



Annual Report

2017 - 2018

Securing Your Future



Contents

ABOUT GGI	3
Vision, Mission, Core Values	5
Chairman's Statement	6
BOD (Board of Directors)	10
BOD Report	11
GGI Top Management	13
Outlook for the Year 2017-2018	14
GGI Value Chain	16
STRATEGY & MANAGEMENT	20
Key Opportunities & Risks	21
Priority Functions & Strategy	22
Business Ethics	24
CORPORATE GOVERNANCE	27
Minute of the Fifth Annual Meeting of the Shareholders	31
Risk Management	32
ACTIVITIES	35
GGI Accomplishments	36
Technology	38
HR Development Activities	39
Activities Highlight	41
CSR Activities	47
FINANCIAL STATEMENTS	49

About GGI



Securing Your Future

About GGI

Mission

To deliver better products, value-added services and raise the professionalism in the industry.

Vision

To build an ideal environment for the growth and protection of wealth and lives.

Core Values



Integrity

To gain the trust of our customers, we are committed to fulfill all our responsibilities and promises to them in the most professional manner.



Simplicity

We believe in being simple and straight-forward; making it easy to understand, to access and to claim for our customers.



Progressiveness

Our willingness to learn, improve, and invest in people development helps us to move forward as a team and company.



Customer Care

We want to build sustainable relationships by treating our customers like our friends, always providing a plan that best suits their needs.

Customer care also means responding to them in a timely manner, always taking the initiative to keep our customers up-to-date, and take them through every step of insurance purchase and claim.

CHAIRMAN'S STATEMENT

I wish all our Customers, Business Partners and Shareholders good luck and happiness!

GGI is in a mission of rendering economic and social backing for your success and providing financial support in case you face any loss or damage apart from developing the insurance industry and serving the interest of shareholders.

The Nature of Insurance

Insurance is, by nature, a helpful industry for a better life as it protects public property or riches through financial guarantees for any loss or damage. Additionally, premiums paid by the customers who have greater trust in the industry because of its benefits will serve the national economy in one way or another. By buying a life insurance policy or any policy for other types of insurance, the policyholder is safer than others, as his policy guarantees financial backing or compensation for any loss he may suffer.

Potential of Insurance Business in Myanmar

Observers see insurance business in Myanmar as the industry with one of the highest potential growth rate as only 1 percent of the country's population of 55 million has the insurance policy, leaving the remaining 99 percent of this market still untapped. Leading international companies have identified this potential and they are considering Myanmar as the insurance new and emerging frontier market where investment opportunities are high and penetration rate is low at less than 0.50 percent. Currently, 11 domestic insurance companies are doing business with the aim of facilitating the economic and social progress under the market-economy. A 2017 research estimated that the premium income of the whole industry would reach USD 2 billion in 2030, up from just USD 50 million in 2015.

Service Promotion

Well aware of the high potentials the insurance business is offering, GGI has assigned itself with the task of introducing new products that may



U Aik Htun
Chairman

suit the public aspirations well. Additionally, GGI is extending its branch network, holding talks on insurance business at promising places and meeting with rural people in disseminating knowledge about micro-insurances such as farmers' insurance down to the grassroots. As for any loss of life or injury of the persons who have bought car or travel insurance policy, GGI is making home visits in providing financial support for them. GGI ensures 24-hour services for customers, especially, for the comprehensive motor insurance. Aside from all the above-mentioned endeavors, GGI is still in search of new ways to further improve its services.

Long-term Relationship with Partners

Maintaining a long-term relationship is what GGI always has in mind in its relations with new and existing customers, business partners such as banks, corporates, car showrooms, car workshops, hospitals and surveyors, and particularly insurance agents, who are underpinning GGI as its main pillars. Subsequently, GGI holds constructive consultations in looking into their need as the company favours warmer bilateral relations with them.

Main Assets and Business Model Innovation

GGI saw much progress during the five years after its establishment, and they are as follows:

(A) The rising popularity of GGI brand.

Example: GGI holds the largest share of the comprehensive motor insurance market.

(B) The extending branch network of GGI.

Example: GGI now has six branches in Yangon alone and another ten in regions and states.

(C) Employing a skilled workforce of nearly 500 employees.

(D) Working together with over 500 insurance agents with high marketing ability.

With above-mentioned assets in hand, GGI is tasked itself with further improving its value. GGI has invested its financial assets in the following sectors to support the national economic growth.

(i) Treasury Bond 13.8 billion

(ii) MEB 4.6 billion

(iii) Time Deposit 4.5 billion

The Three-year Business Plan

GGI has already adopted a three-year business plan starting from this year up to 2020. In January 2018, the Management Conference involved the top management and the branch managers to structure GGI objectives and our roadmap. Its main priorities are:

- Every branch should sustain its own income,
- An in-charge should propose a project that is definitely within the capacity of his branch and should submit the project together with an action plan.

Thanks to the three-year plan, the Enterprise Value of a branch can be estimated by the end of 2020. Gradual and stable annual growth rate of GGI must be achieved through all-inclusive efforts. Overseas marine cargo insurance and foreign/domestic travel insurance are this year's priority sectors of GGI which promises accelerated efforts for customer satisfaction and progress of the two products,

Shares of GGI


Although GGI is a public company set up with the shares of the stakeholders, the task of raising the share value is beyond the sole ability of GGI. The task calls for an imperative mission of cooperating harmoniously with all stakeholders who have business connections with GGI apart from establishing a long-lasting relationship with them. Not only the GGI staffs but also all its business partners including workshops and insurance agents should exert ardent efforts in ensuring customer satisfaction and confidence to reach this end.

The task also covers other essential areas as the work of deepening the shareholders confidence in GGI and also winning the trust of the Insurance Business Regulatory Board-IBRB that is serving as the warden of the whole insurance business in Myanmar. We firmly believe that greater confidence in us means higher value for our shares.

Another area of the task concerns with promoting customer confidence in our reputation and ethics. In this regard, we must keep our promises that our services and methods are always swift, simple, accurate and appropriate.

I pledge best efforts (1) in serving the interest of our customers and business partners, (2) for the benefit of shareholders, (3) to support the national progress and (4) in building a peaceful and stable environment for mankind. With this I conclude.

Thank you.



Aik Htun
Chairman



Board of Directors



From Left to Right:

Daw Nan Khin Htwe
Daw Sandar Htun
U Win Htay
U Aung Than
U Aung Zaw Naing
U Maung Maung Aye
U Soe Paing
U Hla Oo
U Aik Htun
U Aik Yee
U Tin Maung Latt
U Myo Naung
U Myo Nyunt
U Ye Myint
U Zaw Myint Htoo

BOD REPORT

Grand Guardian Insurance Public Company Limited (GGI) was formed under the license No (002) issued by the IBRB in accord with the Myanmar Companies Act and the Insurance Law.

As GGI is a public company, its priority sectors include transparency, supervision by support task groups and development of a sound corporate governance.

In carrying out its insurance businesses, GGI always abides by the rules and principles of insurance, ensures continuous progress under the supervision of IBRB and directives of the BOD. It also has adopted plans for the development of its employees. It is working towards:

- (1) Progress of the insurance sector,
- (2) Serving the interest of the Stakeholders,
- (3) Supporting the economic, social and other sectors of the State.

Its premium income for fiscal year 2017-2018 is Ks 15.65 billion, indicating a 57.44% increase compared to last year. In fact, it is just a part of the Business Portfolio of fiscal year 2017-2018.

IT Implementation

GGI introduced the Insurance Core Solution in this fiscal year for greater progress of computer system of the insurance business. The company opened five more branches in fiscal year 2017-2018. Its 16 branches and over 500 employees are working with greater acceleration. As a member of the United Nations Global Compact it is observing the Guidelines of the international body.

Following are the philanthropic tasks carried out this year:

- Partaking in the International White Cane Day,
- Collective blood donation by the GGI employees,
- Taking part in traffic rules awareness campaigns,
- Holding the cold season sports events for employees,
- Celebrating birthday parties of the employees monthly.

During its five years of service, GGI saw progress to a certain degree thanks to the support of customers. It will strive for achieving long-term development through improved customer services. Its goal is the provision of quality services.

GGI is implementing plans for the following sectors

1. **Sales Focus** (Promotion of sales power),
2. **Product Development** (Introduction of market-friendly products),
3. **Distribution Channel** (Developing the sales sector),
4. **Corporate Sales** (Prioritizing big businesses),
5. **IT** (Ever advancing technology),
6. **Operational Efficiency** (Staff capacity-building),
7. **Sustainable Growth** (Sustainable success).

Risk Management is also a priority area of GGI which is sharing and managing risks. Its underwriting division is doing its job under the rules and principles, while the claim division is ensuring quick and fault-free responses and services. As for high risk businesses GGI is working under the co-insurance scheme with the involvement of its domestic counterparts.

GGI's solemn vow is to work in the interest of customers for ensuring sustainable development, to render assistance for the sector-wide development of the nation and to strive for increasing the share values.

GGI Top Management



From Left to Right:

- U Than Sein**
- U Aung Kyaw Zaw**
- U Htin Kyaw Kyi**
- U Tun Kyaing**
- U Htay Paing**
- U Myo Naung**
- U Aung Min**
- Daw Kyin Htay**
- Daw Hnin Sein**
- Daw Moe Moe Aye**
- Daw Htet Htet Aung**

OUTLOOK FOR THE YEAR 2017-2018

GGI's key to market promotion is the extension of its business network. GGI needs business extension in the areas where it can find more clients. Simple procedures and honesty is the core for winning the trust of clients. With this in mind, GGI is extending its business network. The new branches opened in fiscal year 2017-2018 are highlighted in orange in the map. Actually, branches serve as the bridge between GGI and its customers, while helping facilitate all claim services.

Our Network

- 1 Yangon**
Junction Square
Malikha
UFC
Junction City
Junction 8
Aung Mingalar
- 2 Mandalay**
Chan Aye Thar Zan
Kywe Se Kan
- 3 Monywa**
- 4 Nay Pyi Taw**
- 5 Pakkoku**
- 6 Lashio**
- 7 Mawlamyine**
- 8 Pyay**
- 9 Magwe**
- 10 Kyauk Me**



Although the economic situation has posed some challenges, GGI poured more investment in 2017-2018 for increasing its main assets, while promoting its competitive advantage and assuring a secure future for clients through its innovative initiatives.



Finance

GGI earned over Ks 15 billion from its services.



