

# 2020 ANNUAL REPORT

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Assinco  
Subsidiary of the  
BGFIBank Group

## ASPIRING TO GENUINE LEADERSHIP

Assinco 

NETWORK  
MEMBER  




# 2020 ANNUAL REPORT

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Subsidiary of the  
BGFIBank Group

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## COLOPHON

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# FOREWORD

## A YEAR LIKE NO OTHER

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In 2020, the entire world was plunged into economic and financial uncertainty due primarily to the unprecedented scale of the Covid-19 pandemic. The impacts of this global crisis have been many and varied: from health risks stemming from the rapid spread of the disease, to economic recession, instability in financial markets, a reduction in household purchasing power, and more.

On the domestic front, the Gabonese authorities reacted quickly, holding a Presidential Council on the coronavirus on 7 March 2020 to approve measures to bolster the response strategy. These included setting up a special fund, considerably strengthening the health system, placing the Greater Libreville area under lockdown, then declaring a state of health emergency.

Yet there can be no denying the fact that, for a rentier economy seeking diversification as a way to reduce its exposure to external shocks, the extent to which the crisis has affected growth forecasts has laid bare the vulnerability of an economic model reliant on the oil industry for over half a century. The tumbling price of oil and its knock-on effects have hit the industry hard, causing output to fall back by an estimated 4.5%.

Taken together, these factors have prompted a return to a more adverse economic climate: the initial growth forecast in the Finance Act of +3.8% has been revised downwards to -0.2%, a loss of 4 percentage points. Fiscal imbalances have also worsened, with actual government revenues coming in 700 million CFA francs, or 33%, lower than forecast.

This sharp decline in government revenues illustrates how the crisis has weakened not just the hardest-hit sectors (oil & gas), but the entire Gabonese economy, including sectors like tourism, hotels and restaurants, timber and logging, construction and civil engineering, passenger transport and non-food retail, which together account for a large proportion of domestic activity.

The prestigious Odyssee building, Assinco's new head office, is located on Boulevard de l'Indépendance in Libreville



**A WORD FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS**

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*“Our resilient systems and processes enabled us to continue operating and, in turn, safeguard the assets and equipment of the Gabonese businesses that we serve.”*



Richard Auguste Onouvié

In 2020, the world faced a sudden and unexpected public-health crisis caused by the Covid-19 pandemic.

Despite the challenging circumstances facing all operators, we were able to honour our commitments and obligations to all our stakeholders by successfully deploying our business continuity plan. And of course, the health and safety of our employees remained one of our top priorities.

Assinco retained its position as the biggest player in the Gabonese market by premium income.

The ISO 9001:2015 certification procedure was postponed until 2021 as restrictions on movement affected working arrangements.

We remained broadly compliant with all statutory solvency ratios. Our resilient systems and processes enabled us to continue operating and, in turn, safeguard the assets and equipment of the Gabonese businesses that we serve.

Service standards and stakeholder satisfaction will remain an ongoing area of focus as we build robust quality processes and upskill our human capital.

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# 2020 IN REVIEW



# 1.1. Report by **SENIOR MANAGEMENT**



Stephen Moussirou, Chief Executive Officer

*“Assinco not only maintained its operations at an acceptable level, but also continued honouring its commitments.”*

## **HONOURING OUR COMMITMENTS, MAINTAINING HIGH PRODUCT STANDARDS**

The foreword to this annual report is a salient reminder of the restrictions on movement, meetings and schedules that many of our clients faced last year – restrictions that affected their ability to do business and maintain a healthy cash flow.

In these challenging circumstances, Assinco not only maintained its operations at an acceptable level, but also continued honouring its commitments. During the lockdown, our priorities were to protect the health of our employees, to keep

in touch with our clients, insured parties and partners, and to preserve our company’s liquid assets. We did not lay off any staff or employ any other measures that would penalise our staff. However, some policy-holders struggled to pay their premiums, which affected our recognised income for the year.

As the leader in the fire, accident and miscellaneous risks insurance market, we stepped up to support all our stakeholders in the unprecedented circumstances of the Covid-19 pandemic. Alongside our partners in the Gabonese Federation of Insurance Companies (FEGASA), we contributed to a donation for healthcare workers and disadvantaged communities via the ministry responsible for the Covid-19 response.

The burgeoning economic recovery, coupled with the resumption of oil & gas investment and a vibrant and dynamic SME ecosystem, meant that business conditions were set fair in the early part of 2020. These buoyant conditions were punctured by the onset of the Covid-19 pandemic.

In the first quarter, the pace of premium income inflows was satisfactory. In the second quarter, policy-holders signed premium schedule and moratorium agreements and adhered to their terms. However, inflows declined in the second half of the year as clients reduced their capital and goods insured.

Despite the challenging circumstances of 2020, we ended the year on a positive note.

As a 60% subsidiary of BGFH Holding Corporation, Assinco aspires to genuine leadership in the Gabonese insurance market. This ambition is

reflected in our ongoing commitment to training our people. Likewise, the Board of Directors, Senior Management and all employees share a strong desire to develop a culture of insurance while adhering to compliance rules.

In short, our model is not to sell products at unnecessarily aggressive prices, but instead to offer high-added-value insurance cover for all our clients.

By adopting this approach, we have played our part in the success of the BGFH Bank Group's Excellence 2020 strategic plan. Between 2016 and 2020, our company grew to become an insurance firm with an enviable reputation and solid partnerships both in Gabon and beyond.

It is a pride that we share with all our stakeholders. So together, let us look to what lies ahead with confidence and peace of mind.

**Stephen Moussirou**  
Chief Executive Officer





## 1.2. ASSINCO'S KEY FIGURES for the past 5 years

in millions of CFA francs	2016	2017	2018	2019	2020
Premiums written	13,568	17,563	19,710	18,853	20,830
Premiums earned	13,428	18,974	20,199	19,024	19,498
Gross cost of claims	4,603	10,967	11,196	6,141	5,304
Commission expenses	1,906	2,834	2,585	2,401	2,125
Reinsurance result (in favour of the reinsurers)	4,492	1,219	3,243	6,786	8,334
Net technical result	2,425	3,954	3,175	3,696	3,735
Investment result	691	500	534	531	417
Insurance activities margin (Net Banking Income)	3,116	4,454	3,709	4,227	4,152
Overheads	3,028	3,635	3,440	4,098	4,478
<b>NET RESULT</b>	<b>203</b>	<b>1 346</b>	<b>114</b>	<b>22</b>	<b>70</b>
Investment assets	18,586	19,783	18,505	18,711	17,743
Gross reinsurance loss ratio	34.28%	57.80%	55.43%	32.28%	27.20%
Net reinsurance loss ratio	53.60%	48.78%	57.27%	48.15%	43.50%
Acquisition cost	36.37%	36.83%	30.57%	34.16%	31.70%
Return on investments	3.72%	2.53%	2.89%	2.84%	2.35%
Rate of commission	14.05%	16.14%	13.12%	12.74%	10.20%
<b>MARKET RANKING</b>	<b>3<sup>rd</sup></b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>
<b>COMBINED RATIO</b> → net of reinsurance: net loss ratio + acquisition cost	89.97%	85.61%	87.84%	82.31%	75.20%

## 1.3. BUSINESS overview

Assinco's structure means it is well-placed to cater to the requirements of both private and business clients.

