2012 ANNUAL REPORT

MANSARD
INSURANCE

...for life and living

Our Vision

We are a team of risk and investment managers providing our customers with effective solutions, assuring their financial security with our superior strength and capacity.

Our Mission

We are driven to innovate and excel, consistently creating exceptional value for our stakeholders.

Introduction

"Mansard Insurance plc's Financial Statements comply with the applicable legal requirements of the Company and Allied Matter Act regarding financial statements and comprises Consolidated and Separate Financial Statements of the Group and the Company for the year ended 31 December 2012. The consolidated financial statements have been prepared in compliance with IAS 1 'Presentation of the Financial Statement' its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria.

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Corporate information

Chairman	Mr. Victor Gbolade Osibodu
Directors	Mrs. Yetunde Ilori Mr. Tosin Runsewe Mr. Kunle Ahmed Mr. Hakim Khelifa Mrs. Runa Alam Mr. Idris Mohammed Mr. Jatin Muhki Mrs. Abiola Ojo-Osagie Mr. Karl Weinfurtner Mr. Olusola Adeeyo
Registered Office	**Santa Clara Court** Plot 1412, Ahmadu Bello Way Victoria Island Lagos www.mansardinsurance.com
Auditors	**PricewaterhouseCoopers** 252E Muri Okunlola Street Victoria Island, Lagos Tel: (01) 2711700 www.pwc.com/ng FRC/2013/ICAN/00000000880
Company Secretary	Mrs. Omowunmi Mabel Adewusi
Bankers	Guaranty Trust Bank First Bank of Nigeria First City Monument Bank Stanbic IBTC
Re-insurers	African Reinsurance Corporation Continental Reinsurance plc. General Insurance Company of India Munich Reinsurance Company Limited
Actuaries	HR Nigeria Ltd Alexander Forbes Nigeria Ltd
Registrar & Transfer Office	DataMax Registrar Limited (Formerly GTB Registrar Limited)
RC No.	133276
FRC Registration No.	FRC/2012/0000000000228

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of MANSARD INSURANCE PLC will hold at the Lagos Oriental Hotel, No 3, Lekki Road, Victoria Island, Lagos on Thursday, May 23, 2013 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended December 31, 2012, and the Reports of the Directors, Auditor and Audit Committee thereon;

2. To declare a dividend;

3. To appoint Auditors;

4. To authorize Directors to fix the remuneration of the Auditor;

5. To elect members of the Audit Committee.

SPECIAL BUSINESS

A. To consider, and if thought fit, to pass the following resolution as ordinary resolution:

6. "That the authorized share capital of the Company be and is hereby increased from N5,000,000,000.00 (Five Billion Naira) to N5,250,000,000.00 (Five Billion, Two hundred and Fifty Million Naira) by the creation of 500,000,000 new Ordinary shares of 50 Kobo each ranking pari passu in all respects with the existing Ordinary Shares of the Company";

B. To consider, and if thought fit, to pass the following Special Resolutions:

7. "That the content of Clause 6 of the Memorandum of Association of the Company be deleted and is hereby replaced with the following: the authorized share capital of the Company is N5,250,000,000.00 (Five Billion, Two hundred and Fifty Million Naira) divided into 10,500,000,000 Ordinary shares of 50 kobo each ranking pari passu in all respects with the existing Ordinary Shares of the Company";

8. "That subject to regulatory approval, the Directors be and are hereby authorized to issue up to 500,000,000 Ordinary shares of 50 kobo each from the Company's share capital ranking pari passu in all respects with the existing Ordinary Shares of the Company to the Staff Investment Scheme, in such proportion, at such time, for such consideration, and upon such terms and conditions as contained in the Trust Deed which would be administered by the Directors for the Staff and Management of the Company";

9. "That pursuant to Article 96 of the Company's Articles of Association, the Directors be and are hereby authorised to establish a Debt Issuance Programme for the purpose of issuing debt securities by way of public offering, book building process or any other methods, in tranches of such amounts and at such date(s) and upon such terms and conditions to be determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities";

10. "That subject to regulatory approval, the Directors be and are hereby authorized to appoint such advisers, professionals and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate with regard to the establishment of the Debt issuance Programme";

11. "That the Directors be and are hereby authorized to take all steps and do all acts that they deem necessary for the successful implementation of the above stated resolutions".

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. For the appointment to be valid, a duly completed and stamped proxy form must be deposited at the office of the Registrar, DataMax Registrars Limited, No 7, Anthony Village Road, Anthony Village, Lagos, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to this Annual Report.

BY ORDER OF THE BOARD

OMOWUNMI MABEL ADEWUSI
Company Secretary
FRC/2013/NBA/00000000967
Santa Clara Court,
Plot 1412, Ahmadu Bello Way,
Victoria Island,
Lagos.

April 30, 2013

NOTES

1. **Dividend**
   If approved, dividend will be payable on May 23, 2013 to shareholders whose names are registered in the Register of Members as at the close of business on May 13, 2013. Shareholders who have completed and submitted the e-dividend Mandate Form will receive a direct credit of the dividend into the bank accounts indicated in the e-dividend Mandate Form immediately after the Annual General Meeting. The dividend warrants for shareholders who have not completed the e-dividend Mandate Form will be posted on May 23, 2013.

   Shareholders are advised to complete the e-dividend Mandate Form in this Annual Report and submit to the Registrar, DataMax Registrars Limited through any Guaranty Trust Bank plc branch.

2. **Closure of Register of Members**
   The Register of Members will be closed on May 14, 2013 to enable the Registrar prepare for payment of dividend.

3. **Audit Committee**
   In accordance with Section 359(5) of the Companies and Allied Matters Act, 2004, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

Results at a Glance

	GROUP 2012 N' 000	GROUP 2011 N' 000	GROUP % GROWTH	PARENT 2012 N' 000	PARENT 2011 N' 000	PARENT % GROWTH
MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS						
Gross Premium Written	12,444,451	10,004,767	24%	12,444,451	10,004,767	24%
Gross Premium Income	11,656,020	9,372,391	24%	11,656,020	9,372,391	24%
Net Premium Income	7,109,300	6,083,463	17%	7,109,300	6,083,463	17%
Investment and Other Income	2,358,148	812,181	190%	1,687,764	644,498	162%
Profit Before Tax	2,179,804	1,256,039	74%	1,730,635	1,197,435	45%
Profit For the Period	1,603,305	965,597	66%	1,380,054	930,436	48%
MAJOR STATEMENT OF FINANCIAL POSITION ITEMS						
Total Assets	31,566,202	24,872,261	27%	27,288,052	24,017,122	14%
Insurance Liabilities	5,865,263	4,649,200	26%	5,865,263	4,649,200	26%
Investment Contract liabilities	3,603,560	2,555,208	41%	3,603,560	2,555,208	41%

Chairman's Statement

I cordially welcome you to the 21st Annual General Meeting of Mansard Insurance plc, and present you a review of our operating environment and a summary of the Company's performance for the financial year ended December 31, 2012.

Operating Environment

According to the IMF, global growth closed at 3.2% in 2012, a decline from the projected 3.5% growth at the start of the year (which was revised to 3.3% in October). Economic conditions improved slightly in the year, driven by the performance of emerging market economies and the United States. Financial conditions also improved, as borrowing costs for countries in the euro area fell, and many stock markets around the world rose. Stock markets started the year on a positive note, buoyed by strong manufacturing data from America, Britain and China, as well as quantitative easing measures by a number of central banks around the world. They ended the year with double-digit gains across most territories despite uncertainties about the global economy, the U.S. elections and the fiscal crisis. The Euro crisis remained severe and deeper than ever and the viability of the zone was threatened by economic and political issues. Concerns were rife that Greece would exit both the single currency and the European Union. Greece had been embroiled in a sovereign debt crunch making it a beneficiary of multiple bailouts from the IMF and fellow European Union members.

In Nigeria, despite the sluggish economic situation in advanced economies, the country's macroeconomic indices were largely solid in 2012. GDP grew by 6.6% over 2011, though inflation rate rose to 12% from 10.3% in 2011. The non-oil sector continued to be a major driver of the economy. On a year-on-year basis, the sector recorded 8.21% growth in the fourth quarter of 2012 compared with 9.10% at the corresponding period in 2011. This decline was largely attributed to a decrease in activities in the wholesale and retail trade and real estate.

During the year, Standard & Poor's (S&P) upgraded its long-term foreign and local currency sovereign credit rating on Nigeria to BB- from B+, citing higher foreign exchange reserves, the government's reform effort on fuel subsidies and improved financial stability. The rating review was corroborated by Moody's Rating Review, which assigned local and foreign currency issuer ratings of Ba3 to Nigeria due to the country's stable outlook.

The NSE All Share Index ended 2012 with a 34% increase, well ahead of its global peers, as a result of the trading activities of foreign investors, the anticipation of better than expected results, the NSE's reform initiatives and low fixed income yields. Also, the Monetary Policy Rate (MPR) was maintained at 12% throughout the year by the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN), in view of inflationary pressures and global uncertainties. The Naira closed the year strongly at N156.2/$ which amounts to a 3.8% appreciation in 2012. This was a reflection of declining demand for the US dollar on account of more subdued import demand (especially petroleum related products) and increased dollar supply at the interbank market. This has seen the Nation's foreign reserves sustain its upward trend and rise to $45.68bn, the highest in more than two years.

However, there were a number of shocks in the Nigerian economy such as the continued pass-through effects of the increase in pump prices as a result of the partial removal of fuel (PMS) subsidy, periodic fuel scarcity across the country, the increase in electricity tariffs and import tariffs on some major food items, as well as security challenges and major flooding in certain parts of the country. The Nigerian aviation sector witnessed two accidents in June, a Nigerian cargo plane crash in Ghana and the Dana Air crash in Lagos state. These

Chairman's Statement (con't)

were the country's first aviation accidents in five years. According to the Chartered Insurance Institute of Nigeria (CIIN), the Nigerian insurance industry coughed out an estimated $100 million (N15.5 billion) in insurance claim settlements covering the value of the plane, the passengers, third party liabilities and the quantifiable consequential losses. Mansard, in line with its prompt claims payment policy, paid out a total of N123.6 million in life claims sustained during the accidents. Most of this was paid within a week.

The Federal Government concluded the first phase of its National power sector reform agenda with the successful bid process for the acquisition of 6 State-owned power generating stations and 11 State-owned power distribution stations by private investors.

Market and Regulations
In our industry, the National Insurance Commission (NAICOM) mandated all operators to transit to the use of risk-management frameworks by July 2012. Mansard was well positioned to adopt this new system before the deadline because we already had an existing and evolving Enterprise Risk Management system, which is aligned to international best practice.

Also, the enormous challenge of illiquidity and the need to protect policyholders and shareholders led the commission to issue a circular on the implementation of Section 50 of the Insurance Act 2003 which stipulates that insurance covers shall be provided on a strict 'No Premium No Cover' basis.

As an upshot of the National Insurance Commission's (NAICOM) IFRS reporting harmonization carve out, the Nigerian Insurers Association (NIA) released a new IFRS reporting format to be used by all insurance companies operating in Nigeria, to which our current financial statement duly conform.

Financial Results
Year 2012 in retrospect was challenging, yet your company delivered positive growth indices on all lines. Gross Premium Written was an impressive N12.44 billion compared to N10 billion which was achieved in the same period the previous year representing a growth of 24%. Net Premium Income also grew by 16% from N6.1 billion in 2011 to N7.1 billion in 2012. Underwriting results grew by 10% from

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Chairman's Statement (con't)

N2.9 billion in 2011 to N3.2 billion in 2012, underscoring the efficiency of our underwriting process.

Investment income recorded a significant 258% growth in the period, the best since the global financial crisis of 2009, totaling N1.4 billion from N0.4 billion in 2011. This shows that our decision to restructure our asset allocation has yielded the desired results.

Your company also grew its Profit after Tax by 48% from N0.9billion in 2011 to N1.38 billion in 2012.

Rebranding

In July of 2012, we successfully completed a rebranding exercise hence our name MANSARD. Following this exercise, the Company has emerged a leading 'independent' underwriter. The new name has been marketed aggressively and it has sure registered in the hearts of all our patrons making all the hard work put into the rebranding exercise a worthy cause.

Risk Rating

Also during the year, Mansard Insurance had both its financial strength and issuer credit rating affirmed by A.M. Best, the global risk rating agency. A.M. Best rated Mansard Insurance B (Fair) for our financial strength and BB+ for our issuer credit, both with a stable outlook. These ratings still represent the highest currently accorded a Nigerian Underwriter.

During the year, our subsidiary also changed its name from Assur Asset Management Limited (AAML) to Mansard Investments Limited to reflect our new brand name. The Company continued to carry out its activities in investment management. It closed the year with Funds under Management (FUM) of N19.4 billion, an increase of 18% from N16.5 billion in 2011. PBT also experienced a 66% increase to N114 million from N68 million in 2011.

To further consolidate our market positioning, the company engaged the services of Roland Berger Strategy Consultants to craft a 3-year strategic plan. The direction and guidance provided by this document are expected to catapult the company to a higher position in the investment sector in the near future.

Dividend

Despite the austere economic challenges of 2012, the Board still remains committed to delivering returns to stakeholders. They have therefore proposed a dividend of 7k per share for the financial year end 2012. This will make a total of 11k paid for the 2012 financial share when added to the 4k interim dividend paid in October 2012. This is a growth of 38% when compared with 8k paid in 2011.

Staff

We have continued to invest in the personal development of our staff because we realize they are our greatest assets and we need them to deliver superior value. Our staff have continued to express their commitment through various valuable contributions to our operations. Please join me in saluting this vibrant and enthusiastic team whose daily focus is the achievement of a greater feat for your company.

Future Outlook

After a successful year 2012, I cannot be more excited about 2013. With the delivery of our first class commercial property in Victoria Island, the repositioning of Mansard Investments Limited, it promises to be a fulfilling year.

In conclusion, I would like to appreciate our customers for their increasing patronage and our esteemed shareholders for their continued support for the Company.

May the Lord in His gracious mercies continue to bless Mansard Insurance plc.
Thank you.

V.G. Osibodu
Chairman

From the Executive Suite

2012 represented yet another year of tremendous challenge as the world economy tottered along with barely any significant signs of a recovery. Europe continued to be assailed by huge sovereign debt and austerity issues. China remained the growth engine of the world but with less than the year-on-year double digit growth that had characterized that nation a decade ago. The so-called emerging markets also felt the drag of lower growth while Frontier markets maintained relatively high growth, albeit from a low base for most countries concerned.

In Nigeria, we continued to enjoy decent economic growth with GDP projected to have grown at about 6.7% for the year. The Naira remained stable within the Central Bank of Nigeria's range of ±3% of N155 per US dollar and foreign exchange reserves climbed above $43bn for the first time in 3 years on the back of a mixture of increased foreign direct and portfolio investments.
Our insurance industry saw the regulator determined to enforce the 'No Premium, No Cover' law enshrined in the Insurance Act of 2003. This is expected to lead to massive changes in our market as underwriters, brokers and customers all scramble to meet the requirements of this law. Successful organisations are those that maintain a preparedness to face any eventuality and Mansard, being one such organisation, spent the last 4 months of the year preparing its systems, and sensitising its prospects and customers on the need to make payments early for their policies.

In the same vein, your Company left no stone unturned in our preparations to cut over our accounting reporting to IFRS as stipulated by our regulators. To this end, we successfully published our 2012 half year audited accounts under the IFRS format, this being a first in Nigeria's insurance industry.

Mansard
In my address of last year, I said 2012 would be a year of consolidation and maturity. Indeed it was, as we birthed our new brand, MANSARD! A lot of preparation and work went into conceptualising, developing and launching this brand. Now Mansard is born and here to stay as a leading brand in Nigeria's (Africa perhaps) financial services industry. We retain a keen desire to serve our customers and community in an uncompromising manner and we hope to fulfil our promise of delivering superior returns to all our stakeholders. Indeed, whilst we have birthed this new brand, your Company remains the same with same people sharing the same values as before.

In April 2012, we won third place in the Great Places to Work in Nigeria competition, behind only 2 companies, both of which are more than a century old, one of them being a global brand! We maintained a 'B' risk rating from AM Best, the premier rating agency for insurance companies and their financial instruments globally. We recognized the wide range of risks that our systems were subject to in today's world and made significant capital investments

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We recognized the wide range of risks that our systems were subject to in today's world and made significant capital investments in robust IT solutions to help prevent potential breaches of our customers' information by deploying foremost Threat Management system. We also opened four additional Welcome Centres in Lagos and a full branch in Abuja, bringing the total number of our own offices to eleven. The dividend of this is that the Agency group contributed N0.9 billion of our N12.4 billion revenue, a 24% increase over the 2011 contribution. Likewise on a Group basis, Profit after Tax grew by 66% to N1.66 billion from N0.96 billion in 2011.

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In addition, we closed the year as the insurance company with the largest market capitalisation in Nigeria. This is a testament to the hard work, ingenuity and persistence of our staff in their quest to build an enduring institution. Join me as I salute them all!

Outlook

Without a doubt, 2013 promises to be an interesting and rewarding year for us all, even as we grapple with stringent regulatory changes.

Firstly, Mansard Place, our first class commercial property in Victoria Island will be completed and rented out in the first half of the year, thereby boosting our revenues significantly. Secondly, Mansard Investments Limited, our asset management subsidiary will be re-tooled for expanded operations. We expect them to triple assets under management over the next few years. Thirdly, we hope to commence our full scale health insurance business during the year.

Though the 'No Premium No Cover' policy may currently present something of an obstacle, we will surmount it and ensure excellence in everything we do. We will also continue to overhaul our systems and processes so as not to impede the rapid growth in our retail business area.
I wish you all the very best and God bless Mansard Insurance plc.

Tosin Runsewe
Chief Client Office

From the Executive Suite

Introduction

In the last decade, growth in the Nigerian insurance sector has been largely reform-driven and despite an appreciable increase in premiums collected, the opportunity for further growth still exists. Last year, NAICOM intensified its efforts in deepening market penetration through its Market Development and Restructuring Initiative, a medium term project which kicked off in 2009.

In 2012, NAICOM discontinued the issuance of single annual operational guidelines and instead released series of circulars to regulate the conduct of insurance business in Nigeria. The circulars were mainly geared towards ensuring maximum utilization of all available local capacity, the resultant effect being an increase in the volume of business ultimately retained within the Country, hence promoting the growth of the local market.

Also, as part of its transition to risk-based supervision and strict observance of the provision of Section 50 of the Insurance Act 2003, NAICOM announced the enforcement of the "No Premium, No Cover" policy effective from the 1st of January 2013. The policy aims to stimulate liquidity within the industry by eliminating the large provisions for outstanding premium income and a major credit risk faced by insurance companies. It has therefore become unlawful for insurance companies to grant cover to an individual or a corporate body without first receiving premium.

IFRS Adoption

The timely release of the financial results of the companies within the industry has been delayed by the need to harmonize policies as Nigeria joins the list of countries adopting International Financial Reporting Standards (IFRS); a process of financial accounting that began with publicly listed and significant public interest entities by January 1, 2012. The adoption will subsequently lend enhanced credibility to the industry's financial reports and meaningful comparability across the globe.

Company Performance

Despite these reforms and the slight underperformance of the economy, Mansard Insurance delivered a strong operating performance. We grew our balance sheet size by 29% from N24billion in 2011 to N31billion in 2012 and closed the year with a total underwriting income of N2.82billion; a 2% improvement on the past year's performance of N2.75billion.

In 2012, we received a financial strength rating of 'B' from AM Best and birthed a new brand, the 'Mansard' brand, reinforcing our reputation as a leading independent underwriter. We remained focused on our retail expansion exercise by opening four (4) additional sales outlets (Welcome Centers) in Lagos as well as one branch Office in Abuja, growing the size of our sales outlets to 11. All these achievements echoed our 2011 promise to consolidate on all the gains recorded since our renaissance in 2004 and more importantly, to establish the 'Mansard' brand as a true industry leader.

Non-Life Business

The General Business portfolio experienced significant growth during the year under review. Its contribution to total gross premium written stood at 74% (N9.26billion), registering a 22%

"On the other hand, the 30% growth recorded on the Oil & Energy line, generating revenue of N2.8billion from N1.9billion in 2011, was made possible by increased international confidence in Mansard Insurance plc as a leading oil and gas underwriting firm, the size of our Shareholders' funds and continued compliance with the nation's Local Content Law."

growth on its 2011 performance of N7.61billion. Key growth drivers were the Oil & Energy and Motor lines. The Motor portfolio grew 19% from N1.8billion in 2011 to N2.3billion in 2012; this was largely due to the increase in sales network via the various welcome centers and the reduction of fake motor insurance with the creation of the Nigerian Insurance Industry Database (NIID).

On the other hand, the 30% growth recorded on the Oil & Energy line, generating revenue of N2.8billion from N1.9billion in 2011, was made possible by increased international confidence in Mansard Insurance plc as a leading oil and gas underwriting firm, the size of our Shareholders' funds and continued compliance with the nation's Local Content Law. Overall, except for the aviation portfolio, all other lines recorded decent growth when compared with the preceding year.

Life Business
The year ended with the Life portfolio contributing 26% (N3.02billion) to the Company's Gross Premium Income, a 2% increase on the past year's performance of 24% (N2.38billion); this was fueled by growth recorded on both the Individual and Group life portfolios.

Compliance with the Federal Government's Pension Reforms Act of 2004, which makes it mandatory for organizations with five or more employees to take group life insurance for their staff, enhanced the 18% growth recorded on the Group life portfolio in 2012. It contributed N2.22billion to the total life business, which was 70% of the total revenue generated in this class of our business.

The contribution of Annuity and Health insurance to the Life Portfolio stood at N275million and N103.2million, respectively. The Individual Life Portfolio grew significantly by 53%, ending the year with a GPI of N590million. This growth was largely driven by our life campaign.

Notable growths recorded on both Group Life and Individual Life Portfolios, generated a net earned premium growth of 17%, from N2.07billion in 2011 to N2.42billion in 2012.

Combined Ratio
We ended the year with an underwriting expense ratio of 16% and a claims ratio of 44% which was largely driven by the occurrence of a number of one off claims. Despite our rebranding and retail expansion exercise, we kept our management expense ratio at 39%. Our overall combined ratio as at year end, stood at 99%.

Looking Ahead
In the Nigerian Insurance sector, the potential for further growth exists, especially on the back of diverse reforms set into motion by NAICOM and our organization has spent the past few years positioning ourselves to benefit from the insurance value chain that will be created as a result.

Furthermore, we intend to build upon our prior year's achievements by leveraging upon our superior human capital and our extensive distribution network in order to ensure that we consistently add value to all our stakeholders. Thank you all.

Yetunde Ilori
Chief Executive Officer

Statement of Directors' Responsibilities in Relation to the Financial Statements
for the Year Ended 31 December 2012

The directors accept responsibility for the preparation of the annual consolidated financial statements that give a true and fair view of the statement of financial position of the Group and Company at the end of the year and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria and the Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Insurance Act.

ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with,

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Group and of the profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made assessment of the Group's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mrs. Yetunde Ilori
FRC/2012/CIIN/00000000344
18 March 2013

Mr. Gbolade Osibodu
FRC/2013/NIM/00000001915
18 March 2013

Share Capital history

As at December 31, 2012 the Company's Authorized and paid up share capital was N5,000,000,000 divided into 10,000,000,000 Ordinary shares of 50k each. The initial share capital upon incorporation and subsequent changes therein are as follows:

Date	Authorized (N) Increase	Cumulative	Issued & Fully	Cumulative Paid-up (N) Increase	Consideration
1989	-	34,300,000	-	17,150,000	Cash
1998	6,346,000	40,646,000	3,173,000	20,323,000	Cash
1999	5,978,000	46,624,000	2,989,000	23,312,000	Cash
2000	706,000	47,330,000	353,000	23,665,000	Cash
2002	152,798,000	200,128,000	76,399,000	100,064,000	Cash
2004	799,872,000	1,000,000,000	399,936,000	500,000,000	Cash
2006	4,746,440,954	5,746,440,954	2,373,220,477	2,873,220,477	Cash
2006	3,938,744,509	9,685,185,463	1,969,372,254	4,842,592,731	Cash
2007	314,814,537	10,000,000,000	157,407,269	5,000,000,000	Cash
*2007	(5,000,000,000)	5,000,000,000	(2,500,000,000)	2,500,000,000	Cash
2008	3,750,000,000	8,750,000,000	1,875,000,000	4,375,000,000	Cash
2009	1,250,000,000	10,000,000,000	625,000,000	5,000,000,000	Cash
2010	-	10,000,000,000	-	5,000,000,000	
2011	-	10,000,000,000	-	5,000,000,000	
2012	-	10,000,000,000	-	5,000,000,000	

*The company's issued and fully paid share capital was reconstructed by a special resolution of the Board at its meeting on the 18th of October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid share capital will stand at N2,500,000,000 divided into 5,000,000,000 Ordinary shares at 50k each with the surplus nominal value arising from the reconstruction being transferred to the Company's capital reserve account. The reconstruction was sanctioned by the Federal High Court of Nigeria, Lagos on 31st October 2007 and registered by the Corporate Affairs Commission on the 18th of December 2007.

Directors' Report

for the year ended 31 December 2012

The Directors have the pleasure of presenting their report on the affairs of Mansard Insurance plc ("the Company") and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the year ended December 31, 2012.

Legal Form and Principal Activity

The Company was incorporated on 23 June 1989 as a private limited liability company called "Heritage Assurance Limited" and issued with a composite insurance license by the National Insurance Commission in March 2004. The Company's name was changed to Guaranty Trust Assurance Limited in September 2004 following the acquisition of a majority share holding by Guaranty Trust Bank plc, and changed again to Guaranty Trust Assurance plc in March 2006 following the increase in number of members beyond the maximum required for a private company. In November 2009, the Company became listed on the Nigerian Stock Exchange.

The Company changed its name and corporate identity to Mansard Insurance plc in July 2012 following the divestment of Guaranty Trust Bank (GTBank) from the Company as a result of the Central Bank of Nigeria's directive that all banks should divest from non core banking activities.

The Company's principal activity continues to be the provision of life and general business risk management solutions and financial services to corporate and retail customers in Nigeria.

The Company has two wholly owned and one partly owned subsidiaries namely: Mansard Investments Limited (formerly Assur Asset Management Limited), Barista Property Development Company Limited and Assur Property Development Limited (a partly owned subsidiary), the latter two being special purpose companies.

Mansard Investments Limited was incorporated as a private limited liability company on 9 January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients. Barista Property Development Company Limited was incorporated on 7 July 2008 to provide property development and investment services to both individual and corporate clients. Assur Property Development Limited was incorporated on 2 September 2010 for the purpose of holding and developing the Company's former office block located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure.

Dividends

During the period under review, the Directors declared and paid interim dividend in the sum of 4 Kobo per ordinary share on the issued capital of 10,000,000,000 Ordinary Share of 50 kobo each. Withholding tax was deducted at the time of payment.

Directors' Report

for the year ended 31 December 2012

The financial results of all the subsidiaries have been consolidated in these financial statements.

