

2 0 1 9  
A N N U A L R E P O R T



DIGITAL TRANSFORMATION



# DIGITAL TRANSFORMATION

# CONTENTS

## 01.

### OVERVIEW

Business and Financial Highlights	8
Locations & Offices	9
Chairman's Statement	10
Chief Executive Officer's Review	14

## 02.

### BUSINESS REVIEW

Corporate Philosophy	19
Reports of External Consultants	20
Technical Operations	22
Corporate Sales Division	25
Retail Sales and Distribution	30
Customer Experience	33
Digital and Technology Services	36
Our People, Culture and Diversity	38
Sustainability Report	42
Risk Management Report	50

## 03.

### GOVERNANCE

The Board	98
Directors, Officers and Professional Advisors	104
Management Team	105
Director's Report	106
Corporate Governance Report	112
Statement of Directors' Responsibilities	127
Report of the Statutory Audit Committee	128
Customers Complaints & Feedback	129
Whistle Blowing Report	132
Non Dealing Period Policy	133

<b>04.</b>	<b>FINANCIAL STATEMENTS</b>	
	Report of the Independent Auditors	<b>136</b>
	Statement of significant Accounting Policies	<b>145</b>
	Consolidated Statement of Financial Position	<b>161</b>
	Consolidated Statement of Profit or Loss & Other Comprehensive Income	<b>164</b>
	Consolidated Statement of Changes in Equity	<b>167</b>
	Consolidated Statement of Cash Flows	<b>171</b>
	Notes to the Financial Statement	<b>173</b>

<b>05.</b>	<b>SHAREHOLDER INFORMATION</b>	
	Shareholder Engagement	<b>248</b>
	Notice of Annual General Meeting	<b>249</b>
	Explanatory Notes to Proposed Resolution	<b>250</b>
	Capital Formation	<b>253</b>
	E-Dividend Mandate Form	<b>254</b>
	Shareholder Information Update Form	<b>255</b>
	Proxy Form	<b>256</b>
	Complaint Management	<b>258</b>
	Investor Enquires	<b>267</b>

# 01.

## OVERVIEW

Business and Financial Highlights	8
Locations & Offices	9
Chairman's Statement	10
Chief Executive Officer's Review	14

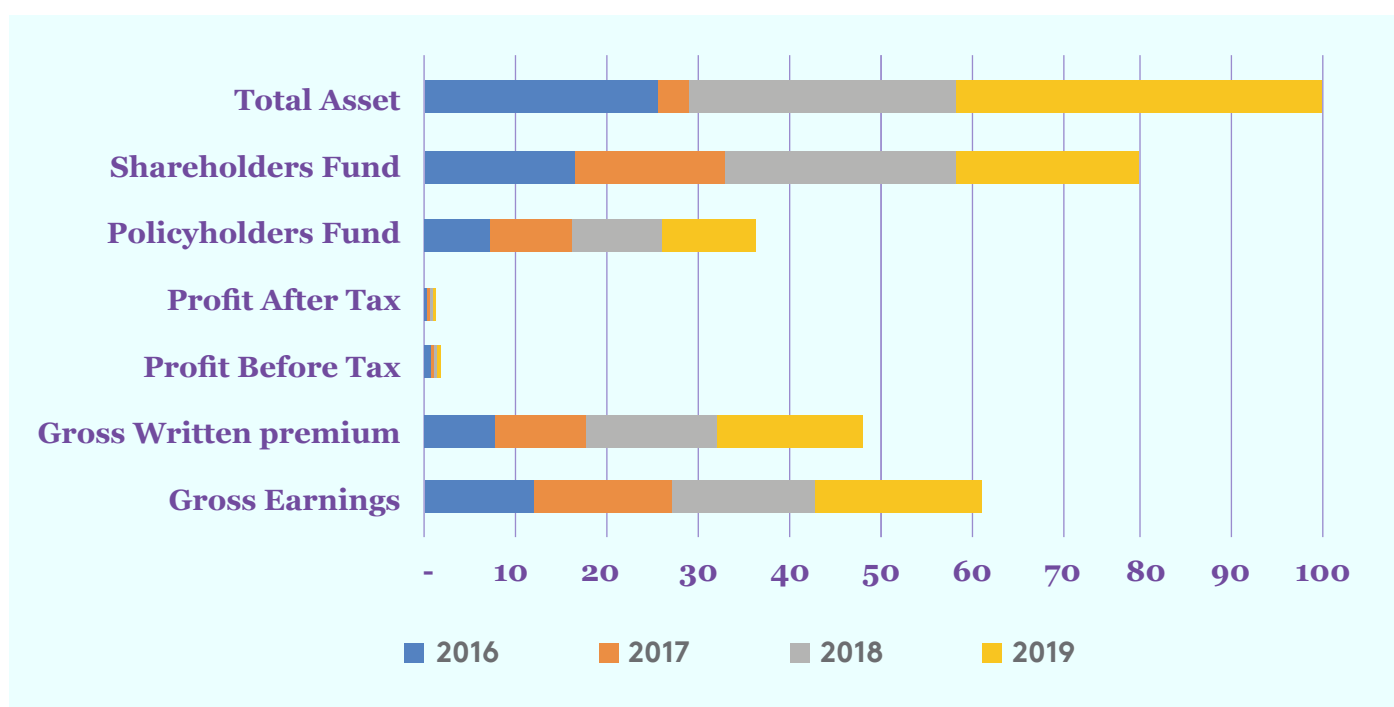




# Business and Financial Highlights

For the year ended 31 December 2019

In thousands of Naira	2019	2018	2017	2016	% CAGR
Gross Earnings	18,258,323	16,557,187	13,620,976	12,394,435	10%
Gross Written Premium	15,201,362	13,892,484	9,807,616	8,005,308	17%
Profit Before Tax	23,625	187,234	162,269	1,193,446	-62%
Profit After Tax	214,327	351,193	153,081	586,023	-22%
Policyholders Fund	9,954,577	10,792,258	8,205,325	7,293,836	8%
Shareholders Fund	18,519,625	17,110,307	17,967,824	16,566,335	3%
<b>Total Asset</b>	<b>30,745,519</b>	<b>30,363,591</b>	<b>2,860,461</b>	<b>25,902,053</b>	<b>4%</b>





# Locations & Offices

## Head Office

Lagos: 119 Awolowo Road, Ikoyi  
P.O. Box 55508, Falomo-Ikoyi  
Telephone: 012774500/ 4566/ 4577  
Email: [info@wapic.com](mailto:info@wapic.com)

## Branch Office

Abuja: 2nd Floor, Plot 6, Jos Street, Area 3 Opposite Sharon Ultimate Hotel, Abuja FCT  
Telephone: (+234) (01) 2774584  
Email: [info@wapic.com](mailto:info@wapic.com)

Port Harcourt: 42B Trans Amadi Industry Layout, Port Harcourt, Rivers State.  
Telephone: (+234) (01) 2774582  
Email: [info@wapic.com](mailto:info@wapic.com)

Enugu: Plot 7 Ebeano Layout, Garden Avenue, Enugu, Enugu State.  
Telephone: (+234) (01) 2774583  
Email: [info@wapic.com](mailto:info@wapic.com)

Ibadan: Access Bank Building, Beside Tantalizers, Ring Road, Ibadan, Oyo State.  
Telephone: (+234) (01) 2774581  
Email: [info@wapic.com](mailto:info@wapic.com)

Kano: 12 B Post Office Road, Kano State  
Telephone: (+234) (01) 2774581  
Email: [info@wapic.com](mailto:info@wapic.com)

## Our Subsidiaries

Wapic Life Assurance Limited:  
119 Awolowo Road, Ikoyi, P.O. Box 55508, Falomo-Ikoyi, Lagos, Nigeria.

Wapic Insurance (Ghana) Limited:  
35 Aviation Road, PMB 163, KIA, Airport Residential Accra, Ghana.

# Chairman's Statement

As I retire from the Boards of Wapic Insurance and Wapic Life Assurance today, I am confident that Messrs. Mutiu Sunmonu and Bababode Osunkoya will enjoy the necessary support towards the actualization of our institutional goals in this second phase of our Transformation Agenda

**Dear Valued Stakeholder,**

I wish to inform you that I have come to the end of my tenure as the Chairman of the Board of Directors of Wapic Insurance and its subsidiary – Wapic Life Assurance Ltd. Accordingly, I will be retiring from the Board of both companies effective April 27, 2020.

Serving as Chairman of the Board of Directors of Wapic Insurance and Wapic Life Assurance over the past 8 years, has been quite challenging but most fulfilling and has strengthened my belief in the capacity for ordinary people to come together and achieve extraordinary things

I owe you all a debt of gratitude for supporting the vision and mission of our company. I'm humbled by all that the team have achieved and I am particularly grateful for your support in the journey to transforming Wapic Insurance and its subsidiaries into the admirable and reputable brand that we have today.

My retirement signals the beginning of another phase of Wapic's transformation agenda. The new phase will drive the extension of the accomplishments and successes, which saw our company move from a mid-table position to an industry leading position, with shareholders' funds growing significantly from N4.7 billion to N23.1 billion in the first phase of our transformation. With this, we are proud to be one of the most capitalized companies in the industry and undoubtedly better positioned to take our position as one of the leading insurance companies in West Africa.

Over the past 8 years, we have laid a solid foundation for the continuous growth of Wapic Insurance and its subsidiaries - Wapic Life Assurance Ltd and Wapic Insurance (Ghana) Ltd, and positioned Wapic Insurance as an industry model for distinctive innovation. We are well placed to consolidate our past efforts and push for a future in which we strive to delight our customers through outstanding service and innovative offerings.

Our company has become synonymous with several high-impact initiatives. We have become sector pioneers in innovation, technology, service excellence and sustainable business practices. Through hard work and the strength of our vision, Wapic Insurance has moved from a position of relative obscurity to notable prominence.

These feats would not have been possible without your support. Your belief in the organizational vision, mission and goals were the stimulant for our remarkable achievements. For this, I express my sincere gratitude. While we celebrate remarkable progress thus far, it is noteworthy that the test of our collective achievements and shared determination lies in the sustainability of these achievements.

Following the activation of our company's Board succession plan, Mr. Mutiu Sunmonu CON will succeed me as Chairman of Board of Directors of Wapic Insurance, while Mr. Bababode Osunkoya will succeed me as Chairman of Wapic Life Assurance. Mr. Frank W.K. Beecham is the current Chairman of Wapic Insurance (Ghana) Ltd and will remain Chairman until the end of his tenure.

Mr. Sunmonu is a business leader, with extensive board experience in various organizations across multiple sectors of the economy. He is well prepared to lead the next phase of the Wapic Insurance growth plan. He is the former Managing Director of Shell Petroleum Development Company

with an Oil and Gas career spanning over 36 years in Nigeria.

Similarly, Mr. Osunkoya, who until his appointment as Chairman of the Board of Wapic Life Assurance, was the Chairman of the company's Board Audit and Compliance Committee having being appointed to the company's Board in January 2013.

Mr. Osunkoya is a Senior Partner at the Chartered Accounting firm of Abax-OOSA Professionals, with over three-decades cognate experience in banking, business and financial advisory. He is one of Nigeria's foremost certified Forensic Auditors and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and Chartered Institute of Taxation of Nigeria (CITN).

As I retire from the Boards of Wapic Insurance and Wapic Life Assurance today, I am confident that Messrs. Mutiu Sunmonu and Bababode Osunkoya will enjoy the necessary support towards the actualization of our institutional goals in this second phase of our Transformation Agenda.

The year 2020 has not come without its challenges. Across the world, we are experiencing a very difficult and challenging time with the outbreak of the COVID-19 pandemic that has caused disruption in global activities.

I would like to use this opportunity to acknowledge the critical roles of our health workers nationwide in the fight against the COVID-19. We must commend their efforts and those of all front line workers. These individuals risk their lives on a daily basis in ensuring we flatten the curve of the pandemic in our country, Nigeria. We will continue to show our support and encouragement to them. We are committed to winning this fight together.

Finally to all our employees in Nigeria and Ghana: Our target is to build a best-in-class insurance brand that exemplifies the greatness of our continent and the exceptional capacity of our people. Actualizing a laudable vision such as this will require sustained commitment to our stretch goals and this is where Wapic depends on its most important resource - our employees. Please accept my heartfelt appreciation for your hard work and continued commitment.

To God be the glory for enabling the success and achievements of the past 8 years.

God bless.



**Aigboje Aig-Imoukhuede** (CON)  
Chairman





## Chief Executive's Statement

In the face of these unprecedented times, Wapic Insurance will remain resilient as we keep investing proactively in technology and talent to bolster our core systems and capabilities. These efforts are aimed at enhancing customer experience through artificial intelligence (AI), digitalisation, new and improved sales platforms, new and bespoke product ...

I am delighted to welcome you to the 61st Annual General Meeting of your Company, Wapic Insurance Plc, as I present to you the report for the 2019 financial year.

The Nigerian economy struggled amid pressures from post-election anxiety, high unemployment rates, pressure on external reserves, and a volatile oil price. The insurance industry was also faced with regulatory pressures, especially as the National Insurance Commission (NAICOM) introduced the new minimum capital requirement for the continued operation as an insurance company in Nigeria. The accumulation of these circumstances made the year 2019 a turbulent one for the Nigerian insurance landscape in general.

Your company, however, took strategic steps to ensure that we continue to expand our retail footprint, leveraging technology. This included our efforts at providing exceptional customer experience by revamping our website to become more functional and mobile-device friendly. In addition, we introduced our new I-Agent application to optimise our sales team's customer engagements by simplifying data collection processes, reducing sales turnaround time and most importantly minimising issues related to customer payment matching.

We are focused on our goal and will ensure that our passion and commitment to delivering optimum value remains undiluted.

### Operating Environment

The Nigerian economic performance in the first quarter of 2019, commenced at a slow pace while our GDP growth remained stable at 2% in the first half of the year, having averaged 1.9% throughout 2018. The economy experienced improved activities and recorded its strongest growth in the second half of the year and advanced 2.55% year-on-year in the final quarter. This was the strongest growth since the recovery of 2017, quickened by activities in the oil sector amid higher crude oil production and favorable prices. The non-oil sector on the other hand, experienced a boost due to growth in the telecommunications and information services, transport, financial services and manufacturing industries.

By year end 2019, the GDP growth rate stood at 2.3%, which was below the expected growth rate of 2.5%, predicted by analysts. The inflation rate as at year end was 11.3%.

Global economic growth underperformed and tilted towards a slowdown as economic performance in major advanced economies and emerging markets decelerated. The heightened uncertainty surrounding geopolitics and trade including US-China trade tensions, Brexit-related uncertainty in Europe, and even more pronounced macroeconomic strains on emerging market and developing economies, were major drivers of the global economic slowdown.

### The Regulatory Environment

The National Insurance Commission of Nigeria (NAICOM) had approved the recapitalisation plans of 26 insurance companies which was expected to have been concluded by June 2020. However, the recapitalisation plan of the commission has since been extended to September 2021, due to the impact of Covid-19.

Following your approval in June last year, we initiated a rights issue exercise in November 2019 to raise the sum of N5.9bn. By the end of the exercise in January this year, we raised a total sum of N4.03bn, representing a 68% value of the shares available for purchase.

We are thankful for your support on the success of the exercise. The net proceeds will serve as investment funds to be used in the recapitalisation of our subsidiaries.

The new Finance Bill was passed into law and became effective Feb 1, 2020. The Federal Executive Council (FEC) of the Federal Government of Nigeria (FGN) in September 2019, approved a 50% increase in the Value Added Tax (VAT) rate applicable on supply of goods and services in Nigeria, from 5% to 7.5%. The new rate is expected to take effect in 2020 after due consultations with relevant stakeholders.

## Financial Performance

In 2019, the Group's Gross Written Premium (GWP) grew by 9% year-on-year to N15.9bn. We recorded an increase in our total underwriting expenses from N5.4bn reported in 2018 to N6.6bn, mostly as a result of our high claims experience. Fees and Commission Income however grew by 99% from N883M in 2018 to N1.7bn, and this led to a 36% growth in underwriting profit from N2.1bn recorded in the prior year to N2.9bn for the period. The Group also recorded a Profit Before Tax of N23m from N187M and a Profit After Tax of N214M from N315M recorded in the previous year. Our Total assets grew by 1.3% to N30.7bn from N30.4bn in 2018. Our Shareholders' Funds stood at 18.5bn for the period from N17.1bn in 2018. Earnings per share for the period closed at 2k against 3k recorded in 2018.

The year 2019 was a challenging year for the company as we were only able to achieve marginal growth in our Gross Written Premium. The increase recorded in our claims expense and other operating expenses were as a result of costs incurred on our ongoing transformation projects. We expect that the benefits of these investments will begin to reflect in our performance from 2020 and beyond.

## Our Strategy

The new strategic plan for your company gained full speed in 2019 with very bold and audacious objectives set to outstrip competition and increase our consumer share of wallet. With our value propositions focused on improved excellence, service delivery and competitive pricing, we are on a journey to becoming a top three insurer in the Nigeria Life and Non-life insurance market by year 2023. We worked with a global consulting firm in the development of this 5-year strategic plan, which has set us on an ambitious growth trajectory from 2019 to 2023.

To achieve our aspiration of being a top three insurer by the target date, the need to scale up our business is paramount. We are building on the successes we have experienced so far within the corporate space and extending our reach to mid-sized corporates and SMEs

who have special needs that are currently unmet. We commenced the optimisation of our Bancassurance model and we are optimistic that we are on the path to dominate in the retail insurance market segment, leveraging our technology and digital platforms.

Wapic Insurance Plc targets a 46% compounded annual revenue growth rate over the next five years, driven by innovation in IT, a dedicated product development capability and market penetration, particularly in the retail and commercial space. With our ongoing transformation program, and our design principles focused on our customers, processes, people and the overall organisation, we are confident that your Company will achieve its strategic growth targets and aspirations.

## Future Outlook

The year 2020 will likely experience continuous macroeconomic pressures and very challenging market situations and likely customer reluctance to insure. With the devastating effects of Coronavirus on the country and the global economy as a whole, the crash in crude oil prices and the attendant effects on exchange rates and interest rates, it is hard to deny the expectation of an economic recession, which may likely span beyond the third quarter of the year.

In the face of these unprecedented times, Wapic Insurance will remain resilient as we keep investing proactively in technology and talent to bolster our core systems and capabilities. These efforts are aimed at enhancing customer experience through artificial intelligence (AI), digitalisation, new and improved sales platforms, new and bespoke product development, and other innovations aimed at strengthening the company in preparation for the stiff competition which is likely to be the fate of the insurance industry as it proceeds through this challenging year. With these efforts strategically deployed, the company is assured of growth, more efficiency and productivity and will confidently meet the rising regulatory compliance demands.

We will continue to leverage our strategic partnerships with entities who add value to our business while remaining steadfast to our objectives. We remain focused on our goal to deliver sustainable returns to you our shareholders and with our ever-growing experience, excellent talent, total dedication of our staff, the trust and loyalty of our customers, the expert guidance of our dedicated Board of Directors, your continued support and improved processes, we have no doubt of our position as a true market leader in the insurance industry.

I believe in the strength of our organisation and its ability to achieve greatness, even in the face of challenging times and as we embark on this new year in the life of Wapic Insurance Plc.

On a final note, the Company wishes to thank Mr. Aigboje Aig-Imoukhuede our Chairman for 8 years who has just

retired from the board. His visionary leadership and mentorship were immeasurable throughout his time on the board. We also welcome our new Chairman, Mr. Mutiu Sunmonu who is bringing on board his vast

expertise in Corporate Governance to lead the Company in the attainment of its strategic objectives.

Thank you.



**Adeyinka Adekoya**

Managing Director\Chief Executive Officer



# 02.

## **BUSINESS REVIEW**

Corporate Philosophy	<b>19</b>
Reports of External Consultants	<b>20</b>
Technical Operations	<b>22</b>
Corporate Sales Division	<b>25</b>
Retail Sales and Distribution	<b>30</b>
Customer Experience	<b>33</b>
Digital and Technology Services	<b>36</b>
Our People, Culture and Diversity	<b>38</b>
Sustainability Report	<b>42</b>
Risk Management Report	<b>50</b>

## CORPORATE PHILOSOPHY



### Our vision

To transform and illuminate the insurance industry for the benefit of our customers and other stakeholders



### Our Mission

To lead in all that is worthy

## OUR CORE VALUES



### Excellence

We strive for our personal best in our thoughts, our words and our actions, being better today than we were yesterday.



### Leadership

We are all leaders in our own way. We hold ourselves accountable for our choices. We take ownership of our tasks, our actions and our decisions.



### Professionalism

Our interactions with customers and colleagues embody competence, a good work ethic and a focus on serving others



### Innovation

We build on what we know works, constantly refining and finding better ways to serve our customers and our colleagues



### Empathy

We consider the experience of others in everything we do. Our interactions with our colleagues and customers reflect kindness and understanding of their situation. We appreciate the efforts and experiences of others.



### Sustainability

We look to the future, ensuring that our actions today build towards a healthy tomorrow, where our business, team, community and wider environment survives and thrives



### Teamwork

The contribution of every team member is vital to our success. We each play our part in making it work.

# Reports of External Consultants



Ernst & Young  
UBA House, 10th Floor  
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480  
Fax: (234 -1) 4630481  
E-mail: services@ng.ey.com

## Report of External Consultants on the Board Performance Evaluation of Wapic Insurance Plc

We have performed the evaluation of the Board of Wapic Insurance Plc for the year ended 31<sup>st</sup> December, 2019 in accordance with the guidelines of Section 5.07 (iv) of the National Insurance Commission (NAICOM) Code of Good Corporate Governance for the Insurance Industry in Nigeria (2009), Section 15.1 of the Securities and Exchange Commission Code of Corporate Governance for Public Companies (SEC CCG) 2014 and section 14.1 of the Financial Reporting Council Nigerian Code of Corporate Governance (FRC NCCG) 2018.

The NAICOM CGCG 2009 mandates an annual evaluation of the Board and individual Directors of Insurance Companies with specific focus on the Board structure and composition, responsibilities, processes, relationships, individual Director's competences and respective roles in the performance of the Board.

The SEC CCG 2014 and the FRC NCCG 2018 also require the Board to "establish a system to undertake a formal and rigorous annual evaluation of its own performance, that of its committees, the Chairman and individual directors".

Our approach included the review of the Corporate Governance framework of Wapic Insurance Plc, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with Directors.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the company or reveal irregularities in the underlying information.

On the basis of our work, the Board of Wapic Insurance Plc has complied with the requirements of the National Insurance Commission (NAICOM) Code of Good Corporate Governance for the Insurance Industry in Nigeria (2009), the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies in Nigeria (2014) and the Financial Reporting Council (FRC) Nigerian Code of Corporate Governance 2018.

The outcome of the review and our recommendations have been articulated and included in our detailed report to the Board. This report should be read in conjunction with the Governance section of the Annual Report.

**For: Ernst & Young**

**Benson Uwheru**  
**Partner, Advisory Services**  
**FRC/2013/CIBN/0000001554**

Risk Insured Rest Assured



# Get a Portion of your **Premium Refunded** for driving less this period

Because we understand that you're barely driving your motor vehicle while you remain safely at home, we're **returning your premium** for the period.

Wapic is passing the benefit of reduced risk at lockdown onto existing motor policy holders by offering **PREMIUM REFUNDS** at policy renewal.



Approved by NAICOM

Stay Home. Stay Safe.

For more information, Call: 01-2774500, 01-2774566  
Or Email: [Contactcentre@wapic.com](mailto:Contactcentre@wapic.com)

T&C Apply

[www.wapic.com](http://www.wapic.com)



## Technical Operations

In 2019, the company's transformation journey and the technical operating model were enhanced and optimized over earlier achievement made in 2018. This allowed advanced business and technical capabilities which enabled rapid development with a focus on operations, products, channels, customer experience, and customer segmentation. Following the implementation of the strategic objective of specialisation, our processes were streamlined while cost and cycle time spent to render services to customers reduced. The underwriting profits at 2019-year end grew by 45% from N2.0 billion recorded in 2018 to N2.9 billion in 2019. The significant improvements in the Company's performance is largely attributed to sustained customer experience across key segments, prudent underwriting risk selection, improved claims management services, improved utilization of reinsurance arrangement, and effective profiling of top 300 customers for targeted sales. Importantly, the company continues to write only profitable risks, whilst risks that fall below our underwriting risk acceptance criteria are declined. Essentially, the company fulfilled its service commitment, paid only genuine claims within its Service Level Agreement timeframe and significantly reduced claims leakages across products. During the year, all personnel in the technical functions' capabilities were upscaled through various forms of training. This strategy enables agility and flexibility of personnel to effectively respond to business model changes and market opportunities in line with overall business strategies.

### Underwriting

In 2019, the company developed a robust underwriting risk acceptance criteria guide. This Guide amongst all other things includes detailed coverage of each product consisting of the underwriting consideration, exclusions, acceptable risks conditions, indicative price for the different risk level, and unacceptable risks. The manual serves as a guide to the underwriters which ensures that all risks underwritten were within the underwriting acceptable limits based on prudence.

The Company continually evaluate businesses and/or opportunities in ensuring that businesses and/or opportunities that could create systemic risk exposures are effectively mitigated to prevent incidents of multiple claims occurring from one transaction. The following measures were ensured:

- Exercise of extreme caution when underwriting discrete {one-off} risks, particularly when we do not have the requisite experience or know how or when underwriting risk are unquantifiable
- Review of all policy documents with a view to ensuring they meet best practice
- Outright declinature of unprofitable transaction(s)
- The Company has a disciplined risk appetite based on our reinsurance treaty in each of our preferred classes of insurance.

The company witnessed an improved efficiency with a slight growth of 3.9% in Gross Written Premium (GWP) from N10.3bn in 2018 to N10.7bn in 2019. Despite this flat growth, our underwriting profit improved significantly by 24% from N1.4b in 2018 to 1.8bn in 2019.

### Claims

The Company remains committed to providing services that exceed customers' expectation through effective claims management which tends to achieve improved customer satisfaction. In fulfilling a seamless claim service experience to clients, the Company established a dedicated Claims Care Desk to proffer immediate solution to customers request and improve processing turnaround time. Following the technical transformation journey, the Company thrived in digitalizing the claims notification process by deploying online claims notification modules. This functionality allows our customers notify us of their claims directly through their mobile devices. In 2019, Wapic settled a total

claims amount of N3.62 billion, consisting of N2.45 billion paid on Non-Life businesses and N1.16 billion paid on Life businesses. This resulted in a 0.28% decrease in the value of claims settled in 2019 over the same period in 2018.

In implementing the Company's zero claims leakage KPI, the Company further reinforced our approach, as our in-house adjusters scrutinized all the reported losses and external loss adjuster reports. This ensured appropriate settlements of claims are made in line with the policy terms and conditions. This approach has greatly helped to remove many fraudulent and outrageous claims thereby reducing the financial loss to the company. Also, there has been partnership with notable standard and medium-size garages for repair of our clients' vehicles at optimal price. This partnership has helped to curb fraudulent claims thereby mitigating the risk of financial losses as well as offered quality repairs to our clients.

In line with the company strategy to improve its recovery process, the Salvage and Subrogation Unit was set up as a unit. This structure enhances the recovery of salvaged items and effectively pursue subrogation rights against negligent parties. This initiative has resulted in some savings to the Company as recovery is being effectively monitored and treated as a source of revenue to the Company, which is used to reduce the claims outlay.

## Reinsurance

In Wapic, Reinsurance is used as a risk management tool to protect the company's balance sheet from undue catastrophe and/or risk accumulation exposures whilst providing market-leading underwriting capacity to grow customers' businesses. The above aligns with the primary

aim of reinsurance, which is to protect the company's balance sheet and to facilitate efficient capital management.

The Company is continuously committed to maintaining a dynamic reinsurance arrangement with the best reinsurance companies. Consequently, Wapic partners with A-rated global reinsurance companies and ensures that these companies lead the reinsurance programmes. In addition, the Company partners with local reinsurers after considering their risk profile to follow the Lead in line with the Regulatory Guideline that risks must be fully placed locally before foreign reinsurers are approached.

We recognize the importance of an optimized reinsurance arrangement to our business and service delivery to our clients, which reinforced our position that adequate coverage is secured locally and in the foreign reinsurance market.

In 2019, we continued to conduct reinsurance optimization exercise with the aim to achieving efficient reinsurance utilization based on optimal level of reinsurance cost, retention limit, capital reserve, and profit. Prior to ceding risks to these reinsurance companies, we ensure that in-depth analysis is carried out on each line of business to obtain the optimal reinsurance cover at the most competitive terms. Based on our improved efficiency and increased Gross Written Premium in 2019, the company negotiated with reinsurers to improve on existing terms.

The company maintains an array of treaties for classes of risk such as Energy, Engineering, Fire, Marine, and Motor, which enables the company to recover from reinsurers some of the financial losses incurred under the insurance contracts issued to our numerous clients.

Our reinsurance partners are rated as follows:

FOREIGN REINSURERS	RATING.	RATING AGENCY
Munich Reinsurance Company Ltd	A+	A.M Best
Swiss Reinsurance Company Limited	A+	A.M Best
LOCAL REINSURERS		
African Reinsurance Plc	A	A.M Best
Continental Reinsurance Plc	B+	A.M Best
WAICA Reinsurance Plc	B+	GCR
Nigerian Reinsurance Plc	BBB+	GCR

### Actuarial

Actuarial valuation of insurance contract liabilities is an essential function in a well-structured insurance company as it is critical in assessing the quality of the company's capital adequacy. Wapic insurance Plc adopts the international best standards to determine the amount to be reserved as technical provision on a regular basis. The actuarial team is very essential in ALM process, such that the team advises on the composition and maturity of the liabilities for seamless assets matching. The Actuarial Services team has been on the journey to automate its entire function on the core application for seamless operation. As at December 2019, about 90% of its processes had been automated on the core application to drive effectively and prompt delivery of actuarial results.

The unit has also commenced unbundling products into covers to position the organisation for the implementation of IFRS 17, a guideline that will kick off on January 1, 2023. In 2019, the gross IBNR amount increased by 2.6% to N2.11bn from N2.06bn as a result of the additional premium earned in 2019. The historical data were adjusted to allow for inflation to the valuation date using the corresponding inflation index. The resulting future expected cash flow for claim payments was therefore discounted to the present-day terms using an assumed discounted rate. N1.33bn of the IBNR amount relate to Non-life business while N779.81m is for the life business. Gross UPR for the period was N4.03bn, out of which N3.02bn relate to the unearned premium for the Non-life business and N1.01bn for the life business. OCR figure was N2.27bn, out of which N1.55bn and N720m are for the Non-life and life businesses, respectively.



## Corporate Sales Division

The Corporate Sales Division is the largest market-facing business of the Company. The division supports its customers with value added tailored solutions and services to allow them operate efficiently and grow their market share. Our clients are highly diversified, multinational companies, local corporates, small and medium enterprises (SMEs) and financial institutions occupying primal positions in the economy.

In line with our strategic intent of being the “Most Enjoyable Company to do Business With”, our goal is to create valuable alliances with reputable institutions and organizations both within and outside the organized private sector and government agencies with a view to providing unique service offerings that meet specific corporate and commercial needs and business objectives.

The Corporate Sales Division understands that successful partnerships with our customers is about dependence on excellent service, and service is about people, trust and commitment.

### Our Business Model

We centre our business model on value creation for our stakeholders. Our focus and vision remain clear - to ensure that our clients WIN regardless of economic trends. Consequently, we deploy bespoke solutions for our clients.

We have structured the Company’s business model to serve institutions, corporate entities and small & medium enterprises (SMEs) operating within the public and private sectors of the economy, with an annual gross turnover of N500 Million and above, segmented as follows:

- Institutional Clients Group
- Commercial Sales Group

### Institutional Clients Group

- The Institutional Clients Group comprises:
- Oil & Gas
- Manufacturing
- Services
- Financial Institutions
- Public Sector

### Oil & Gas Unit

In 2019, there were a number of major trends in the energy sector that made it volatile and caused a lot of panic in the market. Of particular interest was the Oil and Gas supply which was influenced by the problems of the sanctions from the United States on Venezuela and Iran, as well as Qatar’s exit from OPEC. This led to a collapse in oil supply and deepened the impact of a global production curb.

Another significant trend witnessed in 2019 was the outstripping of the global LNG (Liquefied Natural Gas) supply over its demand due to the development of China’s own Natural Gas Infrastructure and the investments in LNG imports.

Despite these challenges in 2019, there was increased growth in Insurance Premiums generated from the Oil and Gas Sector. This was primarily due to the economic reforms in the country and the deepening of our customer base by paying more attention to the International Oil Companies, Oil Servicing Companies as well as Marginal Field Operators.

Some new Projects commenced in 2019 which included Total E & P Egina Project, First Exploration and Production CAR Project, AMNI Petroleum TUBU and OKORO Projects, etc. amongst others. This helped the Oil

and Gas team achieve its intended projected target for the year, with the plan to sustain this achievement in 2020.

The 2020 Industry outlook projects a wider macroeconomic and business environmental risks which seem to be gaining strength. Among these are:

- Weakening economic growth, not only in the United States but also in Europe and China;
- Ongoing, perhaps intensifying, trade tensions, which can create uncertainty, dampen growth, and lead to modifications in long-established supply chains; and
- The many political risks, of course, including the US election cycle, the outcome of the Brexit process in Europe, and tensions in the Middle East between multiple states and non-state actors with different objectives.

The Nigerian Oil and Gas outlook looks promising on one side with the taking of the Final Investment Decision (FID) on Nigeria liquefied Natural Gas NLNG Train 7. It is hoped that the industry would be energized and by extension it would boost the economy and create jobs. On the other hand, the outlook does not look so good as the government might have to take certain steps to curtail encroachment into its traditional trading territories by the United States of America.

In spite of the aforementioned, there is expected to be an increase in activities within the second and third quarter of the year which would lead to an upsurge of projects and this is expected to have a positive impact on insurance income generation. These upcoming projects include Nigeria LNG Train 7 Project, Total Egina Operational Project, Chevron Nigeria Limited NSIKO Field Development and Nigerian Agip Oil Company (NAOC) Zabazaba/ETAN Field Development amongst others.

### Manufacturing Unit

In 2019, GDP from Manufacturing in Nigeria decreased by 4% in the second quarter of 2019 when compared with the first quarter of 2019 as a result of difficulties faced such as deteriorating state of physical infrastructure, difficult access to credit, cost of imported raw materials and skilled labor.

The Central Bank of Nigeria (CBN) made a decision to increase credit facility to agriculture and manufacturing to boost the nation's economy. Under the new policy, the CBN pegged the maximum credit facility to agriculture and manufacturing sectors at N10bn per project at an interest rate of 9 percent per annum.

The Federal Government made efforts to encourage local production through import bans, facilitation of cheaper funding, discriminatory foreign exchange policies, and so on. The government's ERGP focus labs are an example of ways the authorities are using to accelerate more investment in production.

The Manufacturing team with the support of the Technical team have developed insurance proposals personalized to cater to the unique needs of our clients in the Nigerian market to cover their insurable risk gaps. Our focus segments include Cement, Food and Beverages, Tobacco, Textile and leather products, Chemicals and Pharmaceutical products, Plastic and Rubber products, Electrical and Electronic products, and Motor Vehicles Assembly.

In 2019 financial year, the Manufacturing team experienced phenomenal growth of about 250% in premium generation in addition to deepening our penetration into the Tier 2 Manufacturing space. We are positioned to maintain the momentum in 2020 by retaining leadership on more key accounts within the Manufacturing space and gain larger share of wallet. Also, we expect a Steady growth of the Manufacturing Industry owing to CBN's new policies.

### Services Unit

Prior to 2019, the Company focused on the Construction and Telecoms Sectors as separate strategic business units (SBUs) which led to increased share of wallet in terms of Gross Written Premium (GWP) from clients in such sectors. As part of its strategic transformation objective, the Company merged both teams into a newly formed team referred to as Services Team with the aim of leveraging on the co-integration of these two sectors; Telecoms and Construction to further entrench new growth path and transformation with the view of providing top-notch solutions to clients and stakeholders in that line of space.

Furthermore, the Services Team is to seek new paths into other corporate sectors such as Transport & Logistics, Hospitality etc. in order to diversify the portfolio and lead in all that is worthy.

A cursory look at the global telecommunications market indicates its continued transformation underpinning the digital, sharing and interconnected landscape. This transformation is mainly driven by the ongoing innovations and technological developments that are taking place. Some of such changes include the introduction of the 5G Network which would herald new changes in the global environment. More often than not, the industry itself is struggling to keep up with these rapid changes.

On the other hand, the Construction Sector in emerging markets is expected to double within a decade and will become a \$6.7 trillion business by 2020, accounting for some 55 percent of global construction output. The major

players in services industry are expanding their borders and businesses into new markets such as Eastern Europe, the Middle East, Africa and Asia.

In 2019, the team closed with about 600 Million Naira in premium generation and we are envisaging growth in 2020 by deepening our penetration in Services sector. We are positioned to achieving leadership in key accounts, grow our wallet share and committed in remaining profitable.

### Financial Institutions

The Financial Institutions (FI) is a specialized group equipped with appropriate skills and capacity to cater to the sophisticated needs of customers within the financial market sector of the economy.

Our customer base includes banks and non-bank financial institutions. The FI Group distinctly manages the unique needs of the financial markets through its need-based value proposition to the targeted financial institutions.

The ultimate goal of the FI group is to provide value to its sophisticated customers through its differentiated products & services. We have established competencies for the underwriting and administration of financial sector-related insurances which we uniquely manage under key partnerships and industries as follows:

- Access Bank Plc
- Other Commercial Banks & Subsidiaries
- Microfinance Banks (MFBs) and Partnerships
- Capital Market Operators (CMOs) / Leasing / Development Finance Institutions (DFIs)
- Merchant Banks/Primary Mortgage Institutions (PMIs)

### Public Sector

The Public Sector Team is saddled with the responsibility to exploit the opportunities in all organizations that exist as part of Government machinery for implementing policy decisions and delivery of service that are of value to the citizens.

The Sector is made up of core Civil Service composed of line Ministries, Departments and Agencies. The Public Bureaucracy is composed of the enlarged public Service which includes Services of States and National Assemblies, Judiciary, Armed Forces, The Police Force and Securities, Paramilitary Services and Local Government Area Councils.

The Procurement Act 2007 established the National Council of Bureau of Public Procurement saddled it with

the responsibility for accountability, fair competition, effective cost, and transparent value for the procurement of professional services.

Our marketing strategy for the Public Sector Group is geographical. The group is present in Abuja and Lagos proffering insurance solutions and services to the Federal Government, State Government, Ministries, Departments, Agencies and Parastatals & NGOs. The Group established direct relationship with Government Top officials, effective engagement of Government in constructive business dialog and also provides technical support systems to develop their work flow processes, information Management and capacity building for a formidable partnership.

The total market share of Insurance business in this sector is well over N58b in both Group Life and Non-Life classes. However, due to bureaucratic bottlenecks, budget approval delays which often results in huge backlogs of outstanding and un-paid premiums, delay in payments of premiums as a result of non-inclusion in their budgets for the insurance spent, there's been delays in realizing the target.

Despite the challenges faced with the bureaucracy, the Group made a significant progress in the acquisition of notable accounts like FAAN, NRC, NSPMC, NIMASA AMCOM, NPF to mention a few, thereby generating premiums from these critical sectors of the economy. These accounted for a major boost to our portfolio for 2019.

The year 2020 portends a positive outlook good as Wapic Insurance has been appointed as the Lead Underwriter on a major high pay out Group Life Scheme in respect of the Federal Civil Service employees. The premium is expected to be received within the first quarter of the year. We also envisage that the Federal Government will embark on massive infrastructural development, which will attract insurance solutions.

### Commercial Sales Group

- The Commercial Sales Group comprises:
- Commercial Sales - Lagos
- Commercial Sales – Other Regions

Commercial Sales and Distribution Division is one of the strategic Business Units of the Company's Sales force. The major focus is on the Mid-sized corporates and SMEs with annual turnover of N2b-N15billion.

The insurance spend in this segment is largely untapped and is attributed to various reason, hence the need to focus on this segment for growth and increase in market share.

Mid-Size and SMEs sectors are a driving force in Nigeria with a significant presence across oil, manufacturing, construction and general commerce, developing a functional strategy to drive this sector will be key to unlock its vast potential.

**Mid-size companies include;**

- Hospitality
- Education and Religious Institution
- Manufacturers & Traders
- Professional Firms
- Distributors
- Oil Servicing
- Transportation
- Agriculture
- Media
- 

**SME includes but not limited to the listed sub segment below;**

- Fast Food Restaurant
- Salon
- Pharmacy
- Drycleaners
- Shopping Mall
- Bakery
- Real estate

The focus of the Commercial Sales Group is to employ a customer-focused marketing approach to ensure we meet our objectives which include the following;

1. To adequately tap into significant growth opportunities that exist in our partnership with Access Bank Plc. across the geographical locations in Nigeria.
2. Lay out an engagement strategy and implementation roadmap that will guide the unit's efforts in achieving its strategic objectives.
3. Design and implement a program framework that will enable the unit to grow its market share of existing and prospective mid-sized and SMEs with resultant impact in GWP and Profitability.

With all these in place we expect to grow our existing business volumes significantly which would translate to growth across major financial indexes via; Gross Written Premium, Customer count and Policy count with revenue implication for the company. The Group has decided to focus on all the other sectors i.e. Manufacturing, Construction, General Commerce, Hospitality and lifestyle, Telecoms etc.

Therefore, the success of our plan is largely dependent on the Teams' success in increasing market share of the commercial businesses in these segments. To drive these key sectors, the Team will leverage on its partnership with Access Bank to ensure we make contacts with all the major mid-size and SMEs in their books.

Risk Insured Rest Assured



In appreciation  
of priceless sacrifices,  
**Wapic is offering**

**15%** Discount  
on new policies

To all our frontline Heroes.

- Personal Accident Cover
- Motor Insurance
- House Holder Cover

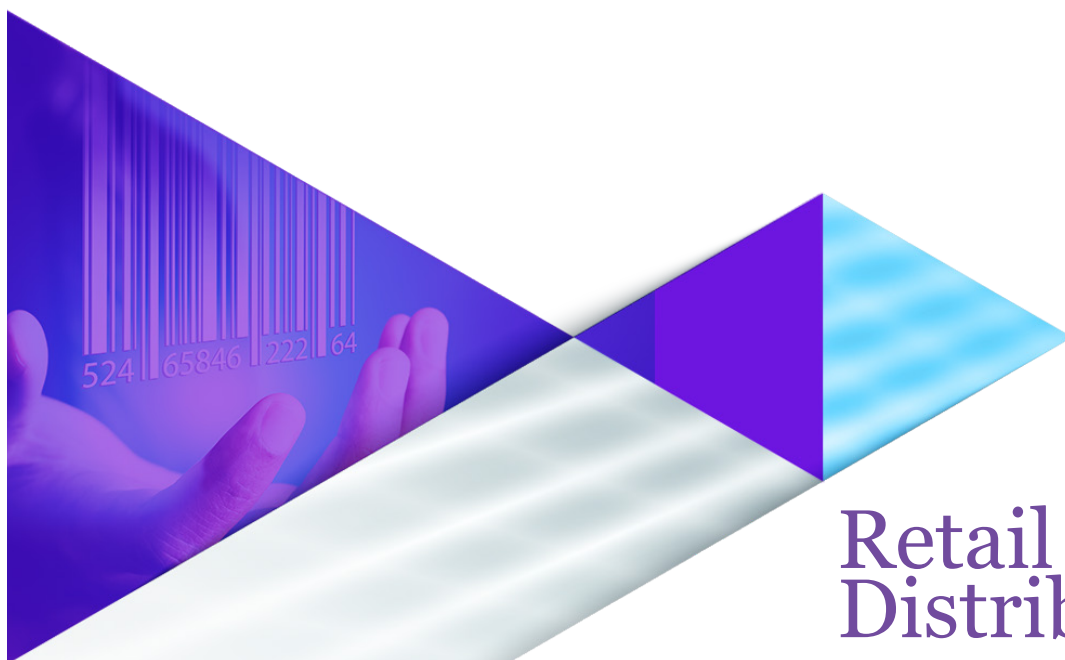
Because one good turn deserves another 😊

For more information, Call: 01-2774500, 01-2774566  
Or Email: [Contactcentre@wapic.com](mailto:Contactcentre@wapic.com)

T&C Apply

Approved by NAICOM

[www.wapic.com](http://www.wapic.com)



## Retail Sales and Distribution

Today, the insurance industry's contribution to Nigeria's GDP is between 0.3% and 0.4%, with total insurance premiums of about N450 billion. When compared to other industries in the financial services sector like banking, the potential of the industry becomes apparent. Retail penetration is the future of the industry, and the recent influx of foreign investment into insurance companies across the country bears out this assertion. Despite the vast blue ocean opportunity in the space, competition is still quite fierce and will be more so once the ongoing recapitalization exercise is completed.

The company's ambition is considerable: it aims to be a top 3 player in the life insurance industry with over N40 billion in premiums and 650,000 policies by 2023. This strategy hinges on massively scaling of our retail operations, and it behooves us to focus on the opportunity ahead of us in the retail segment, leveraging on our learnings in the past to deliver on the company's strategy successfully. The success of any strategy, however, is hinged on an understanding of often rapidly changing customer needs, technological trends and advancements as well as changing macroeconomic.

### Customer Needs

Arguably, the most important of these is a thorough understanding of the customer. Over the last year, we have made significant progress in our understanding of customer needs, segments, and what that means for our products and distribution. Our performance in 2019 is a testament to the progress that we have made – total contributions grew 45% from N698 million to just over N1 billion.

### Products

Our savings products continue to be our most popular, and this continued in 2019. However, by the end of 2019, as interest rates began to decline, there was a need to redefine the value that these products provide to the customer. For now, our customers patronize Wapic Life because we are a trusted brand; however, we will be critically reviewing the value proposition of all our products. We have begun work to understand the solutions our customers need from us from both a risk transfer perspective and a wealth creation perspective. This is a significant milestone in implementing our strategy and is a core project for 2020.

### Distribution

Direct Sales – our direct sales force is our predominant distribution channel for the retail business at Wapic. It provides tailored insurance solutions and risk management services to all types of individuals. They also sell our solutions to SMEs. The direct sales force is an integral part of the distribution infrastructure in Wapic. 2019 was a year to take stock of our infrastructure and to begin to lay the foundations for sustained success over the next five years. We learned about the strengths of the channel, but the more critical insights were around incentives management and training. These are critical to the success of the channel and the retail business. We are already implementing our plans for 2020 and expect to see improvements in the coming months. While we change things, we are especially aware of our key stakeholders, our salespeople. We will continue to create an enabling environment, encouraging them to journey with us.

Bancassurance - In 2019, as part of our strategy, we increased our engagement with Access bank to fully maximize the bancassurance opportunity. This approach was adopted because bancassurance has been identified as a strategic driver to improve insurance penetration

and financial inclusion in Nigeria. Partnering with Access bank provides viable distribution channels to reach out to over 20 million customers across the bank's digital channels and branches spread across the nation

To fully maximize this potential in 2020 and beyond, Wapic has redefined the business model for the bancassurance relationship with Access Bank along four main buckets, namely customer segmentation; Products & customer needs; Channels, and Branch Optimization.

**Digital – In 2019, we made significant improvements in our digital capacity. Some highlights are:**

- We developed the customer mobile application. It is currently available in the google play store and the apple store and will soon be officially launched. Customers can purchase insurance and check the status of their claims on the application
- We deployed our iAgent application for our salespeople. This dramatically reduces the time to serve our clients and helps the salespeople close transactions quickly on the go
- USSD – We completed the soft launch for phase one in 2019. We are working with the telecommunications companies to onboard them on our platform.

## Technology

Rapid advancements in technology have changed the way customers are engaged by service providers across almost all industries. However, insurers have been slow to adapt to new technologies, partly due to attachment to legacy systems and sometimes a reluctance to invest in cutting edge infrastructure to power operations. At Wapic, we pride ourselves on the investments we have made in technology to improve our operations and, consequently, the level of service to our customers.

We will continue to invest in developing our core insurance application WapX, while partnering with world-class organizations to provide tools that enable our staff to serve our customers. The global pandemic and the resulting shutdown have tested our technological capacity, and while there have been challenges, customer service levels have remained stable.

We will continue to work on our business continuity plans in 2020 – we anticipate that Covid-19 will change perceptions of work. We will thus need to leverage technology even more to serve customers.

## People

We continue to invest in the training and development of our people to serve our customers better. We also strive to build an organization that encourages openness and innovation, critical attributes of any company that will thrive in the new age. At Wapic, we believe that a holistic strategy implementation addresses these aspects. We strengthened the team considerably in 2019 and will continue to do so in 2020. Back-office support, human resource management, and strategy are key areas that we improved in 2019. We also continue to leverage the expertise of our sister companies and partners to enable us to serve our customers better.

## Customer Experience Initiatives

In line with Wapic's commitment to continuously deliver excellent service to customers, we have taken several strides in ensuring we continually delight our customers. We did not only focus on service delivery but also on exploring opportunities that deepen customer engagements while ensuring easy and convenient access to our products and services whenever the need arises as well as consistently exploring the use of innovative technology to develop new solutions aimed at improving the experience with our customers. These initiatives include:

- Increased customer engagement using Bimbo Stories to explain insurance terms to our customers, for better understanding of our products and services
- Automation of Frequently Asked Questions (FAQs) via emails to customers to improve better understanding of policy terms and conditions
- The Automatic notification of customer statement is deployed monthly to provide customers with an overview of their investments (smart policies). Customers can also perform self-service by generating their statements online real-time on the website at any given time.
- To improve the experience of customers with the evolution of Artificial Intelligence, an Online Chabot was developed to save time and efforts by automating customer support on information of products and service to customers. The goal of the Chabot is that over 85% of customer interactions will be handled without human intervention.

### Looking Forward

These are challenging economic times – the coronavirus continues to spread and has caused a decline in economic activity across the globe. Nigeria has not been spared, recording over 1000 cases and about 45 deaths. Economic activity has also declined, forcing companies to make tough decisions. Here at Wapic, we are forging ahead with the implementation of our strategy.

For us, the key thing is to focus, especially at this time. We are very clear on our strategic objectives and are confident that we have the right operating model necessary for implementing our strategy. Our priorities remain:

- To understand our customers better and provide the right types of risk transfer and wealth creation solutions.
- To invest in our data and analytics capabilities to provide tailored solutions to our customers.
- To optimize our distribution to meet our customers where they are
- To invest in the latest technology to speed up our time to serve
- To invest in our human capital and learning capabilities.
- To develop mutually beneficial partnerships with strategic stakeholders to provide more compelling value to our customers
- To live by our values as an organization.
- We are confident about the future and the prospects of the industry. We believe that the sky is only the limit.



## Customer Experience

In furtherance of Wapic's commitment to continuously deliver excellent service to our customers, we have taken several strides to ensure we remain relentless in continuously delighting our customers.

We have consistently explored new opportunities using innovative technology to develop new solutions aimed at improving the experience of our customers. In October 2019, we added an additional line of interaction for our customers on our Website. We launched the Wapic Chabot. This is an Artificial Intelligence Bot designed to simulate conversations with human users, especially over the Internet

At Wapic Insurance Plc, one of our key focus is to continuously solicit feedback from our customers in order to improve service delivery at an optimal level, identify areas requiring improvements and exceed our customers' expectations. Our customer rated us 88.19% in our recent 2019 Customer satisfaction survey. We have utilized the feedback received from customers through the different feedback channels to improve engagements, develop insights and increase advocacy to drive customer satisfaction and loyalty.

Once again, we pride ourselves in providing exceptional services to customers at all times and we would continuously make deliberate efforts to ensure we keep the fire burning.

We thank you for your continued patronage and support through the years.

### Ways to Reach Us

In order to improve our customer's engagement with us, Wapic Insurance Plc has introduced a new channel to reach us in addition to our existing channels

New Channel – Wapic Chat Bot (Live Chats) Wapic.com/Livechat

Our online Chatbot which is an Artificial Intelligence Bot was developed to improve the Live chat experience and also to save time and efforts by automating customer support on information of products and service to customers. This was introduced to improve the experience of customers with the evolution of Artificial Intelligence. Our Human agents are also still available to attend to customers if the need arises.

### Other Existing Channels

Website (Wapic.com)

Individuals can request a call through our website and an Agent will put a call through immediately.

### Contact Centre

Email: [contactcentre@wapic.com](mailto:contactcentre@wapic.com)

Telephone: 01-2774500, 4566, 4577 or 0700DialWapic

### Social Media

[facebook.com/mywapic](https://facebook.com/mywapic)

[twitter.com/mywapic](https://twitter.com/mywapic)

Instagram: mywapic

### Head Office

Physical Address: 119, Awolowo Way, Ikoyi Lagos.

### Customer Engagement

The more times they hear from us, the less likely they will consider shopping around. In order to ensure continuous engagement with our customers, Wapic engages it customers via various channels which are listed below;

- Notifications - Email & SMS Alert for new SignOns, Claims, Renewals
- Onboarding Calls
- Pre renewal calls
- Customer Education and Advisory using Bimbo Stories to explain insurance terms to our customers, for better understanding of our products and services.

Risk Insured Rest Assured



# You can reach us ANYWHERE, ANYTIME



- Report Claims
- Check Account Statement
- Save funds towards your personal needs
- Buy Life Insurance Cover
- Get Motor Policy, etc.

Visit  
Our Website:

# wapic.com

On your Mobile Phones or PC

Call Us: 01-2774500, 01-2774566, 01-2774577

Or Email: [Contactcentre@wapic.com](mailto:Contactcentre@wapic.com)

Easy Ways to Pay



Mobile  
Transfer



Webpay /  
Quickteller

*Wapic is just a click away!*

[f](#) [@](#) [@Mywapic](#) [in](#) [@Wapicinsurance](#)



## Digital & Technology Services

The financial industries have continued to evolve speedily in digital innovations and technology. Notably, your company, in line with our mission to lead in all that is worthy, has continued to remain at the forefront of digital insurance innovations, delivering transformation initiatives across the organizational functions to sustain the future for the company. This includes ensuring stability in technology operations and implementation while working with all stakeholders including regulators, to increase our bottom-line. Our Digital and Technology Division which comprises of two broad teams has focused on providing more customer experience transforming innovations and building technology initiatives that creates systems of the future.

### Growing The Company

Driving further our initiatives via our unique Core Insurance platform – the WapX, reinforcing our determination to position your company as one of the most innovative profitable insurance organization in Africa, we have continued our strategic journey of deploying channels products by integrating newer digital solutions with the core business systems. To this end we have further enriched our platform with new digital solutions:

- **A I Platform Integration:** We have completed the integration of the Wapic customer experience AI Platform. This is currently live on the website. It explores the use of artificial intelligence to facilitate a Live chat with customers, similar to the interaction with the contact centre agents.
- **Mobile Insurance Application for Agents:** The digital platform for our agents commenced last year has been successfully deployed. This platform is a mobile App created for our agents to effectively become financial services advisors to our customers and enhance their productivity. The platform shall also enable agents

demonstrate product features to customers, facilitate client onboarding; view existing policies; create and calculate quote for customer; generate proposal number used for 3rd party payments; provide instant payment options and save customer basic information.

- **Mobile Short Code Platforms:** During the year in review, we completed the Mobile short Code platform. This platform generally known as USSD allows customers of Wapic to engage continuously with the brand at their own convenience using their mobile phones. Customers can check their policy information, policy status, investment balance, track claims and contact Wapic via this channel. It is a very convenient mobile enabled self-service platform.
- **Corporate Customer Platform:** Following our promise to commence the full integration of the corporate customers, the platform is ready for launch. This platform is designed to manage corporate customer integration for business, enabling an insurance web portal to become an effective and efficient self-service channel for the institution's financial value chain services.

We are excited about what the future portends especially in 2020 as we work on a good number of digitization initiatives. Some of the digital channels planned for launch in the New Year include:

- **Mobile Insurance Platform for Customers:** The platform is created to provide more value for the customer and enable customers have a seamless and straight through transaction with Wapic at their own convenience. The portal empowers the customers to perform self-service tasks that are usually performed by the company. It is a platform that enables customers buy, and manage retail policies online, and to notify aswell as track claims progress at their own convenience.

- **Automated Payout Platform:** Our process reengineering initiative cuts across the entire functions of the organization. To this end we have commenced the creation of an automated payout platform. This initiative is geared towards enabling claims and vendor payment batching and vendor payout report.
- **Dispatch Automation:** This Application is designed to further enhance our process re-engineering effort. The system auto-generates policy documents, investment projection sheet and attestation letters for live paid policies on the core application and sends to customers email.

## Running The Company

The pace of technology today is fast. Our technology team which is saddled with the responsibility of keeping the company running is excited about working on cutting edge technologies such as internet of things (IoT), mobile, intelligent agents/bots, virtual reality, and advanced analytics. The work of ensuring the company is able to be better provisioned for delivering premium insurance products and services has to be done by the Technology Team through creating workable systems and providing integrations to our systems.

The year under review (2019) saw the scaling of our technology capacity in readiness for the future. It was a year of stabilizing our newly deployed technology platform. We also ensured that the team has continued to gain skills via various trainings opportunities.

To ensure that the company is adequately secured and track threats from any unforeseen exposure, we conducted Vulnerability Assessment (VA) and Penetration Testing (PT) two (2) times during the year and we can affirm that our vulnerability assessment and Penetration Testing in place and other security monitoring and protection tools deployed in your company is able to support the business. We are still working on more traffic-based security tool and event management solution to ensure further protections, given our deep investment in the channel's products.

We have in addition, deployed more of our applications to the cloud using the Microsoft Azure platform. Microsoft has made your company one of the premium sites to prove the workability of her platform in Nigeria and we remain a reference point for others.