The Odyssée branch deals primarily with private clients and SMEs, while larger businesses and corporates (members of multinational groups) are served through our brokerage network.

Assinco's standing and reputation have grown considerably in recent years, buoyed in part by the strength of our market share coupled with targeted public marketing and communication campaigns focusing in particular on motor, home and travel insurance.

### | HIGHLIGHTS OF 2020

At end-2020, Assinco held a 25% market share in fire, accident and miscellaneous risks insurance.

However, net profitability was down slightly on account of major internal restructuring efforts and the completion of several ambitious projects, including the Odyssée head office.

The Odyssée branch had a particularly impressive year in 2020, especially in light of the Covid-19 pandemic, recording a significant increase in both footfall and sales and making optimal use of new communication channels to keep in constant touch with insured parties.

### AN ACCIDENT VICTIM DISCUSSES HER EXPERIENCE

## "Thank you for your help, Assinco!"

My name is Sagesse Benot. I was involved in a road-traffic accident at Sainte-Barbe junction in Port-Gentil at around 2 a.m. on 22 December 2004. The taxi I was travelling in smashed into a barrier wall.

The emergency services were on the scene quickly. I was taken straight into intensive care at Paul Igamba Hospital because I was in a critical condition. A week after the accident, I found out that I'd been airlifted to Jeanne Ebori Hospital in

Libreville after a medical officer from my insurer, Assinco, got involved in the case. Assinco covered the costs of evacuating me by air.

I spent several months in hospital. My mother couldn't afford to pay for my care and treatment. Assinco paid all my costs and they were there by my side when I needed them.

Today, 17 years later, Assinco is still covering the cost of medical bills relating to the accident.



Although local operators reduced their coverage – in terms of capital and goods insured – premiums increased for some corporate clients, including in the mining, oil & gas, and construction and civil engineering sectors.

Last year was notable for several product and service innovations:

- **A new client area** (<https://Assinco-sa.com/ESPACE-CLIENT>) on the Assinco website, which lets insured parties view their account statements, policy schedules and premiums, talk to an adviser, and track the progress of outstanding claims.
- **A direct compensation** agreement with AXA Gabon for motor insurance claims.

Under this ground-breaking agreement, AXA Gabon and Assinco have pledged to pay out vehicle damage claims to their clients more quickly, in order to accelerate the pace of the claims settlement process.

*“We aspire to continue raising the bar for client satisfaction.”*

The agreement, which covers road-traffic accidents occurring anywhere in the CEMAC zone and involving vehicles insured by Assinco and AXA Gabon, enables claims by clients insured with the two companies to be settled more quickly.

From now on, AXA Gabon and Assinco will pay for the cost of post-accident vehicle repairs upfront.

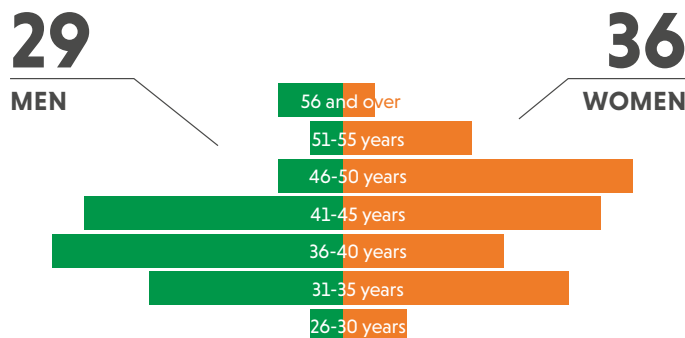
Moreover, as a member of the BGFIBank Group, we are able to harness business opportunities outside our core areas of expertise, including through cross-selling. Assinco has a clear ambition: to deliver maximum satisfaction for the clients of the BGFIBank Group’s subsidiaries.

## 1.4. WORKFORCE overview

At end-2020, Assinco employed 65 people in total (36 women and 29 men), with 40 employees in sales and client care roles, 22 in support roles and 3 in risk management roles.

Amid the economically and socially challenging circumstances of last year, Assinco's total headcount remained unchanged. We began the process of hiring people to fill vacancies, including a Chief Financial Officer. A Head of Quality, reporting to Senior Management, joined us from another group entity.

*“An average age of 41 and a relatively well-balanced age pyramid”*



### | HIGHLIGHTS

Last year, highlights on the human capital and human resources front included:

- an annual team-building event focusing on performance;
- two meetings of the Standing Committee for Economic and Social Consultation (CPCES);

- three issues of the internal newsletter;
- a long-service award ceremony for employees with 10 years of service.

Other notable events included:

- holding annual medical examinations including Covid-19 tests;
- deploying the Covid-19 business continuity plan (early leave, staff rotation, remote working, compensatory working time, etc.);
- taking part in Breast Cancer Awareness Month (October 2020);
- distributing Christmas toys and gift vouchers to employees' children;
- providing medical support for employees who had contracted coronavirus;
- keeping all employees on full pay despite the reduction in working hours.

Assinco operated in “degraded” mode last year amid the unique circumstances of the Covid-19 pandemic, with:

- fewer people on site;
- staff working from home;
- a job rotation system;
- shielding for clinically vulnerable employees.

Management's priorities in 2020 were to protect the health and safety of our employees, to keep in touch with our clients, insured parties and partners, and to preserve the company's liquid assets.

## 1.5. Summary of 2020 and **OUTLOOK FOR 2021**

### | SUMMARY OF 2020

- Last year was a challenging time on many fronts, as the repercussions of the Covid-19 pandemic affected our lifestyles and working arrangements.
- In these unique circumstances, our focus was on protecting our employees, keeping in touch with our clients, and preserving our liquid assets.
- We successfully grew our business in 2020.
- We constantly adjusted our business continuity plan (BCP).
- As well as prioritising employees' health and asset preservation, we also focused on production, sales and debt recovery.
- We continued to provide coverage for, and maintain close ties with our clients, without bringing in excessive premium increases or losing sight of the importance of personalised service.

