

Chairman Statement

Dear fellow shareholders, representatives of the various regulatory bodies, invited Guests present at this gathering, members of the press, distinguished ladies and gentlemen. It is my profound honour and privilege to welcome you all to the 48th Annual General Meeting of Great Nigeria Insurance Plc taking place at Orchid Hotels & Events Centre, Plot 3, Dreamworld Africana Way, Onigbogbo Layout, Opp. Oluwanisola House, Ikota-Epe Expressway, Ikota- Lekki, Lagos.

Like I mentioned in my opening comment, it is indeed an honour to be here, being my maiden responsibility as the Chairman of this Great Company of ours to meet you our various stakeholders. I pray this will grow into a mutually rewarding relationship.

With a deep sense of responsibility and as part of our commitment to fulfilling this statutory obligation and also to bring you upto date on the activities of our Company and the Operating Environment, I hereby present to you a review of our operations and results for the years ended December 31, 2011 and December 31, 2012.

Business Outlook

The year 2011 was another landmark period in the annals of the country as the democratic journey was further entrenched as a result of the peaceful and successful conduct of the election which led to the inauguration of Dr. Goodluck Ebele Jonathan as the President of the Federal Republic of Nigeria.

We know that a stable democracy is the foundation of business and the economy of a country to thrive on. In the face of the weakening world economy in 2011, the Nigerian economy remained relatively stable although the country still fell short of its growth potentials.

Year 2012 however started on an intriguing note with the nationwide strike called by the Labour Unions occasioned by the Federal Government decision to deregulate the downstream sector of the petroleum industry. The major implication of this deregulation was the withdrawal of subsidy on Premium Motor Spirit [petrol]; this led to the increase in the pump price of the product. Although the strike was called off after almost two weeks

of near business paralysis, the resultant effect was the rise in the inflation rate from 10.3% to 12.6%.

However, the price of crude oil, the country's main economic life wire, remained relatively stable at between \$91 - \$97 and production output also steadied at 2 million barrels per day.

The greatest ill was Insecurity which became a growing headache for the government as the spate of kidnappings, armed attacks, terrorism amongst others continued to rise leading to loss of lives and properties. Business operations were adversely affected by the violence and this in turn affected the economic well-being of the people in different parts of the country.

It must however be noted that the Government has been doing all it could to redress the situation and part of the challenge has been the huge expenses being incurred in the provision of adequate security which could have gone into provision of the much needed basic social amenities and improvement of the other developmental facilities. The security threat has discouraged investment and we hope this will be tackled within a short time.

Financial Performance

In year 2012, the Company ensured full compliance with the international financial reporting standards (IFRS) deadline date set by the Federal Government of Nigeria. Gross premium as at 31st 2012 stood at N2,881,139 billion as against the turnover of N2,403,889 billion of 2011, this shows a 16.5% comparative increase. The underwriting profit in the year 2012 stood at N1.247billion as against N846million recorded in the year 2011.

Meanwhile, the total assets also experienced similar growth of 13.8% at N8.432billion as against the 2011 figure of N7.265billion.

Similarly, Shareholders' Funds improved by 25% from N4.395billion as at December 31, 2011 to N5.352billion as at December 31, 2012.

Divestment

Following the Central Bank of Nigeria's directive for Banks operating in Nigeria to concentrate on banking as their core competence, the Board of Wema Bank PLC decided to sell off their holdings of your Company. An advertisement was placed in June, 2011 calling for interested bidders.

After careful and transparent scrutiny of bids that were received, the bid submitted by the Management of your Company was adjudged the most suitable, and meeting all the requirements. Our presence this morning is a result of the success and completion of the divestment process.

We assure you that our Company is in safe hands, we promise to ensure the sustenance of the great virtues of integrity and good corporate governance. We will also put our vast experience to bear and ensure the Company continues with the growth indices we inherited.

I must confess however, the result we are discussing today should be attributed to previous board chaired by the distinguished and respected person of Mr. Segun Oloketuyi. I ask you to join me in thanking these gentlemen and ladies for their dedicated and exemplary performance.

As I have assured us. I and my colleagues will not relent on our effort to sustain this growth. We need all hands on deck on this assignment.

Dividend

Dear shareholders, we hereby appeal for your continuous understanding, we will not be able to pay dividend for these years. Our resolve is to earnestly work harder for our Company to be able to pay dividends consistently in the coming years.

Future Outlook

Our Company is evolving. All the indices points to growth. Everyone is bracing up for these developmental changes. The Commitment to our vision and mission remains on course. Sound fiscal discipline which will enhance our profitability will be pursued.

Conclusion

I wish to conclude by expressing our appreciation to our esteemed customers, brokers and every other stakeholder who has contributed immensely to our growth these past two years.

I thank and commend the supportive Management team and the entire staff of this great Company for their resilience and commitment in the achievement of these positive results. The expected continuous improvement in the operating environment will definitely serve as the pivot of our growth. We are committed to this growth. We intend to create wealth, meet the expectations of our various stakeholders. We appeal for your continuous support in this regard.

Lastly, to God be all the Glory. He has kept us all through the years by His grace; He will continue to keep us all.
God bless you all.

Chairman