The technology team has also continued to explore cloud deployment and improve agility, stability and resilience for the company. In readiness for global best practice, your company has progressed in compliance with the following standards:

- Information Security – the ISO27001 Standards
- Business Continuity Management – the ISO 22301 Standards

## Seeing The Tomorrow

Disruptive times call for innovative measures. Investment in insurtechs continues to grow each year, allowing the use of advanced tooling at scale to disrupt incumbents' market share. Right now, insurers' legacy systems are no longer fit for purpose. With the current scaling of our infrastructure and optimizing the systems as well as the ongoing strategic transformations in the company, the Digital and Technology Services team are no doubt looking forward to the future Wapic. We are more determined to improve our current services and deliver the intended value of these infrastructures to our shareholders and clients. In consonance with the ongoing new 5-year strategy of the company, our team remains at the centre of the future Wapic.

To this end, we are very passionate about what we do and we are more resolute to make the goals come alive. It is our ultimate target to be the gauge for innovation in the insurance industry in Nigeria as well as the regional Africa. This we intend to achieve by strengthening our Technology, sharpening our people and enhance the Process enabled by the new systems we are creating. Our data analytics strategy leverages our data warehouse data pool data as we engineer the business to be more data driven. In all these, we have remained dedicated to risk free and sable system.



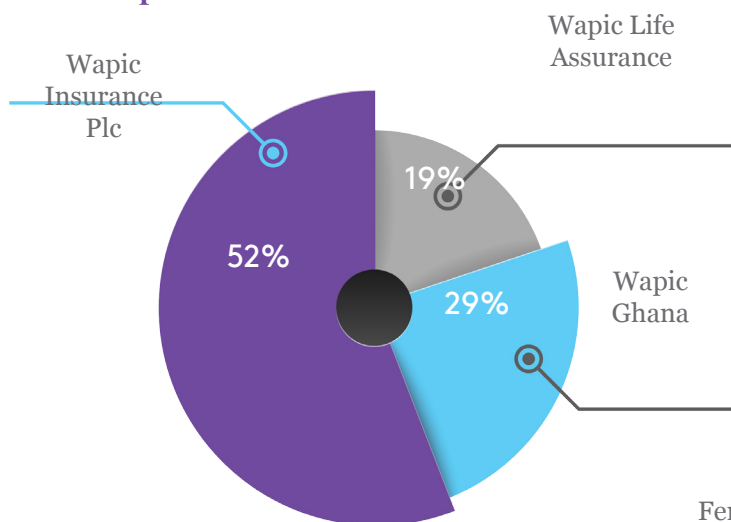
# Our People, Culture and Diversity

At Wapic, we place a high value on our employees who are critical to the successful attainment of our vision. We ensure that every employee has a sense of belonging and conviction that they have equal opportunities to succeed.

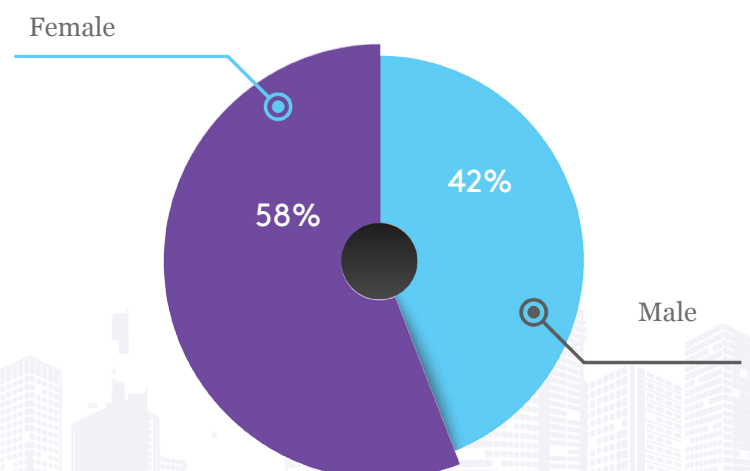
We embrace diverse backgrounds and perspectives of employees, and this cuts across various cultural and ethnic backgrounds, to create a unique environment for innovation and creativity. This diversity enables the company gain access to a wide pool of talents while striving to achieve its business objectives.

For the period ended December 31, 2019 the company had a staff strength of 159 Professional Staff.

## Staff Composition



## Gender Composition of employee



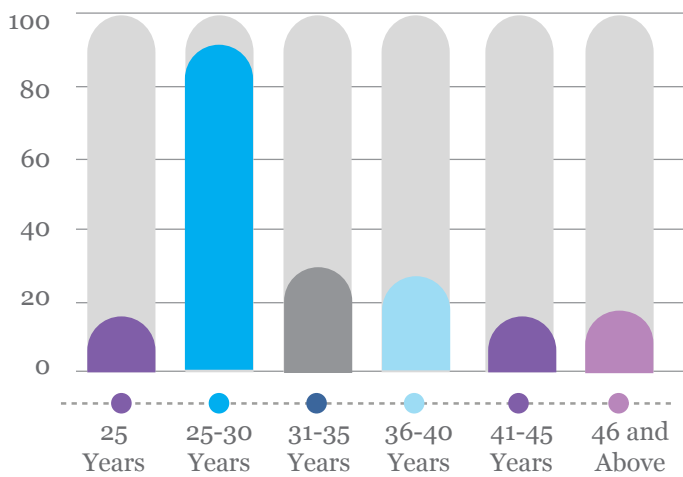
### Diversity and Inclusion

We strive for diversity and inclusion in all facets of our workforce; our staff composition shows no bias for gender and nationality. Women are represented at both Board and Senior Management levels constituting 25% at that cadre.

### Age Distribution

We have a young and vibrant workforce which provides the opportunity to tap into the creative and fresh perspectives of young minds, while also utilizing the knowledge base of the more experienced employees. We currently have 72% of our workforce below 35 years. Our objective is to ensure effective succession planning, sustainability and business continuity.

#### Age Distribution



### Employee Engagement

As part of our People Leadership intent, we organize periodic activities to create positive experiences and foster employee engagement. Such events include periodic Team bonding activities, HR Day, Year End staff parties, International Women’s Day (IWD) celebrations, Retreats amongst other.

These events held at different times in the year 2019, fostering improved and open communication among employees across the Group. Some of these sessions came with learnings that were implemented to ensure that Wapic continues to attain its desire to become an employer of choice.

### Capacity Development

We employ the hybrid learning approach which ensures that our employees have several ways in which they can acquire the knowledge and expertise needed to transform the organization.

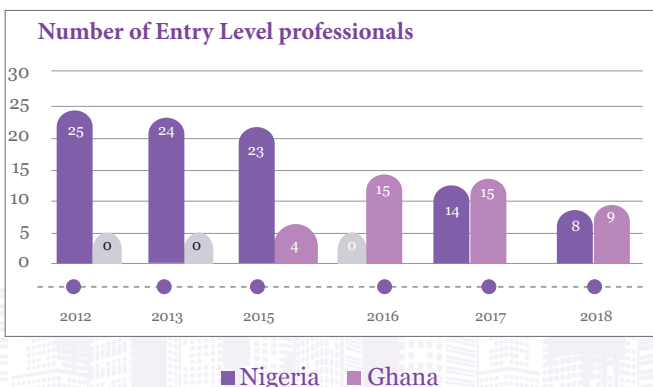
Our employees are constantly encouraged to take relevant certification examinations. Majority of our workforce are professionally certified in their various roles and also seek professional certifications in areas of interest relevant to the organization. Selected non-technical staff attended a 3-month Insurance Foundation Course with West African Insurance Institute to further strengthen their understanding of insurance.

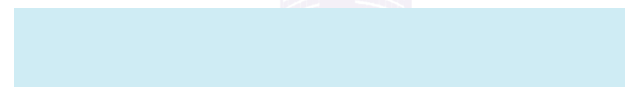
The company entered into a strategic partnership arrangement with Lagos Business School to run a 3-year Management Development Programme which focuses on enhancing and optimizing the managerial and leadership capabilities of employees from Assistant Manager to Deputy General Manager cadre. This programme is aimed at the development of selected officers to function at competency levels required for their roles and guide their direct reports in the achievement of organizational goals as well as their personal development plans.

### Culture

At Wapic, we believe that aligning strategy with culture, values and purpose helps ensure that performance is achieved in a manner that supports long term business goals.

The company embarked on an organizational Transformation project in 2019. Redefining and aligning culture and strategy are key focus areas of the transformation. The revised culture framework will articulate the future state culture that will support Wapic’s business strategy.





Risk Insured Rest Assured



## Protect your vehicle the right way

Whatever kind of motor insurance you're in the market for, whether it's 3rd Party, 3rd Party Fire and Theft or Comprehensive insurance, you deserve a policy tailored to suit your needs.

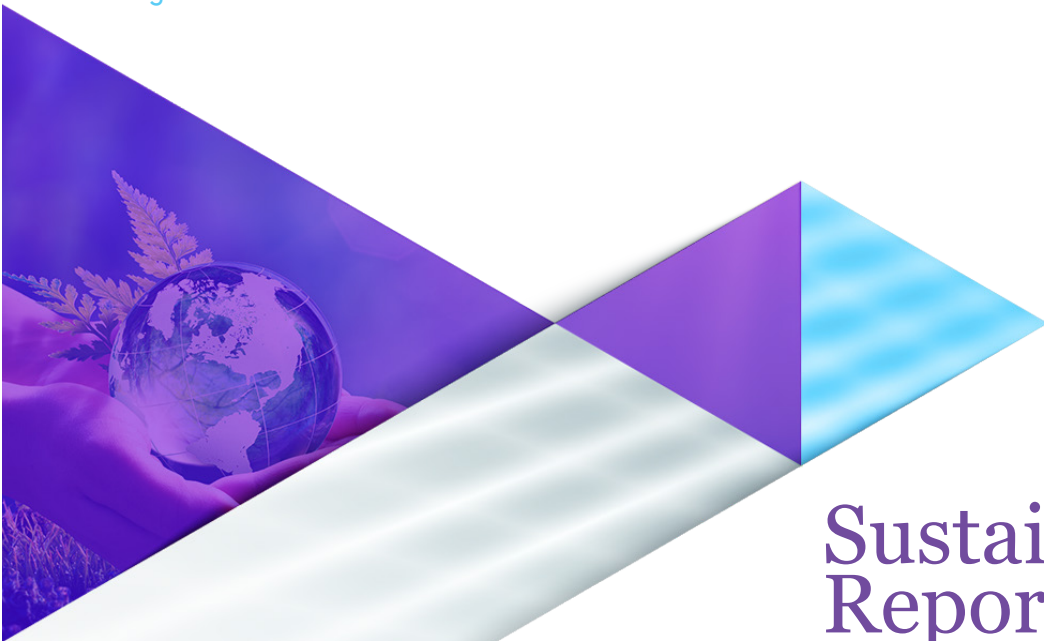
For a simple, stress-free insurance cover designed to keep you and your vehicle protected no matter what, choose MOOV.

Keep on **MOOVing**

#NoDelays, #NoFineprint, #NoStories

Call us today on **0700 dialwapic** (342592742)  
✉ info@wapic.com www.facebook.com/wapic @wapicinsurance

[www.wapic.com](http://www.wapic.com)



# Sustainability Report

## Introduction

Wapic has been in business for over 60 years and we would like it to be around in another 100 years and more, as a successful and autonomous company based in Nigeria. Achieving that long-term ambition requires more than just short-term financial success. We must ensure that Wapic delivers for all of its stakeholders – our customers, our people, our local communities and the global community.

We are proud to introduce our Sustainability Report which explains the things Wapic does to lay strong foundations for that long-term success.



**Our Sustainability Agenda**

At Wapic, we have embedded sustainability into the core of our business by supporting successful companies and communities in every market in which we operate. This we achieve by investing in education, promoting and protecting human rights and ensuring a healthy and fulfilling working environment for our employees. We consistently support and finance sustainable socio-economic growth by leading the way in financial inclusion, helping to develop enterprises and being at the forefront of progressive initiatives in support of sustainability.

Because continuous improvement is embedded in the ethos of our operations, we are investing significantly in digital and technological practices in order to benefit our business and achieve our customer fulfilment objectives, as well as positively impact our environment. Our commitment to sustainability issues has helped position

us as the leading insurance company in sustainability across the nation.

It is our aim to adopt a serious approach to sustainability, with a focus on creating a positive impact for our stakeholders and the wider community. This has always been an integral part of how we do things at Wapic. By considering the needs of our stakeholders and the wider community, we aim to continue advancing our approach to being a responsible business and to continue to deliver sustainable returns.

**Sustainability Focus Areas:**

Wapic is determined to build an enduring legacy by enhancing our capital and providing long-term value to shareholders without compromising our core commitment to social and environmental good. Our sustainability focus therefore includes the following:

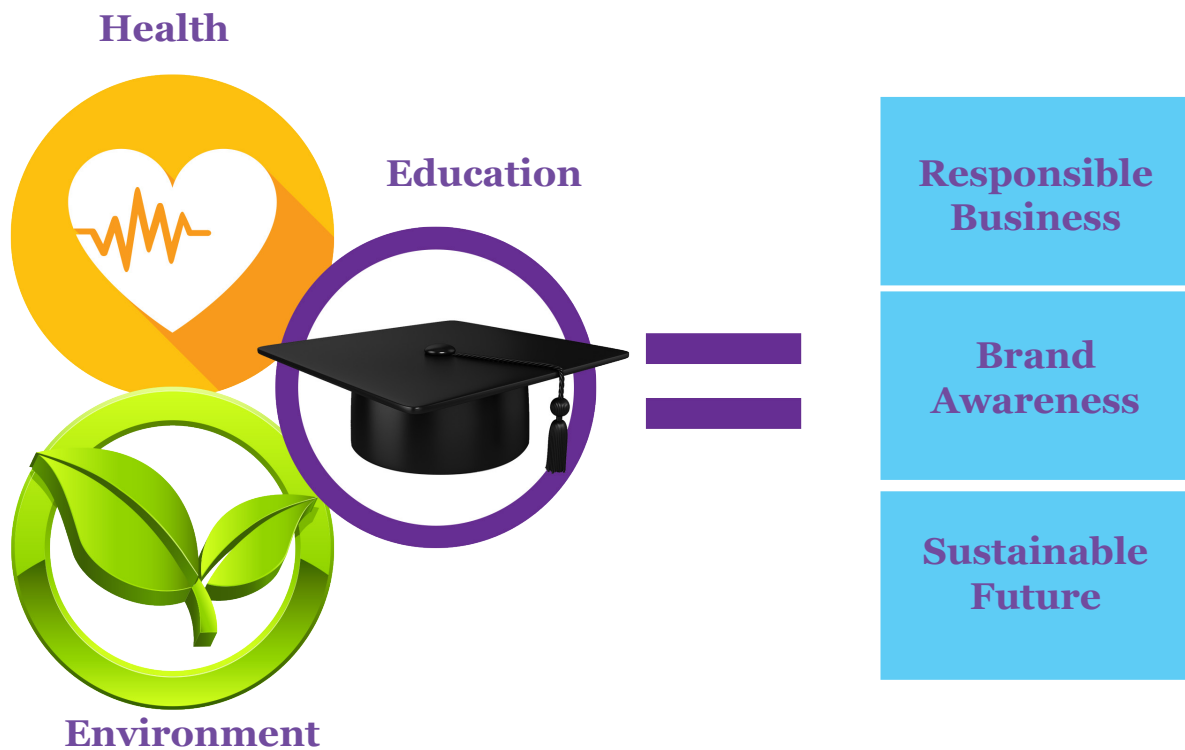
- Sustainable Economies**
  - Economic impact and performance
  - Capacity building
  - Micro-insurance
  - Financial inclusion
  - Supplier development
  - Enterprise
- Sustainable Societies**
  - Corporate social investment
  - Ethics, compliance and corruption
  - Human rights
  - Customer security and privacy
- Sustainable Environment**
  - Energy efficiency
  - Resource efficiency
  - Electronic waste
  - Logistics and Business travel management
  - Water management

**Sustainability in Wapic:**

Over the years, Wapic’s sustainability path has taken shape starting with strategic partnerships with organisations that show definitive interest in, and firm commitment to influencing social good. Leveraging on these strategic partnerships, Wapic has made valuable social contributions via active participation in, and philanthropic sponsorships of social initiatives.



Wapic is a responsible investor dedicated to building assets in ways that contribute to a more sustainable future. Through sponsorship and donations, our focus is on our sustainability pillars which include Education, Health and Environment. Since 2016, Wapic has leveraged our employee volunteer programme to drive this process, with intent to expand more broadly over time, providing programmes on business aligned projects such as safety, risk management, disaster resilience and response.



**Human Rights and Employee Standards**

At Wapic, we continue to demonstrate respect for human rights and all related principles by ensuring a non-discriminatory employment process. This includes a duty to take all reasonable steps to avoid a bias judgement based on any personal characteristics of an employee, such as race, culture, gender, marital status, etc.

We demonstrate our respect for the rights of all people, through our gender-inclusive, equal opportunities and non-discriminatory workplace culture. We respect the rights of all people: men, women; old, young; people living with HIV/AIDS (PLWHA); or disabled, amongst others. In addition, we also support human rights compliance through our financial decisions and supply chain relationships. Through our human resources functions, we continued to monitor and raise internal human rights

awareness through formal and informal training provided to employees and management. We also continue to maintain our grievance instrument on human rights, amongst other issues, through our whistleblowing line, through which our internal and external stakeholders can report any identified human rights abuses. The availability of this line has strongly guarded and discouraged members of the organisation from compromising human rights issues.

**Stakeholder Engagements**

Wapic Insurance Plc recognise stakeholder engagement initiatives as critically important to successful project delivery. Therefore, the organisation constantly involves its employees, customers, investors, regulators and communities that may be affected by the decisions we make so that they can influence the direction of these decisions. In engaging thus, Wapic consistently communicates the Company’s strategies and policies through different channels such as our corporate website, customer surveys, events, telephone focus groups, Town Hall meetings, general meetings, print media, social media and discussions.



We also communicate our policies and strategies to our shareholders through our annual reports and accounts, public announcements of quarterly results, and at analysts’ conferences, Annual General Meetings (AGMs), etc. We communicate our sustainability policies and strategies to our suppliers through e-mails and letters, forums, events and exhibitions, and regular meetings. To our communities, we communicate our sustainability policies and strategies through community outreaches, our employee volunteering initiatives, partnerships with community-facing Non-Governmental Organisations (NGOs), charitable donations and sponsorships. With our regulators, we communicate through regulatory consultations, industry working groups and committee

meetings, on-site meetings or supervisory visits by representatives of regulatory bodies, to name a few examples.

**Ethics, Anti-Corruption & Whistleblowing**

At Wapic, we consistently ensure high ethical standards and integrity in all our practices. We continue to educate our staff on the importance of ethical conduct, while maintaining a corporate culture that rewards honest practices and discourages unethical actions. In order to drive the message on Anti-Corruption, we ensure all Wapic employees, including newly recruited personnel,

agree and sign a written declaration of commitment to the Code of Ethics and Business Conduct of the Organisation. Furthermore, the Anti-Bribery and Corruption Policy has been added to the group of documents shared with new employees during the recruitment process, to raise their awareness of anti-bribery and corruption circumstances. In order to further broaden employee awareness on the issue, employees are reminded of the rules of ethical conduct on a weekly basis via email.

In addition, Wapic demonstrates its continuous commitment to ethical practices by working with leading institutions to engender ethical behaviour amongst its employees. In order to enable staff and other members of the public to report unethical activities affecting the Company, we continue to create awareness about our robust whistleblowing system. This has enabled our internal and external stakeholders to anonymously report unethical activities potentially affecting the Company, thereby addressing them before they escalate into possible business threats and liabilities.

#### **Details of the whistleblowing channels are provided below:**

##### **Telephone**

**Toll free numbers for calls from Airtel numbers only:**

**0808-822-8888 0708-060-1222**

**Toll free numbers for calls from 9Mobile numbers only:**

**0809-933-6366**

##### **Email**

[kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com).

#### **Investing In The Community**

At Wapic, we are committed to adding value to the community in which we operate. As part of our sustainability strategy, we partner with communities and non-governmental organisations to deploy social investment programmes that can have sustainable and deeply beneficial impact. The Company contributes to the development of vibrant and sustainable communities by nurturing interdependent relationships, based on common pursuits.

#### **Employee Volunteering and CSR**

The Wapic employee volunteer programme is a planned and managed effort that seeks to stimulate and enable employees to effectively volunteer under the official sponsorship and leadership of the company. With this initiative, employees are encouraged to contribute to the socio-economic development of the nation which in turn hopefully brings them self-fulfilment and job satisfaction.

Purpose-filled work is a requirement for most job seekers these days, especially Millennials, and volunteer programmes such as this serve as a rich pipeline to nourish the Wapic corporate culture of giving back.

Implementing volunteer programmes has also been an effective way to help Wapic employees develop skills which are beneficial to their job performance. Wapic employees agree that volunteering can be complementary to developing leadership, communication and problem-solving skills as well as learning to be a team player.

Wapic Insurance Plc. is proud of the brand ambassadors that the employee volunteering programme has produced over the years and the positive impact our staff have made in the workplace and in broader Nigerian communities.

The process of investing in our communities involves ongoing stakeholder engagement through which the Company evaluates and addresses community issues in the defined priority areas of Health, Education and Environment. We provide support for the community in the area of financial contributions, employee time and gifts. Below are some of the ways Wapic has contributed to the upliftment of the community:

### **2019 investment in Health**



#### **Donation to Moyinoluwa Rainbow Foundation (MRF):**

MRF is centered on helping children and families living with Down's syndrome. They believe in the ability of children with additional needs and that people with Down syndrome can live life to the fullest. Because Wapic believes in this noble cause which is in alignment with its Sustainability Development Goals, it made donations to the organization to support their objective of providing early intervention for children living with Down syndrome in order to reduce the future stress of managing it.

### Lagos Island Maternity Hospital

MRF is centered on helping children and families living with Down's syndrome. They believe in the ability of children with additional needs and that people with Down syndrome can live life to the fullest. Because Wapic believes in this noble cause which is in alignment with its

Sustainability Development Goals, it made donations to the organization to support their objective of providing early intervention for children living with Down syndrome in order to reduce the future stress of managing it.



### 2019 investment in Education



### Inspire Vocational Academy

In line with Wapic's sustainability objectives to contribute meaningfully to education in Nigeria, its Corporate Solutions Division embarked on a drive to empower unemployed youths in Yaba community as its employee volunteering initiative. To this end, they collaborated with Inspire Vocational Academies to provide scholarship to some students who are showing great commitment to learning but are unable to pay their tuition fees. Inspire Vocational Academy is an organization whose vision is to transform lives of youngsters in Nigeria to enable them pursue career opportunities in a wide range of sectors which includes Automotive, Textile, Hospitality, Electronics, Manufacturing, Mining, Oil & Gas, and Technology etc.





### Standard Bearers Schools

Wapic partnered with Standard Bearers Schools to support its female students participate in Technovation 2019 Global Girl Child Competition. Technovation is a global tech education nonprofit that empowers girls and families to become leaders, creators and problem-solvers. They offer two programs – Technovation Girls and Technovation Families – which bring kids and adults together to solve big problems in their communities.



### UNILAG Student Affairs

In line with the organization’s goal to support sustainable education in our society, Wapic has consistently made cash donations to the student affairs division of the prestigious University of Lagos. This division is responsible for creating and administering a variety of programs to meet the needs of all students and ensure a respectful, nurturing cultural environment, which is highly important for effective and comfortable learning.

## 2019 investment in Environment



### Nigeria Integrated Social Housing NISH

Wapic continues to partner with organizations whose initiatives align with its sustainability objectives. This donation to Nigeria Integrated Social Housing NISH was to support its goal of delivering quality housing (rent or owned) at moderate prices and single digit interest rate financing for mortgage and construction.



Risk Insured Rest Assured



# Get a Portion of your Premium Refunded for driving less this period

Because we understand that you're barely driving your motor vehicle while you remain safely at home, we're **returning your premium** for the period.

Wapic is passing the benefit of reduced risk at lockdown onto existing motor policy holders by offering **PREMIUM REFUNDS** at policy renewal.

Stay Home. Stay Safe.



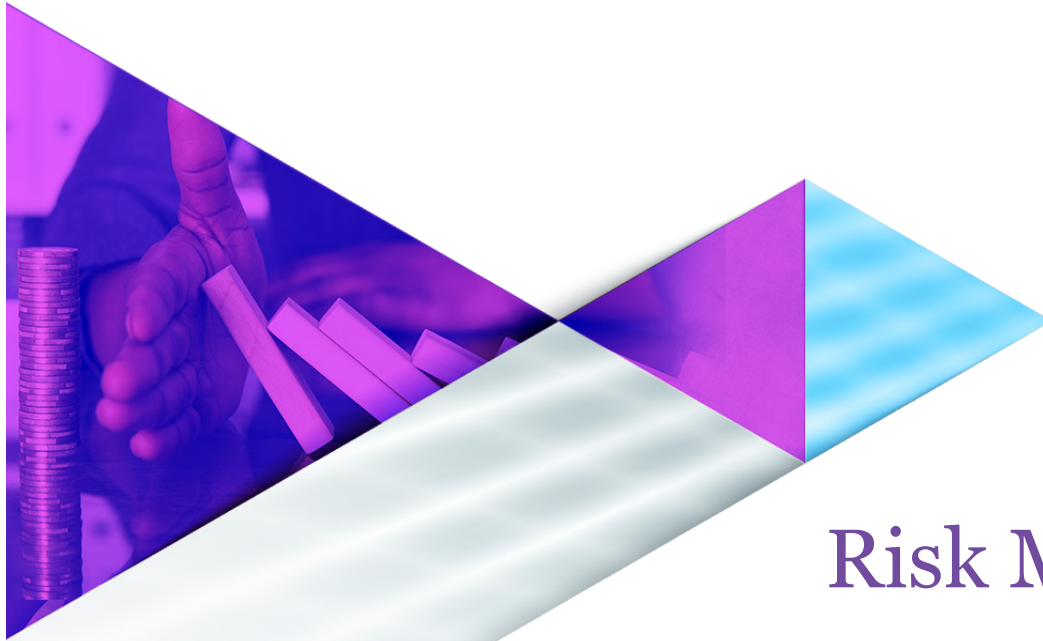
Approved by NAICOM

For more information, Call: 01-2774500, 01-2774566

Or Email: [Contactcentre@wapic.com](mailto:Contactcentre@wapic.com)

T&C Apply

[www.wapic.com](http://www.wapic.com)



# Risk Management

## Introduction and Overview

In 2019, the growth performance of the global economy shown a weakest outlook since the end of the global financial crisis a decade ago. This appalling performance was necessitated by many factors which include but not limited to rising trade barriers in some advanced economies, geo-political tensions and social unrest as witnessed in the Middle East and productivity growth challenges in emerging and developing economies

The Nigeria political and economic landscape witnessed major activities during the year such as, the General Election which led to heighten policy uncertainties, tight monetary, fiscal and liquidity policy pursued by Government which pressurized the earnings growth in Insurance Sector.

The company's risk management framework was able to anticipate several of these challenging situations and the increased risk of managing a transformational insurance company. Essentially, the risk management function has been strengthened to identify and manage these risks that threaten our survival. During the year, the risk management unit continued conducting and enhancing its stress testing and scenario analyses, assessing the company's resilience to macroeconomic, catastrophe events, pandemic events and other various market scenarios. The risk management group is leveraging on automation, technology and skilled employees to implement some crucial initiatives within the period under review.

The risk management system is enhanced to align its operations to the company's approved risk appetite. The Company has taken risk management as an integral part of its operations and business activities by continuously optimizing risk management framework and standardizing its risk management procedures through the adoption of both qualitative and quantitative risk management methodologies to identify, evaluate and mitigate risks.

A robust risk management system is maintained to support our decision-making and facilitate the effective, sustainable and growth in transforming and illuminating the insurance industry.

Our risk management framework provides essential tools to enable us take timely and informed decisions to maximize opportunities and mitigate potential threats. Risk Management Unit had maintained a strong and sustained focus on planning for the possibility of, and ultimately managing the market volatility and macroeconomic uncertainty. Our well-established risk governance structure and experienced risk team has allowed us to control successfully risk exposures throughout the year.

In order to exceed our customers and other stakeholders' expectations, the company ensures that adequate capital (economic or regulatory) is held at all times. In making business decisions on risk capital, the company's risk profile and cost of capital are considered. The capital position of Wapic is closely monitored and regularly stress tests (standardized and historical stress test scenarios) are applied. This allows the company to take appropriate measure to safeguard its continued capital and solvency strength.

As Risk management is part of our culture in Wapic, workshops were conducted company-wide during the year on Capital Management, Risk-Adjusted Performance Measures and Own Risk Solvency Assessment (ORSA) with a view to grow the risk culture maturity level across the Company.

## Our approach to Risk Management

Assisting our shareholders to achieve their ambitions lies at the heart of our processes as we apply tailored risk management approach in identifying, assessing, monitoring, controlling and reporting the inherent and

residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way. We help in connecting our customers to opportunities through our affirmed promise of risk insured rest assured.

The Company's overall risk tolerance is established in the context of our earnings power, capital, and diversified business model. The organizational structure and business strategy are aligned with our risk management philosophy.

The Company uses periodic reviews of risk exposure limits and risk control to position itself against adverse scenarios. This is a vital tool with which the Company predicted and successfully managed both the local and global downturns which continued to impact the macroeconomic environment. Market volatilities and economic uncertainties are typically contained because the Group regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments. Risk strategies and policies are set by the Board of Directors of the Company, which define acceptable levels of risk for day-to-day operations as well as the willingness of the Company to assume risk, weighed against the expected rewards, are detailed in the Enterprise-Wide Risk Management (ERM) Framework. The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of insurance, credit (counterparty default), market, operational, liquidity, strategic, reputational risks amongst others.

The role of the Chief Risk Officer in Wapic Insurance Plc remains pivotal, as he has the primary responsibility for ensuring the effective implementation of the ERM Framework for both the Company and its subsidiaries. The Company's ERM Framework requires Board approval, whilst the Risk Management Group is responsible for the enforcement of the company's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

### Balancing Risk and Return

Balancing risk and return and taking cognizance of the capital demands rigorous analysis. The aim is to optimize the opportunities and minimize the threats with a view to adding value to our shareholders and providing security to our other capital providers and clients, as well as ensuring overall sustainability in our business activities. Every business activity in the company requires capital, which is at risk in exchange for the prospect of earning a return. In some activities, the level of return is predictable, whereas in others the level of return varies over a wide spectrum, ranging from a loss to a profit. Accordingly, over the past years, we have expended substantial energy on improving our Risk and Capital Management Framework, to focus on taking risks where we:

- Understand the nature of the risks we are taking, and what range of outcomes could be under various scenarios, for taking these risks;
- Understand the capital required in order to assume these risks;
- Understand the range of returns that we can earn on the capital required to back risks; and
- Attempt to optimize the risk-adjusted rate of return we can earn. This is through reducing the range of outcomes and capital required arising from these risks and increasing the certainty of earning an acceptable return.

The company's objective of balancing risk return and capital has enhanced substantially our risk management methodologies. This enables the company to identify threats, uncertainties and opportunities and in turn develop mitigation and management strategies to achieve an optimal outcome.

Value is added for shareholders if the process allows for demonstration of sustainable risk-adjusted returns in excess of our cost of capital. The process provides security to our capital providers and clients by assuring them that we are not taking on incremental risks, which adversely affect the outcomes we have contracted to deliver to them.

### Enterprise-wide Scenario and Stress Testing

A robust and appropriate scenario stress testing is used to assess the potential impact on Wapic Insurance Plc's capital adequacy and strategic plans. Our stress testing and scenario analysis programme is central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effects of extreme but plausible events.

As a part of our core risk management practice, we conduct enterprise-wide stress tests on a periodic basis to understand better earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. The outcome of the testing and analysis is used to assess the potential impact of the relevant scenarios on demand for regulatory capital compared with its available capital. These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business.

Stress testing and scenario analysis are used to assess the financial and management capability of the company to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenarios are carefully selected and impacts on each line of business from each scenario are then analysed and determined, primarily leveraging the models and processes utilized in everyday management routines. Impacts are

assessed along with potential mitigating actions that may be taken in each scenario. We would continue to invest in and improve stress-testing capabilities as a core business process.

The company's stress-testing framework is designed to:

- Ensure adherence to regulatory requirements
- Identify key risks to our strategy, financial position, and reputation
- Contribute to the setting and monitoring of risk appetite
- Examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
- Ensure effective governance processes and systems are in place to co-ordinate and integrate stress testing to inform senior management decisions.”

## RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

### Our Risk Culture Statement:

At Wapic, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities and reward behaviour that aligns with our core values, controls and regulations. We discuss challenges encountered in an open environment of partnership and shared responsibility.

The company's Risk Management philosophy and culture remain fundamental to the delivery of our strategic objectives and are at the core of the Group's operating structure. We strive to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity and capital.

The Company's commended risk management process has continued to achieve desired results as evidenced by improved risk ratios. In line with Company's core value of excellence, its risk management group is continuously evolving and improving, given that all market developments, those of extreme nature, always need to be anticipated. Hence, our moderate risk appetite is our guide. Management has remained closely involved with important risk management initiatives, which have focused on preserving appropriate levels of liquidity and capital, as well as managing the risk portfolios.

Risk management is fundamental to decision-making and management process of the company. It is embedded in the role of all employees through the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

The Company considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how it considers risk in everything it does, from strategy development and

implementation to its day-to-day activities. In this regard, the Company's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

We also believe that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks. This ensures that:

- Risk acceptance is done in a responsible manner;
- The executive and the Board of the Company have adequate risk management support
- Uncertain outcomes are better anticipated;
- Risk mitigating actions are implemented;
- Accountability is strengthened; and
- Stewardship is enhanced.

### The Company identifies the following attributes as guiding principles for its risk culture.

#### a). Management and culture

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit and Group-wide risk profile to consider what is best for their individual business units/department
- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- Accept that enterprise-wide risk management is mandatory, not optional
- Strive to achieve best practices in enterprise-wide risk management;
- Document and report all significant risks and enterprise-wide risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure clear segregation of duties between market facing business units and risk management/control functions;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in development of strategy and pursuit of objectives.

b) Risk officers' partners with other stakeholders within and outside the Company and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

c) The company partners with its customers to improve their attitudes to risk management and encourage them to build corporate governance

culture into their business management

- d) Risk management is governed by well-defined policies, which are clearly communicated across the Company
- e) Equal attention is paid to both quantifiable and non-quantifiable risks
- f) The Company avoids products and businesses it does not understand.

### GROUP RISK OVERSIGHT APPROACH

Managing risk is a fundamental part of insurance. Wapic Insurance manages risk as part of a long-term strategy of resilience. The risk management function is embedded in all levels of the Company's organisation and is part of the daily business activities and strategic planning to have a sustainable competitive advantage.

To achieve its risk management objectives, the company relies on a risk management framework that comprises risk policies and procedures formulated for the assessment, measurement, monitoring and reporting of risks including limits set to manage the exposure to quantifiable risks. The Company recognises that effective risk management is based on a sound risk culture, which is characterised, amongst others, by a high level of awareness concerning risk and risk management in the organisation.

Our risk governance framework, of which risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

We actively promote a strong risk culture where employees are encouraged to take accountability for identifying and escalating risks. Expectations on risk culture are regularly communicated by senior management, reinforced through policies and training, and considered in the performance assessment and compensation processes. The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Company.

Internal Audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where necessary

### Strategy and Business Planning

Our risk management function is aligned with our strategy of building and delivering long-term sustainable value for our stakeholders. We continue to pursue a prudent risk policy, bringing balance and focus to our activities. Underpinning that ambition is the delivery of excellent customer service through all our business segments. Our business model and strategy are built on capturing the opportunities inherent in our business by developing deep relationships with clients in the markets and communities we serve. Each business function proactively identifies and assesses its operational risks and the controls put in place

to manage those risks.

Risk management is embedded in our business strategy and planning cycle. By setting the business and risk strategy, we are able to determine appropriate capital allocation and target setting for Wapic Insurance Plc and each of our businesses.

All business units are required to consider the risk implications of their annual plans. These plans include analysis of the impact of objectives on risk exposure. Throughout the year, business performance is monitored regularly focusing both on financial performance and risk exposure. The aim is to continue the process of integrating risk management into the planning and management process and to facilitate informed decisions.

We continue to focus on early identification of emerging risks so that we can manage any areas of weakness on a proactive basis

### Risk Appetite

In consideration of taking all relevant risks and stakeholders, Wapic Insurance's risk appetite expresses the aggregate level of risk that the Company is willing to assume in the context of achieving our strategic objectives. Risk appetite is derived using both quantitative and qualitative criteria. Risk appetite in relation to the major risks to which the Company is exposed is regulated by limits and thresholds, which is approved by the Board of Directors. These metrics aid in reaching our financial targets and guiding the Company's profitability profile.

In accordance with the Company's risk appetite, we are strongly committed to maintaining a moderate risk profile. The risk profile is managed based on an integrated risk management framework. In this framework, all types of risks are identified to provide one integrated view on the risk profile for the Company as a whole

Risk appetite reflects Wapic Insurance Plc's willingness and capacity to absorb potential losses arising from a range of potential outcomes under different stress scenarios.

In 2019, we tracked and reported actual risk appetite metrics against approved limits, whilst variations are presented to management for prompt corrective actions. Escalations of key issues and corrective actions taken by Management are reported to the Board Risk Management Committee for ratification.

### Risk Management Objectives

The broad risk management objectives of the Company are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;

- To enhance credit ratings, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective action “

### Risk Categorization

Wapic Insurance Plc is exposed to an array of risks through its operations. Wapic Insurance Plc has identified and categorized its exposure to these broad risks as listed below:

- Credit risk
- Operational risk
- Market and Liquidity risk
- Underwriting risk
- Legal and Compliance risk
- Strategic risk
- Capital risk
- Reputational risk
- Information Technology (IT) risk

These risks and the framework for their management are detailed in the enterprise-wide risk management framework.

### Responsibilities and Functions

The responsibilities of the Risk Management Group, the Financial Control and Strategy Group, and other key stakeholders with respect to risk management are highlighted below:

#### Risk Management Group

- Champion the implementation of the ERM Framework across the Company and subsidiaries.
- Develop risk policies, principles, process and reporting standards that define Wapic Insurance Plc’s risk strategy and appetite in line with the Company’s overall business objectives.
- Ensure that controls, skills and systems are in place to enable compliance with the Company’s policies and standards, and with all regulatory requirement.
- Facilitate the identification, measurement, assessment, monitoring and control of the level of risks in the Company.
- Embed risk culture in the Company to ensure that everyone in the Company takes into consideration Wapic’s risk appetite in whatever they do.
- Collect, process, verify, monitor and distribute risk

information across the Company and other material risk issues to senior management, the Board and regulators.

- Monitor compliance with company-wide risk policies and limits.
- Empower Business unit risk champion to identify, monitor and report on the effectiveness of risk mitigation plans in reducing risk incidence as related to day-to-day activities in the unit.
- Ensure that laws, regulations and supervisory requirements are complied with including consequence management.
- Champion the implementation of Solvency II
- Promote risk awareness and provide education on risk.
- Provide assurance on compliance with internal and external policies with respect to risk management.

### Financial Control and Strategy

- Prepare and monitor the implementation of the company’s Strategic Plan
- Conduct strategic and operational review of the company’s activities
- Conduct regular scanning of the company’s operating environment
- Coordinate and monitor the company’s rating exercises by external rating agencies
- Prepare business intelligence reports for the company management
- Prepare periodic management reports on subsidiaries and associates
- Perform competitive analysis in comparison with industry peers
- Conduct strategic/operational review of branches

### Risk Management Unit – relationship with other units

- The relationships between Risk Management Unit (RMU) and other units are highlighted below:
- RMU sets policies and defines risk limits for other units in the company;
- RMU performs Company-wide risk monitoring and reporting;
- Other units provide relevant data to RMU for risk monitoring and reporting and identify potential risks in their line of business and RMU provides a framework for managing such risks;
- RMU and market facing units collaborate in designing new products;

- RMU and internal audit co-ordinate activities to provide a holistic view of risks across Wapic Insurance Plc;
- RMU makes recommendations with respect to capital allocation, pricing and reward/sanctions based on risk reports; and
- Information technology support Company provides relevant user support to the RMU in respect of the various risk management software.

### Company Risk Oversight Approach

Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

The risk management and compliance division provide a central oversight of risk management across the company. This is to ensure that the full spectrum of risks facing the company are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The division is complemented by the financial control and regulatory/reputation risk Company in the management of strategic and reputational risks respectively.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across Wapic Insurance Plc. Internal audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where there are weaknesses.

Credit risk: is the risk of default arising from the uncertainty of counterparty's ability to perform its contractual obligations. This may arise from the following but not limited to Premium receivables, reinsurance recoveries, fund placements in deposit money banks, vendors, and fund's managers. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and lead insurers who are allowed extended payment period may default.

Operational risk: This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, strategic risk and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Market risk: is the risk that the value of an investment will decrease due to movements in market factors. Volatility frequently refers to the standard deviation of the change in value of a financial instrument with a specific time horizon.

Wapic Insurance Plc is exposed to this risk through its

financial assets and comprises of Interest rate risk. Interest rate risk is the risk that the value of a fixed income security will fall as a result of movement in market interest rates

- Equity price risk: the risk that the fair value of equities decreases due to changes in the levels of equity indices and the value of individual stocks.
- Foreign Exchange risk: the risk associated with movement in the exchange prices on dollar-based transactions, which Wapic Insurance Plc is exposed to.
- Property price risk: the risk arising from changes in the market value of properties and fluctuations in expected rental incomes.
- Liquidity risk: This is the risk that a company may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Wapic Insurance Plc recognizes the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once a claim crystallize.
- Underwriting risk: Underwriting activities are primarily concerned with the pricing, acceptance and management of risks arising from our contracts with policyholders. It entails the risk that:
  - The pricing charged for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;
  - Risks are not adequately ceded to reinsurers exposing the Company to potential high claims pay-out;
  - Many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses and;
  - Wapic Insurance Plc's policyholder will act in ways that are unanticipated and have an adverse effect on the Company."

Reputational risk: The company is exposed to this risk through events that damage its image amongst stakeholders and the public, which may impair the ability to retain, generate and drive sustainable business. We understand that reputational risk is the biggest risk to our business as it poses a special threat to the confidence of our customers, regulators and industry.

The framework details Wapic's risk universe and governance structure comprising three distinct layers

1. The enterprise-wide risk management and corporate

- governance committee forums
2. The executive management committees; and
  3. Risk management responsibilities per risk area.

### Roles of the Board of Directors

The Board of Directors' role as it relates to risk management is divided into seven areas; general, credit, market, liquidity, underwriting, operational, reputational and strategic risk. Specific roles in these areas are further defined below:

#### General

- a) Develop a formal enterprise-wide risk management framework;
- b) Review and approve the establishment of a risk management function that would independently identify, measure, monitor and control risks inherent in all risk-taking units of the company;
- c) Ratify the appointment of qualified officers to manage the risk management function;
- d) Approve and periodically review the company's risk strategy and policies;
- e) Approve the company's risk appetite and monitor the company's risk profile against this appetite;
- f) Ensure that the management of the company's has an effective ongoing process to identify risk, measure its potential impact and proactively manage these risks;
- g) Ensure that the company maintains a sound system of risk management and internal control with respect to:
  - Efficiency and effectiveness of operations
  - Safeguarding of the company's assets (including information)
  - Compliance with applicable laws, regulations and supervisory requirements
  - Reliability of reporting
  - Behaving responsibly towards all stakeholders
- h) Ensure that a systemic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;
- i) Ensure that management maintains an appropriate system of internal control and review its effectiveness;
- j) Ensure risk strategy reflects the company's tolerance for risk;
- k) Review and approve changes/amendments to the risk management framework;
- l) Review and approve risk management procedures and control for new products and activities; and
- m) Periodically receive risk reports from

management highlighting risk areas, control failures and remedial action steps taken by management.

### Credit Risk

- a) Approve the overall risk tolerance in relation to credit risk based on the recommendation of the company's Chief Risk Officer;
- b) Ensure that Wapic overall counterparty credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
- c) Ensure that top management as well as individuals responsible for counterparty credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
- d) Ensure that Wapic Insurance Plc implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk;
- e) To put in place effective internal policies, systems and controls to identify, measure monitor, and control credit risk concentrations.
- f) Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and
- g) Appoint credit officers and delegate approval authorities to individuals and committees.

### Market Risk

- a) Define Company overall risk appetite in relation to market risk;
- b) Ensure that Wapic Insurance Plc's overall market risk exposure is maintained at levels consistent with the available capital;
- c) Ensure that top management as well as individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function;
- d) Approve Wapic Insurance Plc's strategic direction and tolerance level for liquidity risk
- e) Ensure that Wapic Insurance Plc's senior management has the ability and required authority to manage liquidity risk;
- f) Approve Wapic Insurance Plc's liquidity risk management framework; and
- g) Ensure that liquidity risk is identified, measured, monitored and controlled.

### Compliance Risk

- a) Approve Wapic Insurance Plc's code of conduct and ethics;
- b) Monitor Wapic Insurance Plc's compliance with laws and regulations, its code of conduct and ethics and corporate governance practices;
- c) Ensure new and changed legal and regulatory requirements are identified, monitored and reflected in Company processes;
- d) Approve the compliance structure, mechanisms and processes established by management to ensure compliance with current laws, regulations and supervisory requirements; and
- e) Ensure Wapic Insurance Plc's has a compliance culture that contributes to the overall objective of risk management.

### Operational Risk

- a) Oversee the overall governance of the company's operational risk management process;
- b) Set Wapic Insurance Plc's operational risk strategy and direction in line with the company's corporate strategy;
- c) Approve the company's operational risk management framework;
- d) Periodically review the framework to ensure its relevance and effectiveness;
- e) Ensure that senior management is performing its risk management responsibilities; and
- f) Ensure that the company's operational risk management framework is subject to effective and comprehensive internal audit by operationally independent, appropriately trained and competent staff.

### Reputational Risk

- a) Set an appropriate tone and guidelines regarding the development and implementation of effective reputation
- b) Risk management practices, including an explicit statement of a zero tolerance policy for all unethical behaviour;
- c) Approve the company's framework for the identification, measurement, control and management of reputational risk;
- d) Monitor the company's compliance with its reputational risk management policies and recommend sanctions for material breaches of internal policies;

- e) Review all exception reports by external parties such as regulators and auditors; ensure that appropriate sanctions are applied to erring officers; demand from management appropriate explanations for all exceptional items; ensure that management puts in place effective and remedial actions and reports on progress to the Board on an on-going basis;
- f) Ensure that Board members do not compromise their fit and proper status with regulators. They shall ensure that only Board members who do not tarnish the Wapic's image and reputation remain as members; and
- g) Ensure that only fit and proper persons are appointed to senior management positions in Wapic Insurance Plc.

### Strategic Risk

- a) Oversee the strategic risk management process.
- b) Ensure that the company has in place an appropriate strategic risk management framework which suits its own circumstances and needs;
- c) Ensure that the strategic goals and objectives are set in line with its corporate mission and values, culture, business direction and risk tolerance;
- d) Approve the strategic plan (including strategies contained therein) and any subsequent changes, and review the plan (at least annually) to ensure its appropriateness;
- e) Ensure the organization's structure, culture, infrastructure, financial means, managerial resources and capabilities, as well as systems and controls are appropriate and adequate to support the implementation of its strategies.
- f) Review high-level reports periodically submitted to the Board on the overall strategic risk profile, and ensure that any material risks and strategic implications identified from those reports are properly addressed; and
- g) Ensure that senior management is competent in implementing strategic decisions approved by the Board and supervising such performance on a continuing basis

### The Board and Management Committees

The Board of director is the highest approval authority for risk policies and risk appetite setting in Wapic. It carries

out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has five standing committees namely: The Board Risk Management and Governance Committee, the Board Audit and Compliance Committee, the Board Establishment and Remuneration Committee, the Board Finance, Investment and General Purpose Committee and the Board Information Technology Committee.

The management committees which exist in Wapic Insurance Plc include: The Executive Committee (EXCO), Enterprise-wide Risk Management and Governance Committee (ERMC), Finance, Investment and General Purpose Management Committee (FIMC), Underwriting and Claims Management Committee (UCMC), and Information Technology Steering Committee (ITSC). Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

BOARD COMMITTEES	FUNCTIONS
Board Audit and Compliance Committee	<ul style="list-style-type: none"> <li>• Oversight of financial reporting and accounting</li> <li>• Oversight of the external auditor</li> <li>• Oversight of regulatory compliance</li> <li>• Monitoring the internal control process</li> <li>• Oversight of enterprise risk management</li> </ul>
Board Enterprise Risk Management and Governance Committee	<ul style="list-style-type: none"> <li>• Assist in the oversight of the review and approval of the companies' risk management policy including risk appetite and risk strategy;</li> <li>• Review the adequacy and effectiveness of risk management and controls;</li> <li>• Oversee management's process for the identification of significant risks across Wapic Insurance Plc and the adequacy of prevention, detection and reporting mechanisms;</li> <li>• Review of Wapic Insurance Plc's compliance level with applicable laws and regulatory requirements that may impact Wapic Insurance Plc's risk profile;</li> <li>• Review changes in the economic and business environment, including emerging trends and other factors relevant to Wapic Insurance Plc's risk profile; and</li> <li>• Review large underwritten risks for adequacy of reinsurance and other risk management techniques including environmental &amp; social management system</li> <li>• Review and recommend for approval of the Board risk management procedures and controls for new products and services.</li> </ul>
Board Finance, Investment and General Purpose Committee	<ul style="list-style-type: none"> <li>• Reviews and approves Wapic Insurance Plc's investment policy</li> <li>• Approves investments over and above managements' approval limit</li> <li>• Ensures that optimum asset allocation is achieved</li> <li>• Assists the Board on its oversight function of managing financial risks.</li> <li>• Review and make recommendation on long term financial plan for Wapic Insurance Plc.</li> <li>• Review Wapic Insurance Plc capital appropriation.</li> <li>• Provides</li> </ul>
Board Establishment and Remuneration Committee	<ul style="list-style-type: none"> <li>• Advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the directors and employees of Wapic Insurance Plc.</li> <li>• Monitor the Group people-risk universe.</li> <li>• Ensure the right calibre of executive management is attracted, retained, motivated and rewarded.</li> <li>• Provides periodic oversight of Boards approved programs.</li> </ul>
Board Information Technology Committee	<ul style="list-style-type: none"> <li>• Advises the Board on its oversight responsibilities in relation to development and implementation of company's information technology strategy</li> <li>• Monitor company's investment on technology and information systems</li> </ul>

## Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments with regard to taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Group is involved. Operational risk is inherent in the Group's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. This framework includes:

- Recognized ownership of the risk by the businesses;
- Oversight by independent risk management; and
- Independent review by Corporate Audit.

We seek to minimize exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The goal is to keep operational risk at appropriate levels relative to the characteristics of our businesses, the markets in which we operate, our capital and liquidity, and the competitive, economic and regulatory environment. Notwithstanding these controls, the Group incurs operational losses.

Our operational risk strategy seeks to minimize the impact that operational risk can have on shareholders' value.

### The Group's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings.
- Minimize the impact of unexpected and catastrophic events and related costs through risk financing strategies that will support the Group's long term growth, cash flow management and balance sheet protection.
- Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasizes effective operational risk management and adherence to operating controls, there are three distinct levels of operational risk governance structure in the Group.

Level 1 refers to the oversight function carried out by the board of directors, board risk committee and the executive

management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by operational risk management group. It has direct responsibility for formulating and implementing the Group's operational risk management framework including methodologies, policies and procedures approved by the board.

Level 3 refers to the operational function carried out by all business units and support functions in the Group. These units/functions are fully responsible and accountable for the management of operational risk in their respective units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal audit provides independent assessment and evaluation of the Group's operational risk management framework. This periodic confirmation of the existence and utilization of controls in compliance with approved policies and procedures, provide assurance as to the effectiveness of the Group's operational risk management framework. Importantly, the tools used to assess, measure and monitor operational risks in the Group include but are not limited to a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyze business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

### The Group's operational risk framework

The Group's current operational risk framework was implemented to meet internal and regulatory requirements. There has been significant investment in the implementation of improved measurement and management approaches for operational risk to strengthen control, improve customer service, improve process efficiencies and minimize operating losses. The Group recognizes the fact that it is neither cost-effective nor possible to attempt to eliminate all operational risks. Events of small significance are thus expected to occur and are accepted as inevitable with relevant budgeting for these losses being exercised where appropriate. Events of material significance are limited and the Group seeks to reduce the risk from these extreme events in a framework consistent with its agreed risk appetite. Processes are in place to monitor management and future mitigation of such events.

The role of risk department is to establish, implement and maintain the operational risk framework for the modelling and managing of the Group's operational risk, while reinforcing and enabling operational risk management culture throughout the Group. The aim is to integrate, based on international norms and best practices, all operational

risk activities and to compile a reliable operational risk profile contributing to the Group's risk-reward profile. The key advantage introduced by the current framework is the financial quantification and modelling of operational risks. This functionality has significantly improved the Group's operational risk measurement and management capabilities.

### Management and control responsibilities

The first line of governance for managing operational risk rests with business and operational risk management that forms part of the day-to-day responsibilities of all business unit management. Business unit staff report any identified breakdowns in control and any risk events that may result in financial loss and/or reputation damage. Amongst others, business management are responsible to ensure that processes for identifying and addressing ineffective controls and the mitigating of risk events are implemented and executed. Operational risk teams form the secondary line of governance by ensuring that processes to identify weaknesses are effective and identified weaknesses are acted upon. The Group operational risk profile is presented to the Board quarterly. Control effectiveness is monitored at the Risk Management Committee and at the Board; and the multi-layered system of defenses ensures pro-active operational risk management.

### Measuring and managing operational risk

The Group recognizes the significance of operational risk and is committed to enhancing the measurement and management thereof. Within the Group's operational risk framework, qualitative and quantitative methodologies and tools are applied to identify and assess operational risks and to provide management information for determining appropriate mitigating measures.

#### Risk event data collection and reporting

A standard process is used Group-wide for the recognition, capture, assessment, analysis and reporting of risk events. This process is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are loaded onto a central database and reported monthly to the ERMC. The Group also uses a database of external public risk events and is part of a consortium of other insurance companies that share loss data information anonymously to assist in risk identification, assessment, modelling and benchmarking.

### Risk and control self assessments (RCSA)

In order to pro-actively identify and actively mitigate risks, the operational risk framework utilizes RCSAs. RCSA is used at a granular level to identify relevant material risks and key controls mitigating these risks. The risks and controls are assessed on a quarterly basis and relevant action plans are put in place to treat, tolerate, terminate or transfer the risks, taking into account the relevant business risk appetites. The RCSA programme is extensive

and covers the entire Group. The Internal Audit further tests the effectiveness of the RCSAs within the normal course of auditing and relevant metrics are monitored and actioned where relevant.

### Key risk indicators (KRIs)

A comprehensive set of KRIs are in place across the Group, with relevant and agreed thresholds set by the business. KRIs are monitored on a Group as well as business unit level, based on significance. Threshold breaches are managed in accordance with an agreed process across the Group.

### Reporting

Business units are required to report on both a regular and an event-driven basis. The reports include a profile of the key risks to their business objectives, RCSA and KRI results, and operational risk events. Risk reports are presented to executive management and risk committees.

### Heat Map

The Heat map provide a snap short summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss allocating capital to business units. An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures of the business unit's control environment. This translates to a risk-sensitive allocation with the opportunity afforded to business to identify actions to positively impact on their respective allocated operational risk capital.

### Allocating Capital to Business Units

An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures of the business unit's control environment. This translates to a risk-sensitive allocation with the opportunity afforded to business to identify actions to positively impact on their respective allocated operational risk capital.

### Expected loss (EL) budgeting mitigation

The ERM team developed a database for loss event collation named Loss Event Register. This register allows staff to report actual and near-miss (an unplanned event that did not result in injury, illness, or damage – but had the potential to do so) loss events. Summary statistics from the loss event database are used to show trends of total losses and mean average loss, with analysis by type of loss and business line.

### Information Security and Continuity of Business

Information security and the protection of confidential and sensitive customer data are a priority of Wapic Insurance Plc. The Group has developed and implemented an Information Security Risk Management framework that is in line with best practice. The framework is reviewed and enhanced regularly to address emerging threats to customers' information.

A critical tool in managing our operational risk is the Business Continuity Plan (BCP) that documents the procedures to be executed by relevant teams in the event of a disaster. The Group assesses the feasibility of its BCP annually by simulating a disaster and gaps noted are properly mitigated to ensure that business operations are not disrupted in the event of a disaster. Furthermore, in a bid to ensure data security, failover tests are conducted periodically to ascertain the effectiveness of our secondary servers as well as the accuracy and completeness of data in the secondary servers.

### Information Security and Continuity of Business

- Established the resilience of the Group following a major operational disruption such as flood and fire by conducting a comprehensive test of the business continuity plan. A major outcome of the exercise is our Information Technology (IT) Team's capacity to resume critical IT-related services from anywhere within 3 hours following a major operational disruption.
- The effective communication between our primary servers and secondary servers was ascertained following the conduct of a comprehensive failover test. It was affirmed that our data are accurately and completely backed up in our designated secondary and tertiary servers.
- Established a Digital Division to boost the creation of opportunities for the Group in the digital space and truly position Wapic as a Group that has come to transform and illuminate the industry.
- Ensured the early identification and effective management of risk issues by conducting a comprehensive risk assessment on all our core business processes.