### | OUTLOOK FOR 2021

2021 marks the beginning of Dynamique 2025, the BGFIBank Group's new strategic plan. Assinco intends to play its part efficiently and effectively. We will put in place bold, realistic and achievable action plans as we look to win new business, satisfy our clients, and achieve the objectives of this ambitious and inspiring plan.

These objectives include:

- delivering training in the various aspects of insurance, including special courses for managers;
- updating our documentation;
- rolling out our quality management system so we can better measure our performance, gauge the impact of our action plans, and demonstrate the expertise on which our products and wider business are built;
- having our operations audited to the ISO 9001:2015 standard (scheduled for the second half of the year);
- constantly improving our systems, processes and practices in order to boost our profitability and, in doing so, keep all our stakeholders satisfied.

*“2021 marks the beginning of Dynamique 2025, the BGFIBank Group's new strategic plan. Assinco intends to play its part efficiently and effectively.”*

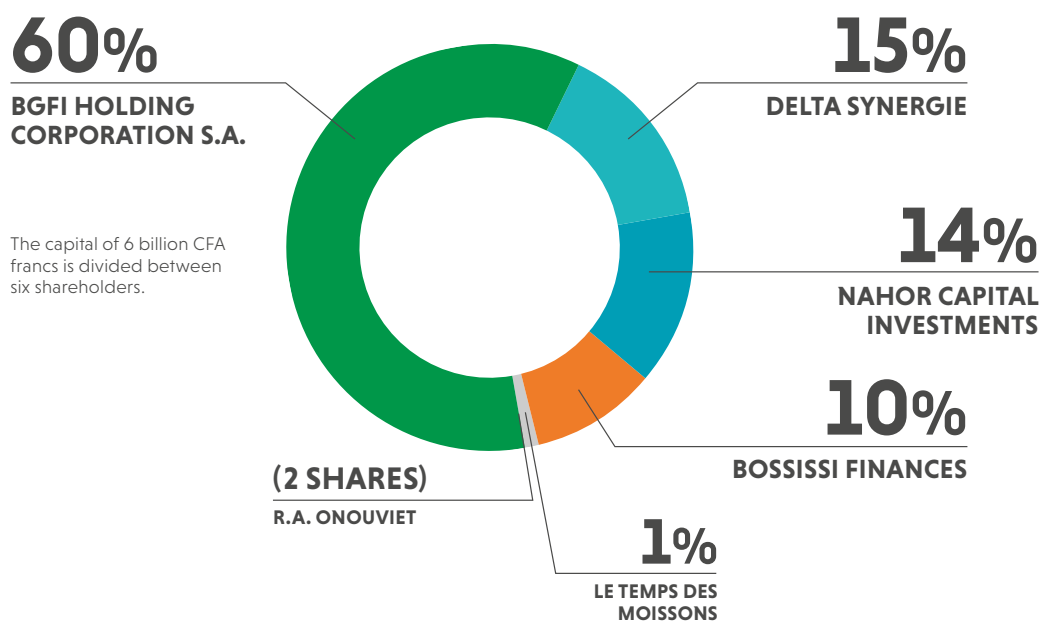
# 2

## ORGANISATION OF ASSINCO



## 2.1. GOVERNANCE of Assinco

### ASSINCO'S SHAREHOLDERS AT 31 DECEMBER 2020



#### COMPOSITION OF THE BOARD OF DIRECTORS



**CHAIRMAN:**  
Mr Richard Auguste  
Onouviét

**MEMBERS:** Mr Henri-Claude Oyima  
Ms Aminata Ba  
Ms Brenda Boukoubi  
Ms Eugénie Ndende  
Ms Emma Maisonneuf  
Mr Jérôme Andjoua  
Mr Waïdi Loukoumanou  
Mr Ulrich Mengue

#### SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

- Good Governance, HR and Remuneration Committee
- Audit Committee
- Investments Committee
- Reinsurance Committee

