

**FEATURE**
**SIC INSURANCE COMPANY LIMITED (SIC)**

SIC Insurance Company Limited traces its roots to 1955 when the Gold Coast Insurance Company (later renamed Ghana Insurance Company in 1957) was established, making it one of the oldest non-life insurance companies in Ghana. The State Insurance Corporation was borne out of a takeover of Ghana Cooperative Insurance Company in February 1962 and the subsequent merger of the company with Ghana Insurance Company which was also taken over by the Government of Ghana. The new entity, State Insurance Company thereafter commenced business in November 1962. In 1995, the State Insurance Corporation was converted into a public limited liability company as part of government's divestiture programme. On 22<sup>nd</sup> October, 2007 the name of the Company was changed to SIC Insurance Company Limited and in accordance with the current Insurance legislation (the Insurance Act, 2006), SIC duly separated its general business from life business with the incorporation of SIC Life Limited.

SIC provides general insurance services with its products covering fire, motor, marine and aviation and accident insurance. SIC also provides speciality insurance products such as hoteliers and leisure policy, a policy for the hospitality industry. SIC through its life subsidiary also provides life assurance products to the general public.

Since 2010 the financial performance of SIC Ghana limited has been mixed with some indicators improving and others fluctuating. From a Gross Premium of GH¢64.04 million in 2010, the top line indicator of the company consistently improved year-on-year to GH¢79.69 million in 2011 and further increased by 24.2% to close the year at GH¢99.00 million in 2012, indicating a growth of 54.57% over the three-year period. The bottom line indicator however witnessed a mixed performance during the period. From a Net profit of GH¢6.17 million in 2010, it went up marginally by 0.41% to end 2011 at GH¢6.20 million and by 2012, a Net loss of GH¢9.03 million was recorded.

Financial statements released by SIC for the year ended 31<sup>st</sup> December 2013 showed a mixed performance once again. Gross Premium received by the Company reduced from GH¢99.00 million in 2012 to GH¢98.11 million, signifying a 0.89% fall. Net Profit however increased to GH¢0.35 million in 2013 from the loss position of GH¢9.03 million in 2012. This was against the backdrop of a 21.51% and 14.37% reduction in Claims incurred and Management Expenses during the period as well as growth of 4.57% in the Investment income of the company and the receipt of Commission of GH¢1.92 million. Although Other Income fell by 43.53% and Finance Cost went up by 211.58%, these did not result in a loss position. The financial performance of the company during the year led to Earnings per share of GH¢0.0018 from GH¢-0.04623 in 2012.

On the Ghanaian bourse the performance of SIC has so far been laudable. From its listing price of GH¢0.33 on the 25<sup>th</sup> January 2008, the stock continuously recorded appreciations until it hit its all-time high price of GH¢0.63 in September 2008. Since then, the price of SIC consistently fell to GH¢0.20 in August 2009 before recovering marginally to close the year 2009 at GH¢0.27. Thereafter, the stock has recorded price fluctuations, rising in one period and declining in another. By 2013 year-end, the stock's price stood at GH¢0.39, signifying a Compounded Annual Growth Rate of

3.70% over the five-year period. So far this year, the stock has appreciated by GH¢0.13 to close at GH¢0.52 as at Friday, 21<sup>st</sup> March, 2014.

**Income Statement**

*(All figures are expressed in thousand Ghana cedis)*

	2010	2011	2012	2013
Gross Premium	64,042,765	79,690,362	98,992,058	98,108,733
Underwriting Profit	5,224,430	2,840,639	1,521,771	5,641,284
Net profit	6,170,306	6,195,402	(9,034,391)	346,918

**Balance Sheet Summary**

	2010	2011	2012	2013
Total Assets	137,441,579	149,370,424	142,071,904	151,716,549
Total Liabilities	53,601,041	62,934,407	74,468,930	78,592,188
Shareholders fund	83,840,538	86,436,017	67,602,973	73,124361

