

**FEATURE**
**SIC INSURANCE COMPANY LTD (SIC)**

The Gold Coast Insurance Company (now SIC Insurance Company Limited) was established in 1955 and renamed Ghana Insurance Company in 1957 after Ghana attained Independence to primarily undertake life assurance. In 1960, Ghana Insurance Company set up a subsidiary company – Ghana General Insurance Company (Ghana General) to underwrite fire and motor businesses.

The Government of Ghana in February 1962 took over Ghana Cooperative Insurance Company and Ghana Insurance Company with its subsidiary (Ghana General) and reconstituted them to State Insurance Corporation by an Executive Instrument (E.I 17) under the Statutory Corporation Act, 1962 (Act 232) which commenced business in November, 1962. On August 28, 1995, State Insurance Corporation was converted into a public limited liability company, christened State Insurance Company and re-registered under the Companies code, 1963 (Act 179) with the Government of Ghana as the sole Shareholder. By a special resolution passed on 22nd October, 2007 the name of the Company was changed to SIC Insurance Company Limited. In accordance with the provisions of the current insurance legislation, the Insurance Act, 2006, SIC has duly separated its general business from the life business with the incorporation of SIC Life Limited. By a special resolution, SIC transferred the life business and assets to SIC Life Limited and in consideration of that, 80,000,000 ordinary shares were issued to the Government of Ghana. In 2007 the sole shareholder offered 60% of the shares of the company to the Ghanaian public by listing it on the GSE. This was oversubscribed by 97%. The government of Ghana retained 40% equity share.

SIC is a leading provider of general and life insurance products in Ghana. Its business operations cover fire, motor, marine and aviation, Life, accident insurance and other specialty insurance products like hoteliers and leisure policy, a policy for the hospitality and oil and gas industry. SIC Insurance writes virtually all classes of short term insurance including Motor, Fire, Marine, Aviation, General Accident, and policies for the Hospitality Industry, Family Security Plan, Flexi-Child Education Plan, Education Plan, Ultimate Life Plan, Loan Protector Plan, Key-Man Assurance, Mortgage Protection Plan, Group Life (Term Assurance) Policy, Group Life Endowment Policy, Guaranteed Endowment Plan, Final Journey Plan, Sika Plan (OKUM-KA) and School Fees Protection Plan

Over the last five years, SIC's financial performance oscillated. Its top line grew from GHS 67.37 million in 2010 to GHS 137.08 million in 2014 at a 15% CAGR. Conversely, SIC's bottom line peaked and troughed in the period under review. Net profit moved from GHS 6.03 million in 2010 dropped to -GHS9.03 million in 2012 from GHS 6.08 million in 2011. It picked up in 2013 at GHS 1.01 million plunged further to -GHS 8.30 million in 2014.

Unaudited financials for 2015 released by SIC shows much improvement in its performance. Total revenue improved to GHS 163.84 million in 2015 at a growth rate of 19% from GHS 138.08 million in 2014. Net profit leaped to GHS 9.53 million in 2015 from the 2014 Loss of GHS 8.30 million. The control of management on the operating expenses is inferred from the leap in growth rate of profit despite the 19% increment in revenue.

On the local bourse, the performance of SIC has been fairly satisfactory. The equity listed at a price of GHS0.3252 on 25<sup>th</sup> January 2008, saw appreciations and hit an all-time high of GHS0.63 in September 2008 only to slide gradually to GHS0.27 by 2009 year-end. In the following years, the stock recorded price fluctuations to end trading on 19<sup>th</sup> February, 2015 at GHS 0.20.

**Income Statement**

(All figures are expressed in Ghana Cedis)

	2012	2013	2014	2015
Turnover	110,097,499	107,591,374	138,079,793	163,844,093
Operating Expense	(97,470,287)	(95,775,050)	(119,496,945)	(142,856,068)
Net Profit	(9,034,391)	1,008,605	(8,303,403)	9,530,103

**Balance Sheet Summary**

(All figures are expressed in Ghana Cedis)

	2012	2013	2014	2015
Total Assets	142,071,904	161,650,658	175,392,972	199,326,968
Total Liabilities	68,757,332	76,007,666	97,491,960	114,473,084
Total Equity	67,602,973	80,551,622	74,614,625	81,567,496

**Ratios/Statistics**

	2012	2013	2014	2015
Net Profit Margin (%)	(0.12)	0.02	(0.11)	0.12
Return on Assets (%)	(0.06)	0.01	(0.05)	0.05
Return on Equity (%)	(0.13)	0.01	(0.11)	0.12
Earnings Per Share (GHS)	(0.04)	0.01	(0.05)	0.05
Dividend Per Share (GHS)	-	-	-	-
Net Assets Per Share (GHS)	0.35	0.41	0.38	0.42
<b>Share price</b>				
High (GHS)	0.40	0.51	0.52	0.37
Low (GHS)	0.31	0.27	0.35	0.12
Close (GHS)	0.34	0.39	0.37	0.14

**Investor Ratios**

	2014	2015
Price to Book Value	0.97	0.33
Price Revenue Ratio	0.52	0.17
Price Earnings Ratio	(7.85)	2.57
Year-to-date Return (%)	(0.05)	(0.62)


**Price Information**

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.16	12.02.16	19.02.16			
0.3163	0.3205	0.3211	0.0006 ▲	0.19 ▲	1.53 ▲

## GHANA STOCK EXCHANGE NEWS

Trading activity on the Ghana Stock Exchange for the week under review dipped significantly in relation to last week's performance.

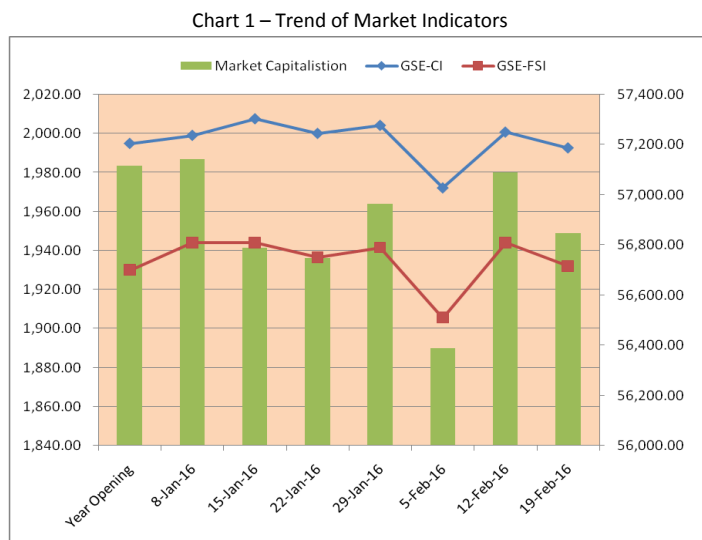
A total of 473,757 shares valued at GHS 841,492.67 were traded for the week ended compared to 2,476,682 shares valued at GHS 693,906.24 traded on the local bourse for the preceding week. This represents a decline of 422.77% in volume and an increment of 21.27% in value.

Ecobank Transnational was the most actively traded stock on the GSE for the week under review with 112,084 shares traded representing 23.66% of total share trade with GCB and GOIL following with 111,430 shares and 69,139 shares, representing 23.52% and 14.59% respectively. SCB was the least traded equity having seen only 62 shares exchange hands for the week representing 0.01% of total shares traded.

The GSE Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE – FSI) declined for the week. Both the GSE-CI and the GSE-FSI lost 8.07 points and 12.17 points to close the week at 1,992.63 points and 1,932.00 points from the preceding week's 2000.70 points and 1,944.17 points respectively. In percentage terms, the two indices fell by 0.40% for the GSE-CI and 0.63% for the GSE-FSE bringing the year-to-date returns for both Indices to -0.11% and 0.10% respectively for the week under review.

The market capitalization for the week under review consequently declined by 0.43% to close the week at GHS 56,846.60 million from a preview week level of GHS 56,388.58 million.

The chart below gives historical view of the key indicators on the market so far this year.



## MONEY MARKET NEWS

### CEDI PLUNGES

The cedi depreciated against three of the major trading currencies under review but appreciated against the other two. The local currency depreciated against the US Dollar, the South African Rand and the Japanese Yen by 0.32%, 1.33%, and 0.88% but appreciated against the British Pound and the Euro by 1.23% and 0.14% respectively.

This week's performance brought the year-to-date depreciation of the Cedi to 2.22%, 3.91% and 7.21% against the Dollar, the Euro and the Yen whiles

chalking a year-to-date appreciation of 1.61% and 0.02% against the Pound and the Rand respectively.

The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	12.02.16	19.02.16	12.02.16	19.02.16
US Dollar	3.8717	3.8840	3.8756	3.8880
Pound	5.5977	5.5351	5.6045	5.5423
Euro	4.3259	4.3196	4.3305	4.3246
Rand	0.2451	0.2484	0.2453	0.2486
Yen	0.0337	0.0340	0.0337	0.0340

Source: Ghana Association of Bankers

## INTEREST RATES

The yields on the 91-day and 182-Day Treasury bills both declined for the week under review. While the rate on the 91-day Treasury bill saw a 0.1093% fall to 22.6428% from the previous week's 22.7521%, the rate on the 182-day Treasury bill saw a 0.0489% fall to 24.5670% from the previous week rate of 24.6159%. The 1-Year Fixed Rate Note transacted at 23.0000% but the 2 and 3 Year Notes saw no transaction during the period.

For the previous week, a total amount of GHS 1,256.12 million was tendered out of which GHS 1,255.73 was sold for short term securities. The 1, 2 and 3-Year Notes however did not trade during the period.

The Government of Ghana's target for this week is GHS 1,331 million cedis for short term securities with no intention to take on long term debt.