Operation

GGI introduced five new products during the previous year and earned over Ks 90 million from them.



Employees

GGI is providing better customer services with its 490 employees. It generated 130 new jobs during the previous year.



IT

GGI invested over Ks 1 billion for developing its IT platform.



Customer Response

GGI has won 84% customer satisfaction.



Transparency

GGI stood at the seventh position of the 2018 Transparency report.

		General insurance						Life assurance				
		Motor	Cash in safe	Fidelity	Fire	Special Traveling Insurance	Marine Cargo	Endowment	Group life	Snake bite	Sportsmen	Health insurance
Clients	Personal	x			x	x		x		x	x	x
	Business	x	x	x	x	x	x		x			x
	Protection	Vehicles	Cash	Cash	Properties	People	Goods	Family	Team	Family	Family	Family
Type of risk	Traffic accident	x										
	Business continuity		x	x			x					
	Crime											
	Fire		x		x							
	Fraud			x								
	Health							x	x	x	x	x
Performance	Premium (million MMK)	9,358.3	44.5	19.4	4,463.9	730.4	213.0	352.23	283.16	0.27	1.28	96.80
	Claim paid (million MMK)	5,299.3	-	-	2.3	41.5	9.2	2.00	2.00		2.53	6.48
	Growth compared to last year	↑↑			↑↑				↑↑			↑↑



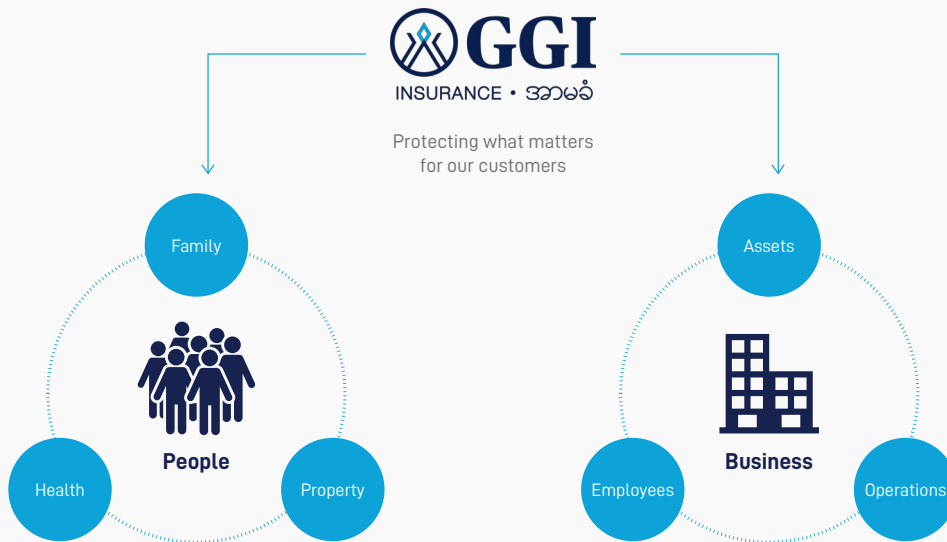
Those are our fast growing products: their growth reached at least 35% compared to FY 16/17 and contributed to generate at least 80m MMK of additional revenues.

GGI VALUE CHAIN

Discover how GGI value chain is creating and sharing value with our stakeholders.

1.

What do we do? At GGI, we strive to help our customers, protecting for their family, property and business by offering them the best insurance products in Myanmar.



2.

GGI products are to be protected from various types of risks. Our customers will pay a premium and, if an accident happens that is covered by their policy, we will insure them.



This step contribute creating value thanks to our financial, human and social capitals.

This step contribute sharing value with our majors stakeholders (business partners, suppliers, government, ...).

3.

To deliver our promise to our customers, we rely on a huge network of stakeholders. Therefore, it is critical for us to be able to create value for our shareholders and to share it fairly as well with our major stakeholders.

OUR CLIENTS

50,549

Number of Policies

7,234

Number of Claims

84%

Satisfaction Rate
of Our Customers

OUR NETWORK

16

Branches

550

Agents

33

Garages

15

Hospitals

CREATING VALUE

Finances

15,653 Revenue (MMK Million)

46,920 Shareholders' Equity (MMK million)

People

490 Headcount

50% % of Male

50% % of Female

130 New Recruits

SHARING VALUE

2,442

Gross Payroll (MMK million)

3.5

Average Number of Training Hours per Employee

782

Income Tax Provision (MMK million)

109

Number of People Promoted

5,447

Claims Paid (MMK million)

46

Number of Women Promoted

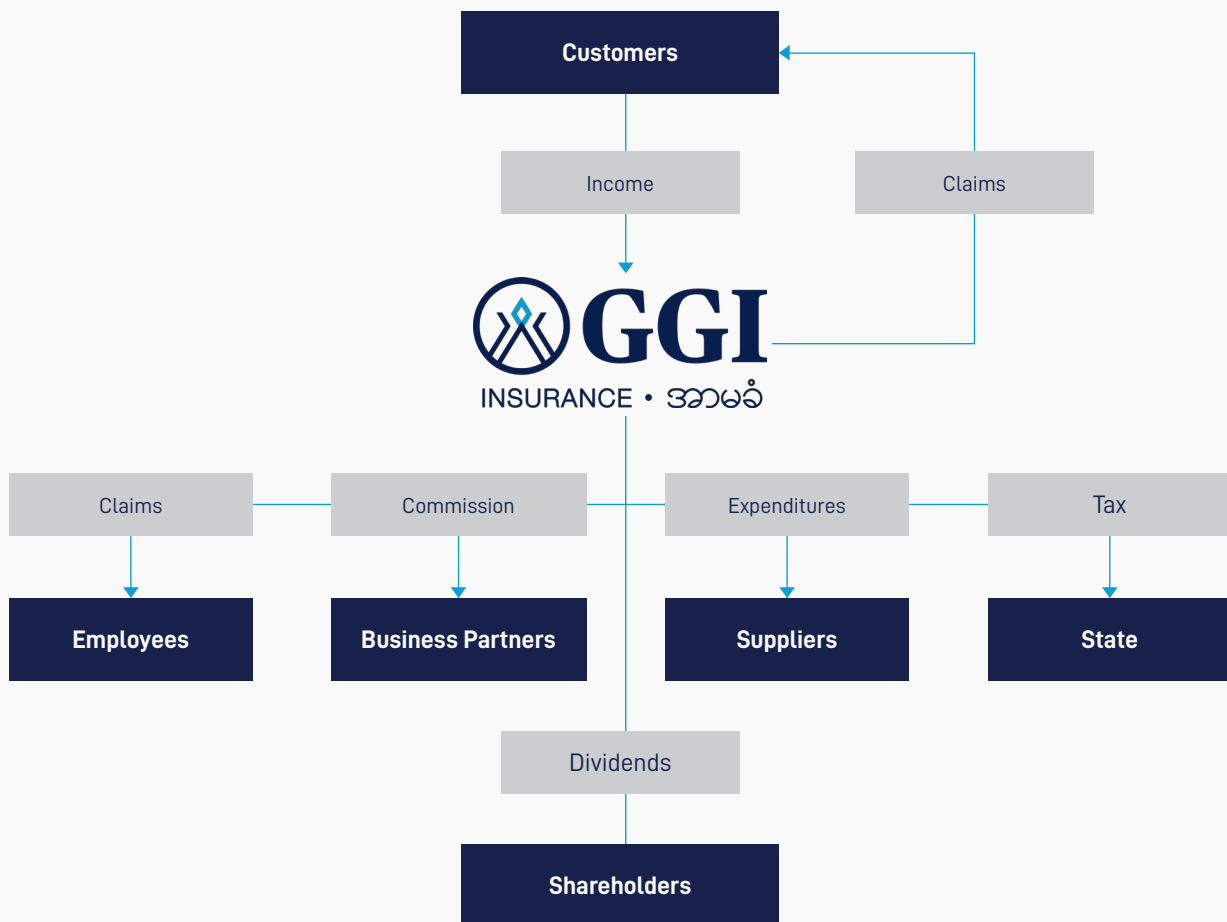
GGI SHAREHOLDERS AND KEY STAKEHOLDERS

GGI has 96 shareholders. Trust of the shareholders is the most important asset of the company. 66% of its shares are owned by 11 persons who are the largest shareholders. The full information about its shareholders is accessible on GGI's website.

	Name	No. of Shares	Share %
1	U Aung Zaw Naing	1036354	22.09%
2	Daw Sandar Htun	1024998	21.85%
3	Green Light Treasure Co Ltd (Represented by U Yone Mu)	281250	6.00%
4	U Maung Sai	140760	3.00%
5	Good Brothers Co Ltd (Represented by U Hla Oo)	131376	2.80%
6	Yadanar Theingi Co Ltd (Represented by U Aik Yee)	121992	2.60%
7	Daw Than Win	93840	2.00%
8	IME Holdings Co Ltd (Represented by U Zaw Myint Htoo)	93840	2.00%
9	U Aik Htun	84456	1.80%
10	Paing Family International Co Ltd (Represented by U Soe Paing)	57868	1.23%
11	U Maung Maung Aye	56304	1.20%

To deliver our promises, we have to work closely with our stakeholders. The premium paid by our customers are generating our incomes: GGI will then protect them when we are dealing with their claims

We rely on a network of business partners (garages, hospitals) to make sure that our customers will be able to get the assistance they may need easily. Our employees are also critical: we need to recruit and develop the right skills. We also have to make sure that we are operating with high performing assets, tools and technology to deliver the best services to our customer. Finally, we are paying our tax and sharing the results of GGI efficiency with our shareholders.





Strategy and Management

Business Strategy & Management

MARKET

GGI is among the private insurance companies permitted to start its operations in 2013. Soon, international insurance companies will be allowed to do business in Myanmar. So, the insurance sector will gain rapid development.

Insurance is an important sector supporting the economic changes and developments of the country and social environment. It guarantees financial support for any unexpected loss. As Insurance Business protects the lives and property of the people, it covers both Physical Damage and Financial Loss.

KEY OPPORTUNITIES & RISKS

Myanmar has a population of about 55 million. The country has advantages such as public consumption power, safe labour charges in trade with neighbours, abundant supply of job opportunities, business supportive policy and high growth rate.

The scope of insurance further widens alongside the economic growth. National economic growth increases per capita income and improves living standard and the insurance business will become the main force underpinning the stable economic system, social environment and quality life.