Operating Results

The following is a summary of the Group's operating results:
(in thousands of Nigerian Naira)

	Group 2012	Group 2011	Parent 2012	Parent 2011
Profit before tax	2,179,804	1,256,039	1,730,635	1,197,435
Taxation	(576,499)	(290,442)	(350,581)	(266,999)
Profit after tax	1,603,305	965,597	1,380,054	930,436
Transfer to contingency reserve	(323,688)	(252,790)	(323,688)	(252,790)
Retained earnings for the year	1,279,617	712,809	1,056,366	677,648
Retained earnings, beginning of year	271,676	445,069	618,371	840,723
Non controlling interest	(164,875)	-	-	-
Dividend paid	(1,181,600)	(886,200)	(1,200,000)	(900,000)
Retained earnings, end of year	204,818	271,677	474,736	618,371
Earnings per share – Basic	14k	10k	14k	9k
Declared dividend per share - Interim	4k	-	4k	-
Declared dividend per share - Final	-	8k	-	8k

Directors and Their Interests

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is noted:

Mr. Victor Gbolade Osibodu - Chairman	131,953,125	131,953,125
Mrs. Yetunde Ilori	4,814,875	5,114,875
Mr. Tosin Runsewe	31,267,704	20,064,375
Mr. Kunle Ahmed (Appointed 15 February 2012)	3,788,125	3,788,125
Mr. Idris Mohammed	Nil	Nil
Mrs. Runa Alam	Nil	Nil
Mr. Jatin Muhki	Nil	Nil
Mrs. Abiola Ojo-Osagie	Nil	Nil
Mr. Karl Weinfurtner	Nil	Nil
Mr. Hakim Khelifa	Nil	Nil
Mr. Olusola Adeeyo - Independent Director	Nil	Nil

Retirement of Directors

No director retired from the Board of the Company during the period.

Directors' Report
for the year ended 31 December 2012

Appointment of Directors
The Company appointed an Executive Director during the period to join the Board of Directors.

Directors' Remuneration
The remuneration of the Company's Directors is disclosed pursuant to section 34(5) of the code of corporate governance for public companies as issued by Securities and Exchange Commission as follows:

Renumeration	Description	Timing
Basic Salary	"Part of gross salary package for Executive Directors only.	Paid monthly during the financial year
	Reflects the insurance industry competitive salary package and the extent to which the Company's objectives have been met for the financial year"	
13th month salary	Part of gross salary package for Executive Directors only	Paid at the last month of the year
Director fees	Allowances paid to Non-Executive Directors	Paid during the year
Travelling allowances	Allowances paid to Non-Executive Directors that reside outside Nigeria	Paid during the year
Sitting allowances	Allowances paid to Non-Executive Directors only for sitting at board meetings and other business meetings	Paid during the year

Directors' Interests in Contracts
In compliance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

Major Shareholding
According to the Register of Members, no shareholder other than the undermentioned held more than 5% of the issued share capital of the Company as at 31 December 2012:

Assur Africa Holding Limited	7,499,309,578	74.99%
* Stanbic Nominees	604,000,000	6.04%

* Stanbic Nominees held the cumulative total of 6.04% of the company's shares largely in trading accounts on behalf of various investors.

Directors' Report

for the year ended 31 December 2012

Analysis of Shareholding

The analysis of the distribution of the shares of the Company as at 31 December, 2012 is as follows:

Share Range	No. of Shareholders	% Shareholders	No. of Holdings	% of Holdings
1 - 1,000	407	14.45%	234,968	0.00%
1001 - 5,000	535	18.99%	1,685,242	0.02%
5,001 - 10,000	319	11.32%	2,724,347	0.03%
10,001 - 50,000	581	20.62%	15,812,840	0.16%
50,001 - 100,000	232	8.24%	19,509,779	0.20%
100,001 - 500,000	336	11.93%	86,705,946	0.87%
500,001 - 1,000,000	145	5.15%	120,443,752	1.20%
1,000,001 - 1,000,000,000	261	9.27%	2,253,573,548	22.54%
1,000,000,001 - 10,000,000,000	1	0.04%	7,499,309,578	74.99%
Total	**2,817**	**100.00%**	**10,000,000,000**	**100.00%**

Property and Equipment

Information relating to changes in property and equipment during the year is given in Note 13 to the financial statements.

Donations and Charitable Gifts

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of N2,558,337. (Dec 2011: N1,275,000) was given out as donations and charitable contributions during the year. These comprise contributions to charitable organizations amounting to N2,558,337 (Dec 2011: 600,000) and no donations were made to other non-charitable organisations (Dec 2011: N675,000). Details of the donations and charitable contributions are as follows:

Organizations:	2012	2011
Lekki British International High School	-	75,000
Nigerian Accounting Standards Board (Establishment Of IFRS Academy)	-	500,000
ACEN Workshop On Professional Indemnity Insurance	-	100,000
Women & Children Intellectual Enhancement Centre (WOCIA), Abuja	-	200,000
Azibaola Charity Foundation Orphanage & Destitute Home, Port Harcourt	200,000	200,000
Hearts Of Gold Hospices, Lagos	200,000	200,000
Edensfield Health Foundation	500,000	-
Project Alert	300,000	-
Flood relief camp (Lokoja)	400,000	-
Flood relief camp (Delta)	600,000	-
Mother Theresa Orphanage (Abuja)	200,000	-
Lagos University Teaching Hospital	58,337	-
Bethesda Home for the Blind, Lagos	100,000	
	2,558,337	**1,275,000**

Directors' Report

for the year ended 31 December 2012

Employment of Disabled Persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2012, the Group had no disabled persons in its employment.

Health, Safety and Welfare of Employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Group provides medical facilities to its employees and their immediate families at its expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. It also operates a contributory pension plan in line with the Pension Reform Act 2004.

Employee Involvement and Training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Group provides opportunities for employees to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, the Group sponsored its employees for various training courses both in Nigeria and abroad in the year under review.

Gender AnalysisThe number and percentage of women employed during the financial year vis-a-vis total workforce is as follows:

	Male Number	Female Number	Male %	Female %
Employees	115	80	59%	41%

Gender analysis of Board and Top Management is as follows:

Board	8	3	73%	27%
Top Management	10	3	77%	23%

Directors' Report

for the year ended 31 December 2012

Detailed analysis of the Board and Top Management is as follows:

	Male Number	Female	Male %	Female
Assitant General Manager	5	2	71%	29%
Deputy General Manager	3	-	100%	-
Executive Director	2	-	100%	-
Chief Executive Officer	-	1	-	100%
Non-Executive Director	6	2	75%	25%

Acquisition of Own Shares

The Company disposed a portion of its own shares held under Staff Investment Trust Scheme during the year under review.

Post-Balance Sheet Events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 31 December, 2012 and profit attributable to equity holders.

Auditors

Messrs KPMG Professional Services have indicated their willingness not to continue in office in compliance with NAICOM Corporate Governance regulation. Messrs PricewaterhouseCoopers has been appointed as Auditor in compliance with section 357(2) of the Companies and Allied Matters Act of Nigeria. Messrs PricewaterhouseCoopers have indicated their willingness to continue in office.

BY ORDER OF THE BOARD

Mrs. Omowunmi Mabel Adewusi
Company Secretary
FRC/2013/NBA/00000000967
Plot 1412, Ahmadu Bello Way,
Victoria Island, Lagos
18 March 2013

Certification Pursuant to Section 60(2) of Investment and Securities Act No.29 of 2007

We the undersigned hereby certify the following with regards to our audited report for the period ended 31st December 2012 that:

(a) We have reviewed the report;
(b) To the best of our knowledge, the report does not contain:
 (i) Any untrue statement of a material fact, or
 (ii) Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

(c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report.

(d) We:
 (i) Are responsible for establishing and maintaining internal controls.
 (ii) Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
 (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 (iv) Have present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(e) We have disclosed to the auditors of the company and audit committee:
 (i) All significant deficiency in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

(f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mrs. Rashidat Adebisi
FRC/2012/ICAN/00000000497
Chief Financial Officer

Mrs. Yetunde Ilori
FRC/2012/CIIN/00000000344
Chief Executive Officer

Report of the Audit and Compliance Committee

for the year ended 31 December 2012

To the members of Mansard Insurance plc.:

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit and Compliance Committee of Mansard Insurance plc. hereby report as follows:
We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Group are in compliance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2012 were satisfactory and reinforce the Group's internal control systems.

We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses to their recommendations for improvement and with the effectiveness of the Group's system of accounting and internal control.

Mr. Olusola Adeeyo
FRC/2013/NIM/00000001919
Chairman, Audit and Compliance Committee
18 March 2013

Members of the Audit and Compliance Committee are:

1. Mr. Olusola Adeeyo (Independent Director) - Chairman
2. Mr. Afolabi Folayan (Shareholders' representative)
3. Mr. Akingbola Akinola (Shareholders' representative)
4. Mr. Mohammed Idris (Non-Executive Director)
5. Mrs. Abiola Ojo-Osagie (Shareholders' representative)

In attendance:

Mr. Henry Akwara - Secretary

Corporate Governance Report

Mansard Insurance plc ("the Group") has consistently developed corporate policies and standards to encourage good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices. This is the foundation of our history, values and culture as a Company for building and sustaining an endurable institution that guarantees profitability and professionalism whilst enhancing shareholders' value.

As a publicly quoted company, the Company strives to carry out its business operations on the principles of integrity and professionalism whilst enhancing shareholders value through transparent conduct at all times with the adoption and application of local regulatory standards as well as international best practices in corporate governance, service delivery and value creation for all. For the Company, good corporate governance goes beyond just adhering to rules and policies of the regulators; it is about consistently creating value through going the extra within a sustainable and enduring system.

In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable Codes of Corporate Governance such as the SEC Code and the NAICOM Code with particular reference to compliance, disclosures and structure. Furthermore, an annual board appraisal is also conducted by an Independent Consultant appointed by the Company whose report is submitted to NAICOM and presented to shareholders at the Annual General Meeting of the Company in compliance with the recommendation of the NAICOM Code of Corporate Governance.

Governance Structure

The governance of the Company resides with the Board of Directors who is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The Board of Directors is responsible for the efficient operation of the Company and to ensure the Company fully discharges its legal, financial and regulatory responsibilities.

The Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to Management. These oversight functions of the Board of Directors are exercised through its various Committees. In the course of the period under review, the Board has four (4) Committees to ensure the proper management and direction of the Company via interactive dialogue on a regular basis.

The Board membership comprises of eleven (11) members, including the Chairman, six (6) Non-Executive Directors, three (3) Executive Directors and one (1) Independent Director appointed based on the criteria laid down by NAICOM for the appointment of Independent Director(s) .The Independent Director does not have any significant shareholding interest or any special business relationship with the Company. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Company's Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board. The Board meets quarterly and additional meetings are convened as at when required. Material decisions may be taken between meetings by way of written resolutions, as provided for in the Articles of Association of the Company. The Directors are provided with comprehensive group information at each of the quarterly Board meetings and are also briefed on business developments between

Board meetings. The Board met four (4) times during the year ended December 31, 2012.

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance.

The powers reserved for the Board include the following;

- determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership;
- approval of mergers and acquisitions, branch expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Board members
- approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate governance and Anti – money laundering,
- approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the regulators.
- approval of major change to the Company's corporate structure (excluding internal reorganizations) and changes relating to the Company capital structure or its status as a public limited company
- approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices
- the determination and approval of the strategic objectives and policies of the Company to deliver long-term value;
- approval of the Company's strategy, medium and short term plan and its annual operating and capital expenditure budget
- recommendation to shareholders of the appointment or removal of auditors and the remuneration of Auditors;

Roles of Key Members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions: monitor effectively and provide advice to promote the success of the Company.

The Chairman also facilitates the contribution of Non-executive Directors to promote effective relationships and open communications, both inside and outside the Boardroom, between Executive and Non-executive Directors. The Chairman strives to ensure that any disagreements on the Board are resolved amicably.

The Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer (CEO), who is responsible for leading management and for making and implementing operational decisions. The CEO is responsible to the Board of Directors and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is achieved at all times and has the overall responsibility for the

Company's financial performance.

The Chief Client Officer
The Chief Client Officer is an Executive on the Board who is responsible for strategic business decisions, research and business development of the Company. The CCO has the oversight on monitoring Investment policies and strategic plans of the Company to the Board for approval. He is responsible for the review of policies that will ensure that the Company's assets, objectives and resources are channeled in investments that will yield utmost returns and goals of the Company.

The Independent Director
In line with the NAICOM code of corporate governance practices, the Board has an independent Director who does not represent any particular shareholding interest nor holds any business interest in the Company

Company Secretary
The Company Secretary is a point of reference and support for all Directors. It is her responsibilities to update the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.
The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate an annual Board Plan and with the administration of other strategic issues at the Board level; organize Board meetings and ensure that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

Director Nomination Process
The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new Non-executive Directors are agreed upon by the Board.

The balance and mix of appropriate skills and experience of Non-executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from different industry sectors. The Shareholding of an individual in the Company is not considered a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of NAICOM.

The following core values are considered critical in nominating a new director;
(i) Integrity
(ii) Professionalism
(iii) Career Success
(iv) Recognition
(v) Ability to add value to the Organization

Induction and Continuous Training of Board Members
On appointment to the Board and to Board Committees, all Directors receive a formal induction tailored to meet their individual requirements. The New Directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on the operations.

The Directors are also given a mandate and terms of reference to aid in performance of their functions. The Management further strives to acquaint the new Directors with the operations of the Company via trainings/seminars to the extent desired by new Directors to enable them function in their position.

The training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

Changes on the Board
Mr. Kunle Ahmed was appointed as an executive director of the Company in February

2012. No other changes were made to the Board composition during the period under review.

Non-Executive Directors Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM and SEC Codes which stipulate that Executive Directors' remuneration should be limited to Directors' fees and reimbursable travel and hotel expenses. Director's fees and sitting allowance was paid to only Non-executive directors as recommended by the Board Governance, Remuneration, and Establishment & General Purpose Committee.

Details of remuneration paid to Non-Executive Directors is as stated below;

S/N	NAMES	TITLE	AMOUNT =N=
1	Mr. Osibodu Gbolade	Chairman	250,000
2	Mr. Khelifa Hakim	Director	200,000
3	Mr. Mohammed Idris	Director	200,000
4	Mrs. Ojo-Osagie Abiola	Director	200,000
5	Mr. Weinfurtner Karl	Director	200,000
6	Mr. Adeeyo Olusola	Director	200,000
7.	Mr. Jatin Mukhi	Director	200,000
8.	Mrs. Runa Alam	Director	200,000

Board Committees

The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has four (4) Committees, namely; Board Audit & Compliance Committee, Board Investment & Finance Committee, Board Risk Management and Technical Committee and the Board Governance, Remuneration, Establishment & General Purpose Committee

Through these Committees, the Board is able to more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees in the exercise of their powers as delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings. A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

(i) **Board Audit & Compliance Committee**

Auditing is vital to ensuring that accounting norms for insurance businesses are effectively applied and maintained and to monitor the quality of internal control procedures; ensure compliance with all regulatory directives. The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

The Committee shall provide oversight functions with regard to both the company's financial statements and its internal control and risk management functions. The Committee shall ensure compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor; and performance of the company's internal audit function as well as that of external auditors

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its functions and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Board Audit & Compliance Committee comprised the following members during the period under review;

1. Mr Sola Adeeyo – Chairman (Independent Director)
2. Mr Afolabi Folayan – Shareholder's Representative
3. Mr Akingbola Akinola – Shareholder's Representative
4. Mr Idris Mohammed – Board Director (Representative of DPI)
5. Mrs. Abiola Ojo-Osagie (Alternate to Mr. Idris Mohammed)

(ii) Board Investment & Finance Committee

The Board Investment and Finance Committee is responsible for the approval of investment decisions and portfolio limits by Management of the Company. This Committee shall have supervisory functions over investment and other finance-related issues such as capital & funding requirements.

The main functions of the Committee shall be to approve all investment above the limit of the management. Where it is not expedient for the members of the committee to meet, an investment approval can be obtained through circularization of the approval. The Committee is also responsible for the review and approval of the investment manual on a periodic basis and to further identify specific areas for review as approved by the Board, in particular the financial implications of new and major investment strategies/initiatives.

The Committee shall make recommendations of investment policies for consideration and adoption by the Board, including proposed ethical positions with respect to appropriate investments and shall conduct a review of the performance of the major assets in the company's investment portfolios on a quarterly basis.

The Board Investment & Finance Committee comprised the following members during the period under review;

1. Mr. Hakim Khelifa – *Chairman (Representative of AfricInvest)*
2. Mr. Idris Mohammed – *Non – Executive Board Director (Representative of DPI)*
3. Mr. Tosin Runsewe – *Executive Director*
4. Mr. Karl Weinfurtner – *Non- Executive Director (Representative of DEG/Proparco)*

(iii) Board Risk Management and Technical Committee

This Committee will have supervisory functions over risk management, the risk profile, the enterprise-wide risk management framework, underwriting functions of the Company and the risk-reward strategy determined by the Board.

The main functions of the Committee shall be to assist in the oversight of the review and approval of the Company's risk management policy including risk appetite and risk strategy; to oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms.

The Committee is also charged with the review of large underwritten risks for adequacy of reinsurance and other risk management techniques including environmental & social management system.

The Board Risk Management and Technical Committee comprised the following members during the period under review;

1. Mr. Jatin Mukhi -
   Chairman (Representative of DEG/Proparco)
2. Mr. Karl Weinfurtner -
   Non- Executive Director
   (Representative of DEG/Proparco)
3. Mrs. Yetunde Ilori
4. Mr. Tosin Runsewe
5. Mr. Kunle Ahmed

(iv) Board Governance, Remuneration, Establishment and General Purpose Committee

The Committee shall have supervisory functions over the whole company, recruitment and ensuring corporate governance compliance. The main functions of the Committee shall be to establish the criteria for board and board committee memberships, review candidates qualifications and any potential conflict of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board.

The Committee shall further ensure that a succession policy and plan exist for the positions of Chairman, CEO/MD, the executive directors and the subsidiary managing directors for Group companies. The Board Governance, Remuneration, Establishment & General Purpose Committee comprised the following members during the period under review;

1. Mrs. Runa Alam -
   Chairperson (Representative of DPI)
2. Mr. Idris Mohammed -
   Alternate to Chairperson
   (Representative of DPI)
3. Mr. Sola Adeeyo -
   Independent Director
4. Mr. Hakim Khelifa -
   (Representative of AfricInvest)
5. Mrs. Abiola Ojo-Osagie -
   (Representative of AfricInvest)

Attendance of Board and Board Committee Meeting

The table below shows the frequency of meetings of the Board of Directors, as well as Members' attendance for the year ended December 31, 2012.

The Board met four (4) times during the period under review.

S/N	Name of Director		No. of Board meetings attended	February 15 2012	April 26, 2012	July 18, 2012	Nov. 15, 2012
1.	Mr. Victor Osibodu	Chairman	4	x	x	x	x
2.	Mrs. Yetunde Ilori	Director	4	x	x	x	x
3.	Mr. Tosin Runsewe	Director	4	x	x	x	x
4.	Mr. Karl Weinfurtner	Director	4	x	x	x	x
5.	Mr. Idris Mohammed	Director	4	x	x	x	x
6.	Mr. Kunle Ahmed	Director	4	x	x	x	x
7.	Mr. Hakim Khelifa	Director	4	x	x	x	x
8.	Mr. Jatin Mukhi	Director	4	x	x	x	x
9.	Mrs. Runa Alam	Director	3	x	x	-	x
10.	Mrs. Abiola Ojo Osagie	Director	4	x	x	x	x
11.	Mr. Olusola Adeeyo	Director	4	x	x	x	x

Details of Board Committee Meetings and Attendance:

Board Audit & Compliance Committee

The Committee met four (4) times during the period under review:

Name	Composition	No. of Committee meetings attended	8 Feb. 2012	18 April 2012	16 July 2012	30 Oct. 2012
Mr Olusola Adeeyo	Chairman	4	X	X	X	X
Mrs Abiola Ojo-Osagie	Member	4	X	X	X	X
Mr GbolaAkinola	Independent shareholder	3	X	X	-	X
Mr Afolabi Folayan	Independent shareholder	4	X	X	X	X

Board Investment & Finance Committee:

The Committee met four (4) times during the period under review:

Name	Composition	No. of Committee meetings attended	15 Feb. 2012	26 April 2012	17 July 2012	15 Nov. 2012
Mr Hakim Khelifa	Chairman	4	X	X	X	X
Mr Karl Weinfurtner	Member	4	X	X	X	X
Mr Idris Mohammed	Member	4	X	X	X	X
Mr Tosin Runsewe	Member	4	X	X	X	X

Board Risk Management & Technical Committee

The Committee met four (4) times during the period under review:

Name	Composition	No. of Committee meetings attended	15 Feb. 2012	26 April 2012	18 July 2012	15 Nov. 2012
Mr Jatin Mukhi	Chairman	4	X	X	X	X
Mrs Yetunde Ilori	Member	4	X	X	X	X
Mr Karl Weinfurtner	Member	4	X	X	X	X
Mr Kunle Ahmed	Member	3	-	X	X	X
Mr Tosin Runsewe	Member	4	X	X	X	X

Board Governance, Remuneration, Establishment & General Purpose Committee

The Committee met four (4) times during the period under review:

Name	Composition	No. of Committee meetings attended	15 Feb. 2012	26 April 2012	17 July 2012	15 Nov. 2012
Mrs Runa Alam	Chairman	4	X	X	X	X
Mrs Abiola Ojo-Osagie	Member	4	X	X	X	X
Mr Hakim Khelifa	Member	3	-	X	X	X
Mr Olusola Adeeyo	Member	3	X	-	X	X

Annual Board Appraisal

The Code of Corporate Governance for the Insurance Industry recognizes the fact that the good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal covered all aspects of the Board's structure, composition, responsibilities, processes, relationships, individual members' competencies and respective roles in the Board performance, as well as the Company's compliance status with the provisions of NAICOM.

The annual Board appraisal was conducted by the Firm of JK Randle International who adjudged the performance of the Board as outstanding and rated the performance of each individual Director as well above requirements and a copy of the Annual Board and Director Review/Appraisal Report for the 2011 financial year has been sent to NAICOM in compliance with the requirements of the Code.

Shareholders

The General Meeting of the Company is the highest decision making body of the Company. The Company is driven by its desire to deliver significant returns on its shareholders investment. The shareholders have an opportunity to express their concerns (if any) and opinions on the Company's financial results and all other issues at the Annual General Meeting of the Company. The Meetings are conducted in a fair and transparent manner where the regulators are invited such as The National Insurance Commission, the Securities and Exchange Commission, Corporate Affairs Commission, the Auditors as well as other Shareholder's Association.

To ensure timely and effective communication with shareholders on all matters of the Company, the Investor Relations Unit deals directly with all enquiries from shareholders and it is communicated to Management and the Board. The Company also dispatches its annual reports, providing highlights of all the Company's activities to its shareholders.

Protection of Shareholders Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication Policy

It is the responsibility of Executive Management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

Furthermore, the Board and Management of the Company ensures that communication and dissemination of information regarding the operations and management of the company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, **www.mansardinsurance.com.**

The website also has an Investors Relations portal where the company's annual reports and other relevant information about the company is published and made accessible to its shareholders, stakeholders and the general public.

In order to reach its overall goal on information dissemination, the Company is guided by the following Principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by NAICOM and SEC.

The principles that guide the Company's information dissemination include the following;

- **Efficiency:** The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. The Company responds without unnecessary delay to information requests by the media and the public

- **Transparency:** The Company strives in its communication to be as transparent and open as possible while taking into account the concept of confidentiality between the Company and its customers, and company secretary. This contributes to maintaining a high level of accountability

- **Clarity:** The Company aims at clarity, i.e. to send uniform and clear messages on key issues

- **Cultural awareness:** The Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment

- **Feedback:** The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used in future activities.

Independent Advice
The Board of Directors are at their own discretion and at the Company's expense required to seek Independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

Insider Trading and Price Sensitive Information
The Company is clear in its prohibition of insider trading by its Board, management, Officers and related persons who are privy to confidential price sensitive information. Such persons are further prohibited from trading in the Company's securities where such transactions would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Management Committees
The Company has 2 Committees which comprises of management staff.
The Management Committee (MC) is the Committee set up to identify and make recommendations on strategies that will aid the long term objectives of the Company. Whilst the Management Underwriting and Investment Committee (MUIC) was initiated to analyze the risks the Company is underwriting at any given period.

The MUIC also ensures that risk investment limits as contained in the Board Investment and Finance manual are complied with at all times. They provide inputs from the Board Committee and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. Both Committees meet frequently as necessary to immediately take action and decisions within the confines of their powers. The Secretary of the Committee is the Company Secretary.

Monitoring Compliance with Corporate Governance
(i) **Chief Compliance Officer**
The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to NAICOM/SEC that they are not aware of any other violation of the Corporate Governance Code, other than as disclosed during the course of the year.

(ii) **Whistle Blowing procedures**
In line with the Group's commitment to instill the best corporate governance practices, a whistle blowing procedure was established that ensures anonymity on any reported incidence(s). The Group has a dedicated e-mail address for whistle-blowing procedures.

Code of Professional Conduct for Employees
The Group had an internal Code of Professional Conduct, which all members of staff are expected to subscribe to upon assumption of duties. Staff is also required to reaffirm their commitment to the Code annually. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, culture and policies of the Group relating to employee values.

Internal Management Structure
The Group operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

An annual appraisal of the duties assigned and dedicated to each person is done by the first quarter of the preceding year.

Staff Investment Trust Scheme
The Company had in place a management share ownership scheme called the Staff Investment Trust (SIT) scheme which provides for the allocation of a specified percentage of ordinary shares of the Company to eligible employees of the Company.

The scheme was established for the benefit of the Company's management staff as an incentive mechanism where eligible staff can invest in ordinary shares of the Company at the prevailing Net Assets Value (NAV) and upon exit the scheme purchases the stock at market price from the staff if certain conditions are met. The details of the scheme are enclosed in the SIT deed.

However, the Company is in the process of winding up the Scheme by disposal of majority of the equity holding during the year.

Internal Control and Risk Management Systems

Mansard Insurance plc internal control and risk management system is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO). The system ensures that the company's internal control system aligns with the achievement of set strategic objectives through its operating, reporting and compliance mechanism.

Supporting the Company in its effort to achieve its strategic objectives are five (5) components of internal control:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment: This comprises the company's history, culture, values, organizational structure, strategy, policies and procedures. The Board through its Board Audit Committee establishes the tone from the top regarding the importance of internal control and defines the company's risk management policies and expected standards of conduct to ensure that material risks inherent in the business are identified and mitigated or controlled.

Our management team establishes structures, reporting lines and appropriate authorities and responsibilities in the pursuit of the company's strategic objectives. The internal audit function reports on development and performance of internal control to the Board Audit Committee on a quarterly basis which demonstrates Board oversight and independence of management.

Risk Assessment: Risks associated with achievement of the company's strategic objectives are identified and analyzed annually by the Board and Management team. It involves a dynamic and iterative process where Senior Management identifies changes that could significantly impact the system of internal control, assesses risk exposures from the broad risk categories (underwriting, market, operational, liquidity and credit risks), evaluates effectiveness of existing internal controls and recommends possible responses in relation to the company's risk appetite, cost vs benefit of potential risk responses, and degree to which a response will reduce impact and/or likelihood. The identified risks and recommended controls and Management letter issued by the external auditors which contains their observations on the control environment are presented to the Board for review and approval through the Board Risk Management & Technical Committee and Board Audit Committee respectively for review.