- In order to guarantee the Group's continuing growth and success, an effective and robust succession plan was established with the sole purpose of ensuring timely replacement of talents occupying key positions.

### Key improvements made in 2019 include the following:

- Enhanced the implementation of the Company's cyber-risk management framework through the use of Artificial Intelligence to identify threats and vulnerabilities
- Conducted a comprehensive Business Continuity Plan (BCP) test on the core operation activities in the Organization and its subsidiaries in Nigeria and Ghana to ascertain the Company's ability to carry on with its core processes following a major operational interruption.
- Successful validation of the Company's data to ascertain the accuracy of the primary and secondary servers by conducting a comprehensive Failover tests to affirm if data is complete and fully backed up.
- The company conducted the 2018 Own Risk and Solvency Assessment Report to ascertain Wapic's Economic capital adequacy, operating performance, risk profile and business profile dictating the sustainability of its operating performance and its exposure to volatility in its capital
- Strengthened the efficiency, customer experience and Turn-Around-Time within the Digital platform to boost the creation of opportunities for the Company in the digital space.
- Ensured early identification and effective management of risk issues by monitoring the Company's performance in line with the approved Risk Appetite framework.
- Seamless Implementation of the Company's succession plan with the sole purpose of ensuring timely development of key talents to occupy top managerial positions.

### Credit Risk Management

Credit risk arises from the failure of a counterparty of the Group to repay amount due as at an agreed date or failure to perform as agreed. The Group's exposure to credit risk is primarily derived from the following activities:

- Unpaid premium from insured or brokers; and
- Non-recovery of claims paid from reinsurers.
- Inability of financial institutions to remit the matured principal investment and accrued interest

The Group is exposed to risk relating to its debt holdings in its investment portfolio, outstanding premiums from

brokers and the reliance on reinsurers to make payment when certain loss conditions are met. The Group reviewed its Counterparty Credit Risk policy to incorporate the mitigation against default arising from Co-insurance transactions. Wapic through its governance process increased its monitoring on the Banking industry as it observed the developments in the industry with a view to proactively mitigate any downside risk that may emanate and any Credit risk arising from the increase in loan to deposit ratio by CBN.

The Group's investment portfolio and receivables are exposed to credit risk through its fixed income money market instruments, trade receivables and reinsurance receivables. The maximum exposures from the Group's and Company's financial assets to credit risk are as follows:

<b>31 December 2019</b>							
<b>Group</b>				<b>Company</b>			
In thousands of naira				In thousands of naira			
	Note						
Cash and cash equivalents	8	1,152,498	10%	Cash and cash equivalents	506,065	13%	
Fixed income instruments	9	8,277,535	73%	Fixed income instruments	1,971,265	52%	
Fair value through P or L	9	-	0%	Fair value through P or L	-	0%	
Trade receivables	10	60,216	1%	Trade receivables	24,950	1%	
Other receivables (excluding prepayments)	13	1,061,503	9%	Other receivables (excluding prepayments)	851,055	23%	
Reinsurance assets	11	124,872	1%	Reinsurance assets	124,872	3%	
Statutory deposit	20	636,420	6%	Statutory deposit	300,000	8%	
		11,313,044	100%		3,778,207	100%	

<b>31 December 2018</b>							
<b>Group</b>				<b>Company</b>			
In thousands of naira				In thousands of naira			
	Note						
Cash and cash equivalents	8	2,888,235	25%	Cash and cash equivalents	2,056,736	46%	
Fixed income instruments	9	6,691,470	58%	Fixed income instruments	1,070,777	24%	
Held for trading assets	9	-	0%	Fair value through P or L	-	0%	
Trade receivables	10	34,962	0%	Trade receivables	34,962	1%	
Other receivables (excluding prepayments)	13	1,305,276	11%	Other receivables (excluding prepayments)	973,104	22%	
Reinsurance assets	11	39,553	0%	Reinsurance assets	47,036	1%	
Statutory deposit	19	638,044	6%	Statutory deposit	300,000	7%	
		11,597,539	100%		4,482,615	100%	

The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance

on a quarterly basis and monitored by management on a monthly basis.

The Company's exposures to banks and finance houses as at 31 December 2019 is represented below:

Company portfolio		
Counterparty	Investment money market	in %
National Banks	195,540	100%
Other Banks	-	0%
<b>Total</b>	<b>195,540</b>	<b>100%</b>

The Company's exposures to banks and finance houses as at 31 December 2018 is represented below:

Company portfolio		
Counterparty	Investment money market	in %
National Banks	191,693	79%
Other Banks	51,236	21%
<b>Total</b>	<b>242,929</b>	<b>100%</b>

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. The creditworthiness of all reinsurers is monitored and reported to management by the Risk Management function by reviewing their annual financial statements and qualitative observations through formal and informal communication channels. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

Aside credit risk exposure from our investment policies, the Group is also exposed to this risk from its core business – outstanding premiums from clients. Trade receivables are short-term in nature consisting of a large number of policyholders and are subject to moderate credit risk.

The Group categorizes its exposure to this risk based on business sources (namely Agents, Brokers and Insurance Companies) and periodically reviews trade receivable to ensure credit worthiness.

Credit risk exposure to trade receivables arises from the 30 days' window given by NAICOM in the "No Premium No Cover" (NPNC) policy. This gives brokers the latitude to withhold premiums collected from insured for 30 days. However, they are expected to issue their credit note and remit the premiums at the expiration of the 30 days' grace period. Brokers who fails to remit are reported on quarterly basis to NAICOM and are subject to the downgrading process in the Group's Credit Policy Guide. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

The Group has no significant concentration of credit risk and the carrying amounts of all the financial assets subject to credit risk represents the maximum exposure of the Group to credit risk.

Key improvements made in 2019 include the following:

- Compliance to IFRS 9 through the computation of Expected Credit Loss for the group Company
- Development and deployment of an automated Credit Monitoring Dashboard
- The company also developed a model for the profiling of Auto garages to improve service delivery
- The company also developed a model for the profiling of Counterparties to improve service delivery
- The company enhanced and intensified the recovery strategy, which include the engagement of third party debt recovery agents on Subrogation, Reinsurance and Premium receivables. This led to the improvement in the recovery made during the year.
- The Credit Risk Management team concluded the phase one of the automation of the Credit Risk Processes for effective monitoring and prevention of default risk. To this end, the Watch and Warning list process were automated to enable early detection of potential counterparty default
- Following the increase in loan to deposit ratio by CBN to 65% the company reviewed its policies to mitigate default arising from counterparties .

## Market Risk Management

The financial markets of Nigeria and Ghana were adversely affected by volatility in the markets. The Group's ability to meet business objectives was affected by the adverse changes in the major market risk factors: interest rates, foreign exchange rates, non-availability of FX, rise in inflation, equity prices, and increase in property prices. The Group's identification, management, control, measurement and reporting of market risk is designed along the following major risk factors;

1. Interest rate risk
2. Foreign exchange risk
3. Equity price risk

### 1. Interest rate risk

Interest rate risk is the exposure of the Group's financial condition to adverse movements in interest rates, yield curves and credit spreads. The interest rate risk exposure arises when a change in interest rate has a potential to affect the value of the Group's assets and liabilities. The Group is exposed to interest rate risk through the floating interest rate bearing assets and liabilities and fixed interest bearing financial instruments carried at fair value in the Group's books.

The Group is significantly exposed to interest-rate risk as the percentage of floating interest yielding assets to AUM is 14.85% (2018 was 14.77%). In addition, the Group is exposed to interest rate risk through its Life underwriting investment policies that have guaranteed interest rate. As a result, the Group's investment income moves in the direction of interest rate in the short and medium term. The plan of Central Bank of Nigeria (CBN) to retain Monetary Policy Rate (MPR) at 13.50% through 2019 consolidating on its tight monetary policies and regulatory supervision. This has presented an opportunity for the Group in terms of generating more revenue on its investment portfolio to support the Group's income aspiration during the year.

The overall economic performance of Nigeria in 2019 fell short of the CBN's projected growth, which was

occasioned by uncertainty and poor execution of policies. The economy also performed poorly in terms of GDP which reduced to 1.94% in 2019. Some of the challenges faced in the country include but not limited to political instability occasioned by the terrorist activities, increment in the prices of food commodities due to the prolonged closure of Nigeria's borders amongst others. The Country experienced a significant increase in the country inflation rate (which increase from 11.28% in Q4'18 to 11.85% in Q4'19), the currency witnessed significant revenue challenges. This enables the country to adopt significant steps of fiscal consolidation and international borrowing to implement some of her capital projects.

### 2. Foreign exchange risk

Foreign exchange risk is the exposure of the Group's financial condition to adverse movement in FX risk and currency risk or the risk that investment dominated in foreign currency will lose value due of unfavorable exchange rate fluctuation between the investment's foreign currency and the investment holder's domestic currency. The Group conducts its operation in both local and foreign currency and therefore is exposed to financial impact of changes in exchange rate of various currencies. The Group regularly review its investment policy with a view to take advantage of the FX volatility and to immunize the liability obligation of the Group.

### 3. Equity price risk

Equity price risk is the exposure of the Group's financial condition to Mark-To-Market loss as a result of holding equity in a particular investment such as investment in Treasury Bills, Bonds (Government Bonds, Euro Bond), Quoted and unquoted equities. In managing the Group equity price risk, the Group on a regular basis track the stock portfolio position based on the price received (prevailing market price) and daily stock valuation to justify the holding of such stock in the portfolio. The Group also manages the equity price volatility through diversification of holding in various stocks. The ideal is that if one stock experiences a sudden decline, other stock portfolio will compensate the loss and the loss impact due to stock price volatility is likely to be minimized.

A summary of the Group's interest rate gap position on non-trading portfolios was as follows:

### Market Risk

#### Re-pricing period

	Carrying amount	No stated maturity	1 - 3 months	3 - 6 months	6 - 12 months	Above 1 year
<b>Group</b>						
<b>31 December 2019</b>						
<b>Assets</b>						
In thousands of Naira						
Cash and cash equivalents	1,152,498	-	1,152,498	-	-	-
Debt securities - at amortised cost	1,764,857	-	73,184	-	-	1,691,672
Debt securities - at fair value through OCI	6,512,678	-	-	2,628,055	-	3,884,623
Statutory deposit	636,420	-	-	-	-	636,420
	10,066,453	-	1,225,683	2,628,055	-	6,212,715
<b>Liabilities</b>						
Liabilities on investment contracts	1,255,707	1,255,707	-	-	-	-
	1,255,707	1,255,707	-	-	-	-
Total interest re-pricing gap	8,810,746	(1,255,707)	1,225,683	2,628,055	-	6,212,715
Cumulative	8,810,746	(1,255,707)	(30,024)	2,598,031	2,598,031	8,810,746
Increase by 100bp	88,107	(12,557)	12,257	26,281	-	62,127
Increase by 500bp	440,537	(62,785)	61,284	131,403	-	310,636
Decrease by 100bp	(88,107)	12,557	(12,257)	(26,281)	-	(62,127)
Decrease by 500bp	(440,537)	62,785	(61,284)	(131,403)	-	(310,636)

#### Re-pricing period

	Carrying amount	No stated maturity	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Group</b>						
<b>31 December 2018</b>						
<b>Assets</b>						
In thousands of Naira						
Cash and cash equivalents	2,888,235	-	2,888,235	-	-	-
Debt securities - at amortised cost	2,571,929	-	23,286	-	-	2,576,134
Debt securities - at fair value through OCI	4,119,541	-	-	1,449,726	-	2,669,816
Statutory deposit	638,044	-	-	-	-	638,044
	10,217,749	-	2,911,520	1,449,726	-	5,883,994

Liabilities						
Liabilities on investment contracts	1,170,785	1,170,785	-	-	-	-
	1,170,785	1,170,785	-	-	-	-
Total interest re-pricing gap	9,046,964	(1,170,785)	2,911,520	1,449,726	-	5,883,994
Cumulative	9,046,964	(1,170,785)	1,740,735	3,190,461	3,190,461	9,074,455
Increase by 100bp	90,470	(11,708)	29,115	14,497	-	58,840
Increase by 500bp	452,348	(58,539)	145,576	72,486	-	294,200
Decrease by 100bp	(90,470)	11,708	(29,115)	(14,497)	-	(58,840)
Decrease by 500bp	(452,348)	58,539	(145,576)	(72,486)	-	(294,200)

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Therefore, only a change in interest rates at the end of the reporting period would affect profit or loss.

The table below shows the impact on the Group's profit before tax if interest rates on financial instruments had increased 2000 basis points or decreased by 1000 basis points, with all other variables held constant.

In thousands of Naira	31-Dec-2019	31-Dec-2018
Increase in interest rate by 2000 basis points	144,252	203,655
Decrease in interest rate by 1000 basis points	(72,126)	(101,827)

Interest rate movements affect reported equity through impact of increase or decrease in net interest income on the retained earnings.

A summary of the Company's interest rate gap position on non-trading portfolios was as follows:

### Market Risk

Re-pricing period

	Carrying amount	No stated maturity	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Company</b>						
<b>31 December 2019</b>						
<b>Assets</b>						
In thousands of Naira						
Cash and cash equivalents	506,065	-	506,065	-	-	-
Debt securities - at amortised cost	362,328	-	-	-	-	362,328
Debt securities - at fair value through OCI	1,608,937	-	-	86,176	-	1,522,762
Statutory deposit	636,420	-	-	-	-	636,420
	<b>3,113,750</b>	<b>-</b>	<b>506,065</b>	<b>86,176</b>	<b>-</b>	<b>2,521,510</b>
<b>Liabilities</b>						
Liabilities on investment contracts	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest re-pricing gap</b>	<b>3,113,750</b>	<b>-</b>	<b>506,065</b>	<b>86,176</b>	<b>-</b>	<b>2,521,510</b>
Cumulative	3,113,750	-	506,065	592,241	592,241	3,113,750
Increase by 100bp	31,137	-	5,061	862	-	25,215
Increase by 500bp	155,687	-	25,303	4,309	-	126,075
Decrease by 100bp	(31,137)	-	(5,061)	(862)	-	(25,215)
Decrease by 500bp	(155,687)	-	(25,303)	(4,309)	-	(126,075)

Re-pricing period

	Carrying amount	No stated maturity	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Company</b>						
<b>31 December 2018</b>						
<b>Assets</b>						
In thousands of Naira						
Cash and cash equivalents	2,056,736	-	2,056,736	-	-	-
Debt securities - at amortised cost	809,832	-	23,286	-	-	786,547

Debt securities - at fair value through OCI	260,945	-	-	-	-	260,945
Statutory deposit	300,000	-	-	-	-	300,000
	<u>3,427,514</u>	<u>-</u>	<u>2,080,022</u>	<u>-</u>	<u>-</u>	<u>1,347,492</u>
<b>Liabilities</b>						
Liabilities on investment contracts	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total interest re-pricing gap	3,427,514	-	2,080,022	-	-	1,347,492
Cumulative	3,427,514	-	2,080,022	2,080,022	2,080,022	3,427,514
Increase by 100bp	34,275	-	20,800	-	-	13,475
Increase by 500bp	171,376	-	104,001	-	-	67,375
Decrease by 100bp	(34,275)	-	(20,800)	-	-	(13,475)
Decrease by 500bp	(171,376)	-	(104,001)	-	-	(67,375)

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, only a change in interest rates at the end of the reporting period would not affect profit or loss. The table below shows the impact on the Company's profit before tax if interest rates on financial instruments had increased by 2000 basis points or decreased by 1000 basis points, with all other variables held constant.

In thousands of Naira	31-Dec-2019	31-Dec-2018
Increase in interest rate by 2000 basis points	39,852	92,917
Decrease in interest rate by 1000 basis points	(19,926)	(46,458)

Interest rate movements affect reported equity through impact of increase or decrease in net interest income on the retained earnings.

Interest bearing Instruments:	31-Dec-2019	31-Dec-2018
<b>Assets:</b>		
Short-term bank deposits	195,540	242,929
Treasury bills	86,176	23,286
Government bonds	2,196,925	1,355,119
	<u>2,478,641</u>	<u>1,621,334</u>

#### Interest earned:

Short-term bank deposits	26,999	21,150
Treasury bills & Government bonds	172,262	443,435
	<u>199,261</u>	<u>464,585</u>
<b>Average Interest rate:</b>	8%	29%
Increase in interest rate by 2000 basis points (+20%)	10%	34%
Decrease in interest rate by 1000 basis point (-10%)	7%	26%

### Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk exposure of the Group's financial condition is due to adverse movements in exchange rates. The Group is exposed to foreign exchange currency risk primarily through transactions denominated in foreign currency. The Group is also exposed to foreign currency fluctuation in its investments in unquoted equity, dollar-denominated bond instruments, fixed deposits and bank balances in other foreign currencies.

The Group's foreign exchange risk is considered at a Group level since an effective overview of such risk is a critical element of the Group's asset/liability risk management. The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels.

During the second half of 2019, Central Bank of Nigeria continue to sustained the FX through its direct intervene to ensure stability and reduce pressure on the naira against other foreign currencies by injecting \$8.28b as against \$9.49b in the corresponding period of 2019

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum.

The Group is exposed to foreign exchange risk through cash balances maintained in foreign currency.

The Group is not exposed to significant risk of adverse movements in foreign exchange rates. The financial position of the company has no significant sensitivity to foreign exchange risk.

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

31 December 2019								
		Total	Naira	Us Dollar	Euro	Pound	Gh Cedi	Others
Notes								
<b>Group</b>								
<i>In thousands of Naira</i>								
Assets								
Cash and cash equivalents	8	1,152,498	77,841	1,033,943	3,762	10,656	26,296	-
Equity securities - at fair value through OCI	9	7,304,418	3,462,976	3,757,749	-	-	83,694	-
Debt securities - at amortised cost	9	1,764,857	448,805	-	-	-	1,316,052	-
Trade receivables	10	60,216	60,216	-	-	-	-	-
Reinsurance assets	11	124,872	124,872	-	-	-	-	-
Other receivables (excluding prepayments)	13	1,061,503	541,487	519,308	-	-	708	-
Statutory deposit	20	636,420	488,640	-	-	-	147,779	-
<b>Total financial assets</b>		<b>12,104,783</b>	<b>5,204,837</b>	<b>5,311,000</b>	<b>3,762</b>	<b>10,656</b>	<b>1,574,529</b>	-
Liabilities								
Investment contract liabilities	22	1,255,707	1,255,707	-	-	-	-	-
Trade payables	23	297,746	295,251	-	-	-	2,495	-
Other payables (excluding non-financial liabilities)	24	1,399,096	1,197,034	-	-	-	202,062	-
<b>Total financial liabilities</b>		<b>2,952,549</b>	<b>2,747,992</b>	-	-	-	<b>204,557</b>	-
<b>Net financial assets/liabilities</b>		<b>9,152,234</b>	<b>2,456,845</b>	<b>5,311,000</b>	<b>3,762</b>	<b>10,656</b>	<b>1,369,973</b>	-
Insurance contract liabilities	21	8,698,870	7,312,298	-	-	-	1,386,572	-
<b>Net policyholders' assets/(liabilities)</b>		<b>453,364</b>	<b>(4,855,453)</b>	<b>5,311,000</b>	<b>3,762</b>	<b>10,656</b>	<b>(16,599)</b>	-

31 December 2018								
		Total	Naira	Us Dollar	Euro	Pound	Gh Cedi	Others
<i>Notes</i>								
<b>Group</b>								
<i>In thousands of Naira</i>								
<b>Assets</b>								
Cash and cash equivalents	8	2,888,235	1,508,504	1,033,943	3,762	10,656	331,370	-
Equity securities - at fair value through OCI	9	5,272,266	3,469,475	1,724,384	-	-	78,407	-
Debt securities - at amortised cost	9	2,571,929	(326,700)	1,940,904	-	-	957,725	-
Non pledged trading assets	9	-	-	-	-	-	-	-
Trade receivables	10	34,962	34,962	-	-	-	-	-
Reinsurance assets	11	39,553	39,553	-	-	-	-	-
Other receivables (excluding prepayments)	13	1,305,276	591,766	578,567	-	-	134,943	-
Statutory deposit	19	638,044	505,080	-	-	-	132,964	-
<b>Total financial assets</b>		<b>12,750,263</b>	<b>5,822,639</b>	<b>5,277,798</b>	<b>3,762</b>	<b>10,656</b>	<b>1,635,409</b>	<b>-</b>
<b>Liabilities</b>								
Investment contract liabilities	21	1,170,785	1,170,785	-	-	-	-	-
Trade payables	22	255,384	171,261	-	-	-	84,123	-
Other payables (excluding non-financial liabilities)	23	1,758,007	1,452,509	-	-	-	305,498	-
<b>Total financial liabilities</b>		<b>3,184,176</b>	<b>2,794,555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389,621</b>	<b>-</b>
<b>Net financial assets/liabilities</b>		<b>9,566,087</b>	<b>3,028,084</b>	<b>5,277,798</b>	<b>3,762</b>	<b>10,656</b>	<b>1,245,788</b>	<b>-</b>
Insurance contract liabilities	21	9,621,473	9,621,473	-	-	-	-	-
<b>Net policyholders' assets/(liabilities)</b>		<b>(55,386)</b>	<b>(6,593,389)</b>	<b>5,277,798</b>	<b>3,762</b>	<b>10,656</b>	<b>1,245,788</b>	<b>-</b>

The table below summaries the Company's financial instruments at carrying amount, categorised by currency:

		31 December 2019					
		Total	Naira	Us Dollar	Euro	Pound	Others
<b>Company</b>	<i>Notes</i>						
In thousands of Naira							
<b>Assets</b>							
Cash and cash equivalents	8	506,065	303,830	202,235	-	-	-
Equity securities - at fair value through OCI	9	1,979,496	1,400,847	578,649	-	-	-
Debt securities - at amortised cost	9	362,328	362,328	-	-	-	-
Trade receivables	10	24,950	24,950	-	-	-	-
Reinsurance assets	11	124,872	124,872	-	-	-	-
Other receivables (excluding prepayments)	13	1,111,845	592,537	519,308	-	-	-
Statutory deposit	20	300,000	300,000	-	-	-	-
<b>Total financial assets</b>		<b>4,409,556</b>	<b>3,109,363</b>	<b>1,300,192</b>	-	-	-
<b>Liabilities</b>							
Trade payables	23	37,921	37,921	-	-	-	-
Other payables (excluding non-financial liabilities)	24	1,903,114	1,903,114	-	-	-	-
Total financial liabilities		1,941,035	1,941,035	-	-	-	-
<b>Net financial assets/liabilities</b>		<b>2,468,520</b>	<b>1,168,328</b>	<b>1,300,192</b>	-	-	-
Insurance contract liabilities	21	4,675,005	4,675,005	-	-	-	-
<b>Net policyholders' assets/(liabilities)</b>		<b>(2,206,485)</b>	<b>(3,506,677)</b>	<b>1,300,192</b>	-	-	-

		31 December 2018					
		Total	Naira	Us Dollar	Euro	Pound	Others
<b>Company</b>	Notes						
<i>In thousands of Naira</i>							
<b>Assets</b>							
Cash and cash equivalents	8	2,056,736	1,856,571	202,235	(2,215)	145	-
Equity securities - at fair value through OCI	9	1,413,091	(17,437)	1,430,528	-	-	-
Debt securities - at amortised cost	9	809,832	(173,347)	983,179	-	-	-
Non pledged trading assets	9	-	-	-	-	-	-
Trade receivables	10	34,962	34,962	-	-	-	-
Reinsurance assets	11	47,036	47,036	-	-	-	-
Other receivables (excluding prepayments)	13	973,104	394,537	578,567	-	-	-
Statutory deposit	19	300,000	300,000	-	-	-	-
<b>Total financial assets</b>		<b>5,634,761</b>	<b>2,442,323</b>	<b>3,194,509</b>	<b>(2,215)</b>	<b>145</b>	<b>-</b>
<b>Liabilities</b>							
Trade payables	22	162,970	162,970	-	-	-	-
Other payables (excluding non-financial liabilities)	23	2,524,952	2,524,952	-	-	-	-
Total financial liabilities		2,687,922	2,687,922	-	-	-	-
<b>Net financial assets/liabilities</b>		<b>2,946,839</b>	<b>(245,600)</b>	<b>3,194,509</b>	<b>(2,215)</b>	<b>145</b>	<b>-</b>
Insurance contract liabilities	21	5,629,277	5,629,277	-	-	-	-
<b>Net policyholders' assets/(liabilities)</b>		<b>(2,682,438)</b>	<b>(5,874,877)</b>	<b>3,194,509</b>	<b>(2,215)</b>	<b>145</b>	<b>-</b>

### Equity price risk

The Group is exposed to equity price risks arising from equity investments. This exposure is managed through the adherence to investment in good fundamentals equities approved by the Board and in line with NAICOM investment guidelines.

Asset allocation to investment in equity is shown below

Allocation Target	Group		Company	
	31-Dec-2019		31-Dec-2019	
	Quoted Equities	Unquoted Equities	Quoted Equities	Unquoted Equities
Insurance and investment contract fund	1%	3%	2%	6%
Shareholders fund	0%	0%	0%	0%

Allocation Target	Group		Company	
	31-Dec-2018		31-Dec-2018	
	Quoted Equities	Unquoted Equities	Quoted Equities	Unquoted Equities
Insurance and investment contract fund	9%	2%	17%	3%
Shareholders fund	0%	0%	0%	0%

The equity price changes are monitored by the investment committee and the holdings are adjusted when there are deviations from the investment policy. The Group manages its exposure to equity price risk using sensitivity analysis to assess potential changes in the value of investment in equities and the impact of such changes on the Group's investment income. There have been no major changes from prior period in the exposure to risk or policies, procedures and methods used to monitor and measure the Group equity price risk.

#### Key improvements made in 2019 include the following:

Framework to maintain quality investment portfolio in line with the Company's investment strategy initiatives in securities that provide consistent returns across the Companies had been implemented in house.

Investment strategy was revised in 2019 in line with best practice, with the aim to provide guidelines that ensure safe and viable investment outlets for all the funds under management across the Companies.

Monitoring of Investment performance periodically (i.e weekly and monthly basis) has enabled the Group to carry out a detailed portfolio review to determine their justification for their holdings in the portfolio.

Switched to high-earned Investments offering better yield opportunities than existing investments in order to achieve the investment income objective

Deliberately invested Wapic Ghana funds in dollar denominated investment, in order to mitigate the Company's funds against FX volatility.

Developed in-house model evaluating Assets backing the policyholders fund in order to hedge the risks arising from interaction of assets and liabilities.

The company reviewed the performance of various Industries and Sector to determine the growth and risk potential at the beginning of the year. The review formed the basis for the marketing strategy deployed for the year.

Ring-fencing of investment linked products (Smart Life Products) using a dedicated GL account, taken into consideration uncertainty of future conditions, as measured by such indicators as rate of interest, inflation and currency exchange rate. This enabled assets to adequately match to liabilities leveraging on the same characteristics, maturity, interest rate, and exposures.

	<b>2019</b>	<b>Group</b>	<b>2019</b>	<b>Company</b>
	<b>31-Dec</b>	<b>2018</b>	<b>31-Dec</b>	<b>2018</b>
	<b>Increase/ Decrease by 200bps</b>	<b>Increase/ Decrease by 200bps</b>	<b>Increase/ Decrease by 200bps</b>	<b>Increase/ Decrease by 200bps</b>
		<b>31-Dec</b>		<b>31-Dec</b>
Listed Equities at fair value through profit or loss	-	-	-	-
Listed Equities at fair value through OCI	4,957	38,303	4,000	38,279
Unlisted Equities through OCI	26,712	7,806	10,823	7,806
Impact on profit before tax	-	-	-	-
Tax charge of 30%	-	-	-	-
Impact on profit after tax	-	-	-	-
Impact on equity	31,670	46,109	14,822	46,086

## Liquidity Risk Management

Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when fall due and will have to incur excessive cost to do so or will be unable to meet its obligations associated with financial liabilities that are settled by delivering cash or another financial assets. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and / or income in the process. The Group policy is to maintain adequate liquidity and contingent liability to meet its need under normal conditions. The Group also mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has zero tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Board approves the Group's liquidity policy and contingency funding plan, including establishing liquidity risk tolerance levels. The Board and its committees monitors the liquidity position and reviews the impact of strategic decisions on the Group's liquidity. Liquidity positions are measured by calculating the Group's net liquidity gap.

Below is a summary of the contractual re-pricing or maturity dates (whichever is earlier) of financial assets matched with financial liabilities.

## Quantifications

The Group adopts both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Company uses the following techniques;

- a) Funding and Liquidity plan;
- b) Gap Analysis; and
- c) Ratio Analysis.

The Funding and Liquidity plan defines the Group's sources and channels of utilization of funds. The funding liquidity risk limit is quantified by calculating liquidity ratios and measuring/monitoring the cumulative gap between our assets and liabilities. The Liquidity Gap Analysis quantifies the monthly and cumulative gap in a business environment. The gap for any given tenor bucket represents the liabilities to, or placements made, the market required to replace maturing liabilities or assets. The Group monitors the cumulative gap as a  $\pm 20\%$  of the total risk assets and the gap as a  $\pm 20\%$  of total liabilities.

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and insurance liabilities, as well as on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial asset and liability and insurance liability.

## Residual contractual maturities of financial assets and liabilities

Group	Carrying amount	Gross nominal inflow/ (outflow)	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>31 December 2019</b>						
<i>In thousands of Naira</i>						
<b>Assets</b>						
Cash and cash equivalents	1,152,498	1,152,498	1,152,498	-	-	-
Financial assets at fair value through OCI	7,304,418	7,304,418	7,304,418	-	-	-
Financial assets at amortised cost	1,764,857	1,764,857	43,911	29,274	-	1,691,672
Trade receivables	60,216	60,216	60,216	-	-	-
Reinsurance assets	124,872	124,872	124,872	-	-	-
Other receivables (excluding prepayment)	1,359,802	1,359,802	840,494	-	-	519,308
Statutory deposit	636,420	636,420	-	-	-	636,420
<b>Total financial assets</b>	<b>12,403,082</b>	<b>12,403,082</b>	<b>9,526,409</b>	<b>29,274</b>	<b>-</b>	<b>2,847,400</b>
<b>Liabilities</b>						
Investment contracts	1,255,707	1,255,707	1,255,707	-	-	-
Trade payables	297,746	297,746	297,746	-	-	-
Other payables (excluding non-financial liabilities)	1,399,096	1,399,096	1,399,096	-	-	-
<b>Total financial liabilities</b>	<b>2,952,549</b>	<b>2,952,549</b>	<b>2,952,549</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap - Net financial assets/liabilities</b>	<b>9,450,533</b>	<b>9,450,533</b>	<b>6,573,860</b>	<b>29,274</b>	<b>-</b>	<b>2,847,400</b>
Insurance liabilities	8,698,870	8,698,870	8,698,870	-	-	-
<b>Gap - Net policyholders' assets/(liabilities)</b>	<b>751,663</b>	<b>751,663</b>	<b>(2,125,010)</b>	<b>29,274</b>	<b>-</b>	<b>2,847,400</b>
Cumulative liquidity gap	751,663	751,663	(2,125,010)	(2,095,737)	(2,095,737)	751,663

## Residual contractual maturities of financial assets and liabilities

	Carrying amount	Gross nominal inflow/ (outflow)	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Group</b>						
<b>31 December 2018</b>						
<i>In thousands of Naira</i>						
<b>Assets</b>						
Cash and cash equivalents	2,888,235	2,888,235	2,888,235	-	-	-
Financial assets at fair value through OCI	5,272,266	5,272,266	5,272,266	-	-	-
Financial assets at amortised cost	2,571,929	2,571,929	13,971	9,314	-	2,548,643
Trade receivables	34,962	34,962	34,962	-	-	-
Reinsurance assets	39,553	39,553	39,553	-	-	-
Other receivables (excluding prepayment)	1,305,276	1,305,276	726,709	-	-	578,567
Statutory deposit	638,044	638,044	-	-	-	638,044
<b>Total financial assets</b>	<b>12,750,264</b>	<b>12,750,264</b>	<b>8,975,695</b>	<b>9,314</b>	<b>-</b>	<b>3,765,254</b>
<b>Liabilities</b>						
Financial liabilities:						
Investment contracts	1,170,785	1,170,785	1,170,785	-	-	-
Trade payables	255,384	255,384	255,384	-	-	-
Other payables (excluding non-financial liabilities)	1,758,007	1,758,007	1,758,007	-	-	-
<b>Total financial liabilities</b>	<b>3,184,176</b>	<b>3,184,176</b>	<b>3,184,176</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap - Net financial assets/liabilities</b>	<b>9,566,088</b>	<b>9,566,088</b>	<b>5,791,520</b>	<b>9,314</b>	<b>-</b>	<b>3,765,254</b>
Insurance liabilities	9,621,473	9,621,473	9,621,473	-	-	-
<b>Gap - Net policyholders' assets/(liabilities)</b>	<b>(55,385)</b>	<b>(55,385)</b>	<b>(3,829,953)</b>	<b>9,314</b>	<b>-</b>	<b>3,765,254</b>

Cumulative liquidity gap	(55,385)	(55,385)	(3,829,953)	(3,820,639)	(3,820,639)	(55,385)
--------------------------	----------	----------	-------------	-------------	-------------	----------

The following table shows the undiscounted cash flows on the Company's financial assets and liabilities, as well as on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial asset or liability.

	Residual contractual maturities of financial assets and liabilities					
	Carrying amount	Gross nominal inflow/ (outflow)	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Company</b>						
<b>31 December 2019</b>						
<i>In thousands of Naira</i>						
<b>Assets</b>						
Cash and cash equivalents	506,065	506,065	506,065	-	-	-
Financial assets at fair value through OCI	1,979,496	3,162,276	-	86,175	-	3,076,101
Financial assets at amortised cost	362,328	408,939	-	-	-	408,939
Trade receivables	24,950	24,950	24,950	-	-	-
Reinsurance assets	124,872	124,872	124,872	-	-	-
Other receivables (excluding prepayment)	1,111,845	1,111,845	592,537	-	-	519,308
Statutory deposit	300,000	300,000	-	-	-	300,000
<b>Total financial assets</b>	<b>4,409,556</b>	<b>5,638,946</b>	<b>1,248,423</b>	<b>86,175</b>	<b>-</b>	<b>4,304,348</b>
<b>Liabilities</b>						
Trade payables	37,921	37,921	37,921	-	-	-
Other payables (excluding non-financial liabilities)	1,903,114	1,903,114	1,903,114	-	-	-
<b>Total financial liabilities</b>	<b>1,941,035</b>	<b>1,941,035</b>	<b>1,941,035</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap - Net financial assets/liabilities</b>	<b>2,468,520</b>	<b>3,697,911</b>	<b>(692,612)</b>	<b>86,175</b>	<b>-</b>	<b>4,304,348</b>
Insurance liabilities	4,675,005	4,675,005	4,675,005	-	-	-
<b>Gap - Net policyholders' assets/(liabilities)</b>	<b>(2,206,485)</b>	<b>(977,094)</b>	<b>(5,367,617)</b>	<b>86,175</b>	<b>-</b>	<b>4,304,348</b>
Cumulative liquidity gap	(2,206,485)	(977,094)	(5,367,617)	(5,281,442)	(5,281,442)	(977,094)

	Residual contractual maturities of financial assets and liabilities					
	Carrying amount	Gross nominal inflow/ (outflow)	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years
<b>Company</b>						
<b>31 December 2018</b>						
<i>In thousands of Naira</i>						
<b>Assets</b>						
Cash and cash equivalents	2,056,736	2,056,736	2,056,736	-	-	-
Financial assets at fair value through OCI	1,413,091	1,413,091	1,413,091	-	-	-
Financial assets at amortised cost	809,832	809,832	13,971	9,314	-	786,547
Trade receivables	34,962	34,962	34,962	-	-	-
Reinsurance assets	47,036	47,036	47,036	-	-	-
Other receivables (excluding prepayment)	973,104	973,104	394,537	-	-	578,567
Statutory deposit	300,000	300,000	-	-	-	300,000
<b>Total financial assets</b>	<b>5,634,761</b>	<b>5,634,761</b>	<b>3,960,333</b>	<b>9,314</b>	<b>-</b>	<b>1,665,114</b>
<b>Liabilities</b>						
Trade payables	162,970	162,970	162,970	-	-	-
Other payables (excluding non-financial liabilities)	2,524,952	2,524,952	2,524,952	-	-	-
<b>Total financial liabilities</b>	<b>2,687,922</b>	<b>2,687,922</b>	<b>2,687,922</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap - Net financial assets/liabilities</b>	<b>2,946,839</b>	<b>2,946,839</b>	<b>1,272,411</b>	<b>9,314</b>	<b>-</b>	<b>1,665,114</b>
Insurance liabilities	5,629,277	5,629,277	5,629,277	-	-	-

<b>Gap - Net policyholders' assets/(liabilities)</b>	<b>(2,682,438)</b>	<b>(2,682,438)</b>	<b>(4,356,866)</b>	<b>9,314</b>	<b>-</b>	<b>1,665,114</b>
--	--------------------	--------------------	--------------------	--------------	----------	------------------

Cumulative liquidity gap	(2,682,438)	(2,682,438)	(4,356,866)	(4,347,551)	(4,347,551)	(2,682,438)
--------------------------	-------------	-------------	-------------	-------------	-------------	-------------

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amounts expected to be recovered or settled no more than twelve months after the reporting period (current).

### Group

	31 December 2019			31 December 2018		
	Current	Non-current	Carrying amount	Current	Non-current	Carrying amount
<i>In thousands of Naira</i>						
<b>ASSETS</b>						
Cash and cash equivalents	1,152,498	-	1,152,498	2,888,235	-	2,888,235
Financial assets	7,377,603	1,691,672	9,069,275	5,295,552	2,548,643	7,844,195
Trade receivables	60,216	-	60,216	34,962	-	34,962
Reinsurance assets	3,180,967	-	3,180,967	3,692,142	-	3,692,142
Deferred acquisition cost	664,025	-	664,025	749,174	-	749,174
Other receivables and prepayments	995,521	519,308	1,514,829	856,757	578,567	1,435,324
Investment property	-	254,780	254,780	-	253,480	253,480
Investment in associates	-	9,753,691	9,753,691	-	8,763,246	8,763,246
Investment in subsidiaries	-	-	-	-	-	-
Intangible assets	-	509,087	509,087	-	481,009	481,009
Property and equipment	-	3,433,972	3,433,972	-	3,481,328	3,481,328
Current income tax asset	22,500	-	22,500	34,192	-	34,192
Deferred tax asset	305,986	-	305,986	68,260	-	68,260
Statutory deposit	-	636,420	636,420	-	638,044	638,044
<b>TOTAL ASSETS</b>	<b>13,759,316</b>	<b>16,798,930</b>	<b>30,558,246</b>	<b>13,619,273</b>	<b>16,744,317</b>	<b>30,363,590</b>

### LIABILITIES

Insurance contract liabilities	8,698,870	217,102	8,915,972	9,621,473	144,985	9,766,458
--------------------------------	-----------	---------	-----------	-----------	---------	-----------

Investment contract liabilities	1,255,707	-	1,255,707	1,170,785	-	1,170,785
Trade payables	297,746	-	297,746	255,384	-	255,384
Other payables	1,678,550	-	1,678,550	1,946,741	-	1,946,741
Lease liability	102,965	-	102,965	-	-	-
Current income tax	192,056	-	192,056	258,901	-	258,901
Deferred income tax liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>12,225,894</b>	<b>217,102</b>	<b>12,442,996</b>	<b>13,253,284</b>	<b>144,985</b>	<b>13,398,269</b>
<b>GAP</b>	<b>1,533,422</b>	<b>16,581,828</b>	<b>18,115,250</b>	<b>365,989</b>	<b>16,599,332</b>	<b>16,965,321</b>

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amounts expected to be recovered or settled no more than twelve months after the reporting period (current).

### Company

	31 December 2019			31 December 2018		
	Current	Non-current	Carrying amount	Current	Non-current	Carrying amount
<i>In thousands of Naira</i>						
<b>ASSETS</b>						
Cash and cash equivalents	506,065	-	506,065	2,056,736	-	2,056,736
Financial assets	86,175	3,485,040	3,571,215	1,436,377	786,547	2,222,923
Trade receivables	24,950	-	24,950	34,962	-	34,962
Reinsurance assets	1,802,452	-	1,802,452	2,187,984	-	2,187,984
Deferred acquisition cost	372,952	-	372,952	598,828	-	598,828
Other receivables and pre-payments	668,531	519,308	1,187,839	438,745	578,567	1,017,312
Investment property	-	254,780	254,780	-	253,480	253,480
Investment in associates	-	5,423,440	5,423,440	-	5,059,810	5,059,810
Investment in subsidiaries	-	5,360,915	5,360,915	-	5,360,915	5,360,915
Intangible assets	-	486,088	486,088	-	465,961	465,961
Property and equipment	-	3,189,119	3,189,119	-	3,256,892	3,256,892

Deferred tax asset	305,986	-	305,986	-	-	-
Statutory deposit	-	300,000	300,000	-	300,000	300,000
<b>TOTAL ASSETS</b>	<b>3,767,112</b>	<b>19,018,690</b>	<b>22,785,802</b>	<b>6,753,631</b>	<b>16,062,172</b>	<b>22,815,803</b>
<b>LIABILITIES</b>						
Insurance contract liabilities	4,675,005	-	4,675,005	5,629,277	-	5,629,277
Trade payables	37,921	-	37,921	162,970	-	162,970
Other payables	2,132,980	-	2,132,980	2,697,095	-	2,697,095
Current income tax	80,158	-	80,158	139,103	-	139,103
Deferred income tax liabilities	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>6,926,064</b>	<b>-</b>	<b>6,926,064</b>	<b>8,628,445</b>	<b>-</b>	<b>8,628,445</b>
<b>GAP</b>	<b>(3,158,953)</b>	<b>19,018,690</b>	<b>15,859,737</b>	<b>(1,874,813)</b>	<b>16,062,172</b>	<b>14,187,358</b>

## Capital Management

Capital risk is the risk of company's capital diminishing or attaining below the minimum capital requirement level due to the occurrence of certain loss or risk event. The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations. Management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

Capital management objectives:

The Group has several capital management objectives:

- To meet the capital ratios required by its regulators and the Group's Board;
- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements;
- To generate enough capital to support asset growth;
- To maintain an investment grade credit rating; and achieve a return above the cost of equity.

## CAPITAL MANAGEMENT STRATEGY

The Group's capital management strategy is focused on maximizing shareholder value by optimising the level and mix of capital resources. Decisions on the allocation of capital resources are based on several factors including return on economic capital (EC) and on regulatory capital

(RC), and are part of the own risk solvency assessment process (ORSA).

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 per centum of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Wapic is exposed to a variety of risks through its holding company and reinsurance activities. These include market, credit, underwriting, business, operational, strategic, liquidity and reputational risks. With Solvency II being the binding regulatory regime approval of our internal model, risk is measured and steered based on the risk profile underlying our regulatory capital requirement.

By that we allow for a consistent view on risk steering and capitalization under the Solvency II framework. This is supplemented by economic scenarios and sensitivities.

The company steers its portfolio using a comprehensive view of risk and return, i.e. results based on the internal risk model, including scenario-based analysis, are actively used for decision making. On one hand, economic risk and concentrations are actively restricted by means of limits. On the other hand, return on risk capital (RORC) is a key input in the Company. The latter allows us to identify profitable lines of business on a sustainable basis, which provide reasonable profits on allocated risk capital. Therefore, it is a key criterion for Wapic's capital allocation decisions.

As a Group holding company with presence in Ghana, we consider diversification across different business

segments and geographic regions as a key element in managing our risks efficiently by limiting the economic impact of any single event and by contributing to relatively stable results and risk profile in general. Therefore, our aim is to maintain a balanced risk profile without bearing any disproportionately large risk concentrations and accumulations.

During the year, the company complied with the minimum capital requirements and the statutory regulatory solvency margin requirement. The company continued to maintain its established risk-based capitalization position and a linked dividend policy. The company has commenced to link its risk management framework with its capital management in order to have an optimize capital allocation.

The solvency margin for the Company as at 31 December 2019 was as follows;

	N'000	N'000
<b>Excess of Assets (Admissible assets) over Liabilities -Solvency Margin</b>		<b>6,972,076</b>
Higher of:		
Gross premium written	10,709,420	
Less: Reinsurance paid during the year	(6,840,814)	
<b>Net Premium</b>	<u>3,868,606</u>	
<b>15% of Net premium</b>	580,291	
Minimum capital base- Non-life	3,000,000	
The higher thereof:		3,000,000
<b>Surplus in Solvency Margin over minimum capital base</b>		<b>3,972,076</b>
Solvency Ratio		132%

The solvency margin for the Company as at 31 December 2018 was as follows;

	N'000	N'000
<b>Excess of Assets (Admissible assets) over Liabilities -Solvency Margin</b>		<b>6,629,860</b>
Higher of:		
Gross premium written	10,372,722	
Less: Reinsurance paid during the year	(4,131,014)	
<b>Net Premium</b>	<b>6,241,708</b>	
<b>15% of Net premium</b>	<b>936,256</b>	
Minimum capital base- Non-life	3,000,000	
The higher thereof:		3,000,000
<b>Surplus in Solvency Margin over minimum capital base</b>		<b>3,629,860</b>
Solvency Ratio		121%

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship among these risk categories.

### Underwriting, Claims & Reinsurance risk

Underwriting is the process in which an insurer appraises a risk being presented by the proposer and deciding whether or not to accept the risk and the consideration (premium) to receive. Weaknesses in the systems and controls surrounding the underwriting process can expose an insurer to the risk of unexpected losses which may threaten the capital adequacy of the insurer. The Group's underwriting process is subject to internal audit.

In addition, there is a process for assessing brokers' procedures and systems to ensure that the quality of information provided to the Group meet suitable standard; and in the case of reinsurers, audits of ceding companies to ensure that reinsurance assumed is in accordance with treaties.

The factors that the Group uses to classify risks is highly objective, clearly related to the likely cost of providing coverage, practical to administer, consistent with applicable law, and designed to protect the long-term viability of the insurance program.

Underwriting process risk – This is the risk from exposure to financial losses related to the selection and acceptance of risks to be insured.

Mispricing risk – Risk that insurance premium will be too low to cover the Group's expenses related to underwriting, claim handling and administration.

Brokers' underwriting risk – This is the risk that brokers may:

- i. Be inadequately trained to assess the risk and offer professional advice to the client
- ii. Fail to remit premium collected to the Insurer.

### Underwriting risk appetite

The following factors constitute the basis for the Group's underwriting risk appetite:

- Wapic does not underwrite risk not fully understood
- We will not underwrite unquantifiable risks.
- Extreme caution is taken when underwriting risk with

low safety standards or businesses with excessively high-risk profile;

- We exercise caution when underwriting discrete (one-off) risks, particularly where there is no requisite experience or know-how;
- The limits, standard and exposure are guided by prudent underwriting procedure and reinsurance treaties.
- The Group adhere fully with all extant laws and regulations, including NAICOM's guideline on know your customer (KYC)."
- Underwriting Risk Management and Control:
  - For effective management of the underwriting exposures, Risk management and control function is responsible for the following:
    - Ensure that underwriting standards are never compromised due to pressure from various stakeholders.
    - Analysis of insurance exposures, continuous analysis of claims, product profitability analysis and other relevant risk issues.
  - Investigate unusual claims, large sums assured and high variability in quotations submitted to the clients and make sure that unnecessary risks are not taken.
  - Ensure compliance with the regulatory requirements as it relates to underwriting.
  - Coordinate issues tracking activities and ensure action plans are developed for all identified gaps.
  - Collaborate with the underwriting risk committee to develop appetite and tolerance limits.
  - Identify and manage the Group's underwriting risk.
  - Review and approve reinsurance and retrocession arrangements as mandated by NAICOM.

### Insurance risk

Insurance risk is the inherent uncertainty regarding the pricing, adverse selection, product design, net retention, reserving, occurrence, amount or timing of insurance liabilities. It also covers the future risk claims and expenses exceeding the value placed on insurance liabilities. The timing is specifically influenced by persistency and expenses about which assumptions are made in order to place a value on the risk.

It is regarded as the likelihood that an insured event will occur, requiring the insurer to pay a claim. For example, the insurance risk is the possibility that the insured party may experience a loss that is insured in the coverage before his/her premium equals or exceeds the claim to be paid. The Group ensures premiums are charged/adjusted based on the magnitude of the risk.

The Group assesses and monitors insurance risks through thorough data analysis and stress-testing scenarios etc. It mainly evaluates the impacts of actuarial assumptions, such as the discount rate, investment yield and expense

ratio, on our reserve, solvency and profit. We manage and monitor consistently within acceptable limits those exposures assumed in the course of providing insurance cover to insured risks.

### Managing pricing risk

Pricing risk is effectively managed in the Group through efficient insurance premium rating controls embedded in its process. Following that appropriate pricing is a key element of an insurance underwriting process, underwriting officers consider the profit implications of underwriting pricing in their decisions. It is important to know that appropriate pricing is necessary to maintain the quality of insurance portfolio in terms of risk underwritten.

The Group employs the following additional controls and measures to ensure that only acceptable risks are accepted, and risks are appropriately priced:

- Underwriting controls, with risk classification based on the above risk factors;
- Regular review of premium rates; and
- Appropriate policy conditions, including any exclusion on the cover of the subject matter of insurance.
- Premium rates are guaranteed for the period up to the renewal of a policy, typically, after one year.

### Deposit administration

Premium rating on deposit administration policies distinguishes between the ages and gender of prospective policyholders. Annual premiums, payable up front, are re-priced at renewal of the deposit administration policies.

### Group products

Underwriting of Group business is much less stringent than for individual business, as there is typically less scope for anti-selection. The main reason for this is that participation in the Group schemes is normally compulsory and members have limited choice in the level of the benefits.

Group's policies are priced using standard mortality tables. The price for an individual scheme is adjusted for the following risk factors:

- Region;
- Salary structure;
- Gender structure; and
- Industry

For large schemes, a scheme's past experience is a crucial input in setting rates for the scheme. Rates are guaranteed for one year and reviewable at the renewal of the policy.

### Short-term insurance (general insurance) products

Underwriting on short-term insurance products takes the form of the insurance applicant completing a proposal form. The Group uses identified risk factors to classify the risk and charge the appropriate premium.

Where the value of the item(s) to be insured exceeds a pre-specified limit, the underwriting consideration becomes more stringent. This is particularly the case for marine and aviation cover. In this case the Group makes use of specialist to assess the risks and set an appropriate premium for cover.

### Mortality and morbidity risks

The risk that actual experience in respect of the rates of mortality and morbidity may vary from what is assumed in pricing and valuation, depending on the terms of different products. The material classes of business most affected by these risks are discussed below.

#### (a) Individual life products – Term assurance and Savings Plan

Products are sold directly to individuals providing a benefit on death. The main insurance risk relates to the possibility that rates of death may be higher than expected.

For contracts with fixed and guaranteed benefits (such as the minimum death benefits available on savings plan policies) and fixed future premiums, the Group employs additional underwriting controls and measures to manage its exposure to mortality risk. This includes but not limited to:

- Ensure that only acceptable risks are accepted.
- Claims assessment processes to ensure only valid claims are paid;
- Purchased reinsurance to limit liability on particularly large claims or substandard risks; and
- Concentration risk is reduced by diversification of business over a large number of independent lives, as well as by taking out catastrophe reinsurance.

### Group life products

Employee benefit products provide life cover to members of a group, such as employees of companies or members of trade unions.

An aggregate stop-loss reinsurance agreement is in place to ensure that the Group's exposure to the aggregate mortality risk in its group life business is managed and limited to a specified limit.

In addition, there is a catastrophe reinsurance treaty in place for both group business and individual business. Such a treaty is particularly important for the group life business as there are considerably more concentrations of risks compared to individual business.

### Deposit administration

Deposit administration contracts provide a guaranteed life annuity conversion at the maturity of the contract. The mortality risk in this case is that the policyholders may live longer than assumed in the pricing of the contract. This is known as the risk of longevity.

The Group manages this risk by allowing for improvements in mortality when pricing and valuing the contracts. The Group also performs more detailed actuarial experience investigations and adjust assumptions in pricing for new contracts and valuation of existing contracts when necessary.

### Outstanding claims

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

### Claims management risk

This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfil their contractual obligations to policyholders. The Group has in place a claims management policy and procedure for ensuring that claims are handled fairly and promptly. In establishing and maintaining effective claims handling systems and procedures, the Group considers the following factors:

- Appropriate systems and controls to ensure that all liabilities or potential liabilities notified to the insurer are recorded promptly and accurately. Accordingly, the systems and controls in place ensure that proper records are established for each notified claim;
- Suitable controls are maintained to ensure that estimates for reported claims and additional estimates are appropriately made on a consistent basis and are properly categorized;
- Regular reviews of the actual outcome of the estimates made is carried out to check for inconsistencies and to ensure that procedures remain appropriate. The reviews include the use of statistical techniques to compare the estimates with the eventual cost of settling the claims, after deducting the amounts already paid at the time the estimates were made;
- A functional system is in place to ensure that claim files without activity are reviewed on a regular basis;
- Appropriate systems and procedures are in place to assess the validity of notified claims by reference to the underlying contracts of insurance and reinsurance treaties;
- Suitable systems are adopted to accommodate the use of suitable experts such as loss adjusters, lawyers, actuaries, accountants etc. as and when appropriate, and to monitor their use; and
- Appropriate procedures are in place to identify and handle large or unusual claims, including system to ensure that senior management are involved from the outset in the processing of claims that are significant because of their size or nature.

### Claims experience risk

In terms of the short-term insurance contracts held by the Group, the claims experience risk for these policies is that the number of claims and/or the monetary claim amounts are worse than that assumed in the pricing basis. The Group manages this risk by charging premiums which are appropriate to the risks under the insurance contracts.

Under the short-term insurance products, the Group also holds a concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area. The Group reduced this risk by diversification over a large number of uncorrelated risks, as well as arranged catastrophe reinsurance cover

### Reinsurance risk

This is the risk of inadequate reinsurance cover which may be triggered by a situation such as the insolvency of a reinsurer, omission to cede risk to the treaty, wrong cession to the treaty, assumption of risks without reinsurance cover, acceptance of risks above automatic capacity and there is already market saturation and non-payment of reinsurance premium as at when due. The Group ensures that it manages reinsurance risk by maintaining adequate reinsurance arrangements and treaties in respect of the classes or category of insurance

business authorized to transact. The Group particularly put in place a documented policy stating:

- Systems for the selection of reinsurance brokers and other reinsurance advisers;
- Systems for selecting and monitoring reinsurance programmes;
- Clearly defined managerial responsibilities and controls;
- Presence of a well-resourced reinsurance department that prepares clear methodologies for determining all aspects of a reinsurance programme.
- Senior management that review the Group's reinsurance management systems on a regular basis.
- Reinsurers were profiled and categorized into tiers in determining the Group's exposure limit to reinsurers.

### Technical Reserving methods

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2007 has been adopted in building the historical claims. The UPR was calculated using a time – apportionment basis, in particular, the 365ths method. The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.

	Group		Group	
	Gross IBNR	Gross IBNR	Gross IBNR	Gross IBNR
<i>In thousands of Naira</i>	<b>31-Dec-19</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-18</b>
<b>Class of business</b>				
Aviation	28,273	41,244	28,131	41,244
Bonds	-	-	-	-
Engineering	223,944	96,147	209,501	60,235
Fire	294,647	316,794	191,944	156,545
General Accident	118,344	209,060	104,243	149,263
Marine	38,194	46,966	36,078	27,824
Motor	394,488	471,977	99,151	78,469
Oil and Energy	233,086	801,037	232,944	346,207
Group Life	779,806	824,342	-	-
<b>Total</b>	<b>2,110,781</b>	<b>2,807,567</b>	<b>859,788</b>	<b>859,788</b>

UPR and Life fund	Group		Group	
	Gross UPR	Gross UPR	Gross UPR	Gross UPR
<i>In thousands of Naira</i>	<b>31-Dec-19</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-18</b>
<b>Class of business</b>				
Aviation	15,781	37,062	15,781	37,062
Bonds	341	-	341	-
Engineering	928,719	1,955,037	858,305	1,955,037
Fire	337,055	171,021	288,370	115,367
General Accident	208,516	474,679	179,673	447,063
Marine	138,764	132,874	129,926	125,228
Motor	769,638	711,123	292,349	288,899
Oil and Energy	731,031	615,074	676,498	613,110
Group Life	1,017,212	691,199	-	-
Life Fund	217,102	144,985	-	-
Total	4,364,158	4,933,053	2,441,243	3,581,766

### Sensitivity analysis

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary provides valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to our best estimate figures included in reserve reviews as at 31 December 2019. The 75th percentile is a generally accepted level of prudence. The results based on fitting a Normal distribution to the best estimate IBNR reserves as at 31 December 2019 are as follows:

	Best	Gross IBNR	Best	Net IBNR
<i>In thousands of Naira</i>	Estimate	75th per- centile	Estimate	75th per- centile
<b>Class of business</b>				
Aviation	28,131	35,497	26,267	33,144
Bonds	-	-	-	-
Engineering	209,501	264,359	159,191	200,875
Fire	191,944	242,204	176,346	222,521
General Accident	104,243	131,539	52,523	66,277
Marine	36,078	45,525	21,083	26,603
Motor	99,151	125,114	87,189	110,019
Oil and Energy	232,944	293,940	232,841	293,809
Total	901,993	1,138,177	755,439	953,248

**Key Developments in the Group 2019**

Key improvements made in 2019 include the following:

1. Enhanced the competence skills of the Technical Team through claims analytics, due diligence aimed at reducing fraudulent and in genuine claims incidences.
2. Improved underwriting risk process and reinsurance arrangement, which resulted to an increase in the Profit Commission earned on the Reinsurance Treaty Arrangement.
3. Optimization of the reinsurance arrangement to further increase the Group's value for money ratio and maximization of capital.
4. Increased retention which in turn would lead to increase in the net premium written, underwriting capacity, dilution of reinsurance cost, availability of robust capital to underwrite more businesses and improve the profit in line with the Group's strategy and risk tolerance level.
5. Development of the Wapic Mobile Application, Wapic Kiosk to further deepen penetration into the retail market space.
6. In a view to enhance operational efficiency and enjoyable customer experience, the following developments were initiated:
  - Transformed the Technical Division with automation of its processes and ensuring that redundancies processes are eliminated.
  - Digitalization of various products and channels to enable sales and payments made through the Group's online platform."