PRIORITY FUNCTIONS AND STRATEGY

GGI is prioritizing the following sectors for its sustainable development in carrying out insurance services.

1. Human Resources Development

Human resources is the most important for GGI whose main service is based on service provision. GGI has adopted all-round staff qualification promotion programs. For example, the company is conducting job efficiency courses and economic and market information and data collection courses and IT and computer proficiency courses.

(a) Professional Skill

Sector-wise skill and job efficiency and innovation are important. GGI compiles an annual calendar in implementing its tasks.

(b) Work Efficiency

Work efficiency is the main pillar of sustainable development of the business. Moreover, staff qualification, knowledge on customer needs and customer satisfaction are also vital factors.

(c) Promotion of Staff Qualification

High staff qualification is the backbone of sustainable development and competitive edge. Low cost, high production and swifter process are other benefits.

2. IT Platform

GGI is giving priority to IT sector in its insurance services. Nowadays, IT plays a pivotal role in every sector. IT provides operation efficiency, data accuracy and customer database, with less operational cost. GGI has made investment in the Insurance Core Solution, Hardware and Infrastructure. It has initiated Mobile Insurance scheme for broader market promotion activities.

3. Customer Care Service

Sales success is the main business driving force of GGI. GGI will launch sales promotion campaigns for offering customer-oriented and market-wise services after analyzing the market trend and customer needs. It is providing other suitable insurance policies for its customers. The company is also introducing market-friendly innovative insurance products that are adaptable to the developing market and the changing and improving lifestyles.

As regards the promotion of its sale channel, GGI has set up an agent network, joined hands with banks, sold policies through motor showrooms and business partners, and established cooperation with Corporates in providing services for their customers.

KEY FIGURES

5

Number of New Products
launches in 2017

1B MMK

GGI investment in IT

84%

Customer satisfaction
rate on GGI services

BUSINESS ETHICS

GGI is a public company. So it has business transparency, and it issues data and information occasionally and publishes its annual report every year. The company forms four committees for business coordination and regulation. The company has set up the internal audit division and is working with an external audit firm for the correctness and accuracy of its accounts and regulating its functions.

GGI is working under the supervision of IBRB and in accord with the law, rules and procedures.

The company is serving the interest of the customers in a fair and correct manner and places trust-building with them in the fore in accord with the motto "integrity" which is included in its core values. As a member of the United Nations Global Compact, GGI is observing the international body's rules. Through the efforts to serve the interest of customers and social interest and to participate in the national economic development undertakings it is striving to become a good company.



CODE OF CONDUCT

GGI adopted its code of conduct in October 2017. It wrote its Code of conduct in accordance with the law, rules and principles. All the directors, managers and staff have to comply with the Code of conduct. GGI is also conducting training and knowledge-sharing sessions for its newly appointed staffs and distributing handbooks for them. Additionally, it has a Zero Tolerance Approach regarding corruption.

The company is continuously issuing directives on dos and don'ts for its employees. If any wrong doing or possible misconducts by its staffs are found, please inform GGI through hr-ho@ggipinsurance.com.



UNGC (United Nation Global Compact)

GGI joined the United Nations Global Compact as its member on 8 November 2016. It is annually issuing its COP report which can be read on our website. The COP report explained how GGI is observing the Ten Principles laid down by the UNGC and the Sustainable Development Goals (SDGs). GGI has been adopting its Business Strategies, Business Practices, policies and operational procedures in accord with the stipulations of the Ten Principles which include Human Rights, Labor Rights, Environment and Anti-corruption. GGI is an ardent participant in the CSR activities. The following are some of its activities:

- Monthly-celebrated staff birthday parties
- Provision of necessary relief aids and help in the areas hit by natural disasters
- Adoption of programs to reduce water and electricity consumption

GGI hopes to stand as a Role Model of the insurance industry by promoting its Governance Standards through the observance of the Ten Principles of the UNGC.



Pwint Thit Sa Report

Pwint Thit Sa is a project led by the Myanmar Centre for Responsible Business (MCRB) and Yever, a business consultancy. GGI has been selected as a top performer in 2018 and stood in the topmost of all public companies. GGI promises heightened efforts for business management and transparency in the coming years.

KEY FIGURES

1

Code of Conduct to frame how do we operate

7th

This is our rank in the 2018 Pwint Thit Sa report. GGI achieved the best score among public companies.

0

No cases of corruption has been confirmed.

100%

All our new hires are trained to comply with our Code of Conduct

What risks in Myanmar and how GGI can protect you?

For example, Ko Phyo is a 55 years old. He is owning a small company that produces delicious dried mango. He is exporting some of its products.

Expanding its business is challenging because he needs to work closely with the farmers who raise mango to secure its own supply.

Recently, his best friend told him that an insurer just opened up a branch near their town and that insurers were able to protect people and businesses over long term. Ko Phyo wants to learn more about GGI.



Ko Phyo
Farmer



Ma Sandar
GGI Sales Manager

Ma Sandar is sales manager at GGI branch. She explains to Ko Phyo the huge variety of risks that may impact Ko Phyo business and family and how GGI can help him protecting his key assets.



Traffic Accident

Risk Factor

Driving in Myanmar can be dangerous. According to the latest data released by the CSO, the number of registered motor vehicles has been increasing by 10% each year since 2014. In 2016, 450 accidents occurred daily. Fixing a damaged vehicle can be costly.



Fire

Fire can destroy buildings and neighbourhoods entirely. According to the latest data released by the Fire Services Department, 800 fires occurred in average each year between 1999 and 2009. In 2017, a fatal accident ravaged an iconic hotel in Yangon.



Health

Myanmar health system is one of the weakest in the world. According to Myanmar Government and World Bank, out-of-pocket expenses account for almost 80% of total health spending. As a result, people will have to bear the cost themselves to be healed and for the most serious cases, the costs can be high.

GGI Answer



A motor insurance that will help them to find the right garage for the reparation and will bear a share of the costs.



A fire insurance to compensate the financial loss on the damaged assets



A solution for the family leader and the business owner to protect its family and/or its team.

GGI also provides a range of solution for its B2B clients when they need to be protected against certain accidents: robbery, loss of goods during their transportation, ... For Ko Phyo, for example, Ma Sandar strongly recommend to discuss with its suppliers to cover their operations in order to secure its own business. It may be a win win deal for him: his suppliers will be more confident and they will probably invest to expand their own capacities.

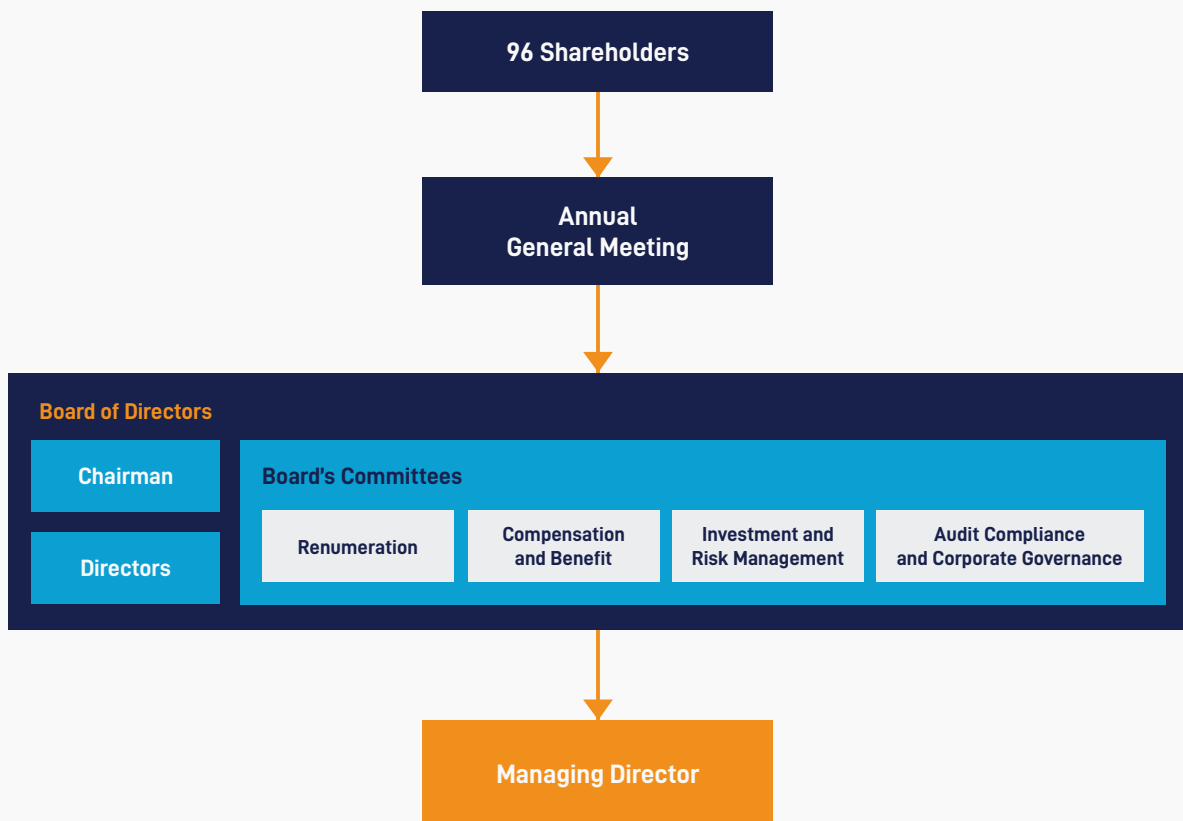


Corporate Governance

CORPORATE GOVERNANCE

The Board of Directors (BOD) members of GGI are a group of persons selected by the shareholders for a one-year term for the management of functions of GGI on behalf of them. The duties of the BOD involve the adoption of Corporate Strategies of GGI and giving of market-based business directives for annual progress. Additionally, the BOD is a body guiding GGI within the framework of Myanmar Companies Act and insurance laws.

The following four committees were formed to implement GGI operations within the framework of Insurance Business Law, rules, procedures, notifications and check and balance system.



1. Audit, Compliance and Corporate Governance Committee

- The observance of the Myanmar Companies Act and the insurance laws in carrying out the insurance business is the objective of the committee.
- The committee is formed with board of director or independent members and at least one of them has financial experience. Membership strength can be extended depending on the work volume.
- Managing the permitted insurance businesses and insurance businesses that are allowed occasionally under notification to be in lined with principles and rules and regulations of IBRB.
- Main benefits:
 - (a) Increased trust in the Financial Report.
 - (b) Increased awareness of the following functions of the BOD.
 - (b-1) Distribution of financial information,
 - (b-2) Adoption of the right accounting policies,
 - (b-3) Financial management,
 - (b-4) Controlling and auditing.