Control Activities: Control activities are performed at all levels of the Company, various stages within business processes, and over the technology environment. It forms an integral part of the Company's daily operations through established policies and procedures to help ensure that management's directives to mitigate risks to the achievement of strategic objectives are carried out. Our control activities are structured to mitigate risk exposures from identified broad risk categories as illustrated below:

BROAD RISK CATEGORY	EXAMPLES OF CONTROL ACTIVITIES
Underwriting risk	• Reinsurers treaty agreement • Reserving methodology etc.
Market risk	• Investment approval Limits • Policy on volume and quality of investment assets • Asset allocation limits etc.
Operational risk	• Clear policy on recruitment • Tolerance limits for errors and breaches • Information Security policy etc.
Credit risk	• Brokers limit • Integrated Credit Tracking System etc.
Liquidity risk	• Policy on minimum quality of liquid assets • Minimum operating liquid level etc.

Information and Communication: We understand that information is necessary to carry out internal control responsibilities in support of achievement of our strategic objectives. Communication in the organization occurs both internally and externally flowing down, across and up the organization to the Board and provides the Company with the information needed to carry out day-to-day internal control activities.

Some internal reports generated and used by management for monitoring and performance review are listed below:

INTERNAL REPORTS	OBJECTIVES
Monthly Profitability Report	Evaluates the operating activities of the company in the month under review.
Quarterly Profitability Report	Shows the performance of the company and reviews the profitability of all aspects of the company operation
Financial Statements Report	Reviews performance and liquidity position of the company.
Criticized Asset Committee Report	Assesses the debt portfolio of the company and performance of debt recovery process in place.
Monthly Investment Risk Report	Informs management on Company's exposure to market, credit and liquidity risks.
Monthly Underwriting Risk Report	Informs management on Company's underwriting risk profile
Key Risk Indicator Report	Monitors the effectiveness of existing operational controls and the Company's operational risk profile.

The standard operating procedure (SOP) is a major tool for the Company to communicate the process flow of every business operation with duties /responsibilities for every officer in relation to the activity, reporting requirement, frequency of reporting and the recipients of such reports. Furthermore, the Company obtains or generates and uses relevant, quality information to support the functioning of other components of internal control. Such reports detail the performance of existing controls and the Group's overall performance.

Monitoring: Effectiveness of the other internal control components is monitored through ongoing monitoring activities and separate evaluations. Our monitoring activities review adherence of business units to risk management policies set by the Board as depicted by control activities, internal control deficiencies in a timely manner to business owners responsible for taking corrective action, including Senior Management and the Board as appropriate.

Complaints and Feedback

Introduction
Mansard Insurance plc considers customers as critical stakeholders in its business. One of our main selling points at Mansard over the years has been our excellent customer service. We therefore consider customers' feedback as a necessary and important factor in our drive to always treat customers fairly.

Complaints channels
In recognition of this, we at Mansard have provided various channels for customers to provide feedback on our products and services. These platforms include:

- Our Mansard Customer Care and Complaint email channels,
- Our Mansard hotline,
- Our website platform,
- Correspondence from customers,
- And most recently our Facebook channel.

Customers can also pay a visit to any of our Mansard offices to provide the feedback.

Resolution structure
At Mansard, we have put in place a structure to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Contact Centre Unit which is responsible for the prompt investigation and resolution of customers' complaints within an approved period. The Contact Centre liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints.

The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- If such complaint cannot be resolved at the first level, the customer care officer forwards the complaint to the appropriate unit in the organization to handle.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The complaint is closed and marked as resolved.

Customers' opinion on products
To enrich our customers experience we also periodically evaluate public/customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers.
- Interviews with select customers.
- Opinions received via our Mansard Customer Care mailbox.
- Questionnaires administered to customers.

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on customers' complaints to Mansard Insurance
Feedback on customers' complaints is provided to Management, the relevant Units and Groups in the organization to ensure that complaints and issues raised by customers do not recur.

The feedback gathered ensures that:

- Mansard retains her customers as customers feel appreciated and respected,

- The quality service delivery at Mansard is maintained and made uniform across board,
- A reliable source of identifying improvement opportunities is presented to management,
- A reliable source of data on customers' complaints and expectations is collated.

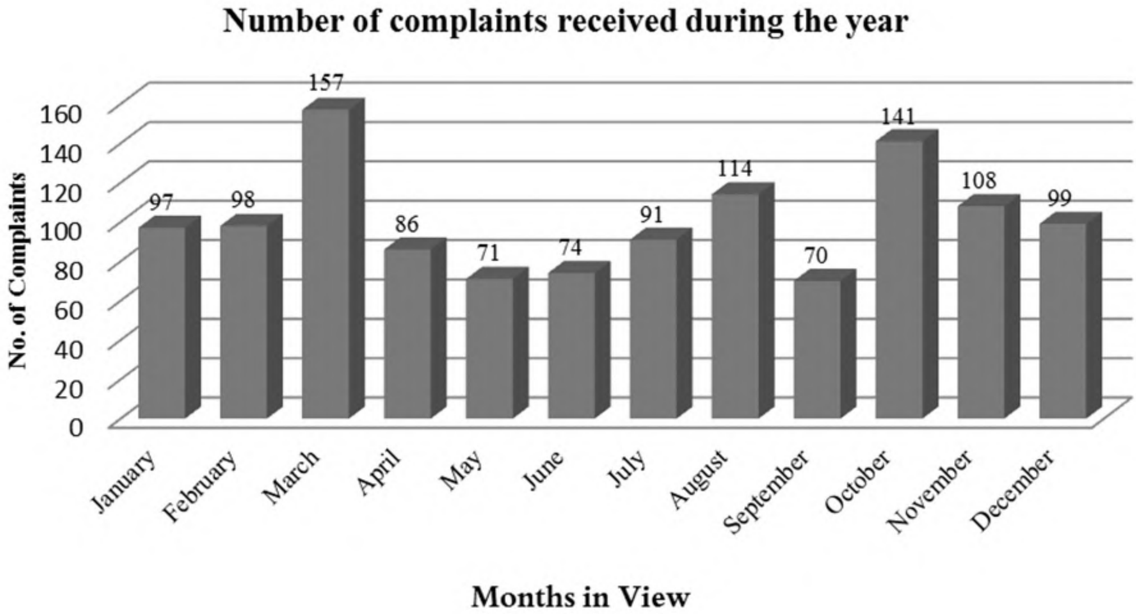
The feedbacks are circulated to management staff through the company's internal information channel for the general information of all staff.

Report of Complaints received and resolved by the organization between January-December 2012

Month	Number of complaints received during the year	Number resolved	Number not resolved	Number not resolved with SLA*
January	97	97	Nil	Nil
February	98	98	Nil	Nil
March	157	157	Nil	5
April	86	86	Nil	Nil
May	71	71	Nil	Nil
June	74	74	Nil	Nil
July	91	91	Nil	Nil
August	114	114	Nil	2
September	70	70	Nil	Nil
October	141	141	Nil	1
November	108	108	Nil	Nil
December	99	99	Nil	1
Total	1,206	1,206	Nil	9

** SLA – Service level agreement*

Complaints not resolved with the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error – third party)


Number of complaints received during the year
No. of Complaints
0
20
40
60
80
100
120
140
160
97
98
157
86
71
74
91
114
70
141
108
99
January
February
March
April
May
June
July
August
September
October
November
December
Months in View


revenue
management
understand
issues
marketing
retention
benefits
bonds
client
satisfaction
market
important
research
online
rate
strategy
customer
key
scale
process
offer
potential
focused
costs
relationship
organization
crm
sales
information
level
performance
support
help
product
company
experience
business
value
service
care
quality
menu
expectations
loyalty
related
needs
focus

Corporate Social Responsibility Initiatives

At Mansard, we believe we are nothing without our society and it is in appreciation of this that we are making our modest contribution to it. Year 2012 particularly was a trying one for Nigeria as a wave of flood; the type that has not been witnessed in a very long time ravaged various parts of the country, rendering thousands homeless and in need of relief.

Part of the structures we have in place to promote the physical wellbeing and encourage bonding among staff are the Mansard Houses. Similar to the sport houses in schools, the houses namely; Lavender, Camellia, Lily, Violet, Daffodil and Orchid; comprise of team members from different units and they played a very important role in the accomplishment of our 2012 CSR initiatives.

A critical part of our CSR thrust in 2012 was donation of relief materials directly to flood victims in two of the Relief Camps set up by the government to provide succor to the victims. We also made donations to various charitable and non-profit organizations across the country. The following are the causes we supported and the extent of support rendered.

1. **Project Alert:** This is a non-governmental women's rights organization set up in January 1999 to promote and protect the rights of women and young girls. Project Alert in conjunction with schools and other organizations hold programs to educate young people on sexual violence and abuse and how to avoid being a victim. Project Alert is the pet project adopted by Lavender house.

   On Thursday December 6, 2012, Mansard made a cheque presentation of N300,000 to Project Alert at our head office in Lagos to support their project in schools on the education of girls on the risk of sexual violence. This was a fulfillment of Mansard's promise to support the established houses in the drive to execute CSR activities.

2. **Hearts of Gold Children's Hospice:** is a home for children with terminal and other life-limiting and life threatening illnesses, the hospice offers a comfortable, caring and loving environment for the children.

   The hospice was opened on the 2nd of October 2003 in response to the increasing number of abandoned and orphaned children suffering from a vast range of severe congenital, physical and mental disabilities.

   On Monday December 17, 2012, Mansard visited and made donations of a washing machine, a 5KVA power generating set and food items (to the value of N200,000) while staff also donated clothes, toys and food items to the hospice.

3. **Edensfield Health Foundation:** This is a medical foundation that caters to people suffering from various ailments. The foundation helps to raise money to pay their medical expenses. On Monday December 17, 2012 at our head office, Mansard made a cheque presentation of N200,000 to the foundation. Another cheque of N300,000 was raised from the cash contributions of Mansard houses. The total donation was to support a bilateral hip replacement surgery for Yinka K, a sickle cell patient.

4. **Azibaola Charity Foundation, Orphanage and Destitute Home:** a home for orphans and destitute in Port-Harcourt, Rivers State. On Wednesday December 19, 2012, items including clothes, provisions and food items were donated to the home, the items bought totaled N200,000.

5. **Mother Theresa Orphanage Abuja:** Mother Theresa Children's Home was established in December 2007 as a non-profit organization. From the 3 babies it began with in 2007, it has grown to cater for about 60 babies, a few of whom have

now been adopted. The orphanage was officially commissioned on December 21, 2007.

Food items, provisions and toiletries totaling N200,000 was donated to the orphanage on Wednesday December 19, 2012.

6. **Delta and Lokoja Flood Relief Camps:** In September 2012 the nation was rocked by massive floods caused by extraordinarily heavy rains and the continued release of excess water from the Lagdo Dam in Cameroon. These floods displaced over eight hundred and twenty thousand people across 8 states (Adamawa, Benue, Taraba, Bayelsa, Rivers, Delta, Anambra & Kogi states). Donations were made to the relief camps set up by government for the victims of the flooding.

   On Wednesday December 19, 2012 and Thursday 20th respectively; representatives from Mansard presented food items, clothes, beddings and provisions directly to flood victims in the Lokoja and Delta relief camps. The sums expended on the donations to the Lokoja Relief Camp is N400,000 while that of Delta Relief Camp totaled N600,000.

7. **Bethesda Home for the Blind, Lagos:** Bethesda home for the blind is a voluntary and non-profit organization set up to assist physically challenged persons who are visually impaired and helpless. The home which commenced operation in January 2005 helps the habitants to develop skills in crafts, music and other areas of their strength.

   Mansard donated N100,000 (from cash donations made by the six houses) and 5 bags of rice to the home on Wednesday December 19, 2012.

8. **Living Fountain Orphanage, Lagos:** Living Fountain Home is a non-governmental, non-profit making organization which was established on November 1, 2007 out of the desire to provide shelter, clothing, emotional care and hope for a better future for the motherless, abandoned, and less privileged children in our society.

   On Wednesday December 19, 2012, Mansard donated 10 bags of rice, toys and clothes to the orphanage.

9. **Lagos University Teaching Hospital (LUTH)**: Mansard's commitment to CSR extended beyond monetary and material donations as the company encouraged staff to voluntarily donate blood to the Lagos University Teaching Hospital, LUTH.

   On Thursday December 20, 2012, staff turned out to make blood donations to the medical staff from the hospital. A total of 39 pints of blood was donated. Light refreshment was provided for all blood donors, a total of N58,336.90 was expended on the refreshment.

Sustainability Report

Mansard Insurance plc is committed to being a responsible insurance company. The Company's management of risks arising from Environmental and Social (E&S) issues forms an integral part of its business operations.
Our obligation to sustainability means prioritizing the health, safety and security of our workforce and the communities in which we operate, while also striving to maximize the economic and social benefits we bring and minimize our impact on people and the environment.

As an insurer that interfaces with a wide range of sectors, we recognize that our actions and those of our clients present a number of environmental and social risks. Given this potential risks, we continually assess our core business functions in relation to all economic sectors and apply the appropriate review and underwriting process.

The Company management of E&S risks is governed by its Environmental & Social Management System (ESMS) framework. The ESMS framework consists of a policy, a set of procedures to identify, assess and manage environmental and social risks in our clients' operations and a unit (Enterprise Risk Management) for environmental and social risks management.

We are in regular contact with stakeholders who are directly impacted by, or have an interest in, our operations. This engagement supports the Company's decision making process and helps shape our E&S policies. Our policy making has also incorporated a number of voluntary global standards such as the International Finance Corporation (IFC) Performance Standards and the International Labour Organisation (ILO) Code into our approach. In addition existing relevant company's policies were reviewed to align with these standards.

We strive to maximize our contribution to sustainability by showing respect and sensitivity to the needs and concerns of the communities in which we operate; and by ensuring the welfare of our workforce.

Our Approach in 2012

In our quest to conduct business operations in an environmentally & socially responsible and sustainable manner, we reviewed the Company's existing policy on employment Terms & Conditions, working conditions and occupational health and safety in 2012 to reiterate the following:

- Competitive wages
- Great benefits
- A safe and healthy work environment
- An atmosphere free from harassment or discrimination
- An Open Door Policy that allows access to ascending levels of management to resolve issues.

We also reviewed environmental laws and regulations to ensure that our business operations comply with them.

As the first insurance company to drive sustainability in the industry, we carried out series of workshop on environmental and social risks and their impacts on insurers' businesses to educate our peers, brokers and major clients. We also went ahead to encourage sustainable development in clients' business operations by assisting them in establishing procedures and policies to manage the environmental and social risks inherent in their businesses.

Future Outlook

We are devoted to this initiative hence; we intend to facilitate series of training and awareness programs on ESMS within and outside the company to educate and offer assistance to stakeholders on incorporating sustainable development into their business operations and to improve overall awareness across the insurance industry.

Another opportunity that presents itself is the intent to integrate eco-efficiency procedures to our existing business processes to reduce generation of waste and ensure Company's assets and resources are optimally used. All of these plans are part of our commitment to respond positively to sustainability issues.

Furthermore we intend to use the E&S statistics from the ESMS application to identify any value-added environmental business opportunities we can explore by expanding the scope of the ESMS application. Additionally we aim to develop systems for measuring our E&S performance and also carry out frequent environmental and social audit as this will continually help us in improving our E&S performance yearly. This will also enhance our reporting on Environmental and Social Performance and Sustainability to our stakeholders.

Management's Discussion and Analysis

for the year ended 31 December 2012

As at December 31, 2012, Mansard Group comprised Mansard Insurance plc. (parent company) and 4 subsidiaries. The Group's major business activities are insurance and asset management; while the Group is developing its property business.

This "Management Discussion and Analysis" (MD&A) has been prepared as at December 31, 2012 and should be read in conjunction with the consolidated financial statement account of Mansard Insurance plc. and subsidiary companies.

Forward Looking Statements

The MD&A contains forward looking statements related to Mansard Insurance plc. financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. When used in this MD&A the words "believe", "anticipate", "intended" "estimate" and similar expression are used to identify forward looking statements, although not all forward-looking statements contain such words. These statement reflect management's current belief and are based on information available to Mansard Insurance plc. and are subject to certain risk, uncertainties and assumptions.

Business Strategy of the Company and Overall Performance

The Group is registered and incorporated in Nigeria and is engaged in providing insurance and investment solutions to both the corporate and retail sector of Nigeria. It also aims to establish itself as the apex insurance company in Nigeria and the west African region. The Group is in process of implementing the NAICOM directive on "no premium no cover policy" from the 1st of January 2013. The policy aims to stimulate liquidity within the system by reducing the huge receivables being carried on the statement of financial position of insurance companies. This will positively impact the income statements of insurance companies by eliminating the large portion of provision for outstanding premium charged for the receivables and make available more cash which can be used to generate more investment income.

On the contrary, this would reduce the premium income recognised by companies initially (as premium would only be recognised when cash is received) but the situation would normalize as the insured public adjust their cash flow management to the new regulation.

The Group's strategy is to use technology and international best practice to provide its customers with tailor made solutions, superior services and specially designed programs to assist its patrons through a network of regional and agency offices spread over Nigeria.

Operating Result, Cashflow and Financial Condition
(in thousands of Nigerian Naira)

	Group			Parent		
	Dec-12	Dec-11	%Chg	Dec-12	Dec-11	%Chg
Gross premium written	12,444,451	10,004,767	24%	12,444,451	10,004,771	24%
Net Premium Income	7,109,300	6,083,463	18%	7,109,300	6,030,763	18%
Total Underwriting Income	2,825,798	2,758,200	2%	2,825,798	2,758,200	2%
Investment income	2,216,544	701,238	216%	1,521,277	503,362	202%
Operating expenses	(2,933,675)	(2,314,341)	27%	(2,782,927)	(2,205,264)	26%
Profit before tax	2,179,805	1,256,039	74%	1,730,635	1,197,435	45%
Earnings per share	15k	9k		14k	9k	

The Group experienced a growth of 24% in gross written premium when compared to prior year result. The growth was mainly attributable to increasing marketing network via the various agency outlet spreads across the country with key emphasis on providing insurance services and products that meet the global needs of customers. Premium receipt from motor, oil and energy (non-life) and group life business segment (life contracts) acted for the increased growth in premium revenue.

Revenue and Underwriting Result
The increase in the Group's level of activity was also reflected in the earned premium of N7.1 billion, an increase of N1.2 billion over December 2011. The Group paid out N3.1 billion in claims and insurance benefits, an increase of N500 million over December 2011. The underwriting result at the end of the year amounted to N2.82 billion compared to N2.75 billion earned during the year ended December 2011.

Investment Income
Investment income for the year amounted to N2.217 billion; an increase of N1.5 billion from December 2011 on account of restructing the company's growing investment portfolio.

Operating Expenses
Operating expenses for the year totalled N2.9 billion an increase of N822 million compared to prior year This was mainly due to slight growth in recurring and rebranding expenditure incurred by the Group.

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MANSARD INSURANCE PLC

Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of Mansard Insurance PIc ("the company") and its subsidiaries (together "the group"). These financial statements comprise the consolidated and separate statement of financial position as at 31 December 2012 and the consolidated and separate statements of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and the Nigerian Insurance Act and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 opinion.

Opinion

In our opinion the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the company and the group as at 31 December 2012 and of the financial performance and cash flows of the company and group for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Nigerian Insurance Act and the Financial Reporting Council Act.

PricewaterhouseCoopers Chartered Accountants, 252E Muri Okunola Street, Victoria Island, Lagos, Nigeria

Report on other legal requirements

The Companies and Allied Matters Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii) The company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.

iii) The company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
FRC/ 2013/ICAN /00000000880

19 March 2013

Summary of significant accounting policies

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

1. **Basis of presentation and compliance with IFRS**

   The International Financial Reporting Standards (IFRS) Roadmap issued by the Financial Reporting Council of Nigeria (FRC), following a decision by the Federal Executive Council, requires all publicly listed and other significant public interest entities to adopt IFRS by the year starting 1 January 2012.

   In compliance with the requirement of FRC, these financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) in issue by the International Accounting Standards Board (IASB) and effective or available as at 31 December 2012.

   Compliance with IFRS

   These are the first financial statements prepared in accordance with IFRSs, and IFRS 1. First-time adoption of International Financial Reporting Standards has been applied.

   Explanation of transition to IFRSs

(a) **Implementation of IFRSs**

   These are the Group's first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Group publishes comparative information for the year in its financial statements, the date of transition to IFRSs is effectively, 1 January 2011, which represents the start of the earliest period of comparative information presented. The opening balance sheet as at 1 January 2011 has been restated accordingly. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

   Comparative information at 31 December, 2011 is restated to take account of the requirements of all standards including IAS 32 - Financial instruments: Presentation, IAS 39 – Financial instruments: Recognition and Measurement and IFRSs 7- Financial Instruments: Disclosure effective 1 July 2009.

   The most significant IFRSs impact for the Group originated from the implementation of IAS 39 - Financial instruments: Recognition and Measurement which requires the valuation of financial assets and liabilities at fair values and impairment of financial assets to only be accounted if there is objective evidence that a loss event has occurred after initial recognition but before the balance sheet date, IAS 27 - Consolidated and Separate Financial Statements and SIC 12 – Consolidation, Special Purpose Entities which requires the consolidation of the Group's interest in the Staff Share Investments Trust and IAS 1 Presentation of Financial Statements and the change in recognition and measurement for life contracts from fund accounting method to annual accounting method

   The effect of the company's transition to IFRS is summarized as follows:

(i) Transition elections;
(ii) Explanation of material adjustments to cash and cash equivalents as at 01 January 2011 and 31 December 2011
(iii) Reconciliation of equity and comprehensive income as previously reported under Nigerian GAAP to IFRS
(iv) Adjustments to the statement of cash flows.

(i) Transition elections;

In preparing these financial statements in accordance with IFRS 1, the Company has applied the mandatory exceptions from full retrospective application of IFRS. The optional exemptions from full retrospective application selected by the Company are summarised below:

Business combinations (IFRS 3)

The Group operates an employee share investment trust scheme. The scheme allows qualifying staff to acquire the shares of the Parent Company. The scheme is operated by a trust and has been recognised as a special purpose entity. The Group did not consolidate the results of the scheme under the previous GAAP. The Group has retrospectively applied IAS 27 from 1 January 2011 to consolidate the results of the share investment trust scheme. The effect of consolidating the results of the Staff Share Investment Trust at 1 January 2011 was an increase in liabilities to employees and a decrease in retained earnings by N11,727,000 at this date. The effect of consolidating the financial position and performance of the Staff Investment Trust as at 01 January 2011 was a decrease in net assets of the Group by N71,645,000

Fair value or revaluation as deemed cost (IAS 16 and IAS 38)

An entity may elect to measure an item of property, plant and equipment, investment property or intangible assets at the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date; or may elect to use a previous GAAP revaluation of these assets at, or before, the date of transition to IFRS as deemed cost at the date of the revaluation

The Group has property, plant and equipment and the Company has an option to revalue its property plant and equipment for the financial year ending 1 January 2011 and the revalued amount represents the deemed cost in the Company's opening IFRS statement of financial position under IFRS. Due to regulatory requirements, the Group has broadly classified its property and equipment at cost less depreciation under NGAAP as the deemed cost under IFRS."

Investments in subsidiaries, jointly controlled entities and associates (IAS 27)

"Where a first-time adopter measures its investment in subsidiaries, jointly controlled entities and associates at cost, it shall measure that investment in its separate opening IFRS statement of financial position either at cost determined in accordance with IAS 27 or at deemed cost. The deemed cost for the first-time adopter shall be the investment's fair value (determined in accordance with IAS 39) at the entity's date of transition to IFRS in its separate financial statements or previous GAAP carrying amount at that date.

The entity has adopted to measure its investments in its subsidiary in its separate opening IFRS statement of financial position at cost determined in accordance with IAS 27"

Designation of previously recognized financial instruments (IAS 39)

"IAS 39 permits a financial asset to be designated on initial recognition as available for sale or a financial instrument (provided it meets certain criteria) to be designated as a financial asset or financial liability at fair value through profit or loss. Despite this requirement exceptions apply in the following circumstances: an entity is permitted to make an available-for-sale designation at the date of transition to IFRSs. An entity is permitted to designate, at the date of transition to IFRSs, any financial asset or financial liability as at fair value through profit or loss provided the asset or liability meets the criteria in paragraph 9(b)(i), 9(b)(ii) or 11A of IAS 39 at that date. Mansard has designated its financial assets or financial liability as either, held to maturity, loans and recoverable, available for sale, held for trading, fair value through profit and loss for those that meets the criteria in IAS 39. "

Fair value measurement of financial assets or financial liabilities at initial recognition (IAS 39)
"Provides an exemption from certain requirements from IAS 39 - instead of full retrospective application, an entity may choose to apply the requirements prospectively to certain transactions entered into after October 25, 2002 or January 1, 2004.

Mansard has designated its financial assets or financial liability as either, available for sale, held to maturity and loans and receivables (debt instruments), fair value through profit or loss for those that meets the criteria in IAS 39. The effect of measuring available-for-sale investments at fair value through equity is a net credit in the fair value reserve amounting to N857,963,000 as at 31 December 2011 (1 January 2011: 711,823,000), the net impact on the retained earnings was a debit amount of N113,300,000 (1 January 2011: 15,700,000)."

De-recognition of financial assets and financial liabilities
"Requires an entity to avoid retrospective application of de-recognition requirements in IAS 39 for transactions entered into before January 1, 2004.

Estimates
"Requires estimates at the date of transition to be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. In short, this precludes the use of hindsight.

An entity's estimates under IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date under previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. An entity may receive information after the date of transition to IFRS about estimates that it had made under previous GAAP. Under paragraph 31, an entity shall treat the receipt of that information in the same way as non-adjusting events after the reporting period under IAS 10 on Events after the Reporting Period."

"An entity may need to make estimates under IFRS at the date of transition to IFRS that were not required at that date under previous GAAP. To achieve consistency with IAS 10, those estimates under IFRS shall reflect conditions that existed at the date of transition to IFRS. In particular, estimates at the date of transition to IFRS of market prices, interest rates or foreign exchange rates shall reflect market conditions at that date. The above apply to the opening IFRS statement of financial position and to the comparative period presented in the entity's first IFRS financial statements."

The estimates made by Mansard under the Nigerian GAAP at the transition date, i.e. 1 January 2011 shall be consistent with estimates made in the Company's opening IFRS statement of financial position (after adjustments to reflect any difference in accounting policies).

(ii) Explanation of material adjustments to cash and cash equivalents as at 01 January 2011 and 31 December 2011
The net impact of application of IFRSs on cash and cash equivalents of the Group is an increase in cash and cash equivalents at

01 January 2011 of N4,977,149,000. There have been no material adjustments to the cash flow statements in respect of cash utilised by operating activities before tax, cash flows from investing activities and cash flows from financing activities as a result of the adoption of IFRSs.

A quantitative explanation of how the transition to International Financial Reporting Standards (IFRS) has affected the reported financial position, financial performance and cash flows of the Group and the Parent is provided in note 47. This note includes reconciliations of equity and profit or loss for comparative periods reported under Nigerian GAAP (previous GAAP) to those reported for this period under IFRS.

The consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Judgement Estimates and Assumptions
The preparation of financial statements requires directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

2. New Standards and Amendments

(a) New standards and amendments issued but not effective for the financial year beginning 1 January 2012 and not early adopted

New Standards

(i) IFRS 9-Financial instruments
IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates a qualitative mismatch. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, we will now have two main categories of financial

assets i.e. fair value and amortized cost (as opposed to the four categories prescribed by IAS 39 - fair value through profit & loss, loans & receivables, held to maturity and available for sale financial assets) but will potentially have no impact on classification and measurements of financial liabilities. The Group intends to adopt IFRS 9 not later than the accounting period beginning 1 January 2015.

