

## Wapic Insurance Plc Audited Results for the Year Ended 31st December, 2018

This Earnings Press Release should be read in conjunction with the Full Year 2018 Consolidated Financial Statements. The Financial Statement is also available on our website at <http://www.wapic.com/financials>. This analysis is dated May 14th, 2019. Unless otherwise indicated, all amounts are expressed in Nigerian Naira, and have been primarily derived from the Group's Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the Group's Audited 2017 Full Year Financial Statements. Additional information relating to Wapic Insurance Plc is available on the Group's website <http://www.wapic.com>.

**LAGOS, NIGERIA**, May 15, 2018 – WAPIC Insurance Plc. (NSE: WAPIC, Bloomberg: WAPIC: NL) ("WAPIC" or "the Company"), a multi-line insurance company with headquarters in Nigeria announces its audited financial results for the period ended 31st December, 2018.

### GROUP FINANCIAL PERFORMANCE HIGHLIGHTS

- Gross Written Premium of N13.9bn, an impressive growth of 42% compared to same period in 2017 buoyed by attainment of leadership status in some major accounts and enhanced underwriting capabilities.
- The Group achieved underwriting profit of N2.2bn, a 40% growth from the prior period's position.
- The Group experienced an 88% decline in PBT to close at N187m, negatively impacted by the drop in investment and other income, and the growth in underwriting and operating expenses for the period.
- N4.96bn Gross claims paid for the year; a 30% increase in claims payout compared to 2017.
- Gross claims ratio was relatively flat year on year at 41% as at Dec'18, against 40% in 2017.

### SUBSIDIARIES

#### Wapic Life Assurance Ltd

- The Life Company had a 4% year-on-year decrease in GWP to N1.97bn from N2.05bn in the prior year.
- Gross claims paid decreased slightly by 1% to N1.25bn in Dec 2018, compared to N1.26bn in the corresponding period of 2017.
- Underwriting profit had a commendable 370% growth from the prior year's position of N70m to N330m in 2018.
- Profit before tax recorded for the year was N24.8m.

#### Wapic Insurance (Ghana) Ltd

- Gross premium income grew by 7% to N1.48bn in 2018, from N1.38bn recorded in the prior year.
- Net claims incurred for the year was N351m, representing a 20% reduction from the 2017 year end figure of N441m.
- The subsidiary reversed its loss position of -N120m in 2017 to close with a profit before tax of N7m for the year.

**Commenting on the results today at the Company's headquarters in Lagos, Yinka Adekoya, Managing Director WAPIC Insurance Plc., said:**

*"With a combination of an intensified underwriting capacity expansion, accelerated and focused execution of our business strategies and continuous efficiency improvement, we grew our Group GWP figures by an impressive 42% year on year to close at N13.9bn surpassing our annual growth rate target of 20%. This positively influenced our underwriting profit position, which followed in the same stead with a 40% annual growth rate to N2.15bn from N1.54bn in 2017. We expect that the disciplined execution of our growth strategy will continue to yield the desired dividends.*

*As we continue to position the company for long-term success, we trust that our ongoing digitization efforts and best-in-class customer experience offerings will open up new opportunities, which we believe will ensure the continued creation of sustainable value to all our stakeholders."*

Statement of Profit or Loss for the period ended 31<sup>st</sup> December 2018.

	Group	Group	Company	Company
	2018 31-Dec N'000	2017 31-Dec N'000	2018 31-Dec N'000	2017 31-Dec N'000
Gross premium written	13,892,484	9,807,616	10,372,722	6,388,069
Gross premium income	12,217,602	9,589,128	8,681,483	6,494,411
Reinsurance expenses	(5,446,063)	(3,937,089)	(4,131,014)	(2,742,273)
Net premium income	6,771,539	5,652,039	4,550,469	3,752,138
Fee and commission income	832,796	682,888	549,713	471,328
Net underwriting income	7,604,335	6,334,927	5,100,182	4,223,466
Claims expenses	(4,958,065)	(3,820,558)	(2,723,471)	(1,764,096)
Claims expenses recoverable	1,877,556	758,848	850,268	81,745
Net insurance benefits and claims	(3,080,509)	(3,061,710)	(1,873,203)	(1,682,351)
Underwriting expenses	(2,364,112)	(1,757,567)	(1,784,686)	(1,342,708)
Increase in individual life fund	(9,264)	20,487	-	-
Total underwriting expenses	(5,453,885)	(4,798,790)	(3,657,889)	(3,025,059)
Underwriting profit	2,150,450	1,536,137	1,442,293	1,198,407
Investment income	1,162,250	1,255,961	919,211	621,263
Profit on investment contracts	149,382	96,108	-	-
Net realised gain on financial assets	5,161	614,534	5,161	614,534
Net fair value loss on assets at fair value through profit or loss	17,000	(663)	17,000	(1,549)
Other operating income	498,114	1,164,532	397,006	980,556
	1,831,907	3,130,472	1,338,378	2,214,804
Net income	3,982,357	4,666,609	2,780,671	3,413,211
Write-back on trade receivables	23	-	23	-
Write-back on other receivables and prepayments	15,679	(38,333)	(11,812)	(54,028)
Management expenses	(4,960,571)	(4,393,783)	(3,381,810)	(3,128,558)
Net impairment gains on financial assets at amortised cost	8,591	-	572	-
Net impairment (losses)/gains on financial assets at fair value through OCI	(2,361)	-	10,173	-
Expenses	(4,938,638)	(4,432,116)	(3,382,854)	(3,182,586)
Operating profit/(loss)	(956,281)	234,493	(602,183)	230,625
Share of profit of associate	1,143,515	1,388,198	-	-
Profit / (loss) before tax	187,234	1,622,691	(602,183)	230,625
Income tax	163,959	(91,881)	184,910	85,019
Profit/(loss) after tax for the year	351,193	1,530,810	(417,273)	315,644