2. Compensation and Benefit Committee

- The objective of the committee is to ensure that the insured fully enjoy his rightful compensation and benefits. The committee is formed with board of director or independent members and at least one of them has insurance experience. Membership strength can be extended depending on the work volume.
- Its functions are:
 - (a) Claim management,
 - (b) Settlement of a claim payment in time,
 - (c) Deserved compensation for the insured,
 - (d) Giving supervision for the fairness in paying compensation or compassionate grant or any kind of grant to the company staffs for various reasons.

3. Investment and Risk Management Committee

- Enabling the BOD to adopt appropriate and fair measures for policyholders and shareholders and to do the risk management job systematically. The committee is formed with board of director or independent members and at least one of them has insurance experience. Membership strength can be extended depending on the work volume.
- Its responsibilities are:
 - (a) Supervising the investment scheme,
 - (b) Investing the premiums in reliable businesses,
 - (c) Signing contracts with reinsurance companies,
 - (d) Underwriting high-risk businesses.

4. Remuneration Committee

- Making occasional assessments on and ensuring fairness in the rights, salaries, bonuses, and other grants of the staffs is the objective of the committee.
- The committee is formed with board of director or independent members. Membership strength can be extended depending on the work volume.
- Its main duties are:
 - (a) Carrying out the supervision work for the company directors to enjoy their rightful salary, allowances, bonuses, and grants,
 - (b) Ensuring fairness in the salaries, allowances, bonuses, compassionate ,grants, other grants and old-age funds for the company staffs,
 - (c) Ensuring fairness and perfection in distributing him benefits to shareholders.

Name	Shareholders	Board	Board Meetings Attendance	Board Committees			
				Audit , Compliance and Corporate Governance Committee	Compensation and Benefit Committee	Investment and Risk Management Committee	Remuneration Committee
U Aik Htun	x	Chairman	100%				
U Aung Zaw Naing	x	Vice Chairman	100%				
U Aik Yee	x	Vice Chairman	100%		C		
U Myo Naung	x	Managing Director	100%	M			
U Aung Than	x	Director	50%			M	
U Ye Myint	x	Director	100%		M		
U Hla Oo	x	Director	100%			M	
U Win Htay	x	Director	100%	M			
U Soe Paing	x	Director	50%				C
U Myo Nyunt	x	Director	100%	C			
U Tin Maung Latt	x	Director	100%		M		
U Maung Maung Aye	x	Director	100%			C	
Daw Sandar Htun	x	Director	0%				M
Daw Nan Khin Htwe		Director	100%				M
U Zaw Myint Htoo	x	Director	50%	M			

C Chairman **M** Member

Minute of the Fifth Annual Meeting of the Shareholders

GGI held its annual meeting at Parkroyal Hotel in Yangon on 17 June 2017. Forty-two percent of the shareholders were present at the meeting chaired by chairman U Aik Htun,

- On behalf of the BOD, Managing Director U Myo Naung read out the BOD report, and financial statement.
- U Win Thin of the audit firm discussed the matters relating to the company and the accounts, and auditor Daw Kyaw Zar Chi Win presented the audit report.
- The meeting elected four new directors for five vacant posts left behind by the directors who quitted their post, elected U Hla Oo as a new director and approved the appointed of 15 directors for fiscal year 2017-2018.
- Director U Myo Nyunt read out the reports of the four management committees of the company.
- Shareholders present at the meeting approved Win Thin and Associates as the external auditor for fiscal year 2017-2018.



Parkroyal Hotel Yangon

17 June 2017

RISK MANAGEMENT

Risk management is an essential task for any organization whether it concerns with business or not. Every country has a national level risk management system. So also, every organization establishes an enterprise risk management system. Likewise, GGI, as a public company, has its own specific enterprise risk management system. The significant nature of an insurance company is that it is shouldering a risk on behalf of a person or an organization. Because of this nature, insurance is sometimes called risk sharing or risk management. Enterprise risk management system is the lifeblood of an insurance company for its sustainable development.

Risk Management Committee that is supportive of the BOD

Risk management plays a vital role in the sustainable development of an insurance company. GGI formed Risk Management Committee for the effectiveness of its risk management task. It has studied the possible risks an insurance company can face, and adopted means to deal with them.

Risk Management Committee is formed with the following persons:

- | | | |
|----|--------------------------|------------------|
| 1. | U Maung Maung Aye | Chairman |
| 2. | U Htin Kyaw Kyi | Secretary |
| 3. | U Aung Than | Member |
| 4. | U Hla Oo | Member |

GGI's Enterprise Risk Management Structure



Two Risk Management Teams have been formed to support the Risk Management Committee. GGI also forms the ERM Structure and Risk Management Division as follows:

Normally, an insurance company can face the following risks:

1. Operation Risk

2. Distribution Risk

3. Technology Risk

4. Business Risk

5. Underwriting Risk

(a) Pricing Risk

(b) Policyholder Behavior Risk

6. Credit Risk

(a) Default Risk

(b) Counterparty Risk

7. Market Risk

(a) Equity Risk

(b) Interest Rate Risk

(c) Re-investment Rate Risk

(d) Currency Risk

8. Other Significant Risk

(a) Strategy Risk

(b) Regulatory Risk

After analyzing various types of risks, all the employees of GGI are systematically carrying out all the necessary risk management functions in harmony and unison under the policies laid down by the BOD.

Practical Risk Management Functions of GGI

The following are some of the risk-management-related functions carried out by the company during the year of the report:

- (a) Sending of teams to branches for regular checks and work coordination.
- (b) Appointment of consultants for seeking advice.
- (c) Auditing the accounts of the company by external audit firms.
- (d) Formed the Internal Audit Department for checking the head office and branches.
- (e) Checking the claims with high value by the Compensation and Benefit Committee, after that making the payments.
- (f) Accepting the decision of the Risk Assessment Committee in underwriting insurance cases with high risk,
- (g) Presenting the claim cases checked by the Claim Adjusting Committee to Compensation and Benefit Committee for final decision.
- (h) Approving the claim amount for motor insurance policies after the weekly case-wise inspection conducted by the Claim Adjusting Team.
- (i) Fixing the motor insurance claim amount after taking advice from the expert mechanics of a prominent car workshop.
- (j) Accepting the high risk fire and motor insurance cases through co-insurance system.
- (k) Holding talks with foreign insurance companies to do reinsurance for underwriting overseas marine cargo insurance.
- (l) Appointing skilled adjusters and surveyors to underwrite marine hull insurance.

Activities

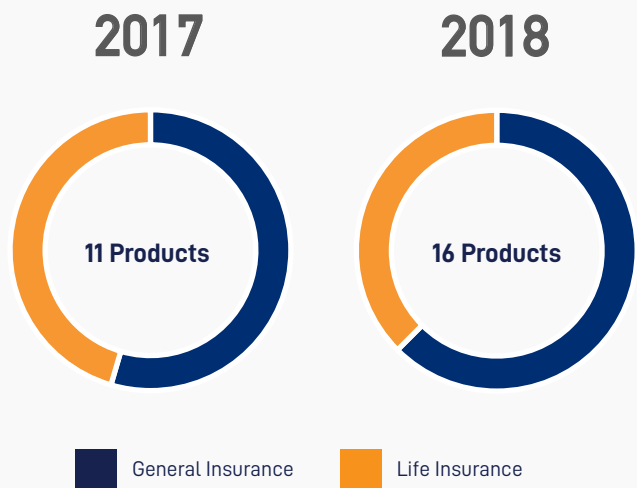
Accomplishments of GGI

GGI Activities

GGI Services

Provision of GGI Services

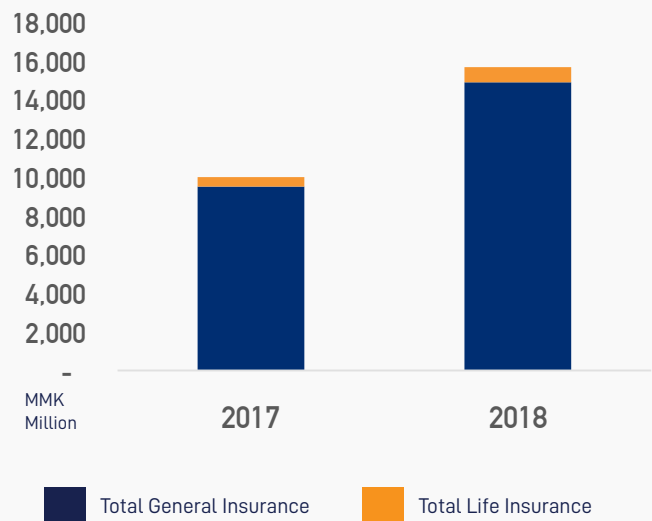
The goal of GGI services is to fulfill the needs and expectations of customers. (For example: GGI is providing special services for farmers).



Increase in Premium

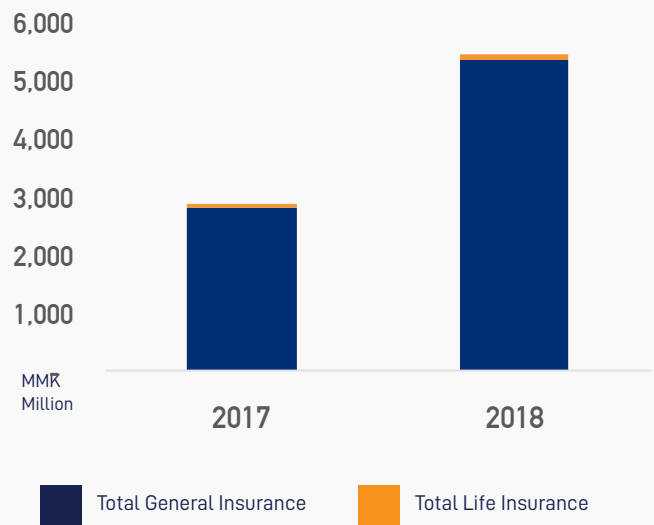
The premium paid by GGI customers has reached Ks 15.65 billion, indicating a 57.44% rise.