(ii) IFRS 10- Consolidated financial statements
IFRS 10 introduces a single control to determine whether an investee should be consolidated. As a result, a company may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees. The Group intends to adopt IFRS 10 not later than the accounting period beginning 1 January 2013.

(iii) IFRS 12- Disclosures of interests in other entities
This standard brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests. The Group intends to adopt IFRS 12 not later than the accounting period beginning 1 January 2013.

(iv) IFRS 13-Fair value measurement
IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. The Group is currently reviewing its methodologies in determining fair values in line with this standard. The Group intends to adopt IFRS 13 not later than the accounting period beginning 1 January 2013.

Amendments
(v) IAS 27 as amended,
IAS 27 as amended, is limited to the accounting for investment in subsidiaries, joint ventures and associates in separate financial statements. The Group is yet to assess IAS 27's full impact and intends to adopt not later than the accounting period beginning 1 January 2013.

The adoption of IFRS 10,12,13 and IAS 27 as amended has no material effect on the Company's accounting policies.

(vi) Annual improvements 2011
These annual improvements, address six issues in the 2009-2012 reporting cycle. It includes changes to:

- IFRS 1, 'First time adoption'
- IAS 1, 'Financial statement presentation'
- IAS 16, 'Property plant and equipment'
- IAS 32, 'Financial instruments; Presentation'
- IAS 34, 'Interim financial reporting'

(b) The IASB and the IFRIC have published the following standards and interpretations, which were not yet effective. The standards, amendments and interpretation are not expected to be relevant to the group's operations:

(c) The group did not early adopt any new or amended standards in 2012

IFRS 11	Joint arrangements	1 Jan 2013
IAS 19	Amendment to IAS 19 Employee benefit	1 Jan 2013
IAS 28	Investments in associates and JV	1 Jan 2013
IFRIC 20	Costing in the production phase of a surface mine	1 Jan 2013

3. Consolidation

(i) Subsidiaries
The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Group, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statement of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.
If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

(ii) Disposal of subsidiaries
On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Special purpose entities
Special purpose entities are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of specific borrowings, or lending transactions or the provision of certain benefits to employee. The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

4. Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Underwriting and Investment Committee (MUIC) that makes strategic decisions.

5. Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in thousands of Naira (NGN).

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at 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 recognised in the profit or loss.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

Foreign exchange gains and losses are presented in profit and loss within 'Other operating income' or 'Other operating expenses'.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in equity.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial assets

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, available-for-sale, pledged assets and trade receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired. In line with the Insurance Act of 2003 Section 26 (1c), the financial assets of insurance and investment contracts have been kept separately to meet obligations as at when due (see note 4.3 on Asset Liability management)

7.1 Classification

(a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss 'category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

(b) Other financial assets designated at fair value through profit or loss

Other financial assets designated as at fair value through profit or loss at inception are those that are:

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and

- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit and loss.

(c) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term.

(d) Held-to-maturity financial assets
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the consolidated income statement and are reported as 'Interest and similar income'. In the case of an impairment, it is reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'Net gains/(losses) on investment securities'. Held-to-maturity investments are largely bonds.

(e) Available-for-sale financial assets
Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

(f) Pledged Assets
Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets (held-for-trading, held to maturity or available for sale) to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.

Initial recognition of pledged assets is at fair value, whilst subsequent measurement is based on the classification and measurement of the financial asset in accordance with IAS 39.

(g) Trade receivables
Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment (See 12(c) for the impairment of trade receivables).

7.2 Recognition and measurement
Regular-way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value, plus in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to- maturity financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss 'category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

See accounting policy 12 below for the Group's accounting policies relating to the impairment of financial assets.

7.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the reporting date.

8. Reclassification of financial assets

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

9. Impairment of assets

(a) Financial assets carried at amortised cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or"
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a held-to- maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(b) Assets classified as available for sale

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss measured as: the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

(c) Trade receivables

They are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

(d) Impairment of other non-financial assets

Assets that have an indefinite useful life – for example, land are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

10. Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

11. Prepayments
Prepayments are carried at cost less accumulated impairment losses.

12. Investment properties
Property held for long-term rental yields that is not occupied by the companies in the Group is classified as investment property. The Group has two (2) types of investment properties namely investment property under construction and investment property.
Investment property comprises freehold land and buildings. It is carried at fair value, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property under construction that is being developed for continuing use as investment property are measured at cost.

Changes in fair values are recorded in the income statement.
Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the consolidated Group. The initial cost of the property shall be the fair value (where available). When not available the initial cost shall be used. The property is carried at fair value after initial recognition. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement. Upon the disposal of such investment property any surplus previously recorded in equity is transferred to retained earnings net of associated tax; the transfer is not made through profit or loss.

Properties could have dual purposes whereby part of the property is used for own use activities. The portion of a dual use property is classified as an investment property only if it could be sold or leased out separately under a finance lease or if the portion occupied by the owner is immaterial to the total lettable space. The group consider 10% of the lettable space occupied by the owner as insignificant.

Investment properties under development is measured at cost.

13. Intangible assets
Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;

- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured."

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their useful lives, which does not exceed five years.

14. Property, plant and equipment

Land and buildings comprise mainly outlets and offices occupied by the Group.

Land is shown at cost. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives as follows.

- Buildings	25-50 years
- Vehicles	2-5 years
- Furniture and fittings and equipment	3-8 years
- Computer equipment	3-5 years

The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in operating income.

15. Statutory deposit

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

16. Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

(a) Types of Insurance Contracts
The group classify insurance contract into life and non-life insurance contracts.

(i) Non-life insurance contracts
These contracts are accident and casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non- life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

(ii) Life insurance contracts
These contracts insure events associated with human life (for example, death or survival) over a long duration.

(b) Recognition and measurement
(i) Non-life insurance contracts premium and claims
For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

(ii) Life insurance contracts premium and claims
Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

Claims and other benefits are recorded as an expense when they are incurred.

(iii) Salvages
Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

(iv) Subrogation
Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

(v) Deferred policy acquisition costs (DAC)
Acquisition costs comprise all direct and indirect costs arising from the writing of both life and non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

(vi) Deferred Income
Deferred income represent a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

(viii) Reinsurance contracts held
Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in accounting policy 20 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets. These processes are described in accounting policy 12.

(ix) 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 contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets. These processes are described in accounting policy 12(c).

17. **Investment contracts**
Investment contracts are those contracts that transfer financial risk with no significant insurance risk

Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value.

Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss account in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the income statement of the group.

18. **Technical reserves**
These are computed in compliance with the provisions of Section 20, 21, and 22 of the Insurance Act 2003 as follows:

(a) **General insurance contracts**
Reserves for unearned premium
In compliance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

Reserves for outstanding claims
The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test (See 20b(vii))

Reserves for unexpired risk
A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)"

(b) **Life business**
General reserve fund
This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation.

(c) **Liability adequacy test**
At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only however, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the the company's prudential concerns well.

19. **Borrowing costs**
Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of

qualifying assets which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down or written off. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

20. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

21. Financial guarantee contracts

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in compliance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment and the unamortised premium when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

22. Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

23. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing are classified as current liabilities unless the group has an unconditional right to defer settlement of the liabilities for at least 12 month after the date of the statement of financial position.

24. **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

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 consolidated financial statements. However, if the deferred income tax 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, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

25. **Share capital and premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

26. Contingency reserves

(a) Non-life business In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

b) Life business
In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

27. Treasury shares
Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

28. Earnings per share
The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Group.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

29. Dividends
Dividends on the Company's ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the Company's shareholders.

30. Contingent liabilities
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

31. Revenue recognition
Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

(a) Rendering of services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered. Fees consist primarily of investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument. These services comprise the activity of trading financial assets and derivatives in order to reproduce the contractual returns that the Group's customers expect to receive from their investments. Such activities generate revenue that is recognised by reference to the stage of completion of the contractual services.

In all cases, these services comprise an indeterminate number of acts over the life of the individual contracts. For practical purposes, the Group recognises these fees on a straight-line basis over the estimated life of the contract. Certain upfront payments received for asset management services ('front-end fees') are deferred and amortised in proportion to the stage of completion of the service for which they were paid.

The Group charges its customers for asset management and other related services using the following different approaches:- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis; and Regular fees are charged to the customer periodically (monthly, quarterly or annually) either directly or by making a deduction from invested funds. Regular charges billed in advance are recognised on a straight-line basis over the billing period; fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

(b) Dividend income: Dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities

32. Deficits and surpluses on actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising therefrom are charged to the profit and loss account while the surplus is appropriated to the shareholders and credited to the income statement.

33. Interest income and expenses

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income and finance cost in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

34. Reinsurance Expenses

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

35. Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/ contract. These expenses are charged in the accounting year in which they are incurred.

36. Other operating expenses

Other expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses. Other Operating expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin

37. Employee benefits

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 7.5% each of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2004. The Group pays contributions to pension fund administrator on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

(c) Share based payment

The Company operates a cash-settled share based compensation plan (i.e. share appreciation rights - SARs) for its management personnel. The management personnel are entitled to the share appreciation rights at a pre-determined price. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense.

J.K RANDLE
INTERNATIONAL
Chartered Accountants
& Management Consultants

"X KPMG HOUSE"
One King Ologunkutere Street,
Park View, Ikoyi, Lagos,
P.O. Box 75429, Victoria Island, Lagos.
Tel: 234-1-8181381 **Telefax:** 234-1-2701137
E-mail: jkrandleco@21ctl.com.jkrandleintuk@gmail.com
Website: www.jkrandleandco.co.uk

REPORT OF THE EXTERNAL CONSULTANTS ON THE 2012 APPRAISAL OF THE BOARD OF DIRECTORS OF MANSARD INSURANCE PLC

In conformity with regulatory requirements, the Board of Mansard Insurance pic. (Mansard) mandated the firm of J. K. Randle International to conduct the review of the performance of the Board of Mansard for the year ended December 31, 2012. The exercise was guided by the provisions of the NAICOM Code of Good Corporate Governance and other recognised codes of Best Practice.

Following the divestment by Guaranty Trust Bank pic. of its interest in Guaranty Trust Assurance pic. and reconstitution of the Board, the Company was rebranded by changing its former name to Mansard Insurance pic. The new brand name was well received by both institutional and retail customers.

Board members understand their responsibilities in respect of the operations of the Board and their performance met with the NAICOM Code of Good Corporate Governance and Best Practice. Accordingly, frequency of meetings, level of attendance and formation of quorum at the Board and Committee levels met the minimum requirements. Meetings were effectively managed with focus on relevant and strategic issues affecting the company. All the members had equal opportunity and they contributed constructively to the deliberations of the Board. Management provided quality information while the company secretariat kept accurate records of the proceedings of the Board which facilitated decision making and monitoring. Decisions were arrived at based on consensus in a conducive environment. The operations of the Board followed due process and reflected transparency and a high degree of Board dynamics.

The Board performed to the full extent of its mandate which covered all the significant activities of Mansard Insurance Pic., particularly risk management, supervision of the internal audit process, monitoring of the operating environment, responding proactively to emerging imperatives and monitoring the performance of management as well as re¬enforcing governance policies. The Board also performed other statutory responsibilities including rendering the accounts of the operations and activities of Mansard to the shareholders.

Adequate efforts were made in respect of the acceptance of the new brand name and its perception in the market and other initiatives. The Board participated in setting the goals and monitoring implementation thereof which improved its overall effectiveness. The performance of the Board is adjudged to be satisfactory.

Following the conclusion of the exercise, we advised the Board to address the issue of induction course for Board members.

Bashorun J. K. Randle,
OFR Chairman/Chief Executive

Dated March 25, 2013

Mansard Insurance plc and Subsidiary Companies

Consolidated and Separate Financial Statements

Statement of Financial Position

As at 31 December 2012

(All amounts in Naira thousands unless otherwise stated)

	Notes	Group 31-Dec-12	Group 31-Dec-11	Group 1-Jan-11
ASSETS				
Cash and cash equivalents	6	3,188,785	2,606,744	5,370,113
Financial assets				
– Held-to-maturity	7.1	5,422,982	2,879,202	1,665,319
– Available-for-sale	7.2	3,067,015	2,858,242	2,954,680
– At fair value through profit or loss	7.3	4,075,261	4,523,411	1,938,182
Other financial assets designated at fair value	7.4	1,603,874	1,042,101	846,674
Pledged assets	7.5	235,967	-	-
Trade receivables	8	2,036,827	1,656,457	1,008,674
Reinsurance receivables	9	1,798,806	1,436,568	633,562
Other receivables	10	867,424	352,792	421,818
Deferred acquisition cost	11	254,018	196,657	145,042
Investment properties	13	6,936,660	5,490,491	4,418,173
Deferred tax asset	24	-	-	4,705
Intangible assets	14	100,769	41,697	27,654
Property and equipment	15	1,477,814	1,287,899	362,976
Statutory deposit	16	500,000	500,000	500,000
TOTAL ASSETS		**31,566,202**	**24,872,261**	**20,297,572**
LIABILITIES				
Insurance liabilities	19	5,865,263	4,649,200	3,333,361
Investment contract liabilities:				
– At amortised cost	20.1	1,999,686	1,513,107	975,990
Other financial liabilities designated at fair value	20.2	1,603,874	1,042,101	846,674
Borrowing	21	3,581,573	926,463	-
Trade payables	22	2,053,812	1,288,161	595,403
Other payables	23	1,047,208	879,010	451,651
Current income tax liabilities	25	411,434	587,699	650,328
Deferred income tax	24	421,017	145,446	132,703
TOTAL LIABILITIES		**16,983,869**	**11,031,187**	**6,986,110**

EQUITY				
Paid up share capital	17.1	5,000,000	5,000,000	5,000,000
Share premium	17.2	3,843,243	3,843,243	3,843,243
Contingency reserve	17.3	1,564,699	1,241,011	988,221
Other reserves	17.4	2,465,506	2,323,105	2,323,105
Retained earnings	17.6	204,818	271,677	445,069
Fair value reserves	17.5	1,035,117	857,962	711,823
SHAREHOLDERS' FUNDS		**14,113,383**	**13,536,998**	**13,311,461**
Total equity attributable to the owners of the parent		14,113,383	13,536,998	13,311,461
Non-controlling interests in equity	18	468,951	304,076	-
TOTAL EQUITY		**14,582,333**	**13,841,074**	**13,311,461**
TOTAL LIABILITIES AND EQUITY		**31,566,202**	**24,872,261**	**20,297,572**

Signed on behalf of the Board of Directors on 18 March 2013

Mrs. Rashidat Adebisi
FRC/2012/ICAN/00000000497
Chief Financial Officer

Mrs. Yetunde Ilori
FRC/2012/CIIN/00000000344
Chief Executive Officer

Mr. Gbolade Osibodu
FRC/2013/NIM/00000001915
Chairman

Statement of Financial Position

As at 31 December 2012

(All amounts in Naira thousands unless otherwise stated)

	Notes	Parent 31-Dec-12	Parent 31-Dec-11	Parent 1-Jan-11
ASSETS				
Cash and cash equivalents	6	2,806,096	1,917,218	5,012,516
Financial assets				
– Held-to-maturity	7.1	5,166,769	2,629,202	1,302,264
– Available-for-sale	7.2	3,067,015	2,858,242	2,954,680
– At fair value through profit or loss	7.3	3,797,654	4,256,893	1,885,577
Other financial assets designated at fair value	7.4	1,603,874	1,042,101	846,674
Pledged assets	7.5	235,967	-	-
Trade receivables	8	2,036,827	1,656,457	1,008,674
Reinsurance receivables	9	1,798,806	1,436,568	633,562
Other receivables	10	1,769,005	2,664,008	2,932,551
Deferred acquisition cost	11	254,018	196,657	145,042
Investment in subsidiaries	12	2,687,661	3,546,829	3,163,703
Deferred tax asset	24	-	-	4,705
Intangible assets	14	96,357	39,665	27,341
Property and equipment	15	1,468,003	1,273,281	355,841
Statutory deposit	16	500,000	500,000	500,000
TOTAL ASSETS		**27,288,052**	**24,017,122**	**20,773,130**
LIABILITIES				
Insurance liabilities	19	5,865,263	4,649,200	3,333,361
Investment contract liabilities:				
– At amortised cost	20.1	1,999,686	1,513,107	975,990
Other financial liabilities designated at fair value	20.2	1,603,874	1,042,101	846,674
Borrowing	21	235,967	-	
Trade payables	22	2,053,812	1,288,161	595,403
Other payables	23	504,978	750,316	363,136
Current income tax liabilities	25	392,300	571,032	643,555
Deferred income tax	24	214,377	142,618	131,000
TOTAL LIABILITIES		**12,870,257**	**9,956,534**	**6,889,119**

EQUITY				
Paid up share capital	17.1	5,000,000	5,000,000	5,000,000
Share premium	17.2	3,843,243	3,843,243	3,843,243
Contingency reserve	17.3	1,564,698	1,241,011	988,221
Other reserves	17.4	2,500,000	2,500,000	2,500,000
Retained earnings	17.6	474,736	618,371	840,723
Fair value reserves	17.5	1,035,117	857,962	711,823
SHAREHOLDERS' FUNDS		**14,417,794**	**14,060,588**	**13,884,010**
Total equity attributable to the owners of the parent		14,417,794	14,060,588	13,884,010
TOTAL EQUITY		**14,417,794**	**14,060,588**	**13,884,010**
TOTAL LIABILITIES AND EQUITY		**27,288,052**	**24,017,122**	**20,773,130**

Signed on behalf of the Board of Directors on 18 March 2013

Mrs. Rashidat Adebisi
FRC/2012/ICAN/00000000497
Chief Financial Officer

Mrs. Yetunde Ilori
FRC/2012/CIIN/00000000344
Chief Executive Officer

Mr. Gbolade Osibodu
FRC/2013/NIM/00000001915
Chairman

Statement of Comprehensive Income

for the year ended 31 December 2012

(All amounts in Naira thousands unless otherwise stated)

	Notes	Group 31-Dec-12	Group 31-Dec-11
Gross premium written		12,444,451	10,004,771
Gross premium income		11,656,020	9,372,391
Re-insurance expenses		(4,546,719)	(3,288,929)
Net premium income	27.0	7,109,300	6,083,463
Fee and commission income:			
Insurance contracts	28.0	527,692	344,631
Net underwriting income		7,636,992	6,428,094
Claims:			
Claims expenses (Gross)	34.0	(3,838,604)	(3,527,159)
Claims expenses recovered from reinsurers		678,355	867,694
Claims expenses (Net)		**(3,160,249)**	**(2,659,465)**
Underwriting expenses:	35.0	(1,650,945)	(1,010,429)
Total underwriting expenses		(4,811,194)	(3,669,894)
Total underwriting income		**2,825,798**	**2,758,200**
Investment contracts	32.0	150,003	(14,140)
Investment income	29.0	1,624,431	538,689
Net realised gains/(losses) on financial assets	30.0	15,817	10,118
Net fair value gains on assets	31.0	576,296	152,431
Other income	33.0	(8,398)	125,083
Expenses for marketing and administration		(728,347)	(500,399)
Employee benefit expense	36.0	(1,027,661)	(798,503)
Other operating expenses	37.0	(1,177,667)	(1,015,439)
Results of operating activities		2,250,271	1,256,039
Interest expense	38.0	(70,466)	-
Profit before tax		**2,179,804**	**1,256,039**

Income tax expense	25.0	(576,499)	(290,442)
Profit for the period		**1,603,305**	**965,597**
Profit attributable to:			
Owners of the parent		1,438,430	965,597
Non-controlling interests	16.0	164,875	-
		1,603,305	965,597
Other comprehensive income:			
Change in available-for-sale financial assets		177,154	146,141
Other comprehensive income for the period		177,154	146,141
Total comprehensive income for the period		1,780,459	1,111,738
Attributable to:			
Owners of the parent		1,615,584	1,131,100
Non-controlling interests	16.0	164,875	-
Total comprehensive income for the period		1,780,459	1,131,100
Earnings per share			
Basic and diluted	39.0	14k	10k

Statement of Comprehensive Income
for the year ended 31 December 2012
(All amounts in Naira thousands unless otherwise stated)

	Notes	Parent 31-Dec-12	Parent 31-Dec-11
Gross premium written		12,444,451	10,004,771
Gross premium income		11,656,020	9,372,391
Re-insurance expenses		(4,546,719)	(3,288,929)
Net premium income	27.0	7,109,300	6,083,463
Fee and commission income:			
Insurance contracts	28.0	527,692	344,631
Net underwriting income		7,636,992	6,428,094
Claims:			
Claims expenses (Gross)	34.0	(3,838,604)	(3,527,159)
Claims expenses recovered from reinsurers		678,355	867,694
Claims expenses (Net)		**(3,160,249)**	**(2,659,465)**
Underwriting expenses:	35.0	(1,650,945)	(1,010,429)
Total underwriting expenses		**(4,811,194)**	**(3,669,894)**
Total underwriting income		**2,825,798**	**2,758,200**
Investment contracts	32.0	133,700	(14,140)
Investment income	29.0	1,507,305	434,568
Net realised gains on financial assets	30.0	11,541	10,118
Net fair value gains on assets	31.0	2,431	58,676
Other income	33.0	32,787	155,276
Expenses for marketing and administration		(728,347)	(497,914)
Employee benefit expense	36.0	(933,898)	(737,386)
Other operating expenses	37.0	(1,120,682)	(969,964)
Results of operating activities		1,730,635	1,197,435
Profit before tax		**1,730,635**	**1,197,435**
Income tax expense	25.0	(350,581)	(266,999)
Profit for the period		**1,380,054**	**930,436**
Profit attributable to:			
Owners of the parent		1,380,054	930,436
		1,380,054	930,436

Other comprehensive income:

Change in available-for-sale financial assets		177,154	146,141
Other comprehensive income for the period		177,154	146,141
Total comprehensive income for the period		1,557,208	1,076,577
Attributable to:			
Owners of the parent		1,557,208	1,076,577
Total comprehensive income for the period		1,557,208	1,076,577
Earnings per share			
Basic and diluted	39.0	14k	9k

Statements of Changes in Equity
(All amounts in Naira thousands unless otherwise stated)
Year ended 31 December 2012

Group	Share Capital	Share premium	Capital reserves	Treasury shares	Fair value reserves	Contingency reserve	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2012	5,000,000	3,843,243	2,500,000	(176,895)	857,963	1,241,011	271,676	13,536,998	304,076	13,841,074
Total comprehensive income for the period										
Profit or loss for the period	-	-	-	-	-	-	1,438,430	1,438,430	164,875	1,603,305
Transfer to contingency reserves						323,688	(323,688)	-	-	-
								-		
Other comprehensive income								-		-
Change in available-for-sale financial assets	-	-	-	-	208,081	-	-	208,081	-	208,081
Exchange loss on available-for-sale instruments	-	-	-	-	(30,927)	-	-	(30,927)	-	(30,927)
Total comprehensive income for period	-	-	-	-	177,154	323,688	1,114,742	1,615,584	164,875	1,780,459
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends to equity holders	-	-	-	-	-	-	(1,181,600)	(1,181,600)	-	(1,181,600)
Value of shares purchased	-	-	-	(3,851)	-	-		(3,851)	-	(3,851)
Value of treasury share disposed	-	-	-	146,252	-	-		146,252	-	146,252
Total transactions with owners	-	-	-	142,401	-	-	(1,181,600)	(1,039,199)	-	(1,039,199)
Balance at 31 December 2012	5,000,000	3,843,243	2,500,000	(34,494)	1,035,117	1,564,699	204,818	14,113,383	468,951	14,582,333

Statements of Changes in Equity

(All amounts in Naira thousands unless otherwise stated)

Year ended 31 December 2011

Group	Share Capital	Share premium	Capital reserves	Treasury shares	Fair value reserves	Contingency reserve	Retained earnings	Total	Non-Controlling interest	Total equity
Balance at 1 January 2011	5,000,000	3,843,243	2,500,000	(176,895)	711,823	988,221	445,069	13,311,461	-	13,311,461
Total comprehensive income for the period										
Profit or loss for the period	-	-	-	-	-	-	965,597	965,597	-	965,597
Transfer to contigency reserves						252,790	(252,790)	-		-
Other comprehensive income	-	-						-		-
Change in available-for-sale financial assets			-	-	32,841	-	-	32,841	-	32,841
Exchange gains on available-for-sale instruments	-	-	-	-	113,300	-	-	113,300	-	113,300
Total comprehensive income for period	-	-	-	-	146,141	252,790	712,807	1,111,738	-	1,111,738
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Dividends to equity holders	-	-	-	-	-	-	(886,200)	(886,200)	-	(886,200)
APD shares transferred to non-controlling interest	-	-	-	-	-	-	-	-	304,076	304,076
Total transactions with owners	-	-	-	-	-	-	(886,200)	(886,200)	304,076	(582,124)
Balance at 31 December 2011	5,000,000	3,843,243	2,500,000	(176,895)	857,963	1,241,011	271,676	13,536,998	304,076	13,841,074

Statements of Changes in Equity
(All amounts in Naira thousands unless otherwise stated)
Year ended December 2012

Parent	Share Capital	Share premium	Capital reserves	Fair value reserves	Contingency reserve	Retained earnings	Total
Balance at 1 January 2012	5,000,000	3,843,243	2,500,000	857,963	1,241,011	618,371	14,060,587
Total comprehensive income for the period							
Profit or loss for the period	-	-	-	-		1,380,054	1,380,054
Transfer to contingency reserves					323,688	(323,688)	-
Other comprehensive income							
Change in available-for-sale financial assets	-	-	-	208,081	-	-	208,081
Exchange loss on available-for-sale instruments	-	-	-	(30,927)	-	-	(30,927)
Total comprehensive income for period	-	-	-	177,154	323,688	1,056,366	1,557,208
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	-	(1,200,000)	(1,200,000)
Total transactions with owners						(1,200,000)	(1,200,000)
Balance at 31 December 2012	5,000,000	3,843,243	2,500,000	1,035,117	1,564,699	474,736	14,417,795

Statements of Changes in Equity
(All amounts in Naira thousands unless otherwise stated)
Year ended December 2011

Parent	Share Capital	Share premium	Capital reserves	Fair value reserves	Contingency reserve	Retained earnings	Total
Balance at 1 January 2011	5,000,000	3,843,243	2,500,000	711,823	988,221	840,723	13,884,010
Total comprehensive income for the period							
Profit or loss for the period	-	-	-	-	-	930,436	930,436
Transfer to contingency reserves					252,790	(252,788)	-
				711,823	252,790	677,648	14,814,446
Other comprehensive income							
Change in available-for-sale financial assets	-	-	-	32,841	-	-	32,841
Exchange gains on available-for-sale instruments	-	-	-	113,300	-	-	113,300
Total comprehensive income for period	-	-	-	146,141	252,790	677,648	1,076,577
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	-	(900,000)	(900,000)
Total transactions with owners						(900,000)	(900,000)
Balance at 31 December 2011	5,000,000	3,843,243	2,500,000	857,962	1,241,011	618,371	14,060,588

Statement of Cash Flows
for the year ended 31 December 2012
In thousands of Nigerian Naira

	Notes	Group 31 Dec 2012	Group 31 Dec 2011
Cash flows from operating activities			
Operating profit before changes in working capital	40	2,576,124	1,637,562
Changes in working capital			
Trade receivables		(449,940)	(815,197)
Reinsurance assets		(362,238)	(803,006)
Other receivables		(762,324)	132,478
Deferred acquisition cost		(57,361)	(51,615)
Claims reported and loss adjustment expenses		261,156	870,096
Increase in investment contract		1,048,352	732,544
Trade payables		(84,220)	692,758
Other payables		1,018,351	427,358
Dividend received	29.1	236,957	246,246
Changes in working capital		3,424,857	3,069,224
Income tax paid	25	(477,195)	(335,623)
Net cash from operating activities		2,947,662	2,733,601
Cash flows from investing activities			
Purchases of property, plant and equipment	15.1	(418,036)	(1,095,797)
Purchases of intangible assets	14	(88,266)	(26,500)
Proceed from the disposal of property and equipment	33	14,417	8,694
Interest received		604,644	151,126
Purchase of HTM financial assets		(2,480,327)	(1,277,335)
Net purchase of trading securities		(936,611)	(2,704,167)
Proceed from the disposal of investment property		900,000	-
Capitalised construction cost on investment properties		(1,087,965)	(978,545)
Net cash used in investing activities		(3,492,144)	(5,922,524)
Cash flows from investing activities			
Dividends paid		(1,181,600)	(886,200)
Proceed from NCI equity stake in APD	18	-	304,077
Borrowings	21	2,240,000	926,463
Interest repayment		(229,309)	-
Purchase of treasury shares		146,252	
Proceeds from the sale of own shares		3,851)	-

Net cash used in financing activities		971,492	344,340
Cash and cash equivalent at beginning of year	6	2,606,745	5,370,113
Net increase/decrease in cash and cash equivalents		427,012	(2,844,584)
Effect of exchange rate changes on cash and cash equivalent		(29,212)	81,215
Cash and cash equivalent at end of period		3,004,544	2,606,744

Statement of Cash Flows
for the year ended 31 December 2012
In thousands of Nigerian Naira

	Notes	Parent 31 Dec 2012	Parent 31 Dec 2011
Cash flows from operating activities			
Operating profit before changes in working capital	40	2,420,180	1,670,328
Changes in working capital			
Trade receivables		(449,940)	(815,197)
Reinsurance assets		(362,238)	(803,006)
Other receivables		1,120,139	268,541
Deferred acquisition cost		(57,361)	(51,615)
Claims reported and loss adjustment expenses		261,156	870,096
Increase in investment contract		1,048,352	732,544
Trade payables		765,651	692,758
Other payables		(245,342)	387,185
Dividend received	29.1	290,783	241,264
Changes in working capital		4,791,380	3,192,897
Income tax paid	25	(457,554)	(323,197)
Net cash from operating activities		4,333,827	2,869,700
Cash flows from investing activities			
Additional investment in subsidiaries		-	(383,126)
Proceed from disposal in subsidiaries		900,000	-
Purchases of property, plant and equipment	15.1	(417,962)	(1,083,477)
Purchases of intangible assets	14	(84,984)	(24,677)
Proceed from the disposal of property and equipment	33	14,417	8,694
Interest received		511,684	122,595
Purchase of HTM financial assets		(2,537,567)	(1,326,938)
Net purchase of trading securities		(837,142)	(2,449,415)
Net cash used in investing activities		(2,451,554)	(5,136,344)
Cash flows from financing activities			
Dividends paid		(1,200,000)	(900,000)
Borrowings	21	235,967	-
Net cash used in financing activities		(964,033)	(900,000)
Cash and cash equivalent at beginning of year	6	1,917,218	5,012,516
Net increase/decrease in cash and cash equivalents		918,249	(3,166,652)
Effect of exchange rate changes on cash and cash equivalent		(29,371)	71,354
Cash and cash equivalent at end of period		2,806,096	1,917,218

Notes to the financial statements

For the Year Ended 31 December 2012

1.0 General information

Mansard Insurance plc. ('the Company') and its subsidiaries (together 'the Group') formerly known as Guaranty Trust Assurance plc. underwrite life and non-life insurance risks, such as those associated with death, disability, health, property and liability. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria and employs over 200 people.

