency Margin

The Company's solvency margin of N 1.629 billion as at 31 December 2018 (2017: N3.468 billion) was below the minimum capital of N3,000,000,000 (2017: 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.

The deficit arose as a result of NAICOM's implementation of clause 7.29.3, which became effective, July 2018. Subsequent to year end, Management has sold its property located at Nnamdi Azikiwa, Lagos Island and offered for sale its property located at Idowu Martins, Victoria Island, Lagos. Also, there are plans to bring in core investors to buy shares in the company. 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

45	Reconciliation of Statement of Cash flow *In thousands of Naira*	Notes	31-Dec-18	31-Dec-17
45.1	**Premium received**			
	Gross written premium per income statement	1	1,241,218	967,144
	Decrease/(increase) in insurance receivables		20,555	(5,105)
	Impairment of insurance receivable charged during the year			
			1,261,773	**962,039**
45.2	**Commission received**			
	Change in deferred commission income		(1,313)	469
	Fees and commission income per income statement	3	72,785	64,756
			71,472	**65,225**
45.3	**Reinsurance premium paid**			
	Reinsurance premium per income instatement	2	(295,763)	(273,371)
	Change in trade payables (see note 28)		(29,132)	(17,383)
	Decrease in reinsurance asset		19,320	4,082
			(305,575)	**(286,672)**
45.4	**Gross claims paid net of recoveries**			
	Claims recovered		42,694	58,354
	Gross claims paid per income statement	4	(284,039)	(161,511)
			(241,345)	**(103,157)**
45.5	**Payments to employees**			
	Employee benefits expenses	9 (a)	358,175	285,775
	Decrease in employee benefit obligations		21,511	10,757
			379,686	**296,532**
45.6	**Other operating cash payments**		(443,424)	(447,245)
	Other Operating expenses		-	-
	Less: NonCash Items			
	(Decrease)/Increase in other receivables and prepayments		(93,504)	99,238
	(Increase)/Decrease in other payables		230,796	(37,643)
	Change in statutory deposit		-	(18,654)
			(306,132)	**(404,304)**
45.7	**Investment income received**			
	Rental income from land and building	6	5,755	5,604
	Dividend income on AFS equity	6	13,144	35,541
	Interest income on statutory deposit with CBN	6	40,911	77,794
	Interestincome on fixed placement	6	67,583	77,593
	Interest income on treasury bills	6	11,635	1,709
			139,028	**198,241**
45.8	**Other income received**			
	Recoveries from other receivables	8	182	7,863
	Sundry Income	8	51	70
			233	**7,933**
45.9	**Deposit for shares**			
	Balance at the start of the year	32	75,400	-
	Cash inflow		76,000	75,400
	Balance at the end of the year	32	**151,400**	**75,400**
45.11	**Procceds from sale of property and equipment**			
	Cost of property and equipment disposed	25	374	-
	Accumulated depreciation of property and equipment disposed	25	(237)	-
	Gain on disposal of property and equipment	6	510	-
	Proceeds on disposal		**647**	-

for the year ended	31 -Dec-2018 N'000	%	31 -Dec-2017 N'000	%
Gross income	977,719	250	811,827	135
-insurance, claims and commissions & others	(949,615)	(243)	(621,984)	(103)
	28,104		189,843	
Investment and other income	212,421	55	520,919	87
Financecost	-	-	(737)	(0)
Impairment writeback/(charge)	150,000	38	(108,722)	(18)
Value added	**390,525**	**100**	**601,303**	**100**
Applied as follows:				
Salaries, wages and other benefits	358,175	100	295,900	49
Government taxes	140,201	40	(13,184)	(1)
Retained in the business				
assets	49,348	13	67,554	11
Appropriation to contingency reserve	37,237	11	50,207	8
To augment reserves	(227,436)	(64)	200,827	33
Value added	**357,525**	**10 0**	**601,303**	**100**

46 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 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 below:

	31 -Dec-18			31 -Dec-17		
	Insurance funds	Shareholders funds	Total	Insurance funds	Shareholders funds	Total
In thousands of Naira						
Assets						
Cash and cash equivalents	746,176	-	746,176	551,792	337,213	889,005
Financial investments						
- Available-for-sale financial assets	-	294,095	294,095	-	394,196	394,196
- Held-to-maturity financial assets	-	142,730	142,730	-	-	-
Trade receivables	-	3,472	3,472	-	24,027	24,027
Reinsurance assets	170,877	-	170,877	205,047	-	205,047
Deferred acquisition costs	-	42,858	42,858	-	32,241	32,241
Other receivables and prepayments	-	131,418	131,418	-	37,914	37,914
Investment properties	-	1,820,000	1,820,000	-	1,770,000	1,770,000
Intangible Asset	-	279	279	-	998	998
Property and equipment	-	736,216	736,216	-	715,864	715,864
Statutory deposit	-	333,654	333,654	-	333,654	333,654
Total assets	917,053	3,504,722	4,421,775	756,839	3,646,107	4,402,946
Liabilities						
Insurance contract liabilities	494,808	-	494,808	540,047	-	540,047
Trade payables	-	12,606	12,606	-	41,738	41,738
Provisions	-	2,908	2,908	-	-	-
Other payables and accruals	-	353,172	353,172	-	122,376	122,376
Employee benefit obligations	-	2,141	2,141	-	23,652	23,652
Current tax payable	-	196,193	196,193	-	117,947	117,947
Deferred tax liabilities	-	102,712	102,712	-	75,651	75,651
Deposit for shares	-	151,400	151,400	-	75,400	75,400
Total liabilities	494,808	821,132	1,315,940	540,047	456,764	996,811
GAP	422,245	2,683,590	3,105,835	216,792	3,189,343	3,406,135