- Sale of the existing products shows over Ks 5,626 million increase while
- Sale of new products introduced in 2017-2018 reached over Ks 90 million



Development in Claim Procedures

GGI paid Ks 5,433 million for 7,234 claim cases put forward by customers during the period from April 2017 to March 2018. Of them 97.5% are motor insurance claims.



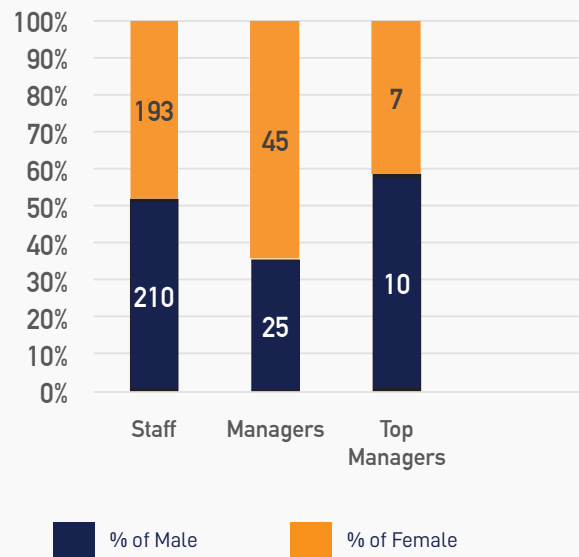
People

Gender Diversity

In the fiscal year 2017-2018, GGI has 490 employees, which is a 20% rise in the manpower compared with the fiscal year 2016-2017.

GGI ensures gender equality in its employment programs. It has 245 male employees and another 245 female employees.

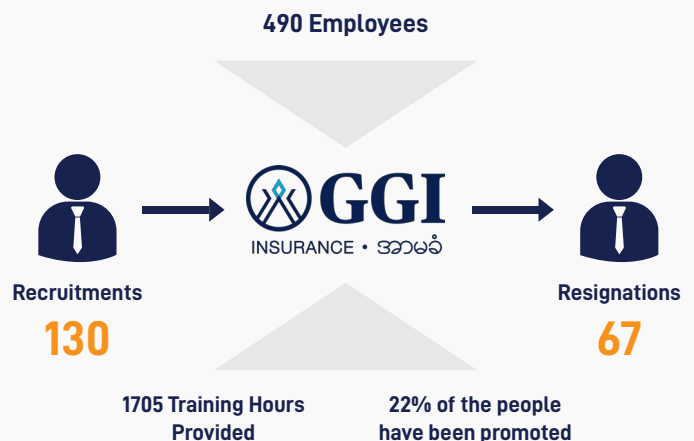
Of the 70 managers, 64% are women. Of the 17 members of the Top Management 41% are women. This year, 109 are promoted and 46 of them are women.



Working Condition and Talents Management

GGI is giving special care for its employees, and in average, employees are working for GGI at least two years.

GGI is investing in staff qualification improvement as loyalty of employees is key asset. A total of 1,705 hours was spent for staff training in 2017. Unexpectedly, one accident occurred in 2017.



Technology

GGI is in the progress of providing international level services that are swifter and better, with the help of advanced IT system amidst the advancing communication technology, changing social systems and developing insurance market.

GGI IT Team worked restlessly over the last one year for launching the new Insurance Core System, collaborated with DXC Company and ACE Company, and carried out the necessary preparations, software customization, data migration and full digitalization with greater momentum. It has been using the new core system since October last year. GGI hopes to promote underwriting capabilities and superior services through the newly installed IT system. Thanks to the advancement of its IT system, GGI will reach the level of standing shoulder to shoulder with international counterparts that will join the domestic market soon.

GGI is preparing for a broader distribution channel, with the aim of buying and selling insurance products by customers and agents through swifter and cost-effective means by using Web Application or Mobile Application. The channels will further extend the Customer Base and ensure greater customer satisfaction by applying modern services. Since last year, Online Insurance System has been available for customers and agents. Continuous efforts are being made to introduce the Mobile Insurance System within the current budget year. Continuous efforts are being made to sell insurance products, organize sales promotion and advertising activities, and send notifications through the Mobile Insurance System. Advanced anti-virus systems, Firewalls, DRC recovery plans and Powerful Infrastructure will be implemented for the data safety and data security of the customers and agents.

Human Resources Development Activities

HR Policies

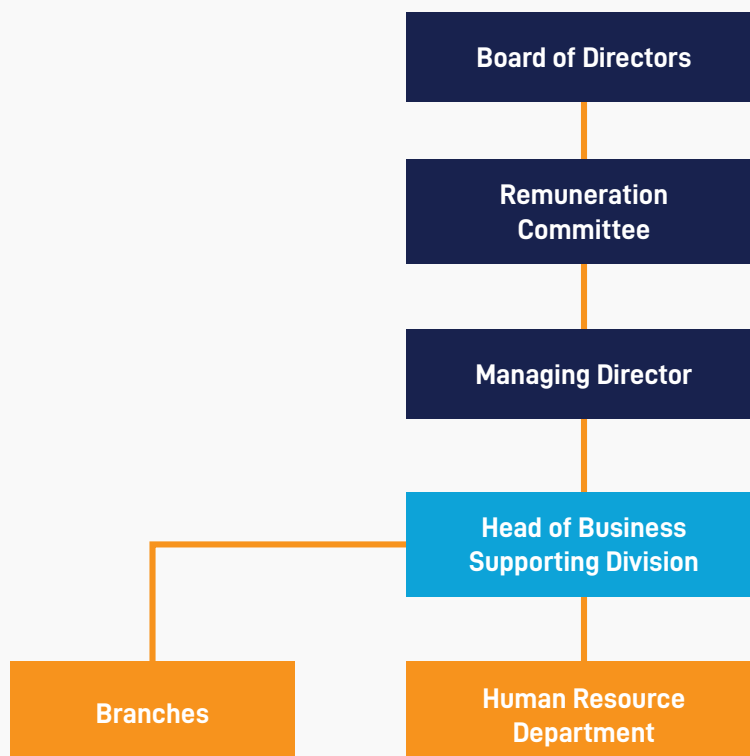
GGI is a public company formed in accord with the Myanmar Companies Act. As an insurance company, its employees are key assets. So, GGI always observes the labour laws of the country. GGI has adopted and issued directives for employees and handbooks on employee ethics. Of them the following are vital:

- Rules and principles for employee
- Employee rights
- Codes of conducts for employees

So, the following policies have been adopted for employees:

- Recruitment & Career Development Policy
- Employees Benefits Policy
- Employees Guidance (Dos and Don'ts)

Organisation and Responsibilities

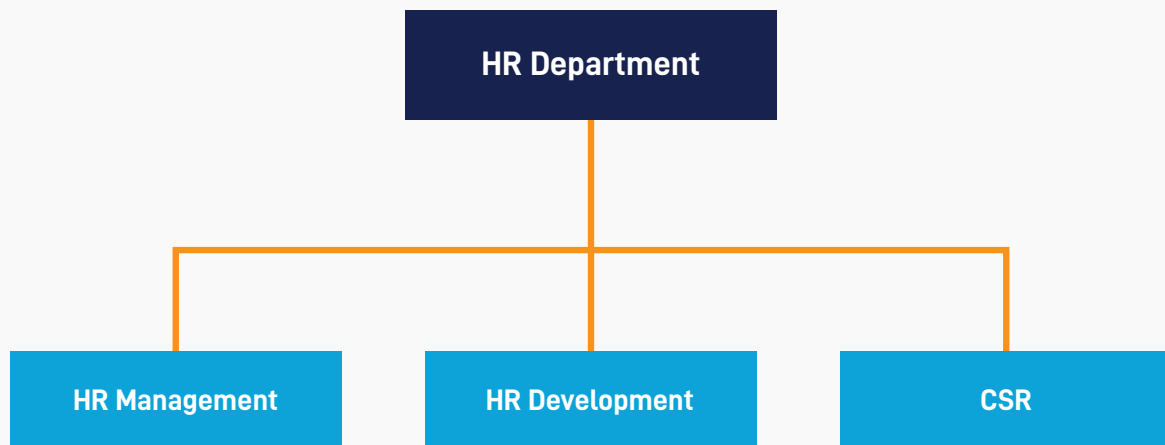


Remuneration Committee

Directors of the company are supervising the work to earn their rightful salary, allowances, bonuses and grants and reviewing the salaries, various kinds of allowances, bonuses, compensation, compassionate grants, other grants and old-age funds for employees and ensure equality in distributing them.

Role of HR Department

The functions of the eight staff discharging duties at the HR Department of GGI are as follows:



Activities Highlight

2017-2018 Performance

GGI has adopted a non-discrimination work environment. GGI ensures non-discrimination in its procedures for employment or termination from employment or retirement. There is no gender discrimination in connection with employment, promotions, salaries and rights.

Of the 109 who got promotions, 46 were female staffs.

Headcount (490 people) = 50% male + 50% female

In fact, GGI is a service provider. Underwriters need serious consideration or assessment of the risk, a job which calls for special skills. So the company is trying to enrich its human resources or its main assets to have the required capability.

Total training time	1,705 hours
Average training time per head	3.48 hours

Employee health and safety is the main concern of GGI. The company is giving special attention to ensuring a hazard-free working environment through protective and preventive measures as it sees health and safety as an essential requirement for everyone. Unfortunately, an employee faced a minor workplace accident during the 2017-2018 fiscal year. Now he has recovered and started doing his job.

NEW BRANCHES



GGI - Aung Mingalar



GGI - Junction 8



GGI - Kywe Se Kan



GGI - Kyauk Mae



GGI - Magway

GGI 4th Anniversary

GGI launched its insurance services on its inauguration day on 12.6.2013. The company reached its fourth anniversary on 12.6.2017. In commemoration of the fourth anniversary, GGI held team-wise games in which all the employee took part with unity and joy. Prizes were distributed to the prize-winners and food was served.



CARSDB AUTO SHOW

With the aim of broadening the public awareness of the insurance and ensuring the availability of insurance products, GGI took part in the Cars DB Auto Show held on 25.12.2017 to 26.12.2017 and sold motor insurance policies there.



GGI & TMA Asia SIGNING CEREMONY

With the intention of studying international insurance practices and knowledge more, GGI signed a technological collaboration contract with Tokyo Marine Asia Pte. Ltd, on 20-7-2017 at Sedona Hotel Yangon.



TMA Asia Managing Director, Ichiro Maeda (Left) with GGI Managing Director, U Myo Naung (Right)



On July 20, 2017, TMA Asia has signed an agreement of technical collaboration with GGI.