The Company is a public limited company incorporated and domiciled in Nigeria. The address of its registered office is:

Santa Clara Court, Plot 1412, Ahmadu Bello Way Victoria Island, Lagos, Nigeria.

The Company is listed on the Nigerian Stock Exchange. The consolidated financial statements, including the assets and liabilities of the Company and all its subsidiaries, and were authorised for issue by the directors on 18 March 2013.

2.0 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are disclosed on pages 36-53. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.0 Critical accounting estimates and judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value of financial assets

(i) Impairment of available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. Had all the declines in fair values below cost been considered significant or prolonged, the Group would suffer an additional N5,082 million loss in its 2012 financial statements, being the transfer of the total equity reserve for unrealised losses to the income statement.

(ii) Fair value of unquoted equity financial instruments

The fair value of financial instruments

Notes to the financial statements
For the Year Ended 31 December 2012

where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data using valuation models. The models used to determine fair values are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For example, to the extent that management used a tightening of 10 basis points in the cost of equity and in terminal growth rate, the fair values of unquoted equity (carried at fair value through other comprehensive income) would be estimated at 78 million as compared to their reported fair value of 50 million at 31 December 2012.

(iii) Fair value of HTM financial instruments
Financial instrument designated as held-to- maturity are carried by the group at amortised cost. The quoted prices for the dertermination of the fair of such instruments are readily avaliable for quoted instruments and easliy determined by using discount cash flow valuation techniques for unquoted instruments. In the latter cases the fair values are estimated from observable data in respect of similar financial instruments. However if the group should change the basis of measurement and recognition the Group would have recognised a fair value gain of N396,085,357 in the comprehensive income statement.

(b) Liabilities arising from insurance contracts

(i) Claims arising non-life insurance contracts
Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deem the reserves as adequate. However, when reserves are reported at 75% percentile as at 31 Decemeber 2012 an additional provision of 80 million would have been incurred in the income statement.

(ii) Liabilities arising from life insurance contracts
The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts. However if the group should its basis for mortality by -5% the group would have recognised an acturial valuation deficit of N17,211,000 in the comprehensive income statement.

(c) Impairment for receivables
In accordance with the accounting policy stated in Note 2.11, the Group tests annually whether premium receivables has suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations require

Notes to the financial statements
For the Year Ended 31 December 2012

the use of estimates (see Note 4.2 on disclosure on credit risk).If the loss given default on premium receivables differed by 10% the group would have suffered an additional impairment loss of N4,504,030 in the statement of comprehensive income.

4.0 Management of Insurance and Financial Risks

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

4. 1 Insurance Risk

The risk in any insurance contract is the possibility that the insured event occurs which could result in a claim. This risk is very random and unpredictable.

The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Non-life Insurance Contracts

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose excess or deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs.

The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Management assesses risk concentration

Notes to the financial statements
For the Year Ended 31 December 2012

per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from non-life insurance.

Period Ended 31 December 2012 (in thousands of naira)

PRODUCT	GROSS SUM INSURED	REINS SUM INSURED	NET SUM INSURED
Fire	705,624,546	400,023,874	305,600,673
General Accident	666,293,416	41,312,757	624,980,658
Motor	52,286,214	1,809,891	50,476,323
Marine	489,331,087	271,778,304	217,552,782
Engineering	330,083,130	129,624,302	200,458,828
Energy	989,536,160	800,230,473	189,305,687
Aviation	412,486,981	368,304,770	44,182,211
Grand Total	**3,645,641,534**	**2,013,084,371**	**1,632,557,162**

Period ended 31 Dec 2011 (in thousands of naira)

PRODUCT	GROSS SUM INSURED	REINS SUM INSURED	NET SUM INSURED
Fire	565,685,228	269,870,382	295,814,846
General Accident	465,052,617	34,006,197	431,046,420
Motor	35,708,403	1,971,241	33,737,162
Marine	433,552,741	142,210,011	291,342,730
Engineering	236,724,841	85,694,490	151,030,351
Energy	629,049,988	515,786,101	113,263,887
Aviation	442,570,720	357,248,943	85,321,777
Grand Total	**2,808,344,538**	**1,406,787,365**	**1,401,557,173**

The following tables disclose the concentration of non-life liabilities by the industry sector in which the contract holder operates and by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from casualty insurance contracts.

Notes to the financial statements
For the Year Ended 31 December 2012

Period Ended 31 December 2012 (in thousands of naira)

2013 General Business Sum Assured

Analysis by Industry Composition

INDUSTRY	GROSS SUM INSURED	REINS SUM INSURED	NET SUM INSURED	GROSS	NET
FSI	266,441,666	43,969,072	222,472,594	7%	14%
Others	436,234,011	105,776,913	330,457,098	12%	20%
Construction, Oil and Gas	2,196,332,808	1,407,568,330	788,764,478	60%	48%
Manufacturing	649,855,619	385,297,197	264,558,422	18%	16%
Public Sector	96,777,430	70,472,859	26,304,571	3%	2%
Total	**3,645,641,534**	**2,013,084,371**	**1,632,557,163**		

Period ended 31 Dec 2011 (in thousands of naira)

2013 General Business Full Year Sum Assured

Analysis by Industry Composition

INDUSTRY	GROSS SUM INSURED	REINS SUM INSURED	NET SUM INSURED	GROSS	NET
FSI	294,767,051	41,330,457	253,436,594	10%	18%
Others	446,579,533	133,215,391	313,364,142	16%	22%
Construction, Oil and Gas	1,606,895,641	1,070,105,529	536,790,112	57%	38%
Manufacturing	414,358,171	144,864,431	269,493,740	15%	19%
Public Sector	45,744,143	17,271,557	28,472,586	2%	2%
Total	**2,808,344,539**	**1,406,787,365**	**1,401,557,174**		

b) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The reserves held for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) **Process used to decide on assumptions**
For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Basic Chain Ladder and the Loss Ratio methods adjusted for assumed experience to date. However, where the claim development seems slower than in the past a Bornheutter – Ferguson Method was used based on a combination of expected loss ratios and loss ratios experienced to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. The claims paid data was sub – divided into large and attritional claims. Large claims were projected separately as they can significantly distort patterns. Where there was insufficient claim data, large and attritional claims were projected together as removing large claims would reduce the volume of data in the triangles and compromise the credibility.

Basic Chain Ladder method (BCL)
Development factors were calculated using the last 3, 4, 5, 6 and 7 years of data by accident year or quarter. Ultimate development factors are calculated for each of the permutations and the most prudent result is selected.

Ultimate development factors are applied to the paid data per accident year or quarter and an ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter.

For cases where there were large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve were excluded from the calculation of the IBNR.

I.e. IBNR = Ultimate claim amount (excl. extreme large losses)

Minus paid claims to date

Minus claims outstanding (excl. extreme large losses)

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. that claims recorded to date will continue to develop in a similar manner in the future.

An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed.

A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits.

If any of these assumptions is invalidated, the results of the reserving exercise may prove to be inaccurate.

Loss Ratio method
For 2 of the classes namely Oil & energy and Aviation, there was very limited data. A

BCL method was therefore inappropriate. We allowed for expected experience to date and the average assumed Ultimate Loss ratio in carrying out the calculation.

Average delay durations were calculated from the data provided. In the absence of any data, various options were provided.

The IBNR is then calculated as:

Expected % of claims to still arise in future based on average delay

X average ultimate loss ratio assumed

X earned premium for the current year

Assumptions underlying the Loss Ratio Method

We assumed that the average delay in reporting of claims would continue into the future. If it is expected that these delay assumptions no longer hold, an adjustment needs to be made to allow for this change in reporting. If the delay period in reporting is expected to have increased from previous years, the results shown in this report will be understated. Although a reasonability check on the loss ratios was conducted by comparing the loss ratios to industry figures, if the loss ratios average is not indicative of future experience the IBNR calculated could be under/ overestimated.

Unearned premium provision was calculated using a time – apportionment basis, in particular, the 365ths method. The same approach was taken for deferred acquisition cost as for the calculation of the UPR balance.

d) **Change in assumptions and sensitivity analysis**

There was no change in the assumptions used to estimate the ultimate cost of claims paid during the period.

e) **Sensitivity analysis and claims development tables**

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts can vary could provide valuable information for business planning and risk appetite considerations. We have reported sensitivity-calculated reserves at 75% percentile as at 31 December 2012. As sensitivity analysis attempts to estimate likely amount of reserves at rare/worse scenarios, it forms part of the basis for capital charges for insurance risks.

We have reported results of sensitivity analysis using a Normal distribution, the Thomas Mack method and Bootstrapping approach.

The Thomas Mack method is a distribution-free approach to test the volatility around the best estimate. The method was used to calculate the sufficiency of the IBNR reserves at a 75th percentile for classes where a chain ladder method was used.

The Normal distribution approach is used as a proxy for the distribution of the IBNR claims reserve with a mean equal to the best estimate reserve calculated for each class of business. In order to determine the standard deviation of the distributions, the 0.5th percentile of the distributions is equated to be equal to 0 thereby assuming that the IBNR reserve % cannot be negative.

Through the use of the mean and the 0.5th percentile a calculation of the implied standard deviations for each class is done.

The bootstrapping method calculates the sufficiency of the IBNR reserves, again at a 75th percentile. 50,000 simulations were run which assumed an over dispersed Poisson model, which is the standard industry practice

The results between using a Normal distribution and a distribution free approach at a 75th percentile indicated an increase of 26% from an actual reserve figure of N457,028,762 to N576,725,202; the Thomas Mack method shows an increase of 19% to N545,621,116 from the actual reserve figure whilst the Bootstrapping method shows an increase of 25% to N570,694,293.

Life Insurance Contracts

(a) Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are terminal diseases (such as AIDS, and hypertension) or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefits payments on a portfolio basis.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. Medical selection is also included in the Group's underwriting procedures, with premiums varied to reflect the health condition and family medical history of the applicants.

(b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Uncertainty in the estimation of future benefits payments and premium receipts for life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behavior.

The Group uses appropriate and acceptable base tables of standard mortality according to the type of contract being written.

(c) Valuation methods

- A gross premium method was adopted for individual risk business. This is a monthly cash flow projection approach taking into account the incidence of all expected future cash flows including office premiums, expenses and benefit payments.

- Individual deposit-based business comprises the various Mansard Funds, Mansard Life Savings, MLIP and Education Plus business, for which the reserve will comprise the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves calculated via a gross premium cash flow approach as described above.

- Under all deposit-based products a variable rate of return was allocated to policyholder accounts in accordance with the terms and conditions of each product.

- Annuities will be reserved for using a discounted cash flow approach. After here reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required.

- Reserves for Group Life and Health business comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims. In addition an allowance was made for future claims handling expenses

(d) **Process used to decide assumptions**
The assumptions used for the insurance contracts disclosed in this note are as follows:

- **Valuation interest rate**
The interest rate was based on current market risk-free yields with adjustments. The use of a risk-free rate also implies that future investment margins (in excess of the risk-free return) will not be capitalized upon.

A valuation interest rate of 9% p.a. was adopted for the current valuation – this has been applied as a single long-term rate of return. The FGN bond yield curve was relatively flat around 12% at all durations (December 2012). The yield on 20-year FGN bonds at 21 December 2012 was 12.34%. By comparison long-term bonds were yielding 14% at December 2011.

For the purpose of determining the valuation interest rate after a 2% risk adjustment, i.e. 98% of the long-term bond yield has been adopted as a risk-adjusted yield. This was further adjusted for tax for life business reserving.

- **Expense inflation & other inflation measures**
Inflation assumption is 8% for the current valuation (2011 5%). Retail Price Inflation at 30 November 2012 was 12.3%. Life office expenses will also be subject to salary related inflation. The lower rate of 8% makes some allowance for the life book being a growing portfolio; hence expense efficiencies and economies of scale are expected as the in-force book continues to grow.

- **Commission**
Commission rates are set as known, and understood to be 10% of each premium for all individual products (excluding annuity).

- **Mortality**
There has been no change to the mortality assumptions since the previous valuation

The mortality tables for the current valuation remain A6770 and PA90 without adjustment for Individual risk and Annuity business respectively. The mortality assumptions will be reviewed as the portfolio continues to grow.

- **Future mortality improvements**
No allowance has been made for future mortality improvements. This is because there is only a small portfolio of annuity business that is exposed to longevity risk.

- **Future mortality improvements**
A persistency investigation was carried out in December 2012 for the purpose of incorporating lapse assumptions into the valuation.

The approach adopted was to calculate lapse rates by policy count and sum assured. The average of the two rates was grouped by age and duration.

As a result of having only one year of experience data, we set valuation lapse assumptions in conjunction with the consulting actuaries, based on a prudent view of long term expected experience, averaged across all products. The portfolio solely comprises protection products and hence higher lapse assumptions at all durations will lead to lower reserves. Lower lapse rates are prudent in such case.

The Lapse rate by duration for Credit Life policies is 6.1% in Year 1, 0.7% in Year 2 and 0% going forward; On Whole life policies, the lapse rate is 7.7% in Year 1, 1.9% in Year 2 and less from Years 3+; for Mortgage Protection policies its 5.8% in year 1, 8.2% in Year 2 and 2.1% and lower for years 3+.

The lapse rates by age are as follows: Single premium: 0%; Regular Premium: Year 1- 10%, Year 2- 7.5%, Year 3- 5% whilst Year 4+- 0%

Group Life Business

Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expenses, as these have been loaded into rates yet they have already been incurred. The estimated acquisition expense ratio of 12% of gross premium is used although. Group Life commission is currently paid at 8% of premium. As at December 2012 accounts an overall acquisition expense ratio of 8.5% emerged over the year:

Other acquisition costs include a NAICOM (regulatory) fee of 1% of premium, payment of Stamp Duty and other administrative costs. The additional margin in the 12% assumption is an allowance for these other costs.

Additional Reserves

Additional contingency reserves were held using the assumptions of a 10% expense overrun and a 10% worsening of mortality experience: consider removing the table and including narratives. These contingencies are considered as standard for the 12 months following the valuation date, i.e. short-term contingency only.

Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves are reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

Sensitivity analysis

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

The sensitivity analysis of the life business indicates that a +1% change in Valuation Interest Rate (VIR) will result in a reduction of the Life fund liability by N24,742,320 whilst a -1% change in VIR will result in additional Life fund liability of N29,639,780.

The sensitivity analysis also indicates that an increase of Mortality rates by 5% will lead to an additional Life fund liability of N17,211,240 whilst a reduction of Mortality by 5% will result in a reduction of Life fund liability by N26,294,100.

A movement of expenses by +10% will result in an increase in Life fund by N7,792,100 whilst a -10% change will reduce the Life fund liability by N16,612,010.Expense inflation moving by +2% will increase the life fund by N1,422,400 whilst a -2% will produce a reduction of N9,048,130 in Life fund liabilities.

Lastly, if Lapse rate changed by +10% then the Life fund liability will reduce by N5,357,100 whilst a change of -10% would result in a life fund liability reduction of N3,856,470.

4.2 Financial risk management

(a) Introduction and overview

Mansard Insurance plc has a robust and functional Enterprise-wide Risk Management (ERM) Framework that is responsible for identifying and managing the inherent and residual risks facing the Group. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

Other key risks faced by the Group as a result of its existence and operations include operational risks, property risks, reputational and strategy risks.

This note presents information about the Group's exposure to each of the risks stated above, the Group's policies and processes for measuring and managing risks, and the Group's management of capital.

Internal Control and Risk Management Systems

As an insurance company, the management of risk is at the core of the operating structure of Mansard Insurance Plc. As a result, we employ the best risk management practices to identify, measure, monitor, control and report every material risk prevalent in our business operation.

The Company's ERM framework is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) as approved by the insurance industry regulator, National Insurance Commission (NAICOM), to identify, assess, manage and monitor the risks inherent in our operations.

The risk structure includes our approach to management of risks inherent in the business and our appetite for these risk exposures. Under this approach, we continuously assess the Company's top risks and monitor our risk profile against approved limits. Our main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

Enterprise-wide Risk Management Principles

We seek to be the reference point for risk management in the industry while maximizing our value to stakeholders through an approach that balances the risk and reward in our business. To ensure effective integration over time into organization processes so that risk management not only protects value but creates value, Mansard Insurance Plc is guided by the following principles:

- The Company will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.
- The Company will at all times comply with all government regulations and uphold international best practice.
- The Company will build and entrench an enduring risk culture, which shall

pervade the entire organization.
- The Company will only accept risks that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times.
- The Company will make decisions based on careful analysis of the implications of such risk to its strategic goals and operating environment.

Enterprise-wide Risk Management Framework

This framework is developed to promote a strong risk management culture and integrate risk considerations into management and decision-making processes through a robust risk governance structure. It ensures that top risks are properly identified, analyzed and assessed, in a consistent manner across the organization.

We operate the 'three lines of defense model' for the oversight and management of risk to create and promote a culture that emphasizes effective management and adherence to operating controls as illustrated below:

1st line – Management

It involves broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the business.In addition, business units have the primary responsibility for managing risks and are required to take responsibility for the identification, assessment, management, monitoring and reporting of risks arising within their respective businesses, thereby ensuring an informed risk and reward balance.

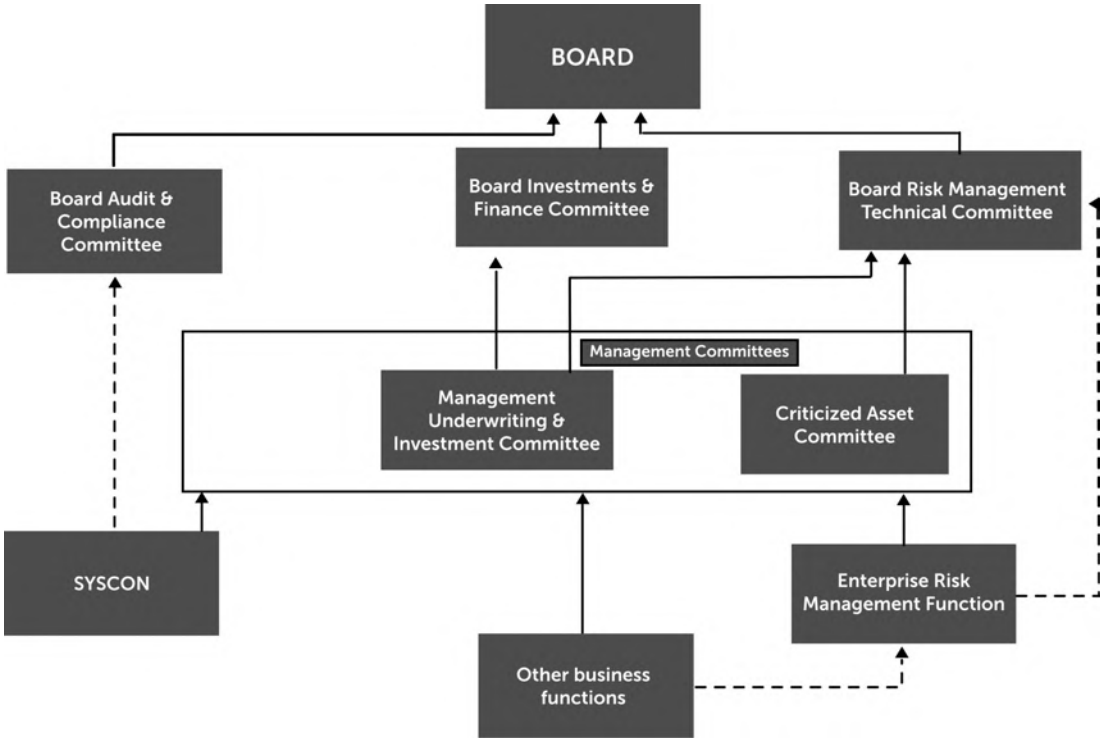
2nd line – Risk oversight

The Company's risk management function provides oversight and independent reporting to executive management, implements the group's risks management policy in the business units, approve risk within specific mandates and provides an independent overview of the effectiveness of risk management by the first line of defense.

3rd line – Independent assurance

The last line of defense comprises the internal audit function that provides independent and objective assurance of the effectiveness of the Company's systems of internal control established by the first and second lines of defense in management of enterprise risks across the organization.

ERM Governance Structure



The Board sets the organization's risk appetite, approves the strategy for managing risk and is ultimately responsible for the organization's system of internal control.

This function is carried out via its Board Committees as follows:

BOARD COMMITTEES	FUNCTIONS
Board Audit & Compliance Committee	• Oversight of financial reporting and accounting • Oversight of the external auditor • Oversight of regulatory compliance • Monitoring the internal control process
Board Risk Management & Technical Committee	• Assist in the oversight of the review and approval of the companies risk management policy including risk appetite and risk strategy; • Review the adequacy and effectiveness of risk management and controls; • Oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms; • Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile; • Review changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile; and • Review large underwritten risks for adequacy of reinsurance and other risk management techniques including environmental & social management system • Review and recommend for approval of the Board risk management procedures and controls for new products and services. • Oversight of enterprise risk management
Board Investment Committee	• Reviews and approves the company's investment policy • Approves investments over and above managements' approval limit • Ensures that optimum asset allocation is achieved

The Management Underwriting & Investment Committee (MUIC) of the Company recommends to the Board Risk Management and Technical Committee of the Board an amount at risk that it is prudent for the risk committee to approve in line with the company's business strategies. The Board Risk Management and Technical Committee approve the Company's risk appetite each year, based on a well-defined and broad set of risk measures.

MUIC is also responsible for establishing, documenting, and enforcing all policies that involve risk. Specifically, the Chief Risk Officer (a member of the Management Committee) is responsible for the risk policies, risk methodologies and risk infrastructure.

The Chief Risk Officer (CRO) plays a pivotal role in informing the Board, as well as MUIC about the risk profile of the Company and also communicates the views of the Board and Senior Management down the Company. The CRO is also responsible for independently monitoring the broad risk limits set by the Board throughout the year, and delegating some responsibilities to the heads of the various Strategic Business Units within the Company.

The Enterprise-wide risk management function which reports to the CRO, is in charge of identifying, evaluating, monitoring and recommending risk management solutions for the broad risk categories.

The internal audit functions evaluate the design and conceptual soundness of risk measures, accuracy of risk models, soundness of elements of the risk management information systems, adequacy and effectiveness of the procedures for monitoring risk, the progress of plans to upgrade risk management systems, the adequacy and effectiveness of application controls within the risk management information system, and the reliability of the vetting processes.

Risk Appetite

The Company recognizes that its long-term sustainability is dependent upon the protection of our brand, preservation of value and relationship with customers. To this end, we will not accept risks that materially impair reputation and value and requires that our customers are always treated with integrity. The Company's risk appetite is defined by a clear risk strategy and limit structure. Close risk monitoring and reporting allows us to detect potential deviations from our risk tolerance at an early stage at both the Group and operating entity levels.

Risk Management Policies and Procedures

We have developed policies and procedures for each broad risk category inherent in our business. The policies set out and ensure alignment and consistency in the way in which we deal with major risk types across the group, from identification to reporting. Procedures targeted at managing each broad risk category are embedded in our Enterprise-wide Risk Management framework approved by the Board.

Risk Management is an ongoing activity and should be carried out as a part of day-to-day business. The risks are identified by different portfolios and strategic business units and re-assessed regularly to determine whether there are new or emerging risks in light of any current or anticipated changes. Treatment plans for identified risks are also monitored to ensure that risks are being mitigated as planned.

The company-wide risk assessment is refreshed and reported on twice per year. Management is responsible and accountable for ensuring that:

- Risk management policies, framework and processes are complied with;
- The risk profiled for areas under their control are refreshed and updated on

a timely basis to enable the collation, analysis and reporting of risks to the Board Committees.
- Explanations are provided to the Board Committees for any major gaps in the risk profiled and any significant delays in planned treatments for high risk and high priority matters.

Our internal audit function, the Systems &Control (SYSCON) group, conducts a risk-based audit on all business units using outputs of the annual company-wide risk assessment to guide its annual audit planning.

(b) Risk Categorization
Mansard Insurance Plc is exposed to an array of risks through its operations. The Company has identified and categorized its exposure to these broad risks as listed below:

- Market risk
- Underwriting risk
- Credit risk
- Operational risk
- Liquidity risk
- Business risk
- Reputational risk

Market risk: This reflects the possibility that the value of investment's funds will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its financial assets and comprises:

- Equity price risk: the risk associated with volatility in the stocks in our investment portfolio.
- Foreign exchange risk: may arise from movement of currency prices on assets held in foreign currency.
- Interest rate risk: the risk that the value of a fixed income security will fall as a result of movement in market interest rates.
- Property price risk: The Company's portfolio is subject to property price risk arising from changes in the market value of properties.

  Underwriting risk: Our activities are primarily concerned with the pricing, acceptance and management of risks arising from our contracts with customers. It entails the risk that:
  - The prices charged by the company for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;
  - risks are not adequately ceded to reinsurers exposing the company to potential high claims pay-out;
  - many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses and;
  - The company's policyholder will act in ways that are unanticipated and have an adverse effect on the company.

Credit risk: This is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. As the company is not in the business of granting loans like banks, credit risks in terms of customer default on loans repayment is not applicable. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and large corporate who are allowed extended payment period may default and this is closely allied to cash flow risks. The three sources of credit risk identified are:

- Direct Default Risk: risk that the company will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations.

- **Downgrade Risk:** risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
- **Settlement Risk:** risk arising from the lag between the value and settlement dates of securities transactions.

Operational risk: This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, strategic risk and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Liquidity risk: Mansard Insurance Plc recognizes the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once claims crystallize. Our exposure to liquidity risk comprises:

- **Funding liquidity risk:** Arising from our investment-linked products where there is a financial obligation to customers.

- **Asset liquidity risk:** arising from our financial assets where we might not be able to execute transactions at prevailing market price because there is temporarily, no appetite for the deal at the other side of the market.

  Business risk: Business risk relates to the potential erosion of our market position or revenue shortfall compared to the cost base due to strategic and/or reputational reasons.

  Reputational risk: The Company is exposed to this risk through events that damage its image amongst stakeholders and the public which may impair the ability to retain, generate and drive sustainable business.We understand that reputational risk is the biggest risk to our business as it poses a special threat to the confidence of our customers, regulators and industry.

Market Risk Management
The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

1. Equity price risk
2. Foreign exchange risk
3. Interest-rate risk
4. Property price risk

1. Equity price risk
The Group's management of equity price risk is guided by the following

- Investment Quality and Limit Analysis
- Stop Loss Limit Analysis
- Stock to Total Loss Limit Analysis

Investment quality and limit analysis
Management Underwriting & Investment Committee (MUIC) establishes and approves a list of eligible listed and unlisted stocks aligned with investment approval/dealer limits as approved by the Board through its Board Investment Committee.These approval limits are illustrated using an approval hierarchy that establishes different levels of authority necessary to approve investment decisions of different naira amounts. The approval limit system:

- sets a personal discretionary limit for Chief Executive Officer;
- requires that investment decisions above this personal discretionary limit requires approval by the Board of Directors and;
- sets out lower limits for Chief Investment Officer (CIO) and, or provides the CIO with the authority to assign limits to subordinates.

Stop loss limit analysis

The eligible stocks are further categorized into class A, B and C based on market capitalizations, liquidities and market volatilities. These classes are assigned stop loss limits and maximum holding days for trading as a measure of the amount of loss the Group is willing to accept. Periodic reviews and reassessments are undertaken on the performance of the stocks.The stop loss limits on classes of stocks as approved by Management Underwriting & Investment Committee are depicted below:

CLASS	STOP LOSS LIMIT
A	25%
B	23%
C	20%

The Group's ERM function monitors compliance of the Investment arm to these limits and reports to Management on a weekly basis.
A summary of the Group's Stop Loss Limit position on trading equities as at 31 December, 2012 is as follows:

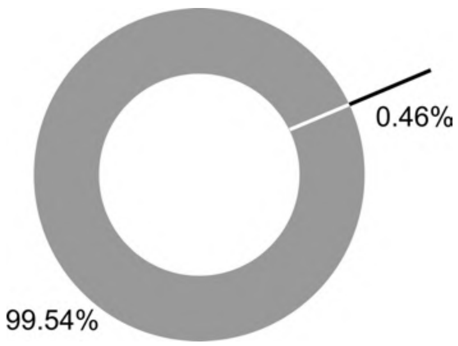
SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN /LOSS	BENCHMARK	EXCEPTION
AVIATION	6	6	B	-7%	22.5%	NO
BANKING (1)	42,008	41,916	1	0%	25%	NO
BANKING (2)	614	676	B	10%	22.5%	NO
COMPUTER	9,638	9,158	N/A	-5%	N/A	N/A
INSURANCE (1)	3,359	3,639	C	8%	20%	NO
INSURANCE (2)	0	0	N/A	0%	N/A	N/A
REAL ESTATE	8,800	8,800	N/A	0%	N/A	N/A

The stocks with no class (computer, insurance (2) and real estate) were equities held before the list of eligible stocks was reviewed. The Group has however placed a "right to sell" option on the stocks.

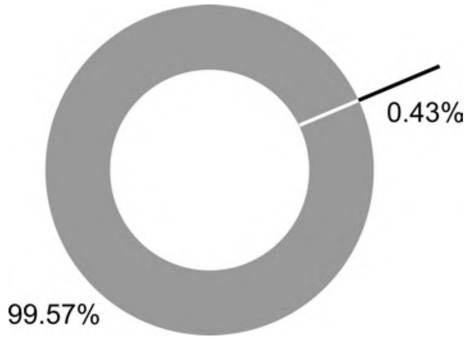
The Group manages its exposure to equity price risk through adherence to stop loss limits and investment in eligible stocks as approved by the Board. Potential losses as seen in the schedule above were within the Group's stated risk appetite.

The Group further reduces its exposure to equity price risk with relatively low investment in quoted equities. The holding positions of the Group and Company on trading equities are as follows:

GROUP'S EXPOSURE TO EQUITY PRICE RISK



COMPANY'S EXPOSURE TO EQUITY PRICE RISK



Trading Equity

Other Asset Class

The position held on quoted equitiesby the Company and Group is less than 1% of its investment portfolio mitigating the effect of equity price volatilities.

Stock to total limit analysis
Considering the volatility of stocks (typically quoted stocks), the Group monitors the contribution of individual stock to the total stocks holding in a portfolio. The objective is to evaluate the Company's concentration on individual stock and ultimately exposure to market volatility if the price of any of the stocks should drastically drop.

The risk management function considers all classes of equity (trading, long term and unquoted equities), whilst performing this analysis to closely monitor the Company's exposure to market risk from quoted equity and liquidity risk that might arise from unquoted equity.

A summary of the Group's stock to limit position on equities is as follows:

STOCK TO TOTAL LIMIT ON GROUP'S INVESTMENT PORTFOLIO

SECTOR OF STOCK	*MARKET PRICE*	*%*
TELECOMS	*1,561,075*	*86.02*
INSURANCE (3)	*66,693*	*3.67*
MORTGAGE	*50,000*	*2.76*
PENSIONS	*45,212*	*2.49*
BANKING (1)	*42,834*	*2.36*
NFI	*15,000*	*0.83*
FOODS & BEVERAGES	*11,700*	*0.64*
COMPUTER	*9,158*	*0.50*
REAL ESTATE	*8,800*	*0.48*
INSURANCE (2)	*3,639*	*0.20*
BANKING (3)	*676*	*0.04*
AVIATION	*6*	*0.00*

STOCK TO TOTAL LIMIT ON GROUP'S INVESTMENT PORTFOLIO

SECTOR OF STOCK	*MARKET PRICE*	*%*
TELECOMS	*1,561,075*	*86.02*
INSURANCE (3)	*66,693*	*3.67*
MORTGAGE	*50,000*	*2.76*
PENSIONS	*45,212*	*2.49*
BANKING (1)	*42,834*	*2.36*
NFI	*15,000*	*0.83*
FOODS & BEVERAGES	*11,700*	*0.64*
COMPUTER	*9,158*	*0.50*
REAL ESTATE	*8,800*	*0.48*
INSURANCE (2)	*3,639*	*0.20*
BANKING (3)	*676*	*0.04*
AVIATION	*6*	*0.00*

*The sectors above represent the sector of each stock in the Group's investment portfolio as at December 31, 2012.

Investment in quoted equity accounted for approximately 3% of the equity investment. The relatively low investment in quoted stocks reflects the conservative asset allocation strategy of the Group.

2. Foreign Exchange risk

Mansard Insurance Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency denominated in dollars through investment in unquoted equity, dollar-denominated fixed deposits and bank balances in other foreign currencies.

The carrying amounts of the Group's foreign currency-denominated assets as at end of the year are as follows:

	Cash and Cash equivalent	Available for Sale	Total
	N' 000	N' 000	N' 000
Dollars	985,075	2,257,702	3,242,777
Euro	16,886		16,886
Pound	291		291

The Group limits its exposure to foreign exchange to 12% of total investment portfolio. Foreign currency changes are monitored by the investment committee and holdings are adjusted when offside of the investment policy. The Group further manages its exposure to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's investment income. At the year end, the foreign currency investments held in the portfolio were on unquoted equity and cash and cash equivalents.

There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The following table details the effect on the profit as at 31st, December 2012 from a N156.1/$ closing rate favorable/unfavorable change in US dollars against the naira with all other variables held constant.

Group

	Increase by 1% N'000	Increase by 4% N'000	Decrease by 1% N'000	Decrease by 4% N'000
Financial assets				
Cash and cash equivalents	9,850.75	39,403.01	(9,850.75)	(39,403.01)
Avaliable for sale	22,577.02	90,308.09	(22,577.02)	(90,308.09)
Impact on financial assets before tax	32,427.77	129,711.10	(32,427.77)	(129,711.10)
Impact on financial assets after tax	22,699.44	90,797.77	(22,699.44)	(90,797.77)

Company

	Increase by 1% N'000	Increase by 4% N'000	Decrease by 1% N'000	Decrease by 4% N'000
Financial assets				
Cash and cash equivalents	9,845.66	39,382.65	(9,845.66)	39,382.65
Avaliable for sale	22,577.02	90,308.09	-22,577.02	90,308.09
Impact on financial assets before tax	32,422.68	129,690.74	(32,422.68)	129,690.74
Impact on financial assets after tax	22,695.88	90,783.52	(22,695.88)	90,783.52

The following table details the effect on the profit as at 31st, December 2012 from a N203.97/€ rate favorable/unfavorable change in Euro against the Naira with all other variables held constant.

Group

	Increase by 1% N'000	Increase by 4% N'000	Decrease by 1% N'000	Decrease by 4% N'000
Financial assets				
Cash and cash equivalents	168.86	675.44	(168.86)	(675.44)
Avaliable for sale	-	-	-	-
Impact on financial assets before tax	168.86	675.44	(168.86)	(675.44)
Impact on financial assets after tax	118.20	472.81	(118.20)	(472.81)

The following table details the effect on the profit as at 31st, December 2012 from a N203.97/€ rate favorable/unfavorable change in Euro against the Naira with all other variables held constant.

* The high value in cash and cash equivalents reflects premiums in foreign currency received from our clients as at December 31st, 2012.

Group

	Increase by 1% N'000	Increase by 4% N'000	Decrease by 1% N'000	Decrease by 4% N'000
Financial assets				
Cash and cash equivalents	2.91	11.63	(2.91)	(11.63)
Avaliable for sale	-	-	-	-
Impact on financial assets before tax	2.91	11.63	(2.91)	(11.63)
Impact on financial assets after tax	2.03	8.14	(2.03)	(8.14)

The method used to arrive at the possible risk of foreign exchange rate was based on both statistical and non-statistical analyses. The statistical analysis was based on movement in main currencies for the last five years. This information was then revised and adjusted for reasonableness under the current economic circumstances.

3. Interest-rate Risk

The Group is moderately exposed to interest-rate risk through its conservative investment approach with high investment in Fixed Income and Money Market instruments. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values can become higher than the value of backing assets as a result of rises or falls in interest rates.

A significant portion of the Group's assets relate to its capital rather than liabilities, the value if its interest rate based assets exceeds its interest rate based liabilities. As a result, generally, the Company's investment income will move with interest rates over the medium to long-term with short-term interest rate fluctuations creating unrealized gains or losses in Other Comprehensive Income.

Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios.
The Group's major exposure to interest-rate sensitive liabilities arises from investment-linked products which accounts for a small portion of its business. The fluctuations in interest rates cannot significantly impact our balance sheet as interest-rate sensitive liabilities are quite small compared with the interest-rate sensitive assets.

The table below details the interest rate sensitivity analysis of Mansard Insurance plc as at 31st, December 2012, holding all other variables constant. Based on historical data, 100 & 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

Group

	1 - 3 months	3 - 6 months	6 - 12 months
Interest earning assets			
Short term deposit	1,796,306	-	-
Treasury bills	1,121,319	1,103,463	1,562,699
bonds	586,125	2,505,464	2,386,933
Total Interest earning assets	**3,503,750**	**3,608,927**	**3,949,632**
Interest bearing liabilities			
Investment contract liabilities	399,937	399,937	999,843
Loan Note	-	-	-
Bank borrowings	235,967	-	-
Total assets	**635,905**	**399,937**	**999,843**
Gap	**2,867,845**	**3,208,989**	**2,949,789**
Cummulative Gap	**2,867,845**	**6,076,835**	**9,026,632**
Increase by 100bp	238,987	200,562	73,745
Increase by 500bp	1,194,935	1,337,079	1,229,079
Decrease by 100bp	(238,987)	(200,562)	(73,745)
Decrease by 500bp	(1,194,935)		

Parent

	1-3 months	3-6 months	6-12 months
Interest bearing liabilities			
Short term deposit	1,499,752	-	-
Treasury bills	939,556	1,103,463	1,469,202
Bonds	586,125	2,500,783	2,135,784
Total Interest earning assets	**3,025,434**	**3,604,246**	**3,604,986**
Interest bearing liabilities			
Investment contract Liabilities	399,937	399,937	999,843
Gap	**2,625,497**	**3,204,309**	**2,605,143**
Cummulative Gap	**2,625,497**	**5,829,806**	**8,434,949**
Increase by 100bp	218,791	267,026	217,095
Increase by 500bp	1,093,957	1,335,129	1,085,476
Decrease by 100bp	(218,791)	(267,026)	(217,095)
Decrease by 500bp	(1,093,957)	(1,335,129)	(1,085,476)

4. Property Price Risk

The Group is exposed to property price risk through its investment in property. Exposure to property price risk accounts for 17% of the total investment portfolio. Mansard Insurance Group manages the risk by constantly monitoring the contribution of property to its portfolio and converting some of this asset class to earning properties.

Underwriting Risk Management

The Group faces underwriting risk through its core business when actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims.

Mansard Insurance plc manages its underwriting risk by diversification across large portfolio of insurance. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risk mitigation program and establishes retention limits for reinsurance across product lines.

The Group's internal processes and policies also ensure that amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. In addition, the Group recognizes that its reinsurance program with respect to ceded reinsurance is exposed to credit risk, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements thus it is not relieved of its direct obligations to its policyholders.

The Group also recognizes that a concentration of risk may arise from insurance contracts issued in a specific geographical location since most of the insurance contracts are written in Nigeria and constantly conducts concentration risk analysis to evaluate and manage its exposure to the risk.

The Group holistically manages this risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are limited by having documented underwriting limits and criteria. Pricing of policies are based on trends and past experience amongst others in an attempt to correctly match policy revenue with exposed risk.

Business Risk Management

Business risk is managed by Management Underwriting & Investment Committee through consistent monitoring of product lines' profitability, stakeholder engagement to ensure positive outcomes from external factors beyond the Group's control and prompt response to changes in the external environment.

Reputational Risk Management

Mansard Insurance plc's norms and values set a tone for acceptable behaviors required for all staff members, and provide structure and guidance for non-quantifiable decision making, thereby assisting in the management of the group's reputation.

The Group identifies, assesses and manages reputational risks predominately within its business processes. Management of reputational risks is based on the Group's risk governance framework. In addition, company-wide risks are identified and assessed qualitatively as part of the annual risk & control self-assessment. The Group's risk functions analyses the overall risk profile and regularly informs management about the current profile and potential exposures to the risk. Risk functions' presentation of potential reputational risk guides management decisions in executing business operations and strategies.

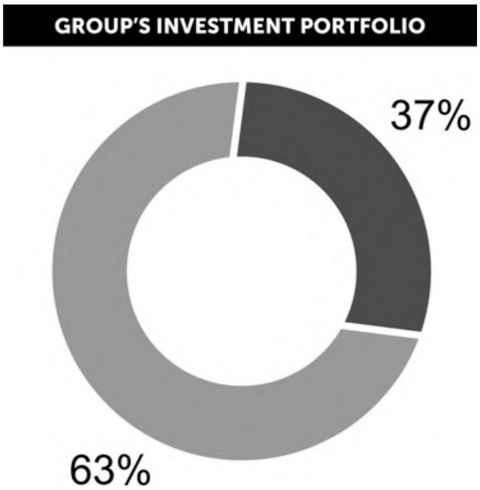
Credit Risk Management

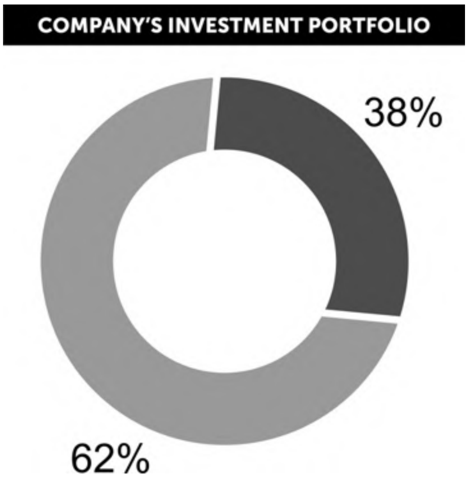
Mansard Insurance Group is exposed to risk relating to its debt holdings in its investment portfolio, outstanding premiums from customers and the reliance on reinsurers to make payment when certain loss conditions are met.

Investment Portfolio

The Group's investment policy puts limits on the Fixed Income and Money Market instruments including portfolio composition limits, issuer type limits, aggregate issuer limits and corporate sector limits.

The Group's investment portfolio is exposed to credit risk through its Fixed Income and Money Market instruments. The contribution of the Fixed Income & Money Market instruments to the Group's investment is as follows:





OTHER ASSET CLASS   FI & MM

The Group's exposure to credit risk is low as Government sector (Government bonds and Treasury bills) accounted for largest part, 73% of the investment as at December 31, 2012.

The Group further manages its exposure to credit risk through counterparty risk using established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

The Group's counterparty exposure as at December 31st, 2012 is represented below:

GROUP PORTFOLIO				
COUNTERPARTY	INVESTMENT IN MONEY MARKET	INVESTMENT IN FIXED INCOME	TOTAL INVESTMENT	CREDIT RATING
COUNTERPARTY A	4,006,993	4,924,045	8,931,038	BB-
COUNTERPARTY B	361,122	271,513	632,635	B+
COUNTERPARTY C	191,750	227,424	419,174	A
COUNTERPARTY D	413,666	-	413,666	BBB
COUNTERPARTY E	373,171	-	373,171	BBB
COUNTERPARTY F	183,170	-	183,170	B+
COUNTERPARTY G	117,556	-	117,556	B
COUNTERPARTY H	90,054	-	90,054	UNRATED
COUNTERPARTY I	79,215	-	79,215	UNRATED
COUNTERPARTY J	2,198	-	2,198	UNRATED

PARENT PORTFOLIO				
COUNTERPARTY	INVESTMENT IN MONEY MARKET	INVESTMENT IN FIXED INCOME	TOTAL INVESTMENT	CREDIT RATING
COUNTERPARTY A	3,716,874	4,770,119	8,487,073	B-
COUNTERPARTY B	413,666	-	413,666	BBB
COUNTERPARTY C	156,404	221,217	377,621	B+
COUNTERPARTY D	191,750	175,737	367,487	A
COUNTERPARTY E	170,592	-	170,592	B+
COUNTERPARTY F	117,556	-	117,556	B
COUNTERPARTY G	90,054	-	90,054	UNRATED
COUNTERPARTY H	79,215	-	79,215	UNRATED
COUNTERPARTY I	2,198	-	2,198	UNRATED

Reinsurance is placed with only reinsurers with a minimum credit rating of BB. Management monitors the creditworthiness of all reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

An analysis of the Group's exposure per reinsurers' crediting ratings as at December 31st, 2012 is as follows:

REINSURERS' CREDIT RATING	EXPOSURE
A	240,591.97
B	17,291.65

* The exposure excludes prepaid reinsurance and reinsurance on Incurred But Not Reported (IBNR)

Besides credit risk exposure from our investment policies, the Group is also exposed to this risk from its core business operations – outstanding premiums from clients. Account receivables are short-term in nature consisting of a large number of policyholders and are subject to moderate credit risk. The Group categorizes its exposure to this risk based on business types (Direct and Brokered business) and periodically reviews outstanding receivable to ensure credit worthiness of policyholders. Credit risk exposure to Direct Business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from Brokered Business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

Outstanding premiums

The Group has lain great emphasis on effective management of its exposure to credit risk especially premium related debts. The Group defines credit risk as the risk of counterparty's failure to meet its contractual obligations.

Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

Credit risk exposure to direct business is low as the Company requires debtors to provide payment plans before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

The Group credit risk originates from reinsurance recoverable transactions, retail clients, corporate clients, brokers and agents. Sources of credit risk:

- **Direct default risk:** risk that the Company will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations.
- **Downgrade Risk:** risk that changes in the possibility of a future default by an obligor

will adversely affect the present value of the contract with the obligor today.

- **Settlement Risk:** risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to outstanding premium

Credit Rating

We constantly review brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers while others are explored for possible potentials.

Receivables are reviewed and categorized into grade A, B, C and D on the basis of:

- Previous year contribution (4 years)
- Payment mode
- Outstanding as at December of the previous year
- Future prospect
- Recommendation

2012					
Category	A	B	C	D	Total receivables
BROKERS	1,134,813	18,111	29,725	196,290	1,378,939
INSURANCE COMPANIES	195,805	-	-	-	195,805
POLICY HOLDERS	553,710	-	-	-	553,710
	1,884,328	18,111	29,725	196,290	2,128,454

2011					
Category	A	B	C	D	Total receivables
BROKERS	552,236	23,164	39,564	298,864	913,828
INSURANCE COMPANIES	37,096	-	-	-	37,096
POLICY HOLDERS	678,722	-	-	-	678,722
	1,268,054	23,164	39,564	298,864	1,629,646

The Group's exposure to Category A insurance receivables transactions is low as the brokers remit premiums on a monthly basis and the rate of default is low based on historical data. In addition, Category D brokered transactions that accounted for the second largest contributor of the Group's credit portfolio is low as the Group incepts policies on credit from this category only when there is a close business relationship with the insured to evaluate their payment history.

The Group credit risk is constantly reviewed and approved during the Management Underwriters Insurers Committee (MUIC) meeting. There is also a Criticized Asset Committee which is responsible for the assessment and continual review of Company's premium debt and direct appropriate actions in respect of delinquent ones. It also ensured that adequate provisions are taken in line with the regulatory guidelines. Other credit risk management includes:

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Group in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Group is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- Assessment of credit risk. All firsthand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MUIC meeting.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

In measuring credit risk, the Group considers three models:

- The Probability of Default(PD), the likelihood that the insured will fail to make full and timely payment of financial obligations
- The Exposure at Default (EAD) is derived from the Group's expected value of debt at the time of default.
- The Loss Given Default (LGD) which state the amount of the loss if there is a default, expressed as a percentage of the (EAD).

Impairment Model

Premium debtors, which technically falls under receivables is recognized at a fair value and subsequently measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables.

Following the provisions of IAS 39, the impairment of the premium debtors will be assessed at two different levels, individually or collectively. The premium debt of the Group will be assessed for impairment using the incurred loss model adapted for insurance business.
The model used is defined as thus:
Impairment loss = EP * LGD * EAD * PD
Where EP is Emergency Period;
LGD is Loss Given Default;
EAD is Exposure At Default; and
PD is 1-year Probability of Default.

Credit quality

The Group loan and receivables has no collateral as security and other credit enhancements, thus the group has no loan or receivables that are past due but not impaired .Insurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value.

Information about the credit quality of insurance receivables

Past due but not impaired

All past due receivables are more than 365days. As at 31 December 2012 N128, 908,207 (2011: N295, 173,000) value of insurance receivables were past due based on the aging of the receivable. No receivable was individually impaired during the year under review (2011: Nil).The Group recognized a collective impairment loss of N78, 945,909 (2011:56,112,818) on past due receivables.

Past due or impaired whose terms have been renegotiated

As at 31 December 2012 (31 Dec 2011: Nil) the group had no insurance receivables that were past or impaired and whose terms are renegotiated.

Other Receivables

Other receivables balances constitute staff loans, dividend, intercompany and rental receivables. The Group has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Group constantly monitors its exposure to these receivables via periodic performance review.

The Group further manages its exposure to credit risk through deduction of transactions at source and investment in blue-chip companies quoted on Nigerian Stock Exchange. The exposure to credit risk associated with other receivables is low.

Operational Risk Management

A summary of the analytical tools that the Group employed in operational risk management are discussed below:

Issue tracking report/action plan report: Issues can surface from the internal self-assessment process, an audit, or regulators requirements. A key result of the self-assessment process is an action plan with assigned responsibilities. This report contains a recap of major issues, the status of the action plan, and an aging of overdue tasks.

Risk control and self-assessment (RCSA): The business areas perform self-assessments annually and results are aggregated to provide a qualitative and quantitative profile of risk across the organization and related action items. Severity of the risks identified is compared with previous RCSA risk severity and a trend is ascertained. The register summarizes findings into a “top 20” list of risks facing the institution. These summary results are accompanied by descriptions of the significant gaps and trends, suggested mitigants, and process owners and timeline for each risk.

The profile of risks across the organization is an integral input for the Group’s internal audit whilst preparing audit plans. Areas with high-risk exposures are thoroughly audited and performance of recommended controls tested by the Group’s internal control function to ascertain that risks are properly managed.

Risk Maps: Risk maps typically are graphs on which impact of each risk is plotted against probability of occurrence. Risk maps are designed either to show inherent or residual risk categories by line of business. Risks in the upper right are very severe and need to be monitored closely to reduce the Group’s exposure. High-frequency/low-severity risks create the basis for expected losses and are often subject to detailed analysis focused on reducing the level of losses.

Key risk indicators dashboard: These are numerous measures of actual risks in the business and support functions, such as error rates and control breaks. Summary indicators, related escalation criteria, explanations of any excesses, and identified trends are all important aspects that are tracked. Many indicators are specific to each business unit or process, but some may be common and reported in a consolidated fashion.

Threshold is set by management for each key risk indicators and escalation of indicators above such levels triggers a mitigation response.