*\*Un-audited financial statements*

**Ratios/Statistics**

	2010	2011	2012	2013
Profit Margin (%)	7.80	3.4521	1.5373	5.7500
Return on Assets (%)	4.37	4.0711	6.3590	0.2287
Return on Equity (%)	7.19	7.0353	13.3639	0.4744
Earnings Per Share (GH¢)	0.0308	0.0311	0.0462	0.0018
Dividend Per Share (GH¢)	0.0177	0.0177	-	-
Net Assets Per Share (GH¢)	0.4285	0.4418	0.3455	0.3738
Share price				
High (GH¢)	0.43	0.54	0.40	0.51
Low (GH¢)	0.26	0.39	0.31	0.27
Close (GH¢)	0.43	0.40	0.34	0.39

**Investor Ratios**

	2012	2013
Price to Book Value	0.98	1.04
Price Revenue Ratio	7.36	219.94
Price Earnings Ratio	0.67	0.78
Year-to-date Return (%)	15.00	14.71


**Price Information**

Year	Week	Current	Weekly	Weekly	Year
Opening	Opening	Price	Change	Change	To
Price	Price				Date
(GH¢)	(GH¢)	(GH)	(GHS)	(%)	(%)
01.01.14	14.03.04	21.03.14			
0.2668	0.2994	0.2999	0.0005	0.17 ▲	12.41 ▲

## GHANA STOCK EXCHANGE NEWS

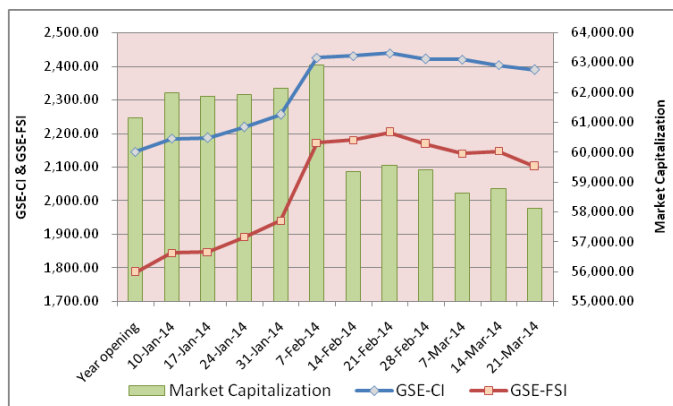
A total of 733,910 shares valued at GH¢2,342,511.29 traded on the Ghana Stock Exchange this week. Ghana Commercial Bank, CAL Bank Limited, Enterprise Group Limited, UT Bank Limited and Ghana Oil Company Limited were the period's five most active equities with trades of 150,342, 76,048, 74,300, 55,825 and 53,999 shares respectively. Tullow Oil plc recorded the least trade of 4 shares.

For the period, the GSE Composite index (GSE-CI) fell by 17.6 points to close the week at 2,388.74 bringing its year-to-date return to 11.35%. Similarly, the GSE Financial Stocks Index (GSE-FSI) also declined by a greater margin of 36.55 points to settle at 2,110.94 by the end of the week, bringing its year-to-date return to 18.15%.

Subsequently, the market's capitalization declined from last Friday's closing position of GH¢58,776.02 million to GH¢58,575.11 million indicating a fall of GH¢200.96 million.

The graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



## MONEY MARKET NEWS

### Cedi Depreciates Against Major Traded Currencies

On the foreign currency market, the Ghana Cedi in its interactions against the major trading currencies recorded depreciations. The Cedi lost 1.42%, 1.51%, 1.45%, 2.35% and 2.42% of its value against the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen respectively.

This performance moved the cedi year-to-date depreciation of the Dollar, the Pound, the Euro, the Rand and the Yen from 17.83%, 18.46%, 18.65%, 13.26% and 20.39% respectively as at last Friday to 19.51%, 20.25%, 20.36%, 15.93% and 23.30% respectively.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	14.03.14	21.03.14	14.03.14	21.03.14
US Dollar	2.5470	2.5819	2.5495	2.5845
Pound	4.2295	4.2937	4.2350	4.2985
Euro	3.5411	3.5925	3.5448	3.5959
Rand	0.2335	0.2390	0.2337	0.2392
Yen	0.0248	0.0254	0.0248	0.0254

Source: Ghana Association of Bankers

### Yields

On the money market, yields on all the government backed securities moved up during the week under review. From last week's yield of 22.8927%, the yield on the 91-day Treasury bill went up by 0.2751% to 23.1678% while that on the 182-day Treasury bill increased by 0.1425% to 21.2561%. Yields on the 1-Year Note and the 2-Year Fixed Rate Note also went up by 2.0000% and 2.5000% respectively.