Claims Paid Triangulations as at December 2017										
Accident Year	Development Year									
	0	1	2	3	4	5	6	7	8	
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,109,263	477,141,815	
2010	180,162,677	380,188,154	401,717,216	457,712,600	471,789,466	499,808,895	504,340,721	520,545,794	-	
2011	153,644,033	254,274,204	321,915,739	349,462,441	370,136,520	373,537,409	382,400,353	-	-	
2012	53,378,309	283,111,111	314,908,488	325,067,235	337,508,527	350,022,591	-	-	-	
2013	196,586,494	401,417,665	436,403,443	440,646,782	441,201,971	-	-	-	-	
2014	47,109,502	147,211,665	220,533,127	244,773,673	-	-	-	-	-	
2015	165,537,238	412,614,454	500,383,514	-	-	-	-	-	-	
2016	312,958,358	722,029,575	-	-	-	-	-	-	-	
2017	642,455,377	-	-	-	-	-	-	-	-	
Claims Paid Triangulations as at December 2016										
Accident Year	Development Year									
	0	1	2	3	4	5	6	7		
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,036,463		
2010	180,175,681	380,371,043	401,900,105	457,895,488	471,972,355	512,373,628	519,279,659	-		
2011	153,644,033	254,274,204	321,915,739	349,462,441	370,168,967	376,821,827	-	-		
2012	53,378,309	283,111,111	314,908,488	325,199,583	339,180,001	-	-	-		
2013	196,586,494	401,417,665	436,403,443	440,456,273	-	-	-	-		
2014	47,852,137	148,672,123	226,183,719	-	-	-	-	-		
2015	166,816,221	459,694,054	-	-	-	-	-	-		
2016	445,659,176	-	-	-	-	-	-	-		

<b>Sensitivity Analysis</b>										
Sensitivity of liabilities to changes in long term valuation assumptions										
31 December 2019										
In thousands of Naira										
N'000m	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%	
Investment Linked Plans- Fund Balance	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235	1,201,235
Investment Linked Plans- Risk Reserve	31,859	31,189	32,566	33,436	30,284	32,420	31,328	32,810	30,918	30,918
Traditional Plan	185,243	184,231	187,444	186,263	185,085	186,078	185,408	186,098	185,241	185,241
Group Plans	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637	1,657,637
Additional reserves	-	-	-	-	-	-	-	-	-	-
Reinsurance	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)	(533,512)
Net liability	2,542,462	2,540,780	2,545,371	2,545,060	2,540,729	2,543,857	2,542,096	2,544,268	2,541,519	2,541,519
% change in liability	-	-0.07%	0.11%	0.10%	-0.07%	0.05%	-0.01%	0.07%	-0.04%	-0.04%
Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%	
Individual	1,418,337	1,416,655	1,421,245	1,420,934	1,416,604	1,419,732	1,417,971	1,420,143	1,417,394	1,417,394
Group	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125	1,124,125
Net liability	2,542,462	2,540,780	2,545,371	2,545,060	2,540,729	2,543,857	2,542,096	2,544,268	2,541,519	2,541,519
% change in liability	-	-0.1%	0.1%	0.1%	-0.1%	0.1%	0.0%	0.1%	0.0%	0.0%
<b>Sensitivity Analysis</b>										
Sensitivity of liabilities to changes in long term valuation assumptions										
31 December 2018										
In thousands of Naira										

N'000m	Base	Interest rate +1%	Interest rate -1%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual Traditional	144,985	143,701	146,354	144,114	145,393	144,613	146,031	143,886
Individual Investment Linked	1,116,313	1,116,313	1,116,313	1,116,313	1,116,313	1,116,313	1,116,048	1,116,313
Group DA	54,472	54,472	54,472	54,472	54,472	54,472	54,472	54,472
Group Life – UPR	632,488	632,488	632,488	632,488	632,488	632,488	632,488	632,488
Group Life – IBNR	702,375	702,375	702,375	702,375	702,375	702,375	702,375	702,375
Group Life – AURR	57,517	57,517	57,517	57,517	57,517	57,517	57,517	57,517
Additional reserves	-	-	-	-	-	-	-	-
Outstanding Claims	687,793	687,793	687,793	687,793	687,793	687,793	687,793	687,793
Reinsurance	(363,145)	(363,145)	(363,145)	(363,145)	(363,145)	(363,145)	(363,145)	(363,145)
Net liability	3,032,797	3,031,513	3,034,166	3,031,926	3,033,205	3,032,425	3,033,578	3,031,699
% change in liability		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Summary	Base	Interest rate +1%	Interest rate -1%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual	1,261,297	1,260,014	1,262,666	1,260,427	1,261,706	1,260,926	1,262,079	1,260,199
Group	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499
Net liability	3,032,797	3,031,513	3,034,166	3,031,926	3,033,205	3,032,425	3,033,578	3,031,699
% change in liability	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## Capital Management

Capital risk is the risk of company's capital diminishing or attaining below the minimum capital requirement level due to the occurrence of certain loss or risk event. The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations. Management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 per centum of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Wapic is exposed to a variety of risks through its holding company and reinsurance activities. These include market, credit, underwriting, business, operational, strategic, liquidity and reputational risks. With Solvency II being the binding regulatory regime approval of our internal model, risk is measured and steered based

on the risk profile underlying our regulatory capital requirement. By that we allow for a consistent view on risk steering and capitalization under the Solvency II framework. This is supplemented by economic scenarios and sensitivities.

The company steers its portfolio using a comprehensive view of risk and return, i.e. results based on the internal risk model, including scenario-based analysis, are actively used for decision making. On one hand, economic risk and concentrations are actively restricted by means of limits. On the other hand, return on risk capital (RORC) is a key input in the Company. The latter allows us to identify profitable lines of business on a sustainable basis, which provide reasonable profits on allocated risk capital. Therefore, it is a key criterion for Wapic's capital allocation decisions.

As a Group holding company with presence in Ghana, we consider diversification across different business segments and geographic regions as a key element in managing our risks efficiently by limiting the economic impact of any single event and by contributing to relatively stable results and risk profile in general. Therefore, our aim is to maintain a balanced risk profile without bearing any disproportionately large risk concentrations and accumulations.

During the year, the company complied with the minimum capital requirements and the statutory regulatory solvency margin requirement. The company continued to maintain its established risk-based capitalization position and a linked dividend policy. The company has commenced to link its risk management framework with its capital management in order to have an optimized capital allocation.

The solvency margin for the Company as at 31 December 2019 was as follows;

	N'000	N'000
<b>Excess of Assets (Admissible assets) over Liabilities -Solvency Margin</b>		6,972,076
Higher of:		
Gross premium written	10,709,420	
Less: Reinsurance paid during the year	<u>(6,840,814)</u>	
<b>Net Premium</b>	<u><b>3,868,606</b></u>	
<b>15% of Net premium</b>	580,291	
Minimum capital base- Non life	3,000,000	
The higher thereof:		3,000,000
<b>Surplus in Solvency Margin over minimum capital base</b>		<u><b>3,972,076</b></u>

Solvency Ratio	132%
----------------	------

The solvency margin for the Company as at 31 December 2018 was as follows;

	N'000	N'000
<b>Excess of Assets (Admissible assets) over Liabilities -Solvency Margin</b>		<b>6,629,860</b>
Higher of:		
Gross premium written	10,372,722	
Less: Reinsurance paid during the year	-4,131,014	
<b>Net Premium</b>	<b>6,241,708</b>	
<b>15% of Net premium</b>	<b>936,256</b>	
Minimum capital base- Non life	3,000,000	
The higher thereof:		3,000,000
<b>Surplus in Solvency Margin over minimum capital base</b>		<b>3,629,860</b>

Solvency Ratio	121%
----------------	------

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship among these risk categories.

Risk Insured Rest Assured



**You can Protect  
Your Family,  
Home, Motor &  
Everything that Matters**

**At a Click**

Just Visit:  
**Wapic.com**

The advertisement is displayed on a smartphone screen. The background of the ad shows a smiling family (a man, a woman, and two children) in the foreground, with a yellow house and a red Volkswagen car in the background. A white mouse cursor is pointing at the "At a Click" button. The smartphone has a home button at the bottom.

Terms & Conditions Apply

# 03.

## GOVERNANCE

The Board	98
Directors, Officers and Professional Advisors	104
Management Team	105
Director's Report	106
Corporate Governance Report	112
Statement of Directors' Responsibilities	127
Report of the Statutory Audit Committee	128
Customers Complaints & Feedback	129
Whistle Blowing Report	132
Non Dealing Period Policy	133

# The Board







**MUTIU  
SUNMONU**  
**Chairman, Wapic Insurance Plc.**  
Effective April 27, 2020.

**BABABODE  
OSUNKOYA**  
**Independent Non-Executive Director**  
Appointed January 1, 2013

**Board Committee Membership:**  
Board Audit & Compliance Committee  
Board Establishment & Remuneration Committee  
Board Enterprise Risk Management & Governance Committee  
Board Finance, Investment & General Purpose Committee  
Board Information Technology Committee



**ADAMU  
ATTA**  
**Non-Executive Director**  
Appointed January 1, 2013

**Board Committee Membership:**  
Board Establishment & Remuneration Committee  
Board Enterprise Risk Management & Governance Committee  
Board Finance, Investment & General Purpose Committee



**BARNABAS  
OLISE**

**Non-Executive Director**  
Appointed November 3, 2011

**Board Committee Membership:**

- Board Audit & Compliance Committee
- Board Enterprise Risk Management & Governance Committee
- Board Finance, Investment & General Purpose Committee
- Board Information Technology Committee



**CHIZOBA  
UFOEZE**

**Non-Executive Director**  
Appointed January 16, 2014

**Board Committee Membership:**

- Board Audit & Compliance Committee
- Board Establishment & Remuneration Committee
- Board Enterprise Risk Management & Governance Committee
- Board Finance, Investment & General Purpose Committee



**IFEYINWA  
OSIME**

**Independent Non-Executive Director**  
Appointed April 30, 2014

**Board Committee Membership:**

- Board Establishment & Remuneration Committee
- Board Enterprise Risk Management & Governance Committee
- Board Finance, Investment & General Purpose Committee
- Board Information Technology Committee





**OLUSEGUN  
OGBONNEWO**  
**Non-Executive Director**  
Appointed October 25, 2017

**Board Committee Membership:**

- Board Establishment & Remuneration Committee
- Board Enterprise Risk Management & Governance Committee
- Board Finance, Investment & General Purpose Committee
- Board Information Technology Committee



**TITILAYO  
OSUNTOKI**  
**Independent Non-Executive Director**  
Approved by NAICOM July 1, 2020.

**Board Committee Membership:**

- Board Audit & Compliance Committee
- Board Enterprise Risk Management & Governance Committee
- Board Establishment & Remuneration Committee
- Board Finance, Investment & General Purpose Committee



**OMOSALEWA  
FAJOBI**  
**Non-Executive Director**  
Approved by NAICOM July 1, 2020.

**Board Committee Membership:**

- Board Audit & Compliance Committee
- Board Enterprise Risk Management & Governance Committee
- Board Finance, Investment & General Purpose Committee

**PETER  
EHIMHEN**  
Executive Director, Technical Operations  
Appointed October 26, 2016

**Board Committee Membership:**  
Board Enterprise Risk Management & Governance Committee  
Board Finance, Investment & General Purpose Committee



**ADEYINKA  
ADEKOYA**  
Managing Director/Chief Executive Officer  
Appointed November 1, 2015

**Board Committee Membership:**  
Board Enterprise Risk Management & Governance Committee  
Board Finance, Investment & General Purpose Committee  
Board Information Technology Committee



# Directors, Officers and Professional Advisors

NAME	DESIGNATION
Mr. Mutiu Sunmonu, CON	Chairman, Wapic Insurance Plc
Mr. Bababode Osunkoya	Independent Non Executive Director
Mr. Adamu Mahmoud Atta	Non-Executive Director
Mr. Barnabas Olise	Non-Executive Director
Mrs. Ifeyinwa Osime	Independent Non-Executive Director
Ms. Chizoba Ufoeze	Non-Executive Director
Mr. Olusegun Ogbonnewo	Non-Executive Director
Mrs Titilayo Osuntoki*	Independent Non-Executive Director
Mrs Omosalewa Fajobi*	Non-Executive Director
Mrs. Adeyinka Adekoya	Managing Director/Chief Executive Officer,
Mr Peter Ehimhen	Executive Director Technical Operations

\*Approved by NAICOM effective July 1 2020

## Company Secretary

Mary Agha

## Corporate Head Office

Wapic Insurance Plc  
119 Awolowo Road,  
Ikoyi, Lagos  
+234 1 277 4500/555  
+234 709 982 1284/85  
info@wapic.com  
www.wapic.com

## Company Registration No:

RC 1647

## Authorised and Regulated by the National Insurance Commission:

RIC No.046

## FRC No:

FRC/2013/70262

## Independent Auditor

PricewaterhouseCoopers  
Landmark Towers  
5b Water Corporation Way, Oniru  
Victoria Island, Lagos  
(01) 271 1700  
www.ng.pwc.com

## Registrar

United Securities Limited  
09, Amodu Ojikutu Street

Victoria Island, Lagos

+234 01 730898

+234 01 730891

www.unitedsecuritieslimited.com

## Actuaries

EY Nigeria  
FRC/2012/NAS/00000000738

## Bankers

Access Bank Plc  
Guaranty Trust Bank Plc  
First Bank of Nigeria Limited  
Fidelity Bank Plc  
Coronation Merchant Bank Limited  
Sterling Bank Plc  
Union Bank Plc  
United Bank for Africa Plc

## Re-insurers

African Reinsurance Corporation  
Continental Reinsurance Plc  
Munich Reinsurance Company Limited  
Swiss Reinsurance Group  
Waica Reinsurance Corporation

## Estate Surveyor and Valuer

Azuka Iheabunike and Partners  
FRC/2012/NIESV/00000002206  
Bode Adedeji Partnership Estate Surveyor and  
Valuers  
FRC/2013/NIESV/00000001479

## Management Team



**Adeyinka Adekoya**  
Managing Director/Chief  
Executive Officer, Wapic  
Insurance Plc.  
Appointed on November 1, 2015



**Peter Ehimhen**  
Executive Director Technical  
Operations,  
Wapic Insurance Plc.  
Appointed on October 26, 2016



**Mary Agha**  
Company Secretary/Legal  
Adviser



**Sunny Ogbemudia**  
Chief Internal Auditor



**Muyiwa Oke**  
Chief Compliance Officer

## Subsidiaries



**Adewale Koko**  
Managing Director,  
Wapic Life Assurance Limietd



**Adedayo Arowojolu**  
Managing Director,  
Wapic Insurance (Ghana) Limietd



# Directors' Report

For the year ended 31 December 2019

The directors are pleased to submit their report together with the audited financial statements of Wapic Insurance Plc (“the Company”) and its subsidiaries (together “the Group”) for the year ended 31 December 2019.

## Legal form and principal activity

The Company was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited and was converted to a public limited liability company on the 31st day of August 1990 when the Company’s shares were listed on the Nigerian Stock Exchange. The Company was issued a life insurance license by the National Insurance Commission (NAICOM) in the year 2000 and became a composite insurance business offering general and life insurance until March 1st 2007 when, in furtherance of the objective of complying with the requirements of the National Insurance Commission, the Company established Wapic Life Assurance Limited as a wholly owned Subsidiary to which it transferred the related life assets and liabilities.

The Company became a Subsidiary of Access Bank Plc in 2011 and was subsequently divested to enable compliance by the Bank with the Central Bank of Nigeria (CBN) Regulation on the Scope of Banking Activities and other Ancillary Matters on the permitted activities of Commercial Banks with International Authorization.

The Company’s principal activities include underwriting the various classes of insurance such as general accident, fire, motor, engineering, marine insurance aviation, oil and gas and other special risks.

In addition to its Life Subsidiary - Wapic Life Assurance Limited, the Company also has an International Subsidiary - Wapic Insurance (Ghana) Limited which was established on 21 January 2008, and 2 associate companies - Coronation Merchant Bank Limited and Coronation Securities Limited.

The financial results of the subsidiaries have been consolidated in these financial statements.

## Operating results

Highlights of the Group's operating results for the year are as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Gross premium written	15,201,362	13,892,484	10,709,420	10,372,722
Profit/(loss) before tax	347,495	187,234	(209,180)	(602,183)
Income tax	190,702	163,959	224,067	184,910
Profit/(loss) after tax for the year	538,197	351,193	14,888	(417,274)
Transfer to contingency reserve	(395,994)	(375,050)	(321,283)	(311,182)
Basic earnings / (loss) per share (kobo)	4	3	0	(3)

## Directors and their interests

The Directors who served during the year together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholding and as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange are noted below:

Name of Director	31 December 2019		31 December 2018	
	Direct	Indirect	Direct	Indirect
Mr. Aigboje Aig-Imoukhuede (Chairman)	5,495,785	6,483,374,314	5,495,785	6,483,374,314
Mr. Barnabas Olise	5,002,061	-	5,002,061	-
Mr. Bababode Osunkoya	-	-	-	-
Mr. Adamu Mahmound Atta	7,471,883	-	7,471,883	-
Ms. Chizoba Ufoeze	41,289,000	-	41,289,000	-
Mr. Olusegun Ogbonnewo	1,551,031	-	1,551,031	-
Mr. Mutiu Sunmonu	-	-	-	-
Mr. Peter Ehimhen	-	-	-	-
Mrs. Ifeyinwa Osime	656,693	-	656,693	-
Mrs. Adeyinka Adekoya	499,999	-	499,999	-

Indirect holdings by directors are broken down as follows

Director/Indirect Interest	2019	Beneficial Percentage Ownership	2018	Beneficial Percentage Ownership
	31-Dec		31-Dec	
Mr. Aigboje Aig-Imoukhuede (Chairman):-				
- United Alliance Company of Nigeria Limited	130,082,000	50%	130,082,000	50%
- Trust and Capital Limited	470,324,106	50%	470,324,106	50%
- Reunion Energy Limited	2,313,142,646	50%	2,313,142,646	50%
- Coronation Capital Mauritius Ltd	3,569,825,562	50%	3,569,825,562	50%
	6,483,374,314		6,483,374,314	

**Directors' Interest in Contract**

In accordance with section 277 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received declaration of interest from the under-listed Director in respect of the company (vendors to the Company) set against the Director's name:

Related Director	Interest in Entity	Name of Company	Services
Mr. Aigboje Aig-Imoukhuede	Equity Investor	Coronation Capital Limited	Advisory services

**Analysis of shareholders**

The shareholding pattern of the Company as at December 31st 2019 is as stated below:

31 December 2019				
Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1-1,000	653,151	128,449,633	79.15	0.96
1,001-5,000	124,597	266,998,666	15.10	2.00
5,001-10,000	21,623	156,856,446	2.62	1.17
10,001-50,000	20,170	413,550,337	2.44	3.09
50,001-100,000	2,611	179,903,260	0.32	1.34
100,001-500,000	2,189	442,503,583	0.27	3.31
500,0001-1,000,000	319	228,870,437	0.04	1.71
1,000,001-5,000,000	386	703,704,866	0.05	5.26
5,000,001-10,000,000	56	369,800,698	0.01	2.76
10,000,001-100,000,000	65	10,492,100,322	0.01	78.50
	825,167	13,382,738,248	100.00	100.00

31 December 2018				
Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1-1,000	654,561	128,777,700	79.06	0.96
1,001-5,000	125,367	268,797,504	15.14	2.01
5,001-10,000	21,838	158,440,113	2.64	1.18
10,001-50,000	20,480	420,431,904	2.47	3.14
50,001-100,000	2,658	182,944,574	0.32	1.37
10,001-500,000	2,225	451,331,586	0.27	3.37
500,0001-1,000,000	320	227,807,876	0.04	1.70
1,000,001-5,000,000	407	758,726,049	0.05	5.67
5,000,001-10,000,000	61	409,075,214	0.01	3.06
10,000,001-100,000,000	62	10,376,405,728	0.01	77.54
	827,979	13,382,738,248	100.00	100.00

**Substantial Interest in Shares**

According to the register of members as at 31 December 2019 the underlisted shareholders held more than 5% of the issued share capital of the Company as follows:

	Number of shares	Percentage holding	Number of shares	Percentage holding
	2019	2019	2018	2018
Reunion Energy Limited	2,313,142,646	17	2,313,142,646	17

Coronation Capital (Mauritius) Limited	3,569,825,562	27	3,569,825,562	27
Other Nigerian entities, citizens and associations	7,499,770,040	56	7,499,770,040	56
<b>Total</b>	<b>13,382,738,248</b>	<b>100</b>	<b>13,382,738,248</b>	<b>100</b>

### Acquisition of own shares

The Company did not purchase any of its own shares during the year (2018: Nil).

### Donations

The Company identifies with the aspirations of the community and the environment in which it operates. The Company made contributions to charitable and non-charitable organisations amounting to N4,638,000 (2018: N14,300,000) during the period, as listed below:

Beneficiary	Purpose	Amount (N)
Lagos Island Maternity Hospital	Employee Volunteering- Renovation of Maternity ward and Donation of materials	1,503,000
Dreamland Foundation	Donation towards the foundation's empowerment center	500,000
Insurance Industry Consultative Council	Donation to the National Insurance Conference	500,000
Ikoyi Baptist Church	Donation towards the IBC Annual Business and Career Fair 2019	500,000
Catholic Church of Divine Mercy	Donation towards 2019 Harvest and Bazaar	500,000
Moyinoluwa Rainbow Foundation for Down Syndrome	Donation towards the support of Down Syndrome	250,000
National Association of Insurance & Pension Correspondents	Donation to 4th NAIPCO Conference 2019	250,000
Nigerian Red cross Society	Donation towards World Red Cross Day	200,000
Professional Ladies Insurance Association	Donation to 2019 PILA Career Talk for Secondary Schools in Lagos State	200,000
Inspire Vocation Academy	Employee Volunteering- Sponsorship of students for skill acquisition programs	160,000
Chartered Insurance Institute of Nigeria (CIIN)	Support towards ORC's humanitarian social initiative	75,000

**4,638,000**

### Property and Equipment

Information relating to changes in property and equipment is given in Note 18 to the financial statements. In the Directors' opinion the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

### Human Resources

#### 1. Report on Diversity in Employment

The Company operates a non-discriminatory policy in the consideration of applications for employment. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in understanding the needs of our customers and creatively developing solutions to address them.

Composition of Employees	Number	Percentage
Female	36	43%
Male	48	56%
<b>Total</b>	<b>84</b>	

Board Composition by Gender	Number	Percentage
Female	5	45%
Male	6	55%
<b>Total</b>	<b>11</b>	

Top Management (Executive Director to CEO)	Number	Percentage
Female	1	50%
Male	1	50%
<b>Total</b>	<b>2</b>	

Top Management (AGM to GM)	Number	Percentage
Female	1	25%
Male	3	75%
<b>Total</b>	<b>4</b>	

## 2. Employment of disabled persons

In the event of any employee becoming disabled in the course of employment, the Company will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

## 3. Health, safety and welfare of employees

The Company maintains business premises designed to guarantee the safety and healthy living conditions of both its employees and customers. Employees are adequately insured against occupational and other hazards.

The Company has fire prevention and fire fighting equipment installed in strategic locations within its premises. The Company operates a Group Personal Accident, Third Party Liability Insurance and Professional Indemnity for the benefit of its employees.

The Company also operates a contributory pension plan in line with the Pension Reform Act as amended and the Nigeria Social Insurance Trust Fund in line with the Employees Compensation Act 2010 and other benefit schemes for its employees.

## 4. Employee involvement and training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Consequently, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests to enable the employees make inputs on those decisions. The Company places a high premium on the development of its manpower and sponsors its employees for training courses.

## 5. Statement of Commitment to Maintain Positive Work Environment

The Company shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Company's operating environment.

### Statutory Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Company has a Statutory Audit Committee comprising three shareholders and three Directors as follows:

Mr. Bode Osunkoya	Director	Chairman
Mr. Chinwendu Achara	Shareholder	Member
Mr. Adeniyi Adebisi	Shareholder	Member
Mrs. Mary Joke Shofolahan	Shareholder	Member
Ms. Chizoba Ufoeze	Director	Member
Mr. Barnabas Olise	Director	Member

The functions of the Audit Committee are as provided in Section 359(6) of the Companies and Allied Matters Act of Nigeria.

### Auditors

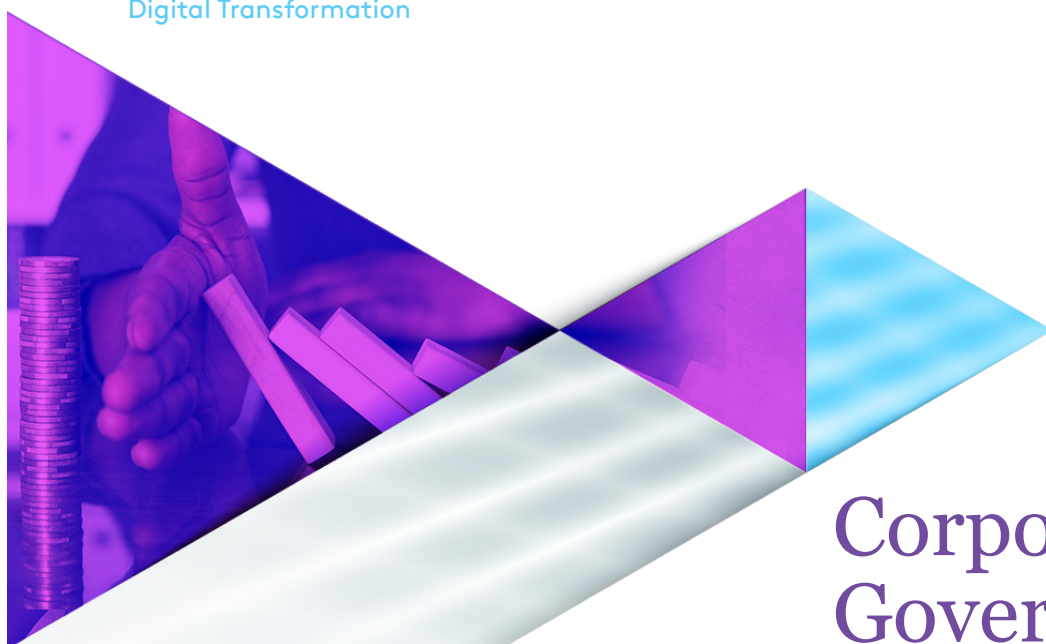
PricewaterhouseCoopers will be serving out their statutory tenor in office as independent auditors of the Company in accordance with section 357(2) of the Companies and Allied Matters Act of Nigeria. The Board of Directors will propose for approval at the next shareholders' meeting for the appointment of a new independent auditor for the Company.

PricewaterhouseCoopers will be serving out their statutory tenor in office as independent auditors of the Company. In accordance with Section 357(2) of the Companies and Allied Matters Act Nigeria the Board of Directors will at this meeting propose for approval the appointment of a new independent auditor for the Company

### BY ORDER OF THE BOARD



**Mary Agha**  
Company Secretary  
FRC/2013/NBA/00000002817  
119, AWOLOWO ROAD, IKOYI, LAGOS



## Corporate Governance

### Corporate Governance Report for Year Ended 31 December 2019

Wapic Insurance Plc remains committed to best practice in all areas of corporate governance. The Company has put in place appropriate structures that continue to strengthen the corporate governance practices at Wapic Insurance Plc, which include the careful selection and appointment of experienced and capable Directors, well defined roles for the Board Committees, strict performance monitoring, the use of a secure electronic portal for the circulation of reports for the consideration of the Board members as well as the establishment of a Board Information Technology Committee - the first of its kind in the insurance industry, dedicated to overseeing the Company's Information Technology.

At Wapic Insurance Plc we maintain high ethical standards and are transparent in all our dealings. This is supported by the Company's robust whistleblowing procedure. The Company also maintains a zero tolerance for regulatory infractions and ensures strict adherence with regulatory requirements.

The Company and its subsidiaries ('the Group') function under a governance framework that enables the Board to discharge its role of providing oversight and strategic direction in balance with its responsibility to ensure the Company's compliance with regulatory requirements and acceptable risk. The governance framework of the Subsidiaries are aligned with the governance framework of the Company subject to compliance with the statutory and regulatory requirements specifically guiding the operations of the Subsidiaries.

The Company is mindful of its obligations under the relevant codes of corporate governance such as the National Insurance Commission (NAICOM) Code of Corporate Governance for the Insurance Industry in Nigeria, the Securities and Exchange Commission's Code of Corporate Governance ('the SEC Code') and the Post

Listing Requirements of the Nigerian Stock Exchange (NSE). These, in addition to its Board Charter collectively provide the basis for promoting sound corporate governance in the Company. Our core values of excellence, professionalism, innovation, sustainability, teamwork, leadership, and empathy are the bedrock upon which we continue to build our corporate behavior.

### Appointment Process for Board Members

The Board has established a formal process for the selection of new directors to ensure the transparency of the nomination process. The appointment process is documented in the Group's Fit and Proper Person Policy. The Company's Fit and Proper Person Policy is designed to ensure that the Company and its Subsidiaries are managed and overseen by competent, capable and trustworthy individuals. In making Board appointments, the Board takes into cognizance the knowledge, skill and experience of a potential director as well as other attributes considered necessary for the role. The Board also considers the need for appropriate demographic and gender representation. Candidates are subjected to enhanced due diligence enquiries as required by extant regulations.

The appointment process is led by the Board Establishment and Remuneration Committee that has the responsibility for recommending new appointments to the Board of both Executive and Non-Executive Directors as well as for succession planning of the Board. When making Board appointment recommendations, the Committee takes cognizance of the existing range of skills, experience, background and diversity on the Board in the context of the Company's strategic direction before articulating the specification for the candidate sought.

The Committee identifies candidates for appointment as director in consultation with the Chairman, Managing

Director and/or any other director, or through the use of search firms or such other methods as the Committee deems helpful to identify candidates. Once candidates have been identified the Committee shall confirm that the candidates meet the minimum qualifications for director nominees set forth in the policy and relevant statutes and regulations. The Committee may gather information about the candidates through interviews, questionnaires, enhanced due diligence checks or any other means that the Committee deems helpful in the evaluation process. The Committee meets to discuss and evaluate the qualities and skills of each candidate, taking into consideration the overall composition and needs of the Board. Based on the results of the evaluation process, the Committee recommends candidates to the Board for appointment as director subject to the approval of shareholders and the National Insurance Commission.

We are comfortable that our Board is sufficiently diversified to optimize its performance.

### Retirement, Election and Re-election of Directors

In accordance with the Company's Articles of Association, Mrs. Ifeyinwa Osime and Ms. Chizoba Ufoeze retired at the Company's 60th Annual General Meeting held on June 10, 2019 and being eligible were duly re-elected by shareholders. The Board confirms that following a formal evaluation, these two Directors continued in 2019 to demonstrate commitment to their role as Non-Executive Director and Independent Non-Executive Director respectively. The Shareholders also elected Mr. Mutiu Sunmonu CON as a Non-Executive Director subject to the approval of the National Insurance Commission (NAICOM) being obtained. We are pleased to report that the approval of NAICOM for Mr. Mutiu Sunmonu's appointment was granted on August 5th 2019. Subsequent to the last Annual General Meeting, both Mr. Bode Ojeniyi and Mr. Olufemi Obaleke tendered their resignation from the Board and the Company following the expiration of their contracts of employment. Until their resignations, Mr. Bode Ojeniyi and Mr. Olufemi Obaleke had served as Executive Director Sales and Distribution and Executive Director Public Sector & Northern Region respectively. The Board commends Mr. Bode Ojeniyi and Mr. Olufemi Obaleke for their valuable contributions to the Company and wishes them success in their future endeavours.

In accordance with the Company's Memorandum and Articles of Association as well as Section 259 of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria 1990, one-third of all Non-executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. In keeping with this requirement, Mr. Olusegun Ogbonnewo and Mr. Bode Osunkoya will retire during this Annual General Meeting and being eligible, will submit themselves for re-election. The Board is convinced that the Directors standing for re-election will continue to add value to the Company.

The Board believes that these Directors are required to maintain the balance of skills, knowledge and experience on the Board.

### Directors' Induction

The Board believes that a robust induction as well as regular training and education of Board members on issues pertaining to their oversight functions will improve Director's performance. Regarding new Directors, there is a personalized induction program which includes one-on-one meetings with Executive Directors and Senior Management responsible for the Company's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction program covers an overview of the Strategic Business Units as well as the Board processes and policies. A new Director receives an induction pack which includes charters of the various Board Committees, significant reports, important legislation and policies, minutes of previous Board Meetings and a Calendar of Board Activities. Directors are also required to participate in periodic, relevant continuing professional development programs to update their knowledge.

### Performance Monitoring and Evaluation

The Board, in the discharge of its oversight function continuously engages with Management and contributes ideas to the planning and execution of the Group's strategy. Management provides the Board with regular updates on the implementation of the strategy, affording the Board the opportunity to critique and assess significant issues, risks or challenges encountered in the course of the strategy implementation and the steps taken to mitigate the risks. Management's report on the Group's actual Financial Performance is presented relative to the planned budget to enable the Board assess the level of achievement. Peer Comparison is also a crucial component of Management reporting to the Board to benchmark performance against that of our competitors.

The Company's performance on Corporate Governance is continuously being monitored and reported. Regular reviews are carried out on the Company's compliance status with the NAICOM Code of Corporate Governance for the Insurance Industry in Nigeria, the SEC Code of Corporate Governance, and the NSE Post Listing Requirements as well as on the Company's compliance status with the various regulatory circulars and guidelines and regulatory returns are filed thereon.

The evaluation was a 360 degree on-line survey covering directors' self assessment, peer assessment and evaluation of the Board and the Board Committees, the effectiveness of the Independent Directors against the regulatory guidelines on Independent Directors of Insurance Companies, as well as the Board's structure and composition, processes, relationships competencies, roles and responsibilities. The result of the Board performance evaluation is presented to the Board and the individual

director's assessment is communicated and discussed with the Chairman. The result confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency. The result also showed that the Company's corporate governance practices were in compliance with the provisions of the NAICOM and SEC Codes of Corporate Governance. In line with the NAICOM Code of Corporate Governance, the summary of the Annual Board Performance Report for the 2018 Financial Year was presented to the shareholders at the Annual General Meeting of the Company held on June 10, 2019.

## Shareholder Engagement

The Company has a comprehensive Investors Communication and Disclosure Policy in accordance with which the Board and Management ensure that the Company's communication with the investing public about the Company and its subsidiaries is timely, factual, broadly disseminated and accurate and in accordance with all applicable legal and regulatory requirements. The Company's reports and communication to shareholders and other stakeholders are in plain, readable and understandable format. The Company's website - [www.wapic.com](http://www.wapic.com) is regularly updated with both financial and non-financial information.

The Company has a dedicated Investor Relations Unit which focuses on facilitating communication with shareholders and analysts on a regular basis and addressing their enquiries and concerns. Investors and stakeholders are frequently provided with information about the Company through various channels such as quarterly Investor Conference Calls, the General Meetings, the Company's website, as well as the Annual Report and Accounts.

The Board ensures that shareholders statutory and general rights are protected at all times, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our Shareholders are encouraged to share in the responsibility of sustaining the Company's corporate values by exercising their rights as protected by law.

## Shareholders Rights Protection

The Company has a comprehensive Investors Communication and Disclosure Policy in accordance with which the Board and Management ensure that the Company's communication with the investing public about the Company and its subsidiaries is timely, factual, broadly disseminated and accurate and in accordance with all applicable legal and regulatory requirements. The Company's reports and communication to shareholders and other stakeholders are in plain, readable and understandable format. The Company's website - [www.wapic.com](http://www.wapic.com) is regularly updated with both financial and non-financial information.

The Company has a dedicated Investor Relations Unit which focuses on facilitating communication with shareholders and analysts on a regular basis and addressing their enquiries and concerns. Investors and stakeholders are frequently provided with information about the Company through various channels such as quarterly Investor Conference Calls, the General Meetings, the Company's website, as well as the Annual Report and Accounts.

The Board ensures that shareholders statutory and general rights are protected at all times, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our Shareholders are encouraged to share in the responsibility of sustaining the Company's corporate values by exercising their rights as protected by law.

## Access to Information and Resources

Executive Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them make informed decisions in the discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of relevant Strategic Business Units attend Board meetings to make presentations. The Company's External Auditors attend the Board, the Board Audit and Compliance Committee and the Statutory Audit Committee Meetings to make presentations on the audit of the Company's Financial Statements. The Directors have unrestricted access to the Group Management and Company information in addition to the resources to carry out their responsibilities. This includes access to external professional advice at the Company's expense as provided by the Board and Board Committee Charters.

## The Board

The primary function of the Board of Directors is to advance the prosperity of the Company by collectively directing the Company's affairs, whilst meeting the appropriate interests of shareholders and stakeholders. The Board has the overall responsibility for reviewing the strategic plans and performance objective, financial performance review and corporate governance practices of the Company. The Board is the Company's highest decision making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders which is critical to sustainable growth.

## Composition and Role

The Board composition is in line with the provisions of S.5.04 (ii) of the NAICOM Code of Corporate Governance for Insurance Companies in Nigeria and the Board is

currently comprised of ten (10) members made up of eight (8) Non-Executive Directors and two (2) Executive Directors. Two of the Non-Executive Directors are Independents and meet the criteria set by the SEC and NAICOM Codes of Corporate Governance on Independent Directors. The full details of the Board Composition and their roles are as set out below:“ The full details of the Board Composition and their roles are as set out below:

### **Mr. Mutiu Sunmonu**

**Chairman**

Mr. Mutiu Sunmonu is an Oil & Gas expert with a rich history of experience and performance both locally and internationally. Mr. Mutiu Sunmonu retired from Shell Petroleum Development Company (SPDC) in 2015 after 36years of meritorious service. Until his retirement, Mr. Sunmonu was the Managing Director SPDC and Vice President Production Sub-Saharan Africa, as well as Country Chair of the Shell Companies in Nigeria, roles which he held concurrently from January 1, 2008 and January 1, 2010 respectively.

Mr. Mutiu Sunmonu holds a First Class degree in Mathematics and Computer Science from the University of Lagos and a Masters in Business Administration (MBA) from the Harvard Business School. A respected private sector leader who continues to provide leadership and professional guidance to established and upcoming businesses, Mr. Mutiu Sunmonu sits on the Board of Directors of a number of companies such as Unilever Nigeria Plc, SanLeon Energy Uk, Petralon Energy Limited, Imperial Homes Mortgage Limited and Julius Berger Plc where Mr. Mutiu Sunmonu is the Chairman of the Board of Directors. He was appointed to the Board of Directors of Wapic Insurance Plc on January 30, 2019 and became the Chairman of the Board with effect from April 27, 2020.

Mr. Mutiu Sunmonu is 65 years old as at the date of this meeting.

### **Adamu Atta**

**Non Executive Director**

Mr. Adamu Atta is the Chairman and Chief Executive of Matad Group Nigeria Ltd, an investment company with operations across Africa. His business interests cut across various sectors such as oil and gas, energy, transport and logistics, tourism, textiles, agriculture, construction, communication and manufacturing. With over two decades experience in financial management and consulting, Mr. Atta has developed an enviable portfolio of clients.

Mr. Adamu Atta holds a Bachelor Degree in International Relations/International Economics from the United States International University (USIU). He also has Masters Degrees in International Development Economics and Political Science from the University of California (UCLA) and Ahmadu Bello University Zaria respectively.

Mr. Adamu Atta was appointed to the Board in January 2013 and is the Chairman of the Board Establishment and Governance Committee.

Mr. Adamu Atta is 53 years old as at the date of this meeting.

### **Bababode Osunkoya**

**Independent Non Executive Director**

Mr. Bababode Osunkoya is a Senior Partner at the chartered accounting firm of Abax-OOSA Professionals. With over two decades post-qualification experience in banking, audit, accountancy, taxation, business and financial advisory, Mr. Osunkoya is an accounting graduate from the University of Lagos and is one of the first Certified Forensic Auditors of the Chartered Institute of Accountants of Nigeria. Mr. Bababode Osunkoya is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), the Chartered Institute of Taxation of Nigeria (CITN), and an Associate Member of the Institute of Directors (IoD).

Mr. Bababode Osunkoya joined the Board of Wapic Insurance Plc in January 2013. He is the Chairman of the Board Audit and Compliance Committee.

Mr. Bababode Osunkoya is 58 years old as at the date of this meeting.

### **Barnabas Olise**

**Non Executive Director**

Mr. Barnabas Olise is the Managing Director/CEO of Enterprise Value Matrix Consult Limited, which is a multidisciplinary consultancy firm.

Mr. Barnabas Olise's work experience spans nearly two decades and covers auditing, consulting and banking. He began his career in Deloitte, an international firm of chartered accountants as an audit trainee, and later joined Intercontinental Bank (Now Access Bank Plc) where he facilitated the Ghanaian subsidiary's branch expansion to 28 outlets. He also had responsibility for Group Executive Management Services and Franchise Expansion before resigning from the Bank. Mr. Barnabas Olise was appointed to the Board in November 2011 and he is the chairman of the Board Information Technology Committee.

Mr Barnabas Olise is 51 years old as at the date of this meeting.

### **Ifeyinwa Osime**

**Independent Non Executive Director**

Mrs. Ifeyinwa Osime is a partner at McPherson Legal Practitioners. She has served on various boards, and was at one time the Company Secretary of African Development Insurance Company Limited where

she had oversight over the company's claims settlement process. She is also the founder of a special needs program which offers support, therapy and counseling to people with special needs (developmental delays) and their families.

Mrs. Ifeyinwa Osime holds a Bachelors of Law Degree (LLB) and a Masters of Laws Degree (LLM) in Commercial and Corporate Law from the University of Benin and the London School of Economics respectively. She was called to the Nigerian Bar in 1987 and is an Alumnus of the Executive Business Programs of the Harvard Business School and Insead Graduate Business School.

Mrs. Ifeyinwa Osime joined the Board of Wapic Insurance Plc in April 2014 and was approved by NAICOM in September 2014. She is the Chairperson of the Board Enterprise Risk Management Committee.

Mrs. Ifeyinwa Osime is 53 years old as at the date of this meeting.

### Chizoba Ufoeze

**Non Executive Director**

Ms. Chizoba Ufoeze is the Managing Director/CEO of United Alliance Company of Nigeria Limited, with over two decades experience as an investment analyst in the financial services industry. Ms. Chizoba Ufoeze has a Bachelor of Science Degree in Urban & Regional Planning from the University of Nigeria, Nsuka and an MBA from the Middlesex University Business School London. She also has a Masters of Science Degree in Investment Management from the City University Business School, London.

She joined the Board of Wapic Insurance Plc. in January 2014 and was approved by NAICOM in May 2014. She is the Chairperson of the Board Investment Committee.

Ms. Chizoba Ufoeze is 50 years old as at the date of this meeting.

### Olusegun Ogbonnewo

**Non Executive Director**

Mr. Olusegun Ogbonnewo is a Director in TenGen Holdings Limited with over 27 years professional experience in the financial service industry cutting across banking, human capital development, operations, payment systems and financial technology. Until his retirement in March 2017 he was a General Manager and Group Head Channels Services (E-Banking) of Access Bank Plc where he worked meritoriously for over 10years. While in the Bank, he played a vital role in the successful implementation of Access Bank Plc's operations transformation program which was key to the seamless absorption of Intercontinental Bank Plc into the Bank's operations.

Mr. Olusegun Ogbonnewo has a BA (Ed) and Master of Public Administration (MPA) from the University of Ilorin and Master of Business Administration (MBA) from Lagos

Business School/IESE Barcelona. He is an alumnus of the Harvard Business School, and has also attended management development programs in IDI Dublin, INSEAD and IMD amongst others.

Mr. Olusegun Ogbonnewo was appointed to the Board of Directors of Wapic Insurance Plc on October 25, 2017. This appointment has been communicated to NAICOM and the formal approval of the Commission is being awaited.

Mr. Olusegun Ogbonnewo is 59 years old as at the date of this meeting.

### Titilayo Osuntoki

**Independent Non-Executive Director**

Mrs. Titilayo Osuntoki has over 30 years' professional experience in the financial sector, cutting across treasury/currency trading, financial control, risk management, as well as corporate finance and relationship management. She began her work experience in the financial sector in 1990 with Guaranty Trust Bank where she worked for over 21years and held various leadership positions across the bank. Until her retirement in March 2019, Mrs. Titilayo Osuntoki was an Executive Director in Access Bank Plc prior to which time she served as an Independent Non-Executive Director on the Board of Wapic Insurance Plc and Wapic Life Assurance Limited between January 1, 2013 and January 16, 2014 and was the Chairperson of the Board Enterprise Risk Management Committee of both companies. Mrs. Titilayo Osuntoki has also served on various other Boards and has attended numerous courses and seminars both locally and internationally.

Mrs. Titilayo Osuntoki, is a graduate of the University of Lagos from where she obtained a Second-Class Upper Division in Civil Engineering in the year 1987 and a Master in Business Administration (MBA) in the year 2000.

Mrs. Titilayo Osuntoki joined the Board in July 2020 following the approval of the National Insurance Commission.

Mrs. Titilayo Osuntoki is 53years old as at the date of this meeting.

### Omosalewa Fajobi

**Non-Executive Director**

Mrs. Omosalewa Fajobi has about 18years professional experience spanning across corporate law and governance of which 15years has been within the financial sector. She is currently an Operating Director at Tengen Holdings Limited where her responsibilities include overall supervision of legal, governance and compliance functions within Tengen and its investee companies across, oil & gas, digital technology, real estate and financial services sectors. Prior to joining Tengen, Mrs. Omosalewa Fajobi worked with the International Finance Corporation (IFC) where she was the Project Lead (Nigeria) Africa Corporate

Governance Program.

Mrs. Omosalewa Fajobi holds a Second-Class Upper Law Degree (LL.B) and a Master of Laws (LL.M) in Commercial & Corporate Law from the University of Lagos and the University of London respectively. She is also a Barrister at Law (BL) of the Supreme Court of Nigeria.

Mrs. Omosalewa Fajobi joined the Board in July 2020 following the approval of the National Insurance Commission.

Mrs. Omosalewa Fajobi is 43 years old as at the date of this meeting.

### **Adeyinka Adekoya**

**Managing Director/Chief Executive Officer**

Mrs. Adekoya started her professional career with Lambert Willis & Associate (Insurance Brokers). She spent 23 years at Law Union and Rock where she rose through the ranks gathering experience in the technical department. Prior to joining Wapic, Mrs. Adekoya was the Head Institutional Business Development Division at Cornerstone Insurance. She was appointed Managing Director with effect from November 1, 2015.

Mrs. Adekoya has a Bachelor of Science and Masters of Business Administration both from the University of Lagos. She is a Fellow of the Chartered Insurance Institute of Nigeria and an Associate of the Chartered Insurance Institute, London. She is also a member of Nigerian Insurers Association (NIA)

Mrs. Adeyinka Adekoya is 59 years old as at the date of this meeting.

### **Peter Ehimhen**

**Executive Director, Technical Operation**

Mr. Peter Ehimhen joined Wapic Insurance Plc in September 2012 and until this appointment as Executive Director Technical Operations on October 26, 2016, was the Chief Risk Officer of the Company. He has a Bachelor of Science (B.Sc.) in Insurance from Enugu State University of Science and Technology, and a Master's in Business Administration (MBA) from the University of Nigeria, Nsukka. Mr. Ehimhen also has a Masters' of Science (M.Sc.) in Risk Management, from the Glasgow Caledonian University, UK, and has over 24 years post-qualification experience, of which over 12 years has been in the insurance industry.

Mr. Peter Ehimhen is an Associate of the Chartered Insurance Institute of Nigeria and a Member of the Institute of Risk Management.

Mr. Peter Ehimhen is 51 years old as at the date of this meeting.

## **Separation of Powers**

In line with best practice and in accordance with the provisions of all the Codes of Corporate Governance by which the Company is governed, the roles of the Chairman and Managing Director are assumed by different individuals and there is a separation of powers and functions between the Chairman and the Managing Director. This ensures the balance of power and authority. The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent directors with no shadow or alternate Directors, which ensures that independent thought, is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills and competences of the Executive and Non-Executive directors who have exceptional degrees of insurance, financial and broader entrepreneurial experiences.

The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent directors with no shadow or alternate Directors, which ensures that independent thought, is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills and competences of the Executive and Non-Executive directors who have exceptional degrees of insurance, financial and broader entrepreneurial experiences.

## **Role of the Board**

The principal responsibility of the Board is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Management by setting policy direction and strategy and by overseeing their implementation. The Board seeks to ensure that Management delivers on both its long term growth and short term objectives, striking the right balance between both goals. In setting and monitoring the execution of the Group Strategy, consideration is given to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, suppliers and the community in which the Group operates as a whole.

The Board is responsible for ensuring that robust systems of internal controls are maintained and that Management maintains an effective risk management and oversight process across the Group so that growth is delivered in a controlled and sustainable way. In addition the Board is responsible for determining and promoting the collective vision of the Group's purpose, values, culture and behavior.

The Board is accountable to the shareholders and is responsible for the management of the Company's relationship with its various stakeholders. The Board

ensures that the activities of the Company are at all times executed within the relevant regulatory framework. The Board Charter is comprised of a set of principles that have been adopted by the Board as a definitive statement of Corporate Governance.

The duties of the Board include but are not limited to:

- Defining the Company's business strategy and objectives,
- Formulating risk policies
- Approval of quarterly, half yearly and full year financial statements
- Approval of significant changes in accounting policies and practices
- Appointment or removal of Directors and Company Secretary
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure
- Approval of charter and membership of Board Committee
- Setting of annual board objectives and goals
- Approval of allotment of shares
- Approval of remuneration of auditors and recommendation for appointment or removal of auditors
- Succession Planning for key positions
- Approval of the corporate strategy, medium term and short term plans
- Monitoring delivery of the strategy and performance against plan
- Approval of the framework for determining the policy and specific remuneration of executive directors
- Review and monitoring of the performance of the Managing Director and the executive team
- Ensuring the maintenance of ethical standards and compliance with relevant laws.
- Performance appraisal and compensation of Board members and senior executives
- Ensuring effective communication with shareholders
- Ensuring the integrity of financial reports

## The Role of the Board Chairman

The principal role of the Board Chairman is to provide leadership and direction to the Board. In line with best practice and in accordance with the provisions of all the Codes of Corporate Governance by which the Company is governed, the roles of the Chairman and Managing Director are assumed by different individuals and there is a separation of powers and functions between the Chairman and the Managing Director. More specifically, the duties and responsibilities of the Board Chairman are as follows:

\*Primarily responsible for the effective operation of the Board and ensures that the Board works towards achieving

the Company's strategic objectives

\*Setting the agenda for Board Meetings in conjunction with the Managing Director and the Company Secretary

\*Approval of the Annual Calendar of Board Activities

\*Playing a leading role in ensuring that the Board and its Committees have the relevant skills, competencies for their job roles.

\*Ensuring that the Board Meetings are properly conducted and that the Board is effective and functions in a cohesive manner

\*Ensuring that the Directors focus on their key responsibilities and play constructive roles in the affairs of the Company

\*Ensuring that the Directors receive accurate and clear information about the affairs of the Company in a timely manner to enable them take sound decisions

\*Acting as the main link between the Board and the Managing Director as well as advising the Managing Director on the effective discharge of duties

\*Ensuring that induction programs are conducted for new Directors and continuing education programs are in place for all Directors

\*Taking a leading role in the assessment, improvement and development of the Board

\*Presiding over General Meetings of shareholders

\*Ensuring effective communication with the Company's institutional shareholders and strategic stakeholders

## The Role of the Managing Director

The Managing Director has the overall responsibility for leading the development and execution of the Company's long-term strategy, with a view to creating sustainable shareholder value. The Managing Director manages the day-to-day operations of the Company and ensures that operations are consistent with the policies approved by the Board. Specifically, the duties and responsibilities of the Managing Director include the following:

\*Acts as head of the Management Team and is answerable to the Board

\*Responsible for ensuring that a culture of integrity and legal compliance is imbibed by personnel at all levels of the Company

\*Responsible for the consistent achievement of the Company's financial objectives and goals

\*Ensures that the allocation of capital reflects

the Company's risk management philosophy

\*Ensures that the Company's risks are controlled and managed effectively, optimally and in line with the Company's strategies and objectives

\*Ensures that the Directors are provided with sufficient information to support their decision making

#### Role of the Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for among other things ensuring that Board procedures are observed and that the Company's Memorandum and Articles Association and other rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhancing long-term shareholder value. The Company Secretary assists the Chairman in ensuring good information flow within the Board and its Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of new Directors and coordinates their professional development."

As the primary compliance officer for the Company's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for the Company's compliance with the listing rules, including advising Management on prompt disclosure of material information.

The Company Secretary attends and prepares the minutes for all Board meetings. As secretary of all board committees she assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretary are subject to the Board's approval.

### Delegation and Authority

The ultimate responsibility for the Company's operations rests with the Board. The Board retains effective control through a well-developed Committee governance structure that provides in-depth focus on Board responsibilities. Each Board Committee has a written charter and presents quarterly reports to the Board on its activities. The Board delegates authority to the Managing Director and the Executive Management to manage the affairs of the Company within the parameters established by the Board from time to time.

### Board Meetings

The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Board Committee meetings are approved in advance during the last quarter of the preceding financial year and all Directors are expected to attend each meeting. Material decisions may be taken between meetings through written resolutions as provided for by the Company's Articles of Association. The Annual Calendar of Board activities include a Board Retreat at an offsite location, to consider strategic matters and review the opportunities and challenges facing the institution. All Directors are provided with Notices, Agenda and meeting papers in advance of each meeting and where a Director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such Director reserves the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. The Directors are also provided with regular updates on developments in the regulatory and business environment. The Board met 9 times during the period review. The Board channeled considerable time and effort in discussing the 2019 budget, review the extent of implementation of the 2020-2023 strategic plan, take steps towards ensuring that the Company and its Subsidiaries are well positioned to meet the new regulatory minimum capital requirement, review and approve policies as well as approve the management accounts and full year audited financial statement. The Board also uses a secure electronic portal for the circulation of Board papers to members. This underscores the commitment of the Board to embrace environment sustainability by reducing paper usage.

### Board Committees

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. In line with the NAICOM Corporate Governance Guidelines, the Board's standing committees are; the Board Enterprise Risk Management and Governance Committee, the Board Audit and Compliance Committee, the Board Establishment and Remuneration Committee, the Board Finance, Investment and General Purpose Committee. The Company having determined the importance of technology to its business has also set up a Board Information Technology Committee whose function is to primarily monitor the Company's information technology systems and ensure the successful implementation of all the various information technology initiatives. The committee is to also recommend to the Board of Director's, the information technology strategy of the Company and its implementation, together with relevant policies. The Board accepts that while the various Board Committees have the authority to examine a particular issue and report back to the Board with their decisions and/or recommendations, the ultimate responsibilities on all matters lies with the Board. The composition and responsibilities of the Committees are set out below:

S/N	Director	BACC	BERMC	BFIC	BERC	BITC
1	Mr. Aigboje Aig-Imoukhuede	-	-	-	-	-
2	Mr. Adamu Mahmoud Atta <sup>1</sup>	-	M	M	C	-
3	Mr. Bababode Osunkoya <sup>3</sup>	C	M	M	M	M
4	Mr. Barnabas Olise <sup>1</sup>	M	M	M	-	C
5	Ms. Chizoba Ufoeze <sup>1</sup>	M	M	C	M	-
6	Mrs. Ifeyinwa Osime <sup>3</sup>	-	C	M	M	M
7	Mr. Olusegun Ogbonnewo <sup>1</sup>	-	M	M	M	M
8	Mr. Mutiu Sunmonu <sup>1</sup>	-	M	M	-	-
9	Mrs. Adeyinka Adekoya <sup>2</sup>	-	M	M	-	M
10	Mr. Peter Ehimhen <sup>2</sup>	-	M	M	-	-

\*Key

C Chairman of Committee

M Member

- Not a member

1 Non-Executive

2 Executive

3 Independent

BACC Board Audit and Compliance Committee BERMC

Board Enterprise Risk Management and Governance Committee

BFIC Board Finance, Investment and General Purpose Committee

BENC Board Establishment and Nomination Committee

BITC Board Information Technology Committee

## Board Audit and Compliance Committee

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process; the independence and performance of the Company's internal and external auditors; and the Company's system of internal control and mechanism for receiving complaints regarding the Company's accounting and operating procedures. The Committee also monitors the status of the Company's internal and regulatory compliance. The Company's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The Company's External Auditors also periodically meet with the Committee.

Key issues considered by the Committee during the period included the review of the status of compliance with internal policies and regulatory requirements, review and

recommendation of Full Year Audited Financial Statements, review of reports of the Chief Internal Auditor and Internal Audit Consultants, the review of the whistle-blowing reports as well as the approval of the Internal Audit and Internal Control and Compliance Plans. The Committee met five (5) times in the 2019 financial year.

The Committee is chaired by Mr. Bababode Osunkoya. Mr. Osunkoya is an accounting graduate from the University of Lagos. He is a Fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He is also an associate member of the Institute of Directors. Mr. Osunkoya is a Certified Forensic Accountant of the Institute of Chartered Accountants of Nigeria. He is also a member of Public Practice Monitoring Committee of the Institute of Chartered Accountants of Nigeria.

Board Enterprise Risk Management and Governance Committee

The Committee supports the Board in performing its oversight responsibility relating to corporate governance, establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic reviews of reports provided by management and ensures the appointment of qualified officers to manage the risk function. The Committee evaluates the Company's risk policies on a periodic basis to accommodate major changes in the internal or external environment.

The key issues considered by the Committee during the period included recommendation by the Committee of some policies to the Board for approval and received risk reports from all the risk areas of the Company. The Committee also monitored the status of the Company's compliance with relevant regulatory policies, evaluated the nature

and effectiveness of action plans implemented to address identified compliance weaknesses. The Committee met six (6) times in the 2019 financial year.

The Committee is chaired by Mrs. Ifeyinwa Osime. Mrs. Osime holds a Law Degree (L.L.B), and Masters (LL.M) in Commercial & Corporate Law from the University of Benin and London School of Economics, University of London respectively. She is also a Barrister at Law (BL) of the Supreme Court of Nigeria. She has over 25 years professional experience in law and insurance and was the Company Secretary of African Development Insurance Company Limited from 1989 to 1997 with oversight over claims settlement. She is an alumnus of the Harvard Business School.

### Board Establishment and Remuneration Committee

The Committee advises the Board on its oversight responsibilities in relation to human resource matters affecting the Directors and employees of the Company. Specifically, the Committee is responsible for determining and executing the processes for board appointments, recommending appropriate remuneration for directors (both executive and non-executive) and approving remuneration for all other members of staff. The Committee is responsible for reviewing and recommending the Company's organizational structure to the Board for approval. The Committee is also responsible for reviewing the performance and effectiveness of the Board of the Company's subsidiaries on an annual basis. The Committee ensures that the Company's human resources are maximized to support the long term success of the enterprise and to protect the welfare of all employees.

The key decision and initiatives of the Committee in 2019 included review and recommendation of human resources policies to the Board for approval and consideration of quarterly reports on human resources. The Committee met four (4) times during the period.

The Committee is chaired by Mr. Adamu Atta. Mr. Atta holds a B.A in International Relations and Economics and an MA in Development Economics from the United States International University and the University of California International University and the University of California International University respectively. He also has a Masters in Political Economics from Ahmadu Bello University, Zaria. Mr. Atta has over two decades experience in financial management and consulting.

### Board Finance, Investment and General Purpose Committee

The Committee advises the Board on its oversight responsibilities in relation to the Company's general investments and provides strategic guidance for the development and achievement of the Company's

investment objectives. The Committee therefore works with Management to review the quality of the Company's investment portfolio and the trends affecting the portfolio, overseeing the effectiveness and administration of investment related policies including compliance with legal investment limits and the Company's in-house investment restrictions, reviewing the process for determining provision for investment losses and the adequacy of the provisions made as well as providing oversight and guidance to the Company regarding all aspects of implementing the NAICOM Guidelines and compliance with other regulatory Risk based supervision framework. The Committee advises the Board on its oversight responsibilities in relation to the Company's general investments and provides strategic guidance for the development and achievement of the Company's investment objectives. The Committee therefore works with Management to review the quality of the Company's investment portfolio and the trends affecting the portfolio, overseeing the effectiveness and administration of investment related policies including compliance with legal investment limits and the Company's in-house investment restrictions, reviewing the process for determining provision for investment losses and the adequacy of the provisions made as well as providing oversight and guidance to the Company regarding all aspects of implementing the NAICOM Guidelines and compliance with other regulatory Risk based supervision framework.

Key issues considered by the Committee included review of the financial control report and investment report, approval of the annual budget as well as the capital and operating expenses of the company, quarterly review of budget utilization against the actual plan, quarterly review of rights issue utilization, review of the unaudited financial statement, approval of the investment portfolio and risk appetite, oversight of the Company's investment portfolio and related risk management processes, continued monitoring of the Company's compliance with relevant regulatory and internal investment policies with respect to the Company's investment portfolio, approval of investment limits as well as investment exceptions where necessary. The Committee met five (5) times during the period.

The Committee is chaired by Ms. Chizoba Ufoeze. Ms. Chizoba Ufoeze is a graduate of University of Nigeria Nsukka and has an MSc in Investment Management from the City University Business School London, and an MBA from the Middlesex University Business School, London. Ms. Ufoeze is an Investment Analyst with over 23 years' experience in the financial services industry.

### Board Information Technology Committee

The Committee assists the Board in fulfilling its governance and oversight responsibilities relating to development, periodic review and implementation of the

Company's Information Technology strategy, monitoring the Company's investments and operations in relation to technology and information systems, ensuring that the Company's technology initiatives are consistent with the Company's overall corporate strategy and performing such other related functions as may be assigned to the Committee by the Board of Directors.

Key issues considered by the Committee included monitoring and ensuring the successful implementation of the Company's new core insurance application, quarterly review of the information technology report, review of and Consulting. He is currently the Managing Partner/CEO Of Enterprise Value Matrix Consult (EVMC) Limited, a multidisciplinary consultancy firm established in 2010.

the technical functionality and system report, quarterly review of the IT budget utilization against the actual plan, quarterly review of the internal audit and control report and consideration of status report on the StarIns Application Implementation. The Committee met four (4) times during the period.

The Committee is chaired by Mr. Barnabas Olise. Mr. Olise studied and graduated with Bachelors (B.SC Hons) in Mathematics from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and has over 20 years professional experience in Auditing, a

### Attendance at Board and Board Committee Meetings

Directors' attendance at meetings during the 2019 financial year was as shown below:

NAME OF DIRECTORS		MEETING					
S/N	Director	BoD	BACC	BERMC	BFIC	BEGPC	BITC
Number of Meetings Held		9	5	6	5	4	4
Attendance:							
1	Mr. Aigboje Aig-Imoukhuede	9	N/A	N/A	N/A	N/A	N/A
2	Mr. Adamu Mahmoud Atta	9	N/A	6	4	4	N/A
3	Mr. Bababode Osunkoya	9	5	6	5	4	4
4	Mr. Barnabas Olise	9	5	6	4	N/A	4
5	Ms. Chizoba Ufoeze	8	5	6	5	4	N/A
6	Mrs. Ifeyinwa Osime	9	N/A	6	5	4	4
7	Mr. Olusegun Ogbonnewo	9	N/A	5	4	4	4
8	Mr. Mutiu Sunmonu*	4	N/A	3	2	N/A	N/A
9	Mrs. Adeyinka Adekoya	9	N/A	6	5	N/A	4
10	Mr. Peter Ehimhen	9	N/A	6	5	N/A	N/A

\*Appointed January 30, 2019

### Executive Committee

The Executive Committee (EXCO) is made up of the Managing Director as Chairman, and all the Executive Directors as members. The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Company's resources.

These Committees meet as frequently as risk issues occur and take actions and decisions within the ambit of their respective powers.

The management committees include: Finance and Investment Management Committee, Underwriting and Claims Management Committee, Enterprise Risk Management Committee, Criticized Assets Committee and IT Steering Committee.

### Management Committees

These are standing committees made up of the Company's Executive and Senior Management staff. The Committees are set up to identify, analyse and make recommendations on risks pertaining to the Company's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and also provide input into the various Board Committees in addition to ensuring the effective implementation of risk policies.

### Statutory Audit Committee

In compliance with the provisions of Section 359 (3) of the Companies and Allied Matters Act (CAMA) 1990 which requires every public company to constitute a Statutory Audit Committee made up of equal number of Directors and Shareholders' representatives subject to a maximum of six (6) members in the Committee, Wapic Insurance Plc has constituted a Statutory Audit Committee made

up of three (3) Non-Executive Directors and three (3) Shareholders. The composition of the Committee is as set out below:

1. Mr. Bode Osunkoya	(Director)	Chairman
2. Mr. Chinwendu Achara	(Shareholder)	Member
3. Mr. Adeniyi Adebisi	(Shareholder)	Member
4. Mrs. Mary Joke Shofolahan	(Shareholder)	Member
5. Ms. Chizoba Ufoeze	(Director)	Member
6. Mr. Barnabas Olise	(Director)	Member

The Committee is constituted to ensure its independence which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Company's Financial Statements. There is no Executive Director sitting on the Committee. The appointment of the Committee Chairman was to ensure compliance with the requirement that the Committee Chairman should be a professional member of an accounting body established by Act of the National Assembly in Nigeria who shall be required to attest to the Company's annual report, financial statements, accounts, financial report, returns and other documents of a financial nature.

The duties of the Committee are as enshrined in the Section 359(3) and (4) of CAMA. The Committee is responsible for ensuring that the Company's financials comply with applicable financial reporting standards.

The Committee met 3 times during the 2019 financial year.

### Tenure of the Statutory audit committee

The tenure of each Committee member lasts from the date of election at an Annual General Meeting till the next. The membership of the Statutory Audit Committee is renewed through a process of election and/ or re-election at the next Annual General Meeting.

### Role and focus of the Statutory audit committee

The duties of the Statutory Audit Committee are as enshrined in Section 359 (3) and (4) of the Companies and Allied Matters Act (CAMA) 1990. The statutory provisions are supplemented by the provisions of the SEC Code of Corporate Governance and are highlighted below:

\* Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices

\*Review the scope and planning of audit requirements

\*Review the findings on management matters in conjunction with the external auditor and management's response thereon

\*Keep under review the effectiveness of the Company's system of accounting and internal control

\*Make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest which could impair their independent judgement

\*Authorize the internal auditor to carry out investigations into any activity of the Company which may be of interest or concern to the Committee

\*Assist in the oversight of the integrity of the company's financial statements and establish and develop the internal audit function

### Going concern

The Directors confirm that after making appropriate enquiries they have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt going concern basis in preparing the financial statements

### External Auditors

Messrs. PricewaterhouseCoopers (PwC) acted as the Company's External Auditors for the 2019 Financial Year. The Board confirms that the Company has complied with the regulatory requirement as enshrined in the SEC Code of Corporate Governance on the rotation of audit firm and audit partners. PwC was appointed as the Company's sole External Auditor from the 2015 Financial Year and has held office for five (5) years.

### Succession planning

The Company has a robust policy which is aligned with the Company's performance management process. The policy identifies key positions, for all Wapic Insurance Plc operating entities in respect of which there will be formal succession planning. The Company's policy provides that

potential candidates for positions shall be identified at the beginning of each financial year based on performance and competencies.

## Code of Ethics

Wapic Insurance has in place, a Code of Conduct which specifies expected behaviour of its employees and Directors. The code is designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles. The Code requires that each Company employee shall read the Code and sign a confirmation that he has understood the content. In addition, there is an annual re-affirmation exercise for all employees. The Company also has a Compliance Manual which provides guidelines for addressing violations/breaches and ensuring enforcement of discipline with respect to staff conduct. The Company also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head of Human Resources is responsible for the design and implementation of the “Code of Conduct” while the Chief Compliance Officer is responsible for monitoring and ensuring compliance.

The Chief Compliance Officer issues at the commencement of each financial year, an Ethics & Compliance message to all staff within the Group. The Ethics & Compliance message reiterates the Company’s policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Company’s business. The message admonishes employees to safeguard the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

## Dealing in Company Securities

In accordance with the provisions of the Rule 17.2 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, the Company has in place a policy that guides trading on the Company’s securities. The Non-Dealing Period Policy prohibits Directors, members of the Audit Committee, employees and all other insiders from abusing or placing themselves under the suspicion of abusing price-sensitive information in relation to the Company’s securities. In line with the policy affected persons are prohibited from trading on the company’s security during a closed period which is usually announced by the Company Secretary. The Company has put in place a mechanism for monitoring on-going compliance with the policy.

## Remuneration Statement

The Report on Directors’ remuneration is as set out in the Audited Financial Statements. The Group has established clear policy guidelines for the determination and administration of compensation. In line with the policy guidelines, the Company seeks to attract and retain the best talent in countries that it operates. To achieve this, the Company seeks to position itself among the best performing and best employee rewarding companies in its industry. This principle will act as a general guide for the determination of compensation. The objective of the policy is to ensure that salary structure including short and long term incentives motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Company’s reward practices. It is the Company’s policy to comply in full with all local tax policies. The Company also complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels.

Total compensation provided to employees will typically include guaranteed and variable portions. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance based and discretionary. The Company has put in place a performance bonus scheme which seeks to attract and retain high performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amount include pay level for each skill sets which may be influenced by relative dearth of skill in a particular area.

## Whistle Blowing Procedure

The Company expects all its employees and Directors to observe the highest level of probity in their dealings with the Company and its stakeholders. The Company’s Whistle-Blowing Policy covers internal and external whistle-blowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Company’s internal policies as well as extant laws and regulations. The Company has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee, vendor, supplier or consultant may be reported through the KPMG Ethics lines or email, details of which are provided below:

Toll Free numbers for calls from MTN numbers only:  
0703-000-0026  
0703-000-0027

Toll Free numbers for calls from Airtel numbers only:  
0808-822-8888  
0708-060-1222

Toll Free numbers for calls from Etisalat numbers only:

0809-933-6366

Toll Free numbers for calls from GLO numbers only:  
0705-889-0140

E-mail

Internal: [whistleblowing@wapic.com](mailto:whistleblowing@wapic.com)

External: [kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com)

The Company's Chief Compliance and Internal Control Officer is responsible for monitoring and reporting on whistleblowing. Quarterly reports are rendered to the Board Audit and Compliance Committee.

## Complaints Resolution

The Company has a Complaint Management Policy which has been put in place in line with the SEC Rules Relating to the Complaint Management Framework of the Nigerian Capital Market and applies to all complaints about Wapic Insurance Plc, made by members of the public or external organisations arising out of issues contained in the Investment and Securities Act. The Complaint Management is hosted on the Company's website [www.wapic.com](http://www.wapic.com) and is also contained within this Annual Report.

## Statement of Compliance

The Company is a public limited liability company and therefore subject to the relevant provisions of the SEC as well as the NAICOM Codes of Corporate Governance. In the event of any conflict between the provisions of the two codes regarding any matter, the Company will defer to the provisions of the NAICOM Code as its primary regulator.

Risk Insured Rest Assured



## EVERY DAY IS PARADISE

*That's what it feels like when you're covered with us.  
Suddenly, you can achieve whatever you set your  
mind to. So stop dreaming and start living.  
Welcome to a world of new possibilities.*

**Welcome to our World.**



[www.wapic.com](http://www.wapic.com)

Call us today on **0700 dialwapic** (342592742)

[info@wapic.com](mailto:info@wapic.com) [www.facebook.com/mywapic](https://www.facebook.com/mywapic)

[@mywapic](https://twitter.com/mywapic)

[@mywapic](https://www.instagram.com/mywapic)

LET US KNOW!

# Statement of Directors' Responsibilities

For The Year Ended 31 December 2019

The directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view of the statement of financial position of the Group and Company at the end of the year and of its profit or loss and other comprehensive income as required by the Companies and Allied Matters Act of Nigeria and the Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Insurance Act;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.

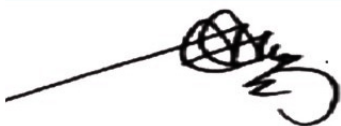
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with;

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM);
- the requirements of the Companies and Allied Matters Act.
- Financial Reporting Council Act of Nigeria

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board



Aigboje Aig-Imoukhuede, CON  
FRC/2013/CIBN/00000001999  
Chairman  
5 March 2020



Adeyinka Adekoya  
FRC/2016/CIIN/00000013893  
Managing Director  
5 March 2020



# Report of the Statutory Audit Committee

For The Year Ended 31 December 2019

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Wapic Insurance Plc hereby, report on the financial statements for the year ended 31 December 2019 as follows:

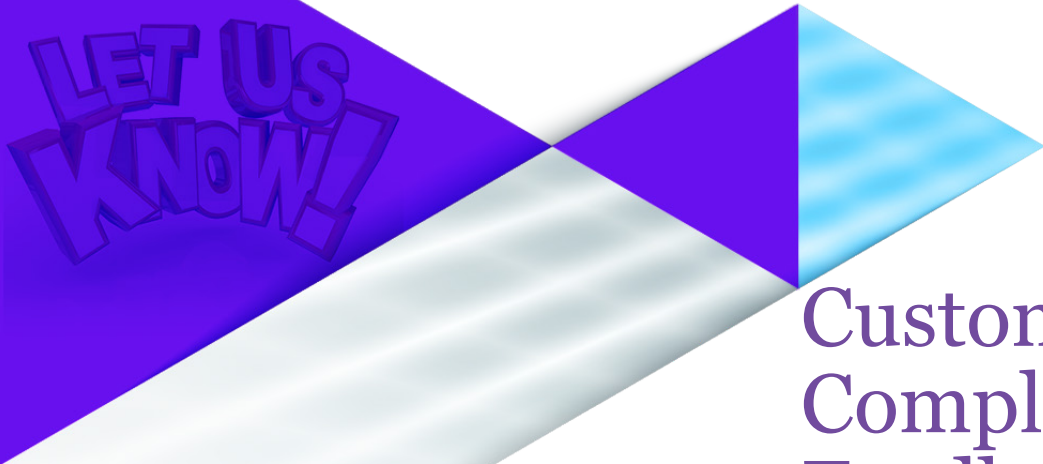
- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- 
- We are of the opinion that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2019 were satisfactory and reinforce the Group's internal control systems.
- 
- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and the effectiveness of the Company's system of accounting and internal control.



FRC/2013/ICAN/00000002054  
Chairman, Audit Committee  
5 March 2020

Members of the committee as at 31 December 2019:

Mr. Bode Osunkoya	- Non - Executive Director (Chairman)
Mr. Chinwendu Achara	- Shareholder (member)
Mr. Adeniyi Adebisi	- Shareholder (member)
Mrs. Mary Joke Shofolahan	- Shareholder (member)
Ms. Chizoba Ufoeze	- Non - Executive Director (member)
Mr. Barnabas Olise	- Non - Executive Director (member)
Mr. Barnabas Olise	- Non - Executive Director (Member)



# Customers' Complaints Feedback

We are committed to ensuring an enjoyable customer experience through delivery of excellent services. However, despite efforts put in place to ensure this, there may be occasional complaints arising from people, process or system failures.

When this occurs, Wapic is committed to acknowledging and resolving such complaints and as such encourages Customers to bring their concerns to the Company's attention. Additionally, a number of channels have been put in place to solicit Customers' feedback on their experience with our products and services.

## Ombudsman

Email: [complaints.ombudsmn@wapic.com](mailto:complaints.ombudsmn@wapic.com)

Telephone: 01-2774541

## Social Media

[facebook.com/mywapic](https://facebook.com/mywapic)

[twitter.com/mywapic](https://twitter.com/mywapic)

Instagram: mywapic

## Wapic Complaints Channel

To enable ease of complaint lodging and feedback management, Wapic has provided various channels for Customers which includes:

### Contact Centre

Email: [contactcentre@wapic.com](mailto:contactcentre@wapic.com)

Telephone: 01-2774500,4566,4577 or 0700DialWapic

## Complaints Tracking and Reporting

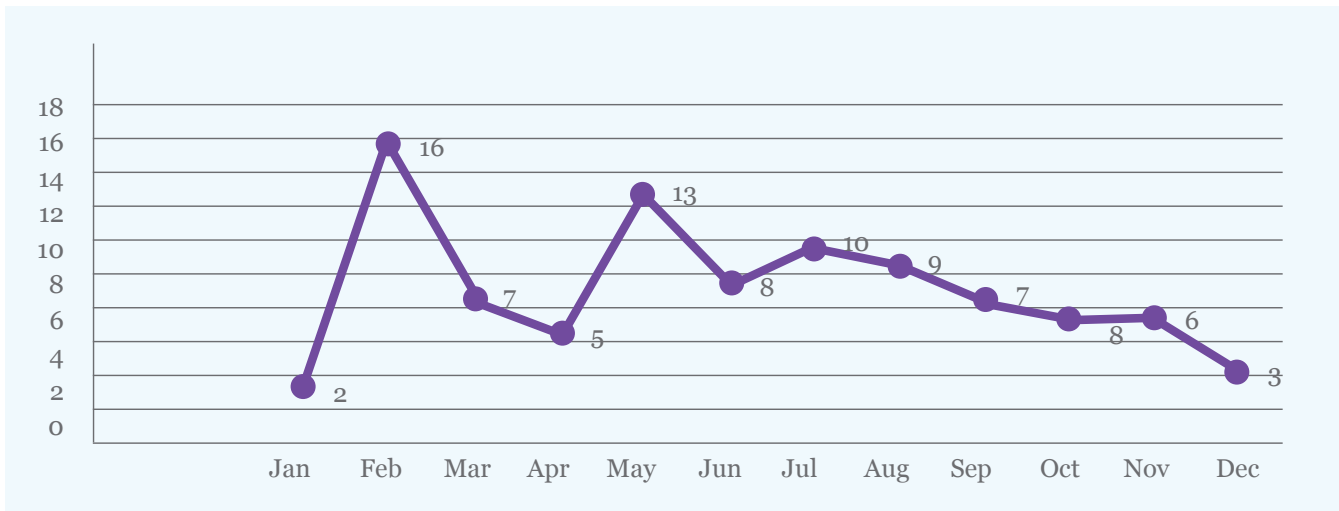
All complaints are logged and diligently tracked to ensure prompt attention and resolution. Each complaint is handled with the sensitivity it deserves and each complainant treated with empathy and due regard. A thorough root cause analysis is also conducted with feedback provided to relevant business units to forestall a recurrence and for continuous process and service improvement.

## WAPIC CUSTOMERS' COMPLAINTS FOR THE YEAR ENDED DECEMBER 31, 2019

Complaints via our Contact Centre

SN	Description	Number
1	Pending Complaints B/F (2019)	0
2	Received Complaints	92
3	Resolved Complaints	92
4	Unresolved Complaints escalated to Ombudsman	0
5	Unresolved Complaints pending with Ombudsman	0
6	Total resolved complaints in 2019	92

### Complain 2019



### Complaints via Ombudsman

SN	Description	Number
1	Pending Complaints B/F (2018)	0
2	Received Complaints	5
3	Resolved Complaints	5
4	Unresolved Complaints escalated to NAICOM	0
5	Unresolved Complaints pending with NAICOM	0
6	Total resolved complaints in 2017	5

### Solicited Customer Feedback and Service Improvement

To ensure our customer have an enjoyable experience at every interaction, the Management of Wapic makes deliberate efforts to solicit feedback from customers and staff on services and products to evaluate their opinions and perception of the organization and to explore ways for improvement on customer satisfaction. The feedback is solicited through the following:

- Voice of Customer Surveys
- Phone in day with the MD
- Customers forum
- Wapic Seniors
- Monthly Service Reviews (for staff)

The various customer feedback efforts and service improvement practices are coordinated by our Customer Solutions Group. The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the company.

Risk Insured Rest Assured



GET WAPIC  
**SMART  
SCHOLARS**  
Savings Plan

Secure your child's future today

[www.wapic.com](http://www.wapic.com)



# Whistleblowing Policy

At Wapic Insurance, we are strongly committed to high ethical standards and integrity. We continue to create awareness amongst our staff on the importance of ethical conduct, while maintaining a corporate culture that rewards honest practices and discourages unethical actions. The Company demonstrates its continuous commitment to ethical practices by working with leading institutions to build capacity for ethical behaviour amongst its employees. In order to enable staff and other members of the public to report unethical activities affecting the Company, we have deployed a robust whistleblowing system. The system enables both our internal and external stakeholders to anonymously report unethical activities affecting the Company, so that the Company can take proper steps and proactively implement measures to address them before they escalate into future liabilities, business threats and or losses. Details of the whistleblowing channels are provided below:

## Through the KPMG Ethics Line

- E-mail: [kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com)
- Toll free numbers for calls from MTN numbers only: 0703-000-0026 and 0703-000-0027
- Toll free number for calls from Airtel numbers only: 0708 060 1222 and 0808-822-8888
- Toll free number for calls from ETISALAT numbers only: 0809 993 6366
- Toll free number for calls from GLO numbers only: 0705 889 0140
- Web Link: <https://apps.ng.kpmg.com/ethics>

Alternatively, an issue can be reported directly through the email below:

**[WhistleBlowing@wapic.com](mailto:WhistleBlowing@wapic.com)**



N  
D

# Non Dealing Period Policy

## 1.0. Introduction

This document shall be read in conjunction with the Company's Code of Conduct Policy, the Guidelines for compliance with Rule 110 & 111 of the Securities & Exchange Commission Rules and Regulations, and all other policies of Wapic Insurance Plc.

## 2.0. Aim

The purpose of this document is to ensure that Directors, members of the Shareholders Audit committee, employees, a related company and all insiders (hereafter called "affected persons") do not abuse, or place themselves under the suspicion of abusing, price-sensitive information that they may have or be thought to have, especially at periods leading up to an announcement of the Company's financial results. Ultimately, it is the responsibility of affected persons, to ensure that none of their dealings constitute insider trading.

If an affected person is in doubt about any provision of this guide, the person is duty bound to consult the Company Secretary prior to undertaking any transaction on the Company's securities or encouraging or procuring someone else to so deal.

## 3.0. Definitions

The following terms have the following meanings unless the context otherwise requires:

**"Director"** any person who occupies the position of a Director in Wapic Insurance Plc, or any of its Subsidiaries;

**"Audit Committee"** the Shareholders' Audit Committee;

**"Employee"** any person engaged under a contract of employment with the Company or any of its subsidiaries, and any other persons engaged by a third party service provider or outsourcing agency, to provide support services to Wapic Insurance Plc or any of its subsidiaries;

**"A related Company"** a subsidiary of Wapic Insurance Plc

**"An insider"** shall include a Director or employee of Wapic Insurance Plc and any of its subsidiaries, a related company and its employees, a company or firm engaged in a professional or business capacity with the Company or any of its subsidiaries and their employees, including any shareholder who holds 5% or more of any class of Wapic Insurance Plc securities, or a similar holding of its subsidiaries;

**"Non-Dealing Period"** any period when an affected person is in possession or deemed to be in possession (actual or constructive), of unpublished price sensitive information in relation to the Company or its securities, and any other period declared as a Non-Dealing Period by a notice in writing (electronic or otherwise) published by the Company Secretary of Wapic Insurance Plc;

**"Company"** Wapic Insurance Plc;

**"Dealing"** means any change whatsoever to the holding of securities of which the holder is an affected person including:

- a. Any sale or purchase of, or agreement to sell or purchase, any securities of the Company;
- b. The grant to, or acceptance by such a person, of any option relating to such securities or of any right or obligation, present or future, conditional or unconditional, to acquire or

- c. dispose of any such securities;
- d. The acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;
- e. Dealings between directors and/or applicable employees of the Company;
- f. Off market dealings;
- g. Transfers of no consideration;

**“Holding”** any legal or beneficial interest, direct or indirect in the Company’s securities;

**“Securities”** any securities of Wapic Insurance Plc admitted to trading on a stock exchange

**“Unpublished price sensitive information”** means information which:

- a. Relates to particular securities of the Company, or the Company rather than its securities (and, for these purposes, information shall be treated as relating to the Company not only where it is about the Company but also where it may affect the Company’s business prospects);
- b. Is specific or precise;
- c. Has not been made public; and
- d. If it were made public would likely have a significant effect on the price or value of any security.

#### 4.0. Dealings By Affected Pesons

##### 4.1. Transactions during Non-Dealing periods

An affected person shall not deal in any securities of the Company during a **“Non-Dealing Period”**.

For the avoidance of doubt, affected person(s) shall be deemed to be in constructive possession of unpublished price sensitive information where;

- (a) Such information is in possession of a class or a group of persons to which the affected person is a member; or

- (b) By virtue of the affected person’s duties, job description, sphere of services or business relationship with the Company or any of its subsidiaries, he would reasonably be expected to be possessed of such price sensitive information

#### 4.2. Compliance with SEC Rule 110 & 111

All securities transactions by affected persons shall be conducted in compliance with SEC Rule 110 & 111 and the Company’s Guide on compliance with same

#### 5.0. Non-Dealing Period

Except as otherwise communicated in writing by the Company Secretary, the following periods shall be deemed to be non-dealing periods.

- i. A period of 30 days prior to the publication of the Company’s Quarterly Profit Forecast or its submission to regulatory authorities whichever occurs first;
- ii. A period of 30 days prior to the publication of the Company’s Quarterly Unaudited Accounts, or its submission to regulatory authorities whichever occurs first;
- iii. A period of not less than 30 days prior to the Board Audit and Compliance Committee’s consideration of the Company’s Audited Accounts;
- iv. Any period after Board approval of the Company’s Audited Accounts but prior to the publication of the Accounts or the submission to regulatory authorities whichever occurs subsequently;
- v. Any other period as may be designated by the Managing Director as a Non-Dealing Period.

# 04.

## **FINANCIAL STATEMENTS**

Report of the Independent Auditors	<b>136</b>
Statement of significant Accounting Policies	<b>145</b>
Consolidated Statement of Financial Position	<b>161</b>
Consolidated Statement of Profit or Loss & Other Comprehensive Income	<b>164</b>
Consolidated Statement of Changes in Equity	<b>167</b>
Consolidated Statement of Cash Flows	<b>171</b>
Notes to the Financial Statement	<b>173</b>

# Independent Auditor's Report



## *Independent auditor's report*

To the Members of Wapic Insurance Plc

### *Report on the audit of the consolidated and separate financial statements*

#### *Our opinion*

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Wapic Insurance Plc (“the company”) and its subsidiaries (together “the group”) as at 31 December 2019, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Insurance Act and the Financial Reporting Council of Nigeria Act.

#### **What we have audited**

Wapic Insurance Plc’s consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

#### *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 and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



### Key audit matters

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

#### Key audit matter

#### How our audit addressed the key audit matter

##### *Valuation of insurance contract liabilities – (refer to notes 3.12, 3.18, 4 and 21)*

The estimation of insurance contract liabilities involves a significant degree of judgement about future events made by management and its independent actuary about a variety of uncertain future outcomes.

Note 21 to the consolidated and separate financial statements describes the element that makes up the insurance contract liabilities balance. We comment on the most judgemental aspects of these elements, which we consider to be key audit matters below:

##### *a) Outstanding claims – N4.4 billion; Additional unexpired risk reserve (AURR) – N 46.9 million*

The reserve for outstanding claim is determined as the total amount of outstanding claims reported and loss adjustment expenses plus claims incurred but not reported (IBNR) at the reporting date. IBNR reserves are made on short term contracts including group life policies.

The valuation of the incurred but not reported claims (IBNR) is estimated using a combination of the Chain Ladder (CL) and Bornhuetter-Ferguson (BF) methods.

The additional unexpired risk reserve (AURR) was determined using the combined loss ratio approach, which is estimated as the ratio of the sum of the incurred claims, commissions and expense to earned premiums.

This estimate relies on the quality of the underlying data and involves complex and subjective judgements about future events, both internal and external to the business, for which minor changes in assumptions could result in material impacts to the estimates. Assumptions applied to this estimate include the ultimate loss ratio, inflation rate, discount rate and future claims development experience.

This is considered a key audit matter in the consolidated and separate financial statement.

Our audit procedures included:

- assessing the competence, independence and objectivity of management's actuarial expert;
- understanding of management's process for calculating reserves for outstanding claims;
- evaluating the design and operating effectiveness of controls over the underwriting process, claims notification and payments process and performing substantive tests over claims paid;
- testing on a sample basis, correspondences and policy documents which were used in determining the outstanding claims for non-life and group life businesses;
- testing the accuracy, completeness and appropriateness of the underlying data used in the actuarial valuations by performing checks between the data recorded in the consolidated and separate financial statements and actuarial data used by management experts.

With the support of our actuarial experts, we:

- assessed the consistency and reasonableness of actuarial valuation methodologies used;
- assessed whether the methodology used to set the ultimate loss ratio is consistent with generally accepted actuarial techniques;



*b) Life Insurance contract liabilities – N217.1 million*

The individual life fund is estimated using the gross premium valuation approach, which includes the use of economic assumptions such as valuation interest rate, mortality, expense inflation and business assumptions such as expenses per policy.

This is considered a key audit matter in the consolidated financial statements only.

- assessed the reasonableness of the inflation and discount rate used by the actuary by comparing to external information sources;
- assessed the accuracy and sufficiency of the historical data in capturing the future claims development patterns; and

With regard to Life insurance contract liabilities, our audit procedures included:

- assessing the competence, independence and objectivity of management's actuarial expert;
- understanding of management's process for the estimation of individual life reserves; and
- testing the accuracy, completeness and appropriateness of the underlying data used in the actuarial valuations by performing checks between the data recorded in the financial statements and actuarial data used by management's expert.

With the support of our actuarial experts, we:

- assessed the consistency and reasonableness of the methodology used;
- assessed the reasonableness of the valuation interest rate and expense inflation rate used by the actuary by comparing to external information sources; and
- assessed the reasonableness of actuary's assumptions for business expense and mortality rates.

We checked the adequacy of the presentation and disclosures of insurance contract liabilities in the consolidated and separate financial statements.



---

### *Other information*

The directors are responsible for the other information. The other information comprises Corporate information, Directors report, Corporate governance report, Management commentary and analysis, Statement of directors' responsibilities, Report on audit committee, Hypothecation, Value added statement and Five-year Financial summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Wapic Insurance Plc 2019 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the other sections of the Wapic Insurance Plc 2019 Annual Report, 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 directors and those charged with governance for the consolidated and separate financial statements*

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Insurance Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are 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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's responsibilities for the audit of the consolidated and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material 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 and separate financial statements.

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



- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the 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 and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



### *Report on other legal and regulatory requirements*

The Companies and Allied Matters Act and the Insurance Act require 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 purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

A handwritten signature in black ink, reading 'Chidi Ojechi'.

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Chidi Ojechi  
FRC/2017/ICAN/00000015955



12 March 2020

# General Information

## 1. Reporting Entity

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

## Going concern

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

## 2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act (FRCN Act), to the extent

that these laws are not in conflict with the requirement of IFRS.

The financial statements were authorised for issue by the directors on 5 March 2020.

(b) Functional and presentation currency

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

(c) Basis of measurement

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

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

(d) Use of estimates and judgments

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

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

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

(e) Regulation

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

i) section 22 (1b) requires maintenance of contingency reserves for life business at specified rates as set out under note 3.11 to cover fluctuations in securities and variation in statistical estimates;

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

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

iv) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. Note 43 sets out assets allocation that covers policy holders' funds.

v) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimated in line with accounting policy 3.12 to comply with IFRS;

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

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

i) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported (IBNR) at the end of the year under review under section 20 (1b);

ii) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a).

#### (f) Reporting period

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

#### (g) Changes in accounting policies

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

### Standards and interpretations effective during the reporting period

Amendments to the following standard(s) became effective in the annual period starting from 1st January, 2019. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

#### IFRS 16 - Leases effective 1 January 2019

The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The standard does not significantly change the accounting for leases for lessors. However it requires lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

#### IFRS 16 became effective 1 January 2019.

The Group has appropriately disclosed its lease in line with the requirements of the amendment. See note 19 & 24b

#### IFRIC 23 - Uncertainty over income tax treatments effective 1 January 2019

This standard which became effective 1 January 2019, clarifies the accounting for uncertainties in income taxes. It clarifies that an entity must consider the probability that the authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over tax treatments under IAS 12. The Group has considered the guidance within the interpretation and concluded that the prescribed approach does not have a material impact on the Group.

### New standards and interpretations not yet effective during the reporting period

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning or after 1 January 2019.

#### IFRS 17 - Insurance contracts effective 1 January 2022

IFRS 17 replaces IFRS 4 effective January 1, 2022. It addresses changes in valuation and accounting for insurance contracts.

IFRS 17 aims to set high quality and globally accepted financial reporting standards based on clearly outlined principles according to the International Accounting Standards Board (IASB). It will make global insurance reporting aligned and consistent. It also aims to apply uniform accounting standards for all types of insurance contracts.

IFRS 17 provides new basis for liability measurement and profit recognition. The measurement models are;

i) Building Block Approach (BBA) measures the net inflow between the risk-adjusted present value of expected inflows and outflows at inception. This method is applicable for measurement of long-term and whole life insurance and reinsurance contracts.

ii) Premium Allocation Approach (PAA) This method is applicable for measurement of short term life, group life and general insurance.

iii) Variable fee Approach (VFA) measures participating business where policy holder liability is linked to underlying items. This method is applicable for measurement of unit-linked contracts, deposit administration contracts.

The Group does not expect to adopt the new standard before 1 January 2022.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



## 3. Significant accounting policies

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

### 3.1 Cash and cash equivalents

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

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

### 3.2 (a) Financial instruments

#### *Recognition and derecognition*

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

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

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

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

#### **Offsetting of financial instruments**

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

#### **i) Financial assets**

##### (a) Classification

The Group's financial assets include cash and short term deposits, loan and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills and bonds. The Group classifies its financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI) and
- Fair value through profit or loss (FVTPL)

#### **Classification of debt instruments**

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

- The Group's business model for managing the financial assets.
- The contractual cash flows characteristics of the financial assets.

Risk Insured Rest Assured

wapic



## Stay covered with Wapic Travel Insurance

From medical coverage to lost luggage, you have nothing to worry about. Entrust us with your trip. With us, you're in safe hands.

[www.wapic.com](http://www.wapic.com)

## 1. Business Model Assessment

The business model assessment is one of the two steps to classify financial assets. The business model assessment of the Group's financial instruments is performed at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Judgment is needed to determine the level of aggregation to which the business model assessment is applied. That determination is made on the basis of how the Group manages its business, it is not made at the level of an individual asset, rather the Group performs this assessment at a higher level of aggregation which is at a portfolio level.

If cash flows are realised in a way that is different from the Group's expectations at the date that the Group assessed the business model (for example, if the Group sells more or fewer financial assets than it expected when it classified the assets), this does not:

- give rise to a prior period error in the Group's financial statements (as defined in IAS 8 Accounting policies, changes in accounting estimates and errors)
- change the classification of the remaining financial assets held in that business model (i.e., those assets that the Group recognised in prior periods and still holds), as long as the Group has considered all relevant information that was available at the time that it made the business model assessment.

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

### Hold-to-collect business model

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

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

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

### Hold-to-collect contractual cash flows and sell

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

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

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

### Other business models

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

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

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

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

The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending

arrangement' that the application of the effective interest method provides useful information about the uncertainty, timing and amount of the financial asset's contractual cashflows.

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

### **Classification of equity instruments**

Investment in equity instruments are always measured at fair value. The Group has elected to irrevocably designate non-trading equity instruments at FVOCI as permitted by IFRS 9. Equity investments that are held for trading (including all equity derivative instruments such as warrants and rights issues) are required to be classified at fair value through profit or loss.

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

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

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

### **(b) Initial recognition**

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

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

### **(c) Subsequent measurement**

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

#### **i) Amortised Cost**

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

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

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

#### **Effective interest rate method**

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

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

#### **ii) Fair value through Other Comprehensive Income**

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

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

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

the Group's right to receive payment is established. The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

### iii) Fair value through profit or loss

These assets and liabilities are measured at fair value, with the unrealised gains and losses arising from changes in fair value included directly in profit or loss and are reported as 'Net gains/ (losses) on financial instruments classified as held for trading'.

The carrying value of trading positions in financial instruments includes accrued interest. Fair value changes recognised through profit or loss in the statement of comprehensive income on such instruments includes items such as interest and dividends, if related to those trading positions.

### (d) Impairment of financial assets

The Group will assess on a forward looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts.

No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

## General Approach

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

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

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis or when a loan becomes credit impaired respectively.

## Staging

Stage 1: On origination, a financial asset (provided that it is not a purchased or originated credit impaired asset) will be in stage 1 of the general model for expected credit

losses. Financial assets that have not had a significant increase in credit risk since initial recognition or that (upon assessment and option selected by the Group) have low credit risk at the reporting date remain in stage 1.

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

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

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

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

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

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

## Simplified approach

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

The Group recognizes lifetime ECLs at each reporting period for trade receivables or other receivables that

result from transactions within the scope of IFRS 15 and that do not contain a significant financing component.

### Measurement of expected credit losses

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

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

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

- The amount and timing of the cash flows for particular outcomes
- The estimated probability of these outcomes
- Exposure at default (EAD): The EAD estimates the percentage of exposure the Group might lose if the borrower defaults.

### Probability of default (PD)

#### 12 Month PDs

12 month PD is the probability of a loan defaulting within the next 12 months. 12-month PD estimates are required to calculate 12-month ECLs for accounts classified as Stage 1. These PD estimates also form the basis of the lifetime PD curves, which are required to calculate lifetime ECLs for accounts classified as Stage 2. 12 Months PD is used computed using the Group's data.

### Lifetime PDs

Lifetime PD curves are required to calculate expected credit losses for Stage 2 and Stage 3 accounts. Ideally, lifetime PD curves should be developed based on internal default data. However, the Group does not have sufficient history of internal default data to build credible curves so it has derived lifetime PD curves using S & P's "2017 Annual Sovereign Default Study and Rating Transition".

### Loss given default (LGD)

LGD is the share of an asset that is lost when a borrower defaults. The recovery rate is defined as 1 minus the LGD, the share of an asset that is recovered when a borrower

defaults. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

### Exposure at default (EAD)

EAD is equal to the current amount outstanding at the expected point of default in case of fixed exposures like staff loans and investment securities. This is derived using the original carrying amount, interest rate and tenor of the facility.

### 3.3 Other receivables and prepayments

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

### 3.4 Reinsurance assets and reinsurance liabilities

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts assets and liabilities have been set out under note 3.18 (e).

### 3.5 Deferred acquisition cost

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

### 3.6 Investment property

Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both.

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

Fair values are reviewed annually by independent valuer,

registered with the Financial Reporting Council (FRC) of Nigeria as well as holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Investment properties are disclosed separately from the property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

### 3.7 Intangible assets

#### Software

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

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

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

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

Upon disposal of software or when no future economic benefits are expected to flow from its use, such software

are derecognise from the books. Gains or losses arising on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in profit or loss in the year of derecognition.

### 3.8 Property and equipment

#### Recognition and measurement

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

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

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

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

#### Subsequent costs

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

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

#### Depreciation

Depreciation is calculated on property and equipment on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

No depreciation is charged on items of property and

equipment until they are brought into use. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Depreciation is computed as follows:

Land	- Over the lease period
Buildings	- Over 50 years
Office equipment	- Over 5 years
Computer hardware	- Over 3 years
Furniture and fittings	- Over 5 years
Motor vehicles	- Over 4 years

### **Revaluation of land and building**

Land and building is valued on an open market basis by qualified property valuers at each reporting date if there are evidence of significant changes in the carrying value.

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

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

### **Derecognition**

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

### **Leases - Accounting policy from 1 January 2019**

The Company leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options. The lease period ranges from 1 year to 40 years. The lease agreements do not impose any covenants; however, leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

### **Lease liabilities**

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

### **Right of use Assets**

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

### Extension and termination options

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

### Changes in accounting policies

The Company has adopted IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard.

### Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease- applying a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation for Determining whether an Arrangement contains a Lease.

### Impairment of non-financial assets

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

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

would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

### 3.9 Non-current asset held for distribution and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Before being classified as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Conditions to be met before assets qualify as being held for sale/distribution include the following:

- management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions);
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Thereafter, the assets or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Intangible assets and property and equipment once classified as held for sale or distribution are not amortised or depreciated.

### 3.10 Statutory deposit

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

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

#### (i) Share capital

The Group classifies ordinary shares as equity when there is no obligation to transfer cash or other assets.

Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares

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

(iii) Earnings per share

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

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

(iv) Retained earnings/(deficit)

This account accumulates net profits or losses from operations.

(v) Revaluation reserve

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

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

The reserves include Incurred But Not Reported (IBNR), Unearned Premium Reserve (UPR) and Life fund and these liabilities arising from life insurance contracts are determined as follows:

(a). Life fund

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

(b). Reserving methodology and assumptions

### Data segmentation

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

Individual business

Group business

### Valuation and assumptions

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

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

For all individual risk business, the gross premium method of valuation was used.

Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

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

### 3.12 Life insurance contract liabilities

The recognition and measurement of insurance contracts have been set out under note 3.18. Insurance contracts.

### 3.13 Contingency reserves

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

### 3.14 Liability adequacy test

The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of note 3.12.

The recognition of liability for investment contracts have been set out under note 3.19. Reserve for investment contract liabilities have been taken as the amount standing to the credit of the policy holders at the valuation date.

### 3.15 Trade and other payables

Trade Payables:

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

Other payables:

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

### 3.16 Provisions

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

### 3.17 Deferred income tax

Deferred income tax is recognised, using the liability

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

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

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

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

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

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss.

### 3.18 Insurance contracts

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

Life insurance contracts are issued to indemnify the insured life, the dependent or other thirdparty in the event

of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured. These contracts insure events associated with human life (for example, death or survival) over a long duration.

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

### Recognition and measurement

#### (a) Gross premium written

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

#### (b) Claims expenses

Claims and benefits relating to life insurance contracts are recognised as expense on notification. The measurement of life insurance contract liabilities has been set out under note 3.12. Claims expenses are expenses related to the settlement of insurance risk obligations.

#### (c) Claims expenses recoverable

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

#### (d) Deferred income

Deferred income represents a portion of commission received on re-insurance contract which are booked during the financial year and are deferred based on the tenor of the underlining contract. It is calculated by applying the re-insurance commission income ratio of prepaid re-insurance to re-insurance cost.

#### (e) Reinsurance contracts held

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

insurer are covered as insurance contracts.

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

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

#### (f) Unearned premiums

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

### 3.19 Income tax

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

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

### 3.20 Investment contracts

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

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

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

### 3.21 Fees and commission income

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

### 3.22 Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.

Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

### 3.23 Income recognition

#### (i) Gross premium income

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

#### (ii) Fees and commission income

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

#### (iii) Investment income

Investment income comprise interest income earned on short-term deposits, rental income, and income

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

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

#### (iv) Other operating income

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

#### (v) Dividend income

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

### 3.24 Employee benefits

#### Short-term benefits

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

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

#### Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum

fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit and loss.

### Termination Benefits

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

### 3.25 Foreign currency transactions

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

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

### 3.26 Management and other operating expenses

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

### 3.27 Segment reporting

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

### 3.28 Dividends

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

### 3.29 Leases

#### Operating leases

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

#### Finance leases

Leases of equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the outstanding balance of the liability. The corresponding lease obligations, net of finance charges, are included in liabilities. The finance cost is charged to the income statement over the lease period according to the effective interest method. The equipment acquired under the finance lease is depreciated over the shorter of the useful life of the asset and the lease term, if ownership does not pass at the end of the lease term. Leased assets under finance leases are treated in the same manner as property and equipment.

### 3.30 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control

of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

### 3.31 Actuarial valuation

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

### 3.32 Related party

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

Risk Insured Rest Assured



## **IMAGINE ANOTHER WORLD**

*A better world.  
A world where a dented car or  
missing phone is not the  
headache it used to be.  
A world where your money  
does all the worrying for you  
about your health, your wellbeing  
and, yes, even getting you more money.  
A world where the only thing you  
actually worry about...  
is having nothing to worry about.*

**Welcome to our World.**



[www.wapic.com](http://www.wapic.com)

Call us today on **0700 dialwapic** (342592742)  
✉ [info@wapic.com](mailto:info@wapic.com) **f** [www.facebook.com/mywapic](http://www.facebook.com/mywapic)  
**t** [@mywapic](https://twitter.com/mywapic) **i** [@mywapic](https://www.instagram.com/mywapic)

# Consolidated Statements of Financial Position

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000

## Notes

### ASSETS


Cash and cash equivalents	8	1,152,498	2,888,235	506,065	2,056,736
Financial assets at fair value through OCI	9	7,304,418	5,272,266	1,979,496	1,413,091
Financial assets at amortised cost	9	1,764,857	2,571,929	362,328	809,832
Trade receivables	10	60,216	34,962	24,950	34,962
Reinsurance assets	11	3,180,967	3,692,142	1,802,452	2,187,984
Deferred acquisition cost	12	664,025	749,174	372,952	598,828
Other receivables & prepayments	13	1,514,829	1,435,324	1,187,839	1,017,312
Investment property	14	254,780	253,480	254,780	253,480
Investment in associates	15	9,753,691	8,763,246	5,423,440	5,059,810
Investment in subsidiaries	16	-	-	5,360,915	5,360,915
Intangible assets	17	509,087	481,009	486,088	465,961
Property and equipment	18	3,433,972	3,481,328	3,189,119	3,256,892
Right of use asset	19	187,273	-	-	-
Current income tax asset	26	22,500	34,192	-	-
Deferred tax asset	25	305,986	68,260	305,986	68,260
Statutory deposit	20	636,420	638,044	300,000	300,000
<b>TOTAL ASSETS</b>		<b>30,745,519</b>	<b>30,363,591</b>	<b>21,556,410</b>	<b>22,884,063</b>

### LIABILITIES

Insurance contract liabilities	21	8,698,870	9,621,473	4,675,005	5,629,277
Investment contract liabilities	22	1,255,707	1,170,785	-	-
Trade payables	23	297,746	255,384	37,921	162,970

Other payables	24a	1,678,550	1,946,741	2,132,980	2,697,095
Lease liability	24b	102,965	-	-	-
Current income tax	26	192,056	258,901	80,158	139,103
<b>TOTAL LIABILITIES</b>		<b>12,225,894</b>	<b>13,253,284</b>	<b>6,926,064</b>	<b>8,628,445</b>
<b>EQUITY</b>					
Equity attributable to owners					
Share capital	27	6,691,369	6,691,369	6,691,369	6,691,369
Share premium	28	6,194,983	6,194,983	6,194,983	6,194,983
Contingency reserves	29	2,832,197	2,436,203	2,374,532	2,053,249
Other reserves	30	1,003,026	(191,965)	689,358	5,650
Retained earnings	31	1,798,050	1,979,717	(1,319,896)	(689,633)
<b>TOTAL EQUITY</b>		<b>18,519,625</b>	<b>17,110,307</b>	<b>14,630,346</b>	<b>14,255,618</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>30,745,519</b>	<b>30,363,591</b>	<b>21,556,410</b>	<b>22,884,063</b>


These financial statements were approved by the board of directors (BOD) on 5 March 2020 and signed on behalf of the board of directors by the directors listed below:



**Aigboje Aig-Imoukhuede, CON**  
FRC/2013/CIBN/00000001999  
Chairman



**Adeyinka Adekoya**  
FRC/2016/CIIN/00000013893  
Managing Director



**Toyin Azeez**  
FRC/2013/ICAN/00000004008  
Ag. Chief Financial Officer

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

Risk Insured Rest Assured



In appreciation  
of priceless sacrifices,  
**Wapic is offering**

**15%** Discount  
on new policies

**To all our frontline Heroes.**

- Personal Accident Cover
- Motor Insurance
- House Holder Cover



Because one good turn deserves another 😊


Approved by NAICOM

For more information, Call: 01-2774500, 01-2774566

Or Email: [Contactcentre@wapic.com](mailto:Contactcentre@wapic.com)

[www.wapic.com](http://www.wapic.com)

T&C Apply



## Consolidated Statements of Profit or Loss and Other Comprehensive Income

		Group	Group	Company	Company
		2019	2018	2019	2018
		31-Dec	31-Dec	31-Dec	31-Dec
		N'000	N'000	N'000	N'000
	<b>Notes</b>				
Gross premium written	32	15,201,362	13,892,484	10,709,420	10,372,722
Gross premium income	32	15,896,536	12,217,602	11,819,205	8,681,483
Reinsurance expenses	32	(8,083,550)	(5,446,063)	(6,840,814)	(4,131,014)
Net premium income	32	7,812,986	6,771,539	4,978,391	4,550,469
Fee and commission income	33	1,665,323	832,796	1,386,629	549,713
Net underwriting income		9,478,309	7,604,335	6,365,020	5,100,182
Claims expenses	34	(4,076,572)	(4,958,065)	(2,227,370)	(2,723,471)
Claims expenses recoverable	34	1,023,498	1,877,556	518,080	850,268
Net insurance benefits and claims		(3,053,074)	(3,080,509)	(1,709,290)	(1,873,203)
Underwriting expenses	35	(3,427,611)	(2,364,112)	(2,873,543)	(1,784,686)
Increase in individual life fund	21(e)	(72,117)	(9,264)	-	-
Total underwriting expenses		(6,552,803)	(5,453,885)	(4,582,833)	(3,657,888)
Underwriting profit		2,925,506	2,150,450	1,782,187	1,442,294

Investment income	36(a)	912,297	1,162,250	1,114,003	919,211
Profit on investment contracts	36(b)	195,290	149,382	-	-
Net realised gain on financial assets	37	-	5,161	-	5,161
Net fair value gain on assets at fair value through profit or loss	38	1,300	17,000	1,300	17,000
Other operating income	39	282,751	498,114	140,889	397,006
		1,391,639	1,831,907	1,256,193	1,338,378
Net income		4,317,145	3,982,357	3,038,379	2,780,671
Write-back on trade receivables	10(b)	-	23	-	23
Management expenses	40/41	(5,364,112)	(4,960,571)	(3,478,962)	(3,381,810)
Intercompany borrowing cost	41b	-	-	(96,861)	-
Net impairment gains on financial assets at amortised cost	42(a)	17,737	24,270	12,604	(11,239)
Net impairment (losses)/gains on financial assets at fair value through OCI	42(b)	(11,511)	(2,361)	(8,209)	10,173
Expenses		(5,357,886)	(4,938,639)	(3,571,428)	(3,382,853)
Operating profit/(loss)		(1,040,741)	(956,281)	(533,049)	(602,182)
Share of profit of associate	15(c)	1,064,366	1,143,515	-	-
Profit/(loss) before tax		23,625	187,234	(533,049)	(602,182)
Income tax	26	190,702	163,959	224,067	184,910
Profit/(loss) after tax for the year		214,327	351,193	(308,981)	(417,272)

### Other comprehensive income, net of tax

*Items that are or may be reclassified to profit or loss:*

Foreign currency translation difference of foreign operations	30(b)	(148,122)	(46,490)	-	-
Net changes in fair value through OCI debt financial instruments:					
- Unrealised net (losses)/gains arising during the period	30(c)	304,581	(271,928)	19,039	(178,474)
Share of other comprehensive income of associates	15(c)	351,082	(258,342)	-	-

*Items that will not be reclassified to profit or loss:*

Revaluation gain on property and equipment	38(b)	194,977	-	194,977	-
Deferred tax on revaluation gain on property and equipment		(54,119)	-	(54,119)	-
Net changes in fair value through OCI equity financial instruments:					
- Fair value gain/(loss) on equity securities during the period	38(b)	546,592	(577,132)	523,812	(498,302)
Other comprehensive (loss)/income for the year, net of tax		1,194,992	(1,153,892)	683,709	(676,776)
Total comprehensive income for the year		1,409,319	(802,699)	374,728	(1,094,047)
<b>Appropriation:</b>					
Transfer to statutory regulatory reserve	29	395,994	375,050	321,283	311,182
Profit/(Loss) attributable to:					
- Owners of the Company		(181,667)	(23,857)	(630,264)	(728,455)
		214,327	351,193	(308,981)	(417,273)
Total comprehensive income/(Loss) attributable to:					
- Owners of the Company		1,013,325	(1,177,749)	53,446	(1,405,230)
		1,409,319	(802,699)	374,728	(1,094,048)
Earnings per share for profit/(loss) to the equity holders of the Company (kobo):					
Profit attributable to the owners of the Company		214,327	351,193	(308,981)	(417,273)
Total comprehensive income attributable to the owners of the Company		1,409,319	(802,699)	374,728	(1,094,047)
Basic earnings / (loss) per share (kobo)	43	2	3	(2)	(3)

# Consolidated Statements of Changes in Equity - Group

For the period ended 31 December 2019  
(All amounts in Naira thousands unless otherwise stated)

	Share capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019	6,691,369	6,194,983	2,436,203	(191,965)	1,979,717	17,110,307
Total comprehensive income for the year						
Profit for the year	-	-	-	-	214,327	214,327
<b>Other comprehensive income</b>						
Net changes in fair value of FVOCI financial instruments				293,070	-	293,070
Fair value loss on equity securities during the period				546,592	-	546,592
Foreign currency translation difference				(148,122)	-	(148,122)
Revaluation gain on property and equipment, net of tax				140,858	-	140,858
Share of other comprehensive income of associates				351,082	-	351,082
ECL impairment on financial assets at FVOCI				11,511	-	11,511
	27					
Total other comprehensive loss for the year	-	-	-	1,194,991	-	1,194,991
Total comprehensive loss for year	-	-	-	1,194,991	214,327	1,409,318

## Transactions with equity holders, recorded directly in equity:

Transfer to contingency reserves	29	-	395,994	-	(395,994)	-
Total transactions with owners			395,994	-	(395,994)	-
Balance at 31 December 2019	6,691,369	6,194,983	2,832,197	1,003,026	1,798,050	18,519,625

# Statement of Changes in Equity - Company

For the period ended 31 December 2019

(All amounts in Naira thousands unless otherwise stated)