## COMPOSITION OF THE EXECUTIVE COMMITTEE



**CHIEF EXECUTIVE OFFICER:**  
Mr Stephen Moussirou

**CHIEF TECHNICAL OFFICER:**  
Mr Ricardo Franck Koumba

**CHIEF FINANCIAL OFFICER:**  
Mr Hugues Moundziengou

**HEAD OF BROKERAGE:**  
Mr Adonis Oyima

**HEAD OF INTERNAL CONTROL:**  
Ms Natacha Ngari Lentongho

**CHIEF BUSINESS DEVELOPMENT OFFICER:**  
Mr Wilfried Engouma

**CHIEF HUMAN RESOURCES OFFICER:**  
Ms Rosine Soromou

**HEAD OF QUALITY:**  
Ms Mariella Anegha

The Executive Committee

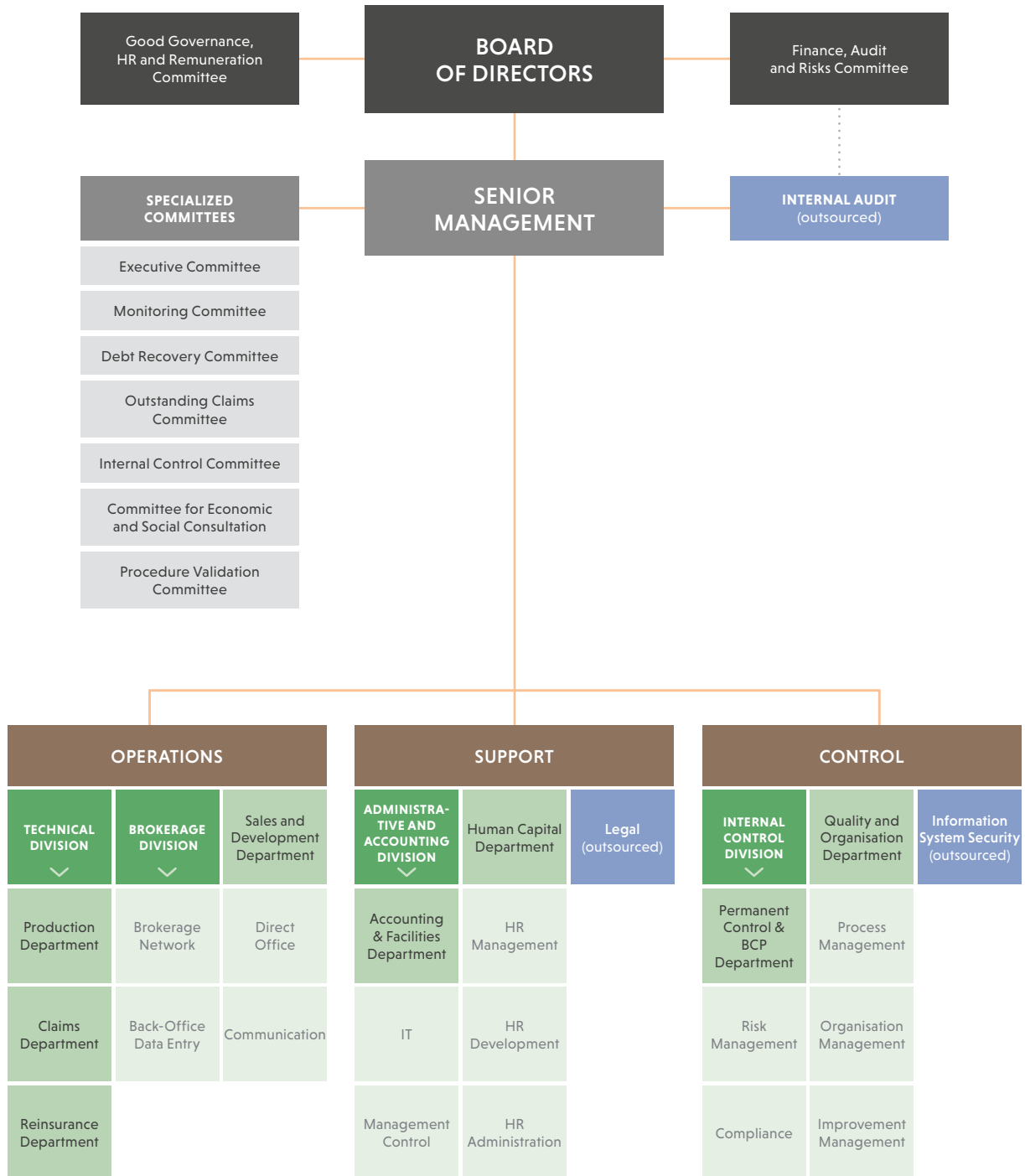


## SENIOR MANAGEMENT COMMITTEES

1. The Executive Committee is responsible for day-to-day management of the company. It fulfils this duty by analysing internal and external information in order to optimise performance.
2. The Internal Control Committee ensures that all decisions relating to the operation of the company are rigorously applied, and that procedures are implemented and adhered to.
3. The Operations Monitoring Committee applies policy directives from Senior Management and the company's good governance policy.
4. The Standing Committee for Economic and Social Consultation handles questions relating to human resources and professional matters, the workplace environment, disciplinary matters, employee benefits, and employee health and safety.
5. The Outstanding Claims Committee meets periodically to review all claims cases that are pending and to decide on the appropriate course of action. It analyses the cost of claims and the claims portfolio, and makes proposals on guarantees and pricing based on claim volumes.
6. The Debt Recovery Committee decides on recovery actions for all debts owed to the company. The "Financial Performance" process lead ensures that the debts identified by all process leads are exhaustive in nature.
7. The Procedure Validation Committee oversees the drafting and updating of the company's documentation. It tracks and manages the roll-out of the quality management system.



## ASSINCO'S ORGANISATION CHART IN 2020



## 2.2. **RISK** management and **COMPLIANCE**

Assinco's systems and processes for risk management and compliance adhere to the requirements of Article 331-16 of the CIMA Code.

The role of internal control, at Assinco and across the BGFIBank Group as a whole, is to ensure strict adherence to procedures and regulatory requirements, and to ensure that practices are in line with the very highest standards of control and governance.

In 2020, Assinco's internal control system maintained its focus on a key objective: to make internal control everyone's business, and to contain operational risks.

### | DUTIES

The main duties of the Internal Control Division are to:

- ✓ adhere to the limits and objectives set by regulators and governance bodies;
- ✓ ensure that documentation and information are circulated effectively, both through internal channels and to third parties;
- ✓ check that internal operations and procedures are compliant with applicable laws and regulations;

- ✓ assess and oversee activities, and monitor and contain risks;
- ✓ educate and train employees in matters relating to control, risk management and compliance;
- ✓ ensure the reliability of accounting and financial information, and of document collection and retention procedures;
- ✓ listen to and take account of the expectations of relevant stakeholders;
- ✓ develop close ties with intermediaries, partners and insured parties;
- ✓ engage and upskill employees;
- ✓ set up systems for monitoring processes, by managing risks and opportunities;
- ✓ optimise profitability;
- ✓ constantly improve the performance of all processes by harmonising documentation and strengthening internal client-supplier relationships.

By fulfilling these duties, the Internal Control Division – along with the Quality Division – delivers significant added value in terms of internal transparency and better management of issues and complaints.

# 3

## FINANCIAL STATEMENTS



## 3.1. FINANCIAL REPORT for the financial year ending 31 December 2020

### BALANCE SHEET

figures in CFA francs

<b>Assets</b>	<b>Gross amounts</b>	<b>Depreciation and provisions</b>	<b>Net amounts</b>	<b>Sub-totals</b>
Intangible fixed charges and assets	884,619,417	731,953,633	152,665,784	
Land	631,601,309		631,601,309	
Buildings	8,334,459,780	1,898,840,000	6,435,619,780	
Other intangible fixed assets	845,644,680	677,623,601	168,021,079	
Fixed assets in progress – advances and down payments	71,368,233		71,368,233	
Long-term debts	724,310,922		724,310,922	
Equity investments	3,108,996,500	571,800,000	2,537,196,500	
Equipment bonds	0		0	
Other securities	4,686,173,809		4,686,173,809	
<b>→ Sub-total: fixed assets</b>	<b>19,287,174,650</b>	<b>3,880,217,234</b>	<b>15,406,957,416</b>	<b>15,406,957,416</b>
Provisions for premiums	1,507,865,710		1,507,865,710	
Provisions for claims	4,213,629,887		4,213,629,887	
Other provisions			0	
<b>→ Technical provisions for disposal of assets</b>	<b>5,721,495,597</b>	<b>0</b>	<b>5,721,495,597</b>	<b>5,721,495,597</b>
Current accounts – reinsurers	7,927,857,586	0	7,927,857,586	
Current accounts – brokers	886,615,682	0	886,615,682	
Debts owed by insured parties	102,709,008	0	102,709,008	
Employees	9,674,310	0	9,674,310	
Government	100,009,881	0	100,009,881	
Sundry debtors	57,059,018	0	57,059,018	
Accruals accounts	351,535,429	0	351,535,429	
Cheques and coupons to cash		0	0	
Bank and postal cheques	3,452,365,737	0	3,452,365,737	
Cash	1,942,428	0	1,942,428	
<b>→ Sub-total: current assets</b>	<b>12,889,769,079</b>	<b>0</b>	<b>12,889,769,079</b>	<b>12,889,769,079</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>			<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>			<b>34,018,222,092</b>	<b>34,018,222,092</b>