Financial Summary

	31-Dec-18 ₦'000	31-Dec-17 N'000	Restated 31-Dec-16	31-Dec-15 N'000	31-Dec-14 N'000
ASSETS					
Cash and cash equivalents	746,176	889,005	882,168	886,970	1,048,755
- Available-for-sale financial assets	294,095	394,196	140,576	143,462	132,812
- Held-to-maturity financial assets	142,730	-	-	-	-
Trade receivables	3,472	24,027	18,922	3,331	10,575
Reinsurance assets	170,877	205,047	176,900	190,297	135,265
Deferred acquisition cost	42,858	32,241	39,095	42,341	65,860
Other receivables and prepayment	131,418	37,914	137,159	325,438	624,859
Investment properties	1,820,000	1,770,000	1,572,500	1,420,500	1,310,000
Intangible Asset	279	998	1,806	8,439	36,149
Property and equipment	736,216	715,864	752,499	780,325	885,453
Statutory deposits	333,654	333,654	315,000	315,000	315,000
Total Assets	**4,421,775**	**4,402,946**	**4,036,625**	**4,116,103**	**4,564,728**
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	480,144	442,907	392,701	365,300	339,191
Accumulated losses	(925,446)	(704,964)	(905,791)	(918,995)	(884,988)
Available-for-sale reserve and other	143,592	260,647	48,176	46,102	34,680
Total Equity	**3,105,835**	**3,406,135**	**2,942,631**	**2,899,952**	**2,896,428**
Insurance contract liabilities	494,808	540,047	600,378	798,260	758,956
Finance lease obligation	-	-	-	15,556	27,126
Trade payables	12,606	41,738	59,121	14,334	113,189
Provisions	2,908	-	-	-	-
Accruals & other payables	353,172	122,376	159,548	177,098	276,686
Retirement benefit obligations	2,141	23,652	12,895	17,052	16,570
Income tax payable	196,193	117,947	131,815	103,768	297,699
Deferred tax liabilities	102,712	75,651	130,237	90,083	78,074
Deposit for shares	151,400	75,400	-	-	100,000
Total Liabilities	**1,315,940**	**996,811**	**1,093,994**	**1,216,151**	**1,668,300**
Total Equity & Liabilities	**4,421,775**	**4,402,946**	**4,036,625**	**4,116,103**	**4,564,728**

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-18 N'000	31-Dec-17 N'000	Restated 31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-14 N'000
Gross premium written	1,241,218	967,144	906,692	870,287	1,093,413
Net premium earned	904,934	747,071	649,549	759,131	625,187
Profit/(Loss) before taxation	(49,998)	237,849	176,290	46,906	(14,372)
Taxation	(140,201)	13,184	(135,685)	54,133	67,526
Profit/(Loss) after taxation	(190,199)	251,033	40,605	(7,227)	(81,898.00)
Transfer to contingency reserve	37,237	50,207	27,401	26,109	32,802
Earnings/(loss) per N1 share (basic)	(3.1)	4.09	0.04	(0.10)	(1.40)

Bonus History

S/N	YEAR	BONUS
1.	1973	500
2.	1974	38,250
3.	1977	57,375
4.	1981	481,950
5.	1985	688,500
6.	1986	1,009,800
7.	1989	631,125
8.	1997	9,304,227

Dividend History

S/N	YEAR	DIVIDEND PAID
1.	2004	3 KOBO
2.	2005	NIL
3.	2006	5 KOBO
4.	2010	1 KOBO

Incorporation and Share Capital History

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	

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 Company Secretary
Guinea Insurance Plc
Guinea Insurance House 33, lkorodu Road Jibowu Lagos
Email: ooke@guineainsurance.com
Website: www.guineainsurance.com
Tel: 08038203282

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

Yours faithfully,

Oluranti Oke
Company Secretary/ Legal Adviser
FRC/2013/NBA00000000646

CORPORATE HEAD OFFICE
Guinea Insurance House
33, Ikorodu 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: 08033364973

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

Admission Form

Please admit

Shareholder's Full Name ....

To be completed in advance by Shareholders or his duly appointed proxy to the 61 st Annual General Meeting Guinea Insurance Plc which will take place at Nwaniba Hall, Ibom Hotel and Golf Resort, Nwaniba Road, Uyo, Akwa - Ibom 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
Company Secretary/Legal Adviser
Guinea Insurance Plc

Annual General Meeting at Nwaniba Hall,Ibom Hotel and Golf Resort, Nwaniba Road, Uyo, Akwa-Ibom 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)

Manadate Form

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)

Proxy Form

NOTICE OF 60TH ANNUAL GENERAL MEETING OF GUINEA INSURANCE PLC
An.nual General Meeting to be held by 11.00 am at Nwaniba Hall, Ibom Hotel and Golf Resort, Nwaniba Road, Uyo, Akwa- Ibom State 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 Wednesday, 20th November, 2019. Dated this .... day of .... 2019 ________________________ Shareholder's Signature

RESOLUTION	FOR	AGAINST
1. To receive the report of the Directors and Audited Financial Statements together with the Auditor's Report for the year ended 31st December, 2018.		
2. To re- elect the following Directors retiring by rotation: I. Mr. Godson Ugochukwu ii. Mr. Samuel Onukwue iii. Mr. Simon Oladayo Bolaji		
3. To ratify the appointment of Mr. Ademola Abidogun as the Managing Director / Chief Executive Officer of the Company.		
3. To elect/re-elect members of the Audit Committee in accordance with Section 359 (4) and (5) of the Company and Allied Matters Act, CAP C20, 2004.		
4. To authorize the Directors to fix the remuneration of the Auditors		

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

DESCRIPTION OF SERVICE:

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