	Notes	Share Capital	Share premium	Share	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019		6,691,369	6,194,983		2,053,249	5,650	(689,632)	14,255,619
Total comprehensive income for the year								
Loss for the year		-	-	-	-	-	(308,981)	(308,981)
<b>Other comprehensive income</b>								
Net changes in fair value of FVOCI financial instruments	30(c)	-	-	-	-	19,039	-	19,039
Revaluation gain on property and equipment, net of tax	30(a)	-	-	-	-	140,858	-	140,858
Fair value loss on equity securities during the year	30(c)	-	-	-	-	523,812	-	523,812
ECL impairment on financial assets at FVOCI	27	-	-	-	-	-	-	-
Total other comprehensive loss for the year		-	-	-	-	683,708	-	683,708
Total comprehensive loss for year		-	-	-	-	683,708	(308,981)	374,727
<b>Transactions with equity holders, recorded directly in equity:</b>								
Transfer to contingency reserves	29	-	-	-	321,283	-	(321,283)	-
Total transactions with owners		-	-	-	321,283	-	(321,283)	-
Balance at 31 December 2019		6,691,369	6,194,983		2,374,532	689,358	(1,319,896)	14,630,346

# Consolidated Statements of Changes in Equity - Group

For the period ended 31 December 2018

(All amounts in Naira thousands unless otherwise stated)

	Notes	Share capital	Share premium	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018		6,691,369	6,194,983	2,061,153	941,704	2,068,616	17,957,825
IFRS 9 Opening Adjustment					20,223	(65,042)	(44,819)
Total comprehensive income for the year							
Profit for the year		-	-	-	-	351,193	351,193
<b>Other comprehensive income</b>							
Net changes in fair value of FVOCI financial instruments	29(c)	-	-	-	(274,289)	-	(274,289)
Fair value loss on equity securities during the period	29(c)	-	-	-	(577,132)	-	(577,132)
Foreign currency translation difference	29(b)	-	-	-	(46,490)	-	(46,490)
Share of other comprehensive income of associates	15(c)	-	-	-	(258,342)	-	(258,342)
ECL Impairment on financial assets at FVOCI	26	-	-	-	2,361	-	2,361
Total other comprehensive loss for the year		-	-	-	(1,153,892)	-	(1,153,892)
Total comprehensive loss for year		-	-	-	(1,153,892)	351,193	(802,699)

## Transactions with equity holders, recorded directly in equity:

Transfer to contingency reserves	29	-	-	375,050	-	(375,050)	-
Total transactions with owners		-	-	375,050	-	(375,050)	-
Balance at 31 December 2018		6,691,369	6,194,983	2,436,203	(191,965)	1,979,717	17,110,307

# Statement of Changes in Equity - Company

For the period ended 31 December 2018

(All amounts in Naira thousands unless otherwise stated)

	Share Capital	Share premium	Share Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018	6,691,369	6,194,983	1,742,067	671,027	61,096	15,360,542
IFRS 9 Opening Adjustment			11,399		(22,273)	(10,874)
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(417,273)	(417,273)
<b>Other comprehensive income</b>						
Net changes in fair value of FVOCI financial instruments	29(c)	-	-	(168,301)	-	(168,301)
Fair value loss on equity securities during the year	29(c)	-	-	(498,302)	-	(498,302)
ECL Impairment on financial assets at FVOCI	-	-	-	(10,173)	-	(10,173)
Total other comprehensive income for the year	-	-	-	(676,776)	-	(676,776)
Total comprehensive income for year	-	-	-	(676,776)	(417,273)	(1,094,049)

Transactions with equity holders, recorded directly in equity:

Transfer to contingency reserves	29	-	311,182	-	(311,182)	-
Total transactions with owners		-	311,182	-	(311,182)	-
Balance at 31 December 2018	6,691,369	6,194,983	2,053,249	5,650	(689,632)	14,255,619

# Statement of Cash Flows

For the year ended 31 December 2019

		Group 2019 31-Dec N'000	Group 2018 31-Dec N'000	Company 2019 31-Dec N'000	Company 2018 31-Dec N'000
Notes					
<b>Operating activities</b>					
Premiums received		14,790,767	14,565,011	10,201,008	10,824,757
Fees and commission received		1,756,043	917,511	1,444,351	628,416
Fees and commission paid		(3,223,077)	(2,678,315)	(2,779,959)	(2,150,412)
Reinsurance premiums paid		(7,606,374)	(7,996,103)	(6,438,235)	(5,561,984)
Gross claims paid to policy holders	34	(4,043,239)	(4,612,047)	(2,026,140)	(2,423,774)
Reinsurance recoveries on claims		982,842	2,384,701	507,568	584,687
Payments to employees		(1,338,225)	(1,537,080)	(898,836)	(1,198,642)
Other operating cash payments		(4,124,781)	(2,272,926)	(3,630,223)	(661,959)
Other operating cash receipts		282,751	487,359	140,889	402,170
Receipts from Investment contract	22	1,027,441	698,557	-	-
Payments to Investment contract	22	(836,488)	(530,066)	-	-
Cash paid for statutory deposit	20	(16,445)	-	-	-
Tax paid	26a	(156,427)	(150,817)	(126,722)	(62,110)
<b>Net cash generated from operating activities</b>		<b>(2,505,212)</b>	<b>(724,214)</b>	<b>(3,606,299)</b>	<b>381,150</b>

## Cash flows from investing activities

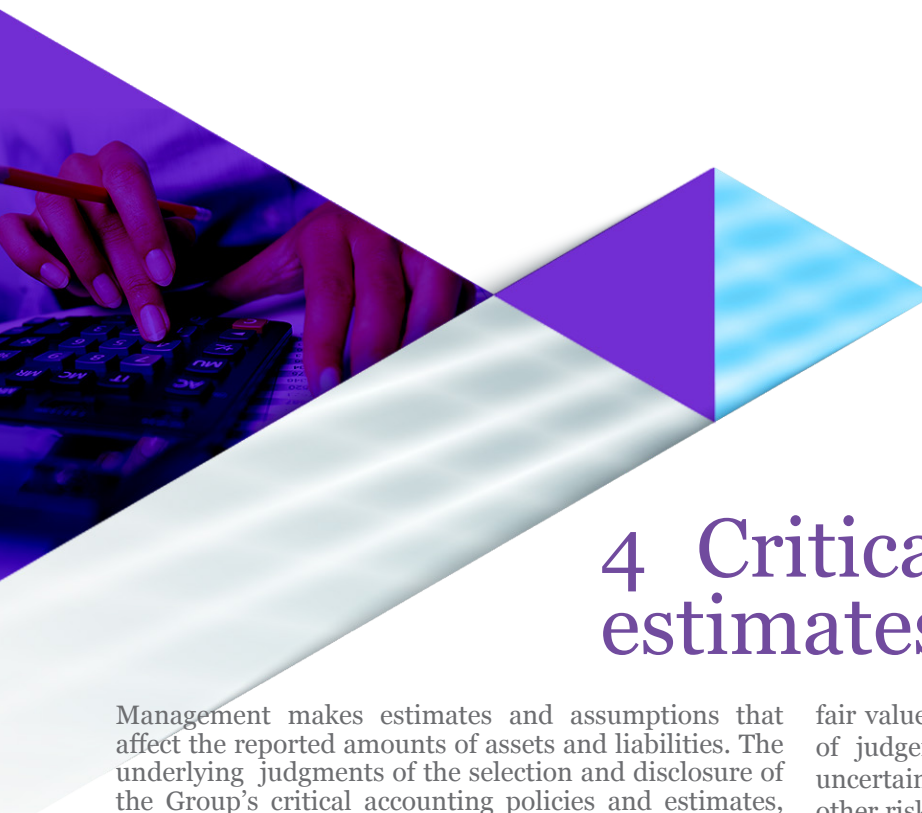
Disposal of deposit for shares	13	270,560	-	135,280	-
Purchases of property and equipment	18	(197,659)	(171,099)	(64,071)	(110,822)
Purchases of intangible assets	17	(159,335)	(115,141)	(150,436)	(102,581)
Proceeds from sale of property and equipment	18	-	41,563	-	20,377

Purchases of investment in associates and subsidiaries	15	-	-	-	(1,484,344)
Purchases of investment securities	9	(8,319,697)	(10,566,777)	(3,408,694)	(3,422,777)
Proceeds from redemption of investment securities	9	7,892,486	8,017,276	3,865,713	4,788,598
Purchases of investment properties	14	-	-	-	-
Proceeds from sale of investment properties	14	-	66,650	-	66,650
Rental income received		2,400	2,133	970,628	2,133
Dividend income received		549,209	449,210	548,712	449,210
Interest income received		731,511	841,812	158,495	418,809
<b>Net cash used in investing activities</b>		<b>769,475</b>	<b>(1,434,374)</b>	<b>2,055,627</b>	<b>625,253</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		-	-	-	-
Dividend paid		-	-	-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of year	8	2,888,234	5,046,822	2,056,737	1,050,335
Net increase in cash and cash equivalents		(1,735,737)	(2,158,588)	(1,550,672)	1,006,402
<b>Cash and cash equivalent at end of year</b>	<b>8</b>	<b>1,152,498</b>	<b>2,888,234</b>	<b>506,065</b>	<b>2,056,737</b>

### Summary of Cash and cash equivalents

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

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Cash at bank and in hand	641,465	2,223,320	310,859	1,816,483
Money market placements	511,034	664,914	195,206	240,255
	<b>1,152,498</b>	<b>2,888,234</b>	<b>506,065</b>	<b>2,056,738</b>



## 4 Critical accounting estimates & judgments

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

### Key sources of estimation uncertainty

#### (i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(d). Further disclosures on the Group's valuation methodology have been made on note 5 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency,

fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

#### (ii) Actuarial valuation of insurance contracts liabilities

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

## 5. Fair Value Hierarchy

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3.2 (d) and 4.

The determination of fair value for financial and other assets as well as financial and other liabilities for which there is no observable market price requires the use of certain valuation techniques.

For financial instruments and other assets and liabilities that trades infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market price in an active market for an identical instrument at the balance sheet date.

**Level 2:** The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered

less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

**Level 3:** This includes financial instruments and other assets and liabilities, the valuation of which incorporates significant inputs that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

### Determination of fair value of financial instruments:

(i) Valuation techniques used to derive Level 3 fair values

Level 2 and level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

- African Reinsurance Corporation					
Relationship of unobservable inputs to fair value	Fair value at 31 December 2019	Valuation Technique	Unobservable Inputs	FV if P/B multiples is increased to 1.01x	FV if P/B multiples is decreased to 0.91x
The higher the P/B ratio of similar trading entities, the higher the fair value	45,017	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	47,461	42,762
- Nigerian Liability Insurance Pool					
Relationship of unobservable inputs to fair value	Fair value at 31 December 2019	Valuation Technique	Unobservable Inputs	FV if P/B multiples is increased to 0.95x	FV if P/B multiples is decreased to 0.89x
The higher the P/B ratio of similar trading entities, the higher the fair value	13,905	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	14,882	13,942

<b>- Energy and allied risk insurance pool of Nigeria</b>					
<b>Relationship of unobservable inputs to fair value</b>	<b>Fair value at 31 December 2019</b>	<b>Valuation Technique</b>	<b>Unobservable Inputs</b>	<b>FV if P/B multiples is increased to 1.01x</b>	<b>FV if P/B multiples is decreased to 0.91x</b>
The higher the P/B ratio of similar trading entities, the higher the fair value	56,703	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	59,781	53,862

## (ii) Determination of fair value of investment property

Management employed the services of estate surveyors and property valuation expert to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. A variation of  $\pm 5\%$  will result in N13 million in the Group and Company results (2018: N13 million).

The table below analyses financial instruments and other assets and liabilities measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

**31 December 2019**

		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Group</b>	Notes				
<i>In thousands of Naira</i>					
<b>Assets</b>					
Equity securities - at fair value through OCI	9	123,933	552,182	115,626	791,741
Fixed income securities - at fair value through OCI	9	6,512,678	-	-	6,512,678
Equity securities - at amortised cost	9	-	-	-	-
Investment properties	14	-	254,780	-	254,780
<b>Total financial and other assets measured at fair value</b>		<b>6,636,611</b>	<b>806,962</b>	<b>115,626</b>	<b>7,559,199</b>

**31 December 2018**

		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Group</b>	Notes				
<i>In thousands of Naira</i>					
<b>Assets</b>					
Equity securities - at fair value through OCI	9	957,563	90,183	104,978	1,152,725
Fixed income securities - at fair value through OCI	9	4,119,541	-	-	4,119,541
Equity securities - at amortised cost	9	-	-	-	-
Investment properties	14	-	253,480	-	253,480

<b>Total financial and other assets measured at fair value</b>		<b>5,077,105</b>	<b>343,663</b>	<b>104,978</b>	<b>5,525,746</b>
<b>31 December 2019</b>					
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Company</b>	Notes				
<i>In thousands of Naira</i>					
<b>Assets</b>					
Equity securities - at fair value through OCI	9	99,997	211,640	58,922	370,560
Fixed income securities - at fair value through OCI	9	1,608,937	-	-	1,608,937
Equity securities - at fair value through profit or loss	9	-	-	-	-
Investment properties	14	-	254,780	-	254,780
<b>Total financial and other assets measured at fair value</b>		<b>1,708,934</b>	<b>466,420</b>	<b>58,922</b>	<b>2,234,277</b>

<b>31 December 2018</b>					
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Company</b>	Notes				
<i>In thousands of Naira</i>					
<b>Assets</b>					
Equity securities - at fair value through OCI	9	956,985	137,869	57,292	1,152,147
Fixed income securities - at fair value through OCI	9	260,945	-	-	260,945
Equity securities - at fair value through profit or loss	9	-	-	-	-
Investment properties	14	-	253,480	-	253,480
<b>Total financial and other assets measured at fair value</b>		<b>1,217,930</b>	<b>391,349</b>	<b>57,292</b>	<b>1,666,572</b>

The following tables set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

<b>31 December 2019</b>					
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Group</b>					
<i>In thousands of Naira</i>					
<b>Assets</b>					
Cash and cash equivalents	1,152,498	-	1,152,498	-	1,152,498
Financial assets	9,069,275	5,529,284	3,539,991	-	9,069,275
Trade receivables	60,216	-	60,216	-	60,216
Reinsurance assets	124,872	-	-	124,872	124,872
Deferred acquisition cost	664,025	-	-	664,025	664,025
Other receivables (excluding prepayment)	1,359,803	-	-	1,359,802	1,359,802
Statutory Deposit	636,420	-	636,420	-	636,420

<b>Total financial assets not measured at fair value</b>	<b>13,067,109</b>	<b>5,529,284</b>	<b>5,389,125</b>	<b>2,148,699</b>	<b>13,067,108</b>
Liabilities					
Investment contract liabilities	1,255,707			1,255,707	1,255,707
Trade payables	297,746			297,746	297,746
Other payables (excluding non-financial liabilities)	1,399,096			1,399,096	1,399,096
<b>Total financial liabilities not measured at fair value</b>	<b>2,952,549</b>	<b>-</b>	<b>-</b>	<b>2,952,549</b>	<b>2,952,549</b>

## 31 December 2019

	Carrying amount	Level 1	Level 2	Level 3	Total balance
<b>Company</b>					
<i>In thousands of Naira</i>					
<b>Assets</b>					
Cash and cash equivalents	506,065	-	506,065	-	506,065
Financial assets	2,341,825	1,065,148	1,276,677	-	2,341,825
Trade receivables	24,950	-	24,950	-	24,950
Reinsurance assets	124,872	-	-	124,872	124,872
Deferred acquisition cost	372,952	-	-	372,952	372,952
Other receivables (excluding prepayment)	1,111,845	-	-	1,111,845	1,111,845
Statutory Deposit	300,000	-	300,000	-	300,000
<b>Total financial assets not measured at fair value</b>	<b>4,782,509</b>	<b>1,065,148</b>	<b>2,107,691</b>	<b>1,609,669</b>	<b>4,782,509</b>
Liabilities					
Trade payables	37,921	-	-	37,921	37,921
Other payables (excluding non-financial liabilities)	1,903,114	-	-	1,903,114	1,903,114
<b>Total financial liabilities not measured at fair value</b>	<b>1,941,035</b>	<b>-</b>	<b>-</b>	<b>1,941,035</b>	<b>1,941,035</b>

## 31 December 2018

	Carrying amount	Level 1	Level 2	Level 3	Total balance
<b>Group</b>					
<i>In thousands of Naira</i>					
<b>Assets</b>					
Cash and cash equivalents	2,888,235	-	2,888,235	-	2,888,235
Financial assets	7,844,195	5,529,284	2,314,911	-	7,844,195
Trade receivables	34,962	-	34,962	-	34,962
Reinsurance assets	39,553	-	-	39,553	39,553
Deferred acquisition cost	749,174	-	-	749,174	749,174
Other receivables (excluding prepayment)	1,305,275	-	-	1,305,276	1,305,276
Statutory Deposit	638,044	-	638,044	-	638,044

<b>Total financial assets not measured at fair value</b>	<b>13,499,438</b>	<b>5,529,284</b>	<b>5,876,152</b>	<b>2,094,003</b>	<b>13,499,439</b>
Liabilities					
Investment contract liabilities	1,170,785	-	-	1,170,785	1,170,785
Trade payables	255,384	-	-	255,384	255,384
Other payables (excluding non-financial liabilities)	1,758,007	-	-	1,758,007	1,758,007
<b>Total financial liabilities not measured at fair value</b>	<b>3,184,176</b>	<b>-</b>	<b>-</b>	<b>3,184,176</b>	<b>3,184,176</b>
<b>31 December 2018</b>					
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>Company</b>					
<i>In thousands of Naira</i>					
<b>Assets</b>					
Cash and cash equivalents	2,056,736	-	2,056,736	-	2,056,736
Financial assets	2,222,923	1,065,148	1,157,775	-	2,222,923
Trade receivables	34,962	-	34,962	-	34,962
Reinsurance assets	47,036	-	-	47,036	47,036
Deferred acquisition cost	598,828	-	-	598,828	598,828
Other receivables (excluding prepayment)	973,104	-	-	973,104	973,104
Statutory Deposit	300,000	-	300,000	-	300,000
<b>Total financial assets not measured at fair value</b>	<b>6,233,589</b>	<b>1,065,148</b>	<b>3,549,473</b>	<b>1,618,968</b>	<b>6,233,589</b>
Liabilities					
Trade payables	162,970	-	-	162,970	162,970
Other payables (excluding non-financial liabilities)	2,524,952	-	-	2,524,952	2,524,952
<b>Total financial liabilities not measured at fair value</b>	<b>2,687,922</b>	<b>-</b>	<b>-</b>	<b>2,687,922</b>	<b>2,687,922</b>

## 6. Financial assets and liabilities

Accounting classification, measurement basis and fair values

### Measurement basis

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

- (i). *Financial assets:*  
The fair value for these financial assets is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.
- (ii). *Cash and cash equivalents, trade receivables, other receivables, reinsurance assets and statutory deposits:*  
The carrying amount of cash and cash equivalents, trade receivables, other receivables, reinsurance assets and statutory deposits are a reasonable approximation of their fair value as they are all short term in nature.
- (iii). *Investment contract liabilities, trade payables and other payables:*  
The carrying amount of investment contract liabilities, trade payables and other payables are a reasonable approximation of their fair value as they are all short term in nature.

### Accounting classification and fair values

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

		FVTPL	At amortised cost	Loans and receivables	FVTOCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
<b>Group</b>	Notes							
<i>In thousands of Naira</i>								
31 December 2019								
Cash and cash equivalents	8	-	-	1,152,498	-	-	1,152,498	1,152,498
Financial assets	9	-	1,764,857	-	7,304,418	-	9,069,275	16,373,694
Trade receivables	10	-	-	60,216	-	-	60,216	60,216
Reinsurance assets	11	-	-	853,281	-	-	853,281	853,281
Other receivables (excluding prepayment)	13	-	-	1,359,802	-	-	1,359,802	1,359,802
Statutory deposit	19	-	-	636,420	-	-	636,420	636,420
<b>Total financial assets</b>		-	<b>1,764,857</b>	<b>4,062,217</b>	<b>7,304,418</b>	-	<b>13,131,492</b>	<b>20,435,911</b>

Investment contract liabilities	21	-	-	-	-	1,255,707	1,255,707	1,255,707
Trade payables	22	-	-	-	-	297,746	297,746	297,746
Other payables (excluding non-financial liabilities)	23	-	-	-	-	1,165,056	1,165,056	1,165,056
<b>Total financial liabilities</b>		-	-	-	-	<b>2,718,509</b>	<b>2,718,509</b>	<b>2,718,509</b>

		FVTPL	At amortised cost	Loans and receivables	FVTOCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
--	--	-------	-------------------	-----------------------	--------	---	-----------------------	------------

<b>Group</b>	Notes							
<i>In thousands of Naira</i>								
31 December 2018								
Cash and cash equivalents	8	-	-	2,888,235	-	-	2,888,235	2,888,235
Financial assets	9	-	2,571,929	-	5,272,266	-	7,844,195	13,116,461
Trade receivables	10	-	-	34,962	-	-	34,962	34,962
Reinsurance assets	11	-	-	813,825	-	-	813,825	813,825
Other receivables (excluding prepayment)	13	-	-	1,305,276	-	-	1,305,276	1,305,276
Statutory deposit	19	-	-	638,044	-	-	638,044	638,044
<b>Total financial assets</b>		-	<b>2,571,929</b>	<b>5,680,341</b>	<b>5,272,266</b>	-	<b>13,524,536</b>	<b>18,796,802</b>

Investment contract liabilities	21	-	-	-	-	1,170,785	1,170,785	1,170,785
Trade payables	22	-	-	-	-	255,384	255,384	255,384
Other payables (excluding non-financial liabilities)	23	-	-	-	-	1,516,851	1,516,851	1,516,851
<b>Total financial liabilities</b>		-	-	-	-	<b>2,943,020</b>	<b>2,943,020</b>	<b>2,943,020</b>

## Financial assets and liabilities

Accounting classification, measurement basis and fair values

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

		FVTPL	At amortised cost	Loans and receivables	FVTOCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
<b>Company</b>	Notes							
In thousands of Naira								
31 December 2019								
Cash and cash equivalents	8	-	-	506,065	-	-	506,065	506,065
Financial assets	9	-	362,328	-	1,979,496	-	2,341,825	4,321,321
Trade receivables	10	-	-	24,950	-	-	24,950	24,950
Reinsurance assets	11	-	-	500,015	-	-	500,015	500,015
Other receivables (excluding prepayment)	13	-	-	1,111,845	-	-	1,111,845	1,111,845
Statutory deposit	19	-	-	300,000	-	-	300,000	300,000
<b>Total financial assets</b>		-	<b>362,328</b>	<b>2,442,875</b>	<b>1,979,496</b>	-	<b>4,784,699</b>	<b>6,764,196</b>
Trade payables	22	-	-	-	-	37,921	37,921	37,921
Other payables (excluding non-financial liabilities)	23	-	-	-	-	1,767,282	1,767,282	1,767,282
<b>Total financial liabilities</b>		-	-	-	-	<b>1,805,203</b>	<b>1,805,203</b>	<b>1,805,203</b>

		FVTPL	At amortised cost	Loans and receivables	FVTOCI	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Company	Notes							
In thousands of Naira								
31 December 2018								
Cash and cash equivalents	8	-	-	2,056,736	-	-	2,056,736	2,056,736
Financial assets	9	-	809,832	-	1,413,091	-	2,222,923	3,636,014
Trade receivables	10	-	-	34,962	-	-	34,962	34,962
Reinsurance assets	11	-	-	490,209	-	-	490,209	490,209
Other receivables (excluding prepayment)	13	-	-	973,104	-	-	973,104	973,104
Statutory deposit	19	-	-	300,000	-	-	300,000	300,000
<b>Total financial assets</b>		-	<b>809,832</b>	<b>3,855,011</b>	<b>1,413,091</b>	-	<b>6,077,935</b>	<b>7,491,025</b>
Trade payables	22	-	-	-	-	162,970	162,970	162,970
Other payables (excluding non-financial liabilities)	23	-	-	-	-	2,373,820	2,373,820	2,373,820
<b>Total financial liabilities</b>		-	-	-	-	<b>2,536,790</b>	<b>2,536,790</b>	<b>2,536,790</b>

## 7. Operating segments

The Group is organized into two operating segments as described below, which are the Group's strategic business units. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the management. These segments and their respective operations are as follows:

**General business:** This segment covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

**Life business:** This segment covers the protection of the Group's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income and net fair value gains on financial assets at fair value through profit and loss.

Expenses for corporate units that render services for all business segments are initially paid by the general business segment and transferred to other business units at cost price. The expenses are allocated based on service man hours rendered by the corporate units to the various business segments.

The corporate expenses for the following centrally shared services are being apportioned to all business segments in the group:

- Internal controls and audits
- Financial control
- Human resources
- Information technology



- Profit on investment contracts	-	-	195,290	149,382	-	-	-	195,290	149,382
- Net realised gain/(loss) on financial assets	-	5,161	-	-	-	-	-	-	5,161
- Net fair value loss on financial assets at fair value through profit or loss	1,300	17,000	-	-	-	-	-	1,300	17,000
- Other operating income	140,889	397,006	72,629	14,365	194,572	86,743	-	408,091	498,114
	<b>7,621,212</b>	<b>6,438,559</b>	<b>2,889,881</b>	<b>2,174,929</b>	<b>1,272,826</b>	<b>1,209,119</b>	<b>(788,633)</b>	<b>10,995,286</b>	<b>9,436,241</b>
<b>Expenses:</b>									
Underwriting expenses	2,873,543	1,784,686	342,283	326,150	211,785	253,276	-	3,427,611	2,364,112
Decrease/ (Increase) in individual life fund	-	-	72,117	9,264	-	-	-	72,117	9,264
Employee benefit expense	916,472	979,306	247,260	282,006	192,129	262,484	-	1,355,860	1,523,795
Other operating expense	2,558,096	2,403,548	1,044,552	676,058	427,701	335,237	-	4,030,349	3,414,843
Claims incurred	1,709,289	1,873,202	916,351	856,573	427,432	350,734	-	3,053,072	3,080,510
Total underwriting and operating expenses	8,057,400	7,040,742	2,622,563	2,150,052	1,259,047	1,201,730	-	11,939,010	10,392,524
Share of profit of associate	-	-	-	-	-	-	-	1,064,366	1,143,515

Profit/(loss) before tax	(436,188)	(602,183)	267,318	24,877	13,779	7,389	(788,633)	(386,366)	120,642	187,232
Income tax	224,067	184,910	(21,805)	(20,950)	(11,560)	-	-	-	190,702	163,960
Profit/(loss) after tax	(212,121)	(417,273)	245,513	3,927	2,219	7,389	(788,633)	(386,366)	311,345	351,193
<b>Assets and Liabilities:</b>										
Total assets	21,556,410	22,884,063	8,812,469	2,488,744	2,293,288	2,293,288	(1,916,649)	(2,138,223)	30,745,519	25,527,872
Total liabilities	6,926,064	8,628,445	4,775,999	1,605,271	1,462,878	1,462,878	(939,048)	(656,931)	12,225,894	11,039,663
Net assets/(liabilities)	14,630,346	14,255,618	4,036,470	883,473	830,410	830,410	(977,601)	(1,481,292)	18,519,625	14,488,210

**Revenue Account - Company**  
Revenue account for the period ended 31 December 2019

DETAILS	MOTOR	FIRE	GEN ACC	MARINE	AVIATION	ENGINEERING	OIL AND ENERGY	BOND	Travels	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income										
Direct Premium	852,773	765,186	780,723	223,723	123,474	3,966,801	3,083,186	9,569	667	9,806,103
Reinsurance Inwards	42,121	86,885	102,666	157,572	4,289	98,573	411,211	-	-	903,317
<b>Gross written premium</b>	<b>894,894</b>	<b>852,071</b>	<b>883,388</b>	<b>381,295</b>	<b>127,764</b>	<b>4,065,375</b>	<b>3,494,397</b>	<b>9,569</b>	<b>667</b>	<b>10,709,420</b>
Movement in provision for unexpired risks	(31,720)	173,648)	267,390	(4,698)	19,458	1,096,732	(63,388)	(341)	-	1,109,785
Gross premium income	863,174	678,423	1,150,778	376,597	147,222	5,162,106	3,431,009	9,228	667	11,819,205
Deduction from income										
- Facultative outward	-	95	63,128	3,269	-	9,548	1,278,226	-	-	1,354,266
- Liability pool	39,051	-	37,122	-	-	-	-	-	-	76,173
- Surplus Treaty	119,199	420,453	326,993	190,785	-	176,321	-	-	-	1,233,752
- Energy pool	22,909	-	99,023	8,375	2,930	3,579,929	-	-	-	3,713,165
- Minimum and deposit premium	-	-	-	-	68,120	-	-	-	-	68,120
<b>Outward reinsurance Premium</b>	<b>181,158</b>	<b>420,548</b>	<b>526,265</b>	<b>202,429</b>	<b>71,050</b>	<b>3,765,799</b>	<b>1,278,226</b>	<b>-</b>	<b>-</b>	<b>6,445,476</b>
Movement in prepaid reinsurance	(47,852)	2,120	30,539	3,403	(4,440)	480,789	(69,221)	-	-	395,338
Reinsurance Cost	133,307	422,668	556,804	205,832	66,610	4,246,588	1,209,005	-	-	6,840,814

<b>Net premium income</b>	<b>729,867</b>	<b>255,755</b>	<b>593,974</b>	<b>170,766</b>	<b>80,612</b>	<b>915,518</b>	<b>2,222,004</b>	<b>9,228</b>	<b>667</b>	<b>4,978,391</b>
Commission received	34,981	99,187	191,205	89,736	659	764,544	150,439	-	539	1,331,290
Movement in deferred commission income	1,506	170	(9,489)	(1,984)	-	43,226	21,910	-	-	55,339
<b>Underwriting income</b>	<b>766,353</b>	<b>355,113</b>	<b>775,690</b>	<b>258,517</b>	<b>81,271</b>	<b>1,723,288</b>	<b>2,394,354</b>	<b>9,228</b>	<b>1,206</b>	<b>6,365,020</b>
<i>Expenses</i>										
Gross claims paid	501,006	749,728	262,496	96,544	86,423	193,612	136,331	-	-	2,026,140
Movement in provision for outstanding claims	(46,658)	(173,883)	(52,749)	(17,655)	(4,731)	88,427	331,873	34,400	-	159,025
Movement in provision for IBNR	(6,170)	13,365	(8,738)	15,190	(23,006)	137,594	(86,031)	-	-	42,205
Claims recoveries	448,179	589,211	201,008	94,079	58,686	419,634	382,173	34,400	-	2,227,370
Movement in claims recoverable	(70,519)	(265,729)	(72,952)	(65,601)	-	(138,976)	-	-	-	(613,776)
Movement in IBNR claims recoverable	5,848	82,708	20,679	747	(2,831)	(36,580)	3	-	-	70,575
Movement in IBNR claims recoverable	(483)	37,559	5,830	(2,896)	(81)	(14,703)	(103)	-	-	25,122
<b>Net claims incurred</b>	<b>383,025</b>	<b>443,749</b>	<b>154,565</b>	<b>26,329</b>	<b>55,774</b>	<b>229,375</b>	<b>382,072</b>	<b>34,400</b>	<b>-</b>	<b>1,709,291</b>

Underwriting expenses	61,289	148,606	159,228	65,373	25,987	602,613	672,081	-	-	1,735,176
Acquisition expenses	218	(29,848)	52,177	898	4,308	205,716	(7,594)	-	-	225,876
Movement in deferred acquisition cost	31,926	5,946	58,618	24,001	10,351	13,082	768,567	1	-	912,491
Maintenance expenses	93,432	124,704	270,023	90,272	40,646	821,411	1,433,054	1	-	2,873,543
<b>Total underwriting expenses</b>	<b>289,896</b>	<b>(213,341)</b>	<b>351,101</b>	<b>141,916</b>	<b>(15,148)</b>	<b>672,503</b>	<b>579,228</b>	<b>(25,173)</b>	<b>1,206</b>	<b>1,782,186</b>
<b>Underwriting profit</b>										

### Revenue Account - Company

Revenue account for the period ended 31 December 2018

DETAILS	MOTOR	FIRE	GEN ACC	MARINE	AVIATION	ENGINEERING	OIL AND ENERGY	BOND	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income									
Direct Premium	1,034,523	497,804	1,521,592	222,491	104,729	3,583,355	485,163	-	7,449,658
Reinsurance Inwards	33,390	313,657	230,538	97,061	107,497	131,708	2,009,213	-	2,923,064
Gross written premium	1,067,913	811,461	1,752,130	319,552	212,226	3,715,063	2,494,376	-	10,372,722
Movement in provision for unexpired risks	40,134	20,954	3,146	30,530	(738)	(1,831,698)	46,003	430	(1,691,238)
Gross premium income	1,108,047	832,415	1,755,277	350,083	211,488	1,883,365	2,540,379	430	8,681,483



Expenses	606,585	628,284	232,489	65,696	392,049	98,998	399,674	-	2,423,774
Gross claims paid	22,995	(124,922)	(4,535)	(5,495)	792	(25,540)	581,679	3,300	448,274
Movement in provision for outstanding claims	52,636	(120,444)	207,113	19,610	6,388	(19,248)	(381,561)	340	(235,166)
Movement in provision for IBNR	<b>682,216</b>	<b>382,918</b>	<b>435,066</b>	<b>79,811</b>	<b>399,229</b>	<b>54,210</b>	<b>599,792</b>	<b>3,640</b>	<b>2,636,882</b>
Claims recoveries	(72,526)	(418,395)	(49,472)	(18,319)	(159,247)	(54,938)	(77,372)	-	(850,268)
Movement in claims recoverable	(18,471)	62,748	6,613	3,383	6	38,997	36,756	(160,956)	(30,925)
Movement in IBNR claims recoverable	(10,923)	21,938	(31,188)	(11,760)	352	6,805	142,533	(244)	117,514
<b>Net claims incurred</b>	<b>580,296</b>	<b>49,210</b>	<b>361,019</b>	<b>53,116</b>	<b>240,339</b>	<b>45,074</b>	<b>701,708</b>	<b>(157,560)</b>	<b>1,873,203</b>
<i>Underwriting expenses</i>	87,385	47,968	322,754	53,999	42,751	734,176	476,343	-	1,765,376
Acquisition expenses	10,878	7,001	6,716	10,778	228	(364,589)	47,994	-	(280,995)
Movement in deferred acquisition cost	87,905	11,998	55,636	18,350	2,454	6,935	117,027	-	300,305
Maintenance expenses	186,167	66,967	385,107	83,127	45,432	376,521	641,364	-	1,784,687
Total underwriting expenses	<b>252,036</b>	<b>459,362</b>	<b>723,446</b>	<b>92,937</b>	<b>(143,593)</b>	<b>691,126</b>	<b>(790,501)</b>	<b>157,480</b>	<b>1,442,293</b>
<b>Underwriting profit</b>									

## 8 Cash and cash equivalents

Cash and cash equivalent includes cash in hand, balances at bank and short term instruments with less than 3 months original maturity from the date of acquisition.

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Cash at bank and in hand	641,465	2,223,320	310,859	1,816,480
Money market placements	512,047	668,555	195,540	242,929
Impairment on money market placements	(1,013)	(3,640)	(334)	(2,673)
<b>Balance, end of year</b>	<b>1,152,498</b>	<b>2,888,235</b>	<b>506,065</b>	<b>2,056,735</b>
Breakdown of Impairment				
Impairment at beginning of year	3,640	625	2,673	376
Movement during the year	(2,627)	3,015	(2,339)	2,297
<b>Impairment at year end</b>	<b>1,013</b>	<b>3,640</b>	<b>334</b>	<b>2,673</b>

## 9 Financial assets

These financial assets represent the Group's and the Company's holdings in investment securities and are summarised by classification category below:

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Financial assets at fair value through OCI	7,304,418	5,272,266	1,979,496	1,413,091
Financial assets at amortised cost	1,764,857	2,571,929	362,328	809,832
<b>Balance, end of year</b>	<b>9,069,275</b>	<b>7,844,195</b>	<b>2,341,825</b>	<b>2,222,923</b>

(a) Financial assets at fair value through OCI

These securities represent the Group and the Company's interest in entities:

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Equity securities:				
– Listed (see note (i) below)	123,933	957,563	99,997	956,985
– Unlisted (see note (ii) below)	667,808	195,161	270,563	195,161

Fixed income securities (see note (iv) below)	6,512,678	4,119,541	1,608,937	260,945
<b>Carrying amount</b>	<b>7,304,418</b>	<b>5,272,266</b>	<b>1,979,496</b>	<b>1,413,091</b>

## Movement in Financial assets at fair value through OCI

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Equity securities:				
(i) Listed				
Balance, beginning of year	957,563	1,548,487	956,985	1,470,080
Fair value changes during the year	535,941	(592,304)	513,161	(513,473)
Disposal during the year	(1,369,571)	-	(1,370,149)	-
Reclassification from fair value through P or L	-	1,380	-	378
<b>Balance, end of year</b>	<b>123,933</b>	<b>957,563</b>	<b>99,997</b>	<b>956,985</b>

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
(ii) Unlisted				
Balance, beginning of year	195,161	179,990	195,161	179,990
Acquisitions during the year	1,011,291	150,000	200,531	150,000
Fair value changes during the year	10,650	15,171	10,650	15,171
Disposal during the year	(549,294)	(150,000)	(135,779)	(150,000)
<b>Balance, end of year</b>	<b>667,808</b>	<b>195,161</b>	<b>270,563</b>	<b>195,161</b>

(iii) The breakdown of Financial assets at fair value through OCI unlisted equity securities are shown below;

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
African Reinsurance Corporation	45,017	49,876	45,017	49,876
Nigerian Liability Insurance Pool	13,905	7,416	13,905	7,416
Energy and Allied Insurance Pool	56,703	47,686	56,703	47,686
Coronation Merchant Bank Money Market Fund	552,182	90,183	154,937	90,183
<b>Carrying amount</b>	<b>667,808</b>	<b>195,161</b>	<b>270,563</b>	<b>195,161</b>

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
(iv) Fixed income securities:				
Movement in Financial assets at fair value through OCI fixed income securities				
Balance, beginning of year	4,119,541	2,304,336	260,945	1,701,600
Acquisitions during the year	7,308,406	10,117,166	3,208,163	3,235,585
Disposals/maturities/redemption during the year	(5,377,550)	(8,095,893)	(1,933,419)	(4,514,887)
Accrued interest receivables	169,211	68,221	62,419	6,948
Fair value changes during the year	293,070	(274,289)	10,829	(168,301)
<b>Balance, end of year</b>	<b>6,512,678</b>	<b>4,119,541</b>	<b>1,608,937</b>	<b>260,945</b>
The breakdown of Financial assets at fair value through OCI fixed income financial assets are shown below;				
Debt securities:				
– Corporate bonds	-	-	-	-
– Government bonds	3,884,623	2,669,816	1,532,197	260,945
– Treasury bills	2,628,055	1,449,726	86,176	-
– ECL Impairment	-	-	(9,435)	-
<b>Carrying amount at fair value</b>	<b>6,512,678</b>	<b>4,119,542</b>	<b>1,608,938</b>	<b>260,945</b>

At the reporting date, no fair value through OCI fixed income financial asset was neither past due or impaired.

(b) Financial assets at fair value through P or L

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Equity securities:				
(i) Listed				
Balance, beginning of year	-	1,380	-	796
Acquisitions during the year	-	-	-	-
Fair value changes during the year	-	-	-	-
Transferred to FVOCI	-	(1,380)	-	(796)
<b>Carrying amount at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (c) Financial assets at amortised cost

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Movement in Financial assets at amortised cost				
Balance, beginning of year	2,571,929	5,461,742	809,832	1,004,463
Acquisitions during the year	-	23,788	-	23,788
Disposals/maturities/redemption during the year	(771,586)	(2,779,989)	(426,366)	(260,349)
Foreign exchange gain	-	501	-	501
Accrued interest receivables	73,160	(146,437)	31,380	9,242
Interest received during the year	(108,842)	39,815	(57,746)	39,815
Impairment on financial assets	195	(27,491)	5,228	(7,628)
<b>Balance, end of year</b>	<b>1,764,857</b>	<b>2,571,929</b>	<b>362,328</b>	<b>809,832</b>

The breakdown of Financial assets at amortised cost are shown below;

Debt securities:				
- Corporate bonds	-	432,399	-	432,399
- Government bonds	1,718,968	2,143,735	364,728	361,775
- Treasury bills	73,184	23,286	-	23,286
Impairment on financial assets	(27,295)	(27,491)	(2,400)	(7,628)
<b>Carrying amount at amortised cost</b>	<b>1,764,857</b>	<b>2,571,929</b>	<b>362,328</b>	<b>809,832</b>

At the reporting date, no financial asset at amortised cost was either past due or impaired.

## Breakdown of Impairment

Impairment as at beginning of year	27,491	39,723	7,628	10,498
Movement during the year	(195)	(12,232)	(5,228)	(2,870)
<b>Impairment at year end</b>	<b>27,295</b>	<b>27,491</b>	<b>2,400</b>	<b>7,628</b>

## 10 Trade receivables

(a) Trade receivables

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Gross receivables	719,093	693,839	195,585	205,597
Less: impairment allowance (see note (b) below)	(658,877)	(658,877)	(170,635)	(170,635)
<b>Balance, end of year</b>	<b>60,216</b>	<b>34,962</b>	<b>24,950</b>	<b>34,962</b>

(b) The movements in impairment allowance on trade receivables is analyzed below;

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	658,877	658,900	170,635	170,658
Impairment charge/(reversal) during the year	-	(23)	-	(23)
<b>Balance, end of year</b>	<b>658,877</b>	<b>658,877</b>	<b>170,635</b>	<b>170,635</b>

Subsequent to year end, the Group and Company received N60 million with respect to receivables that were less than 30 days as at 31 December 2019 (Group December 2018: N35 million; Company December 2018: N35 million). There was no impairment allowance against the amount because it has been received.

## 11 Reinsurance assets

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
(a) Claim recoverables (see note (b))	854,482	813,825	500,721	490,209
Prepaid reinsurance (see note (d))	2,327,686	2,878,317	1,302,438	1,697,775
-Less impairment allowance (see note e)	(1,201)	-	(706)	-
<b>Balance, end of year</b>	<b>3,180,967</b>	<b>3,692,142</b>	<b>1,802,452</b>	<b>2,187,984</b>

(b) Claims recoverables are analysed as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Recoverable on claims - Incurred but not reported claims	287,793	335,499	146,554	171,676
Recoverable on outstanding claims	441,816	438,773	229,294	299,869
Recoverable on claims paid	124,872	39,553	124,872	18,664
<b>Balance, end of year</b>	<b>854,482</b>	<b>813,825</b>	<b>500,721</b>	<b>490,209</b>

(c) The movement in claims recoverable is analysed as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	813,825	1,087,216	490,209	403,620
Recoveries during the year	(982,841)	(2,150,947)	(507,568)	(763,680)
Increase in recoverable during the year	1,023,498	1,877,556	518,080	850,268
<b>Balance, end of year</b>	<b>854,482</b>	<b>813,825</b>	<b>500,721</b>	<b>490,209</b>

(d) The movement in prepaid reinsurance cost is analysed as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	2,878,317	499,085	1,697,775	434,519
Cost incurred during the year	7,532,919	7,825,296	6,445,477	5,394,271
Amortised during the year	(8,083,550)	(5,446,063)	(6,840,814)	(4,131,014)
<b>Balance, end of year</b>	<b>2,327,686</b>	<b>2,878,317</b>	<b>1,302,438</b>	<b>1,697,775</b>

(e) Breakdown of impairment

Impairment as at beginning of year	-	-	-	-
Movement during the year	1,201	-	706	-
<b>Impairment at year end</b>	<b>1,201</b>	<b>-</b>	<b>706</b>	<b>-</b>

## 12 Deferred acquisition cost

This represents commission on unearned premium relating to the unexpired tenure of risk.

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	749,174	530,793	598,828	317,832
Exchange difference	3,567	(5,641)	-	-
Addition during the year	3,338,895	2,588,134	2,647,667	2,065,682
Amortised during the year	(3,427,611)	(2,364,112)	(2,873,543)	(1,784,686)
<b>Balance, end of year</b>	<b>664,025</b>	<b>749,174</b>	<b>372,952</b>	<b>598,828</b>

## 13 Other receivable & prepayment

(a)(i)	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Staff loans	80,110	101,410	80,110	101,410
Capitalisation expenses (see (a) below)	298,300	-	260,790	-
Prepayment	155,026	130,133	75,994	44,208
Intercompany and related party receivables	40,879	40,879	107,308	113,453
Deposit for shares (see (b) below)	250,000	510,651	-	130,567
Sundry receivables (see note (ii) below)	2,309,299	2,287,151	1,836,409	1,806,189
	3,133,614	3,070,224	2,360,611	2,195,827
– Less: Impairment allowance (see note (b) below):	(1,618,785)	(1,634,900)	(1,172,772)	(1,178,515)
	-	-	-	-
	<b>1,514,829</b>	<b>1,435,324</b>	<b>1,187,839</b>	<b>1,017,312</b>

a. Recapitalisation expenses: This relates to allowable expenses incurred for the purpose of the right issue capitalisation exercise which are to be netted off from proceeds of the right issue expected to be completed by 31 December 2020.

b. The Group's deposit for shares relate to deposit for investment in:

-One Terminal Limited subject to allotment. The company is an indigenous company incorporated to provide strategic storage, marketing and logistics solutions for the downstream oil & gas sector in Nigeria and has by way of private placement offer equity stake to willing investors. The company has an Authorised capital of 3,000,000,000 (Three Billion) ordinary shares at N1.00 each, issued and fully paid share capital of 905,000,000 (Nine Hundred and Five Million) ordinary shares at N1.00 each and has placed on offer 1,132,000,000 (One Billion, One Hundred and Thirty Two Million) ordinary shares of N1.00 at N1.25 each (25% premium). The company invested the sum of N250m as deposit for shares in One Terminal Limited.

-During the year, the company called-in its holdings in FBS Reinsurance Limited. A total amount of N135.280m was received being value of initial investment made plus accrued interest.

(ii) Sundry receivables:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Due from Summit Finance Limited	1,011,631	1,011,631	728,106	728,106
Due from Tropics Finance Limited	228,115	228,115	228,115	228,115
Due from Petralon Energy Limited	519,308	578,567	519,308	578,567
Due from Etuna and other closed Property development	86,882	86,882	86,882	86,882
I-Val Investment Receivable	132,083	145,472	-	-
Due from Oilview Estate	27,000	27,000	27,000	27,000
Due from Profund Securities Limited	21,785	21,785	21,785	21,785
Withholding Tax Receivable	153,445	97,302	141,670	91,140
Due from ex-staff loan	8,469	8,520	2,628	2,679
Interest Receivable on Statutory Deposit	28,470	28,860	13,540	17,776
Expense Recoverable	4,526	35,861	4,526	11,813
Others	87,587	17,156	62,850	12,326
	<b>2,309,301</b>	<b>2,287,151</b>	<b>1,836,409</b>	<b>1,806,189</b>

(iii)

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Due from Wapic Ghana - expense recoverable	-	-	66,429	72,574
Due from Coronation Merchant Bank - Dividend receivable	40,879	40,879	40,879	40,879
	<b>40,879</b>	<b>40,879</b>	<b>107,308</b>	<b>113,453</b>

(b) The movements in impairment allowance for other receivables and prepayments is analyzed below;

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	1,634,900	1,646,108	1,178,515	1,166,703
Impairment on transition to IFRS 9 at 1 January 2018	-	4,471	-	-
Allowance/(recoveries) made during the year	(16,115)	(15,679)	(5,743)	11,812
<b>Balance, end of year</b>	<b>1,618,785</b>	<b>1,634,900</b>	<b>1,172,772</b>	<b>1,178,515</b>

(c) The breakdown of impairment allowance on other receivables is analyzed below:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profund securities	21,785	21,785	21,785	21,785
Sunmmi finance limited	1,011,631	1,011,631	728,106	728,106
Tropics finance limited	228,115	228,115	228,115	228,115
I-Val Property Receivable	132,083	145,472	-	-
Coronation Merchant Bank (Dividend receivable)	40,879	40,879	40,879	40,879
Due from Oil view estate	27,000	27,000	27,000	27,000
Receivable from Etuna and other closed property development	86,882	86,882	86,882	86,882
Withholding tax receivable	18,027	18,027	18,027	18,027
Expense Recoverable	28,574	35,861	4,526	11,813
Ex-Staff loans	8,469	6,925	2,628	3,586
Others	15,340	12,323	14,824	12,323
<b>Balance, end of year</b>	<b>1,618,785</b>	<b>1,634,900</b>	<b>1,172,772</b>	<b>1,178,516</b>

## 14 Investment properties

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Investment properties (see (a) below)	254,780	253,480	254,780	253,480
<b>Balance, end of year</b>	<b>254,780</b>	<b>253,480</b>	<b>254,780</b>	<b>253,480</b>

(a) Investment properties are analysed by location as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Hexagon Court, Ikeja Lagos (see (c) below)	117,000	115,000	117,000	115,000
Ocean Garden, Lekki, Lagos (see (c) below)	76,000	80,000	76,000	80,000
Happy People Estate, Magboro, Ogun State	4,480	4,480	4,480	4,480
Victoria Garden Estate Abuja	57,300	54,000	57,300	54,000
<b>Balance, end of year</b>	<b>254,780</b>	<b>253,480</b>	<b>254,780</b>	<b>253,480</b>

(b) The Company's investment properties were valued by independent professional Estate Surveyor and Valuer as at 31 December 2019. The determination of fair value of the investment properties were supported by market evidence. The modalities and process of valuation utilised extensive analysis of market data and other sector specific peculiarities corroborated with available database derived from previous experiences. The Company used the following Estate Surveyor and Valuer who have recent experience in the location and category of the investment properties being valued:

*Estate Surveyor and Valuer*  
**Bode Adedeji Partnership**

*FRC Registration Number*  
**FRC/2013/NIESV/00000001479**

- (c) The Group applied fair value model in determining the carrying value of its investment properties.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value basis. Level 3 fair values of investment properties have been derived using the comparative method valuation approach. Sales prices of recent comparable properties within the same or similar neighbourhood are adjusted for considerations of the peculiar attributes of the property which includes specific location, internal layout plans as well as other relevant qualities.

- (d) The movement in investment properties during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	253,480	312,750	253,480	312,750
Disposal during the year	-	(76,270)	-	(76,270)
Fair value gain recognised in profit or loss	1,300	17,000	1,300	17,000
<b>At end of year</b>	<b>254,780</b>	<b>253,480</b>	<b>254,780</b>	<b>253,480</b>

- (e) The Group and the Company earned total rental income N2.4 million (2018: N2.1 million) from its investment properties during the year (see note 36). Rental income is analysed below:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Ocean Garden, Lekki, Lagos	2,400	2,133	2,400	2,133
<b>At end of year</b>	<b>2,400</b>	<b>2,133</b>	<b>2,400</b>	<b>2,133</b>

- (f) Investment properties disposed during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Sales proceeds	-	66,650	-	66,650
Transfer from investment property account	-	(76,270)	-	(76,270)
<b>Loss on disposal of investment property</b>	<b>-</b>	<b>(9,620)</b>	<b>-</b>	<b>(9,620)</b>

(g) The title status of the Group and Company investment properties is detailed below:

Description of Investment Property	Title Status
Hexagon Court, Ikeja Lagos	Process Commenced
Ocean Garden, Lekki Lagos	Process Commenced
Happy People Estate, Magboro, Ogun State	In progress
Victoria Garden Estate Abuja	Process Commenced

## 15 Investment in associates

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Coronation Merchant Bank Limited	9,390,061	8,763,246	5,059,810	5,059,810
Coronation Securities Limited	363,630	-	363,630	-
<b>Balance, end of year</b>	<b>9,753,691</b>	<b>8,763,246</b>	<b>5,423,440</b>	<b>5,059,810</b>

### (a) Nature of investment in associates

Name of entity	Place of business/ country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
Investment in Coronation Merchant Bank Limited	Nigeria	25.50%	Investee	Equity method
Investment in Coronation Securities Limited	Nigeria	25.50%	Investee	Equity method

This represents holding in the ordinary share capital of Coronation Merchant Bank Limited, a Company incorporated and operating in Nigeria (2018: 25.50%). The holding became an associate as a result of additional shareholding in the Company in January 2015. Coronation Merchant Bank Limited (Formerly; Associated Discount House Limited (ADH)) is involved in trading in, holding and provision of discount and rediscount facilities for Federal Government Securities, Commercial Bills and other eligible financial instruments, as prescribed by the CBN to corporate and individual customers.

Coronation Securities Limited ("COSEC") is a licenced broker-dealer firm regulated by the Securities and Exchange Commission ("SEC") and the Nigerian Stock Exchange.

There are no contingent liabilities relating to the group's interest in the associates.

**(b) Summarised financial information for associates**

Below are the summarised financial information for investment in associate accounted for using the equity method.

**(i) Summarised balance sheet**

	Coronation Securities Ltd	Coronation Merchant Bank Ltd	
	2019 31-Dec N'000	2019 31-Dec N'000	2018 31-Dec N'000
Assets			
Cash and cash equivalents	4,031,253	8,956,378	3,211,035
Due from financial institution	-	57,473,891	36,914,556
Non pledge trading assets	-	11,408,065	8,101,708
Derivatives financial assets	-	2,410,142	1,388,676
Investment securities	106,581	60,307,880	87,626,086
Stockbroking deposits	1,780	-	-
Pledged assets	-	16,326,798	10,168,280
Loans and advances to customers	-	72,683,949	54,312,459
Other assets	101,088	10,745,065	7,845,696
Investment in subsidiaries	-	-	4,614,711
Right of use asset	-	76,861	-
Intangible assets	18,404	706,412	622,503
Property, plant and equipment	10,451	6,472,233	2,974,252
Deferred tax	-	5,777,715	4,998,887
Asset classified as held for sale	-	5,000	-
<b>Total assets</b>	<b>4,269,557</b>	<b>253,350,389</b>	<b>222,778,849</b>
Liabilities			
Financial liabilities (excluding trade payables)	2,822,098	180,068,670	167,173,215
Other liabilities	368,555	38,712,890	24,457,369
<b>Total liabilities</b>	<b>3,190,653</b>	<b>218,781,560</b>	<b>191,630,584</b>
<b>Total equity</b>	<b>1,078,904</b>	<b>34,568,829</b>	<b>31,148,265</b>

**(ii) Summarised statement of profit or loss and other comprehensive income**

	Coronation Securities Ltd	Coronation Merchant Bank Ltd	
	2019 31-Dec N'000	2019 31-Dec N'000	2018 31-Dec N'000
Interest income	329,618	25,093,015	24,286,820
Interest expense	-	(20,655,653)	(17,291,460)
Net Impairment / (writeback) on financial assets	-	(90,491)	(85,559)
Fees and commission income	191,191	1,351,031	1,700,352
Net gains on investment securities	-	4,011,964	1,661,263
Net foreign exchange income	-	314,810	129,349

Other income	39,450	357,995	179,616
Operating expenses	(313,553)	(5,358,787)	(5,384,634)
<b>Profit before tax</b>	<b>246,706</b>	<b>5,023,884</b>	<b>5,195,747</b>
Income tax	-	(257,172)	(711,375)
Profit for the year	246,706	4,766,712	4,484,372
Other comprehensive income	27,481	1,376,794	(1,013,107)
<b>Total comprehensive income</b>	<b>274,187</b>	<b>6,143,506</b>	<b>3,471,265</b>

**(c) Movement in investment in associate**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	8,763,246	8,264,440	5,059,810	5,059,810
Additions during the year	363,630	-	363,630	-
Dividend received during the year	(788,633)	(386,367)	-	-
Share of current year profit	1,064,366	1,143,515	-	-
Share of current year other comprehensive income	351,082	(258,342)	-	-
<b>Balance, end of year</b>	<b>9,753,691</b>	<b>8,763,246</b>	<b>5,423,440</b>	<b>5,059,810</b>

(i) There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the associate to the extent that regulatory framework within which the associate operate does not inhibit the Group.

**(ii) Reconciliation of summarised financial information**

	<b>Group</b>	<b>Group</b>
	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>
Opening net assets/net assets on date on acquisition	32,110,659	30,154,558
Profit/(loss) for the year	4,766,712	4,484,372
Other comprehensive income for the year	1,376,794	(1,013,107)
Dividend paid to shareholders	(3,092,680)	(1,515,164)
Closing net assets	35,161,485	32,110,659
Interest in associate (25.5%)	8,966,179	8,188,219
Impact of changes in net assets	359,570	147,085
Notional goodwill	427,942	427,942
<b>Carrying value</b>	<b>9,753,691</b>	<b>8,763,246</b>

## 16 Investment in subsidiaries

	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>
Wapic Life Assurance Limited (see note (a) below)	3,900,000	3,900,000
Wapic Insurance Ghana Limited (see note (b) below)	1,460,915	1,460,915
<b>Balance, end of year</b>	<b>5,360,915</b>	<b>5,360,915</b>

- (a) This represents 100% holding in the ordinary share capital of Wapic Life Assurance Limited, a wholly owned subsidiary incorporated and operating in Nigeria.
- (b) This represents 100% holding in the ordinary share capital of Wapic Insurance Ghana Limited; a wholly owned subsidiary incorporated and conducting general insurance business in Ghana.

- (c) The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory framework within which subsidiaries operate. The supervisory framework require the insurance subsidiaries to keep certain levels of regulatory capital and liquid assets.

- (d) The movement in investment in subsidiaries during the year was as follows:

	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>
Balance, beginning of the year	5,360,915	3,876,571
Additions during the year	-	1,484,344
<b>Balance, end of the year</b>	<b>5,360,915</b>	<b>5,360,915</b>

## 17 Intangible assets - Computer software

	<b>Group</b>	<b>Company</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost:</b>		
<b>31 December 2019</b>		
Balance at 1 January 2019	777,468	725,684
Additions	159,335	150,436
Reclassification (see note 18)	4,983	2,952
Exchange difference	(2,041)	-
<b>Balance at 31 December 2019</b>	<b>939,745</b>	<b>879,072</b>

<b>31 December 2018</b>		
Balance at 1 January 2018	662,327	623,102
Additions	134,880	102,582
Exchange difference	(637)	-
<b>Balance at 31 December 2018</b>	<b>796,570</b>	<b>725,684</b>

<b>Amortization:</b>		
<b>31 December 2019</b>		
Balance at 1 January 2019	296,459	259,723
Charge for the year	134,879	133,261
Exchange difference	(681)	-
<b>Balance at 31 December 2019</b>	<b>430,658</b>	<b>392,984</b>

<b>31 December 2018</b>		
Balance at 1 January 2018	182,642	146,957
Charge for the year	114,168	112,766
Exchange difference	(351)	-
<b>Balance at 31 December 2018</b>	<b>296,459</b>	<b>259,723</b>

Net book value:

<b>Balance at 31 December 2019</b>	<b>509,087</b>	<b>486,088</b>
Balance at 31 December 2018	500,111	465,961

The Group and Company's intangible assets relate to purchased computer software.

# 18 (a) Property and equipment - Group

As at 31 December 2019

	Leasehold land	Building	Motor vehicles	Computer equipment	Office equipment	Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance, beginning of year	424,597	2,340,927	778,908	372,732	998,345	52,726	4,968,236
Revaluation surplus (see note (i) below)	21,874	173,103	-	-	-	-	194,977
Additions	-	4,018	166,999	9,645	15,876	1,121	197,659
Reclassifications	-	-	44,940	748	2,055	(47,743)	-
Reclassifications to intangible assets (see note (vi) below)	-	-	-	-	-	(4,983)	(4,983)
Disposals/Writeoff	-	-	-	-	-	-	-
Exchange difference	-	-	(14,969)	(5,787)	(15,352)	(17)	(36,125)
<b>Balance, end of year</b>	<b>446,472</b>	<b>2,518,049</b>	<b>975,878</b>	<b>377,338</b>	<b>1,000,924</b>	<b>1,104</b>	<b>5,319,764</b>
Accumulated depreciation							
Balance, beginning of year	27,551	119,213	570,739	286,643	482,762	-	1,486,908
Charge for the year	7,321	46,714	132,806	60,665	180,991	-	428,498
Disposals	-	-	-	-	-	-	-
Exchange difference	-	-	(12,151)	(5,999)	(11,464)	-	(29,614)
<b>Balance, end of year</b>	<b>34,873</b>	<b>165,927</b>	<b>691,394</b>	<b>341,309</b>	<b>652,289</b>	<b>-</b>	<b>1,885,792</b>
<b>Net book value</b>							
<b>Balance at 31 December 2019</b>	<b>411,599</b>	<b>2,352,122</b>	<b>284,484</b>	<b>36,029</b>	<b>348,635</b>	<b>1,104</b>	<b>3,433,972</b>
<b>Balance at 31 December 2018</b>	<b>397,046</b>	<b>2,221,714</b>	<b>208,169</b>	<b>86,089</b>	<b>515,583</b>	<b>52,726</b>	<b>3,481,328</b>

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in the current financial year in line with the Company's policy which is to carry-out valuations of its leasehold land and building at least once within three financial year. The valuation outcome in line with the Company's assessment is that there has been appreciation in the open market value of the leasehold land and building, and they are currently carried at the revalued amount of N411.6 million (31 December 2018: N397 million) and building N2.352 billion (31 December 2018: N2.221 billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Group's leasehold land would have been N16.25 million (31 December 2018: N16.53 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Group's property and equipment apart from leasehold land (31 December 2018: Nil)

iv. The Group had no capital commitments as at the Statement of Financial Position date (31 December 2018: Nil)

v. The company had no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2018: Nil)

vi. The balance of N4.9million has been reclassified to intangible assets (see note 17). They relate to software under development.

# 18 (b) Property and equipment - Company

As at 31 December 2019

	Leasehold land	Building	Motor vehicles	Computer equipment	Office equipment	Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance, beginning of year	424,597	2,340,927	450,767	320,795	914,934	4,645	4,456,665
Revaluation surplus (see note (i) below)	21,874	173,103	-	-	-	-	194,977
Additions	-	4,018	45,001	5,415	9,638	-	64,071
Reclassifications	-	-	-	748	945	(1,693)	-
Reclassifications to intangible assets (see note (vi) below)	-	-	-	-	-	(2,952)	(2,952)
Disposals/Writeoff	-	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>446,471</b>	<b>2,518,048</b>	<b>495,768</b>	<b>326,959</b>	<b>925,517</b>	<b>-</b>	<b>4,712,762</b>
<b>Accumulated depreciation</b>							
Balance, beginning of year	27,550	119,213	373,256	242,836	436,919	-	1,199,774
Charge for the year	7,321	46,715	44,571	54,409	170,854	-	323,869
Disposals	-	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>34,871</b>	<b>165,928</b>	<b>417,827</b>	<b>297,245</b>	<b>607,773</b>	<b>-</b>	<b>1,523,643</b>
<b>Net book value</b>							
<b>Balance at 31 December 2019</b>	<b>411,600</b>	<b>2,352,120</b>	<b>77,942</b>	<b>29,713</b>	<b>317,745</b>	<b>-</b>	<b>3,189,118</b>
<b>Balance at 31 December 2018</b>	<b>397,047</b>	<b>2,221,715</b>	<b>77,511</b>	<b>77,959</b>	<b>478,016</b>	<b>4,645</b>	<b>3,256,891</b>

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in the current financial year in line with the Company's policy which is to carry-out valuations of its leasehold land and building at least once within three financial year. The valuation outcome in line with the Company's assessment is that there has been appreciation in the open market value of the leasehold land and building, and they are currently carried at the revalued amount of N411.6 million (31 December 2018: N397 million) and building N2.352 billion (31 December 2018: N2.221 billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Company's leasehold land would have been N16.25 million (31 December 2018: N16.53 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Company's property and equipment apart from leasehold land (31 December 2018: Nil)

iv. The Company has no capital commitments as at the Statement of Financial Position date (31 December 2018: Nil)

v. The company has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2018: Nil)

vi. The balance of N2.9 million has been reclassified to intangible assets (see note 17). They relate to software under development.

# 18 (a) Property and equipment - Group

As at 31 December 2018

	Leasehold land	Building	Motor vehicles	Computer equipment	Office equipment	Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance, beginning of year	424,597	2,333,577	869,245	339,798	972,231	41,798	4,981,246
Additions	-	7,350	63,264	35,328	14,756	50,401	171,099
Reclassifications	-	-	-	1,650	17,353	(19,003)	-
Disposals	-	-	(141,944)	-	(105)	(20,377)	(162,426)
Exchange difference	-	-	(11,657)	(4,044)	(5,890)	(93)	(21,684)
<b>Balance, end of year</b>	<b>424,597</b>	<b>2,340,927</b>	<b>778,908</b>	<b>372,732</b>	<b>998,345</b>	<b>52,726</b>	<b>4,968,235</b>
<b>Accumulated depreciation</b>							
Balance, beginning of year	20,274	71,898	594,920	208,834	297,940	-	1,193,866
Charge for the year	7,277	47,315	115,391	78,928	186,678	-	435,589
Disposals	-	-	(136,414)	-	-	-	(136,414)
Exchange difference	-	-	(3,158)	(1,119)	(1,856)	-	(6,133)
<b>Balance, end of year</b>	<b>27,551</b>	<b>119,213</b>	<b>570,739</b>	<b>286,643</b>	<b>482,762</b>	<b>-</b>	<b>1,486,908</b>
<b>Net book value</b>							
<b>Balance at 31 December 2018</b>	<b>397,046</b>	<b>2,221,714</b>	<b>208,169</b>	<b>86,089</b>	<b>515,583</b>	<b>52,726</b>	<b>3,481,327</b>
<b>Balance at 31 December 2017</b>	<b>404,323</b>	<b>2,261,679</b>	<b>274,325</b>	<b>130,964</b>	<b>674,291</b>	<b>41,798</b>	<b>3,787,380</b>

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2016. No valuation was carried out in the current financial year; it is the Group's policy to carry-out valuations of its leasehold land and building at least once within three financial years. The Group's assessment is that there has not been significant risk of impairment in the open market value of the land and building, and they are currently carried at the revalued amount plus the additions less amortisation of the lease charge/depreciation during the period for leasehold land: N397 Million (31 December 2017: N404 Million) and building: N2.2 Billion (31 December 2017: N2.3 Billion).

ii. The carrying amount of the Group's leasehold land would have been N16.53 million (31 December 2018: N16.86 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Group's property and equipment apart from leasehold land (31 December 2017: Nil)

iv. The Group had no capital commitments as at the Statement of Financial Position date (31 December 2017: Nil)

v. The Company has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2017: Nil)

# 18 (b) Property and equipment - Company

As at 31 December 2018

	Leasehold Land	Building	Motor Vehicles	Computer Equipment	Office Equipment	Work in progress	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Balance, beginning of year	424,597	2,333,577	516,227	282,545	897,410	40,326	4,494,682
Additions	-	7,350	63,000	31,812	4,958	3,700	110,820
Reclassifications	-	-	-	6,438	12,566	(19,004)	-
Disposals	-	-	(128,460)	-	-	(20,377)	(148,837)
<b>Balance, end of year</b>	<b>424,597</b>	<b>2,340,927</b>	<b>450,767</b>	<b>320,795</b>	<b>914,934</b>	<b>4,645</b>	<b>4,456,665</b>
<b>Accumulated depreciation</b>							
Balance, beginning of year	20,274	71,898	449,198	171,704	260,101	-	973,175
Charge for the year	7,276	47,315	52,518	71,132	176,818	-	355,059
Disposals	-	-	(128,460)	-	-	-	(128,460)
<b>Balance, end of year</b>	<b>27,550</b>	<b>119,213</b>	<b>373,256</b>	<b>242,836</b>	<b>436,919</b>	<b>-</b>	<b>1,199,774</b>
<b>Net book value</b>							
<b>Balance at 31 December 2018</b>	<b>397,047</b>	<b>2,221,714</b>	<b>77,511</b>	<b>77,959</b>	<b>478,015</b>	<b>4,645</b>	<b>3,256,891</b>
<b>Balance at 31 December 2017</b>	<b>404,323</b>	<b>2,261,679</b>	<b>67,029</b>	<b>110,841</b>	<b>637,309</b>	<b>40,326</b>	<b>3,521,507</b>

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2016. No valuation was carried out in the current financial year; it is the Group's policy to carry-out valuations of its leasehold land and building at least once within three financial year. The Group's assessment is that there has not been significant risk of impairment in the open market value of the land and building, and they are currently carried at the revalued amount plus the additions less amortisation of the lease charge/depreciation during the period for leasehold land: N397 Million (31 December 2017: N404 Million) and building: N2.2 Billion (31 December 2017: N2.3 Billion).

ii. The carrying amount of the Company's leasehold land would have been N16.53 million (31 December 2017: N16.86 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Company's property and equipment apart from leasehold land (31 December 2017: Nil)

iv. The Company had no capital commitments as at the Statement of Financial Position date (31 December 2017: Nil)

v. The Company has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2017: Nil)

## 19 Right of use-asset

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
<b>Cost:</b>				
Balance, beginning of year	-	-	-	-
Additions	251,262	-	-	-
<b>Balance, end of year</b>	<b>251,262</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated amortization:</b>				
Balance, beginning of year	-	-	-	-
Amortisation charge	63,989	-	-	-
<b>Balance, end of year</b>	<b>63,989</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value:</b>				
<b>At end of year</b>	<b>187,273</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Right of use asset relates to lease payments made for the lease of office space (Wapic Insurance Ltd, Ghana) recognised in the books in line with IFRS 16 which became effective for reporting period beginning on or after 1 January 2019.

## 20 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) and Bank of Ghana (BOG), respectively. The deposits are not available for use by the Group for day to day business.

	<b>Group 2019 31-Dec N'000</b>	<b>Group 2018 31-Dec N'000</b>	<b>Company 2019 31-Dec N'000</b>	<b>Company 2018 31-Dec N'000</b>
Balance, beginning of year	638,044	622,110	300,000	300,000
Exchange difference	(18,070)	-	-	-
Additions	16,445	15,934	-	-
<b>Balance, end of year</b>	<b>636,420</b>	<b>638,044</b>	<b>300,000</b>	<b>300,000</b>

## 21 Insurance contract liabilities

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Outstanding claims (See note (a) below):				
– Claims reported and loss adjustment expenses	2,270,472	2,437,182	1,301,031	1,142,006
– Claims incurred but not reported	2,110,781	2,056,710	901,993	859,788
<b>Total outstanding claims</b>	<b>4,381,254</b>	<b>4,493,892</b>	<b>2,203,024</b>	<b>2,001,794</b>
– Claims payable	-	137,011	-	45,717
Unearned premiums (See note (b) below);	4,039,594	4,788,068	2,441,243	3,581,766
Additional Unexpired Risk Reserve (See note (d) below)	60,919	57,517	30,738	-
Life insurance contract liabilities (See note (e) below)	217,102	144,985	-	-
<b>Total insurance contract liabilities</b>	<b>8,698,870</b>	<b>9,621,473</b>	<b>4,675,005</b>	<b>5,629,277</b>

### Age Analysis of Outstanding Claims (claims reported and loss adjustment expense)

0-90 days	209,313	202,890
91-180 days	195,514	126,059
181-270 days	80,473	180,809
271-365 days	97,434	118,714
Above 365 days	718,297	513,534
	<b>1,301,031</b>	<b>1,142,006</b>

### (a) Outstanding claims

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Group life	1,717,074	1,483,273	-	-
Fire	707,075	975,544	707,075	505,845
General accident	405,811	419,658	369,828	369,828
Motor	549,290	624,995	154,963	154,963
Marine	56,477	45,985	43,466	43,466
Oil and Energy	723,902	723,902	723,902	723,902
Engineering	162,641	161,551	144,806	144,806
Aviation	57,784	57,784	57,784	57,784
Bond	1,200	1,200	1,200	1,200
<b>Total outstanding claims</b>	<b>4,381,254</b>	<b>4,493,892</b>	<b>2,203,024</b>	<b>2,001,794</b>

Outstanding Claims relates to reserves held against claims reported to have occurred but necessary support documentation are yet to be provided. Also included in Outstanding Claim is Incurred but not reported (IBNR) reserve which is actuarilly determined.

The movement in outstanding claims reserve during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	4,493,892	3,826,422	2,001,794	1,702,097
Exchange difference	(145,971)	321,452	-	-
Increase in outstanding claims reserve (see note 34)	33,333	346,018	201,230	299,697
<b>Balance, end of year</b>	<b>4,381,254</b>	<b>4,493,892</b>	<b>2,203,024</b>	<b>2,001,794</b>

(b) Unearned premiums

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Group life	1,017,212	691,199	-	-
Fire	191,975	171,021	136,321	115,367
General accident	477,825	474,679	450,209	447,063
Motor	751,255	711,123	329,031	288,899
Marine	163,404	132,874	155,759	125,228
Engineering	659,113	1,955,037	659,113	1,955,037
Oil and Energy	125,302	615,073	123,339	613,110
Aviation	653,507	37,062	587,471	37,062
Bond	-	-	-	-
<b>Total unearned premium</b>	<b>4,039,594</b>	<b>4,788,067</b>	<b>2,441,243</b>	<b>3,581,766</b>

(c) The movement in unearned premium account during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	4,788,068	2,954,613	3,581,766	1,890,526
Exchange difference	(49,898)	158,573	-	-
(Decrease)/ increase in unearned premium (see note 32)	(698,576)	1,674,882	(1,140,523)	1,691,240
<b>Balance, end of year</b>	<b>4,039,594</b>	<b>4,788,068</b>	<b>2,441,243</b>	<b>3,581,766</b>

(d) The movement in additional unexpired risk reserve during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	57,517	-	-	-
Increase/(decrease) in additional unexpired risk reserve (see note 32)	3,402	57,517	30,738	-
<b>Balance, end of year</b>	<b>60,919</b>	<b>57,517</b>	<b>30,738</b>	<b>-</b>

(e) Life insurance contract liabilities

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	144,985	135,721	-	-
Addition during the year	72,117	9,264	-	-
<b>Balance, end of year</b>	<b>217,102</b>	<b>144,985</b>	<b>-</b>	<b>-</b>

## 22 Investment contract liabilities:

(a) At amortised cost

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Group deposit administration -Interest linked	1,201,235	1,116,313	-	-
Individual deposit administration -Interest linked	54,472	54,472	-	-
	<b>1,255,707</b>	<b>1,170,785</b>	<b>-</b>	<b>-</b>

(b) The movement in deposit administration funds during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	1,170,785	1,063,860	-	-
Additions	(836,489)	698,558	-	-
Withdrawals	56,139	(530,066)	-	-
Guaranteed interest on deposit administration	1,027,441	60,511	-	-
Reversal of surplus reserves	(162,168)	(122,079)	-	-
<b>Balance, end of year</b>	<b>1,255,707</b>	<b>1,170,785</b>	<b>-</b>	<b>-</b>

## 23 Trade payables

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Due to reinsurance	46,356	119,811	34,759	27,516
Commissions payable	251,390	135,573	3,162	135,454
<b>Balance, end of year</b>	<b>297,746</b>	<b>255,383</b>	<b>37,921</b>	<b>162,970</b>

## 24 (a) Other payables

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Accrued expenses (see (a) below)	234,040	241,155	135,832	151,132
Accounts payable (see (b) below)	891,769	837,585	1,581,256	433,641
Due to related parties (see note (c) below)	-	84	-	1,280,863
Other taxes (i)	187,985	143,532	168,799	123,665
Deferred commission income	279,454	188,734	229,866	172,143
Premium deposits	85,302	535,651	17,227	535,651
<b>Balance, end of year</b>	<b>1,678,550</b>	<b>1,946,741</b>	<b>2,132,980</b>	<b>2,697,095</b>

(i) This relates to WHT and VAT payable to the respective tax authorities as at 31 December 2019

(a) Breakdown of accrued expenses is analysed below:

NAICOM annual levy	91,552	76,220	56,250	51,220
Audit fee and related expenses	21,516	27,191	14,700	18,799
Staff expense payable	49,074	29,931	16,588	7,791
Directors' and board expenses	8,931	18,385	794	1,095
Accrued training cost	-	8,127	-	-
Accrued advert and publicity expense	300	14,702	150	14,702
Consultancy and professional fees	51,613	55,543	36,296	46,471
Investment property	11,054	11,056	11,054	11,054
<b>Balance, end of year</b>	<b>234,040</b>	<b>241,155</b>	<b>135,832</b>	<b>151,132</b>

(b) Breakdown of accounts payable is analysed below:

Expense payable	257,236	119,755	164,622	119,755
Fixed asset payable	137,960	117,239	137,960	117,239
Unallocated premium and refund (i)	68,075	90,709	-	45,222
Unclaimed dividend	173,923	107,730	108,915	107,730
Uncleared bank items (ii)	24,080	24,080	24,080	24,080
Unearned rental income (iii)	-	-	968,228	-
Others	230,495	378,072	177,451	19,615
<b>Balance, end of year</b>	<b>891,769</b>	<b>837,585</b>	<b>1,581,256</b>	<b>433,641</b>

(i) This relates to payments yet to be matched on policies and other credit balances such as unpaid refunds due to various policy holders

(ii) This relates to payments made using cheques that have not yet been presented to the bank by the customer/vendor.

(iii) This relates to lease payments received for the lease of office space from Wapic Life which has been eliminated at the group level.

- (c) This relates to recoverable from the Company by related entities - for premium on Life businesses received on-behalf of Wapic Life Assurance Limited by the Company and reimbursement of cost incurred on-behalf of the Company. Breakdown of due to related parties is analysed below:

	<b>Company</b>	<b>Company</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Due to Wapic Life - Net shared premium receipts for Life business	-	84	-	1,280,863
	-	84	-	1,280,863

## 24 (b) Lease liability

	<b>Group</b>
	<b>2019</b>
	<b>31-Dec</b>
	<b>N'000</b>
Present value at 1 Jan 2019	189,853
Finance cost	6,833
Payments during the period	(93,721)
<b>Balance, end of year</b>	<b>102,965</b>

## 25 Deferred taxation

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Deferred tax assets	305,986	68,260	305,986	68,260
Deferred tax liabilities	-	-	-	-
<b>Net deferred tax</b>	<b>305,986</b>	<b>68,260</b>	<b>305,986</b>	<b>68,260</b>

- (a) Net deferred tax is attributable to the following:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property and equipment	93,435	61,494	93,435	61,494

Trade receivable	54,611	-	54,611	-
Tax losses	212,059	6,766	212,059	6,766
Fair value gains on revaluation of property and equipment	(54,119)	-	(54,119)	-

<b>Total</b>	<b>305,986</b>	<b>68,260</b>	<b>305,986</b>	<b>68,260</b>
--------------	----------------	---------------	----------------	---------------

(b) The movement in deferred tax account during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	68,260	(202,547)	68,260	(202,547)
Movement during the year	237,726	270,807	237,726	270,807
<b>Balance, end of year</b>	<b>305,986</b>	<b>68,260</b>	<b>305,986</b>	<b>68,260</b>

## 26 Current income tax liabilities

### Current tax expense

Minimum tax	89,583	106,505	67,778	85,804
Corporate income tax	11,560	4,558	-	-
Education tax	-	94	-	94
Prior year's under provision	-	249	-	-
	101,143	111,406	67,778	85,898
Deferred tax (credit)/charge - OCI	(54,119)	-	(54,119)	-
Deferred tax (credit)/charge - PL	(237,726)	(270,807)	(237,726)	(270,807)
<b>Total income tax expense</b>	<b>(190,702)</b>	<b>(159,401)</b>	<b>(224,067)</b>	<b>(184,909)</b>

The new Finance Act 2019 was introduced to amend some of the existing tax laws in Nigeria and to further reduce ambiguity that might or might not have existed. An assessment was carried out on Wapic Insurance Plc for the year ended December 31, 2019 to identify areas of uncertainty in tax treatment in accordance with IFRIC 23. There has been some changes to the Company Income tax brought about by the New Finance Act. This addresses the areas of losses of a capital nature, expenses incurred for the purpose of deriving tax-exempt income, taxes or penalties borne on behalf of another person and other changes as can be seen from the standard.

The computation of the Company's income tax expense and deferred tax was carried out in accordance with the new 2019 Finance Act, CITA and other relevant tax laws. The changes made by the new act were incorporated in the Company's tax computation and it is believed by the management of the Company that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

(a) The movement in this account during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	258,900	263,793	139,103	115,315
Charge for the year (see note (b) below):	89,583	106,848	67,778	85,898
Payments during the year	(156,427)	(111,740)	(126,722)	(62,110)
<b>Balance, end of year</b>	<b>192,056</b>	<b>258,901</b>	<b>80,158</b>	<b>139,103</b>

#### Current income tax asset

The movement in this account during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	34,192	27,228	-	-
Exchange difference	(133)	392	-	-
Charge for the year (see note (b) below):	(11,560)	(4,558)	-	-
Payments during the year	4,342	11,130	-	-
<b>Balance, end of year</b>	<b>22,499</b>	<b>34,192</b>	<b>-</b>	<b>-</b>

(b)

Balance, end of year

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Corporate income tax charge/Minimum tax	106,848	106,505	67,778	85,804
Education levy	-	94	-	94
Prior year under provision	(5,704)	249	-	-
	101,144	106,848	67,777	85,898
Deferred tax (credit)/charge - OCI	(54,119)	-	(54,119)	-
Deferred tax (credit)/charge - PL	(237,726)	(270,807)	(237,726)	(270,807)
<b>Total tax (credit)/charge for the year</b>	<b>(190,701)</b>	<b>(163,959)</b>	<b>(224,068)</b>	<b>(184,909)</b>

## 27 Share capital

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Authorized:</b>				
17,000,000,000 units ordinary shares of 50k each	8,500,000	8,500,000	8,500,000	8,500,000
<b>Issued and fully paid:</b>				
13,382,738,248 units of ordinary shares of 50k each (2018: 13,382,738,248 ordinary shares of 50k each)	6,691,369	6,691,369	6,691,369	6,691,369

## 28 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not available for distribution.

## 29 Contingency reserves

(a) In accordance with Section 21 (1) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until the reserve reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) The movement in this account during the year is as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	2,436,203	2,061,153	2,053,249	1,742,067
Transfer from profit and loss	395,994	375,050	321,283	311,182
Balance, end of year	2,832,197	2,436,203	2,374,532	2,053,249

## 30 Other reserves

### (a) Revaluation reserve

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	970,741	970,741	970,741	970,741
Revaluation surplus on property, plant and equipment	194,977	-	194,977	-
Transfer to retained earnings (See note 29 (i))	-	-	-	-
Deferred tax on revaluation	(54,119)	-	(54,119)	-
<b>Balance, end of year</b>	<b>1,111,600</b>	<b>970,741</b>	<b>1,111,600</b>	<b>970,741</b>

### (b) Foreign currency translation reserve

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance, beginning of year	41,365	87,855	-	-
Changes during the year	(148,122)	(46,490)	-	-
<b>Balance, end of year</b>	<b>(106,757)</b>	<b>41,365</b>	<b>-</b>	<b>-</b>

### (c) Fair value reserve

Balance, beginning of year	(1,181,727)	(352,890)	(945,724)	(280,347)
Changes during the year	839,661	(851,429)	542,850	(666,603)
Impact of ECL allowance on opening reserves	-	20,223	-	11,399
IFRS 9 Impairment	11,511	2,361	-	(10,173)
<b>Balance, end of year</b>	<b>(330,555)</b>	<b>(1,181,727)</b>	<b>(402,874)</b>	<b>(945,724)</b>

### (d) Merger reserves

Balance, beginning of year	(19,367)	(19,367)	(19,367)	(19,367)
Changes during the year	-	-	-	-
<b>Balance, end of year</b>	<b>(19,367)</b>	<b>(19,367)</b>	<b>(19,367)</b>	<b>(19,367)</b>

(e) Share of other comprehensive income of associates				
Balance, beginning of year	(2,977)	255,365	-	-
Changes during the year	351,082	(258,342)	-	-
Balance, end of year	348,105	(2,977)	-	-
<b>Total</b>	<b>1,003,025</b>	<b>(191,965)</b>	<b>689,359</b>	<b>5,650</b>

## 31 Retained earnings

The movement in this account during the year was as follows;

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance at 1 January 2018	1,979,717	2,068,616	(689,633)	61,095
IFRS 9 Opening Adjustment	-	(65,042)	-	(22,273)
Transfer from profit or loss	214,327	351,193	(308,981)	(417,273)
Transfer to contingency reserve (see note 29(b) above)	(395,994)	(375,050)	(321,283)	(311,182)
<b>Balance, end of the year</b>	<b>1,798,050</b>	<b>1,979,717</b>	<b>(1,319,897)</b>	<b>(689,633)</b>

## 32 Net premium income

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Short-term insurance contracts:				
– Gross premium	14,990,967	13,730,988	10,709,420	10,372,723
– Movement in unearned premium	698,576	(1,617,365)	1,140,523	(1,691,240)
– Movement in additional unexpired risk reserve	(3,402)	(57,517)	(30,738)	-
Long-term insurance contracts:				
– Gross premium	210,395	161,496	-	-

Premium revenue arising from insurance contracts issued	15,896,536	12,217,602	11,819,205	8,681,482
Short-term reinsurance contract:				
– Reinsurance expense	(8,076,376)	(5,427,814)	(6,840,814)	(4,131,014)
Long-term reinsurance contract:				
– Reinsurance expense	(7,174)	(18,249)	-	-
<b>Reinsurance expenses</b>	<b>(8,083,550)</b>	<b>(5,446,063)</b>	<b>(6,840,814)</b>	<b>(4,131,014)</b>
<b>Net premium income</b>	<b>7,812,986</b>	<b>6,771,539</b>	<b>4,978,391</b>	<b>4,550,468</b>

### 33 Fee and commission income

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Policy administration				
– Insurance contracts	1,665,323	832,796	1,386,629	549,713
<b>Total</b>	<b>1,665,323</b>	<b>832,796</b>	<b>1,386,629</b>	<b>549,713</b>

### 34 Claims expenses

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Insurance claims and loss adjustment expenses				
– Claims paid	4,043,239	4,612,047	2,026,140	2,423,774
– Changes in outstanding claims (note 20a)	33,333	346,018	201,230	299,697
<b>Total claims and loss adjustment expense</b>	<b>4,076,572</b>	<b>4,958,065</b>	<b>2,227,370</b>	<b>2,723,471</b>
Recoverable from reinsurance (note 11c)	(1,023,498)	(1,877,556)	(518,080)	(850,268)
<b>Net insurance benefits and claims</b>	<b>3,053,074</b>	<b>3,080,509</b>	<b>1,709,291</b>	<b>1,873,203</b>

## 35 Underwriting expenses

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Commission paid	2,168,555	2,176,104	1,735,176	1,765,376
Other acquisition cost	1,173,907	389,920	912,491	300,305
Changes in deferred acquisition cost	85,149	(201,912)	225,876	(280,995)
<b>Total</b>	<b>3,427,611</b>	<b>2,364,112</b>	<b>2,873,543</b>	<b>1,784,686</b>

## 36 Net investment income

(a) Investment income

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Dividend income (i)	124,206	62,843	912,342	449,210
Interest income on fixed income securities	635,341	973,289	137,606	405,454
Interest income on cash and cash equivalents	85,919	44,984	26,999	21,150
Interest income on statutory deposits	64,431	63,297	34,657	37,981
Loss from sale of investment property	-	(9,620)	-	(9,620)
Rental income	2,400	2,133	2,400	2,133
Interest income on deposit for shares	-	25,323	-	12,903
<b>Total</b>	<b>912,297</b>	<b>1,162,250</b>	<b>1,114,003</b>	<b>919,211</b>

(i) Included in Dividend income is a non-cash dividend (Dividend-in-specie) of N363.6m. During the year, the company received dividend in specie from its associate company (Coronation Merchant Bank) in the form of shares of Coronation Securities Limited. This distribution was made to all existing shareholders pro-rata to their shareholding.

## (b) Profit on investment contracts

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest income	89,258	91,131	-	-
Other Income (Reversal of surplus reserves (see note 21(b)))	162,171	122,078	-	-
Guaranteed interest	(56,139)	(60,511)	-	-
Other expenses	-	(3,316)	-	-
	<b>195,290</b>	<b>149,382</b>	<b>-</b>	<b>-</b>

## 37 Net realised gains on financial assets

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Sale of FVOCI/available for sale financial assets:				
– Securities	-	5,161	-	5,161
<b>Total</b>	<b>-</b>	<b>5,161</b>	<b>-</b>	<b>5,161</b>

(a) This represent the gains arising upon reclassification of the realised gains from the disposal of the Available for sale investment in Access Bank Plc securities (Note 15(c)).

## 38 Net fair value gain/(loss) on assets

(a) Fair value gain/(loss) through profit or loss

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Fair value gain on investment property (see note 14(e))	1,300	17,000	1,300	17,000
<b>Total</b>	<b>1,300</b>	<b>17,000</b>	<b>1,300</b>	<b>17,000</b>

Net fair value gains on assets relate to financial assets categorised upon initial recognition at fair value through profit or loss and other assets recognised at fair value through profit or loss such as held for trading financial assets, financial assets through profit or loss and investment properties.

(b) Fair value gain/(loss) through other comprehensive income	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Fair value gain/(loss) on equity securities	546,592	(577,132)	523,812	(498,302)
Net fair value gain/(loss) on fixed income securities	304,581	(271,928)	19,039	(178,474)
Fair value gain on revaluation of property and equipment	194,977	-	194,977	-
<b>Total</b>	<b>1,046,150</b>	<b>(849,060)</b>	<b>737,828</b>	<b>(676,776)</b>

## 39 Other operating income

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Profit from sale of property and equipment	-	1,696	-	-
Interest income on staff loans	-	18,136	-	18,136
Other income received (a)	255,251	552,922	106,686	453,868
Net foreign exchange gain / (loss) (b)	27,501	(74,640)	34,204	(74,998)
<b>Total</b>	<b>282,751</b>	<b>498,115</b>	<b>140,889</b>	<b>397,006</b>

(a) Other income received included income Value Added Tax (VAT) recoverable of N16 million and sundry income of N94 million for the Group.

(b) Included in net foreign exchange gain/(loss) is realized gain/(loss) on the translation of domiciliary bank account balances as at year end.

## 40 Employee benefit expense

- Expense by nature

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Staff cost	1,052,776	1,208,637	697,455	732,427
Pension cost	48,513	52,506	31,429	31,620
Staff training	60,048	77,307	29,920	54,519
Other staff cost	194,523	185,345	157,667	160,740
<b>Total</b>	<b>1,355,860</b>	<b>1,523,795</b>	<b>916,472</b>	<b>979,306</b>

## 41a Other operating expenses

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Depreciation (see note 18 & 19)	497,293	435,589	323,869	355,059
Amortization of intangible assets (see note 17)	134,879	114,168	133,261	112,766
Directors emoluments	111,224	82,092	45,600	45,850
Auditors remuneration	80,364	76,473	41,115	41,115
Professional fees:				
- Legal services fees	9,761	24,328	9,761	18,499
- Professional fee on actuarial services and tax advisory services	25,042	62,935	17,277	17,250
- Professional fees on advisory services	282,249	231,432	164,520	231,432
- Professional fees on corporate strategy development	57,563	214,588	33,275	152,937
Corporate branding and advert	13,977	192,896	12,693	130,884
Board expenses	72,451	45,646	72,451	45,646
Rent and rate	410,896	353,046	29,288	25,459
Insurance cost	18,320	23,603	12,889	18,149

Printing and stationaries	33,488	44,260	27,828	34,753
Newspapers and periodicals	1,088	608	922	453
Transport and tour	188,300	170,546	180,281	160,750
Support staff cost	452,579	427,444	211,912	179,442
Business marketing expenses	318,354	216,609	148,800	170,925
Subscription	18,890	15,631	14,748	11,524
Recruitment expense	8,770	4,171	7,797	2,742
Write off of assets (see (i) below)	283,982	30,000	283,982	30,000
Repairs and maintenance	396,552	375,016	304,344	354,798
Others	82,276	-	82,276	-
Fines and penalty	-	200	-	200
Annual general meeting expense	129,205	46,446	90,830	46,446
Registrar maintenance expense	78,418	25,001	78,418	25,001
Statutory dues and levies	190,539	115,490	151,843	94,176
Audit and performance review expense	8,148	7,734	7,743	7,409
Bank charges	81,564	33,820	54,581	32,644
Custodian fees	1,909	5,275	1,909	2,836
Donations	5,768	14,300	4,638	14,300
Corporate philanthropy	14,402	47,428	13,637	39,059

<b>Total</b>	<b>4,008,252</b>	<b>3,436,776</b>	<b>2,562,490</b>	<b>2,402,505</b>
--------------	------------------	------------------	------------------	------------------

(i) This relates to full provision of unsubstantiated assets duly approved by the Board

## 41b Intercompany borrowing costs (i)

<b>Total</b>	<b>-</b>	<b>-</b>	<b>96,861</b>	<b>-</b>
--------------	----------	----------	---------------	----------

(i) This relates to finance cost incurred on intercompany borrowings.

## 42 Net impairment losses

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
(a) Net impairment losses on financial asset at amortised cost				
- Cash and cash equivalent (see note 8)	2,627	(3,640)	2,339	(2,297)
- Financial asset at amortised cost (see note 9c)	195	12,232	5,228	2,870
- Reinsurance asset (see note 11)	(1,201)	-	(706)	-
- Other receivables & prepayment (see note 12)	16,115	15,679	5,743	(11,812)
<b>Total</b>	<b>17,737</b>	<b>24,270</b>	<b>12,604</b>	<b>(11,239)</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
(b) Net impairment losses on financial asset at FVOCI	11,511	2,361	8,209	10,173
<b>Total</b>	<b>11,511</b>	<b>2,361</b>	<b>8,209</b>	<b>10,173</b>

## 43 Earning per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year, excluding own ordinary shares purchased by the Company. Diluted earnings per share is computed by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive ordinary shares.

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit/(loss) attributable to the Company's equity holders	214,327	351,193	(308,981)	(417,273)
Weighted average number of ordinary shares in issue (thousands)				
Issued ordinary shares at 1 January/31 December	13,382,738	13,382,738	13,382,738	13,382,738
Basic earnings/(loss) per share (Kobo per share)	2	3	(2)	(3)

## 44 Staff information:

(a) Staff analysis:

i. Employees earning more than 1,000,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	Number	Number	Number	Number
N1,000,001 – N2,000,000	-	-	-	-
N2,000,001 – N3,000,000	39	37	14	22
N3,000,000 – N4,000,000	17	18	12	11
N4,000,001 – N5,000,000	36	38	22	25
N5,000,001 – N10,000,000	30	27	21	21
Above N10,000,000	13	13	15	10
<b>Total</b>	<b>135</b>	<b>133</b>	<b>84</b>	<b>89</b>

ii. The average number of full time persons employed by the Company during the year was as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	Number	Number	Number	Number
Management staff	15	9	10	6
Non management staff	119	124	74	83
<b>Total</b>	<b>134</b>	<b>133</b>	<b>84</b>	<b>89</b>

(b) Directors' remuneration:

i. Remuneration paid to the directors of the Company was as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Directors' fees and sitting allowances	111,224	82,092	45,600	45,850
Other directors' expenses	166,582	141,192	153,330	141,192
<b>Total</b>	<b>277,806</b>	<b>223,284</b>	<b>198,930</b>	<b>187,042</b>

ii. The directors' remuneration shown above includes:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Chairman	3,600	3,600	2,100	3,600
Highest paid director	36,043	36,043	36,043	36,043

iii. The emoluments of all other directors fell within the following range:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>	<b>31-Dec</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
N200,001 - N500,000	-	-	-	-
N500,001 - N5,000,000	-	-	-	-
N5,000,001 - N10,000,000	-	-	-	-
N10,000,001 - N20,000,000	11	11	11	11
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

## 45 Contravention of laws and regulations

The Group paid no fine this year (31 December 2018: N200,000).

## 46 Litigations and claims

The Group in the ordinary course of business is presently involved in 12 (2018: 16) litigation cases while the Company is involved in 11 (2018: 15) litigation cases. There was no other contingent liabilities against the Group and Company at the reporting date. (2018: Nil).

Based on the advice of the solicitors, the Directors of the Company are of the opinion that none of the cases is likely to have material adverse effect on the Company and they are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

## 47 Events after the end of the reporting period

The Wapic Insurance Plc Rights Issue of 15,613,194,623 Ordinary Shares of No.50 at No.38 per share on the Basis of Seven (7) new Ordinary shares for every Six (6) Ordinary Shares was undertaken by the Company between November 20, 2019 and concluded on January 10, 2020 with a 67.95% subscription level.

Subsequently, a resolution was passed on March 4th, 2020 by the Board of Directors for the approval of the purpose and use of the net proceeds of the Rights Offer as stated on pages 9 and 43 of the Rights Circular dated November 7, 2019, to be varied and used solely instead for the purpose of the recapitalization of Wapic Life Assurance Limited in order to meet the minimum capital requirement for a life underwriter as stipulated by the National Insurance Commission (NAICOM).

The Joint Issuing Houses have been authorized thereof by the Board resolution to seek the requisite regulatory approvals particularly from the Securities and Exchange Commission (SEC) for the variation in the purpose initially stated in the Rights circular.

## 48 Dividend

There was no proposal for dividend in respect of the year ended 31 December 2019 (31 December 2018: Nil)

## 49 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

## 50 Related parties

### a) Parent

Wapic Insurance Plc is the parent Company of the Wapic Group.

### b) Subsidiaries

The Company has two wholly owned subsidiaries as at 31 December 2019. These are Wapic Life Assurance Limited, domiciled in Nigeria and Wapic Insurance (Ghana) Limited incorporated in Ghana. Transactions between Wapic Insurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

### c) Associate

The Company has two associate company as at 31 December 2019, Coronation Merchant Bank Limited where it has 25.5% (2018: 25.5%) holding and Coronation Securities Limited where it has 25.5% holding (2018: 0%). Transactions between Wapic Insurance Plc and the associate also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

### d) Transactions with key management personnel

The Group's key management personnel and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel is defined as members of the board of directors of the Company, including their close members of family and any entity over which they exercise control. Close members of family are those who may be expected to influence, or be influenced by that individual in dealings with Wapic Plc. and its subsidiaries.

### e) Key management personnel compensation

The compensation of key management personnel comprised the following:

	Group 2019 31-Dec N'000	Group 2018 31-Dec N'000	Company 2019 31-Dec N'000	Company 2018 31-Dec N'000
Short term employees benefits	250,535	313,487	237,283	301,996
<b>Total</b>	<b>250,535</b>	<b>313,487</b>	<b>237,283</b>	<b>301,996</b>

#### f) Key management personnel and director transactions

Key management personnel engaged in the following transactions with the Company during the year:

	Transac- tion values for the year ended	Transaction values for the year ended	Balance outstanding as at	Balance outstanding as at
	31-Dec 2019 N'000	31-Dec 2018 N'000	31-Dec 2019 N'000	31-Dec 2018 N'000
<b>Directors</b>				
<b>Income received/receivable from key management personnel:</b>				
Mr. Aigboje Aig-Imoutkhuede	815	957	-	-
Mr. Bababode Osunkoya	475	499	-	-
Mr. Adamu Mahmoud Atta	117	-	-	-
Mr. Barnabas Olise	10	5	-	-
Mrs. Ifeyinwa Osime	-	54	-	-
Ms. Chizoba Ufoeze	-	46	-	-
Mr. Olusegun Ogbonnewo	-	10	-	-
Mrs. Adeyinka Adekoya	145	170	-	-

#### (i)

Mr. Bode Ojeniyi	Insurance premium	-	-	-
Mr. Femi Obaleke	Insurance premium	15	-	-
Mr Peter Ehimhen	Insurance premium	-	-	-
<b>Total</b>		<b>1,577</b>	<b>1,741</b>	<b>-</b>

**(ii) Loans and advances to key management personnel:**

Mr. Bode Ojeniyi	Loans and advances	-	-	58,798	66,661
<b>Total</b>		<b>-</b>	<b>-</b>	<b>58,798</b>	<b>66,661</b>

**g) Other related party transactions**

Transactions with key management personnel's related persons and entities as at end of year:

Entities	Relationship	Transactions	Transaction values for the year ended		Transaction values for the year ended		Balance outstanding as at	
			31-Dec 2019	31-Dec 2018	31-Dec 2019	31-Dec 2018	31-Dec 2019	31-Dec 2018
			N'000	N'000	N'000	N'000	N'000	N'000
<b>(i) Income received/receivable related entities:</b>								
Coronation Merchant Bank Limited	Associate company	Insurance premium	23,549	21,983	-	-	-	-
Coronation Securities Limited	Associate company	Insurance premium	30	166	-	-	-	-
Petralon Energy	Common director	Insurance premium	-	-	-	-	-	-
Coronation Capital Limited	Common director	Insurance premium	18,845	16,481	-	-	-	-
Coronation Merchant Bank Limited	Associate company	Interest income	14,736	2,545	-	-	-	-
Coronation Asset Management	Common director	Insurance premium	3,226	-	-	-	-	-
Coronation Nomiees and Trustee Limited	Common director	Insurance premium	-	1,469	-	-	-	-
Trium Networks Limited	Common director	Insurance premium	290	-	-	-	-	-

Tengen Holdings	Common director	Insurance premium	1,323	946	-
Wapic Insurance (Ghana) Limited	Subsidiary	Expense recoverable	-	-	-
Wapic Life Assurance Limited	Subsidiary	Rental income	996,705	-	-
<b>Total</b>			<b>1,058,704</b>	<b>43,590</b>	<b>-</b>
<b>(ii) Expense paid/payable to related entities:</b>					
Coronation Merchant Bank Limited	Common director	Claims expense	2,680	1,042	-
Coronation Securities Limited	Common director	Brokerage service and professional fee	138	-	-
Coronation Capital Limited	Common director	Consultancy Fee	105,000	105,000	-
Coronation Capital Limited	Common director	Claims expense	70	90	-
Coronation Merchant Bank Limited	Common director	Consultancy Fee	-	-	-
Coronation Nomiees and Trustee Limited	Common director	Claims expense	102	35	-
Coronation Global Products & Service Limited (GPS)	Common director	Management Consulting fee	-	-	-
Trium Networks Limited	Common director	Management Consulting fee	30,155	-	-
Wapic Life Assurance Limited	Subsidiary	Claims expense	1,575	-	1,280,863
Wapic Life Assurance Limited	Subsidiary	Interest expense	96,861	-	-
Mr. Aigboje Aig-Imoukhuede	Common director	Claims expense	-	90,424	-
Mr Adamu Mahmoud Atta	Common director	Claims expense	-	242	-
<b>Total</b>			<b>236,581</b>	<b>196,833</b>	<b>1,280,863</b>
<b>(iii) Cash and cash equivalents</b>					
Coronation Merchant Bank Limited	Common director	Money market placement	-	-	71,795
<b>Total</b>			<b>-</b>	<b>-</b>	<b>71,795</b>

# Hypothecation

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Group's assets and liabilities are allocated as follows:

## Group- 31 December 2019

	Insurance contract		Investment contract		Shareholders funds		Total
	Non life	Life	Non life	Life	Non life	Life	
<i>In thousands of Naira</i>							
<b>ASSETS</b>							
Cash and cash equivalents	474,199	479,439	-	87,050	56,141	55,669	1,152,498
Financial assets	2,232,493	1,958,565	-	1,172,879	1,401,481	2,303,858	9,069,276
Trade receivables	-	-	-	-	24,950	35,266	60,216
Reinsurance assets	2,467,912	713,055	-	-	-	-	3,180,967
Deferred acquisition cost	-	-	-	-	460,583	203,442	664,025
Other receivables and prepayments	-	-	-	-	1,118,433	396,396	1,514,829
Investment property	186,000	-	-	-	68,780	-	254,780
Investment in associates	-	-	-	-	9,753,691	-	9,753,691
Investment in subsidiaries	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	494,009	15,077	509,086
Property and equipment	858,493	-	-	-	2,366,203	209,276	3,433,972
Right of use of Asset	-	-	-	-	187,273	-	187,273
Deferred tax asset	-	-	-	-	305,986	-	305,986
Company Income tax assets	-	-	-	-	22,500	-	22,500
Statutory deposit	-	-	-	-	436,420	200,000	636,420
<b>TOTAL ASSETS</b>	<b>6,219,096</b>	<b>3,151,059</b>	<b>-</b>	<b>1,259,929</b>	<b>16,696,451</b>	<b>3,418,984</b>	<b>30,745,519</b>
<b>LIABILITIES</b>							
Insurance contract liabilities	5,954,994	2,743,876	-	-	-	-	8,698,870
Investment contract liabilities	-	-	-	1,255,707	-	-	1,255,707
Trade payables	-	-	-	-	40,224	257,522	297,746
Other payables	-	-	-	-	1,271,553	406,997	1,678,550
Current income tax	-	-	-	-	80,156	111,900	192,056
Lease Liability	-	-	-	-	102,965	-	102,965
Deferred tax liabilities	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>5,954,994</b>	<b>2,743,876</b>	<b>-</b>	<b>1,255,707</b>	<b>1,494,898</b>	<b>776,419</b>	<b>12,225,894</b>
<b>GAP</b>	<b>264,102</b>	<b>407,183</b>	<b>-</b>	<b>4,222</b>	<b>15,201,553</b>	<b>2,642,565</b>	<b>18,519,625</b>

# Hypothecation

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Group's assets and liabilities are allocated as follows:

## Group- 31 December 2018

	Insurance contract		Investment contract		Shareholders funds		Total
	Non life	Life	Non life	Life	Non life	Life	
In thousands of Naira							
<b>ASSETS</b>							
Cash and cash equivalents	2,210,746	535,236	-	-	-	142,253	2,888,235
Financial assets	3,078,105	1,784,419	-	1,171,552	645,891	1,164,229	7,844,196
Trade receivables	-	-	-	-	34,962	-	34,962
Reinsurance assets	3,299,119	393,023	-	-	-	-	3,692,142
Deferred acquisition cost	-	-	-	-	684,405	64,769	749,174
Other receivables and prepayments	-	-	-	-	1,018,002	417,322	1,435,324
Investment property	195,000	-	-	-	58,480	-	253,480
Investment in associates	-	-	-	-	8,763,246	-	8,763,246
Investment in subsidiaries	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	476,361	4,648	481,009
Property and equipment	860,323	-	-	-	2,463,856	157,149	3,481,328
Deferred tax asset	-	-	-	-	68,260	-	68,260
Current Income tax assets	-	-	-	-	34,192	-	34,192
Statutory deposit	-	-	-	-	438,044	200,000	638,044
<b>TOTAL ASSETS</b>	<b>9,643,293</b>	<b>2,712,678</b>	<b>-</b>	<b>1,171,552</b>	<b>14,685,699</b>	<b>2,150,370</b>	<b>30,363,592</b>
<b>LIABILITIES</b>							
Insurance contract liabilities	7,305,023	2,316,450	-	-	-	-	9,621,473
Investment contract liabilities	-	-	-	1,170,785	-	-	1,170,785
Trade payables	-	-	-	-	216,841	38,543	255,384
Provisions and other payables	-	-	-	-	1,773,424	173,317	1,946,741
Current income tax	-	-	-	-	139,103	119,797	258,900
Deferred tax liabilities	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>7,305,023</b>	<b>2,316,450</b>	<b>-</b>	<b>1,170,785</b>	<b>2,129,368</b>	<b>331,657</b>	<b>13,253,283</b>
<b>GAP</b>	<b>2,338,270</b>	<b>396,228</b>	<b>-</b>	<b>767</b>	<b>12,556,330</b>	<b>1,818,713</b>	<b>17,110,309</b>

# Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities are allocated as follows:

## Company - 31 December 2019

	Insurance contract	Shareholders funds	Total
In thousands of Naira			
<b>ASSETS</b>			
Cash and cash equivalents	474,199	31,866	506,065
Financial assets	2,232,492	109,331	2,341,824
Trade receivables	-	24,950	24,950
Reinsurance assets	1,802,452	-	1,802,452
Deferred acquisition cost	-	372,952	372,952
Other receivables and prepayments	-	1,187,839	1,187,839
Investment properties	193,000	61,780	254,780
Investment in associates	-	5,423,440	5,423,440
Investment in subsidiaries	-	5,360,915	5,360,915
Intangible assets	-	486,088	486,088
Property, plant and equipment	-	3,189,119	3,189,119
Deferred tax asset	-	305,986	305,986
Statutory deposit	-	300,000	300,000
<b>TOTAL ASSETS</b>	<b>4,702,143</b>	<b>16,854,266</b>	<b>21,556,410</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	4,675,005	-	4,675,005
Investment contract liabilities	-	-	-
Trade payables	-	37,921	37,921
Provisions and other payables	-	2,132,980	2,132,980
Current income tax liabilities	-	80,158	80,158
Deferred tax liabilities	-	-	-
<b>TOTAL LIABILITIES</b>	<b>4,675,005</b>	<b>2,251,059</b>	<b>6,926,064</b>
<b>GAP</b>	<b>27,138</b>	<b>14,603,207</b>	<b>14,630,346</b>

## Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities are allocated as follows:

### Company - 31 December 2018

	Insurance contract	Shareholders funds	Total
<b>In thousands of Naira</b>			
<b>ASSETS</b>			
Cash and cash equivalents	2,056,736	-	2,056,736
Financial assets	1,577,032	645,891	2,222,923
Trade receivables	-	34,962	34,962
Reinsurance assets	2,187,984	-	2,187,984
Deferred acquisition cost	-	598,828	598,828
Other receivables and prepayments	-	1,017,312	1,017,312
Investment properties	186,000	67,480	253,480
Investment in associates	-	5,059,810	5,059,810
Investment in subsidiaries	-	5,360,915	5,360,915
Intangible assets	-	465,961	465,961
Property, plant and equipment	860,323	2,396,569	3,256,892
Deferred tax asset	-	68,260	68,260
Statutory deposit	-	300,000	300,000
<b>TOTAL ASSETS</b>	<b>6,868,075</b>	<b>16,015,988</b>	<b>22,884,063</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	5,629,277	-	5,629,277
Trade payables	-	162,970	162,970
Provisions and other payables	-	2,697,095	2,697,095
Current income tax liabilities	-	139,103	139,103
Deferred tax liabilities	-	-	-
<b>TOTAL LIABILITIES</b>	<b>5,629,277</b>	<b>2,999,168</b>	<b>8,628,445</b>
<b>GAP</b>	<b>1,238,798</b>	<b>13,016,820</b>	<b>14,255,618</b>

## Other National Disclosures:

## Value Added Statement

For the year ended 31 December 2019

	Group 2019		Group 2018		Company 2019		Company 2018	
	31-Dec	%	31-Dec	%	31-Dec	%	31-Dec	%
	N'000		N'000		N'000		N'000	
Net premium income - Nigeria	7,003,719		5,967,535		4,978,392		4,550,469	
- Foreign	809,266		804,004		-		-	
Investment Income - Nigeria	988,278		1,193,376		1,115,304		941,371	
- Foreign	120,609		140,416		-		-	
Other income - Nigeria	88,179		411,371		140,889		397,006	
- Foreign	194,572		86,743		-		-	
Claims incurred, net commissions and operating expenses								
- Nigeria	(6,441,802)		(5,594,648)		(5,394,031)		(5,043,899)	
- Foreign	(751,163)		(748,010)		-		-	
<b>Value added</b>	<b>2,011,658</b>	<b>100</b>	<b>2,260,788</b>	<b>100</b>	<b>840,554</b>	<b>100</b>	<b>844,948</b>	<b>100</b>
<b>Applied to pay</b>								
Employee benefit expense	1,355,860	67	1,523,795	67	916,472	109	979,306	116
Government taxes	(190,702)	(9)	(163,959)	(7)	(224,067)	(27)	(184,910)	(22)
<b>Retained in the business:</b>								
Depreciation of property and equipment	497,293	25	435,589	19	323,869	39	355,059	42
Amortisation of intangible assets	134,879	7	114,168	5	133,261	16	112,766	14
To augment contingency reserve	395,994	20	63,868	3	321,283	38	311,182	37
(Depletion)/augmentation of reserves	(181,667)	(9)	287,325	13	(630,264)	(75)	(728,455)	(87)
<b>Value added</b>	<b>2,011,658</b>	<b>100</b>	<b>2,260,788</b>	<b>100</b>	<b>840,554</b>	<b>100</b>	<b>844,948</b>	<b>100</b>

# Financial summary

Statement of financial position

	Group		Group		Group		Group		Company		Company	
	2019 31-Dec N'000	2018 31-Dec N'000	2017 31-Dec N'000	2016 31-Dec N'000	2015 31-Dec N'000	2019 31-Dec N'000	2018 31-Dec N'000	2017 31-Dec N'000	2016 31-Dec N'000	2015 31-Dec N'000		
<b>Assets</b>												
Cash and cash equivalents	1,152,498	2,888,235	1,745,342	2,220,395	7,053,721	506,065	2,056,736	911,023	311,223	3,320,235		
Financial assets	9,069,275	7,844,195	9,495,935	7,401,489	4,312,821	2,341,825	2,222,923	4,356,929	3,429,338	2,330,981		
Trade receivables	60,216	34,962	707,489	553,575	552,079	24,950	34,962	486,997	553,574	534,723		
Reinsurance assets	3,180,967	3,692,142	1,586,301	1,572,830	922,583	1,802,452	2,187,984	838,139	1,094,415	724,547		
Deferred acquisition cost	664,025	749,174	530,793	447,934	414,545	372,952	598,828	317,832	281,344	339,529		
Other receivables and prepayments	1,514,829	1,435,324	1,061,531	1,145,019	1,225,121	1,187,839	1,017,312	871,238	1,137,047	1,284,950		
Investment in associates	9,753,691	8,763,246	8,264,440	7,173,843	5,244,301	5,423,440	5,059,810	5,059,810	5,059,810	4,364,339		
Investment in subsidiaries	-	-	-	-	-	5,360,915	5,360,915	3,876,571	3,876,571	3,876,571		
Investment property	254,780	253,480	312,750	539,930	674,950	254,780	253,480	312,750	539,930	639,950		
Deferred tax asset	305,986	68,260	-	-	363,353	305,986	68,260	-	-	131,679		
Property, plant and equipment	3,433,972	3,481,328	3,787,381	4,025,510	2,374,523	3,189,119	3,256,892	3,521,507	3,811,639	2,284,511		
Right of use asset	187,273	-	-	-	-	-	-	-	-	-		
Intangible assets	509,087	481,009	479,683	203,896	35,065	486,088	465,961	476,144	199,171	31,844		
Statutory deposit	636,420	638,044	632,964	617,632	521,547	300,000	300,000	300,000	300,000	300,000		
Current income tax asset	22,500	34,192	-	-	-	-	-	-	-	-		
<b>Total assets</b>	<b>30,745,519</b>	<b>30,363,591</b>	<b>28,604,609</b>	<b>25,902,053</b>	<b>23,694,609</b>	<b>21,556,410</b>	<b>22,884,063</b>	<b>21,328,940</b>	<b>20,594,062</b>	<b>20,163,859</b>		

**Equity and Liabilities:**

**Liabilities**

Insurance contract liabilities	8,698,870	9,621,473	7,141,465	6,373,682	4,676,611	4,675,005	5,629,277	3,817,332	3,763,964	3,200,391
Investment contract liabilities	1,255,707	1,170,785	1,063,860	920,154	1,196,180	-	-	-	-	-
Trade payables	297,746	255,384	516,371	235,800	210,576	37,921	162,970	415,414	157,870	104,066
Provisions and other payables	1,678,550	1,946,741	1,458,748	1,320,043	2,496,916	2,132,980	2,697,095	1,417,790	1,157,450	2,228,084
Lease liability	102,965	-	-	277,657	-	-	-	202,548	393,175	-
Deferred income tax liabilities	-	-	202,547	208,382	152,029	80,158	139,103	115,315	88,114	57,636
Current income tax liabilities	192,056	258,901	263,793	208,382	152,029	80,158	139,103	115,315	88,114	57,636

**Total liabilities** 12,225,894 13,253,284 10,646,784 9,335,718 8,732,312 6,926,064 8,628,445 5,968,399 5,560,573 5,590,177

**Equity attributable to parent company**

Share capital	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369	6,691,369
Share premium	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983	6,194,983
Contingency reserves	2,832,197	2,436,203	2,061,153	1,807,949	1,625,511	2,374,532	2,053,249	1,742,067	1,550,425	1,389,162
Other reserves	1,003,026	(191,965)	941,704	1,209,743	(209,751)	689,358	5,650	671,027	788,338	19,025
Retained earnings	1,798,050	1,979,717	2,068,616	662,291	660,185	(1,319,896)	(689,633)	61,095	(191,626)	279,143

**Total Equity** 18,519,625 17,110,307 17,957,825 16,566,335 14,962,297 14,630,346 14,255,618 15,360,541 15,033,489 14,573,682

**Total Liabilities and Equity** 30,745,519 30,363,591 28,604,609 25,902,053 23,694,609 21,556,410 22,884,063 21,328,940 20,594,062 20,163,859

# Statement of profit or loss and other comprehensive income

	Group 2019 31-Dec N'000	Group 2018 31-Dec N'000	Group 2017 31-Dec N'000	Group 2016 31-Dec N'000	Group 2015 31-Dec N'000	Company 2019 31-Dec N'000	Company 2018 31-Dec N'000	Company 2017 31-Dec N'000	Company 2016 31-Dec N'000	Company 2015 31-Dec N'000
Gross premium written	15,201,362	13,892,484	9,807,616	7,100,713	5,203,960	10,709,420	10,372,722	6,388,069	5,212,600	4,015,687
Net underwriting income	9,478,309	7,604,335	6,334,927	4,370,306	3,160,425	6,365,020	5,100,182	4,223,466	3,067,264	2,155,678
Total underwriting expenses	(6,552,803)	(5,453,885)	(4,798,790)	2,892,613	1,844,587	(4,582,833)	(3,657,889)	(3,025,059)	1,873,087	1,317,237
<b>Underwriting profit</b>	<b>2,925,506</b>	<b>2,150,450</b>	<b>1,536,137</b>	<b>1,477,693</b>	<b>1,315,838</b>	<b>1,782,187</b>	<b>1,442,293</b>	<b>1,198,407</b>	<b>1,194,177</b>	<b>838,441</b>
Total investment income	1,391,639	1,831,907	3,130,472	2,893,778	1,817,085	1,256,193	1,338,378	2,214,804	2,207,035	1,122,716
Net income	4,317,145	3,982,357	4,666,609	4,371,471	3,132,923	3,038,379	2,780,671	3,413,211	3,401,212	1,961,157
Expenses	(5,357,886)	(4,938,638)	(4,432,116)	(3,468,246)	(3,074,352)	(3,571,428)	(3,382,854)	(3,182,586)	(2,364,884)	(2,235,984)
<b>Profit before tax</b>	<b>23,625</b>	<b>187,234</b>	<b>1,622,691</b>	<b>1,667,662</b>	<b>58,572</b>	<b>(533,049)</b>	<b>(602,183)</b>	<b>230,625</b>	<b>1,036,327</b>	<b>(274,827)</b>
Income tax expense	190,702	163,959	(91,881)	(370,277)	178,261	224,067	184,910	85,019	(412,142)	269,613
<b>Profit after tax</b>	<b>214,327</b>	<b>351,193</b>	<b>1,530,810</b>	<b>1,297,385</b>	<b>236,833</b>	<b>(308,981)</b>	<b>(417,273)</b>	<b>315,644</b>	<b>624,185</b>	<b>(5,214)</b>
<b>Other comprehensive income:</b>										
<i>Items that are or may be reclassified to profit or loss:</i>										
Foreign currency translation difference of foreign operations	(148,122)	(46,490)	(27,610)	(209,654)	(64,419)	-	-	-	-	-
Net changes in fair value of AFS financial instruments:										
- Unrealised net gains/(losses) arising during the period	304,581	(271,928)	(7,292)	(116,437)	(151,321)	19,039	(168,301)	11,408	(116,437)	(151,321)

- Net reclassification adjustments for realised net gains/ (loses)	-	-	(128,719)	(325,143)	-	-	(128,719)	(325,143)	-
Share of other comprehensive income of associates	351,082	(258,342)	(104,418)	115,525	-	-	-	-	-
Items will not be reclassified to profit or loss:									
Revaluation gain on property and equipment, net of tax	194,977	-	-	-	194,977	-	-	-	-
Deferred tax on revaluation gain on property and equipment	(54,119)	-	-	-	(54,119)	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,409,319</b>	<b>(802,699)</b>	<b>1,262,771</b>	<b>761,676</b>	<b>21,093</b>	<b>374,728</b>	<b>(1,094,049)</b>	<b>182,605</b>	<b>(156,535)</b>
Earnings per share (basic)	2	3	11	10	2	(2)	(3)	2	5
									(0)

Risk Insured Rest Assured



## ***Saving towards retirement + LIFE INSURANCE - Now that's SMART***

*With WAPIC, you can now worry less and enjoy more.  
Get free life insurance as you save towards your  
retirement with a WAPIC SMART SENIORS PLAN today.*

***Welcome to our World.***



[www.wapic.com](http://www.wapic.com)

Call us today on **0700 dialwapic** (342592742)  
✉ [info@wapic.com](mailto:info@wapic.com)  [www.facebook.com/mywapic](https://www.facebook.com/mywapic)  
 [@mywapic](https://twitter.com/mywapic)  [@mywapic](https://www.instagram.com/mywapic)

# 05.

## SHAREHOLDER INFORMATION

Shareholder Engagement	248
Notice of Annual General Meeting	249
Explanatory Notes to Proposed Resolution	250
Capital Formation	253
E-Dividend Mandate Form	254
Shareholder Information Update Form	255
Proxy Form	256
Complaint Management	258
Investor Enquires	267



# Shareholder Engagement

The Board and Management of Wapic Insurance Plc are committed to ensuring transparency in their dealings with stakeholders. Accordingly, we provide Shareholders with a continuous and timely flow of financial and non-financial information in order to ensure that their expectations are aligned with the Company's corporate objectives. Wapic Insurance Plc continues to carry out several enhancements of its Investors Relations program to effectively communicate with Shareholders. The Company, in keeping with best practice, employs various channels of communication to provide information to its Shareholders:

## Channel Description

**Annual Report and Accounts:** The Annual Report & Accounts is a comprehensive report of the Company's activities throughout the preceding year. They are produced in paper and electronic formats and posted to Shareholders and other stakeholders at least 21 days before the AGM as required by law.