figures in CFA francs

Liabilities	Net amounts	Sub-totals
Called-up capital – paid up	6,000,000,000	
Called-up capital – not paid up	0	
Statutory reserves	600,000,000	
Reserves on capital gains to be reinvested	4,743,631,078	
Optional reserve	125,000,000	
Retained earnings	41,318,397	
<b>→ Sub-total: equity capital and reserves</b>	<b>11,509,949,475</b>	<b>11,509,949,475</b>
Provisions for liabilities and losses	0	
<b>→ Sub-total: liabilities and losses</b>	<b>0</b>	<b>0</b>
Deposits from reinsurers	3,382,772,183	
Borrowing	1,658,248,664	
Other debts		
<b>→ Sub-total: medium-term and long-term liabilities</b>	<b>5,041,020,847</b>	<b>5,041,020,847</b>
Premiums	1,957,132,506	
Claims	7,617,618,717	
Cancelled premiums	0	
<b>→ Sub-total: technical provisions</b>	<b>9,574,751,223</b>	<b>9,574,751,223</b>
Current accounts – reinsurers	4,447,324,507	
Current accounts – brokers	1,469,382,853	
Current accounts – insured agents	42,266,880	
Employees	54,719,931	
Government	981,590,286	
Shareholders	26,227,638	
Sundry creditors	283,615,214	
Management accruals account	517,841,125	
Cheques to cash	0	
Banks	0	
<b>→ Sub-total: current liabilities (medium-term and long-term)</b>	<b>7,822,968,434</b>	<b>7,822,968,434</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>69,532,113</b>	<b>69,532,113</b>
<b>TOTAL LIABILITIES</b>	<b>34,018,222,092</b>	<b>34,018,222,092</b>

## INCOME STATEMENT

figures in CFA francs

Debit	Gross transactions	Cessions and retrocessions	Net transactions
<b>Cost of claims net of recourse:</b>			
Services and costs paid	10,469,142,295	6,522,314,120	3,946,828,174
Add: provisions for claims at year end	7,617,618,717	4,213,629,885	3,403,988,832
Deduct: provisions for claims at year start	12,782,852,805	8,786,328,796	3,996,524,009
→ <b>Services and costs for the financial year</b>	<b>5,303,908,206</b>	<b>1,949,615,209</b>	<b>3,354,292,997</b>
<b>Commissions</b>	<b>2,125,210,899</b>	<b>1,502,058,533</b>	<b>623,152,366</b>
<b>Other charges:</b>			
Staff costs	1,251,431,964		
Direct and indirect taxes	429,403,473		
Work, supplies and external services	1,372,823,955		
Transport and travel	9,083,976		
Sundry management expenses	496,369,734		
Allocation to depreciation and provisions	919,236,413		
→ <b>Total other charges for the financial year</b>	<b>4,478,349,515</b>		
→ <b>Total commission and other charges</b>	<b>6,603,560,414</b>	<b>1,502,058,533</b>	<b>5,101,501,881</b>
<b>Investment charges:</b>			
Expenses on securities			25,000,081
Expenses on investment property			8,549,975
Miscellaneous expenses			191,622,024
Amortisation charge on investment securities			0
<b>Credit balance</b>			
<b>TOTAL</b>			<b>8,680,966,958</b>

figures in CFA francs

<b>Credit</b>	<b>Gross transactions</b>	<b>Cessions and retrocessions</b>	<b>Net transactions</b>
<b>Premiums:</b>			
Premiums and premium-related fees (net of cancellations)	20,829,912,951	12,985,123,302	7,844,789,650
Add: provisions for premiums at year start	625,023,457	302,965,665	322,057,792
Deduct: provisions for premiums at year end	1,957,132,507	1,502,187,387	454,945,120
<b>→ Earned premiums for the financial year</b>	<b>19,497,803,901</b>	<b>11,785,901,579</b>	<b>7,711,902,322</b>
<b>Investment revenue:</b>			
Revenue from securities	428,364,228		
Revenue from investment properties	54,333,953		
Other income	132,733,182		
<b>Other income:</b>			
Operating grants			
Premium-related income	26,325,139		
<b>Work performed by the company for its own purposes:</b>			
Charges not attributable to operations during the year	0		
<b>Debit balance</b>			<b>327,308,134</b>
<b>TOTAL</b>			<b>8,680,966,958</b>

## | PROFIT AND LOSS ACCOUNT

figures in CFA francs

### Debit

<b>Operating loss for the financial year</b>	<b>327,308,134</b>
<b>Losses brought forward from previous financial years</b>	<b>585,213,373</b>
<b>Provisions for capital losses at year end:</b>	
To guarantee capital losses on securities under management	
For depreciation of fixed assets and securities	
<b>Allocation for the financial year to miscellaneous reserves abroad (more details required)</b>	
<b>Allocation for the financial year to the statutory reserves:</b>	
Reserve for repayment of the loan for the initial capital	
Initial capital constituted	
Reserve for exchange rate fluctuations	
<b>Allocation to the provisions for liabilities:</b>	
Provision for employee profit-sharing	
Allocation to the provisions for depreciation	
Extraordinary losses:	
Capital losses on disposals of assets	
Foreign exchange losses on disposals of foreign currencies	
Foreign exchange losses on conversion of foreign currencies	
Extraordinary grants	
Other losses	
<b>Income tax on profit</b>	<b>231,142,708</b>
<b>Total net profit or surplus (credit balance)</b>	<b>69,532,113</b>
<b>TOTAL</b>	<b>1,213,196,328</b>



figures in CFA francs

## Credit

<b>Operating profit for the financial year</b>	
<b>Profits from previous financial years</b>	430,654,509
<b>Provisions for capital losses at year start:</b>	
To guarantee capital losses on securities under management	
For depreciation of fixed assets and securities	
<b>Write-back of previous provisions</b>	
<b>Use of provisions previously constituted to cover losses in previous financial years and extraordinary losses</b>	
<b>Extraordinary profits:</b>	<b>690,311,432</b>
Capital gains on disposals of assets	92,230,387
Exchange rate profits:	
On disposals of foreign currencies	
On conversion of foreign currencies	
Profits resulting from capital grants	
Subsidies received for balancing budgets	
Other profits	
<b>Total net loss or deficit (debit balance)</b>	
<b>TOTAL</b>	<b>1,213,196,328</b>

## REGULATED COMMITMENTS AND THEIR COVERAGE – DAMAGES

figures in CFA francs

### I – Regulated commitments

Provisions for outstanding risks	1,957,132,506
Provisions for outstanding claims	7,617,618,717
Policy liabilities	0
Other technical provisions	0
Other regulated commitments	2,982,075,544
<b>TOTAL REGULATED COMMITMENTS</b>	<b>12,556,826,767</b>