Last week, total tenders received for the short and medium term securities amounted to GH¢58.17 million and GH¢10.04 million respectively. Government sold GH¢556.93 million for short term securities and all of the medium term securities.

For this week, government hopes to raise GH¢612.00 million from both short and medium term securities.

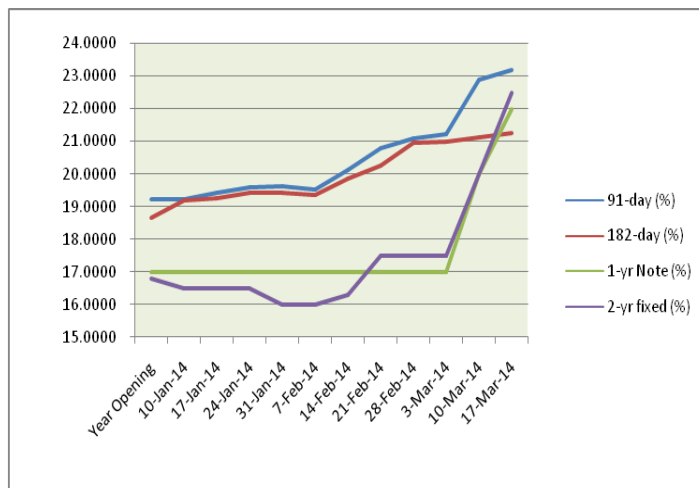
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	10.03.14 (% p.a.)	17.03.14 (% p.a.)	Year-to-date change (%)
91 Day	22.8927	23.1678	0.2751▲
182 Day	21.1136	21.2561	0.1425▲
1-Year Note	20.0000	22.0000	2.0000▲
2-Year Fixed Rate Note	20.0000	22.5000	2.5000▲

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



## RELEVANT CORPORATE NEWS

### EGL – RETIREMENT OF GROUP CHIEF EXECUTIVE OFFICER

Enterprise Group Limited has announced that effective 31<sup>st</sup> May 2014, the Group's Chief Executive Officer, George Otoo would retire from the company. He would be succeeded by Keli Gadzekpo who has served on the Board as a Non-Executive Director for 16 years. He is a co-founder and the current Chief Executive Officer of Databank Financial Service.

*GSE Press Release: 051/2014*

### UT – AGM ANNOUNCEMENT

The Annual General Meeting of UT Bank Limited has been scheduled for Thursday, April 17, 2014 at the National Theatre, Accra. The time for the meeting is 10:00am.

*GSE Press Release: 053/2014*

### HFC – ADDITIONAL LISTING

HFC Bank Limited has added 440,000 ordinary shares to the company's number of issued shares.

This was as a result of a number of senior staff members of the bank exercising their rights under the HFC Executive Stock Option Scheme.

*GSE Press Release: 054/2014*

## COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GHc0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GHc0.0009			Apr 2
AGA	GHc0.0900			Apr 2
BOPP	GHc0.0770	Apr 23	April 24 - 26	May 10
CAL	GHc0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GHc0.0060	Jun 26	Jun 27	Aug 30
EBG	GHc0.29	Apr 10	Apr 11 - 18	May 10
EGL	GHc0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GHc0.06	Apr 19	April 22 - 24	May 8
GCB	GHc0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GHc0.015	Aug 15	Aug 16	Aug 30
MLC	GHc0.015	Jun 25	June 26 - 28	July 19
PBC	GHc0.0062	Mar 15	March 18 - 22	May 7
PZ	GHc0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GHc0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GHc0.04	Mar 22	Mar 25 - 26	May 15
SPL	GHc0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GHc0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GHc0.2560	Apr 10	April 11 - 24	May 24
UTB	GHc0.02	Apr 12	Apr 15 - 17	May 31

## COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
<b>INTERIM DIVIDEND</b>				
EGL	GHc0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHc0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
<b>FINAL DIVIDEND*</b>				
CAL	GHc0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHc0.06	Mar 27	Mar 28 - 31	May 15

*\*All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	21.03.14	17.03.14	21.03.14		21.03.14	21.03.14	21.03.14	21.03.14	31.12.12	21.03.14	21.03.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49
AGA	25.35	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.06	0.06	-	-	20.00	-	-	-2.66	0.11	0.07
AYRTN	0.07	0.17	0.18	0.01 ▲	5.88	5.88	28	0.74	4.94	1.90	3.26
BOPP	0.18	3.00	3.10	0.10 ▲	3.33	-3.43	19	2.57	10.29	2.54	3.81
CAL	0.94	1.02	1.00	0.12 ▼	-1.96	3.09	6	3.43	34.67	0.95	1.00
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	9	3.75	2.54	0.63	0.36
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.75	7.78	7.50	0.28 ▼	-3.60	33.69	13	3.73	3.20	3.45	3.55
EGL	0.52	2.40	2.40	-	-	27.66	6	0.67	7.91	0.51	0.82
ETI	6.00	0.23	0.22	0.01 ▼	-4.35	15.79	5	-	1.16	0.60	0.73
FML	1.48	7.42	7.44	0.02 ▲	0.27	12.39	40	0.81	18.86	12.10	8.68
GCB	1.85	4.10	4.10	-	-	-15.46	6	3.41	4.16	2.86	2.28
GGBL	2.14	5.92	5.92	-	-	-4.52	-	-	9.59	5.84	3.98
GOIL	0.34	0.78	0.79	0.01 ▲	1.28	-11.24	14	1.92	5.52	2.84	0.02
GSR	1.20	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.57	1.12	1.13	0.01 ▲	0.89	17.71	10	-	2.26	1.02	2.18
MLC	0.03	0.38	0.37	0.01 ▼	-2.63	-2.63	10	3.95	1.66	0.18	0.28
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.13	0.16	0.16	-	-	-5.88	5	3.88	0.92	1.39	0.20
PZ	0.18	0.64	0.64	-	-	-18.99	-	-	11.44	2.74	1.12
SCB	3.95	20.16	20.05	0.09 ▼	-0.55	34.20	12	2.33	4.14	0.95	1.03
SIC	0.17	0.49	0.52	0.03 ▲	6.12	33.33	22	-	1.09	1.42	1.20
SPL	0.005	0.04	0.04	-	-	-	7	-	6.14	1.04	0.64
SOGEGH	0.57	1.00	1.00	-	-	33.33	10	4.00	2.40	1.83	2.55
SWL	0.001	0.03	0.03	-	-	-	12	-	7.65	1.00	0.19
TBL	0.09	0.25	0.25	-	-	-28.57	5	-	2.11	1.81	0.08
TOTAL	1.13	5.45	5.94	0.49 ▲	8.99	17.39	16	12.66	8.16	0.74	0.08
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	46.84	30.25	30.25	-	-	-13.52	23	-	7.10	5.14	11.66
UNIL	1.93	18.09	18.09	-	-	-1.20	46	1.42	12.68	33.24	4.83
UTB	0.34	0.46	0.44	0.02 ▼	-4.35	2.22	9	4.35	0.54	0.99	2.37
<b>Depository Shares</b>											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
<b>Preference Shares</b>											
SCB-PREF	0.02	0.52	0.52	-	-	-	-	-	-	-	-
<b>ETF</b>											
GLD	0.02	23.00	23.00	-	-	-11.98	-	-	-	-	-

**Key** ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC Insurance Company Ltd, SPL—Starwin Products Ltd, SOGEGH—Societe Generale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold Ashanti Depository Shares, SCB-PREF—Standard Chartered Bank Preference Shares, ETF—Exchange Traded Fund, GLD—New Gold

■ As at September 2013 ■ As at June 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners