



**ANNUAL**  
**REPORT**

'16



SIC Insurance Company Limited



Getting ~~stranded~~ should be out of the equation when you travel abroad.

## Take the SIC Insurance Travel Policy *for guaranteed peace of mind*

SIC Insurance - **Panyin de Panyin**

SIC Insurance - **Our promises are sacred**

In partnership with  **MAPFRE** ASISTENCIA



**SIC INSURANCE COMPANY LTD.**

Head Office:  
+233-302-780600-9

Ring Road West Office:  
+233-302-228922/228926/228962

Tema Area Office:  
+233-303-202263/206535

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Takoradi Area Office:  
+233-3120-22315/22048

## NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of SIC Insurance Company Limited will be held on **Thursday, 19th October, 2017** at **2:00 p.m.** at the **College of Physicians and Surgeons, Accra** to transact the following business:

### AGENDA

1. To waive the Statutory 21-day notice period
2. To elect and/or ratify the appointment of Directors.
3. To receive and consider the Accounts of the Company for the year ended 31st December 2016 together with the Reports of the Directors and the Auditors thereon.
4. To authorize the Directors to appoint new Auditors and also to fix the remuneration of the Auditors.
5. To approve the remuneration of Directors.

Dated this 2nd day of October, 2017

By Order of the Board

**LYDIA HLOMADOR (MRS.)**

**COMPANY SECRETARY**

## RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING



### BOARD RESOLUTIONS

The Board of Directors will be proposing the following resolutions at the Annual General Meeting:

1. Pursuant to Section 152(40(a) of the Companies Act, 1963, Act 179, to waive the statutory 21 day notice period.
2. In accordance with Section 181 (5b) of the Companies Act, 1963 (Act 179) and Regulations 60(a) and 61 of the Company, the appointment of the following as Directors are proposed for ratification:
  - a. Dr. Jimmy Ben Heymann
  - b. Mr. Stephen Oduro
  - c. Mrs. Pamela Djamson-Tettey
  - d. Mr. James Appietu-Ankrah
  - e. Mr. Michael A. Addo
- 2.1 By the provision of section 298 of the Companies Act, 1963 (Act 179) one-third of Directors who have been longest in office must retire at the Annual General Meeting.

Accordingly, three Directors namely, Dr. Sydney Yayah Laryea, Mr. Justice Benjamin Okai Tetteh and Mr. Daniel Ofori will retire at the Annual General Meeting. Mr. Daniel Ofori is proposed for re-election.

- 2.2 The following are proposed for election as Directors to fill the vacancy:
  - a. Mr. Christian Tetteh Sottie
  - b. Mr. Kwabena Gyima Osei-Bonsu
  - c. Mr. Nicholas Oteng

#### 3. To receive 2016 Accounts

The Board proposes the acceptance of the 2016 Accounts as the true and fair view of the affairs of the Company for the year ended 31st December, 2016.

#### 4. To authorize the Directors to appoint new Auditors and also to fix the remuneration of the Auditors.

To appoint new Auditors of the Company to replace Messrs. Pannel Kerr Foster in accordance with section 135 of the Companies Act, 1963 (Act 179) and to fix the remuneration of the Auditors

#### 5. To Approve the Remuneration of Directors

To approve GH¢700,000.00 as Directors' remuneration for the year to 31st December 2017 in accordance with Section 194 of the Companies Act, 1963 (Act 179) and Regulation 67 of the Regulations of the Company.



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## DIRECTORS, OFFICIALS AND REGISTERED OFFICE

### DIRECTORS:

Dr. Jimmy Ben Heymann	Chairman (Appointed 11/09/17)
Mr. Stephen Oduro	Managing Director (Appointed 11/09/17)
Mrs. Pamela Djamson-Tettey	Director (Appointed 11/09/17)
Mr. James Appietu-Ankrah	Director (Appointed 11/09/17)
Mr. Michael A. Addo	Director (Appointed 11/09/17)
Mr. Mike Allen Hammah	Chairman (Resigned 16/02/17)
Mr. Ivan Aveyeyireh	Ag. Chairman (Resigned 31/08/17)
Dr. Sydney Yayah Laryea	Director
Justice Benjamin O. Tetteh	Director
Mr. Daniel Ofori	Director
Mr. Ato Pobee Ampiah	Director (Resigned 13/01/17)
Mr. Fifi Gyabra-Forson	Director (Resigned 31/08/17)
Mr. Robert Afflah Sackey	Director (Resigned 25/08/17)
Mr. Kwei Mensah Ashidam	Managing Director (Retired 18/06/17)

### EXECUTIVE MANAGEMENT

Mr. Stephen Oduro	Managing Director
Mr. Faris Attrickie	General Manager, Operations
Mr. Bernard Ameah	General Manager, Finance and Administration

### COMPANY SECRETARY:

Mrs. Lydia Hlomador

### REGISTERED OFFICE:

Nyemitei House  
28/29 Ring Road East  
Osu-Accra

### INDEPENDENT AUDITORS:

P.K.F  
Chartered Accountants & Business Advisers  
Farrar Avenue  
Adabraka

### REGISTRARS:

NTHC Limited  
Martco House  
P O Box KIA 9563  
Airport, Accra

### BANKERS: - LOCAL

adb Bank  
Barclays Bank Ghana Limited  
Ecobank Ghana Limited  
GCB Bank  
National Investment Bank Limited  
SG Ghana  
UMB Bank

### BANKERS: - FOREIGN

Ghana International Bank Limited

## BOARD OF DIRECTORS



1



2



3



4



5



6

<sup>1</sup> Mr. Ivan Aveyireh  
Ag. Chairman

<sup>2</sup> Mr. Mike Allen Hammah  
Chairman (Resigned)

<sup>3</sup> Mr. Ato Pobee Ampiah  
Director (Resigned)

<sup>4</sup> Mr. Fiifi Gyabra-Forson  
Director (Resigned)

<sup>5</sup> Mr. Robert Afflah Sackey  
Director (Resigned)

<sup>6</sup> Mr. Kwei Mensah Ashidam  
Managing Director (Resigned)

## DIRECTORS OF SIC INSURANCE COMPANY LTD

### POSITIONED FOR THE FUTURE



#### **DR. JIMMY BEN HEYMANN** CHAIRMAN

Dr. Jimmy Ben Heymann was appointed as a Director of the company on September 11, 2017 and subsequently appointed as the Chairman of the Board of Directors the same day.

He is a Medical Doctor by profession and has worked with a number of hospitals in various capacities from House Officer to Consulting Doctor. He also served the country in South Africa as the High Commissioner from 2006-2009.

Dr. Heymann serves on the Boards of Cenpower Generation Company Limited, Governing Board of Aggrey Memorial A.M.E Zion Secondary School, Corricreche and Crimson School in Akosombo, Playsoccer Ghana (FIFA Sponsored Program) a member of the Executive Board of A.M.E Zion Church-Ghana

He is a product of the University of Ghana Medical School, Alliance Francaise d'Accra and Adisadel College. He is a good communicator, a Marriage Counsellor, conflict resolution and career guidance expert and has working knowledge in French.



#### **MR. STEPHEN ODURO** MANAGING DIRECTOR

Mr. Stephen Oduro was appointed as a Director of the company on September 11, 2017 and subsequently appointed as the Managing Director of the company on the same day.

He has over thirty (30) years of progressive experience in leading financial application systems development, project designing, installing, and implementing for banking, insurance, brokerage and healthcare industries. Mr. Oduro has proven skills in analysis, research, communication, designing of quality assurance strategies, and negotiation. He is detailed and result-oriented with the ability to handle multiple projects simultaneously.

Prior to this appointment he was an Associate/Senior Change Management Specialist with Brown Brothers Harriman Inc., Jersey City responsible for implementing change management tools for the Quality Management Department. He was also a Partner/Senior Consultant with Afisys/Constech Consulting Services, Accra, Ghana where he offered Consulting services for the government of Ghana to manage the Y2K conversion. Mr. Oduro also served as an Associate Manager at Prudential Insurance Company, Roseland, New Jersey where he was responsible for designing and developing the front-end processing for several application areas.

He is a product of the Rutgers University - Graduate School of Management, Newark, New Jersey with an MBA in Computer and Information Systems with Financial Application bias and the Bernard M. Baruch College, City University of New York, New York City with a B.B.A., Computer Systems.



## DIRECTORS OF SIC INSURANCE COMPANY LTD

Cont'd.



**MRS. PAMELA DJAMSON-TETTEY**  
NON-EXECUTIVE DIRECTOR

Mrs Pamela Djamson-Tettey was appointed as a Director of the company on September 11, 2017. She is an experienced Corporate Executive, with over 25 years acquired knowledge in employment. Mrs. Pamela Djamson-Tettey has excellent academic and professional qualifications with extensive international exposure; spanning over 20 years of proven track record in Senior Management. This includes 9 years in the Mining Sector, 9 years in the Manufacturing Sector and 2 years in the Power Sector.

She is currently the Director, Communication and Outreach at the Millennium Development Authority, MiDA. Her previous employment engagements include; Director, Africa Practice Ghana consulting for a number of leading corporate institutions in Ghana. She was previously Head of Corporate Affairs at Goldfields Ghana Limited (2010-2012) , Executive Director and Corporate Relations Director at Guinness Ghana Breweries Limited ( 2001 - 2009) and Senior Investor Relations and Public Affairs Officer ( 1994 - 2000) amongst others including Manpower Services ,U.K ( 1988 - 1991) .

Mrs Djamson-Tettey is an accredited member of the Institute of Public Relations Ghana, a Director of Alvitrak Ltd and the Vet's Place Ltd.

She is a product of the University of Kent at Canterbury in the U.K with an MA in International Relations (1987), Post graduate Diploma in Politics (1986) and a BA (Cum Laude) from the United States International University, Bushey Herts U.K and San Diego, California, U.S.A (1982 - 1985).



**MR. JAMES APPIETU-ANKRAH**  
NON-EXECUTIVE DIRECTOR

Mr. James Appietu-Ankrah was appointed as a Director of the company on September 11, 2017. He has an extensive background and experience in Insurance and Risk Management.

He was an Executive Director of Dezag Insurance Brokers until June, 2017 and was the Member of Parliament for Lower West Akim Constituency from 2005-2008.

Mr. Appietu-Ankrah served for 35 years in various capacities at SIC Insurance from Head of Department (Life, Marketing, and Reinsurance), Branch Manager (Oda), Regional Manager (Koforidua) and Area Manager for the Northern Sector. He also served as the Chairman of the Finance and Administration Sub-Committee of the West Akim District Assembly.

He is a product of Adisadel College and the University of Cape Coast with an MA in Democracy, Governance, Law and Development. Mr. Appietu-Ankrah also holds a certificate in Insurance from the Chartered Insurance Institute, UK; a Diploma in Insurance & Risk Management from the West African Insurance Institute, Monrovia Liberia; and a Diploma in Sales & Marketing from the Cambridge Tutorial College, Jersey, UK.

## DIRECTORS OF SIC INSURANCE COMPANY LTD

Cont'd.



### MR. MICHAEL ADDOTEY ADDO NON-EXECUTIVE DIRECTOR

Mr. Michael Addotey Addo was appointed as a Director of the company on September 11, 2017. He is a Financial Consultant and a Risk Management expert with extensive International experience.

He is currently the Deputy Director General (Finance and Administration) of Social Security & National Insurance Trust (SSNIT). Until his appointment in March 2017, he was the Executive Director of Emex Oil Ndawta Limited Accra, Ghana & Abuja, Nigeria (from 2013), directing and managing the implementation of the strategic and operational objectives of the Company. Mr. Addo also served as the Chief Operating Officer & Fund Manager of Databank Agrifund Manager Limited (DAFML) Accra (2012-2013), the Executive Chairman of Crosswinds Limited Accra (2011), the General Manager Investments & Development Division of the SSNIT (2008-2010) and the Deputy Managing Director of NTHC Limited (2005-2007).

On the International front, Mr. Addo served in various senior and management capacities with Western & Southern Financial Group in Cincinnati, Standard & Poor, New York City, NY, Reliance Insurance Company in Glastonbury, CT and the Liberty Mutual Group Glastonbury, CT and Lexington, MA.

Mr. Addo has extensive experience serving on Boards including; Emex Oil Ndawta Limited, Starwin Products Limited, First Atlantic Merchant Bank, Ghana International Bank, London – UK, Prudential Bank Limited, Ghana Industrial & Commercial Estates Limited (GICEL) and served as an advisory Board Member to the Institutional Investor's 2012 Africa Sovereign Wealth Fund Roundtable for Cape Town, South Africa. He is a product of the Cornell University Ithaca, NY – the Johnson Graduate School of Management with an MBA in Finance, University of Hartford, CT - Barney School of Business with an MS in Insurance and the Bates College, Lewiston with a BA in Economics.



### MR. DANIEL OFORI NON-EXECUTIVE DIRECTOR

Mr. Daniel Ofori was appointed as a Director in July 2014. He has over 33 years of experience in Business Management. He is currently the Managing Director of the White Chapel Limited, a multipurpose retail outlet in Accra. In 1999, Mr. Ofori started a new company known as Advance Ventures Development Limited, a Real Estate Development venture.

Currently, he is the largest single shareholder in stockholding portfolios in Ghana. He has duly become an expert and a consultant in that field where he has traded for the past 17 years.

He is a Fellow of the Chartered Institute of Administration and Management of Ghana, and a life Patron of that Body.

He has extensive training from the Ghana Institute of Languages, the Ghana Stock Exchange, Ghana Export Marketing Council and the Association of Certified Entrepreneurship.

## DIRECTORS OF SIC INSURANCE COMPANY LTD

Cont'd.