II – Covering assets	Purchase or cost price	Realisable value	Hedge value
Bonds and other government securities	1,716,000,000	1,716,000,000	1,716,000,000
International organisation bonds	107,316,666	107,316,666	107,316,666
Financial institution bonds	0	0	0
Other bonds	2,720,000,000	2,720,000,000	1,255,682,677
Listed shares	0	0	0
Insurance company shares	1,548,599,700	1,548,599,700	1,255,682,677
Commercial company shares and bonds	1,131,453,943	1,131,453,943	1,131,453,943
Investment company shares	0	0	0
Rights in rem in immovable property	7,067,221,089	7,067,221,089	5,022,730,707
Collateralised loans	0	0	0
Mortgage loans	0	0	0
Other loans	0	0	0
Bank deposits	3,452,365,737	3,452,365,737	3,452,365,737
<b>→ Subtotal 1 - All securities and capital assets combined</b>	<b>17,742,957,135</b>	<b>17,742,957,135</b>	<b>13,941,232,406</b>
Advances on life companies' contracts			0
Appeal accepted (settlement no. 0001/PCMA/CE/SG/CIMA/2003)			0
Premiums or contr. of less than 3 months from life companies			0
Premiums or contributions of less than one year from accident companies, excluding transport			0
Premiums or contr. of less than one year from the transport branches			0
Debts owed by reinsurers guaranteed by collateral			0
Other receivables due from reinsurers for the transport branch			0
Debts owed by ceding insurers			0
<b>→ Subtotal 2 - All other assets admissible as cover</b>			<b>0</b>
<b>TOTAL ASSETS ADMISSIBLE AS COVER</b>			<b>13,941,232,406</b>
Coverage ratio after dispersion			111.03%
Coverage ratio before dispersion			141.30%

## | CALCULATION OF SOLVENCY MARGIN – DAMAGES

figures in CFA francs

<b>Constituent parts (Article 337-1)</b>		<b>2020</b>
1) Paid-up share capital or initial capital constituted		6,000,000,000
2) Half of the unpaid fraction of the capital or the portion of the initial capital yet to be paid up		0
3) Loan for supplementary social fund		0
4) Regulated or free reserves		725,000,000
5) Profits brought forward and for the financial year		110,828,006
6) Capital gains on assets		4,743,631,078
7) Encashed funds emanating from issue of securities or subordinated loans		0
8) Membership fees charged to new members of mutual societies		0
<b>→ 9) Total (1+2+3+4+5+6+7+8)</b>		<b>11,579,459,084</b>
10) Losses brought forward and from the financial year		
11) Amortisation yet to be carried out on formation expenses and development expenses		809,693,011
12) Depreciation yet to be carried out on intangible assets		120,133,315
<b>→ 13) Total (10+11+12)</b>		<b>929,826,326</b>
<b>14) MARGIN AVAILABLE (9-13)</b>		<b>10,649,632,758</b>

<b>Regulatory calculation</b>		<b>2020</b>
<b>Premium method (Article 337-2 a):</b>		
a) Premiums written, net of cancellations		20,829,912,951
b) Cost of claims, net of reinsurance		3,354,292,997
c) Cost of claims, gross of reinsurance		5,303,908,206
d) Retention rate of claims (b/c greater than or equal to 50%)		63.24%
e) Amount of premiums retained (a x 20%)		4,165,982,590
<b>→ f) Minimum margin (EX D)</b>		<b>2,634,647,072</b>
<b>Claims method (Article 337-2 b)</b>		
g) Gross cost of claims for the past 3 years		22,640,913,369
h) Average cost of claims (g/3)		7,546,971,123
i) Retention rate of claims (b/c greater than or equal to 50%)		63.24%
j) Amount of cost of claims retained (h x 25%)		1,886,742,781
<b>→ k) Minimum margin (JX I)</b>		<b>1,193,212,222</b>
<b>l) RETAINED MARGIN (if k &gt; f, then k, else f)</b>		<b>2,634,647,072</b>

<b>Determination of the margin</b>		<b>2020</b>
<b>→ m) Margin surplus (14 - l)</b>		<b>8,014,985,685</b>
<b>→ n) Margin deficit (l - 14)</b>		/

Coverage ratio	404.21%
Coverage ratio excluding capital gains to be reinvested	224.17%

## 3.2. AUDITOR'S REPORT

### on the annual financial statements

for the financial year ending 31 December 2020

TO THE SHAREHOLDERS OF ASSINCO S.A.

Dear Shareholders,

In accordance with the mission entrusted to us by your general meeting, we hereby submit to you our report on the financial year ending 31 December 2020 on:

- The audit of the annual financial statements of Assinco S.A., as attached to this report.
- The specific checks made and statutory information.

#### AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

##### Opinion

We performed the audit of the annual financial statements of Assinco S.A., consisting of the balance sheet as at 31 December 2020, the profit and loss account, and the appended statement.

In our opinion, the financial statements comply with the rules, are truthful and give a true picture of the result of the operation of the business during the past financial year, as well as of the financial situation and assets of the company at the end of the financial year, in accordance with the rules and accounting methods laid down by the CIMA Insurance Code.

##### Basis of the opinion

We performed our audit in accordance with the International Standards on Auditing (ISA). The responsibilities incumbent upon us under these standards are described more fully in the section "Responsibilities of the auditor in relation to the audit of the annual financial statements" in this report. We are independent of the company in accordance with the code of ethics of accounting professionals from Regulation No.01/2017/CM/OHADA to harmonise the practices of accounting and auditing professionals in OHADA member states, and the independence rules that govern external auditors, and we have satisfied other ethical responsibilities according to these rules.

We consider that the supporting evidence that we obtained was sufficient and appropriate to underpin our audit opinion.

##### Responsibilities of the Board of Directors in relation to the annual financial statements

The annual financial statements were prepared and approved by the Board of Directors.

The Board of Directors is responsible for the preparation and truthful presentation of the annual financial statements in accordance with the rules and accounting methods laid down by the CIMA Insurance Code, as well as the internal audit that it considers necessary to enable the preparation

of the annual financial statements that do not contain significant anomalies, whether these are due to fraud or result from error.

During the preparation of the annual financial statements, the Board of Directors is expected to evaluate the company's capacity to continue to operate, to provide where appropriate information about continuation as a going concern, and to run it as a going concern, except if the Board of Directors intends to put the company into liquidation or to cease business, or if there is no other realistic alternative solution available to it.

It is up to the Board of Directors to oversee the process of drawing up the company's financial information.