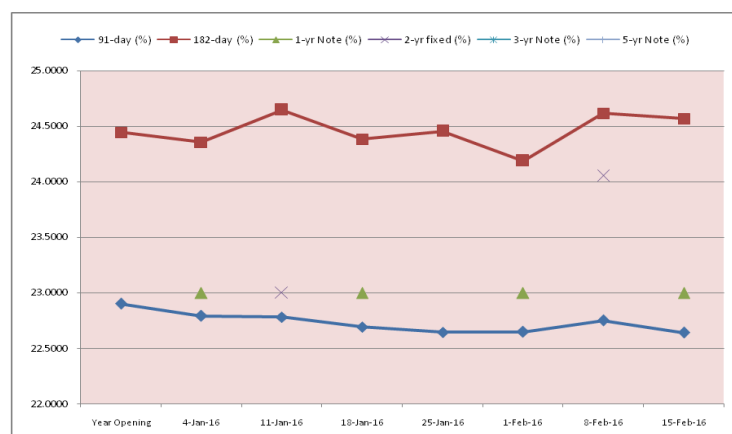
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	08.02.16 (% p.a.)	15.02.16 (% p.a.)	Week Change (%)
91 Day	22.7521	22.6428	0.1093 ▼
182 Day	24.6159	24.5670	0.0489 ▼
1-Year Note	-	23.0000	-
2-Year Fixed Rate Note	24.0500	-	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



## RELEVANT CORPORATE NEWS

### AGA - INCREASE IN ITS SHARE CAPITAL

AngloGold Ashanti Limited (AGA) has announced an increase in its issued ordinary shares to 405,231,034 as at November 30, 2015. This was as a result of the issue and listing of additional ordinary shares over the period on the Johannesburg Securities Exchange, South Africa.

The issued shares are as detailed below:

AGA Share Incentive Scheme (November 2015) - 62,348 ordinary shares

By this arrangement, AGA share capital has also been increased to 49,752,604,796.50 South African Rand.

*GSE Press Release: 003/2016*

### CIRCULATION OF ANNUAL REPORTS BY LISTED COMPANIES

The Exchange wishes to bring to the attention of the investing public the following new option or approach by which companies listed on the Ghana Stock Exchange can reach out to shareholders regarding circulation of annual reports. This new option or approach satisfies Section 335A of the Companies Code of 1963 (Act 179) as per the Companies (Amendment) Act of 2012, Act 835.

The new option or approach requires listed companies which choose to adopt same to apply as many, if not all, of the four steps itemised below as possible.

- (a) Collect email addresses of company's shareholders from the Central Securities Depository Ghana Limited (CSD) and send an electronic version of the annual report by email to such holders.
- (b) Give prior notice of: (i) a date; and (ii) a widely circulating newspaper and on the said date publish the full version of the following documents required by the Companies Act of 1963 in the said newspaper: Statement of Comprehensive Income; Statement of Financial Position; Statement of Cash Flows; Directors' Report; and Auditors' Report.
- (c) Put the full electronic version of the annual report containing the financial statements on the website of the company and inform shareholders of same.
- (d) Make a limited number of hard copies of the annual report available at the grounds of the annual general meeting for use by shareholders who would attend the annual general meeting.

*GSE Press Release: 047/2016*

## 2014 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
<b>PREFERENCE SHARES</b>				
SCB PREF.	GHS 0.0758	Feb. 27 (2015)	Mar. 2 – 4	Mar. 30
SCB PREF.	GHS 0.0762	Aug. 28 (2015)	Aug. 31 – Sep. 2	Mar. 30
<b>INTERIM DIVIDEND</b>				
TBL	43.60 bututs	Oct. 9 (2014)	Oct. 10	Oct. 13
TOTAL	GHS 0.0771	Dec. 3 (2014)	Dec. 4 - 11	Dec. 14
EGL	GHS 0.19	Dec. 8 (2014)	Dec. 9 - 10	Dec. 11
<b>FINAL DIVIDEND</b>				
CAL	GHS 0.081	Mar. 23 (2015)	Mar. 24 - 26	Apr. 30
MAC	GHS 0.05	Apr. 7 (2015)	Apr. 8 - 10	May 7
GCB	GHS 0.32	May 15 (2015)	May 18 - 21	June 22
HFC	GHS 0.06	Apr. 22 (2015)	Apr. 23 - 24	May 22
EBG	GHS 0.79	Apr. 24 (2015)	Apr. 27 – May 6	May 21
BOPP	GHS 0.0706	May 7 (2015)	May 8	Jun. 18
FML	GHS 0.09	May 4 (2015)	May 5 - 6	Jun. 1
TBL	30 Bututs	May 4 (2015)	May 5	May 12
GOIL	GHS 0.02	May 6 (2015)	May 7 - 8	
SCB	GHS 0.35	May 15 (2015)	May 18 - 19	June 30
EGL	GHS 0.025	June 16 (2015)	June 17 - 18	July 28

## 2015 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
<b>INTERIM DIVIDEND</b>				
TOTAL	GHS 0.0902	Nov. 27 (2015)	Nov. 30 – Dec. 3	Dec. 14
MLC	GHS 0.02	Dec. 2 (2015)	Dec. 3	Dec. 8