Loss events report: the ERM team developed a database for loss event collation named Loss Event Register. This register allows staff to report actual and near-miss (an unplanned event that did not result in injury, illness, or damage – but had the potential to do so) loss events. Summary statistics from the loss event database are used to show trends of total losses and mean average loss, with analysis by type of loss and business line.

Business continuity plan: A critical tool in managing our operational risk is the Business Continuity Plan (BCP) that documents the procedures to be executed by relevant teams in the event of a disaster.

Liquidity Risk Management

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income. The Group has no tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Group's investment policy requires that 35% of the Group's portfolio to be held in cash and short-term investments. This highlights liquid marketable securities sufficient to meet its liabilities as at when due. Short term investments include treasury bills and term deposits with an original maturity of less than one year.
The limits are monitored and reported on a weekly and monthly basis to ensure that exposure of the Group's investment portfolio to this risk is properly managed.

Below is a summary of the contractual reprising or maturity dates (whichever is earlier) of financial assets matched with financial liabilities.

GROUP	Total	1-3 months	3-6 months	6-12 months	1-5 years	above 5yrs
Cash and cash equivalents	3,243,252	3,243,252	-	-	-	
Investment securities						
– Available for sale	3,067,015	3,067,015	-	-	-	-
– At fair value through profit or loss	5,300,870	2,820,072	958,092	1,522,705		
– Held to maturity	5,978,562	464,445			3,691,117	1,823,000
Other financial assets designated at fair value	1,603,874	1,603,874	-	-	-	-
Insuarance Receivables	2,257,363	1,650,510	299,985	306,869		
Reinsuarance receivables	616,335	616,335	-	-	-	-
Other receivables	654,417	654,417	-	-	-	-
Total assets	22,721,689	14,119,920	1,258,078	1,829,574	3,691,117	1,823,000
Insurance liabilities	1,779,463	1,296,617	-	-	482,846	-
Investment Contract liabilities:			-	-	-	-
– At amortised cost	1,999,686	399,937	399,937	999,843	199,969	-
Other financial liabilities designated at fair value	1,603,874	320,775	320,775	801,937	160,387	-
Borrowing	5,154,674	459,602	986,160	240,994	2,418,856	1,049,062
Trade payables	2,053,812	2,053,812	-	-	-	-
Other payables	1,047,490	1,047,490	-	-	-	-
Total liabilities	13,638,999	5,578,233	1,706,872	2,042,774	3,262,058	1,049,062
Excess of assets over liabilities		**8,541,687**	**(448,794)**	**(213,200)**	**429,059**	**773,938**
Financial assets to financial liabilities		**2.5**	**0.7**	**0.9**	**1.1**	**1.7**
Cumulative financial assets over financial liabilities	**9,082,690**	**8,541,687**	**8,092,893**	**7,879,693**	**8,308,752**	**9,082,690**

PARENT	Total	1-3 months	3-6 months	6-12 months	1-5 years	above 5yrs
Cash and cash equivalents	1,511,915	1,511,915	-	-	-	
Investment securities						
– Available for sale	3,067,015	3,067,015	-	-	-	-
– At fair value through profit or loss	5,010,751	2,529,953	958,092	1,522,705		
– Held to maturity	5,724,562	464,445			3,591,117	1,669,000
Pledged asset	235,967	235,967				
Other financial assets designated at fair value	1,603,874	1,603,874	-	-	-	-
Insuarance Receivables	2,257,363	1,650,510	299,985	306,869		
Reinsuarance receivables	616,335	616,335	-	-	-	-
Other receivables	1,560,487	1,560,487	-	-	-	-
Total assets	21,588,270	13,240,501	1,258,078	1,829,574	3,591,117	1,669,000
Insurance liabilities	1,779,463	1,296,617	-	-	482,846	-
Investment Contract liabilities:			-	-	-	-
– At amortised cost	1,999,686	399,937	399,937	999,843	199,969	-
Other financial liabilities designated at fair value	1,603,874	320,775	320,775	801,937	160,387	-
Borrowing	235,967	235,967	-	-	-	-
Trade payables	2,053,812	2,053,812	-	-	-	-
Other payables	504,978	504,978	-	-	-	-
Total liabilities	8,177,780	4,812,086	720,712	1,801,780	843,202	-
Excess of assets over liabilities		**8,428,415**	**537,366**	**27,794**	**2,747,915**	**1,669,000**
Financial assets to financial liabilities		**2.8**	**1.7**	**1.0**	**4.3**	**-**
Cumulative financial assets over financial liabilities	**13,410,490**	**8,428,415**	**8,965,781**	**8,993,575**	**11,741,490**	**13,410,490**

4.3 Asset Liability Management

The Group is exposed to a range of financial risks through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel.

The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

The following tables reconcile the consolidated balance sheet to the classes and portfolios used in the Group's ALM framework.

Group	Insurance fund		Investment contract		Shareholders funds			Dec-12
	Non-life	life	Mansard fund	MLS/MLIP	Non-life	life	Other	
ASSETS								
Cash and cash equivalents	665,278	421,323		148,014	1,169,000	402,480	382,689	3,188,784
Financial assets								
Equity securities:								
– Available for sale	-	-	-	432,661	2,489,508	144,854	-	3,067,015
– At fair value through profit or loss	1,322,647	194,648	-	757,467	30,625	1,492,944	277,606	4,075,261
– Held to maturity	380,440	712,560	-	664,289	2,242,544	1,167,500	255,651	5,422,982
Other financial assets designated at fair value	-	-	1,603,874	-	-	-	-	1,603,874
Other loans and receivables	-		-	-	405,642	17,095	444,687	867,424
Deferred acquisition cost					254,018	-	-	254,018
Reinsurance assets	1,510,951	287,855	-	-	-	-	-	1,798,806
Trade receivables	-	-	-	-	1,223,504	813,323	-	2,036,827
Pledged assets	-	-	-	-	-	235,967	-	235,967
Investment properties	-	-	-	-	-	-	6,936,659	6,936,660
Intangible assets	-	-	-	-	96,335	21	4,412	100,769
Property, plant and equipment	-	-	-	-	1,435,908	32,096	9,811	1,477,816
Statutory deposit	-	-	-	-	300,000	200,000	-	500,000
TOTAL ASSETS	**3,879,316**	**1,616,386**	**1,603,874**	**2,002,431**	**9,647,085**	**4,506,281**	**8,311,514**	**31,566,203**
LIABILITIES								-
Insurance liabilities	4,276,374	1,588,888	-	-	-	-	-	5,865,263
Financial liabilities:								
Investment contracts:								
– At amortised cost	-	-	-	1,999,686	-	-	-	1,999,686
– At fair value	-	-	1,603,874	-	-	-	-	1,603,874
Borrowing						235,967	3,345,606	3,581,573
Trade payable			-	-	1,802,806	251,005	-	2,053,812
Other payables	-	-	-	-	(198,627)	702,348	543,487	1,047,208
Deferred income tax	-	-	-	-	214,377	-	206,640	421,017
Current income tax liabilities	-	-	-	-	267,859	124,441	19,135	411,435
Unearned premium debtors	(403,705)				403,705	-	-	-
TOTAL LIABILITIES	**3,872,669**	**1,588,888**	**1,603,874**	**1,999,686**	**2,490,120**	**1,313,762**	**4,114,868**	**16,983,869**
SURPLUS	**6,647**	**27,498**	**-**	**2,745**	**7,156,965**	**3,192,519**	**4,196,646**	**14,582,334**

Parent	Insurance fund		Investment contract		Shareholders funds		Dec-12
	Non-life	life	Mansard fund	MLS/MLIP	Non-life	life	
ASSETS							
Cash and cash equivalents	665,278	421,323		148,014	1,169,000	402,480	2,806,096
Financial assets							-
Equity securities:							-
– Available for sale	-	-	-	432,661	2,489,500	144,854	3,067,015
– At fair value through profit or loss	1,322,647	194,648	-	757,467	30,625	1,492,994	3,798,381
– Held to maturity	380,440	712,560	-	664,289	2,242,544	1,166,937	5,166,770
Other financial assets designated at fair value	-	-	1,603,874	-	-	-	1,603,874
Other loans and receivables	-		-	-	1,751,910	17,095	1,769,005
Deferred acquisition cost					254,018	-	254,018
Trade receivables	-	-	-	-	1,223,504	813,323	2,036,827
Reinsurance assets	1,510,951	287,855	-	-	-		1,798,806
Pledged assets	-	-	-	-	-	235,240	235,240
Investment in subsidiaries	-	-	-	-	-	2,687,661	2,687,661
Intangible assets	-	-	-	-	96,335	21	96,357
Property, plant and equipment	-	-	-	-	1,435,908	32,096	1,468,004
Statutory deposit	-	-	-	-	300,000	200,000	500,000
TOTAL ASSETS	**3,879,316**	**1,616,387**	**1,603,874**	**2,002,431**	**10,993,345**	**7,192,701**	**27,288,054**
LIABILITIES							
Insurance liabilities	4,276,374	1,588,888	-	-	-	-	5,865,263
Financial liabilities:							
Investment contracts:							
– At amortised cost	-	-	-	1,999,686	-	-	1,999,686
– At fair value	-	-	1,603,874	-	-	-	1,603,874
Borrowing						235,967	3,581,573
Trade payable			-	-	1,802,806	251,005	2,053,812
Other payables	-	-	-	-	385,918	119,060	1,047,208
Deferred income tax	-	-	-	-	214,377	-	421,017
Current income tax liabilities	-	-	-	-	267,859	124,441	411,435
Unearned premium debtors	(403,705)				403,705	-	-
TOTAL LIABILITIES	**3,872,669**	**1,588,888**	**1,603,874**	**1,999,686**	**3,074,665**	**730,474**	**16,983,869**
SURPLUS	**6,647**	**27,499**	**-**	**2,745**	**7,918,679**	**6,462,228**	**10,304,185**

4.4 Capital Management

The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 define Solvency Margin of a Non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net Premium Income (Gross Premium Income less Re-insurance premium paid) or the minimum capital base (3 billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Group has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement and deemed necessary.

The solvency margin for the group as at 31 December 2012 is as follows:

	Dec. 2012
Cash and bank balances	1,614,165
Quoted investment at market value	3,489,530
Unquoted stock at cost	2,804,946
Land and building	854,375
Furniture and fittings	235,943
Offive wquipments	96,774
Computer equipments	73,912
Intangibles	96,335
Motor vehicles	174,903
Prepaid expense made to staff members	10,688
Amount due from retro-cession	1,182,471
Defferred acquisition cost	254,018
Staff loans and advances	54,131
Claims receivables	328,480
Admissible assets	**11,270,671**
Provision for unexpired risk	2,941,956
Provision for outstanding claims	877,389
Provision for claims incurred but not reported	457,030
Funds to meet other liabilities	2,458
Admissible liabilities	6,734
Solvency margin	**4,536**
The higher of 15% of Net premium income and shareholders fund	3,000
Solvency ratio	**151%**

The Group further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Group and aggregates through co-variance methodology that considers the relationship between these risk categories.

The ratio of the required capital for the Group's risk profile to shareholders funds indicates the risk-based capital of the Group. As at year end, the internal capital adequacy model indicates that the Group's risk-based capital is 172%.

4.5 Fair value Hierarchy

The Group's accounting policy on fair value measurements is discussed under note 2.9.3.

Level 1: Fair value measurements classified as Level 1 include exchange-traded prices of fixed maturities and equity securities unadjusted in active market for identical assets and liabilities.
Level 2: valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Observable inputs generally used to measure the fair value of securities classified as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market date (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques. This category comprises of investment securities and other borrowed funds. The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

(All figures are in thousands of naira)

Group

31 December 2012

Asset type	Level 1	Level 2	Level 3	Total
Equity securities - Available for sale	432,660	2,413,296	221,065	3,067,021
Equity securities - At fair value through profit or loss	110,656	-	-	110,656
Debt securities - At fair value through income	3,965,331	-	-	3,965,331
Other financial assets designated at fair value	1,603,874	-	-	1,603,874
Total	**6,112,521**	**2,413,296**	**221,065**	**8,746,882**
Liability type				
Other financial liabilities designated at fair value	1,603,894			1,603,894

Group

31 December 2011

Asset type	Level 1	Level 2	Level 3	Total
Equity securities - Available for sale	397,967	2,312,264	166,009	2,876,240
Equity securities - At fair value through profit or loss	522,524	-	-	522,524
Debt securities - At fair value through income	4,000,887	-	-	4,000,887
Other financial assets designated at fair value	1,042,101	-	-	1,042,101
Total	**5,963,479**	**2,312,264**	**166,009**	**8,441,752**
Liability type				
Other financial liabilities designated at fair value	1,042,101			1,042,101

Parent

31 December 2012

Asset type	Level 1	Level 2	Level 3	Total
Equity securities - Available for sale	432,660	2,413,296	221,065	3,067,021
Equity securities - At fair value through profit or loss	108,302	-	-	108,302
Debt securities - At fair value through income	3,735,664	-	-	3,735,664
Other financial assets designated at fair value	1,543,491	-	-	1,543,491
Total	**5,820,117**	**2,413,296**	**221,065**	**8,454,478**

Parent

31 December 2011

Asset type	Level 1	Level 2	Level 3	Total
Equity securities - Available for sale	397,967	2,312,264	166,009	2,876,240
Equity securities - At fair value through profit or loss	489,594	-	-	489,594
Debt securities - At fair value through income	3,767,229	-	-	3,767,229
Other financial assets designated at fair value	1,042,101	-	-	1,042,101
Total	**5,696,891**	**2,312,264**	**166,009**	**8,175,164**

The following table shows the sensitivity of Level 3 measurements to reasonably possible favorable or unfavorable changes in the assumptions used to determine the fair value of the financial asset or liability. If discount rates were to change by +/- 1% and terminal growth rate were to change by +/- 0.5%, which management considers a reasonably possible change in assumptions for the 'Fair value of available-for-sale financial assets – equity securities. The impact is outlined below.

2012

Sensitivity analysis			
		Cost of equity	
Terminal Growth Rate	Favourable	23,108,247	21,404,802
	Unfavourable	28,098,916	24,721,942

2011

Sensitivity analysis			
		Cost of equity	
Terminal Growth Rate	Favourable	14,100,965	27,787,195
	Unfavourable	38,985,020	14,100,965

Financial assets and liabilities

Determination of fair value
The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The method and assumptions applied are enumerated below:

Cash and cash equivalent, borrowings and unquoted held-to- maturity bonds
The estimated fair value of fixed interest placement with banks, bonds and borrowings is based on the discounted cash flow techniques using prevailing money market interest rates for debts and similar credit risk and remaining maturity.

Quoted securities (held-to-maturity and held for trading)
The fair value for treasury bills and bonds assets is based on market prices or brokers/dealers price quotations. Where this information is not available, fair valuation is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Unquoted equity securities available for sale
The fair value of available-for-sale securities is based on the dividend discount model using an estimated cost of capital of 15.3% to discount future earning multiples.

Insurance liabilities
See Insurance risk for method and assumptions used to determine the fair value of life and non-life insurance contracts.

Trade receivables and payables, reinsurance receivables and other payables
The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or to received on demand.

Financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial assets and liabilities and their fair value

Group		Held-for-trading	Designated at fair value	Held-to -maturity	Loan and receivables	Available for sale	Other financial instruments at cost	Carrying amount	Fair value
December 2012	*Notes*								
Cash and cash equivalents	6	-	-	-	-	-	3,188,784	3,188,784	2,933,858
Debt securities	7.3	3,965,331	-	5,422,982	-	-	-	9,388,313	9,784,399
Equity securities	7.2	110,657	-	-	-	-	-	110,657	110,657
Other financial assets designated at fair value	7.4	-	1,603,874	-	-	3,067,015	-	4,670,889	4,670,889
Pledged assets	7.5	235,240						235,240	235,240
Trade receivables	8	-	-	-	2,036,827	-	-	2,036,827	2,036,827
Reinsurance receivables (excluding prepaid re-insurance)	9	-	-	-	616,335	-	-	616,335	616,335
Other Receivables (excl. Prepayment)	10	-	-	-	641,820	-	-	641,820	641,820
		4,311,228	**1,603,874**	**5,422,982**	**3,294,983**	**3,067,015**	**3,188,784**	**20,888,867**	**21,030,025**
Investment contracts:									
– Designated at fair value	20.2	-	1,603,874	-	-	-		1,603,874	1,603,874
– At amortised cost	20.1	-		-	-	-	1,999,686	1,999,686	1,999,686
Borrowing	21	-	-	-	-	-	3,581,573	3,581,573	3,804,438
Insurance liabilities	17	-	-	-	5,865,263	-	-	5,865,263	5,865,263
Trade Payables	20	-	-	-	1,203,941	-	-	1,203,941	1,203,941
Other payables	23	-	-	-	1,711,901	-		1,711,901	1,711,901
		-	**1,603,874**	**-**	**8,781,105**	**-**	**5,581,260**	**15,966,239**	**16,189,104**

Parent		Held-for-trading	Designated at fair value	Held-to-maturity	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
December 2012	**Notes**								
Cash and cash equivalents	6	-	-	-	-	-	2,806,096	2,806,096	2,768,549
Debt securities	7.3	3,690,079	-	5,166,769	-	-	-	8,856,848	9,294,672
Equity securities	7.2	108,302	-	-	-	3,067,015	-	3,175,317	3,175,317
Other financial assets designated at fair value	7.4	-	1,603,874	-	-	-	-	-	-
Trade receivables	8	-	-	-	2,036,827	-	-	2,036,827	2,036,827
Reinsurance receivables (excluding prepaid re-insurance)	9	-	-	-	616,335	-	-	616,335	616,335
Other Receivables (excl. Prepayment)	10	-	-	-	1,547,891	-	-	1,547,891	1,547,891
		3,798,381	1,603,874	5,166,769	4,201,054	3,067,015	2,806,096	19,039,314	19,439,592
Investment contracts:									
– Designated at fair value	20.2	-	1,603,874	-	-	-		1,603,874	1,603,874
– At amortised cost	20.1			-	-	-	1,999,686	1,999,686	1,999,686
Borrowing	21	-	-	-	-	-	-	-	-
Insurance liabilities	17	-	-	-	5,865,263	-	-	5,865,263	5,865,263
Trade Payables	20	-	-	-	1,203,941	-	-	1,203,941	1,203,941
Other payables	21	-	-	-	1,180,962	-		1,180,962	1,180,962
		-	1,603,874	-	8,250,166	-	1,999,686	11,853,727	11,853,727

Financial assets and liabilities

Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial assets and liabilities and their fair value

Group		Held-for-trading	Designated at fair value	Held-to-maturity	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
December 2011	**Notes**								
Cash and cash equivalents	6	-	-	-	-	-	2,606,744	2,606,744	2,606,744
Debt securities	7.3	4,000,887	-	3,092,619	-	-	-	7,093,506	7,019,283
Equity securities	7.2	522,524	-	-	-	2,858,242	-	3,380,766	3,380,766
Other financial assets designated at fair value	7.4	-	1,042,101	-	-	-	-	1,042,101	1,042,101
Trade receivables	8	-	-	-	1,656,476	-	-	1,656,476	1,656,476
Reinsurance receivables (excluding prepaid re-insurance)	9	-	-	-	650,717	-	-	650,717	650,717
Other Receivables (excl Prepayment)	10	-	-	-	153,835	-	-	153,835	153,835
		4,523,411	1,042,101	3,092,619	2,461,028	2,858,242	2,606,744	14,125,578	14,051,355
Investment contracts:									
– Designated at fair value	20.2	-	-	-	-	-	1,513,107	1,513,107	1,513,107
– At amortised cost	20.1	-	1,042,101	-	-	-	-	1,042,101	1,042,101
Borrowing	21	-	-	-	-	-	926,463	926,463	1,004,699
Insurance liabilities	17	-	-	-	4,649,201	-	-	4,649,201	4,649,201
Trade Payables	20	-	-	-	1,288,161	-	-	1,288,161	1,288,161
Other payables	21	-	-	-	655,081	-		655,081	655,081
		-	1,042,101	-	5,938,017	-	2,439,570	9,419,688	9,497,924

Parent		Held-for-trading	Designated at fair value	Held-to-maturity	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
December 2011	Notes								
Cash and cash equivalents	6	-	-	-	-	-	1,917,218	1,917,218	1,913,592
Debt securities	7.3	3,767,300	-	2,779,166	-	-	-	6,546,466	6,479,766
Equity securities	7.2	489,594	-	-	-	2,858,242	-	3,347,836	3,347,836
Other financial assets designated at fair value	7.4	-	1,042,101	-	-	-		1,042,101	1,042,101
Trade receivables	8	-	-	-	1,656,476	-	-	1,656,476	1,656,476
Reinsurance receivables (excluding prepaid re-insurance)	9	-	-	-	650,717	-	-	650,717	650,717
Other Receivables (excl Prepayment)	10	-	-	-	2,528,612	-	-	2,528,612	2,528,612
		4,256,894	1,042,101	2,779,166	4,835,805	2,858,242	1,917,218	17,689,426	17,619,100
Investment contracts:									
– Designated at fair value	20.2	-	-	-	-	-	1,513,107	1,513,107	1,513,107
– At amortised cost	20.1	-	1,042,101	-	-	-	-	1,042,101	1,042,101
Borrowing	21	-	-	-	-	-	-	-	-
Insurance liabilities	17	-	-	-	4,649,201	-	-	4,649,201	4,649,201
Trade Payables	20	-	-	-	1,288,161	-	-	1,288,161	1,288,161
Other payables	21	-	-	-	745,796	-	-	745,796	745,796
		-	1,042,101	-	6,683,158	-	1,513,107	9,238,366	9,238,366

Notes to the financial statements
For the Year Ended 31 December 2012

5.0 Segment Information
The Group is organized into five operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the Management Investment and Underwriting Committee. These segments and their respective operations are as follows:

Non-Life: This segment covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Life : This segment covers the protection of the Group's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

Asset management: Offers a range of investment products domestically and abroad to suit customer's long- and short-term investment needs. Revenue from this segment is derived primarily from fee income, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

Property development: The Group undertakes real estate development project with the aim of outright sale or lease of the properties to meet the needs of individual and corporate bodies. The Group offers various products in real estate to meet client needs while promoting value adding business relationships and utilizes a combination of debt and equity finance to provide funds for projects. Revenue from this segment is derived primarily from fee income, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

Corporate assets: Includes the operation of the Staff Investment Scheme and corporate operations, after allocations to operating segments. Corporate operations consist primarily of corporate-level income and expenses, after allocations to any business segments.

Expenses for corporate units that render services for all business segments are initially paid by the general business segment and transfered to other business units at cost price. The expenses are allocated based on service man hours rendered by the corporate units to the various business segments.

The corporate expenses for the following centrally shared services are being apportioned to all business segments in the group:

- System and controls
- Financial control
- Human resources
- Information technology

Mansard Investments Limited rendered asset management services for other business segments of the group. Fee income earned on asset management services is eliminated on consolidation.

Notes to the financial statements
For the Year Ended 31 December 2012

In thousands of Nigerian Naira

The segment information provided by the Management Underwriting Investment Committee for the reporting segments for the year ended 31 December 2012

Group	Non-Life	Life	Asset Management	Property development	Corporate assets	Elimination Adjustments	Total
Revenue:							
Derived from external customers:							
Gross premium	9,259,161	3,185,290	-	-	-	-	2,444,451
Gross premium income	8,628,652	3,027,368	-	-	-	-	11,656,020
Reinsurance expenses	(3,936,270)	(610,449)	-	-	-	-	(4,546,719)
Net premium income	4,692,382	2,416,919	-	-	-	-	7,109,301
Fee and commission income	387,557	140,135	-	-	-	-	527,692
Investment income attributable to insurance fund:							
Insurance contracts	113,662	91,477	-	-	-	-	205,139
Investment contract	-	133,700	-	-	-	16,303	150,003
Investment income	662,598	414,432	232,891	51,258	18,400	(89,702)	1,289,877
Net realised gains on financial assets	(2,478)	14,019	4,276	-	-	-	15,817
Net fair value gain/(loss) on financial assets at fair value through profit or loss	2,431	-	894	572,971	-	-	576,296
Other operating income	244,610	13,312	681	-	-	(267,002)	(8,398)
Fair value gains on investment property	-	-	-	-	-	-	-
Rental income				129,417			129,417
Net income	6,100,762	3,223,994	238,742	753,646	18,400	(340,400)	9,995,144
Insurance benefits and claims	2,654,276	1,184,328	-	-	-	-	3,838,604
Insurance claims recovered from re-insurer	(492,033)	(186,322)	-	-	-	-	(678,355)
Net insurance benefits and claims	2,162,244	998,005	-	-	-	-	3,160,249
Acquisition Cost	1,043,134	279,959	-	-	-	-	1,323,093
Other underwriting Expenses	77,211	250,640	-	-	-	-	327,852
Expenses for marketing and administration	390,549	337,797	-	-	-	-	728,347
Employee benefit expense	575,833	357,63	79,901	-	14,290	-	1,027,661
Depreciation and amortisation	230,903	11,767	5,843	-	-	-	248,514
Impairment loss on trade receivables	44,583	25,006	-	-	-	-	69,589
Other expenses	368,886	439,964	38,506	7,591	4,619	-	859,567
Net expenses	4,893,343	2,700,775	124,250	7,591	18,909	-	7,744,872
Reportable segment profit	1,207,418	523,219	114,493	746,055	(509)	-	2,250,272
Finance cost	-	-	-	97,025	3,180	(29,739)	70,466
Profit before income tax from reportable segments	**1,207,418**	**523,21**	**114,493**	**649,031**	**(3,689)**		**2,179,806**
Income tax expenses	286,498	64,083	21,122	32,071	172,724	-	576,499
Profit after income tax	**920,920**	**-**	**459,136**	**93,370**	**616,959**	**(176,413)**	**1,603,306**

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Parent	Non-Life	Life	Total
Revenue:			
Derived from external customers:			
Gross premium	9,259,161	3,185,290	12,444,451
Gross premium income	8,628,652	3,027,368	11,656,020
Reinsurance expenses	(3,936,270)	(610,449)	(4,546,719)
Net premium income	4,692,382	2,416,919	7,109,301
Fee and commission income	387,557	140,135	527,692
Investment income attributable to insurance fund:			
Insurance contracts	113,662	91,477	205,139
Investment contract	-	133,700	133,700
Transfer of surplus/ (deficit) to life fund	#REF!	#REF!	#REF!
Investment income	887,733	414,432	1,302,165
Net realised gains on financial assets	(2,478)	14,019	11,541
Net fair value gain/(loss) on financial assets at fair value through profit or loss	2,431	-	2,431
Other income	19,475	13,312	32,787
Net income	6,100,761	3,223,994	9,324,755
Insurance benefits and claims	2,654,276	1,184,328	3,838,604
Insurance claims recovered from re-insurer	(492,033)	(186,322)	(678,355)
Net insurance benefits and claims	2,162,244	998,005	3,160,249
Acquisition Cost	1,043,134	279,959	1,323,093
Other underwriting Expenses	77,211	250,640	327,852
Expenses for marketing and administration	390,549	337,797	728,347
Employee benefit expense	576,262	357,637	933,898
Depreciation and amortisation	230,793	11,767	242,560
Impairment loss on trade receivables	44,583	25,006	69,589
Other expenses	368,567	439,964	808,532
Net expenses	4,893,344	2,700,777	7,594,120
Reportable segment profit	1,207,417	523,217	1,730,635
Finance cost	-	-	
Profit before income tax from reportable segments	**1,207,417**	**523,217**	**1,730,635**
Income tax expenses	286,498	64,083	350,581
Profit after income tax	**920,919**	**459,134**	**1,380,053**

No single customer or broker contributed 10 per cent or more of the entity's revenues as at period end.