**MR. JUSTICE BENJAMIN OKAI TETTEH**  
NON-EXECUTIVE DIRECTOR

Mr. Justice Okai Tetteh was appointed as a Director in June 2011. He has worked as a Legal Officer with the Ghana Co-operative Bank Limited and also worked in various capacities since his call to the Bar with the Judicial Service of Ghana including sitting as a Circuit Court Judge, a High Court Judge and on the Regional Tribunal.

He holds an LLB Degree from the University of London and was called to the English Bar as a Barrister in Gray's Inn. He also has a Post Graduate Certificate in Education from Garnet College, London.



**DR. SYDNEY YAYAH LARYEA**  
NON-EXECUTIVE DIRECTOR

Dr. Laryea was appointed as a Director in June 2011. He qualified as a Chartered Accountant in December 1974 and holds University Degrees in Accounting, Finance and Business Administration.

He has extensive Boardroom experience in the Banking, Commercial Manufacturing and Service Industries. He was a Non-Executive Director of the Bank of Ghana from 2008 to 2016.

He is the current Chairman of the Board of SIC Financial Services Limited and Managing Director of Integas Ghana Limited and Tesano Commercials Limited.



## BOARD CHAIRMAN'S REVIEW

### GLOBAL ECONOMY

The year 2016 clearly was another difficult one for the global economy. This was characterized by global trade stagnation, weak investment and political uncertainties which impacted both economic and social stabilities across the globe.

The World Bank estimated global growth at 2.3% but advanced economies struggled with subdued growth of 1.6% in 2016 from 2.1% in the previous year. The unexpected Brexit referendum and a weaker than expected growth in the U.S were reasons for the slow growth.

Commodity exporting countries were most affected as they experienced low commodity prices, high budget deficits and weak trade deficits.

### DOMESTIC ECONOMY

In Ghana, Presidential and Parliamentary elections in 2016 resulted in change in government in January 2017. Analysts expect the introduction of policies that would further strengthen fiscal consolidation and boost the domestic economy. Ghana's economic performance during 2016 was mixed due to political and business uncertainties in the country.

After making solid progress on fiscal consolidation in bringing the fiscal deficit down from 10.2% of GDP in 2014 to 6.3% in 2015, the target to narrow it further to 5.3% of GDP in 2016 was missed by a wide margin with the deficit widening to 9% of GDP.

However, GDP growth at 3.6% was slightly higher than the forecast of 3.3%, and inflation, after remaining bolshily above 17%, fell a little to 15.4% in December and further to 13.3% in January 2017, closer to the central bank's target range of 6%–10%.

Furthermore, in spite of weak commodity prices, Ghana's external balance improved in 2016, reflecting increased exports and a fall in imports. The current account deficit narrowed to 6.4% of GDP in 2016 from 7.6% of GDP in 2015. Gross foreign reserves increased marginally from \$4.4 billion in 2015 to an estimated \$4.9 billion, equivalent to 2.8 months of imports at the end of 2016.

At the end of December 2016, Inflation was 15.4%, higher than the year-end target of 10% but lower than 17.7% recorded at the end of 2015. The usual exchange rate volatility was in full force. On the back of Brexit, the Cedi appreciated by 10% against the U.K. Pound Sterling but depreciated 9.6%

against the U.S. dollar by year end. This however is a vast improvement compared to the 2015 and 2014 figures of 18.5% and 48% respectively.

## BUSINESS OPERATIONS

### • Our Guiding Principles

The Board and Management of your company have incorporated a management approach aimed at creating and maximizing sustainable/superior value to our stakeholders that strategically balances the risk and reward in our business.

SIC Insurance's Risk philosophy is guided by the following principles:

- The Company will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.
- The Company will at all times comply with all regulatory guidelines and uphold corporate standards in accordance with international best practice.
- The Company will only accept risks within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response to residual risk levels at all times.
- The Company will make decisions based on resilient analysis of the implications of such risk to its strategic goals and operating environment.

Dear shareholders, we are happy to announce that the Board, Management, Line Managers and various teams are all involved in the broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the operations of your Company's business.

In addition, Management continually reviews its activities to determine inherent risk levels and adopt appropriate risk response at all times.

### • Legal Case with Ivory Finance Company

A legal action brought against SIC Insurance Company Limited in 2013 by Ivory Finance Limited is still pending. This is in respect of a credit guarantee bond issued by SIC Insurance Company Limited to Ivory Finance Company to cover a loan facility Ivory Finance Company International Limited.

The credit guarantee bond issued has resulted in a legal action for a claim of GH¢91, 800,303 against SIC Insurance Company Limited. SIC Insurance Company Limited has paid GH¢19, 303,800 in accordance with its bond obligation.

No further provision has been made at the end of the reporting period since SIC Insurance Company Limited and its Legal Counsel have filed an appeal to the Supreme Court because your board is of the opinion the payment of any additional amount is not probable.

### • Corporate Governance

Your Board has consistently developed corporate policies and practices that encourage good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders while promoting ethical business practices. These are tailored to uphold our values and create an organisational culture for a viable institution that guarantees profitability for enhancing shareholders' value.

As a listed Company, your company strives to operate with integrity and professionalism to comply with all regulatory requirements of the National Insurance Commission and the Ghana Stock exchange. Our operations are transparent and conform to International best practices in service delivery and value creation.

Your Board has the right mix of individuals for the efficient discharge of its responsibilities. However, the Board is of the opinion that the profitability and viability of the business would require further improvements in the four areas of gross premium, reinsurances, claims and management expenses. Consistent improvement of these areas have posed challenges to Management and would

require further attention to supplement the steps already taken by the Board.

• **Diagnostic Study**

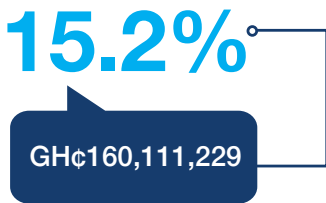
It is our firm belief that effective diagnosis of organizational culture, structural and operational strengths and weaknesses are fundamental for successful firm performance.

In our rapidly changing Ghanaian and global insurance environment, developing new organizational culture and effective work processes is a prerequisite for coping with competition in the industry.

Therefore the Board commissioned a diagnostic study into the operations of your company to ascertain its competitiveness in the insurance market. Management is addressing the gaps that impact negatively on the company and implementing the recommendations of the report.

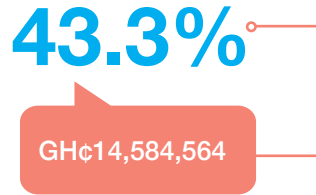
• **Business Results**

In the year under review, our Gross Premium written grew by 15.2% to GH¢160,111,229 from GH¢138,984,920 in 2015 while net Premium Income recorded a decline of -19.4% from GH¢84,288,263 in 2015 to GH¢67,943,487 due to movement in unearned premium of GH¢26,763,044



Net Claims cost incurred improved by 56.6% from GH¢ 39,747,032 in 2015 to GH¢ 17,247,719 in 2016. We recorded Underwriting loss of GH¢11,266,857 in 2016 against GH¢ 4,678,314 in the previous year.

Investment income for 2016 grew by 43.3% from GH¢10,180,874 in 2015 to GH¢14,584,564 in 2016.



We recorded a 45.96% decline in Profit before tax from GH¢12,138,284 in 2015 to GH¢6,559,421 in 2016 as a result of the relatively low net premium earned.

Our profit after tax was GH¢5,414,983 and income surplus at the end of 2016 was GH¢2,576,867.

The profitability of the Company has over the last few years been negatively affected by the impact of losses from poorly underwritten credit guarantees. During the year under review, GH¢10,601,850 was absorbed by credit guarantee claims.

At present, the Company is undercapitalized and this is negatively affecting its competitive position and liquidity situation. The case with Ivory Finance is hindering addressing the alignment of assets and liability to achieve liquidity by disposing of unprofitable long term assets.

• **Dividends**

Dear shareholders, the Board acknowledges the importance of dividends payment to everyone who put money into this company.

However, the Board of Directors is recommending no dividend payment to shareholders in respect of the Company’s operations for the year 2016. The Board’s decision is based on regulatory requirements regarding the company’s capital adequacy ratio and sufficiency of income surplus.

We wish to assure Shareholders that the Board has put in place measures to quickly return your Company to better profitability in the shortest possible time.

## OUTLOOK FOR 2017

The uncertainty in a number of markets due to Brexit, new political administration in the USA, France and other European countries with new economic and global policy directions, together with the sluggish growth in China is expected to further slowdown global economic growth in 2017.

Ghana's successful general election in 2016 and the inauguration of a new government is expected to boost Investor confidence in Ghana's economy and drive growth. The new government's plans to jump start the economy to create jobs is expected to commence in 2017. We anticipate that the many initiatives of the new government will bring the needed revival, confidence and interest of investors for better economic performance in 2017.

Finally, I wish to express my profound gratitude to the members of the outgoing Board for their selfless services over the years and contributions towards the growth of the company. I also thank our numerous stakeholders; employees, customers, brokers, agents for their unflinching loyalty and support.

We trust that we can continue to rely on their support to achieve continuous patronage, profitability and growth.

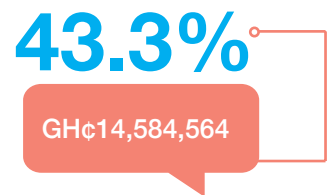
SIC Insurance shall strive to continue to meet and or exceed your expectations.

Thank you all & God Bless.

Ivan Aveyreireh  
Ag. Chairman of the Board



In the year under review, our Gross Premium written grew by 15.2% to GH¢160,111,229 from GH¢138,984,920



Investment income for 2016 grew by 43.3% from GH¢10,180,874 in 2015 to GH¢14,584,564

Dear shareholders, we are happy to announce that the Board, Management, Line Managers and various teams are all involved in the broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the operations of your Company's business.



## MANAGING DIRECTOR'S REPORT

Dear Shareholders, on behalf of Management, I am delighted to present to you highlights of your Company's activities for the year 2016. Year after year, we continue to surmount our challenges, embrace the idea of renewal in everything we do and continue on the path of progress in transforming your company for growth and future success.

### THE BUSINESS ENVIRONMENT

From the Brexit referendum in the UK to the presidential election in the US, year 2016 was one defined by a series of events that had profound effects on the global economy. Uncertainty and instability led to considerable volatility on financial markets, interest rates decreased to historically low levels before rising later in the year. All these coupled with restrained investments, lower commodity prices, and declining global trade contributed to the sluggish World Economic Outlook which impacted on our domestic economy.

GDP in Sub-Sahara Africa fell significantly from 3.4% in 2015 to 1.4% in 2016. Low commodity prices and higher borrowing costs resulted in lower growth expectations, resulting in fiscal strains especially for oil exporting countries.

Ghana's economic performance during the year 2016 was mixed. The World Economic Outlook Report released by the IMF for 2016 indicated that Ghana

would record a growth rate of 4.5 percent, lower than the projected 5.4 percent for 2016. However for some, a 4.5 percent growth rate for a developing economy like Ghana might not be that bad looking at the fact that the country grew by about 3.5 percent the previous year (2015).

The IMF warned oil exporting countries like Ghana that the debilitating effect of the crises that hit global crude oil prices might not be over. Crude prices on the international market dropped by over 70 percent within the year, and was trading at 44 dollars a barrel. The development caused Ghana's revenue from crude export to reduce by more than 60 percent to 374 million dollars. Fiscal deficit dropped from 10.2% of GDP in 2014 to 6.3% in 2015, but rose sharply to 9% of GDP in 2016.

In spite of the above, the GDP growth of 3.6% was slightly higher than the forecast of 3.3%. Within the year, inflation fell from over 17% to 15.4% by the end of the year. Furthermore, in spite of weak commodity prices, Ghana's



external balance improved in 2016, reflecting increased exports and a fall in imports. The current account deficit narrowed to 6.4% of GDP in 2016 from 7.6% of GDP in 2015. Gross foreign reserves increased marginally from \$4.4 billion in 2015 to an estimated \$4.9 billion, equivalent to 2.8 months of imports at the end of 2016.

## DEVELOPMENTS IN THE INSURANCE SECTOR

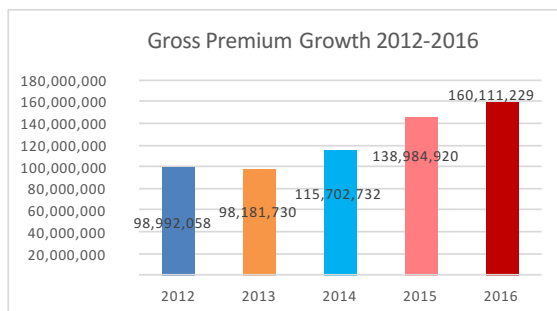
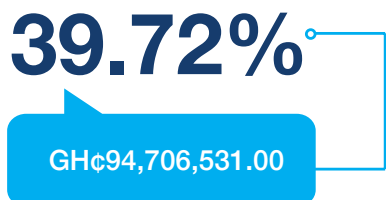
Our business is impacted by both micro- and macro-economic indicators. Over the past two years (2015 to 2016) the insurance industry Regulator, the National Insurance Commission (NIC), rolled out a number of initiatives and Interventions aimed at bringing improved efficiency in the operations of insurance companies, and improved service to policyholders and claimants. These included among others, the introduction of minimum rates for the various classes of risks; reinsurance guidelines to reduce capital flights; and review of commission rates for intermediaries.

## CORPORATE PERFORMANCE

- **Premium Income**

The year 2016 was a difficult year for many businesses in the financial sector including the insurance industry. In the midst of the challenges, your company realized an amount of GH¢160,111,229 as Gross Written Premium showing a growth of 15.20% from the previous year's figure of GH¢138,984,920.

Net Premium after reinsurance increased by 39.72% from GH¢67,784,429 in 2015 to GH¢94,706,531.00 in 2016.