AGENTS TRAINING

The Vice Chairman - 3 and Senior officers of GGI shared the knowledge on Fire Insurance, Comprehensive Motor Insurance, Comprehensive History and Development of Insurance, Insurance Market and Introduction of Principles of Insurance with insurance agents.










INSURANCE PROMOTING ACTIVITIES

GGI is disseminating insurance knowledge and selling insurance products not only in Yangon, but also in the provinces. The company held a seminar on insurance in Magway with the participation of local business community, imparted knowledge on farmers life insurance at the Peasants Day celebration of Good Brothers Company Limited in Magway and explained points about farmers life insurance and comprehensive motor insurance at the ceremony to introduce a new rice winnower and present awards of the Taung Paw Thar Yee Shin Co.,Ltd. in DaikU, Bago Region.



CSR Activities

As a member of UNGC, GGI is always trying to observe the 17-point SDGs and the Ten Principles. The following are CSR activities in the fiscal year 2017-2018

Subject	SDGs	UNGC Principles
1 Birthday parties of staffs		Labour Right
2 Winter season sports activities		Labour Right
3 Blood donation ceremony held under the theme "Ensure healthy lives and promote well-being for all at all ages".		Human Right
4 Taking part in International White Cane Day		Human Right
5 Donating rice bags and cloths for fire victims in Yesagyo Township, Pakokku		Human Right
6 Taking part in Road Safety Campaign		
7 Donating bottled water and T-shirts at the mass cycle race in Monywa		



Philanthropic Activities





Financial Statements

2017 - 2018

Independent Report by
Win Thin & Associates



GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED

**FINANCIAL STATEMENTS
31 MARCH 2018**

Currency – Myanmar Kyat (MMK)

**GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

Contents	Page
Statement of management's responsibility	1
Independent auditor's report	2 - 3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6 - 7
Statement of cash flows	8
Notes to the financial statements	9 - 22

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**

It is the responsibility of the management to prepare the financial statements for each financial year which give a true and fair view of the financial position of **Grand Guardian Insurance Public Company Limited** (the Company) as at 31 March 2018 and of its financial performance and its cash flows for the year then ended. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management



MYO NAUNG
MANAGING DIRECTOR
GRAND GUARDIAN INSURANCE PUBLIC CO., LTD.
8 May 2018



(Win Htay)
Director
Grand Guardian Insurance Public Co., Ltd.



ဝင်းသင်နှင့်အဖွဲ့၊ စာရင်းစစ်များ။

WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

HEAD OFFICE:- Room (2B/2C) 1st Floor, Rose Condominium, No.182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel : 95-1-201798, 296164, Fax: 9 5-1-245671 Email : winthin9@myanmar.com.mm

MANDALAY BRANCH:- Room (9/10), East Wing of Bahtoo Stadium, 70th Street (Between 29th & 30th Street),
OFFICE Mandalay Region , Myanmar. Tel : 95-2-34451, Fax: 95-2-34498

Ref: 99/G-82/March 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Grand Guardian Insurance Public Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Grand Guardian Insurance Public Company Limited** (the Company), which comprise the statement of financial position as at 31 March 2018, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards (MFRSs) and the provisions of the Myanmar Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Grand Guardian Insurance Public Company Limited** as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with MFRSs and the Myanmar Companies Act.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Act, we also report that:

- (i) We have obtained all the information and explanations we have required; and
- (ii) Books of account have been maintained by the Company as required by Section 130 of the Act.



Moe Kyaw (PA - 313)
Managing Partner
Win Thin & Associates
Certified Public Accountants



8 May 2018

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**


Currency – Myanmar Kyat (MMK)

	Note	2018	2017
Assets			
Property, plant and equipment	5	24,517,036,834.11	24,094,546,666.79
Intangible assets	6	597,406,699.00	79,873,108.00
Investments	7	13,800,000,000.00	7,800,000,000.00
Insurance and other receivables	8	4,591,190,248.91	4,104,900,665.70
Cash and cash equivalents	9	16,215,487,399.00	20,788,902,999.07
Total assets		59,721,121,181.02	56,868,223,439.56
Equity			
Issued and paid-up capital	18	46,920,000,000.00	46,920,000,000.00
Share premium		92,000,000.00	92,000,000.00
Life insurance fund		1,616,521,476.92	1,132,455,990.18
Fire insurance fund		1,677,605,767.87	1,677,605,767.87
Comprehensive motor insurance fund		1,635,057,995.74	2,135,057,995.74
Marine and aviation insurance fund		78,421,256.67	78,421,256.67
Special travel insurance fund		164,169,888.75	164,169,888.75
General reserve fund		434,546,148.94	429,856,040.83
Retained earnings		42,210,969.01	–
Total equity		52,660,533,503.90	52,629,566,940.04
Liabilities			
Provisions, claims and other payables	10	7,060,587,677.12	4,238,656,499.52
Total liabilities		7,060,587,677.12	4,238,656,499.52
Total equity and liabilities		59,721,121,181.02	56,868,223,439.56

The notes on pages 9 to 22 are an integral part of the Financial Statements.

Authenticated by Directors:

(1)



MYO NAUNG
MANAGING DIRECTOR
GRAND GUARDIAN INSURANCE PUBLIC CO., LTD.



(2)



(Win Htay)
Director

Grand Guardian Insurance Public Co., Ltd.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

Currency – Myanmar Kyat (MMK)

	Note	2018	2017
Insurance premium income	11	9,836,816,820.67	9,455,619,565.31
Commission and other income	12	503,270,433.63	455,275,763.67
Investment income	13	2,116,743,148.24	2,367,969,356.20
Net income		12,456,830,402.54	12,278,864,685.18
Claims	14	(5,447,502,272.13)	(2,850,301,392.75)
Acquisition costs and direct expenses	15	(1,439,185,186.37)	(919,668,175.83)
Operating expenses	16	(4,931,653,888.03)	(3,803,752,048.81)
Expenses		(11,818,341,346.53)	(7,573,721,617.39)
Profit before tax		638,489,056.01	4,705,143,067.79
Income tax expenses	17	(64,309,281.92)	(1,034,201,275.12)
Profit for the year		574,179,774.09	3,670,941,792.67
Other comprehensive income for the year		–	–
Total comprehensive income for the year		574,179,774.09	3,670,941,792.67

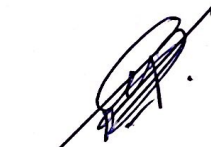
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in MMK per share):

- Basic	19	122.37	782.38
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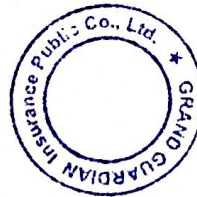
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(1)



MYO NAUNG
MANAGING DIRECTOR
GRAND GUARDIAN INSURANCE PUBLIC CO., LTD.



(2)



(Win Htay)
Director

Grand Guardian Insurance Public Co., Ltd.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Currency – Myanmar Kyat (MMK)

	Issued and paid up capital	Share premium	Life insurance fund	Fire insurance fund	Comprehensive motor insurance fund	Marine and aviation insurance fund	Special travel insurance fund	General reserve fund	Retained earnings	Total equity
2017										
Balance at 1 April 2016	46,920,000,000.00	92,000,000.00	1,926,731,737.85	1,320,478,306.72	1,555,730,931.68	34,269,991.34	-	316,475,434.20	-	52,165,686,401.79
Adjustment for corporate income tax	-	-	(169,407,635.00)	(387,412,852.21)	(445,636,360.63)	(8,828,421.16)	-	1,785,555.78	-	(1,009,499,713.22)
Adjustment for special travel insurance	-	-	(1,193,206,080.00)	-	-	-	-	-	-	(1,193,206,080.00)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Transfer to life insurance fund	-	-	568,337,967.33	-	-	-	-	-	3,670,941,792.67	3,670,941,792.67
Transfer to fire insurance fund	-	-	-	744,540,313.36	-	-	-	-	(568,337,967.33)	(568,337,967.33)
Transfer to comprehensive motor insurance fund	-	-	-	-	1,024,963,424.69	-	-	-	(744,540,313.36)	(744,540,313.36)
Transfer to marine and aviation insurance fund	-	-	-	-	-	52,979,686.49	-	-	(1,024,963,424.69)	(1,024,963,424.69)
Transfer to special travel fund	-	-	-	-	-	-	164,169,888.75	-	(52,979,686.49)	(52,979,686.49)
Transfer to general reserve fund	-	-	-	-	-	-	-	111,595,051.21	(164,169,888.75)	(164,169,888.75)
Provision for dividend payment	-	-	-	-	-	-	-	-	(111,595,051.21)	(111,595,051.21)
Balance at 31 March 2017	46,920,000,000.00	92,000,000.00	1,132,455,990.18	1,677,605,767.87	2,135,057,995.74	78,421,256.67	164,169,888.75	429,656,041.19	(1,004,355,460.84)	52,629,566,940.40

The notes on pages 9 to 22 are an integral part of the Financial Statements.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018
 Currency – Myanmar Kyat (MMK)

	Issued and paid up capital	Share premium	Life insurance fund	Fire insurance fund	Comprehensive motor insurance fund	Marine and aviation insurance fund	Special travel insurance fund	General reserve fund	Retained earnings	Total equity
2018										
Balance at 1 April 2017	46,920,000,000.00	92,000,000.00	1,132,455,990.18	1,677,605,767.87	2,135,057,995.74	78,421,256.67	164,169,888.75	429,856,041.19	-	52,629,566,940.40
Adjustment for corporate income tax	-	-	(43,213,210.59)	-	-	-	-	-	-	(43,213,210.59)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	574,179,774.09	574,179,774.09
Expenses offset against comprehensive motor insurance fund	-	-	-	-	(500,000,000.00)	-	-	-	-	(500,000,000.00)
Transfer to life insurance fund	-	-	527,278,697.33	-	-	-	-	-	(527,278,697.33)	-
Transfer to general reserve fund	-	-	-	-	-	-	-	4,690,107.75	(4,690,107.75)	-
Balance at 31 March 2018	46,920,000,000.00	92,000,000.00	1,616,521,476.92	1,677,605,767.87	1,635,057,995.74	78,421,256.67	164,169,888.75	434,546,148.94	42,210,969.01	52,660,533,503.90

The notes on pages 9 to 22 are an integral part of the Financial Statements.

Authenticated by Directors: (1)



MYO NAUNG
 MANAGING DIRECTOR
 GRAND GUARDIAN INSURANCE PUBLIC CO., LTD.