#### **Auditor's responsibilities relating to the audit of the annual financial statements**

Our objectives are to obtain reasonable assurance that the annual financial statements, taken as a whole, do not contain significant anomalies, whether these result from fraud or error, and to issue an audit report containing our opinion.

Reasonable assurance corresponds to a high level of assurance. However, that does not guarantee that an audit performed to "ISA" standards will always enable any significant anomaly that exists to be detected. Anomalies may be due to fraud or result from error and are considered significant if it is reasonable to expect that, taken individually or collectively, they could influence the economic decisions that users of the annual financial statements take on the basis of those statements.

Our responsibilities for the audit of annual financial statements are described in more detail in Appendix 1 to this auditor's report.

#### **SPECIFIC CHECKS MADE AND STATUTORY INFORMATION**

Responsibility for other information rests with the Board of Directors. Other information comprises information contained in the management report and our auditor's report on these annual financial statements.

Our opinion on the annual financial statements does not extend to the other information. We give no form of assurance whatsoever about such information.

As external auditor, it is our responsibility to carry out the specific checks required by law and, having done so, to check that the information provided in the management report to the Board of Directors, and in the documents provided to shareholders concerning the company's financial situation and annual financial statements, is truthful and consistent with the annual financial statements, and to check that such information, in all material aspects, complies with certain legal and regulatory obligations. It is also our responsibility to read the other information and to determine whether there are any material inconsistencies between such information and the financial statements or the evidence we obtained during our audit, and whether the other information contains any significant anomalies.

We are required to report on any significant anomalies that we may find when carrying out these specific checks or examining the other information.

We have nothing to report in this respect.

Libreville, 5 May 2021

#### **The Auditor:**

PricewaterhouseCoopers  
Yannick Malonda, Associate  
Cémac certified accountant

## APPENDIX 1 DESCRIBING THE RESPONSIBILITIES OF THE AUDITOR IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS

In the context of our audit, we comply successively:

- with the International Standards on Auditing (ISA), and;
- with the specific obligations set out in the OHADA Uniform Act on Commercial Companies and Economic Interest Groups.

More specifically, we:

- comply with the ethical rules relating to the audit of annual financial statements set out in the code of ethics of accounting professionals from Regulation No.01/2017/CM/OHADA to harmonise the practices of accounting and auditing professionals in OHADA member states, and the independence rules that govern external auditors;
- maintain professional scepticism, which requires us to be attentive to supporting evidence that contradicts other evidence we have gathered, to information that undermines the reliability of documents and responses to requests for information to be used as supporting evidence, to situations that could constitute potential fraud, and to circumstances that suggest a need for further audit procedures in addition to those required under the ISA standards;
- exercise professional judgement when conducting our audit, including when making decisions relating to materiality and audit risk, to the nature, timetable and scope of the audit procedures necessary to comply with the requirements of the ISA standards and to gather supporting evidence, to determining whether we have gathered sufficient and appropriate supporting evidence, and to whether additional work is required to achieve the objectives of the ISA standards and, therefore, the auditor's general objectives, the assessment of management decisions on application of the relevant accounting framework, and the basis of conclusions drawn from the supporting evidence gathered (such as our opinion on whether the valuations arrived at by management when preparing the financial statements are reasonable);
- prepare, throughout the audit, documentation that provides a sufficient and appropriate record of our work, the basis of our audit report and evidence that the audit was planned and carried out in accordance with the ISA standards and applicable legal and regulatory frameworks;
- identify and assess the risks of significant anomalies in the 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 significant anomaly 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;

- gather, where applicable, sufficient and appropriate supporting evidence regarding compliance with laws and regulations where such laws and regulations have a demonstrable, direct impact on the determination of material figures reported in, and information provided in, the financial statements, apply specific audit procedures to identify cases of non-compliance with other laws and regulations that may have a material impact on the financial statements, and respond appropriately to proven or suspected cases of non-compliance with laws or regulations as identified during our audit;
- 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 company's internal control. Where we identify significant weaknesses, we report them to management and, where applicable, to the Board of Directors;
- assess the impact of identified anomalies on the audit, and the impact of uncorrected anomalies, if any, on the financial statements. We share these with the appropriate management level, unless we are prohibited from doing so by law or regulation;
- assess whether the chosen accounting methods are appropriate and whether the accounting estimates made by management, along with the related information provided by management, are reasonable;
- evaluate the overall presentation, structure and content of the financial statements, including the information contained in the notes to the financial statements, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view;
- identify relationships and transactions with associated parties, whether or not the applicable accounting framework contains rules on such matters, so as to identify fraud risk factors, if any, arising from such relationships and transactions with associated parties that may be relevant to the identification and evaluation of significant anomaly risks stemming from fraud, and conclude, on the basis of the supporting evidence gathered, whether the financial statements, insofar as they are affected by such relationships and transactions, give a truthful

picture or are not misleading. Furthermore, where the applicable accounting framework contains rules on associated parties, we gather supporting evidence that is sufficient and appropriate to determine whether relationships and transactions with associated parties have been correctly identified and accounted for in the financial statements, and whether the financial statements contain relevant information about such relationships and transactions;

- obtain sufficient and appropriate supporting evidence showing that events occurring between the date of the financial statements and the date of our report, and requiring restatement of, or disclosures in, the financial statements, have been adequately treated in the financial statements in accordance with the applicable accounting framework;
- conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the supporting evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 information in the financial statements or, if such information is inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our report;
- obtain written statements from management and, where applicable, the Board of Directors confirming that it has, in its view, fulfilled its responsibilities relating to the preparation of the financial statements and to the exhaustiveness of the information provided to us. Furthermore, we cross-reference these written statements with other supporting evidence concerning the financial statements, or with specific claims contained therein, if we believe that doing so is necessary or required under other ISA standards;
- ensure, throughout the audit, that all shareholders and associated are treated equally, and in particular that all shares belonging to the same category benefit from the same rights;
- have a duty to report any irregularities or inaccuracies observed during our audit to the next general meeting. Furthermore, we have a duty to disclose any offences that come to our attention during the audit to the authorities; we exclude any liability in respect of such disclosure;
- have a duty of professional secrecy with regard to all facts, acts and information of which we are aware.

## 3.3. **AUDITOR'S SPECIAL REPORT** on regulated agreements

for the financial year ending 31 December 2020

**TO THE SHAREHOLDERS OF ASSINCO S.A.**

Dear Shareholders,

As the auditors of your company, we hereby submit to you our report on the regulated agreements.