- **Claims Incurred**

Following a review of our underwriting policy and strategy, there was a significant improvement in the quality of business written. For the year under review, claims incurred dropped by 56.61% from GH¢39,747,032 in 2015 to GH¢17,247,719 in 2016.

- **Management Expenses**

During the year under review, operating expenses were kept within budget and aligned with our business strategy and volume of activity – within the context of prevailing economic and commercial environments. Management Expenses increased by 23.99% from GH¢50,143,172 in 2015 to GH¢62,176,480.

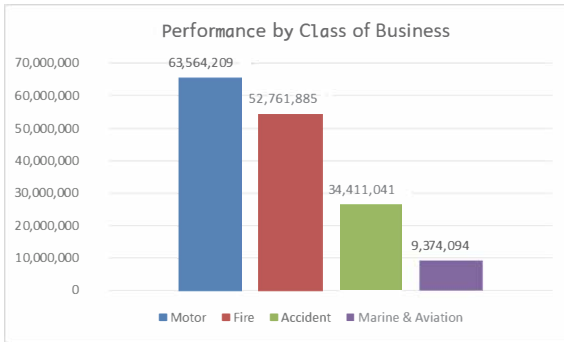
- **Underwriting Profit/Loss**

Underwriting loss increased by 140.83% from GH¢4,678,314 in 2015 to Underwriting loss of GH¢11,266,837 in 2016.

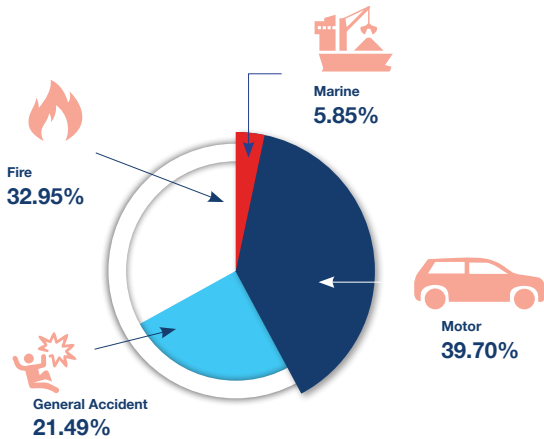
- **Profit/Loss**

The company went through some reputational challenges as a result of the Ivory/Ital court case, which resulted in a significant reduction of 45.96% in Profit before tax from GH¢12,138,284 in 2015 to GH¢6,559,421 in 2016. The after tax position recorded GH¢5,414,983 against previous year's figure of GH¢9,498,923.

### Performance By Class Of Business



Motor continued to be the main contributor to Gross Premium. Its contribution to overall premium for 2016 was 39.7% followed by Fire with 32.95%, General Accident with 21.49% and Marine contributing 5.85%.



This has improved the turnaround time spent in serving our cherished customers. We shall continue with our transformational activities in order that our customer experience would be strongly positioned to maintain our leadership of the industry, and to derive the expected value returns.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

SIC Insurance is committed to promoting and engaging in activities that benefit and enhance the socio-economic development of the individuals, organization, communities and the Country as a whole. We work, therefore, to ensure that we deliver sustainable profitability for growth and shareholder value through our CSR programmes.

In the year 2016, our CSR drive was a crucial component of our operations which delivered the needed impact with our partners and organizations. High on our agenda were the contributions we made to the Asogli Education Fund, the Otumfuo’s Education Fund, partnership with the University of Ghana and the University of Ghana Business School to sponsor a number of their events, donations to the Children wing of the Cardio Centre at the Korle Bu Teaching Hospital among others.

These social investments are considered as a core and inseparable component of the overall service or product offering of your company aimed at achieving positive social change while maximising shared values for the owners of the business, its employees, shareholders and stakeholders.

### CUSTOMER SERVICE DELIVERY

Management attaches the highest priority to best standards of customer service delivery. To this end, we have continuously focused on improvements in our customer service delivery efforts, including customer service training for staff.

### SYSTEMS UPGRADE

In line with our policy of prioritizing service delivery, and as part of efforts to improve our systems and people efficiencies, we have replaced over 100 computers, and purchased additional servers.

## OUTLOOK FOR 2017

In the absence of any fiscal slippage, Ghana's near term prospects are good, Economic growth is expected to accelerate in 2017, spurred by improvements in both the oil and non-oil sectors. Oil production is expected to increase as repairs are completed in the Jubilee Field and the TEIN Field reaches its full capacity. The non-oil growth sectors, including services, are also expected to remain robust. Surveys conducted by the Bank of Ghana indicate a positive outlook for business sentiments; this will go a long way to improve private sector investments. The expected rebound in commodity prices will support the exports and growth necessary to stabilize the exchange rate and create employment going forward.

Management is working hard to ensure that your company's 2017 results will be an improvement on the current year. As our business thrives, we continue to focus on what will be needed in the future.

We shall continue to explore all opportunities in emerging high growth business areas through our agency force and strategic alliance. Internally, our goal is to keep moving towards a workforce culture that truly values and rewards behaviours that drive business results.

Finally through our Enterprise Risk Management programme, we shall continue to strengthen our risk framework to mitigate operational and external risks while focusing on delivering value and profitability.

## ACKNOWLEDGEMENTS

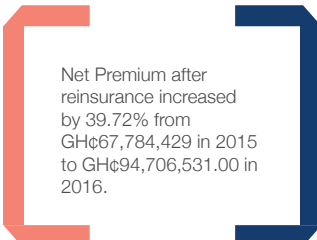
I would like to use this occasion to thank you, our valued shareholders, for your continuous trust and confidence in us and our cherished customers for their unceasing patronage of our products and services.

I also express my sincere gratitude to the Board for their dedicated support throughout the years.

To my Management Team and Staff, who bring their best to work every day by serving our customers and helping us build a company looking into the future with confidence and momentum, I say your commitment is key in breaking new grounds as we position our company for the future. It is possible together!

Thank you.

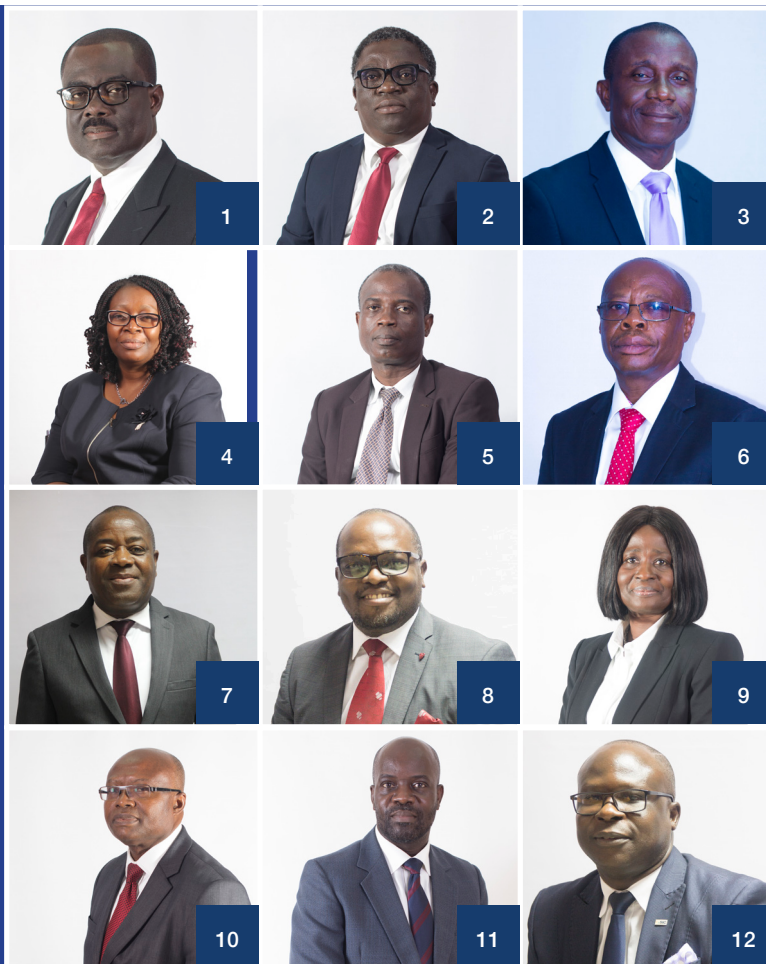
Ag. Managing Director  
Faris Attrickie  
[1/11/16-11/09/2017]



Net Premium after reinsurance increased by 39.72% from GH¢67,784,429 in 2015 to GH¢94,706,531.00 in 2016.



## MANAGEMENT TEAM



- <sup>1</sup> Mr. Stephen Oduro**  
Managing Director
- <sup>2</sup> Mr. Faris Attrickie**  
Ag. MD/ General Manager, Operations
- <sup>3</sup> Mr. Bernard Ameah**  
General Manager, Finance & Admin
- <sup>4</sup> Mrs. Lydia Hlomador**  
Head, Legal/Company Secretary
- <sup>5</sup> Mr. Frank Nimako-Boateng**  
Head, Risk Management
- <sup>6</sup> Mr. Joseph Adjei-Frimpong**  
Head, Audit & Inspection
- <sup>7</sup> Mr. Richard Afaglo**  
Area Manager, Accra / Ag. Head, Technical Operations
- <sup>8</sup> Mr. Kenneth Acolatse**  
Head, Finance & Accounts
- <sup>9</sup> Mrs. Patience Opoku**  
Head, Human Resource
- <sup>10</sup> Rev. George Amoako-Nimako**  
Head, Estates & Mortgages
- <sup>11</sup> Nana Yaw Mantey**  
Head, Corporate Affairs & Marketing
- <sup>12</sup> Mr. George Annam**  
Head, Information Systems

[www.sic-gh.com](http://www.sic-gh.com)



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Tema Area Office:  
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Kumasi Area Office:  
+233-3220-23341-2/25610

Takoradi Area Office:  
+233-3120-22315/22048



**SIC**  
OUR PROMISES ARE SACRED  
SIC INSURANCE COMPANY LIMITED

## DIRECTORS' REPORT

The directors have pleasure in presenting their Annual Report together with the audited consolidated financial statements of the group for the year ended 31 December 2016.

### 1. Principal activities

The principal activities of members of the group are:

SIC Insurance Company Limited

#### i. to undertake non-life insurance business and

SIC Financial services Limited

#### ii. to undertake the provision of investment advisory, asset and fund management, and financial consultancy services.

	2016	2015
	GH¢	GH¢
2. Results for the year		
The balance brought forward on income surplus account at 1 January was	<b>8,510,790</b>	(1,908,946)
Transfer from Contingency Reserve	-	8,791,643
Balance as restated	<b>8,510,790</b>	6,882,697
To which must be added:		
Profit/(Loss) for the year after charging all expenses, depreciation and taxation of	<b>6,763,137</b>	4,500,251
	<b>15,273,927</b>	11,382,948
From which is made an appropriation to statutory reserve of	<b>(4,803,337)</b>	(4,371,760)
	<b>10,470,590</b>	7,011,188
2015 Dividend paid	<b>(4,186,803)</b>	-
Non-Controlling Interest	<b>(404,447)</b>	1,499,602
Leaving a balance carried forward on income surplus account of	<b>5,879,340</b>	8,510,790

### 3. Nature of business

There was no change in the nature of the business of members of the group during the year.

### 4. Auditors

In accordance with section 134(5) of the Companies Act, 1963, Act (179) the auditors, Messrs. PKF will retire as the auditors of the Company at the end of the financial year.

### 5. Board membership

Mr. Ivan Avereireh and Mr. Kwei Mensah Ashidam were appointed onto the board during the year.

6 Key Legal Suit

In the opinion of the Directors and Legal Counsel, SIC is likely to win the suit against Ivory Finance Company Limited. In that case, the financial health of the Company will improve substantially.

The Directors are of the opinion that the Company remains profitable as a going concern.

7 Approval of Financial Statements

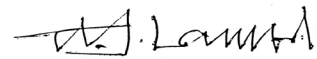
The Consolidated Financial Statements of SIC Insurance Company Ltd. as indicated above were approved by the Board of Directors on 1st August, 2017 and are signed on their behalf by:

---



Mr. Ivan Avereireh

Ag. Board Chairman



Dr. Sydney Laryea

Director

## FINANCIAL HIGHLIGHTS

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Gross premium	<b>160,111,229</b>	138,984,920	<b>160,111,229</b>	138,984,920
Net premium earned	<b>67,943,487</b>	84,288,263	<b>67,943,487</b>	84,288,263
Claims incurred	<b>(17,247,719)</b>	(39,747,032)	<b>(17,247,719)</b>	(39,747,032)
<b>Underwriting Loss</b>	<b>(8,934,912)</b>	(12,125,942)	<b>(11,266,837)</b>	(4,678,314)
<b>Profit before tax</b>	<b>9,647,727</b>	5,605,154	<b>6,559,421</b>	12,138,284
<b>Profit after tax</b>	<b>6,763,137</b>	4,500,251	<b>5,414,983</b>	9,498,923
<b>Shareholders' funds</b>	<b>84,924,282</b>	83,381,132	<b>81,150,259</b>	80,941,625
Net assets	<b>84,924,282</b>	83,381,132	<b>81,150,259</b>	80,941,625
Total assets	<b>189,047,294</b>	213,384,118	<b>181,080,476</b>	208,439,884
<b>Number of shares issued and fully paid for</b>	<b>195,645,000</b>	195,645,000	<b>195,645,000</b>	195,645,000
Earnings per share (GH¢)	<b>0.0346</b>	0.0230	<b>0.0277</b>	0.0486
Net assets per share (GH¢)	<b>0.4341</b>	0.4262	<b>0.4148</b>	0.4137
Current ratio	<b>1.0601</b>	1.0613	<b>1.0096</b>	1.0348
Return on shareholders funds	<b>8%</b>	5%	<b>7%</b>	12%

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act, 1963 (Act 179) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group at the end of the financial year and of the income statement for that year.

The directors believe that in preparing the financial statements, they used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements, estimates, and that all international accounting standards which they consider to be appropriate were followed.

The directors are responsible for ensuring that the group keeps accounting records that disclose reasonable accuracy the financial position of the group to enable the directors ensure that the financial statements comply with the Companies Act, 1963 (Act 179) and Insurance Act, 2006 (Act 724).

This statements should be read together with the statement of the Auditors' on page 25 to highlight for shareholders the separate responsibilities of the directors and the Auditors to the financial statements.





Accountants &  
business advisers

## INDEPENDENT AUDITOR'S REPORT

To the members of SIC Insurance Company Limited

### Opinion

We have audited the consolidated financial statements of SIC Insurance Company Limited and its subsidiaries which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated 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 Act, 1963 (Act 179) and the Insurance Act, 2006 (Act 724).

### 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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.

The only key audit matter communicated is addressed in the emphasis of matter section of the auditor's report.

### Emphasis of Matter-effects of legal actions against SIC Insurance Company Limited

Without modifying our opinion, we draw attention to Note 8b of the consolidated financial statements, this describes:

- 1) A legal action brought against SIC Insurance Company Limited in 2013 by Ivory Finance Limited. This is in respect of a credit guarantee bond issued by SIC Insurance Company Limited to Ivory Finance Company to cover a loan facility Ivory extended to Italconstruct International Limited. The credit guarantee bond issued has resulted in a legal action for a claim of GH¢91,800,303 against SIC Insurance Company Limited. SIC Insurance Company Limited has paid GH¢19,303,800 in accordance with its bond obligation.

No further provision has been made at the end of the reporting period since SIC Insurance Company Limited and its Legal Counsel have filed an appeal to the Supreme Court and believe the payment of any additional amount is not probable.

## INDEPENDENT AUDITOR'S REPORT

Cont'd.

- 2) A judgment of GH¢8,500,000 awarded against SIC Insurance Company Limited. This was as a result of a warehousing bond of GH¢5,000,000 issued to Ghana Revenue Authority in favour of Novel Commodities Limited. No provision has been made in the financial statements because SIC Insurance Company Limited and its Legal Counsel have appealed against the judgment and are confident that the Court of Appeal will exercise its discretion in favour of SIC Insurance Company Limited.

### Other Information

The directors are responsible for the other information. The other information comprises the Board Chairman's Report, the Managing Director's Report, and the Report of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon. The Board Chairman's Report, the Managing Director's Report, and the Report of Directors, are expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Board Chairman's Report, the Managing Director's Report, and the Report of Directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as The Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

### Cont'd.

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

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

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

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

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

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

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

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

From the matters communicated with the Board of Directors, 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.

## INDEPENDENT AUDITOR'S REPORT

Cont'd.

### Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion proper books of account have been kept by the Company so far as appears from our examination of those books; and
- iii) the statement of financial position and statement of comprehensive income are in agreement with the books of account.

In accordance with section 78(1)(a) of the Insurance Act, 2006, (Act 724), the company has kept accounting records that are sufficient to explain its transactions and financial position with respect to its insurance business and any other business that it carries on.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Bruce – Tagoe (ICAG/P/1087)



.....  
For and on behalf of PKF (ICAG/F/2017/039)

Chartered Accountants

Farrar Avenue

P. O. Box GP 1219

Accra.

31st August, 2017

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER, 2016

	Note	Group		Company	
		2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Gross premium	5,6	160,111,229	138,984,920	160,111,229	138,984,920
Less: Reinsurances	7	(65,404,698)	(71,200,491)	(65,404,698)	(71,200,491)
<b>Net written premium</b>		<b>94,706,531</b>	67,784,429	<b>94,706,531</b>	67,784,429
Movement in unearned premium		(26,763,044)	16,503,834	(26,763,044)	16,503,834
<b>Net premium earned</b>		<b>67,943,487</b>	84,288,263	<b>67,943,487</b>	84,288,263
Claims incurred	8	(17,247,719)	(39,747,032)	(17,247,719)	(39,747,032)
Brokerage and advisory fees	9	10,749,496	5,231,229	-	-
Commissions	10	213,875	923,627	213,875	923,627
Management expenses	11	(70,594,051)	(62,822,029)	(62,176,480)	(50,143,172)
<b>Underwriting Loss</b>		<b>(8,934,912)</b>	(12,125,941)	<b>(11,266,837)</b>	(4,678,314)
Investment income	12	15,202,779	10,844,116	14,584,564	10,180,874
Other income	13	15,947,013	17,280,843	15,808,847	17,029,587
Finance costs	14	(1,965,323)	(1,276,792)	(1,965,323)	(1,276,792)
<b>Profit Before Tax &amp; Exceptional Item</b>		<b>20,249,557</b>	14,722,225	<b>17,161,251</b>	21,255,355
Exceptional claims	8b	(10,601,830)	(9,117,071)	(10,601,830)	(9,117,071)
<b>Profit before tax</b>		<b>9,647,727</b>	5,605,154	<b>6,559,421</b>	12,138,284
Taxation	20(c)	(2,265,851)	(363,632)	(816,467)	(2,032,447)
National stabilisation levy	20(b)	(618,739)	(741,271)	(327,971)	(606,914)
<b>Profit after tax transferred to</b>					
<b>Income surplus account</b>		<b>6,763,137</b>	4,500,251	<b>5,414,983</b>	9,498,923
<b>Amount Attributable to:</b>					
Equity holders of the parent		6,358,690	5,999,853	5,414,983	9,498,923
Non-Controlling Interest		404,447	(1,499,602)	-	-
		<b>6,763,137</b>	4,500,251	<b>5,414,983</b>	9,498,923
<b>Other Comprehensive Income</b>					
Net change in fair value of available for sale financial assets	24	(1,033,184)	(3,241,115)	(1,019,546)	(3,171,923)
<b>Total Comprehensive Income</b>		<b>5,729,953</b>	1,259,136	<b>4,395,437</b>	6,327,000
Basic earnings per share - GH¢	15	0.0346	0.0230	0.0277	0.0486

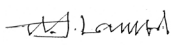
## STATEMENT OF CONSOLIDATED FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group		Company	
		2016	2015	2016	2015
		GHC	GHC	GHC	GHC
Stated capital	21	25,000,000	25,000,000	25,000,000	25,000,000
Capital surplus	22	17,788,506	17,788,506	17,788,506	17,788,506
Income surplus		5,879,340	8,510,790	2,576,867	6,152,024
Contingency reserve	23	24,662,451	19,859,114	24,662,451	19,859,114
Available-for-sale reserves	24	9,693,132	10,726,316	11,122,435	12,141,981
Non controlling interest		1,900,853	1,496,406	-	-
<b>Shareholders funds</b>		<b>84,924,282</b>	<b>83,381,132</b>	<b>81,150,259</b>	<b>80,941,625</b>
<b>Represented by:</b>					
Property, plant & equipment	25	29,652,051	28,570,944	29,710,667	28,614,187
Intangible assets	26	45,864	120,866	45,862	91,725
Investment properties	27	8,422,402	6,572,000	8,422,402	6,572,000
Long term investment	28	31,686,112	32,848,468	31,483,734	32,297,052
Investment in subsidiary	29	-	-	1,585,715	1,585,715
Investment in associated companies	30	11,152,061	9,718,351	11,152,061	9,718,351
		<b>80,958,490</b>	<b>77,830,629</b>	<b>82,400,441</b>	<b>78,879,030</b>
<b>Current assets</b>					
Short term investments	31	49,898,190	34,390,520	47,122,470	30,894,094
Trade & other receivables	32	18,181,968	36,313,807	11,707,986	34,064,487
Inventories		1,057,595	1,385,005	1,057,595	1,385,005
Unearned reinsurance premium	5	24,961,121	38,505,075	24,961,121	38,505,075
Cash and bank balances	34a	13,989,930	24,959,082	13,830,863	24,712,193
<b>Total current assets</b>		<b>108,088,804</b>	<b>135,553,490</b>	<b>98,680,035</b>	<b>129,560,854</b>
<b>Current liabilities</b>					
Bank Overdraft	34b	4,956,423	2,340,184	4,956,423	2,340,184
Unearned premium	5	49,757,149	36,538,059	49,757,149	36,538,059
Outstanding claims	8	11,317,898	45,199,180	11,317,898	45,199,180
Trade & other payables	33	32,940,596	41,132,113	30,888,674	39,180,981
Taxation	20a	2,260,433	2,170,848	377,059	1,612,689
National stabilisation levy	20(b)	725,386	348,108	444,713	333,953
<b>Total current liabilities</b>		<b>101,957,885</b>	<b>127,728,492</b>	<b>97,741,916</b>	<b>125,205,046</b>
<b>Net current assets</b>		<b>6,130,919</b>	<b>7,824,997</b>	<b>938,119</b>	<b>4,355,808</b>
Deferred tax	20(d)	(2,165,127)	(2,274,494)	(2,188,302)	(2,293,213)
<b>Total non-current liabilities</b>		<b>(2,165,127)</b>	<b>(2,274,494)</b>	<b>(2,188,302)</b>	<b>(2,293,213)</b>
<b>Net assets</b>		<b>84,924,282</b>	<b>83,381,132</b>	<b>81,150,259</b>	<b>80,941,625</b>

The Consolidated Financial Statements were approved by the Board of Directors on 1st August, 2017 and signed on their behalf by:

  
Mr. Ivan Aveyireh  
Ag. Board Chairman

  
Dr. Sydney Laryea  
Director

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

### FOR THE YEAR ENDED 31 DECEMBER, 2016

Group							
	Stated capital	Income surplus account	Contingency reserves	Capital surplus	Available-for sale reserves	Non-Controlling Interest	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Bal. at 1 Jan. 2015</b>	<b>25,000,000</b>	<b>(1,908,946)</b>	<b>24,278,997</b>	<b>17,788,506</b>	<b>13,967,431</b>	<b>2,996,008</b>	<b>82,121,996</b>
Profit for the year	-	4,500,251	-	-	-	-	4,500,251
Transfer (from)/to reserve	-	(4,371,760)	4,371,760	-	-	-	-
Net gain on avai-for-sale invest.	-	-	-	-	(3,241,115)	-	(3,241,115)
Transfer (from)/to reserve	-	8,791,643	(8,791,643)	-	-	-	-
Non controlling Interest	-	1,499,602	-	-	-	(1,499,602)	-
<b>Bal. at 31 Dec 2015</b>	<b>25,000,000</b>	<b>8,510,790</b>	<b>19,859,114</b>	<b>17,788,506</b>	<b>10,726,316</b>	<b>1,496,406</b>	<b>83,381,132</b>
<b>Bal at 1 Jan 2016</b>	<b>25,000,000</b>	<b>8,510,790</b>	<b>19,859,114</b>	<b>17,788,506</b>	<b>10,726,316</b>	<b>1,496,406</b>	<b>83,381,132</b>
Profit for the year	-	6,763,137	-	-	-	-	6,763,137
Transfer (from)/to reserve	-	(4,803,337)	4,803,337	-	-	-	-
Net gain on avai-for-sale invest.	-	-	-	-	(1,033,184)	-	(1,033,184)
Dividend paid	-	(4,186,803)	-	-	-	-	(4,186,803)
Non controlling interest	-	(404,447)	-	-	-	404,447	-
<b>Bal at 31 Dec 2016</b>	<b>25,000,000</b>	<b>5,879,340</b>	<b>24,662,451</b>	<b>17,788,506</b>	<b>9,693,132</b>	<b>1,900,853</b>	<b>84,924,282</b>
Company							
	Stated capital	Income surplus account	Contingency reserves	Capital surplus	Available-for sale reserves		Total
	GH¢	GH¢	GH¢	GH¢	GH¢		GH¢
<b>Balance at 1 Jan. 2015</b>	<b>25,000,000</b>	<b>(7,766,782)</b>	<b>24,278,997</b>	<b>17,788,506</b>	<b>15,313,904</b>		<b>74,614,625</b>
Profit for the year	-	9,498,923	-	-	-		9,498,923
Transfer (from)/to reserve	-	(4,371,760)	4,371,760	-	-		-
Net gain on avai-for-sale invest.	-	-	-	-	(3,171,923)		(3,171,923)
Transfer (from)/to reserve	-	8,791,643	(8,791,643)	-	-		-
<b>Balance at 31 Dec 2015</b>	<b>25,000,000</b>	<b>6,152,024</b>	<b>19,859,114</b>	<b>17,788,506</b>	<b>12,141,981</b>		<b>80,941,625</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

### FOR THE YEAR ENDED 31 DECEMBER, 2016

Company							
	Stated capital GH¢	Income surplus account GH¢	Contingency GH¢	Capital surplus GH¢	Available-for sale reserves GH¢		Total GH¢
<b>Balance at 1 January 2016</b>	<b>25,000,000</b>	<b>6,152,024</b>	<b>19,859,114</b>	<b>17,788,506</b>	<b>12,141,981</b>		<b>80,941,625</b>
Profit for the year	-	5,414,983	-	-	-		<b>5,414,983</b>
Transfer (from)/to reserve	-	(4,803,337)	4,803,337	-	-		-
Net gain on avai-for-sale invest.	-	-	-	-	(1,019,546)		<b>(1,019,546)</b>
Dividend paid	-	(4,186,803)	-	-	-		<b>(4,186,803)</b>
<b>Balance at 31 Dec 2016</b>	<b>25,000,000</b>	<b>2,576,867</b>	<b>24,662,451</b>	<b>17,788,506</b>	<b>11,122,435</b>		<b>81,150,259</b>



## STATEMENT OF CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER, 2016

	Group		Company	
	2016	2015	2016	2015
Operating activities	<b>GH¢</b>	GH¢	<b>GH¢</b>	GH¢
Operating profit	<b>9,647,727</b>	5,605,154	<b>6,559,421</b>	12,138,284
	<b>9,647,727</b>	5,605,154	<b>6,559,421</b>	12,138,284
<b>Adjustment to reconcile profit before tax to net cash flows</b>				
<b>Non-cash:</b>				
Depreciation	<b>1,154,431</b>	1,022,174	<b>1,102,898</b>	954,559
Amortisation of intangible assets	<b>75,002</b>	242,829	<b>45,862</b>	213,033
Available-for-sale reserve	-	(3,241,115)	-	(3,171,923)
Profit on disposal of property, plant & equipment	-	(950)	-	(950)
Share of associate profit	<b>(3,109,546)</b>	-	<b>(3,109,546)</b>	-
Interest received	<b>(9,770,475)</b>	(7,450,301)	<b>(9,768,346)</b>	(6,787,059)
Dividend received	<b>(4,816,218)</b>	(3,393,815)	<b>(4,816,218)</b>	(3,393,815)
<b>Working capital adjustments:</b>				
Change in provision for unearned premium	<b>13,219,090</b>	(6,740,402)	<b>13,219,090</b>	(6,740,402)
Change in receivables	<b>18,131,839</b>	(18,362,137)	<b>22,356,502</b>	(27,319,585)
Change in inventories	<b>327,410</b>	(280,739)	<b>327,410</b>	(280,739)
Change in trade & other payables	<b>(8,191,516)</b>	(1,518,458)	<b>(8,292,307)</b>	(2,161,241)
Change in provision for claims	<b>(33,881,282)</b>	35,148,898	<b>(33,881,282)</b>	35,148,898
Change in unearned reinsurance premium	<b>13,543,954</b>	(9,763,431)	<b>13,543,954</b>	(9,763,431)
Tax paid	<b>(2,285,633)</b>	(915,855)	<b>(2,157,008)</b>	(1,110,535)
National stabilisation levy paid	<b>(241,461)</b>	(538,192)	<b>(217,211)</b>	-
<b>Net cash used in operating activities</b>	<b>(8,047,081)</b>	(10,186,340)	<b>(6,937,185)</b>	(12,274,906)
<b>Investing activities</b>				
Acquisition of property, plant and equipment	<b>(2,235,538)</b>	(820,668)	<b>(2,199,378)</b>	(808,470)
Proceeds from sale of property, plant and equipment	-	950	-	950
Purchase / Redemption of long term investments	<b>1,805,008</b>	489,668	<b>1,469,608</b>	695,348
Dividend received	<b>4,816,218</b>	3,393,815	<b>4,816,218</b>	3,393,815
Interest received	<b>9,770,475</b>	7,450,301	<b>9,768,346</b>	6,787,059
	-	-	-	-

## STATEMENT OF CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER, 2016

	Group		Company	
	2016	2015	2016	2015
<b>Net cash used/flow from investing activities</b>	<b>14,156,163</b>	10,514,067	<b>13,854,794</b>	10,068,703
<b>Financing activities</b>				
Dividend paid	<b>(4,186,803)</b>	-	<b>(4,186,803)</b>	-
Net cash used in servicing of finance	<b>(4,186,803)</b>	-	<b>(4,186,803)</b>	-
Changes in cash and cash equivalents	<b>1,922,279</b>	327,726	<b>2,730,807</b>	(2,206,204)
Cash at 1 January	<b>57,009,418</b>	56,681,692	<b>53,266,103</b>	55,472,307
<b>Cash at 31 December</b>	<b>58,931,697</b>	57,009,418	<b>55,996,910</b>	53,266,103
<b>Analysis of changes in cash and cash equivalents</b>				
Cash and bank	<b>13,989,930</b>	24,959,082	<b>13,830,863</b>	24,712,193
Bank Overdraft	<b>(4,956,423)</b>	(2,340,184)	<b>(4,956,423)</b>	(2,340,184)
Short term investments	<b>49,898,190</b>	34,390,520	<b>47,122,470</b>	30,894,094
	<b>58,931,697</b>	57,009,418	<b>55,996,910</b>	53,266,103

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2016

### 1. Reporting Entity

SIC Insurance Company Limited underwrite non-life insurance risks, The group also issues a diversified portfolio of investment services to provide its customers with asset management solutions for their savings and retirement needs as well as undertaking brokerage services. The group is a limited liability group incorporated and domiciled in Ghana, with its registered office at Nyemitei House 28/29 Ring Road East Osu-Accra. SIC Insurance Company Limited has a primary listing on the Ghana Stock Exchange.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those Standards, as adopted by the International Accounting Standards Board and applicable legislation.

The following accounting standards, interpretations and amendments to published accounting standards that impact on the operations of the group were adopted:

IFRS 1 First time adoption of IFRS;

IFRS 4 Insurance contracts;

IFRS 7 Financial Instruments: Disclosures;

IAS 1 (Revised), Presentation of financial statements (added disclosures about an entity's capital and other disclosures);

IAS 14 Segment reporting;

IAS 16 Property, plant and equipment;

IAS 17 Leases;

IAS 18 Revenue;

IAS19 (Amendment), Employee benefits;

IAS 21 (Amendment), The effects of

changes in foreign exchange rates;

IAS 24 (Amendment), Related party disclosures;

IAS 32 (Amendment), Financial instruments: disclosure and presentation;

IAS 36 Impairment of assets;

IAS 37 Provisions, contingent liabilities and contingent assets;

IAS 38 Intangible assets;

IAS 39 (Amendment), Financial instruments: recognition and measurement; and

IAS 40 Investment properties.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value. Financial assets are held at fair value through profit and loss, investment property is measured at fair value, retirement benefit obligations and other long term employee benefit are measured at net present value, financial assets and liabilities are initially recognised at fair value.

#### (c) Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 the future periods if the revision affects both current and future periods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the group:

#### (a) Consolidation

##### i). Subsidiaries:

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases.

The group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where

necessary to ensure consistency with the policies adopted by the group.

##### ii). Associates:

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

#### (b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

#### (c) Foreign currency translation

##### i). Functional and presentation currency:

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ghana cedis, which is the group's presentation currency.

##### ii). Transactions and balances:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

iii). Exchange differences:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

### (d) Property, plant and equipment

Land and buildings comprise mainly outlets and offices occupied by the group. Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent appraisers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in shareholders' funds. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives, as follows:

Motor vehicles	20%	per annum
Office furniture	10%	"
Household furniture	20%	"
Freehold buildings	1.0%	"
Office equipment	20%	"
Computers	25%	"

Leasehold land & buildings are amortised over the life of the lease.

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

### (e) Investment properties

Property held for long-term rental yields, that is not occupied by any unit, subsidiary or associate of the group is classified as investment property.

Investment property comprises freehold land and buildings. It is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as discounted cash flow projections or recent prices on less active markets. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Changes in fair values are recorded in the statement of comprehensive income.

Property located on land that is held under operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the group. The initial cost of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. Upon the disposal of such investment property, any surplus previously recorded

in equity is transferred to retained earnings; the transfer is not made through the statement of comprehensive income.

### (f) Investment

The group classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this at every reporting date.

(i) Financial assets at fair value through income:

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short term profit-taking, or if so designated by management.

ii). Loans & receivables:

Loans & receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term or that it has designated as at fair value through income or available-for-sale. Loans & receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans & receivables.

iii). Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the group's management has the positive

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

intention and ability to hold to maturity.

iv). Available-for-sale financial assets:

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Regular way purchases and sales of investments are recognised on trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus, (in the case of all financial assets not carried at fair value through profit or loss), transaction costs that are directly attributable to their acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans & receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as net realised gains/losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference

to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

### (g) Impairment of assets

i). Financial assets carried at amortised cost:

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

- (i) significant financial difficulty of the issuer or debtor;
- (ii) a breach of contract, such as a default or delinquency in payments;
- (iii) it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- (iv) the disappearance of an active market for that financial asset because of financial difficulties; or
- (v) observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - Adverse changes in the payment status of issuers or debtors in the group; or

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

National or Local economic conditions that correlate with defaults on the assets in the group.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient approach, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

ii). Financial assets carried at fair value:

The group assesses at each statement of financial position date whether there is objective evidence that an available-for-sale financial asset is impaired, including in the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not subsequently reversed. The impairment loss is reversed through the statement of comprehensive income, if in a subsequent period the fair value of a debt instrument classified as available for sale increases and the

increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

iii). Impairment of other non-financial assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### (h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the state of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

the cost of acquisition.

### (k) Insurance and investment contracts - classification

The group issues contracts that transfer insurance risk or financial risk or both.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

#### (l) Insurance contracts

##### i). Recognition and measurement:

Insurance contracts are classified into categories, depending on the duration of risk and whether or not the terms and conditions are fixed.

##### ii). Non-life insurance contracts:

These contracts are casualty, property and personal accident insurance contracts.

Casualty insurance contracts protect the group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their

premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Personal accident insurance contracts mainly compensate the policy holder for bodily injuries suffered. It can be extended to family members and employees of the insured.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the statement of financial position date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third party properties damaged by the contract holders. They include direct and indirect claims settlement costs arising from events that have occurred up to the statement of financial position date event if they have not yet been reported to the group. The group does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

##### iii). Liability adequacy test:

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

In determining the adequacy on unearned premium, the liability adequacy test on unexpired risk premium was determined by computing the premium unearned on each policy as at 31 December 2015. Liability adequacy test in respect of claims is determined by taking the settled amount for each claim, agreed with the claimant. The sum insured is considered the best test for non-settled claims.

#### iv). Reinsurance contracts held:

Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts issued by the group and that meet the classification requirements for insurance contracts which are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

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

In certain cases a reinsurance contract is entered into retrospectively to reinsure a notified claim under the group's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the group for the related claim, the difference is amortised over the estimated remaining settlement period.

#### v). Receivables and payables related to insurance contracts:

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of comprehensive income.

#### vi). Salvage and subrogation reimbursements:

Some insurance contracts permit the group to sell (usually damaged) property acquired in settling a claim (ie, salvage). The group may also have the right to pursue third parties for payment of some or all costs (i.e., subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### (m) Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

### (n) Employee benefits

#### i). Pension obligations:

The group operate various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay

further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### ii). Other post-employment obligations:

The group provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The cost is expensed in the statement of comprehensive income when incurred.

#### iii). Termination benefits:

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

### (o) Provisions

#### i). Restructuring costs and legal claims:

Provisions for restructuring costs and legal claims are recognised when: the group has

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### (p) Revenue recognition

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the group. Revenue is recognised as follows:

#### i). Premiums:

Written premiums for non-life insurance business comprise the premiums on contracts incepting in the financial year. Written premiums are stated gross of commissions payable to intermediaries.

Unearned premiums are those proportions of the premium which relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on the basis of the number of days beyond the statement of financial position date.

#### ii). Investment income:

Investment income consists primarily of dividends, interest receivable and realised gains and losses.

#### iii). Fee, commission and other income:

Fee, commission and other income consists primarily of reinsurance and profit commissions, asset management fees, policyholder administration fees and other contract fees.

#### iv). Interest income:

Interest income for financial assets that are not classified as fair value through profit or loss is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

#### v). Dividend income:

Dividend income for available-for-sale equities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

#### vi). Rental income:

Rental income is recognised on an accrual basis.

### (q) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalized at the lower of cost and the present value of the minimum lease payment at inception of the lease, and amortised over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position.

### (r) Dividend distribution

Dividend distribution to the group's shareholders is recognised as a liability in the group's financial statements in the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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period in which the dividends are approved by shareholders.

### (s) Critical accounting estimates and judgments in applying accounting policies

The group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next 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.

- i). The ultimate liability arising from claims made under insurance contracts:

The estimation of the ultimate liability arising from claims made under insurance contracts is the group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the group will ultimately pay for such claims.

- ii). Impairment of available-for-sale equity financial assets:

The group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

### (t) Management of insurance and financial risk

The group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the group manages them.

- i). Insurance risk:

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

- ii). Sources of uncertainty in the estimation of future claim payments:

Claims on casualty contracts are payable when the insured event occurs. The group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and larger variables 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 they adopt. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The group 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. The liability for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the statement of financial position date. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the statement of financial position date.

In calculating the estimated cost of unpaid claims (both reported and not), the group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high

and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid the group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

### iii). Financial risk:

The group is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risk that the group primarily faces due to the nature of its investments and liabilities is interest rate risk.

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a). Interest rate risk:

Interest-rate risk is the only financial risk that has a materially different impact across the assets and liabilities categorised in the group's assets and liabilities management (ALM) framework.

	31-Dec-16	Scenario 1	Scenario 2
	Amount		5% decrease
	GH¢	GH¢	GH¢
Pre-tax profit/ (Loss)	9,647,727	10,130,113	9,165,340
Shareholders' equity	84,924,282	89,170,497	80,678,068

Assuming no management actions, a series of such rises would increase pre-tax profit for 2016 by GH¢482,386, while a series of such falls would decrease pre-tax profit for 2016 by GH¢ 482,386. Also a series of such rises would increase the shareholders' equity by GH¢4,246,214 whilst a series of such falls would decrease shareholders' equity by GH¢ 4,246,214

**b) Credit risk:**

The group has exposure to credit risk, which is the risk that counterparty will be unable to pay amounts in full when due. Key areas where the group is exposed to credit risk are:

- reinsurers' share of insurance liabilities,
- amounts due from reinsurers in respect of claims already paid,

The group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and business lines are approved by the Board of Directors.

**c). Liquidity risk:**

The group is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The group's approach to managing liquidity risk is to ensure that it will maintain adequate liquidity to meet its liabilities when due. Please refer to note 19 for the details of the insurance liabilities which may have an impact on the liquidity risk.

**d). Currency risk:**

The group operates locally and its exposures to foreign exchange risk arise primarily with respect to the US dollar, the Euro and the UK pound due to the reinsurance businesses undertaken with foreign based Reinsurers as well as policies undertaken in foreign currencies. The group receives claims from its reinsurers in foreign currencies and also has some investments in foreign currencies which mitigates the foreign currency exchange rate risk for these operations.

As a result, foreign exchange risk arises from recognised assets and liabilities denominated in other currencies.

The following table details the group's sensitivity to a 10% increase and decrease in the cedi against the relevant foreign currencies. 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 the impact of change in a single factor is shown, with other assumptions unchanged.

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	31-Dec-16	Scenario 1	Scenario 2
	Amount	10% increase	5% decrease
	GH¢	GH¢	GH¢
Pre-tax profit	9,647,727	10,612,499	8,682,954
Shareholders' equity	84,924,282	93,416,711	76,431,854

Assuming no management actions, a series of such rises would increase pre-tax profit for 2016 by GH¢964,773, while a series of such falls would decrease pre-tax profit for 2016 by GH¢964,773. Also a series of such rises would increase the shareholders' equity by GH¢8,492,428, whilst a series of such falls would decrease shareholders' equity by GH¢8,492,428.

The following significant exchange rates were applied during the year:

	2016	2016	2015	2015
	GH¢	GH¢	GH¢	GH¢
	Selling	Buying	Selling	Buying
US Dollar	3.9380	3.9319	3.7595	3.7632
GB Pound	5.2726	5.2980	5.7400	5.7474
Euro	4.3326	4.3360	4.1517	4.1502

#### 4. The following new standards, amendments to standards and interpretations to existing standards are not yet effective for the year ended 31 December 2016, and have not been applied in preparing these financial statements.

**IFRS 9 Financial Instruments:** A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment, Hedge Accounting and Derecognition. Applicable on or before 1 January 2018.

**IFRS 15 Revenue from contracts with customers:** New standard that requires

entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Applicable on or before 1 January 2018.

**IFRS 2, Share-based Payment:** Classification and Measurement of Share-based Payment Transactions: A collection of three distinct narrow scope amendments dealing with classification and measurement of share-based payments. Applicable on or before 1 January 2018.

**IFRS 4, Insurance Contracts:** Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts: Two amendments to IFRS 4 to address the interaction between IFRS 4 and IFRS 9; a temporary exemption from IFRS 9 has been granted to insurers that meet specified criteria; and an optional accounting policy choice has been introduced to allow an insurer to apply the overlay approach to designated financial asset when it first applies IFRS 9. Applicable on or before 1 January 2018.

**IFRS 12 Disclosure of Interest in Other Entities:** Annual Improvement 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interest in entities classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. Applicable on or before 1 January 2017

**IFRS 16 Leases:** New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, and unless the underlying asset is of low value. Applicable on or before 1 January 2019.

**IAS 7 Statement of Cash Flows:** Amendments requiring entities to disclose information about changes in their financing liabilities. Applicable on or before 1 January 2017



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**IAS 12 Income Taxes:** Recognition of deferred tax assets for unrealised losses. Applicable on or before 1 January 2017

**IAS 40 Investment Property:** Transfers of investment property: Clarification of the requirements on transfers to, or from, investment property. Applicable on or before 1 January 2018.

**IAS 28 Investment in Associate and Joint ventures:** Annual Improvements 2014-2016 Cycle: Clarification that event capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Applicable on or before 1 January 2018.

**IFRIC 22 Foreign Currency:** Transactions and advance consideration: This interpretation addresses the exchange

rate to use in transactions that involve advance consideration paid or received in foreign currency. Applicable on or before 1 January 2018

### 5. Segment information

Segmental information is presented in respect of the group's business segments. The primary format and business segments, is based on the group's management and internal reporting structure.

The group's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The group does not have a geographical segment.

Class of business	Marine &				2016	2015
	Motor GH¢	Fire GH¢	Accident GH¢	Aviation GH¢	Total GH¢	Total GH¢
Gross Premium	63,564,209	52,761,885	34,411,041	9,374,094	<b>160,111,229</b>	138,984,920
Reinsurances	(833,628)	(43,393,546)	(11,841,148)	(9,336,376)	<b>(65,404,698)</b>	(71,200,491)
<b>Net premiums</b>	<b>62,730,582</b>	<b>9,368,339</b>	<b>22,569,893</b>	<b>37,718</b>	<b>94,706,531</b>	<b>67,784,429</b>
Movement in unearned prem	(8,967,691)	(12,386,334)	(2,803,005)	(2,606,013)	<b>(26,763,044)</b>	16,503,834
<b>Premium earned</b>	<b>53,762,891</b>	<b>(3,017,996)</b>	<b>19,766,887</b>	<b>(2,568,295)</b>	<b>67,943,487</b>	<b>84,288,263</b>
Commissions	(8,019,617)	7,049,116	23,802	1,160,574	<b>213,875</b>	923,627
Claims	45,743,274	4,031,121	19,790,689	(1,407,721)	<b>68,157,362</b>	85,211,891
	(28,560,740)	12,999,541	267,882	(1,954,402)	<b>(17,247,719)</b>	(39,747,031)
Management expenses	17,182,534	17,030,662	20,058,571	(3,362,123)	<b>50,909,643</b>	45,464,860
	(24,684,082)	(20,489,183)	(13,362,944)	(3,640,270)	<b>(62,176,480)</b>	(50,143,172)
Underwriting results transferred to Rev. A/c	(7,501,549)	(3,458,521)	6,695,627	(7,002,393)	<b>(11,266,837)</b>	(4,678,313)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Class of business	Marine &				2016	2015
	Motor	Fire	Accident	Aviation	Total	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Total assets</b>					<b>189,047,294</b>	213,384,118
<b>Total liabilities</b>					<b>104,123,012</b>	130,002,986
<b>Shareholders funds</b>					<b>84,924,282</b>	83,381,132
Unearned premium	Marine &				2016	2015
	Motor	Fire	Accident	Aviation	Total	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Unearned Premium - Start	17,409,777	10,057,761	5,511,169	3,559,352	<b>36,538,059</b>	43,278,462
Unearned Rein Prem - Start	(218,412)	(22,435,104)	(9,123,790)	(6,727,769)	<b>(38,505,075)</b>	(28,741,644)
Unearned Prem - Close	(26,368,425)	(14,491,294)	(5,443,798)	(3,453,632)	<b>(49,757,149)</b>	(36,538,059)
Unearned Rein Prem - Close	209,369	14,482,303	6,253,413	4,016,036	<b>24,961,121</b>	38,505,075
Movement in Unearned Prem	(8,967,691)	(12,386,334)	(2,803,005)	(2,606,013)	<b>(26,763,044)</b>	16,503,834

The non-life insurance business is organised into four segments as shown above.

**Motor:**

- i) This business unit underwrites motor insurance by giving cover which indemnifies the insured against any accidental loss to motorbikes and vehicles. There are three types of motor insurances namely; comprehensive, third party and third party fire & theft.

household buildings, personal effects, commercial and industrial buildings, plants & machinery, raw materials, finished goods and profits (business disruption) policies. Fire cover is usually in three parts, namely; fire, lighting, and limited explosions.

**Marine & Aviation:**

- ii) Marine insurance provides cover on airborne cargoes, ships, fishing vessels as well as ports & harbours installations. Aviation on the other hand covers aircrafts itself, cargo and passengers.

**Accident:**

- iv) Accident policies covers a broad range of activities including personal accidents, family personal accidents, group personal accidents, burglary, cash-in-transit, goods-in-transit, bankers indemnity, pedals cycle, products liability, contractors all-risk, travel insurance, bonds etc.

**Fire:**

- iii) Fire insurance covers accidental destruction of properties including

The business segments operates on a short-term insurance cycle.

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6. Gross premium	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Motor	63,564,209	48,394,655	63,564,209	48,394,655
Fire	52,761,885	38,847,466	52,761,885	38,847,466
Accident	34,411,041	40,238,904	34,411,041	40,238,904
Marine and aviation	9,374,094	11,503,895	9,374,094	11,503,895
	<b>160,111,229</b>	138,984,920	<b>160,111,229</b>	138,984,920

7. Reinsurances	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Motor	833,628	7,628,754	833,628	7,628,754
Fire	43,393,546	40,995,835	43,393,546	40,995,835
Accident	11,841,148	14,508,864	11,841,148	14,508,864
Marine and aviation	9,336,376	8,067,038	9,336,376	8,067,038
	<b>65,404,698</b>	71,200,491	<b>65,404,698</b>	71,200,491

8a Claims incurred	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Payments during the year	47,132,715	36,007,874	47,132,715	36,007,874
Claims outstanding as at 31-Dec	11,317,898	45,199,180	11,317,898	45,199,180
	<b>58,450,613</b>	81,207,054	<b>58,450,613</b>	81,207,054
Claims outstanding at 1-Jan	(45,199,180)	(10,050,283)	(45,199,180)	(10,050,283)
	<b>13,251,433</b>	71,156,771	<b>13,251,433</b>	71,156,771
Net recoveries	3,996,286	(31,409,739)	3,996,286	(31,409,739)
Claims net of recoveries	<b>17,247,719</b>	39,747,032	<b>17,247,719</b>	39,747,032

8b Exceptional claims	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
NDK Financial Services Limited	6,606,233	9,117,071	6,606,233	9,117,071
IDEAL Finance Limited	752,717	-	752,717	-
DALEX Finance Limited	3,242,880	-	3,242,880	-
	<b>10,601,830</b>	9,117,071	<b>10,601,830</b>	9,117,071

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**Ivory Finance Limited**

The credit guarantee bonds issued by SIC and its consequent legal action for a claim of GH91,800,303 in respect of a contentious consent judgment is still pending. In the likely event that the action succeeds, SIC's liability would not exceed GH¢19,303,800 in view of a pending appeal on behalf of SIC in the Supreme Court.

**Ghana Revenue Authority(GRA)**

This is a claim against SIC for the sum of GH5,000,000. Judgment has been entered in favour of GRA for the said GH5,000,000 plus interest. SIC has appealed that decision to the Court of Appeal.

9. Brokerage and advisory fees	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Asset Management	7,324,366	3,701,716	-	-
Corporate Finance	3,086,566	1,301,752	-	-
Brokerage Fees	338,564	227,761	-	-
	<b>10,749,496</b>	<b>5,231,229</b>	<b>-</b>	<b>-</b>

10. Commissions	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Receivable	15,693,305	16,272,647	15,693,305	16,272,647
Payable	(15,479,430)	(15,349,020)	(15,479,430)	(15,349,020)
Net commissions	<b>213,875</b>	<b>923,627</b>	<b>213,875</b>	<b>923,627</b>

**11. Management expenses**

Management expenses is stated after charging:

Management expenses is stated after charging:	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Directors' emoluments	785,491	655,782	654,324	579,398
Staff cost	42,790,976	29,425,062	39,775,108	29,425,062
Depreciation	1,154,431	1,022,174	1,102,898	954,559
Software amortisation	75,002	213,033	45,862	213,033
Audit fees	196,150	168,500	121,900	106,000

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12. Investment Income	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Dividend	4,816,218	3,393,815	4,816,218	3,393,815
Interest on fixed deposits	5,710,335	5,963,923	5,710,335	5,963,923
Interest on treasury bills	3,331,239	615,221	3,331,239	615,221
Statutory Investments	616,086	-	616,086	-
Other investment income	728,901	871,157	110,686	207,915
	<b>15,202,779</b>	<b>10,844,117</b>	<b>14,584,564</b>	<b>10,180,875</b>

13. Other income	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Rent	2,260,899	652,716	2,260,899	652,716
GOGIP Management Fees	3,369,285	-	3,369,285	-
Sale of stickers	2,167,663	-	2,167,663	-
Net Medical Income	1,347,992	-	1,347,992	-
Profit on disposal of assets	-	22,320	-	950
Sundry income	5,819,843	9,161,784	5,681,677	8,933,169
Gain on exchange	981,331	7,444,023	981,331	7,442,752
	<b>15,947,013</b>	<b>17,280,843</b>	<b>15,808,847</b>	<b>17,029,587</b>

14. Finance Cost	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Overdraft & Other Charges	1,965,323	1,276,792	1,965,323	1,276,792

## 15. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the group and held as treasury shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Profit attributable to the group's equity holders	<b>6,763,137</b>	4,500,251	<b>5,414,983</b>	9,498,923
Weighted average number of ordinary shares in issue	<b>195,645,000</b>	195,645,000	<b>195,645,000</b>	195,645,000
Basic earnings per share	<b>0.0346</b>	0.0230	<b>0.0277</b>	0.0486

## 16. Financial instruments classification summary

The group's financial assets are summarised below by measurement category as follows:

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Available-for-sale (Note 17)	<b>31,543,752</b>	32,721,948	<b>31,341,374</b>	32,170,532
Receivables (including insurance receivables) (Note 18)	<b>2,641,627</b>	27,080,926	<b>2,641,627</b>	27,080,926

The group does not hold financial assets in the category of Held-to-maturity as well as Fair value designated through income.

## 17. Available-for-sale financial assets

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
<b>Equity securities:</b>				
Listed	<b>12,392,442</b>	13,570,638	<b>12,190,064</b>	13,019,222
Unlisted	<b>19,151,310</b>	19,151,310	<b>19,151,310</b>	19,151,310
<b>Total available-for-sale financial assets</b>	<b>31,543,752</b>	32,721,948	<b>31,341,374</b>	32,170,532

## 18. Receivables

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Due from agents, brokers and intermediaries	<b>2,641,627</b>	27,080,926	<b>2,641,627</b>	27,080,926
Total receivables including insurance receivables	<b>2,641,627</b>	27,080,926	<b>2,641,627</b>	27,080,926
Current portion	<b>2,641,627</b>	27,080,926	<b>2,641,627</b>	27,080,926

The carrying amount is a reasonable approximation of fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The group's receivables are non-interest bearing assets. Management has assessed all receivables for impairment purposes, and no impairment loss was determined.