(Win Htay)
 Director
 Grand Guardian Insurance Public Co., Ltd.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Currency – Myanmar Kyat (MMK)

	Note	2018	2017
Cash flow from operating activities			
Profit for the year		638,489,056.01	4,705,143,067.79
<i>Adjustment for:</i>			
Expenses offset against comprehensive motor insurance fund		(500,000,000.00)	–
Depreciation on property, plant and equipment		537,815,632.42	303,733,324.01
Amortization of intangible asset		71,425,514.75	20,543,430.00
Loss on disposal of property, plant and equipment		–	359,808.00
Property, plant and equipment write off		2,678,695.00	3,976,596.00
Operating profit / (loss) before working capital changes		750,408,898.18	5,033,756,225.80
Working capital changes:			
Change in insurance and other receivables		(836,289,457.80)	(1,477,865,867.43)
Change in provisions, claims and other payables		6,013,844,690.12	135,290,755.96
Cash generated from operations		5,927,964,130.50	3,691,181,114.33
Income tax paid		(680,588,845.00)	(2,161,285,269.00)
Net cash provided by / (used in) operating activities		5,247,375,285.50	1,529,895,845.33
Cash flow from investing activities			
Purchase of property, plant and equipment		(977,706,595.75)	(4,670,008,398.28)
Disposal of property, plant and equipment		14,722,102.00	915,000.00
(Purchase) / Disposal of investments		(6,000,000,000.00)	6,000,000,000.00
Prepaid for property, plant and equipment		(345,127,286.00)	(1,360,250,000.00)
Payment for computer software and license		(588,959,105.82)	(11,204,395.00)
Net cash provided by / (used in) investing activities		(7,897,070,885.57)	(40,547,793.28)
Cash flow from financing activities			
Equity dividend paid		(1,923,720,000.00)	(1,032,240,000.00)
Net cash flows from financing activities		(1,923,720,000.00)	(1,032,240,000.00)
Net increase / (decrease) in cash and cash equivalents		(4,573,415,600.07)	457,108,052.05
Cash and cash equivalents at the beginning of the year		20,788,902,999.07	20,331,794,947.02
Cash and cash equivalents at the end of the year	9	16,215,487,399.00	20,788,902,999.07

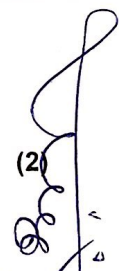
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Authenticated by Directors:

(1)

 MYO NAUNG
 MANAGING DIRECTOR
 GRAND GUARDIAN INSURANCE PUBLIC CO., LTD.



(2)

 (Win Htay)
 Director

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

1. General information

Grand Guardian Insurance Public Company Limited (the Company) was incorporated as a public company in the Republic of the Union of Myanmar under The Myanmar Companies Act on 11 December 2012.

The certificate of incorporation issued by Ministry of National Planning and Economic Development under the Government of the Republic of the Union of Myanmar is No. 3772 of 2012-2013.

The Company was also issued Certificate for Commencement of Business (No. 29 of 2013-2014) under Section 103 (1) (a) to (d) of The Myanmar Companies Act by Ministry of National Planning and Economic Development on 3 April 2013.

The Company was issued Insurance Business Licence (No. 002) in pursuance of sub-section (a) of section 38 of the Insurance Business Law by Insurance Business Regulatory Board (IBRB) previously known as Insurance Business Supervisory Board under Ministry of Finance and Revenue on 25 May 2013.

The objectives of the Company, described in the Memorandum of Association of the Company, are:

- (a) to carry on the insurance business permitted by the Insurance Laws and Rules and the Ministry concerned in accordance with notifications issued from time to time with approval of the Government.
- (b) to borrow money for the benefit of the Company's business from any person, firm, company, bank or financial organization in the manner that the Company shall think fit.

The registered office of the Company is located at No. (19/20), A, B, C, D Junction Square Compound, between Pyay Road and Kyundaw Street, Kamayut Township, Yangon Region, Republic of the Union of Myanmar.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the accompanying financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A Basis of accounting

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRSs) and are based on historical cost convention.

B Foreign currency translation

- (1) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Myanmar Kyat, which is the presentation currency of the Company.
- (2) Transactions and balances
Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**C Property, plant and equipment**

Property, plant and equipment including, owner-occupied properties, are carried at historical cost less accumulated depreciation. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are charged to profit or loss during the financial period they are incurred.

D Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land which is determined to have an indefinite life, as follows:

Sr. No.	Descriptions	Estimated useful lives
1	Building	80 years
2	Office furniture	20 years
3	Office equipment	10 years
4	Generator & transformer	16 years
5	Computer & component	5 years
6	Motor vehicles & cycles	8 years

E Intangible assets

Computer software and licences are carried at historical cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of computer software and licences over their estimated useful lives. The rate of amortisation of computer software and licences are 20% per annum. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

F Investments

Investments are recognized at cost less accumulative impairment loss in the Company's financial statement. On disposal of investments, the difference between disposal proceeds and the carrying amount of investments are recognized in profit or loss. Investments are made by purchasing three year treasury bonds and bills issued by Myanmar Securities Exchange Center.

i) Investment income

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

G Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and short-term deposits with an original maturity one year or less. The cash equivalents are readily convertible to cash.

H Provisions

The Company recognizes provisions in the financial statements when the Company has a legal or constructive obligation (as a result of a past event) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is created by charging profit or loss for any obligations as per the calculated value of these obligations and the expectation of their realisation at the reporting date.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**I Operating leases (as lessee)**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

J Current and deferred income tax

The tax expense comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. Summary of significant accounting policies (continued)

K Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

L Insurance operations

- (i) **Receivables and payables related to insurance contracts**

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance policy holders.

- (ii) **Provision for outstanding claims**

Provision for outstanding claims is recognized at reporting date and covers the liability for claims and loss adjustment expenses based on loss reports from independent loss adjusters and management's best estimate.

- (iii) **Gross premiums**

Premium on insurance contracts are recognized as revenue (earned premiums) when premium on insurance contracts are received. Premiums are shown before deduction of commission and are gross of any taxes levied on premiums.

- (iv) **Gross claims paid**

Claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to policy holders or third parties damaged by the policy holders. Gross claims paid include all claims paid during the year and the related external claims handling costs that are directly related to the processing and settlement of claims.

Estimates of salvage recoveries (damaged property acquired in settling a claim) are included as an allowance in the measurement of the insurance liability for claims. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims. The allowance is the assessment of the amount that can be recovered from the third party.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**(v) Commissions earned and paid**

Commissions earned and paid are recognized at the time when the payment is made or the income is received.

(vi) Policy acquisition costs

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are recognised as expenses when incurred.

(vii) Fund transfer

According to IBRB's instruction,

(a) Life insurance

Lower of premium income and excess of income over expenses of life insurance is transferred to life insurance fund.

(b) General

(1) 35% of original gross premium income have been provided as unearned premium income as per notification no. 2/2017 dated 15 March 2017.

(2) Lower of 30% of premium income and excess of income over expenses of general insurance is transferred to general insurance fund such as fire insurance fund, comprehensive motor insurance fund, marine and aviation insurance fund and special travel insurance fund.

(3) Provision for general reserve fund is based on 10% of profit after tax and transferring life and general insurance fund.

(4) Provision for dividend payment is based on 90% of profit after tax and transferring life and general insurance fund.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with Myanmar Financial Reporting Standards (MFRSs) requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates. Estimates, assumptions and judgements are renewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

4. Financial instruments and risk management

The Company in the normal course of its business derives its revenue mainly from assuming and managing insurance and investments. Through a robust governance structure, risk and return are evaluated to produce sustainable revenues to reduce earnings volatility and increase shareholders' return. The Company's lines of business are mainly exposed to the following risks;

- Insurance risk,
- Credit risk,
- Liquidity risk,
- Market risk and
- Operational risk.

Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual compensation paid and subsequent development of long-term claims. Therefore the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages the insurance risk through the careful selection and implementation of its underwriting strategy and guidelines together with the adequate coinsurance arrangements and proactive claims handling.

The Company makes coinsurance arrangements with Myanmar Insurance and other six insurance companies when the sum insurance is exceed MMK 500 million for fire insurance and when the sum insurance is exceed MMK 300 million for comprehensive motor insurance. For marine insurance, the Company has executed quota share agreement with State Owned Myanmar Insurance. The insurance risk could be mitigated by making coinsurance arrangements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Company's exposure to credit risk.

A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Company has been established and policies and procedures are in place to mitigate the Company's exposure to credit risk.

Compliance with the receivable management policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.

Credit exposure is limited to the carrying values of the financial assets as the reporting date.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities.

Liquidity requirements are monitored on a daily/weekly/monthly basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Foreign exchange risk

The Company has exposure to foreign exchange risk due to assets and liabilities denominated in foreign currencies. However, the Company does not hedge its exposures to foreign exchange risk as the risk is not expected to be significant.

4. Financial instruments and risk management (continued)

Market risk

Market risk is the risk that the fair value of or income from a financial instrument will fluctuate as a result of changes in market prices (such as exchange rates, interest rates and equity prices), whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

(i) **Currency risk**

Currency risk is that the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(ii) **Interest rate risk**

Interest rate risk is the risk that the value of or income from a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have any interest bearing assets or liabilities. Hence, the Company does not have any exposure to interest rate risk.

(iii) **Price risk**

Price risk is the risk that the fair value of or income from a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have any equity investment. Hence, the Company does not have any exposure to price risk.

Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with an effective compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

5. Property, plant and equipment

Details of property, plant and equipment are as follows:

2017	Land	Land & building	Office furniture	Office equipment	Generator & transformer	Computer & component	Motor vehicles & cycles	Total
Cost								
Balance at 1 April 2016	339,140,106.00	12,502,570,867.00	209,396,732.40	202,450,325.10	65,512,900.00	154,778,094.00	275,646,864.00	13,749,495,888.50
Additions	-	10,598,029,981.00	154,865,478.57	47,618,040.32	70,707,000.00	103,674,369.38	380,100,000.00	11,354,994,869.27
Disposal	-	-	-	(1,325,720.00)	-	-	(620,000.00)	(1,945,720.00)
Write off	-	-	(4,667,410.00)	(269,500.00)	-	(1,085,242.00)	-	(6,022,152.00)
Balance at 31 March 2017	339,140,106.00	23,100,600,848.00	359,594,800.97	248,473,145.42	136,219,900.00	257,367,221.38	655,126,864.00	25,096,522,885.77
Accumulated depreciation								
Balance at 1 April 2016	-	483,677,449.00	54,585,721.87	39,932,136.10	16,557,491.00	57,342,218.00	48,864,347.00	700,959,362.97
Depreciation for the year	-	166,795,840.00	12,677,814.09	22,150,313.60	1,964,083.08	42,160,055.91	57,985,217.33	303,733,324.01
Disposal	-	-	-	(494,384.00)	-	-	(176,528.00)	(670,912.00)
Write off	-	-	(1,555,361.00)	(87,169.00)	-	(403,026.00)	-	(2,045,556.00)
Balance at 31 March 2017	-	650,473,289.00	65,708,174.96	61,500,896.70	18,521,574.08	99,099,247.91	106,673,036.33	1,001,976,218.98
Carrying value								
Balance at 31 March 2017	339,140,106.00	22,450,127,559	293,886,626.01	186,972,248.72	117,698,325.92	158,267,973.47	548,453,827.67	24,094,546,666.79

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyats (MMK)

5. Property, plant and equipment (continued)

Details of property, plant and equipment are as follows:

	Land	Land & building	Office furniture	Office equipment	Generator & transformer	Computer & component	Motor vehicles & cycles	Total
2018								
Cost								
Balance at 1 April 2017	339,140,106.00	23,100,600,848.00	359,594,800.97	248,473,145.42	136,219,900.00	257,367,221.38	655,126,864.00	25,096,522,885.77
Additions	-	69,987,855.00	65,265,585.06	100,030,224.83	80,335,000.00	374,887,931.85	287,200,000.00	977,706,596.74
Disposal	-	-	(6,442,000.00)	(22,363,860.00)	-	-	-	(28,805,860.00)
Write off	-	-	(1,985,228.64)	(1,980,475.00)	-	(86,612.00)	-	(4,052,315.64)
Balance at 31 March 2018	339,140,106.00	23,170,588,703.00	416,433,157.39	324,159,035.25	216,554,900.00	632,168,541.23	942,326,864.00	26,041,371,306.87
Accumulated depreciation								
Balance at 1 April 2017	-	650,473,289.00	65,708,174.96	61,500,896.70	18,521,574.08	99,099,247.91	106,673,036.33	1,001,976,218.98
Depreciation for the year	-	288,975,557.00	18,016,606.92	37,044,804.38	1,826,174.00	104,009,981.12	87,942,509.00	537,815,632.42
Disposal	-	-	(3,006,065.00)	(11,077,693.00)	-	-	-	(14,083,758.00)
Write off	-	-	(680,732.64)	(633,059.00)	-	(59,829.00)	-	(1,373,620.64)
Balance at 31 March 2018	-	939,448,846.00	80,037,984.24	86,834,949.08	20,347,748.08	203,049,400.03	194,615,545.33	1,524,334,472.76
Carrying value								
Balance at 31 March 2018	339,140,106.00	22,231,139,857.00	336,395,173.15	237,324,086.17	196,207,151.92	429,119,141.20	747,711,318.67	24,517,036,834.11

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

6. Intangible assets

Intangible assets consist of:

	2018	2017
Balance at 1 April,	79,873,108.00	89,212,143.00
Addition	588,959,105.75	11,204,395.00
Amortisation	(71,425,514.75)	(20,543,430.00)
Balance at 31 March,	597,406,699.00	79,873,108.00

7. Investments

Investments consist of:

	2018	2017
Three years' treasury bond	13,800,000,000.00	7,800,000,000

The Company earns 9.5% interest per year on above three years treasury bonds which are issued by Myanmar Securities Exchange Center (MSEC).

8. Insurance and other receivables

Insurance and other receivables consist of:

	2018	2017
Insurance	81,600,826.88	8,675,521.00
Advances	1,542,914,020.00	2,101,279,635.55
Prepaid expenses	2,232,822,245.32	1,657,501,421.17
Other receivables	733,853,156.71	337,444,087.98
	4,591,190,248.91	4,104,900,665.70

9. Cash and cash equivalents

Cash and cash equivalents consist of:

	2018	2017
Cash on hand (MMK)	130,862,033.00	95,200,366.00
Cash on hand (US\$)	47,364,465.00	31,093,098.00
Cash in bank (MMK)	15,349,161,864.36	19,972,720,718.85
Cash in bank (US\$)	688,099,036.64	689,888,816.22
	16,215,487,399.00	20,788,902,999.07

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

10. Provisions, claims and other payables

Provisions, claims and other payables consist of:

	2018	2017
Provisions	74,738,209.22	3,266,651,722.42
Reserve for unearned premium income	5,268,484,852.35	–
Claims	393,193,295.55	101,657,902.54
Other payables:		
Accrued expenses	1,317,699,344.00	867,374,738.45
Advance insurance premium received	2,429,684.00	1,750,000.00
Staff provident fund	4,042,292.00	1,222,136.00
	7,060,587,677.12	4,238,656,499.41

11. Insurance premium income

It represents premium income received on the following:

	2018	2017
Life	786,025,049.64	508,401,037.56
Refund	(5,000.00)	(4,486,547.50)
Life insurance premium income – net	786,020,049.64	503,914,490.06
Fire	4,546,180,921.73	3,309,068,059.39
Comprehensive motor	9,543,261,955.54	5,153,971,935.04
Marine and aviation insurance	220,617,811.56	235,465,273.31
Special travel	742,753,175.00	729,643,950.00
General insurance premium income - gross	15,052,813,863.83	9,428,149,217.74
35% unearned premium income	(5,268,484,852.35)	–
Refund	(17,608,961.45)	(28,858,888.49)
Commercial tax	(715,923,279.00)	(447,585,254.00)
General insurance premium income – net	9,050,796,771.03	8,951,705,075.25
Life and general insurance premium income - net	9,836,816,820.67	9,455,619,565.31

35% unearned premium income have been provided on general insurance premium income as per notification no. 2/2017 dated 15 March 2017 in FY 2017 – 2018.

12. Commission and other income

Commission and other income consist of:

	2018	2017
Commission	149,701,622.69	106,118,228.93
Other income	353,568,810.94	349,157,534.74
	503,270,433.63	455,275,763.67

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

13. Investment income

It represents interest received on the following:

	2018	2017
Fixed deposits	589,810,500.86	344,506,577.72
Saving accounts	366,608,231.97	1,597,263,658.46
Treasury bond	1,160,324,415.41	426,156,065.75
Capital investment (life)	–	43,054.27
	2,116,743,148.24	2,367,969,356.20

14. Claims

It represents claims payment on the following:

	2018	2017
Life	96,363,367.50	43,706,015.00
Fire	2,946,070.27	68,251,391.21
Comprehensive motor	5,299,345,434.36	2,727,890,236.54
Marine and aviation insurance	9,200,000.00	1,933,750.00
Special travel	39,647,400.00	8,520,000.00
	5,447,502,272.13	2,850,301,392.75

15. Acquisition costs and direct expenses

Acquisition costs and direct expenses consist of:

	2018	2017
Agent commission	1,429,359,178.73	908,254,817.39
Agent commission refund	(5,956,142.36)	(3,261,311.56)
Assessor & surveyor charges	12,540,000.00	9,770,000.00
Medical examination charges	3,242,150.00	4,904,670.00
	1,439,185,186.37	919,668,175.83

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

16. Operating expenses

Operating expenses consist of:

	2018	2017
Depreciation & amortisation	609,241,144.17	324,276,753.51
Establishment salaries	2,442,985,771.60	1,767,594,033.60
Maintenance and repairs	260,667,055.14	116,235,214.86
Operating expenses	931,146,432.42	749,732,861.85
Opening office expenses	9,821,700.00	5,852,887.00
Professional fees	15,246,000.00	15,120,000.00
Rates and Taxes	22,194,204.20	13,668,049.00
Stamp	3,226,780.00	4,190,700.00
Travelling expenses	187,040,454.69	74,449,080.20
Exchange (gain) / loss	14,653,108.02	–
Miscellaneous expenses	435,431,237.81	732,632,468.79
	4,931,653,888.03	3,803,752,048.81

17. Income tax expenses

It represents income tax expenses on the following:

	2018	2017
Current year's income tax provision	64,309,281.92	1,034,201,275.12

18. Share capital

	2018	2017
Nominal value per share	MMK 10,000.00	MMK 10,000.00
Number of authorised shares	20,000,000 shares	20,000,000 shares
Authorised shares capital	MMK 200.00 billion	MMK 200.00 billion
Number of issued and paid up shares (fully paid)	4,692,000.00 shares	4,692,000.00 shares
Issued and paid up shares capital	MMK 46.92 billion	MMK 46.92 billion

19. Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during financial year.

	2018	2017
Profit attributable to the Company's equity holders (MMK)	574,179,774.09	3,670,941,792.67
Weighted average number of ordinary shares in issue (shares)	4,692,000.00	4,692,000.00
Basic earnings per share (MMK per share)	122.37	782.38

GRAND GUARDIAN INSURANCE PUBLIC COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

20. Dividend per share

The dividends paid in FY 2017 - 2018 and FY 2016 - 2017 were MMK 1,923.72 million (MMK 410 per share) and MMK 1,032.24 million (MMK 220 per share) respectively. The Company has not proposed any dividend in FY 2017 – 2018.

21. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

(a) Sales of insurance contracts

Name of Company	Sum insured	
	2018	2017
Shwe Taung Development Co., Ltd. (STD)	17,278,563,772	12,124,950,000

The above represents co-fire insurance contracts sold to STD. Insurance contracts are sold on the basis of the prices in line with non-related parties.

The sum insured amount in FY 2017 – 2018 and FY 2016 – 2017 were MMK 38.20 billion and MMK 29.56 billion respectively. Out of which the Company's retained sum insured amount in FY 2017 – 2018 and FY 2016 – 2017 were MMK 17.28 billion and MMK 12.12 billion respectively.

(b) Purchase and lease of property

Name of Company	Type of Transactions	2018	2017
STD	Rental payment for part of head office	135,481,500	199,962,000
STD	Deposit for acquisition of three office apartments	69,987,855	10,593,160,000

(c) Key Management remuneration

	2018	2017
Salaries and benefit	154,520,000	96,700,000

22. Authorization of financial statements

The financial statements of the Company for the year ended 31 March 2018 were authorized for issue on 8 May 2018.



Grand Guardian Insurance Public Co., Ltd

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