We have to inform you, based on the information given to us, about the characteristics, the essential arrangements and the reasons that justify the company's interest in the agreements about which we were informed or which we discovered during our mission, without being required to give an opinion on their usefulness or soundness, or to seek out the existence of other agreements. Under the terms of Article 440 of the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, it is your responsibility to assess the interest associated with the signature of these agreements with a view to approving them.

We have applied the diligence that we deemed necessary, having regard to the standards of the profession. That diligence consists of verifying the consistency of the information given to us with the basic documents from which it derives.

### **AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING**

We inform you that we were not made aware of any agreements authorised during the past financial year or following the end of said financial year and requiring the approval of the general meeting under the terms of Article 440 of the OHADA Uniform Act on Commercial Companies and Economic Interest Groups.

### **AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS WHICH CONTINUED TO BE PERFORMED DURING THE FINANCIAL YEAR**

Pursuant to Article 440 of the OHADA Uniform Act, we were informed that the performance of the following agreements, already approved by the general meeting, continued during the past financial year.

#### **General assistance and technical support agreement**

This agreement, entered into for one (1) year and renewable by tacit consent, was signed between Assinco S.A. and BGFI Holding Corporation (BHC). It was revised on 1 May 2017

with retroactive effect as from 1 January 2017. It was authorised by the Board of Directors at its meeting on 11 December 2017.

The assistance provided by BHC relates to two areas: general and technical assistance and specific tasks. The general and technical assistance relates, in particular, to the following areas: management/organisation/development, finding funding, marketing and sales management, accounting management, audit, risk management, legal and tax assistance. For the specific tasks, these relate to one-off tasks not expressly foreseen in the annual budget programme of Assinco.

Payment for the services rendered takes account of the complexities of the services to be delivered, the experience of the persons providing them and the deadlines.

In the 2020 financial year, your company posted a charge of 146 million CFA francs concerning the general and technical assistance provided by BHC.

The directors concerned by this agreement are Henri-Claude Oyima and Richard Auguste Onouviet.

#### **Franchise agreement for exploitation of a brand name**

This agreement, entered into for an open-ended period, was signed between Assinco S.A. and BGFI Holding Corporation (BHC) on 1 May 2017. It came into effect on its date of signature, with retroactive effect as of 1 January 2017. Under this agreement, the Franchisor (BHC) grants the Franchisee (Assinco S.A.) the right to exploit the "Assinco" brand name. It was authorised by the Board of Directors at its meeting on 11 December 2017.

The assistance provided by the Franchisor concerns the following areas: training of the Franchisee and members of its personnel, research

and development on the brand, management and administration of the brand, communication about the brand, maintenance of the brand, maintenance of the quality label.

The remuneration of the Franchisor is based on a proportional fee, payable quarterly, equal to 5% of the gross margin on insurance business (the technical result).

In the 2020 financial year, your company posted a charge of 269 million CFA francs concerning the brand name exploitation fee.

The directors concerned by this agreement are Henri-Claude Oyima and Richard Auguste Onouviet.

#### **IT service agreement**

This agreement, entered into for an open-ended period, was signed between Assinco S.A. and BGFI Services on 1 May 2017. It came into effect on its date of signature, i.e. 19 November 2018. It was authorised by the Board of Directors at its meeting on 1 April 2019.

The agreement covers the following IT services: information governance, information security governance, group project portfolio management, project management, report and dashboard production, project-management assistance, pooled application maintenance and operation, application hosting, backup management, information security supervision, CIO function management, management of information security awareness campaigns.

Under the terms of the agreement, invoices for services are issued quarterly at the agreed price according to the nature of the service provided.

In the 2020 financial year, your company posted a charge of 41 million CFA francs relating to this agreement.



The director concerned by this agreement is Henri-Claude Oyima.

### **Lease agreement for Odysée floor R+3**

This agreement, signed between Assinco S.A. and BGFI Bourse, relates to the lease of office premises in the Odysée building to the latter. It was authorised by the Board of Directors at its meeting on 06 August 2019.

The rent is billed quarterly.

Libreville, 5 May 2021

In the 2020 financial year, your company posted income of 34 million CFA francs relating to this agreement.

The directors concerned by this agreement are Henri-Claude Oyima and Eugénie Ndendé.

**The Auditor:**  
PricewaterhouseCoopers  
Yannick Malonda, Associate  
Cémac certified accountant



# 4

## THE ASSINCO NETWORKS

### REINSURERS AND INTERNATIONAL PARTNERS

#### LEGAL DISPOSALS REINSURERS



**AFRICA RE**  
AFRICAN REINSURANCE CORPORATION



#### INTERNATIONAL REINSURERS



**Munich RE**



**Swiss Re**

**GLOBUS RÉ**

**SCOR**



**WAICOM Re**

#### PARTNERS

**coface**  
FOR SAFER TRADE



**ASPIRE**  
LIFESTYLES



**HDI**



**CHUBB**

### BROKERS IN GABON

Alliance  
Ascoma Gabon  
Assureurs Conseils Réunis (ACR)  
GECAR / OLEA Gabon  
Gras Savoye Willis  
La Ruche Excellence

### MEMBERS OF THE GLOBUS NETWORK

Algeria: Salama Assurances  
Angola: A Mundial Seguros  
Benin: L'Africaine des Assurances  
Botswana: Phoenix  
Burkina Faso: Sonar IARD  
Burundi: Bicolor S.A.  
Cameroon: Activa Assurances  
Chad: Star  
Côte d'Ivoire: La Loyale Assurances  
Egypt: Orient Takaful Insurance  
Equatorial Guinea: L'Africaine des Assurances  
Eritrea: National Insurance Corporation of Eritrea  
Gabon: Assinco  
Gambia: Royal Insurance  
Ghana: Activa International Insurance  
Guinea: Ugar - Activa Assurances  
Kenya: Jubilee  
Liberia: Activa International Insurance  
Madagascar: Aro  
Malawi: General Alliance Insurance Limited  
Mali: Lafia  
Mauritania: N.A.S.R.  
Mauritius: Mauritius Union Assurance  
Morocco: Atlanta  
Mozambique: Global Alliance Seguros Insurance  
Niger: N.I.A.  
Nigeria: Leadway  
Rep. of the Congo: Assurances Générales du Congo  
Rwanda: Radianth  
São Tomé and Príncipe: SAT  
Senegal: Salama Assurances  
Sierra Leone: Activa International Insurance  
South Sudan: New Sudan Insurance Company  
Sudan: United Insurance Company  
Tanzania: Jubilee  
Togo: Fidelia Assurances  
Tunisia: Comar  
Uganda: Jubilee  
Zambia: Phoenix  
Zimbabwe: Nicoz Diamond



ODYSSEE

2017-2018/24





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**Assinco**  
Subsidiary of the BGFIBank Group