19. Insurance liabilities	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Claims reported and loss adjustment expenses	6,716,949	36,363,139	6,716,949	36,363,139
Claims incurred but not reported (IBNR)	2,770,221	6,711,307	2,770,221	6,711,307
Unearned premiums	49,757,149	36,538,059	49,757,149	36,538,059
Total insurance liabilities	59,244,319	79,612,505	59,244,319	79,612,505

### 20a. Taxation - Group

#### (a) Income tax payable

	At 1-Jan GH¢	Charge for the year GH¢	Paym't during the year GH¢	At 31-Dec GH¢
2010-2015	2,170,848	-	-	2,170,848
2016	-	2,375,218	(2,285,633)	89,585
	2,170,848	2,375,218	(2,285,633)	2,260,433

#### (b) Reconstruction/Stabilization levy

	At 1-Jan GH¢	Charge for the year GH¢	Paym't during the year GH¢	At 31-Dec GH¢
2001-2006	348,108	-		348,108
2016	-	618,739	(241,461)	377,278
	348,108	618,739	(241,461)	725,386
	2,518,956	2,993,957	(2,527,094)	2,985,819

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

**(c) Income tax expenses**

	2016	2015
	GH¢	GH¢
Corporate tax	<b>2,375,218</b>	(287,389)
Deferred tax	<b>(109,367)</b>	651,021
	<b>2,265,851</b>	363,632

**(d) Deferred tax**

	2016	2015
	GH¢	GH¢
Balance at 1st January	<b>2,274,494</b>	1,623,473
Accelerated capital allowance	<b>(109,367)</b>	651,021
Balance at 31 December	<b>2,165,127</b>	2,274,494

**20b. Taxation - Company****(a) Income tax payable**

	At 1-Jan GH¢	Charge for the year GH¢	Paym't during the year GH¢	At 31-Dec GH¢
2010-2015	1,612,689	-	-	<b>1,612,689</b>
2016	-	921,378	(2,157,008)	<b>(1,235,630)</b>
	1,612,689	921,378	(2,157,008)	<b>377,059</b>

**(b) Reconstruction/Stabilization levy**

	At 1-Jan GH¢	Charge for the year GH¢	Paym't during the year GH¢	At 31-Dec GH¢
2001-2006	333,953	-	-	<b>333,953</b>
2016	-	327,971	(217,211)	<b>110,760</b>
	333,953	327,971	(217,211)	<b>444,713</b>
	1,946,642	1,249,349	(2,374,219)	<b>821,772</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

### (c) Income tax expenses

	2016	2015
	GH¢	GH¢
Corporate tax	921,378	1,382,427
Deferred tax	(104,911)	650,020
	<b>816,467</b>	2,032,447

### (d) Deferred tax

	2016	2015
	GH¢	GH¢
Balance at 1st January	2,293,213	1,643,193
Accelerated capital allowance	(104,911)	650,020
Balance at 31 December	<b>2,188,302</b>	2,293,213

## 21. Stated capital

- (a) The number of authorised shares is 500,000,000 of no par value.  
 (b) The number of shares issued is 195,645,000.  
 (c) The number of shares fully paid is 195,645,000.  
 (d) Stated capital is made up as follows:

	2016	2015
	GH¢	GH¢
Issued and fully paid for cash	200	200
Transfer from income surplus	42,600	42,600
Transfer from capital surplus	24,957,200	24,957,200
	<b>25,000,000</b>	25,000,000

- (e) There are no shares in treasury and no call or installment unpaid on any share.

## 22. Capital Surplus

This represents surplus arising from revaluation of certain landed properties. The landed properties were professionally valued by a consortium of Valuers namely, Apex Valuation, Surveying and Property Consult at September 2010 and incorporated in the financial statement in 2014 on the basis of their open market values.

The movement in the capital surplus account for the year is as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	17,788,506	17,788,506	17,788,506	17,788,506
Balance at 31 December	17,788,506	17,788,506	17,788,506	17,788,506

23. Contingency reserve	2016	2015
	GH¢	GH¢
Balance at 1 January	19,859,114	24,278,997
Transfer from income surplus	4,803,337	4,371,760
Transfer to income surplus	-	(8,791,643)
Balance at 31 December	24,662,451	19,859,114

This represents sums set aside to cover fluctuation in securities and variations in statistical estimate in accordance with the Insurance Act, 2006 (Act 724).

24. Available-for-sale reserves	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	10,726,316	13,967,431	12,141,981	15,313,904
Fair valuation	(1,033,184)	(3,241,115)	(1,019,546)	(3,171,923)
Balance at 31 December	9,693,132	10,726,316	11,122,435	12,141,981

The available-for-sale reserve is used to record the differences resulting from the valuation of the related investments.

## 25a. Property, plant and equipment - Group

Cost/valuation	At			At
	1-Jan	Additions	Disposal	31-Dec
	GH¢	GH¢	GH¢	GH¢
Leasehold buildings	5,802,636	338,471	-	6,141,107
Leasehold land	5,190,013	317,999	-	5,508,012
Freehold buildings	7,725,852	-	-	7,725,852
Freehold land	9,429,000	-	-	9,429,000
Computers	1,224,928	116,890	-	1,341,818
Capital work in progress	2,731,502	62,157	-	2,793,659
Other machinery & equipment	6,598,361	1,400,021	-	7,998,382
	38,702,292	2,235,538	-	40,937,830

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Depreciation	At	Charge	Disposal	At
	1-Jan	for year		31-Dec
	GH¢	GH¢	GH¢	GH¢
Leasehold buildings	2,117,930	143,433	-	<b>2,261,363</b>
Leasehold land	1,313,106	102,625	-	<b>1,415,731</b>
Freehold buildings	500,072	75,720	-	<b>575,792</b>
Computers	1,153,634	71,183	-	<b>1,224,817</b>
Other machinery & equipment	5,046,606	761,470	-	<b>5,808,076</b>
	10,131,348	1,154,431	-	<b>11,285,779</b>
<b>Net book value</b>				
<b>At 31 December 2016</b>				<b>29,652,051</b>
At 31 December 2015				28,570,944

### Disposal of assets

	Property, plant & equip.	
	2016	2015
	GH¢	GH¢
<b>Cost</b>	-	950
Accumulated depreciation	-	-
Net book value	-	950
Proceeds from sale	-	950
Profit on disposal	-	-

Depreciation expense of **GH¢1,154,431** (2015:GH¢1,022,174) has been charged in management expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

### 25b. Property, plant and equipment - Company

Cost/valuation	At			At
	1-Jan	Additions/ Revaluation	Disposal/ Adjustments	31-Dec
	GH¢	GH¢	GH¢	GH¢
Leasehold buildings	5,802,636	338,471	-	<b>6,141,107</b>
Leasehold land	5,190,013	317,999	-	<b>5,508,012</b>
Freehold buildings	7,725,784	-	-	<b>7,725,784</b>
Freehold land	9,429,000	-	-	<b>9,429,000</b>
Computers	1,091,953	102,043	-	<b>1,193,996</b>
Capital Work in progress	3,203,841	62,157	-	<b>3,265,998</b>
Other machinery & equipment	5,749,251	1,378,708	-	<b>7,127,959</b>
	38,192,478	2,199,378	-	<b>40,391,856</b>

Depreciation	At			At
	1-Jan	Charge for year	Disposal/ Adjustments	31-Dec
	GH¢	GH¢	GH¢	GH¢
Leasehold buildings	2,117,931	143,433	-	<b>2,261,364</b>
Leasehold land	1,313,108	102,625	-	<b>1,415,733</b>
Freehold buildings	500,071	75,720	-	<b>575,791</b>
Computers	1,025,028	62,145	-	<b>1,087,173</b>
Other machinery & equipment	4,622,153	718,975	-	<b>5,341,128</b>
	9,578,291	1,102,898	-	<b>10,681,189</b>

#### Net book value

At 31 December 2016

**29,710,667**

At 31 December 2015

**28,614,187**

#### Disposal of assets

	Property, plant & equip.	
	2016	2015
	GH¢	GH¢
<b>Cost</b>	-	950
Accumulated depreciation	-	-
Net book value	-	950
Proceeds from sale	-	950
Profit on disposal	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cont'd.

Depreciation expense of GH¢1,102,898 (2015: GH¢954,559) has been charged in management expenses.

### 26. Intangible assets - Group

Cost/valuation	At		At
	1 Jan	Additions	31 Dec
	GH¢	GH¢	GH¢
Computer software	2,106,180	-	<b>2,106,180</b>
	2,106,180	-	<b>2,106,180</b>

Amortisation	At		At
	1 Jan	Charge for year	31 Dec
	GH¢	GH¢	GH¢
Computer software	1,985,314	75,002	<b>2,060,316</b>
	1,985,314	75,002	<b>2,060,316</b>

#### Net book value

At 31 December 2016

**45,864**

At 31 December 2015

**120,866**

Intangible assets - Company

Cost/valuation	Revaluations	At		At
		1 Jan	Additions	31 Dec
	GH¢	GH¢	GH¢	GH¢
Computer software		1,415,103	-	<b>1,415,103</b>
		1,415,103	-	<b>1,415,103</b>

Amortisation	At		At
	1 Jan	Charge for year	31 Dec
	GH¢	GH¢	GH¢
Computer software	1,323,378	45,862	<b>1,369,241</b>
	1,323,378	45,862	<b>1,369,241</b>

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### Net book value

At 31 December 2016

**45,862**

At 31 December 2015

**91,725**

The Orion and Premia softwares have been fully amortised over three years, however management believes that the group will continue to derive economic benefits from the use of these software over the next few years, hence the decision to extend its useful life.

### 27. Investment properties

Cost/valuation	At		At 31-Dec GH¢
	1-Jan	Addition/ Revaluation	
	GH¢	GH¢	
Leasehold properties	5,429,300	1,850,403	<b>7,279,702</b>
Freehold land & buildings	1,142,700	-	<b>1,142,700</b>
	<b>6,572,000</b>	<b>1,850,403</b>	<b>8,422,402</b>

### 28. Long term investments

	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Equity shares	31,543,752	32,721,948	31,341,374	32,170,532
Bonds	142,360	126,520	142,360	126,520
	<b>31,686,112</b>	<b>32,848,468</b>	<b>31,483,734</b>	<b>32,297,052</b>

### 29. Investment in subsidiary

	2016	2015
	GH¢	GH¢
	Balance as at 1st January	<b>1,585,715</b>
Adjustments during the year (revaluation)	-	-
Balance as at 31st december	<b>1,585,715</b>	1,585,715

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The subsidiary company is:

	Nature of business	Number of shares	% Interest held
SIC Financial Services Limited	Investment advisory, asset & fund management	3,000	70

30. Investment in associated company	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
<b>Balance at 1 January</b>	9,718,351	7,241,776	9,718,351	7,241,776
Movement in investment	1,433,710	2,476,575	1,433,710	2,476,575
<b>Balance at 31 December</b>	<b>11,152,061</b>	<b>9,718,351</b>	<b>11,152,061</b>	<b>9,718,351</b>

	Nature of business	Number of shares '000	% Interest held
<b>SIC LIFE GHANA LIMITED</b>	Life Assurance	<b>20,000,000</b>	20

31. Short-term investments	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Ghana Gov't treasury bills	<b>26,359,898</b>	9,966,250	<b>26,359,898</b>	6,469,824
Bank time deposits	<b>23,538,292</b>	24,424,270	<b>20,762,572</b>	24,424,270
	<b>49,898,190</b>	<b>34,390,520</b>	<b>47,122,470</b>	<b>30,894,094</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. Trade & other receivables	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Premium debtors	-	-	-	-
Accrued income and prepayments	249,975	646,304	116,686	310,344
Staff debtors	7,936,835	3,618,771	2,548,343	3,618,771
Sundry debtors	7,353,531	4,967,806	6,401,330	3,054,446
Agents & reinsurance balance	2,641,627	27,080,926	2,641,627	27,080,926
	<b>18,181,967</b>	<b>36,313,807</b>	<b>11,707,986</b>	<b>34,064,487</b>

33. Trade & other payables	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Agents & brokers	4,382,520	7,897,172	4,382,520	7,897,172
Reinsurers	6,190,663	15,457,494	6,190,663	15,457,494
Sundry creditors	11,996,338	7,088,896	9,944,416	5,137,764
Exceptional Claims (8b)	7,715,079	9,113,163	7,715,079	9,113,163
Current account with oil and gas	2,655,996	1,575,388	2,655,996	1,575,388
	<b>32,940,596</b>	<b>41,132,113</b>	<b>30,888,674</b>	<b>39,180,981</b>

34.a Cash and cash equivalents	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Cash at bank and in hand	13,989,930	24,959,082	13,830,863	24,712,193
	<b>13,989,930</b>	<b>24,959,082</b>	<b>13,830,863</b>	<b>24,712,193</b>

34.b Bank Overdraft	Group		Company	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Ecobank Ghana Limited	4,956,423	2,340,184	4,956,423	2,340,184
	<b>4,956,423</b>	<b>2,340,184</b>	<b>4,956,423</b>	<b>2,340,184</b>



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### Ecobank Ghana Limited

The company has an overdraft facility of **GH¢5,000,000** with the bank to support the company's operational expenses requirement. Interest rate is at 25.95% per annum. The facility expires on 30th April 2017. The overdraft is secured with Treasury bills in Ecobank Ghana Limited.