**Website:** The Company's website- [www.wapic.com](http://www.wapic.com) serves as a go-to resource and is continuously updated with relevant information for our Shareholders.

**Result Announcement:** The Company ensures complete access to financial performance information through the publication of quarterly and annual results in the papers and online media. Conference Calls Following the publication of the Company's results is the conference call with Shareholders, investors and analysts. This allows the investment community to gain a better understanding of the Company's performance and future plans.

**Annual General Meeting (AGM):** The AGM is an annual event during which the Company's Management and senior team meet with Shareholders to discuss the Company's performance, strategy and other concerns of benefit to shareholders. Resolutions are voted upon by the Shareholders with the majority of votes as a determinant.

**Shareholder Associations Meetings\*:** In addition to the AGM, the Company considers it important to hear from representatives of various shareholder associations in order to address shareholders' concerns and receive advice from them. This is held annually.

## Rights and Responsibilities of Shareholders

Our Shareholders are encouraged to share in the responsibility of sustaining the Company's corporate values by exercising their rights, which include:

- Voting at the Shareholders' meeting
- Sharing in the property of the company upon dissolution
- Participating in Shareholders' meetings
- Electing and removing Directors
- Approving by laws and changes thereto
- Appointing the auditor of the company
- Examining corporate records, financial statements and Directors' reports, and
- Approving major or fundamental changes (such as those affecting a company's structure or business activities).

## Investor Relations and Financial Information

- Individual Shareholder Enquiry  
United Securities Ltd  
Telephone: 234(1) 2714566-7  
Email: [info@unitedsecuritieslimited.com](mailto:info@unitedsecuritieslimited.com)
- Financial analysts and Institutional Investors

## Wapic Insurance Plc

**Telephone: +234 (1) 271 4500 Ext.4920**  
**Email: [investorrelations@wapic.com](mailto:investorrelations@wapic.com)**

\* Contact your local Shareholders' Association for details on how you can be represented at the Meetings

WAPIC INSURANCE PLC.  
RC 1647



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 61<sup>st</sup> Annual General Meeting of members of WAPIC INSURANCE PLC ("the Company") will hold at Wapic Insurance Plc Head Office, 119 Awolowo Road Ikoyi, Lagos on Wednesday, August 12, 2020 at 10:00a.m. to transact the following business:

### A. ORDINARY BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:

1. To receive the Audited Financial Statement for the year ended December 31, 2019 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To re-elect Mr. Bababode Osunkoya as an Independent Non-Executive Director.
3. To re-elect Mr. Olusegun Ogbonnewo as a Non-Executive Director.
4. To elect Mrs. Titilayo Osuntoki who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting.
5. To elect Mrs. Omosalewa Fajobi who was appointed as a Non-Executive Director by the Board since the last Annual General Meeting.
6. To appoint Ernst and Young as the External Auditors of Wapic Insurance Plc commencing January 1, 2020
7. To authorize the Directors to fix the remuneration of the Auditors.
8. To elect/re-elect members of the Statutory Audit Committee.

### B. SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:

9. That the name of the Company be changed from "WAPIC INSURANCE PLC" to "CORONATION INSURANCE PLC"
10. That the Memorandum and Articles of Association of the Company be amended to reflect the new Company name and the Directors of the Company are hereby authorized to do all things necessary to give effect to this resolution including obtaining all regulatory approvals thereon.
11. That the Directors' Fees for the financial year ending December 31, 2020 be and is hereby fixed at N6, 500,000.00 (Six Million Five Hundred Thousand Naira only).
12. That in compliance with Article 5.07 (iv) of the National Insurance Commission Code of Good Corporate Governance for the Insurance Industry in Nigeria, the Directors are hereby authorized to appoint an external consultant to conduct the Annual Board Performance Appraisal for the financial year ending December 31, 2020.

### PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her stead and such proxy need not be a member of the Company. A blank proxy form is included in the 2019 Annual Reports & Accounts which will also be available on the Company's website [www.wapic.com](http://www.wapic.com) and that of the Registrars [www.unitedsecuritieslimited.com](http://www.unitedsecuritieslimited.com).

Further to the Government restrictions on public gatherings due to the Covid-19 pandemic, the Corporate Affairs Commission has issued Guidelines on the holding of Annual General Meetings to minimize physical contact and ensure public health and safety, consequent upon which the Company has obtained the approval of the Corporate Affairs Commission to conduct the Meeting by proxy only and to consider the special businesses listed above.

Shareholders are therefore required to appoint a proxy of their choice from the list of nominated proxies below and deposit their completed proxy forms at the office of the Registrars, United Securities Limited, No. 9, Amodu Ojikutu Street, Victoria Island, Lagos, not later than 48 hours prior to the time of the meeting:

- a. Mr. Mutiu Sunmonu
- b. Mr. Adamu Atta
- c. Mrs. Ifeyinwa Osime
- d. Mrs. Adeyinka Adekoya

The Company has made arrangements at its cost for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

Dated this 20<sup>th</sup> day of July 2020  
BY ORDER OF THE BOARD

MARY AGHA  
Company Secretary  
FRC/2013/NBA/0000002817

### NOTES

#### Live Streaming of the Annual General Meeting

To protect the health and safety of shareholders and employees of the Company, attendance at the Meeting will be restricted to the number of persons permissible at public gatherings taking into consideration the need for social distancing. The Board however continues to regard the Annual General Meeting as an important opportunity to engage with shareholders and has therefore made arrangements for the Meeting to be live streamed to enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the live streaming of the Meeting will be made available in due course on the Company's website [www.wapic.com](http://www.wapic.com).

#### Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed on the 3<sup>rd</sup> day of August 2020 to enable the Registrar prepare the register of shareholders eligible to attend and vote at the meeting.

#### Statutory Audit Committee

The Statutory Audit Committee consists of 3 shareholders and 3 Directors. In accordance with S.359(5) of the Companies and Allied Matters Act, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

S.30.2 of the Securities and Exchange Commission Code of Corporate Governance for Public Companies in Nigeria requires that members of the committee should have basic financial literacy and should be able to read financial statements. The Code also requires that at least one member should be knowledgeable in accounting or financial matters. We therefore request that all nominations to the Audit Committee should be accompanied by a detailed resume disclosing the qualifications of the nominees.

#### E-Mandate

Shareholders are kindly requested to update their E-mandate records with the Registrar – United Securities Limited. Detachable forms in respect of mandate for unclaimed dividend and shareholders data update are attached to the Annual Report for convenience. The aforementioned documents can also be downloaded from the website of the Registrars <http://www.unitedsecuritieslimited.com/uploads/files/shareholderdataupdate.pdf>.

The duly completed forms should be returned to United Securities Limited, No. 9, Amodu Ojikutu Street, Victoria Island, Lagos.

#### E-Annual Reports

The electronic version of the Annual Report is available at [www.wapic.com](http://www.wapic.com). Shareholders who have provided their email details to the Registrar will receive the electronic version of the Annual Report via email. Additionally, Shareholders who are interested in receiving the electronic version of the Annual Report can request via e-mail to [info@unitedsecuritieslimited.com](mailto:info@unitedsecuritieslimited.com) or [companysecretariat@wapic.com](mailto:companysecretariat@wapic.com).

#### Biographical Details of Directors for Re-election/Approval

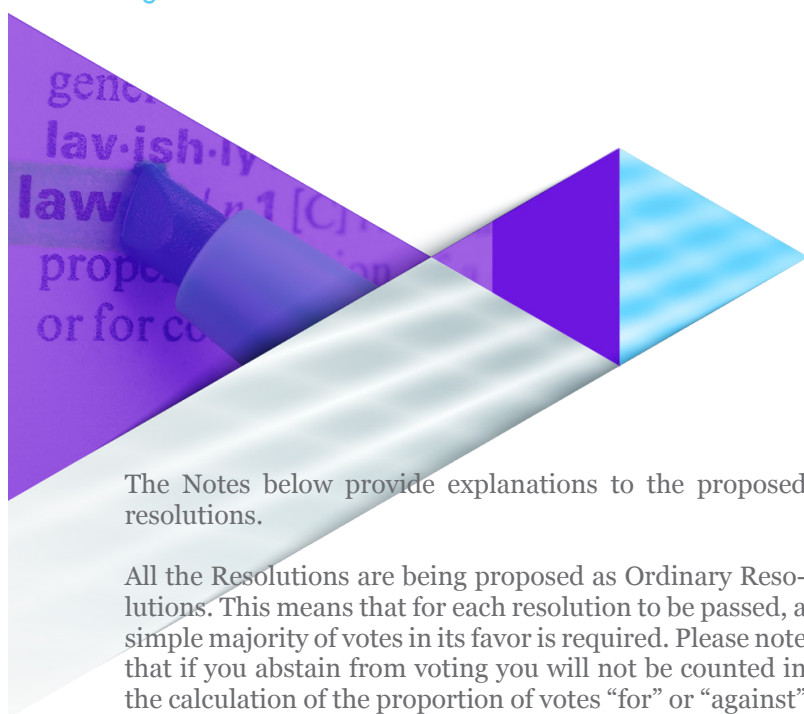
The biographical details of Directors standing for re-election or approval are contained in the Annual Report.

#### Website

A copy of this Notice and other information relating to the meeting can be found at [www.wapic.com](http://www.wapic.com).

#### Questions from shareholders

Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send questions, comments or observations to The Company Secretariat, Wapic Insurance Plc, 119, Awolowo Road, Ikoyi, Lagos or by email to [companysecretariat@wapic.com](mailto:companysecretariat@wapic.com) not later than August 7, 2020. Questions and answers will be presented at the Annual General Meeting.



The Notes below provide explanations to the proposed resolutions.

All the Resolutions are being proposed as Ordinary Resolutions. This means that for each resolution to be passed, a simple majority of votes in its favor is required. Please note that if you abstain from voting you will not be counted in the calculation of the proportion of votes “for” or “against” a resolution.

### **Resolution 1: Annual Report and Accounts**

The Directors are required under Section 345 (1) of the Companies and Allied Matters Act 1990 to lay before the Company in the General Meeting for each financial year, copies of the financial statements of the Company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the Annual Report and Financial Statements.

### **Resolutions 2 - 5: Re-election and Approval of Directors**

Your Company’s Articles of Association requires one-third of all Non-Executive Directors (rounded down) to stand for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. In keeping with this requirement, Mr. Bababode Osunkoya and Mr. Olusegun Ogbonnewo, will retire at this Annual General Meeting, and being eligible, will submit themselves for re-election. It is hereby confirmed that following a formal evaluation, the Directors continue to demonstrate commitment to their role as Independent Non-Executive Director and Non-Executive Director respectively.

The Board pursuant to the powers vested on it by the Articles of Association has appointed Mrs. Titilayo Osuntoki and Mrs. Omosalewa Fajobi as Independent Non-Executive Director and Non-Executive Director respectively subject to regulatory and shareholders approvals. The appointments have been approved by the National Insurance Commission (NAICOM). As required to by the Articles of Association, the appointment will be tabled before the shareholders for approval.

# Explanatory Notes to the Proposed Resolutions

All the Directors standing for re-election or approval are regarded by the Board as highly experienced and capable of adding value to the Board.

The biographical details of the four Directors are set out below. The Board recommends the re-election/approval of these Directors to enable it maintain the needed balance of skill, knowledge, experience and gender diversity.

### **Bababode Osunkoya**

Independent Non-Executive Director

Mr. Bababode Osunkoya is a Chartered Accountant with decades of cognate post-qualification experience across Banking, Audit, Accountancy, Taxation, Business and Financial Advisory. He commenced his training with the firm of Z. O. Ososanya & Co (Chartered Accountants) where he qualified as a Chartered Accountant in 1986 and thereafter joined Abacus Merchant Bank Limited and later Konsuma Credit Limited, where he honed his financial skills. In 1994, he founded Bababode Osunkoya & Co. (Chartered Accountants), a firm he nurtured until 2008 when he became a partner in the accounting firm of Abax-OOSA Professionals, formed by a merger with three other firms. Mr. Bababode Osunkoya served two consecutive tenures as Managing Partner Abax-OOSA Professionals, before reverting to Senior Partner in 2012.

Mr. Bababode Osunkoya is an Accounting graduate of the University of Lagos. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), a Fellow of the Chartered Institute of Taxation of Nigeria (CITN), and an Associate Member of the Institute of Directors (IoD). In March 2010, Mr. Bababode Osunkoya became one of the first batch of Certified Forensic Accountants of the Institute of Chartered Accountants of Nigeria.

Mr. Bababode Osunkoya joined the Board of Wapic Insurance Plc in January 2013. He chairs the Board Audit and Compliance Committee and is a member of the following other Board Committees:

- Board Establishment and Remuneration Committee
- Board Enterprise Risk Management and Governance Committee
- Board Finance, Investment and General-Purpose Committee.
- Board Information Technology Committee

He is aged 58 years old as at the date of this Meeting

Mr. Olusegun Ogbonnewo  
Non-Executive Director

Mr. Olusegun Ogbonnewo is a Director in TenGen Holdings Limited with over 27years professional experience in the financial service industry cutting across banking, human capital development, operations, payment systems and financial technology. He began his work experience in People's Bank of Nigeria and later Guaranty Trust Bank Plc. Prior to his retirement in March 2017 Mr. Olusegun Ogbonnewo was a General Manager and Group Head Channels Services (E-Banking) of Access Bank Plc where he worked meritoriously for over 10years.

Mr. Olusegun Ogbonnewo has a BA (Ed) and Master of Public Administration (MPA) from the University of Ilorin and Master of Business Administration (MBA) from Lagos Business School/IESE Barcelona. He is an alumnus of the Harvard Business School, and has also attended management development programs in IDI Dublin, INSEAD and IMD amongst others.

Mr. Olusegun Ogbonnewo was appointed to the Board of Directors of Wapic Insurance Plc in October 2017 and is a member of the following Board Committees:

- Board Establishment and Remuneration Committee
- Board Enterprise Risk Management and Governance Committee
- Board Finance, Investment and General-Purpose Committee.
- Board Information Technology Committee

Mr. Olusegun Ogbonnewo is 59years old as at the date of this Meeting.

### **Mrs. Titilayo Osuntoki** Independent Non-Executive Director

Mrs. Titilayo Osuntoki has over 30 years' professional experience in the financial sector, cutting across treasury/currency trading, financial control, risk management, as well as corporate finance and relationship management. She began her work experience in the financial sector in 1990 with Guaranty Trust Bank where she worked for over 21years and held various leadership positions across the bank. Until her retirement in March 2019, Mrs. Titilayo Osuntoki was an Executive Director in Access Bank Plc prior to which time she served as an Independent Non-Executive Director on the Board of Wapic Insurance Plc and Wapic Life Assurance Limited between January 1,

2013 and January 16, 2014 and was the Chairperson of the Board Enterprise Risk Management Committee of both companies. Mrs. Titilayo Osuntoki has also served on various other Boards and has attended numerous courses and seminars both locally and internationally.

Mrs. Titilayo Osuntoki, is a graduate of the University of Lagos from where she obtained a Second-Class Upper Division in Civil Engineering in the year 1987 and a Master in Business Administration (MBA) in the year 2000.

Mrs. Titilayo Osuntoki joined the Board in July 2020 following the approval of the National Insurance Commission.

Mrs. Titilayo Osuntoki is 53 years old as at the date of this meeting.

### **Mrs. Omosalewa Fajobi** Non-Executive Director

Mrs. Omosalewa Fajobi has about 18years professional experience spanning across corporate law and governance of which 15years has been within the financial sector. She is currently an Operating Director at Tengen Holdings Limited where her responsibilities include overall supervision of legal, governance and compliance functions within Tengen and its investee companies across, oil & gas, digital technology, real estate and financial services sectors. Prior to joining Tengen, Mrs. Omosalewa Fajobi worked with the International Finance Corporation (IFC) where she was the Project Lead (Nigeria) Africa Corporate Governance Program.

Mrs. Omosalewa Fajobi holds a Second-Class Upper Law Degree (LL.B) and a Master of Laws (LL.M) in Commercial & Corporate Law from the University of Lagos and the University of London respectively. She is also a Barrister at Law (BL) of the Supreme Court of Nigeria.

Mrs. Omosalewa Fajobi joined the Board in July 2020 following the approval of the National Insurance Commission.

Mrs. Omosalewa Fajobi is 43years old as at the date of this meeting.

The interest of Directors standing for re-election or being submitted for approval in the ordinary shares of the Company as at December 31, 2018 is as shown below:

NAME OF DIRECTOR	DIRECT HOLDING	INDIRECT HOLDING	TOTAL
Mr. Bababode Osunkoya	Nil	Nil	Nil
Mr. Olusegun Ogbonnewo	3,360,567	Nil	3,360,567
Mrs. Titilayo Osuntoki	56,092	Nil	56,092
Mrs. Omosalewa Fajobi	Nil	Nil	Nil

### **Resolution 6: Appointment of Ernst and Young as External Auditors**

In accordance with Section 8.0(iii) of the NAICOM Code of Good Corporate Governance for the Insurance Industry in Nigeria which provides that the tenure of an appointed External Auditor shall be for a maximum period of five (5) years, PricewaterhouseCoopers (PWC) has concluded its five (5) year tenor as external auditors of Wapic Insurance Plc with effect from December 31, 2019. Consequently, the Board of Directors of Wapic Insurance Plc has approved the appointment of Ernst and Young s as the new external auditors of Wapic Insurance Plc and its subsidiaries with effect from January 1, 2020 subject to all requisite approvals.

By virtue of the provisions of S357(1) of the Companies and Allied Matters Act, 1990, the shareholders in the General Meeting are required to approve the appointment of the External Auditors of the Company.

### **Resolution 7: Approval of Auditor's Remuneration**

Section 361 (1)(b) of the Companies and Allied Matters Act 1990 provides that the remuneration of the auditors of a company shall subject to Section 361(1)(a) be fixed by the company in general meeting or in such manner as the company in general meeting may determine. Pursuant to this provision, the shareholders will be required to authorize the directors to fix the remuneration of the statutory auditor for the financial year ending December 31, 2020.

### **Resolution 8: Election/Re-election of Members of Audit Committee**

In accordance with S.359(5) of the Companies and Allied Matters Act, 1990, any member may nominate a Shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Members will be required to vote at the Annual General Meeting to elect or re-elect members of the Company's Statutory Audit Committee.

Resolution 9 and 10: Change of Company Name and Amendment to Memorandum and Articles of Association to reflect Name Change

Wapic Insurance Plc was established on March 14, 1958 as a subsidiary of Provincial Insurance Company United Kingdom and incorporated as West African Provincial Insurance Company with the first letters – WAPIC, adopted as its acronym. Though the affiliation subsequently ceased to exist this legacy acronym became the substantive name and evolved into the Company currently known as

Wapic Insurance Plc. As a result of the continued use of the legacy acronym as the Company name, the Company, in addition to its legacy constraints has been faced with brand confusion as it continues to be mistaken for other trade names with similar alphabet combinations and resulting acronyms, thereby requiring even more effort to distinguish and build brand awareness for the Company. A change in the Company's name would not only address these challenges but also provide the Company with a stronger and more relevant brand identity that appropriately encapsulates the Company's present philosophy, value proposition and business aspirations. In accordance with S.31(3) of the Companies and Allied Matters Act, 1990, any company may by special resolution change its name. The Board of Directors has therefore approved a change in the Company's name from Wapic Insurance Plc to Coronation Insurance Plc subject to requisite regulatory and shareholder approval being obtained thereon.

Members will be required to vote at the Annual General Meeting for the change of company name and authorize the Company to reflect the name change in the Company's Memorandum and Articles of Association.

### **Resolution 11: Approval of Directors' Fees**

Your Company is required by law to seek the approval for the annual fees payable to the Non-Executive Directors. Shareholders will therefore be required to approve annual fees of N6,500,000.00 (Six Million Five Hundred Thousand Naira Only) for the Non-Executive Directors for the 2020 Financial Year. Despite the continuously expanding commitments and responsibilities of the Non-Executive Directors as regulatory requirements for insurance companies and other financial institutions continue to grow, the proposed remuneration is maintained at the 2014 level.

### **Resolution 12: Appointment of External Consultant to conduct the Annual Board Performance Appraisal of the Board and Directors**

The National Insurance Commission (NAICOM) Code of Good Corporate Governance for the Insurance Industry in Nigeria provides that annual Board performance appraisals should be carried out by an external consultant appointed by the Shareholders. The approval of Shareholder's is therefore required for the Board to appoint an external consultant to carry out a Board performance appraisal for the 2020 Financial Year.



## Capital Formation

S/N	YEAR	AUTHORIZED SHARE CAPITAL	ISSUED & FULLY PAID SHARE CAPITAL	BONUS ISSUES	DIVIDEND DECLARED (KOBO)
1	1958	200	80	-	-
2	1974	200	200	-	-
3	1977	300	300	-	-
4	1987	1,000	1,000	-	-
5	1990	1,000	1,000	-	4
6	1991	5,000	1,500	1 for 2	4
7	1992	5,000	2,000	1 for 3	7
8	1993	10,000	5,000	3 for 7	-
9	1994	10,000	5,000	-	-
10	1995	20,000	7,500	1 for 2	5
11	1996	50,000	8,250	1 for 10	1.2
12	1997	100,000	70,000	-	-
13	1998	100,000	84,000	1 for 5	4
14	1999	100,000	90,000	1 for 14	-
15	2000	100,000	100,000	1 for 9	10
16	2001	100,000	100,000	-	10
17	2002	500,000	250,000	-	15
18	2003	500,000	416,667	2 for 3	17.5
19	2004/2005	500,000	416,667	-	22.5
20	2005/2006	3,500,000	416,667	-	17.5
21	2006/2007	3,500,000	500,000	1 for 5	12.5
22	2007	3,500,000	2,109,085	-	10
23	2008	3,500,000	2,530,902	1 for 5	-
24	2013	17,000,000,000	13,382,738,248	-	-
25	2014	17,000,000,000	13,382,738,248	-	-
26	2015	17,000,000,000	13,382,738,248	-	3
27	2016	17,000,000,000	13,382,738,248	-	-
28	2017	17,000,000,000	13,382,738,248	-	-
29	2018	17,000,000,000	13,382,738,248	-	-
30	2019	17,000,000,000	13,382,738,248	-	-

# E-Dividend Mandate Form

**united securities**»»

Affix  
Current  
Passport  
(To be stamped by bankers)

Please write your name at the back of your passport photograph

## E-MANDATE ACTIVATION FORM

**Instruction**

Please complete all sections of this form to make it eligible for processing and return to the address below

Only Clearing Banks are acceptable

**The Registrar,**  
**UNITED SECURITIES LIMITED** RC 126257  
9, Amodu Ojikutu Street, Off Bishop Oluwole Street,  
Victoria Island, P.M.B 12753 Lagos, Nigeria.

Kindly quote your shareholder account no in the box below

Name of Company	Shareholder Number
WAPIC INSURANCE PLC	

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank detailed below:

**Bank Verification Number**

--	--	--	--	--	--	--	--	--	--

**Bank Name**

**Bank Account Number**

--	--	--	--	--	--	--	--	--	--

**Account Opening Date**

**Shareholder Account Information**

Surname / Company's Name	First Name	Other Names

Address:


City	State	Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1	Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint/Company's Signatories

For inquiries, please call 01-2714566-7 or send e-mail to [customerscare@unitedsecuritieslimited.com](mailto:customerscare@unitedsecuritieslimited.com)





Risk Insured Rest Assured



## Stay covered with Wapic Travel Insurance

From medical coverage to lost luggage, you have nothing to worry about. Entrust us with your trip. With us, you're in safe hands.

[www.wapic.com](http://www.wapic.com)



# Complaint Management Policy

## 1. Introduction

It is the Policy of Wapic Insurance Plc. to respond to customer complaints, disputes and issues promptly and to take each complaint seriously.

Complaints and compliments provide unique information about the quality of service from the perspective of customers and other stakeholders.

Management of a complaint provides the opportunity for complainants to have their issues resolved effectively, ensures that any identified risks are managed appropriately and that action is taken to minimize or eliminate those risks.

A key component of complaint management is the systematic recording of issues, risks, complaints, and their resolution.

This policy applies to all complaints about Wapic Insurance Plc. made by members of the public or external organizations arising out of issues contained in the Investment and Securities Act. The Company shall issue copies of the Complaint Management Policy to Customers during their account opening process.

The Policy shall be made available to shareholders at the Company's Annual General Meeting.

The Policy shall be posted on the Company's website.

## 2. Objectives

The objectives of the complaints policy are to:

- Provide an avenue for customer communication and feedback;
- Recognize, promote and protect the customer's rights, including the right to comment and provide feedback on service;
- Provide an efficient, fair and accessible framework for resolving customer complaints and monitoring feedback to improve service delivery;

- Inform customers on the customer feedback handling processes; and
- Establish a standard approach to complaints handling including the establishment of performance indicators to monitor compliance.
- Ensure that Wapic Insurance Plc. staff are aware of their responsibilities and are empowered to manage complaints

## 3. Principles

The customer complaint policy is based on the following principles:

- Customers should be encouraged to voice their concerns at the point of service as soon as they feel unsatisfied. Staff may then be able to resolve the matter without delay;
- Wherever possible, complaints should be resolved at the point from which they originate; and information about how and where to complain should be well publicized to customers, personnel and other interested parties.
- Complaint management mechanisms should be easily accessible to all complainants. The process should be easy to find, use and understand.
- All complaints are dealt with in a manner that is effective, complete, fair to all parties and provides just outcomes.
- Complaint information is openly communicated while protecting confidentiality and personal privacy.
- All complaints are recorded to enable review of individual cases, to identify trends and risk and report on aggregated complaint information.
- Complaint management policy, practices, and data are regularly evaluated and the information is used to improve services.

#### 4. Roles and Responsibilities

Effective complaint management requires a whole-of-organisation approach with clear points of accountability for reporting and feedback, as follows:

##### 4.1. Chief Executive is responsible for:

- Encouraging an environment where complaints are handled seriously and thoroughly.
- Ensuring an effective complaint management system is developed and in place for the health service.
- Ensuring appropriate resources are available and utilized for effective complaint management.
- Reporting to registration boards in accordance with the provisions of the Securities and Exchange Commission Rules Relating to Complaints management Framework.
- Ensuring appropriate actions are implemented to eliminate or minimize similar problems from occurring.
- Nominating an executive staff member within the Company who is responsible for:
  - a. Ensuring monitoring and risk rating of all complaints.
  - b. Ensuring local actions are implemented to eliminate or minimize similar problems from occurring.
  - c. Reporting trended complaint data every quarter to the Securities and Exchange Commission and other relevant groups within the Insurance Sector.

- d. Updating the Complaints register monthly.
- e. Implementing policies and local procedures that support staff, including staff training on complaint management.

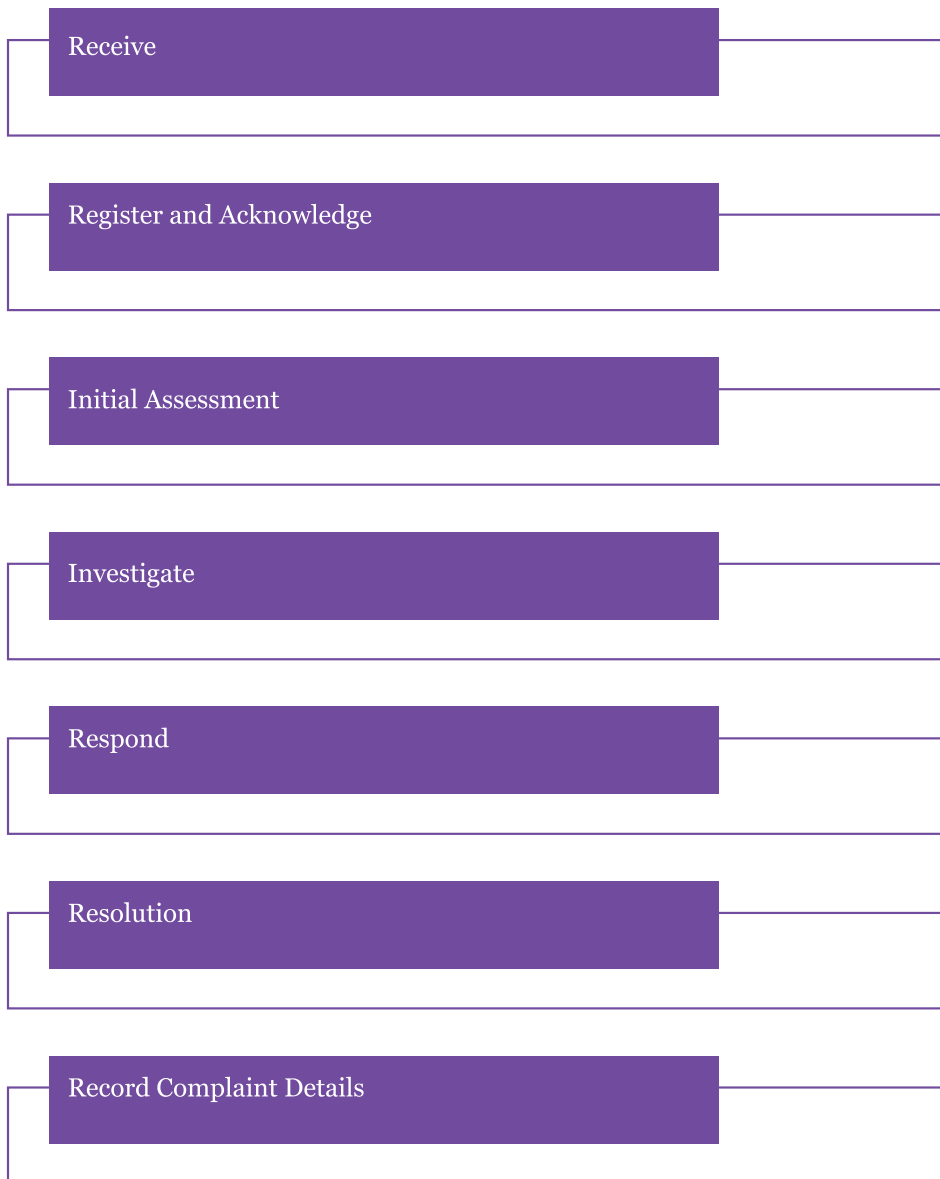
##### 4.2. Company Secretary is responsible for:

- Providing a single, publicly recognizable point of contact for the receipt and management of serious complaints from members of the public and staff.
- Having a designated Complaints Officer available 24 hours a day, 7 days a week
- Ensuring the proper process for managing complaints is followed by the organisation.

##### 4.3. Regulatory Compliance Unit is responsible for:

- Reviewing and evaluating the implementation and effectiveness of complaint management policy.
- Reviewing reports provided by the Securities and Exchange Commission on complaint data and trend analysis.
- Ensuring a nationwide report on complaint information is produced annually.
- Providing advice to the system in response to specific queries about complaint management.
- Providing advice to the Board on issues of public concern/media or public attention that arise from complaint management.

## 5. Steps In Complaint Management



### Receiving Complaints

Complaints may be received in person, over the telephone or in writing. Staff at all levels must accept complaints and know what action they can take to resolve them.

With complaints received verbally staff should:

- Give a calm explanation of what happened if they do know why it happened.
- Offer an apology if warranted.
- Encourage the complainant to discuss their concerns with the relevant staff.
- Speak to the relevant staff on behalf of the complainant.
- Advise the complainant of the complaint management process.
- Know when to refer the complaint on.
- Comprehensively record the conversation and concerns, along with all necessary details (names, addresses, phone numbers, etc.)

- If possible, provide a copy of the completed record to the complainant to ensure they agree that it is factually correct.
- Advise them of the appropriately identified person if they wish to send any written correspondence.
- Commence actioning the complaint if possible.

### 5.2. Registering and Acknowledging Complaints

As soon as a complaint is received:

- It must be registered via the Complaint Notification Form. If it involves a claim, a copy of the claims document must be attached with the complaint.
- Acknowledge its receipt within 48 hours. Acknowledgement may be by mail or in writing. Complaints received by email shall be acknowledged within 48 hours. Complaints received by post shall be acknowledged in writing.

Written acknowledgements should:

- Explain the complaints process
- Identify contact person/details for the complainant
- Expected timeframes and what might be requested from the complainant.
- Assess the complaint and assign it to the relevant person to co-ordinate its management.

### 5.3. Initial Assessment

The purpose of the assessment process is to:

- Classify the complaint appropriately to determine appropriate action ensure the process is commensurate to the seriousness of the complaint and the issues raised
- Ensure fairness to any staff concerned.

There are several steps a staff must take in assessing a complaint:

- Identify the issues raised
- Identify the issues for resolution, which includes the key concerns raised by the complainant, as well as any other issues that arise or are identified by the Staff.
- If any or all of the issues are unclear, before progressing the matter, clarify them with the complainant Identifying the parties involved.
- The relevant parties are those key people involved with the complaint plus those involved with the incident that is the subject of the complaint. They may not always be a respondent to the complaint, but may be key people in the provision of service under inquiry.

### 5.4. Investigate the complaint

Information collection

All complaints require to a greater or lesser degree a fact-finding process in order to determine what has happened and what course of action is required in response. Consideration is required to determine:

- What information to obtain
- Where it is to be obtained
- How it should best be collected (interview, site inspection, phone call, email),and
- How it is communicated (report, statement)
- The Company Secretary would:
- Consider who may be appropriate to provide expert advice/review.
- Consider whether information is needed from external agencies or from other areas within the company.
- Consider whether information needs to be secured.
- Construct a chronology of events, or flow chart, particularly if the matter is complex.
- Identify who may be interviewed and the appropriate order of interviews.
- Consider if an interpreter is required.
- Consider whether an on-site investigation is appropriate.

Develop questions for the key parties based on the analysis of the issues and information required.

- Determine the applicable standards/procedures/policies and whether they were adhered to
- Analysis and review
- As information is collected, it must be analyzed and reviewed. Analysis includes identifying:
  - What can be agreed upon between the parties.
  - What facts are in dispute.
  - Is information provided relevant and reliable.
- Sufficient information has been gathered to determine whether particular standards have been met.
- Whether there are inconsistencies.
- Whether independent verification has been obtained.
- What systemic and performance factors led to the outcome.

### 5.5. Respond

Once the information has been analyzed, the person managing the complaint makes findings and recommendations for action. Actions taken by a Wapic staff to resolve a complaint must be based on the evidence, address any system, process or practitioner issues, and are informed by the principles of public interest.

Options for appropriate action may include:

- Offering an apology
- Waiving fees
- Develop or amend policy/procedure training/education of staff or public
- Modification of the environment
- Requesting a formal Review
- Ongoing monitoring of an issue, or
- No action recommended

The Wapic Staff must ensure that the outcome and recommendations are clearly communicated to the consumer, staff, and management, and integrated into quality improvement systems through appropriate implementation and subsequent review of effectiveness.

### 5.6. Complaint Resolution - Final Response

The target for finalizing complaints is 10 calendar days. Final responses will be in the form of a letter from the Chief Executive or their delegate. The final response must be factually correct and:

Include an apology. NB: This is not necessarily about accepting blame or fault, but will sometimes be an acknowledgement of the complainant's experience and their feelings.

- Address each of the points the complainant has raised with a full explanation or give the reason(s) why it is not possible to comment on a specific matter.
- Give specific details about the investigation, i.e. sources of information, what was discovered, etc.
- Give details of action taken as a result of the complaint.

## Digital Transformation

- Provide the name and telephone number of the investigating officer for further queries/discussion.
- Offer to meet the complainant with the key staff involved. If there is a reason why a specific issue cannot be addressed this should be stated.
- Include details of further action available to the complainant.

As much as possible, the complaint manager should ensure that department heads and staff members who have been involved are given the opportunity to see the final response before it is sent for final signature.

The final response will be:

- Sent to the complainant and include a copy of the Companies Complaint Management Policy.
- Copied to the relevant Manager.
- Copied to any requesting parties to which the patient has given consent e.g. Solicitor
- Copies to the corporate record system record.
- Where the complaint is not resolved within the stipulated time frame, the complaint would be forwarded to the Securities and Exchange Commission within two calendar days. The delegated officer will deal with the points raised within the complaint and ensure it is forwarded to SEC.

Timeframes for answering further correspondence will be as those for the first response

## 6. Framework for Complaint Management

Complaints can be managed:

- At point of service
- Through a staged process
- Through referral to an external body/agency

### 6.1. Point of Service Complaints

Ideally, most complaints will be dealt with directly and quickly at the point where the problem arises. Escalation of complaints may be avoided where staff have clear authorization to resolve complaints at first contact.

Often, no changes to procedures are required as many complaints involve an acknowledgement of the complainant's perspective, an explanation of events and validation of the complainant's satisfaction with the explanation.

Complaints should be referred to a line manager if they:

- Remain unresolved,
- Involve serious consequences,
- Involve complex medical issues or a number of different staff,
- Need action that is beyond the responsibility of the staff at point of service,
- Require escalation or reporting to an external body under the Securities and Exchange Commission's Rules Relating to Complaints Management

## 6.2. Escalation Process

Complaints are referred to the next level of management when the matter is outside delegation or is unresolved.

The escalation process proceeds as follows:

- Immediate line manager.
- Facility manager and/or Patient Liaison Officer as appropriate.
- Senior Complaints Officer.

In cases where the complainant does not feel comfortable in making a complaint to those directly delivering the service, the appropriate line manager should be sought to speak to the complainant. If the complainant will not speak with a line manager, they must be offered alternative ways to make their complaint, such as to the Company Secretary. The recipient of the complaint must then inform the complainant of the course of action that will be taken next.

Complaints should be dealt with by the unit involved where possible, with support from a complaints manager. However, for more serious matters or those with broader implications for the Company, senior management and the executive must be notified and participate in the resolution. Depending on the type of complaint, it may be necessary to alert the Securities and Exchange Commission or obtain legal advice. This should not interfere with the aim of resolving the complaint quickly and amicably.

## 7. Complaint Handling Considerations

### 7.1. Anonymous complaints

Anonymous callers should be advised that an investigation is made more problematic if they do not divulge identities as this severely limits the service's ability to obtain information. They should then be informed of confidentiality, as applied to the complaint management process, to encourage them to reveal their own and/or the subject's identity.

The complainant needs to be informed:

- There will be disclosure of information to any respondents identified;
- There is "nothing off the record" in information provided to the service;
- What will happen with the information given to the service.

However, the complainant's wishes should be respected, as an assurance of absolute confidentiality cannot be given.

Anonymous written complaints may reveal the identity of the complainant or it may be apparent from the complaint details. An inquiry may still be possible and may be warranted if the complaint raises public health and safety concerns or where external agencies may need to be notified.

**7.2. Declining to deal with a complaint**

The Company may decide to decline to deal with a complaint because it is:

- Vexatious or frivolous,
- The subject matter of the complaint (or part) has been or is under investigation by some other competent person or body or has been or is the subject of legal proceedings.
- Complaints on matters that are sub-judice or in arbitration.
- Complaints falling outside the purview of the Securities and Exchange Commission

Care needs to be taken in assessing these complaints to ensure that every effort is made to understand the information the complainant is attempting to convey. If a complaint has been declined, complainants should be advised of the reasons for the decision as well other agencies that may be able to assist them with their concerns.

**7.3. Unresolved Complaints**

If a complainant remains dissatisfied following the service’s response, they have several options available to

them, which may include:

Review by another senior member of staff or the Company Secretary

- Independent review by external agency/person
- Referral to the Securities and Exchange Commission 2 working days after the ten days’ time frame

Complainants have the right to pursue their complaint until it is resolved to their satisfaction. However, there are reasonable limits in terms of dealing with continued contact and correspondence with dissatisfied complainants and matters that might be frivolous or vexatious complaints

**8. Complaints Register**

The Company shall maintain an electronic complaints register that would be updated monthly. The Complaints register, shall contain the following details:

- Name of the complainant
- Date of the complaint
- Nature of complaint
- Complaints details in brief
- Remarks/comment

**8.1. Complaints register sample**

Date <sup>2</sup>	Complainant’s Information <sup>3</sup>	Nature and Details of Complaint <sup>2</sup>	Status and Date of Resolution <sup>5</sup>	Comments
19 May 2015	Mrs. Halima Ifeoma Adeosun 11A Ibadan Road, Ebute Meta Lagos. adeosun@xmail.com.ng Shareholder	Shareholder did not receive her notice of 2014 AGM and Annual Report.	Resolved. Shareholder had changed her address and was directed to registrar to update her address. She was also given the 2014 Annual Report. 30 May 2015	N/A

I certify that I have taken steps to satisfy myself and, therefore, believe that the above information is accurate and complete for the period indicated.

Managing Director/Chief Executive Officer		Company Secretary	
Name		Name	
Signature		Signature	
Date		Date	

- 1 Indicate the relevant quarter.
- 2 Provide the date the complaint was made.
- 3 Name, home/ mailing address, e-mail, phone number and nature of relationship to listed company.
- 4 The list that follows includes types of complaints. It is non-exhaustive and the information provided is for guidance purposes only. Type of complaints include:
  - (1) Relating to Public Offers/ Rights Issue/Capital Reconstruction/Capital Reorganisation/ Bond Issuance/Debt ventures/ Collective Investment Schemes/Mutual Funds/Memorandum Listing;
  - (2) Relating to Non –receipt of : Offer documents, circulars, certificates, delayed Interest (bonds) delisting pay off;
  - (3) Relating to Corporate Actions: Non - receipt of dividends, Non- receipt of bonus, Non- receipt of Interest;
  - (4) Corporate Governance: Non- receipt of Annual Reports, Related party transactions; and
  - (5) Others: e.g., Transmission of shares.
- 5 Indicate whether the complaint is resolved or unresolved and provide summary on status or resolution.

## 9. Definitions

The following terms have the following meanings unless the context otherwise requires:

- ‘SEC’ means Securities & Exchange Commission
- ‘ISA’ means Investment Securities Act (2007)
- ‘CMO’ means Capital Markets Operators as defined by the Investment Securities Act (2007)
- Complainant means a customer, operator, regulator, or any third party that makes a complaint, makes a comment or provides feedback to the Company.
- Complaint means:

1. An expression of dissatisfaction with a service offered or provided, or

2. A concern that provides feedback regarding any aspect of service that identifies issues requiring a response.

- Complaint management Involves notification and acknowledgement, assessment, information collection, analysis and review, and appropriate action.

- Investigation

1. Incident investigation: The management process by which underlying causes of undesirable events are uncovered and steps are taken to prevent similar occurrences.

2. Complaint investigation: The process of using inquiry and examination to gather facts and information in order to solve a problem or resolve an issue.

## 10. Related policies and regulations:

- Investment & Securities Commission Act, 2007 (ISA)
- Securities & Exchange Commission Rules Relating to Complaints Management Framework
- Guidelines of Recognized Trade Associations
- Rules and Regulations made pursuant to ISA
- Wapic Insurance Plc. Standard Operating Manual



# Investor Enquiries

## 1. Statement Of Commitment

Wapic is committed to providing high standards of services for shareholders, including:

- Providing efficient and easy access to shareholders' information;
- Enabling shareholders to have shareholders' related matters acknowledged and addressed; and
- Providing the means for shareholders' enquiries and complaints to be appropriately handled.

## 2. Enquiries And Complaints Procedures

There are a number of ways shareholders can access relevant information about their shareholdings and make related enquiries and complaints.

### 4.1 Visiting the Company's Website

Shareholders may visit the Company's website at [www.wapic.com](http://www.wapic.com) for detailed information to assist them in managing their investments. Information available on the website includes but is not limited to calendar of key dates, useful shareholder forms, frequently asked questions and Annual General Meeting Notices.

### 4.2 Contact our Registrar

Shareholders who wish to make enquiries or complaints about their shareholdings should first of all contact the Registrars, United Securities Limited (see the contact details in Article 9 of this document). The Registrars manage and update all the registered information relating to shareholdings, including shareholders names; payment of dividend; distribution of Annual Report and Notices of company meetings, distribution of share certificates and e-allotment; change of shareholders' addresses, man-

dates and names; filing of caution on shares and e-dividend mandate.

### 4.3 The Web Registry Platform

This is a web based platform provided by the Company's Registrars to the Company's shareholders. The platform afford shareholders the opportunity to enjoy the following services:

- i. Ability to generate, print or export their Statement of Shareholding.
- ii. Access to view certificate details, including dividend and other transaction history.
- iii. Ability to initiate certificate dematerialization request and follow up on the status of the request independent of the stock broker prior to the broker submitting the physical documentation.
- iv. On-line change of address without having to write the registrar.

### How to Access the Web Registry Service

- i. Download form from the Registrars' website – [www.unitedsecuritieslimited.com](http://www.unitedsecuritieslimited.com)
- ii. Complete form and return to the Registrars
- iii. Pay an Annual Subscription fee of N1,000
- iv. Receive log-on detail and password
- v. Access portal on the Registrar's website

The Web Registry provides a quick, convenient and secure way for conducting standard shareholders' enquiries and transactions.

#### 4.4. Investor Relations Desk at the Company's Branches Nationwide

Shareholders can visit any of the Company's branches nationwide and submit their completed forms or complaint letters at the branch which are transmitted to the Investor Relations Unit for resolution or referenced to the Registrar as the case may be.

### 3. Enquiries And Compliants To The Company's Investor Relations Unit

Wapic is committed to responding to shareholders' enquiries and complaints fairly and promptly, whether by email, telephone or post. The following actions will be taken upon receipt of an enquiry or complaint:

5.1. Complaints received by e-mail shall be acknowledge by e-mail within two (2) working days. Where complaints are received by post the Company shall respond within five (5) working days of the receipt of the complaint. The Company will respond using the same or similar medium that was used for the initial enquiry unless otherwise notified or agreed with the shareholder. The acknowledgement letter will typically contain the following information.

- a) Details of how the complainant will be updated on the complaint status.
- b) Name, designation and direct contact of the officer dealing with complaint.
- c) Complaint management and resolution procedure and requirements
- d) Anticipated closure time.

5.2. The Company shall endeavor to resolve all complaints received by it within ten (10) working days (upon the shareholder meeting all conditions precedent) and notify the Competent Authority within two (2) days of the resolution.

5.3. Where the complaint is not resolved within the given time frame, the Complainant may refer the complaint to the Competent Authority within two (2) working days enclosing a summary of events leading to the referral and copies of relevant supporting documents.

### 6. Recording Of Enquiries And Complaints And Reporting

The Company shall maintain an Electronic Register for Complaints and Enquiries. The register shall contain the following information:

- i. The date that the enquiry or complaint was received;

- ii. Name of the shareholder;
- iii. Telephone number, e-mail address or other contact details;
- iv. Nature of enquiry or complaint;
- v. Details of enquiry
- vi. Whether there is any cost associated;
- vii. Action taken;
- viii. Copy of all correspondence sent to the shareholder
- ix. Remarks and Comments.

The Company Secretary shall render quarterly report to Board on the implementation of this document through the Board Enterprise Risk Management and Governance Committee. The Company Secretary shall compile and file electronic copies of the report to the Nigerian Stock Exchange on a quarterly basis at ir@nse.com.ng or any other e-mail address as may be advised by the Nigerian Stock Exchange.

### 7. Liaison With The Company's Registrar

In investigating a shareholder's enquiry, complaint or feedback, the Company may liaise with the Registrar. If necessary, the Company's engagement with the Registrar will include:

- i. Determining the facts;
- ii. Determining what action has been taken by the Registrar (if any); and
- iii. Coordinating a response with the assistance of the Registrar.

### 8. Conditions For Closure

The Company shall consider a complaint closed in any of the following situations

- i. When the Company has fully complied with the shareholder's request
- ii. Where the shareholder has accepted the Company's response
- iii. Where the shareholder has not responded to the Company within 4 weeks of receiving the letter of closure
- iv. Where the Company's Company Secretary/ Legal Adviser has certified that the Company has met its contractual, statutory or regulatory obligation.
- v. Where the shareholder reverts with a fresh complaint after a letter of closure has been sent.

**9. Registrar's Contact Details**

The Company's Registrar, United Securities Limited may be contacted through the following means

**Office Address**

Plot 009, Amodu Ojikutu Street,  
off Saka Tinubu, Victoria Island,  
Lagos, Nigeria.  
Telephone: +234 (1) 271 4566, +234 (1) 271 4567  
E-mail: info@unitedsecuritieslimited.com

**10. The Company's Investors Relations Unit**

Shareholders seeking more information about the Company may contact the Company's Investor Relations Unit at:

Investor Relations Unit, Wapic Insurance Plc.,  
119 Awolowo Road,  
Falomo, Ikoyi,  
Lagos Nigeria  
Telephone: +234(1) 2774500/4566  
Email: Strategy&InvestorRelations@wapic.com

**11. Publication**

This document is available on the Company's website at [www.wapic.com](http://www.wapic.com) and will also be published in the Company's Annual Report as required by the relevant SEC Rule.

**12. Resources**

The Company shall provide sufficient resources so that shareholders enquiries and complaints may be dealt with adequately and in an efficient and timely manner.

**13. Charges And Fees**

Wherever possible and subject to statutory requirement, Wapic will not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in the course of resolving a shareholder's matter. The Registrar may however reserve the right to charge the shareholders for value adding services.

**14. Review**

The Company will regularly review this document and the procedure concerning shareholders' enquiries and complaint. Any changes or subsequent versions of this document shall be published in the Company's website at [www.wapic.com](http://www.wapic.com).

Risk Insured Rest Assured



## ***Savings + Withdrawals + FREE LIFE INSURANCE - Now that's SMART***

*It can be really upsetting when you don't have easy access to your savings, or worse, you get penalised for doing so. With WAPIC, it doesn't have to be so. You can enjoy free life insurance as you move over to true financial freedom with a WAPIC SMART LIFE PLUS today.*

***Welcome to our World.***

Call us today on **0700 dialwapic** (342592742)  
✉ [info@wapic.com](mailto:info@wapic.com) **f** [www.facebook.com/mywapic](https://www.facebook.com/mywapic)  
**t** [@mywapic](https://twitter.com/mywapic) **i** [@mywapic](https://www.instagram.com/mywapic)

[www.wapic.com](http://www.wapic.com)

## Contact

Wapic Insurance Plc.  
119, Awolowo Road,  
Ikoyi, Lagos.

✉ [info@wapic.com](mailto:info@wapic.com)

🌐 [www.wapic.com](http://www.wapic.com)

(+234)(1) 271 4500 / 4555

(+234)(0) 700DIALWAPIC

Automatic Payment Platforms

Retail Portal

Automatic Payment Platforms

WapX ERP

WapX Connect

Notification Engine

i-Inspect

Claims Automation

iAgent App

Virtual NUBAN

Wapic.com

Customer Mobile App

WapX Core Insurance Application

Self-Service Kiosk

Reports Portal

Travel Insurance

Insure Geek

Whatsapp chatbox Insure Geek

Notification Engine

First Notice of Loss (FNOL)

Marine Portal