## Statement of Financial Position as at 31st December 2018

	Group	Group	Company	Company
	2018	2017	2018	2017
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
<b>ASSETS</b>				
Cash and cash equivalents	2,888,235	1,745,342	2,056,736	911,023
Financial assets at fair value through P or L/ Held for trading	-	1,380	-	796
Financial assets at fair value through OCI/ Available for sale	5,272,266	4,032,813	1,413,091	3,351,670
Financial assets at amortised cost/ Held to maturity	2,571,929	5,461,742	809,832	1,004,463
Trade receivables	34,962	707,489	34,962	486,997
Reinsurance assets	3,692,142	1,586,301	2,187,984	838,139
Deferred acquisition cost	749,174	530,793	598,828	317,832
Other Receivables & Prepayments	1,435,324	1,061,531	1,017,312	871,238
Investment property	253,480	312,750	253,480	312,750
Investment in associates	8,763,246	8,264,440	5,059,810	5,059,810
Investment in subsidiaries	-	-	5,360,915	3,876,571
Intangible assets	481,009	479,683	465,961	476,144
Property and equipment	3,481,328	3,787,381	3,256,892	3,521,507
Statutory deposit	638,044	632,964	300,000	300,000
Current income tax asset	34,192	-	-	-
Deferred tax asset	68,260	-	68,260	-
<b>TOTAL ASSETS</b>	<b>30,363,591</b>	<b>28,604,609</b>	<b>22,884,063</b>	<b>21,328,940</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	9,621,473	7,141,465	5,629,277	3,817,332
Investment contract liabilities	1,170,785	1,063,860	-	-
Trade payables	255,384	516,371	162,970	415,414
Other Liabilities	1,946,741	1,458,748	2,697,095	1,417,790
Current income tax	258,901	263,793	139,103	115,315
Deferred tax liabilities	-	202,547	-	202,548
<b>TOTAL LIABILITIES</b>	<b>13,253,284</b>	<b>10,646,784</b>	<b>8,628,445</b>	<b>5,968,399</b>
<b>EQUITY</b>				
Equity attributable to owners				
Share capital	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
Contingency reserves	2,436,203	2,061,153	2,053,249	1,742,067
Other reserves	(191,965)	941,704	5,650	671,027
Retained earnings	1,979,717	2,068,616	(689,633)	61,095
<b>TOTAL EQUITY</b>	<b>17,110,307</b>	<b>17,957,825</b>	<b>14,255,618</b>	<b>15,360,541</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>30,363,591</b>	<b>28,604,609</b>	<b>22,884,063</b>	<b>21,328,940</b>



**NOTES TO EDITORS:**

***About WAPIC Insurance Plc.***

Wapic Insurance Plc. (“Wapic” or “the Company”) is a leading West African multi-line insurance company providing solutions covering life, general and special risks. Established in 1958 and listed on the Nigerian Stock Exchange since 1990, Wapic’s mission is to transform into a diversified financial services institution, delivering value in a sustainable manner to her customers and stakeholders while playing a lead role in the transformation of the industry.

With headquarters in Lagos, Nigeria, Wapic is organized into two core business segments, General and Life Insurance. The Company has two wholly owned subsidiaries, Wapic Life Assurance Limited and Wapic Insurance (Ghana) Limited as well as an associated company, Coronation Merchant Bank Limited.

Through a diverse portfolio of products and a commitment to providing the best customer experience possible, Wapic has significantly enhanced its underwriting capacity placing it among the top five insurance companies in Nigeria by solvency and capital.

Risk Insured Rest Assured

Talk with us via our channels: [www.wapic.com](http://www.wapic.com); Facebook, Twitter and Instagram @mywapic

**CONFERENCE CALL INVITATION**

Wapic Insurance Plc. (Bloomberg: WAPIC:NL) will hold a teleconference call for investors and analysts on **Thursday, May 16, 2019 at 2pm Lagos Time** with its senior management, to announce the audited financial results for the year ended December 31st, 2018 and highlights of the unaudited Q1 2019 results. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

**Kindly send email to pre-register for conference call:**

Strategy&InvestorRelations@wapic.com

**FOR FURTHER INFORMATION:**

**Wapic Insurance Plc.**

Toyin Azeez (Head, Strategy & Investor Relations) +2348159404141



## **FORWARD LOOKING STATEMENTS**

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