### 35. Contingencies, capital and financial commitments

The group entered into various commitments in the normal course of insurance business that are not reflected in the accompanying financial statements.

The group has contingent liabilities in respect of claims and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

However, the group like all other insurers, is subject to litigation in the normal course of its business.

### 36. Social responsibilities

An amount of **GH¢219,104** was spent on fulfilling the social responsibility of the company (2015: GH¢133,196.00).

### 37. Related party transactions

A number of business transactions are entered into with related parties in the normal course of business. These include premiums, claims, etc. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end are as follows:

	2016	2015
	GH¢	GH¢
a. The following transactions were carried out with related parties;		
<b>i) Social Security &amp; National Insurance Trust</b>		
Premium income	<b>2,077,408</b>	749,364
Claims paid	<b>243,886</b>	92,426
<b>ii) Ghana Reinsurance Company Limited</b>		
Premium income	<b>19,932</b>	30,854
Claims paid	-	-
<b>iii) SIC Life Insurance Company</b>		
Premium income	<b>512,834</b>	259,248
Claims paid	<b>189,261</b>	86,368
Dividend received from SIC Life	-	557,290

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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<b>iv) Ghana Commercial Bank Limited</b>		
Premium income	<b>905,418</b>	287,248
Claims paid	<b>147,589</b>	11,102
<b>v) Ghana Cocoa Board</b>		
Premium income	<b>617,777</b>	998,878
Claims paid	<b>233,328</b>	35,679
<b>vi) SIC Financial Services Limited (FSL)</b>		
Payment made by SIC on SIC FSL's behalf	<b>506,567</b>	251,146
Staff provident fund contribution deposited with SIC FSL	<b>1,983,046</b>	1,812,926
<b>vii) Ghana Oil and Gas Insurance Pool</b>		
Payment made on behalf of GOGIP by SIC	-	16,265
	<b>2016</b>	<b>2015</b>
<b>b. Year end balances arising from transactions with related party are as follows;</b>		
<b>i) Amount due from related parties</b>		
Premium receivable from SIC Life	-	742,972
Premium receivable from SIC FSL	-	119,279
<b>ii) Amount due to related parties</b>		
<b>Ghana Oil and Gas Insurance Pool</b>	<b>2,655,996</b>	1,575,388
<b>c. The compensation of executive and management staff is shown below;</b>		
Salaries and other benefits	<b>2,205,569</b>	1,647,800
Employers Social Security Fund	<b>161,203</b>	1,220,096
Employers Provident Fund	<b>94,762</b>	70,440
<b>d. Transactions with directors</b>		
Directors emoluments are disclosed in note 11		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 38. Directors' shareholding as at 31 December 2016

Name of Director	Number of shares held	% Shares held
Mr. Robert Afflah Sackey	4,000	0.0020
Dr. Sydney Yayah Laryea	6,700	0.0030
Mr. Daniel Ofori	7,804,815	3.9890
	<b>7,815,515</b>	<b>3.9940</b>

### 39.a Analysis of shareholding as at 31st December, 2016

Range of shareholding	No. of Shareholders	Shares holdings	% of Shareholders	% Holding
1 - 1000	9,046	464,885	73.16	2.24
1001 - 5000	2,367	5,944,578	19.16	3.05
5000 - 10000	462	3,776,619	3.74	1.93
10001 and others	487	185,458,918	3.94	92.78
	<b>12,362</b>	<b>195,645,000</b>	<b>100.00</b>	<b>100.00</b>

### 39b. List of the twenty largest shareholders as at 31 December 2016

Name of shareholder	Shares held	% Holding
1 GOVERNMENT OF GHANA C/O MINISTRY OF FINANCE	78,258,000	40.00%
2 SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	23,090,392	11.80%
3 SCGN/BANQUE PICTET & CIE SA RE NON TAX 6275J	9,666,764	4.94%
4 SCGN/BANQUE PICTET & CIE SA, GENEVA RE PATRICK SCHEGG	9,666,764	4.94%
5 OFORI DANIEL	7,804,815	3.99%
6 SCGN/JPMC RE DUET AFRICA OPPORTUNITIES MATER FUND IC GTI:AEX26	5,085,565	2.60%
7 DEGBOTSE EMMANUEL KOBLA	4,214,200	2.15%
8 SCGN/CITIBANK LONDON OP- AFRICA FUND(NON-UCITS)	3,799,800	1.94%
9 SCGN/JP MORGAN CHASE DUET GAMLA LIV AFFRCA OPPORTUNITIES FUND IC	2,677,300	1.37%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Cont'd.

10	SIC LIFE COMPANY LIMITED	2,662,200	1.36%
11	SCBN/CITIBANK LONDON ROBECO AFRIKA FONDS N.V.	2,292,700	1.17%
12	SCGN/JPN IRE RE CORONATION FD MGER IRE ON BEHALF OF THR AFR FRTR, A SUB-FUND OF THE CORO. UNIV FD	2,155,600	1.10%
13	TEACHERS FUND	2,066,700	1.06%
14	SIC EMPLOYEE SHARE OWNERSHIP PLAN	2,033,435	1.04%
15	GHANA COMMERCIAL BANK LTD	2,000,000	1.02%
16	GHANA REINSURANCE COMPANY LIMITED GENERAL BUSINESS	1,661,912	0.85%
17	STBN/CORONATION AFRICA FUND - NOTDAM	1,429,260	0.73%
18	SCGN/CITIBANK KUWAIT INV AUTHORITY	1,303,900	0.67%
19	STBN/CORONATION AFRICA FUND - HBDJER	1,045,400	0.53%
20	SCGN/SS LUXEMBOURG C/O SSB & TRUST COMPANY, BOSTON RE SGKB(LUX)-XJHK	985,000	0.50%
	<b>SUB-TOTAL</b>	<b>163,899,707</b>	<b>83.77%</b>
	OTHERS	31,745,293	16.23%
	<b>GRAND-TOTAL</b>	<b>195,645,000</b>	<b>100.00%</b>

## PROXY FORM

	RESOLUTION FROM THE BOARD	FOR	AGAINST
ANNUAL GENERAL MEETING to be held on Thursday, 19th October 2017 at 2.00 p.m. at the College of Physicians and Surgeons, Accra.  I/We ..... being a member(s) of SIC Insurance Company Limited hereby appoint .....  or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting (AGM) to be held on Thursday, 19th October, 2017.  Signed.....day of October 2017.  .....  Shareholder's Signature	1. To waive the Statutory 21-day notice Period.		
	2. To ratify the appointment of :		
	a) Dr. Jimmy Ben Heymann		
	b) Mr. Stephen Oduro		
	c) Mrs. Pamela Djamson-Tettey		
	d) Mr. James Appietu-Ankrah		
	e) Mr. Michael A. Addo		
	2.1 To re-elect Mr. Daniel Ofori		
	2.2 To appoint:		
	a) Mr. Christian Tetteh Sottie		
	b) Mr. Kwabena Gyima Osei-Bonsu		
	c) Mr. Nicholas Oteng		
	3. To consider and adopt the Financial Statements of the Company For the year ended 31st December, 2016.		
	4. To Authorise the Directors to appoint new Auditors and also to fix the Remuneration of the Auditors.		
	5. To Approve the Remuneration of Directors.		
	Please indicate with an "X" in the appropriate box how you wish your vote to be cast on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

THIS PROXY FROM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

### Notes:

A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by Proxy. The above Proxy Form has been prepared to enable you to exercise your vote if you cannot personally attend.

1. Provision has been made on the form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space the name of any person whether a member of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
2. If executed by a Corporation, the Proxy Form should bear its common seal or signed on behalf of a Director of the Corporation.
3. Please sign the above Proxy Form and deliver it so as to reach the Registrar, NTHC, Martco House, 1st Floor, Okai Mensah link, Off Kwame Nkrumah Avenue, Adabraka, P. O. Box KIA 9563, Airport, Accra and not later than 10:00 a.m. on 17th October, 2017.

SECOND FOLD HERE

Please  
affix  
stamp

FIRST FOLD HERE

THE SECRETARY  
SIC INSURANCE COMPANY LTD.  
NYEMITEI HOUSE  
NO. 28/29 RING ROAD EAST  
OSU-ACCRA

THIRD FOLD HERE

## Our Business Centres

### Head Office

Nyemitei House, No. 28/29 Ring Road East  
P.O.Box 2363 Accra,  
Tel: 233-302-780600-9,  
E-Mail: Sicinfo@sic-gh.com  
Website: www.sic-gh.com

### Head Office Annex

F821/F822 13th Lane Osu Re  
P.O.Box 2363, Accra  
Tel: 0302772199, 0289- 67368181-8

### Ring Road West Office

No. 6 South Industrial Area,  
Adjacent Awudome Cemetary  
P.O.Box 2363, Accra  
Tel:233-302-228922/ 228926/228962/  
228987/, 230041-2  
Fax: 233-302-228970/224218

### Dansoman Office

Exhibition Mall, No.2 Mango Street,  
Dansoman Last Stop  
P.O.Box 2363, Accra  
Tel: 233-302-312608; 0289-543926/7  
Fax: 233-302-312883

### Accra Mall

Accra Mall L05  
P.O.Box 2363, Accra  
Tel: 233-302-823096-9  
Direct Line: 233-302-823100  
Fax: 233-302-823101

### Adenta Shopping Mall

CV/OF/02 Near Police Station  
Tel: 0302-962692

### Trade Fair

P.O.Box 2363, Accra  
Tel: 233-302-768845

### Accra Contact Offices - Burma Camp, Kaneshie Market

### Tema Area Office

Plot No. 70  
Community 2, Adjacent SSNIT.  
P.O.Box 95, Tema  
Tel: 233-303-202263/206535  
Area Manager: 233-303-204906  
Fax: 233-303-207292

### Inter State Road Transit (ISRT) Office

Ministry of Trade Building  
Ecobank Long Room,  
Tema Port, Community 1  
P.O.Box 2363, Accra  
Tel: 233-303-203680/203682/201865

### Koforidua Branch Office

Nana Asafo Boateng Road  
Adjacent All Nations University, near Central  
Lorry Park  
P.O.Box 501, Koforidua  
Tel: 233-3420-22682/22084/5  
Manager: 233-3420-27374  
Fax: 233-3420-22522

### Akim Oda Branch Office

Behind GCB Building  
P.O.Box 164, AkimOda  
Tel: 233-34292-2056  
Branch Manager: 233-34292-2419  
Fax: 233-34292-2107

### Ho Office

Main Accra/Ho Road  
P.O. Box 12  
Tel: 03620 – 26462/26465  
Fax: 03620 – 28364

### Hohoe Office

P.O. Box 12  
Tel: 03627 – 22095  
Fax:03627 - 20635

### Aflao Office

P.O. Box 105, Aflao  
Tel: 03625 – 30234/31443  
Fax: 03625 – 30234

### Kumasi Area Office

Otumfuo Opoku Ware II House Roman Hill  
(Near Prempeh Assembly Hall) Bompata  
P.O.Box 840, Kumasi  
Area Manager: 233-3220-25972  
Tel: 3220-23341-2/25610  
Fax: 233-3220-24123

### Obuasi Branch Office

Dove House, Near Obuasi License Office

Kumasi Contact Offices: -  
Suame, Konongo, Ashanti-Mampong

### Sunyani Branch Office

1st Floor, SSNIT Building  
P.O.Box 192, Sunyani  
Tel: 233-3520-27312

Manager: 233-3520-27374

Sunyani Contact Offices: -  
Berekum, Goaso, Techiman

### Bolgatanga Branch Office

1st floor GCB Building. Bolga Central,  
Atulbabisi  
P.O. Box 222, Bolgatanga  
Tel: 233-3820-22240  
Fax: 233-3820-23177

Bolga Contact Offices -  
Bawku, Navrongo

### Wa Branch Office

Wa central, Cinimuni  
P.O.Box 241, Wa  
Branch Manager: 233-3920-22939  
Tel: 233-3920-22023  
Fax: 233-3920-22109

### Tamale Branch Office

2nd floor, GCB Building  
Tel: 03720-22785  
Fax: 03720-22611

### Takoradi Area Office

Kobina-Woode House  
Harbour View Road, Chapel Hill,  
P.O.Box 469, Takoradi  
Tel:233-3120-22048 22315/22315/24297

### Cape Coast Branch Office

Cape Coast /Takoradi Road  
P.O.Box 433, Cape Coast  
Tel: 233-3321-32128/3366-8  
Manager: 233-3321-32685  
Fax: 233-3321-34635

Cape Coast Contact Offices: -  
Mankessim, Swedru, Assin-Fosu

### Tarkwa Branch Office

P.O.Box 194, Tarkwa  
Tel:+233 – 3123-20453

[www.sic-gh.com](http://www.sic-gh.com)

# Panyin de Panyin!

The eagle flies against the storms whilst other birds are blown away by it. It is an epitome of strength, tenacity and vision.



Likewise, for over 5 decades, SIC Insurance has provided Ghana and the Insurance Industry with unparalleled technical resource and innovative insurance solutions.

Today, we are still the nation's biggest Insurance Company that offers Motor, Aviation, Fire, Marine, Travel, Accident and many other insurance policies with expertise and excellence.

Insure with us today for customized insurance solutions that meet your specific needs.

SIC Insurance - **Panyin de Panyin**

SIC Insurance - **Our promises are sacred**

**SIC**  
OUR PROMISES ARE SACRED  
**SIC INSURANCE COMPANY LTD.**

Head Office: +233-302-780600-9    Ring Road West Office: +233-302-228922/228926/228962    Tema Area Office: +233-303-202263/206535    Kumasi Area Office: +233-3220-23341-2/25610    Takoradi Area Office: +233-3120-22315/22048