Notes to the financial statements
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6.0 Cash and cash equivalents
Cash and cash equivalent represents balances with less than 3 months maturity from the date of acquisition.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Cash at bank and in hand	1,392,479	887,448	392,964	1,306,343	285,842	379,220
Short-term bank deposits (see note (a) below)	1,796,306	1,719,296	4,977,149	1,499,752	1,631,376	4,633,296
Total cash and cash equivalents	3,188,785	2,606,744	5,370,113	2,806,095	1,917,218	5,012,516

(a) Included in short term deposits is a debt reserve account of N184,240,000 (2011: Nil) held by with Guaranty Trust Bank plc. This balance has not been included for cashflow purposes.

For the purpose of the cashflow statement cash and cash equivalent comprise the following balances with less than 3 months maturity form the date of acquisition.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Cash at bank and in hand	1,392,479	887,448	392,964	1,306,343	285,842	379,220
Short-term bank deposits	1,612,066	1,719,296	4,977,149	1,499,752	1,631,376	4,633,296
	3,004,545	2,606,744	5,370,113	2,806,095	1,917,218	5,012,516

7.0 Financial assets
The Group's financial assets are summarized below by measurement category in the table below:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Held-to-maturity (see note 7.1 below)	5,422,982	2,879,202	1,665,319	5,166,769	2,629,202	1,302,264
Available-for-sale (see note 7.2 below)	3,067,015	2,858,242	3,494,268	3,067,015	2,858,242	2,954,680
Fair value through profit or loss (see note 7.3 below)	4,075,988	4,523,411	1,938,182	3,798,381	4,256,894	1,885,577
Other financial assets designated at fair value (see note 7.4 below)	1,603,874	1,042,101	846,675	1,603,874	1,042,101	846,675
Pledged Assets (see note 7.5 below)	235,240	-	-	235,240	-	-
Total financial assets	14,405,099	11,302,956	7,944,444	13,871,279	10,786,439	6,989,196
Current	6,424,737	5,575,412	3,324,443	6,147,129	5,298,995	2,732,252
Non-current	7,980,362	5,790,997	4,620,001	7,724,150	5,487,444	4,256,944

7.1 Held-to-maturity financial assets, at amortised cost

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
(a)Debt securities – fixed interest rate:						
– Listed	4,592,419	2,168,883	1,665,319	4,438,189	2,020,780	645,005
– Unlisted	830,563	710,319	-	728,580	608,422	657,259
Total held-to-maturity financial assets	5,422,982	2,879,202	1,665,319	5,166,769	2,629,202	1,302,264
Current	509,634	-	-	509,634	-	-
Non-current	4,913,348	2,879,202	1,665,319	4,657,135	2,629,202	1,302,264

Financial assets held-to-maturity are presented at amortised cost less impairment on the Group's consolidated financial statement. The fair value of the held-to-maturity assets as at the reporting date is stated below:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
	5,819,067	2,872,031	1,498,788	5,604,593	2,566,101	1,172,038

Fair values for held-to-maturity financial assets are based on market prices or broker/dealer price quotations. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

At the reporting date, no held-to-maturity assets were past due or impaired
Held-to-maturity instruments represent investment in government and corporate bonds as at year end.

Held-to-maturity bonds are analysed below:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
5.5% FGN FEB 2013	369,194	239,431	132,308	369,194	239,431	193,336
10.5% FGN MAR 2014	205,790	206,041	-	205,790	206,041	22,240
4.00% FGN APR 2015	1,343,454	604,603	-	1,343,454	604,603	-
15.10% FGN APR 2017	803,854	-	-	799,173	-	-
10.70% FGN MAY 2018	39,896	45,422	-	39,896	45,422	-
7.00% FGN OCT 2019	858,986	506,712	318,100	859,090	506,712	230,433
16.39% FGN JAN 2022	11,141	-	-	11,141	-	-
8.50% FGN NOV 2029	602,554	566,673	455,756	453,284	416,674	198,996
GTB Corporate Bond Series 1	271,513	271,298	305,830	221,217	221,298	255,590
Kwara State Government Bond	105,753	105,715	105,715	105,753	105,715	105,715
Lagos State Government 2013 5 Years Series 1	106,003	106,019	104,862	106,003	106,019	104,862
UBA Bond Series 1	227,424	227,287	242,748	175,737	177,287	191,092
0%LCR2017S2	357,550	-	-	357,550	-	-
Lagos State Government Nov 2019 Series 1 Bond	119,870	-	-	119,870	-	-
	5,422,982	2,879,202	1,665,319	5,167,153	2,629,202	1,302,264

7.2Available-for-sale financial assets

Available for sale instruments represents interests in listed funds and unlisted entities as at period end.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Equity securities						
– Fund balance	490,396	379,968	-	490,396	379,968	-
– Unlisted	2,576,619	2,478,274	2,954,680	2,576,619	2,478,274	2,415,092
Debt securities						
– Listed	-	-	539,588	-	-	539,588
Total available-for-sale financial assets	3,067,015	2,858,242	3,494,268	3,067,015	2,858,242	2,954,680

Analysis of available for sale instruments is shown:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
BGL plc	100	15,000	35,000	100	15,000	35,000
Food Concept plc	6,701	11,700	11,700	6,701	11,700	11,700
MTN Group	2,249,166	2,163,912	2,142,009	2,249,166	2,163,912	2,142,010
Coral Growth Fund	1,620	1,704	1,718	1,620	1,704	1,718
DML Nominees	48	48	788	48	48	787
ARM Pensions Managers	221,066	166,010	163,477	221,066	166,010	163,477
5th FGN BOND 2013 SERIES 4			539,588			539,588
GT Homes Limited	50,000	50,000	50,000	50,000	50,000	50,000
Legacy funds	10,800	9,900	10,400	10,800	9,900	10,400
IAML	208,536	187,362		208,536	187,362	
ARM Mutual Funds	224,125	192,606		224,125	192,606	
GT Funds	94,854	60,000		94,854	60,000	
	3,067,015	2,858,242	2,954,680	3,067,015	2,858,242	2,954,680
Non-current	3,067,015	2,848,342	2,954,680	3,067,015	2,858,242	2,954,680

At the reporting date there are no available for sale assets that were overdue but not impaired.

7.3 Financial assets at fair value through profit or loss

Equity securities						
– Listed	110,657	522,524	708,993	108,302	489,593	656,388
Debt securities:						
– Listed	3,964,604	4,000,887	1,229,189	3,689,352	3,767,300	1,229,189
Total financial assets at fair value through profit or loss	4,075,261	4,523,411	1,938,182	3,797,653	4,256,893	1,885,577
Current	4,075,261	4,523,411	1,938,182	3,797,653	4,256,894	1,885,577
Non-current	-	-	-	-	-	-

Analysis of equities securities is shown below:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Crusader Insurance plc	66,285	66,693	70,694	66,285	66,693	70,694
Custodian and Allied Insurance plc	3,639		13,410	3,639	-	13,410
Diamond Bank plc	3,247	136		2,259	136	-
Fidelity Bank plc	676	4,040	16,172	676	4,040	16,172
First Bank plc	1,521	270,876	14,044	1,521	270,876	4,061
Legacy fund				-		
Nigerian Aviation Handling Company plc	4	3	243	4	3	243
Nigeria Breweries plc	-	-	7,110	-	-	7,110
Nestle Nigeria plc	700	446	10,734	700	446	10,734
Skye Bank plc	0	0	82,994	0	0	82,994
Skye Shelter fund	8,800	8,800	10,000	8,800	8,800	10,000
Staco Insurance Plc	0	0	150	0	0	150
Tripple Gee Company plc	9,638	11,757	14,400	9,638	11,757	14,400
United Bank of Africa plc	5,466	521	1,986	5,466	521	1,986
Access Bank plc	10,680	0	-	9,314	0	-
Guaranty Trust Bank plc	-	32,930	51,384	-	-	14,163
Zenith Bank of Nigeria plc	-	119,238	130,764	-	119,238	125,362
Ashaka Cement Nigeria plc	-	1,499	-	-	1,499	-
Dangote flour mill plc	-	4,193	-	-	4,193	-
Oando plc	-	1,392	32,766	-	1,392	32,766
Others	-	-	252,143	-	-	252,143
	110,656	522,524	708,993	108,302	489,594	656,388

Analysis of debt securities is shown below:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Government Treasury Bills	3,786,754	4,000,887	138,346	3,511,502	3,767,300	138,346
Bond Description						
5th FGN Bond Series 2	-	-	322,202	-	-	322,202
UBA Bond Series 1	-	-	20,662	-	-	20,662
GTB Euro Bond	-	-	144,214	-	-	144,214
4% FGN APR 2015	83,020	-	-	83,020	-	-
5th FGN Bond Series 2	94,830	-	-	94,830	-	-
FBN Capital Finance	-	-	603,765	-	-	603,765
	3,964,604	4,000,887	1,229,189	3,689,352	3,767,300	1,229,189

All debt securities in this category are listed fixed rate government treasury bills and trading bonds.
Equity and debt securities classified at fair value through profit or loss are designated in this category upon initial recognition.

At the reporting date, there were no assets measured at fair value through the profit or loss that were either past due or impaired

7.4 Other financial assets designated at fair value represent the assets of the investment contracts. The assets matches the financial liabilities carried at fair value as at period end (See note 18.2).These balance comprises equity and debt securities classified at fair value through profit or loss which have been designated.

7.5 Pledged assets

Pledged assets represents assets transferred to providers of short term borrowings for the purpose of securing the debt (See note 19 (c)). The debt providers maintain posession of the pledged assets but does not have ownership unless default. Pledged assets are measured at fair value as at year end.

Analysis of pledged assets is as follows:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
16% FGN 2019 S3 - (9TH FGN 2019 S3)	235,967	-	-	235,967	-	-
	235,967	-	-	235,967	-	-

8.0 Trade receivables

Trade receivables comprises of the follows:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Insurance receivables						
– Insurance receivables	2,257,363	1,924,803	1,190,253	2,257,363	1,924,803	1,190,253
– Less provision for impairments (See note (c) below)	(220,536)	(268,346)	(181,579)	(220,536)	(268,346)	(181,579)
	2,036,827	1,656,457	1,008,674	2,036,827	1,656,457	1,008,674

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(a) Analysis of insurance receivables:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Life contracts insurance receivables	813,323	1,924,803	345,051	813,323	1,924,803	345,051
Non-life contracts insurance receivables	1,223,504	(268,346)	663,623.00	1,223,504	(268,346)	663,623.00
	2,036,827	1,656,457	1,008,674	2,036,827	1,656,457	1,008,674

Counterparty categorization of insurance receivables:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
life business						
Insurance companies	67,314	2,845	-	67,314	2,845	-
Brokers and agents	694,307	40,152	226,569	694,307	40,152	226,569
Contract holders	128,333	630,684	178,533	128,333	630,684	178,533
Total insurance receivables	889,953	673,681	405,102	889,953	673,681	405,102
– Less impairment for receivables from contract holders	(48,871)	(58,223)	(7,125)	(48,871)		(7,125)
– Less impairment for receivables from agents, brokers and intermediaries	(19,104)	(34,344)	(52,926)	(19,104)	(34,344)	(52,926)
– Less provision for impairment of receivables from insurance companies	(8,655)	(1,366)	-	(8,655)	(1,366)	-
Impairment life business	(76,630)	(93,933)	(60,051)	(76,630)	(93,933)	(60,051)
	813,323	579,748	345,051	813,323	579,748	345,051
Non-life business						
Insurance companies	127,349	5,284	32,820	127,349	5,284	32,820
Brokers and agents	740,738	74,568	420,771	740,738	74,568	420,771
Contract holders	499,323	1,171,270	331,560	499,323	1,171,270	331,560
Total insurance receivables	1,367,410	1,251,122	785,151	1,367,410	1,251,122	785,151
Less impairment for receivables from contract holders	(34,504)	(108,093)	(13,231)	(34,504)	(108,093)	(13,231)
Less impairment for receivables from agents, brokers and intermediaries	(93,334)	(63,782)	(98,291)	(93,334)	(63,782)	(98,291)
Less provision for impairment of receivables from insurance companies	(16,068)	(2,538)	(10,006)	(16,068)	(2,538)	(10,006)

Impairment non-life business	(143,906)	(174,413)	(121,528)	(143,906)	(174,413)	(121,528)
	1,223,504	1,076,709	663,623	1,223,504	1,076,709	663,623
Total re-insurance receivables	**2,036,827**	**1,656,457**	**1,008,674**	**2,036,827**	**1,656,457**	**1,008,674**

There is no concentration of credit risk with respect to loans and receivables, as the Group has a non-symmetrical portfolio dispersed across many industries in Nigeria.

The age analysis of gross insurance receivables as at the end of the year are as follows:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
0 – 90 days	1,650,510	1,400,764	645,120	1,650,510	1,400,764	749,369
91 – 180 days	299,985	228,865	161,959	299,985	228,865	192,779
Above 180 days	306,869	295,173	383,174	306,869	295,173	248,105
			-			-
Total	2,257,363	1,924,802	1,190,253	2,257,363	1,924,802	1,190,253

(b) Impairment of insurance receivables

The movement in impairment of insurance receivables is as follows

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	268,327	181,579	268,327	181,579
Additions, during the year	69,589	167,393	69,589	167,393
Prior year debts written off during the year	(117,380)	(80,626)	(117,380)	(80,626)
Balance, ending of the year	220,536	268,346	220,536	268,346

9.0 Reinsurance receivables

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Total reinsurers' share of insurance liabilities	616,335	650,717	199,400	616,335	650,717	199,400
Prepaid re-insurance non-life (see note (a) below)	1,182,471	785,851	434,162	1,182,471	785,851	434,162
	1,798,806	1,436,568	633,562	1,798,806	1,436,568	633,562

(a) The movement in prepaid reinsurance is as follows:

	Group Dec-2012	Group 31 Dec	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	785,851	434,162	785,851	434,162
Additions in the year	4,332,889	4,234,793	4,332,889	4,234,793
Release in the year	(3,936,269)	(3,883,104)	(3,936,269)	(3,883,104)
Balance, ending of the year	1,182,471	785,851	1,182,471	785,851

(i) Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value

(ii) Re-insurance assets are not impaired as balance are set-off against payables from retrocession at the end of every quarter.

Current	1,617,845	1,420,522	633,562	1,617,845	1,420,522	633,562
Non-current	180,961	16,046	-	180,961	16,046	-

10.0 Other receivables

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
– Prepayment	225,603	135,504	266,227	221,115	135,396	266,079
– Accrued income	24,043	120,554	41,125	25,211	108,247	118,653
– other loans and receivables	629,693	96,734	114,466	154,216	62,867	105,639
– Other loans and receivable from related parties	681	-	-	1,381,059	2,357,498	2,442,180
– Less provision for impairment of other loans and receivables	(12,596)	-	-	(12,596)	-	-
	867,424	352,792	421,818	1,769,005	2,664,008	2,932,551

(i) As at year end 12,596,000 (2011:Nil) were past due. All past due receivables were individually impaired.

Current	707,410	213,801	(32,509)	1,608,991	2,587,245	2,899,620
Non-current	160,014	75,538	32,931	160,014	76,763	32,931

11.0 Deferred acquisition cost

This represents commission on unearned premium relating to the unexpired tenure of risk.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Deferred acquisition cost- Fire	32,535	39,493	23,283	32,535	39,493	23,283
Deferred acquisition cost- Gen. Accident	26,915	18,951	16,769	26,915	18,951	16,769
Deferred acquisition cost- Motor	62,878	53,274	45,231	62,878	53,274	45,231
Deferred acquisition cost- Marine	42,883	34,356	24,840	42,883	34,356	24,840
Deferred acquisition cost- Engineering	18,413	17,902	13,484	18,413	17,902	13,484
Deferred acquisition cost- Oil & Gas	58,403	20,043	13,706	58,403	20,043	13,706
Deferred acquisition cost- Aviation	11,991	12,638	7,729	11,991	12,638	7,729
Total	254,018	196,657	145,042	254,018	196,657	145,042

The movement in deferred acquisition cost is as follows:

	Group Dec-2012	2011 31 Dec	2011 1 Jan	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Balance, beginning of the year	196,656	145,042	-	196,657	145,042	-
Additions in the year	853,030	776,310	-	853,030	776,310	-
Amortization in the year	(795,668)	(724,695)	-	(795,668)	(724,695)	-
Balance, ending of the year	254,018	196,657	-	254,018	196,657	-
Current	205,813	187,789	-	205,813	187,789	-
Non-current	48,205	8,868	-	48,205	8,868	-

12.0 Investment in subsidiaries

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Mansard Investment Limited	-	-	-	600,000	600,000	600,000
APD Limited	-	-	-	382,326	382,326	-
Barista Limited	-	-	-	1,705,335	1,705,335	1,705,335
Glen Maye Limited	-	-	-	-	859,168	858,368
	-	-	-	2,687,661	3,546,829	3,163,703

Principal subsidiary undertakings:
The Group is controlled by Mansard Insurance plc "the parent" (incorporated in Nigeria). The controlling interest of Mansard Insurance plc in the Group entities is disclosed in the table below:

Company name	Nature of business	Country of origin	% of equity capital controlled
Mansard Investment Limited	Asset management	Nigeria	99.9
Staff Investment Trust Scheme	Trustee	Nigeria	100
Barista Property Development Limited	Property development	Nigeria	99.9
APD Limited	Property development	Nigeria	55.7
Glen Maye Properties Limited*	Property development	Nigeria	-

** The Group interest in Glen Maye was diposed during the year.*

The remaining interests in the Group are held by minority shareholders.

1 Mansard Investments Limited was incorporated in January 2008 and and its principal activity involves provision of portfolio management services to both individual and corporate clients.

2 Staff Investment Trust Scheme commenced operation in September 2005 to enable eligible employee subscribe to the ordinary shares of the Company. Mansard Insurance has a receivable of N38 million (2011: 119 million) due from the SIT. This has been included in other loans and receivables from related parties.

3 Assur Property Development Company Limited was incorporated on 2 September 2010 for the purpose of holding and developing the Company's former office block located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra mordern office structure

4 Barista Property Development Company Limited was incorporated on 7 July 2008 to provide property development and investment services to both individual and corporate clients.

The latter two are special purpose vehicle established by the Company for the purpose of investing in real the sector of the economy. The movement in investment in subsidiaries during the year is as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	-	-	3,546,829	3,163,703
Additions, during the year	-	-	-	383,126
Disposal, during the year	-	-	(859,168)	-
Balance, end of the year	-	-	2,687,661	3,546,829

13.0 Investment properties

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Investment property (see note (a) below)	4,328,355	2,659,483	2,545,335	-	-	-
Investment property under construction (see note (b) below)	2,608,305	2,831,009	-	-	-	-
Balance as at period end	6,936,660	5,490,492	2,545,335	-	-	-
(a) Investment properties						
Investment properties held by Glen Maye	-	861,964	858,368	-	-	-
Investment properties held Barista	1,928,792	1,797,519	1,686,967	-	-	-
Investment properties held by APD	2,399,563					
Balance as at period	4,328,355	2,659,483	2,545,335	-	-	-

During the period the investment in Glen Maye property was disposed for N900 million. The Group recognised a profit of N40,082,000 (2011: Nil) for the sale of the investment property during the period. The profit has been included in other operating income in the profit or loss.

Investment property held by Barista was independently valued by Fola Oyekan and Associate an estate valuers as at December 2012 to ascertian the open market value of the investment property. The open market value of the property was N1,928,972,000 (2011: N1,797,539,000). The dertermination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific percularities corroborated with available database derived from previous experiences.

The movement in investment properties is analysed as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	2,659,483	2,545,335	-	-
Construction cost capitalised during the year	24,369	20,393	-	-
Investment property disposed during the year	(859,187)	-	-	-
Fair value gain on investment properties (Barista)	106,904	90,978	-	-
Fair value gain/loss on investment properties (Glen Maye)		(2,777)	2,777	
Fair value gain on investment properties (APD)	468,843	-	-	-
Reclassification from property under construction	1,930,720	-	-	-
Balance, end of the year	4,328,355	2,659,483	-	-

(b) Investment properties under construction

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	2,831,009	1,872,838	-	-
Additions and capital improvements	1,708,016	958,171	-	-
Reclassification to invesment property	(1,930,720)	-	-	-
Balance end of period	2,608,305	2,831,009	-	-

Investment property under development comprises investments made by the Group in landed properties which are being developed for rental income or capital appreciation, or both, and are not to be occupied substantially for use in the operations of the Group. Included in investment property under construction are borrowing cost of N304,731,694 (2011: 39,664,996) capitalised during the year. Investment property under development is measured at cost as this represents the fair estimate of the property under development.The completed portion of the property under construction was reclassified to investment property at cost during the year and its curently being carried at fair value as at year end.

Investment property held by APD was independently valued by Jide Taiwo & Co an estate valuers as at December 2012 to ascertian the open market value of the investment property. The open market value of the property was N2,037,624,000 (2011: Nil). The determination of fair value was with recourse to the cost approach methodology.The modalities and process of valuation utilized extensive analysis of market data and other sectors specific percularities corroborated with available database derived from previous experiences.

An equitable mortgage on the Group's investment property under construction (See note 21) was used to secure the borrowing.A complete portion of property has has been put into use and rental of N129 million has been recognized as at year end (see note 29.1)

14.0 Intangible assets

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Cost:				
Balance, beginning of the period	131,462	104,947	129,205	104,527
Additions	88,266	26,500	84,984	24,677
Balance, end of the period	219,728	131,447	214,189	129,204
Amortization:				
Balance, beginning of the period	89,763	77,293	89,540	77,184
Amortisation charge	29,196	12,457	28,292	12,355
Accumulated amortisation and impairment ending of the period	118,959	89,750	117,832	89,539
Closing net book amount	100,769	41,697	96,357	39,665

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15.1
(a) **Property and equipment (Group)**
As at 31 December 2012

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Cost							
Balance, January 1, 2012	389,664	428,669	-	367,520	-	200,934	-
Additions	-	47,006	132,930	50,843	59,500	127,757	418,036
Reclassifications	-	-	-	-	-		-
Disposals	-		(52,891)	(134)	(3,844)	-	(56,869)
Balance, 31 December 2012	389,664	475,675	447,559	251,643	180,193	368,467	2,113,201
Accumulated depreciation							
Balance, January 1, 2012	-	2,143	203,298	133,529	51,817	73,348	464,135
Charge	-	8,821	82,916	43,442	27,178	56,961	219,318
Disposals	-	(44,332)	(90)	(3,644)	-	(48,066)	
Balance, 31 December 2012	-	10,964	241,882	176,881	75,351	130,309	635,387
Net book value							
							As at
December 31, 2012	389,664	464,711	205,677	74,762	104,842	238,158	1,477,814
At 1 January, 2012	389,664	426,526	164,223	67,405	72,720	167,362	1,287,899

(b) Property and equipment (Parent)
As at 31 December 2012

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Cost							
Balance, January 1, 2012	389,664	428,669	350,195	200,173	124,243	236,297	1,729,241
Additions	-	47,006	132,930	51,013	59,287	127,726	417,962
Reclassifications	-	1,698	-	-	-	-	-
Disposals	-	(52,891)	-	(304)	-	(3,844)	(57,039)
Balance, 31 December 2012	389,664	475,675	430,234	250,882	179,686	364,023	2,090,164
Accumulated depreciation							
Balance, January 1, 2012		2,143	197,299	133,059	51,644	71,814	455,959
Charge for the year		8,821	78,801	43,301	27,087	56,258	214,268
Disposals		(44,332)	(90)	(3,644)	-		(48,066)
Balance, 31 December 2012	-	10,964	231,768	176,270	75,087	128,072	622,161
Net book value							
As at December 31, 2012	389,664	464,711	198,466	74,612	104,599	235,951	1,468,003
As at January 1, 2012	389,664	426,526	152,895	67,114	72,599	164,483	1,273,281

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15.2
(a) Property and equipment (Group)
As at 31 December 2011

	LAND	BUILDING	MOTOR VEHICLES	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Cost							
Balance, beginning of year	-	-	276,823	166,880	85,873	158,281	687,857
Additions	389,664	428,669	109,256	39,788	39,486	88,817	1,095,680
Disposals	-	-	(18,558)	(5,735)	(823)	(6,387)	(31,503)
Balance, end of year	389,664	428,669	367,521	200,933	124,536	240,711	1,752,034
Accumulated depreciation							
Balance, beginning of year	-	-	150,639	101,337	32,792	40,113	324,881
Charge for the year	-	2,143	73,296	37,900	19,540	33,700	166,579
Write back of previous depreciation	-	-	(2,541)	-	-	-	(2,541)
Disposals	-	-	(18,095)	(5,707)	(516)	(464)	(24,782)
Balance, end of year	-	2,143	203,299	133,530	51,816	73,349	464,137
Net book value							
At 31 December 2011	389,664	426,526	164,222	67,403	72,720	167,362	1,287,899
At 1 January 2011	-	-	126,184	65,543	53,081	118,168	362,976

i. No leased assets are included in the above property and equipment account (1 January 2011: Nil)

ii. The Group had no capital commitments as at the balance sheet date (1 January 2011: Nil). As at the reporting date land is being carried at cost.

(b) Property and equipment (Parent)
As at 31 December 2011

	LAND	BUILDING VEHICLES	MOTOR EQUIPMENT	COMPUTER EQUIPMENT	OFFICE & FITTINGS	FURNITURE	TOTAL
Cost or valuation							
Balance, beginning of year	-	-	270,292	166,457	85,617	154,901	677,267
Additions	389,664	428,669	98,461	39,451	39,449	87,783	1,083,477
Disposals	-	-	(18,558)	(5,735)	(823)	(6,387)	(31,503)
Balance, end of year	389,664	428,669	350,195	200,173	124,243	236,297	1,729,241
Accumulated depreciation							
Balance, beginning of year	-	-	148,441	101,055	32,678	39,251	321,426
Charge for the year		2,143	66,954	37,711	19,482	33,027	159,316
Disposals	-	-	(18,095)	(5,707)	(516)	(464)	(24,782)
Balance, end of year	-	2,143	197,300	133,059	51,644	71,814	455,960
Net book value							
At 31 December 2011	389,664	426,526	152,895	67,114	72,599	164,483	1,273,281
At 1 January 2011	-	-	121,850	65,402	52,939	115,650	355,841

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16.0 Statutory deposit
This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Statutory deposit	500,000	500,000	500,000	500,000	500,000	500,000
	500,000	500,000	500,000	500,000	500,000	500,000

17.1 Share capital:
Share capital comprises:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Authorized:						
(a) *Issued and fully paid:*						
10,000,000,000 Ordinary shares of 50k each	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

(i) Non-Life Business
Share capital comprises:
Issued and fully paid:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
8,000,000, 000 Ordinary shares of 50k each	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

(ii) Life Business
Issued and fully paid:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
2,000,000,000 Ordinary shares of 50k each	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

17.2 Share premium
Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

17.3 Contingency reserves

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While life business the contigency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reached the amount of minimum paid up capital.

The movement in this account during the year is as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	1,241,011	988,221	1,241,011	988,221
Transfer from retained earnings	323,688	252,790	323,688	252,790
Balance, end of year	1,564,699	1,241,011	1,564,699	1,241,011

Analysis per business segment

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Non-life business	1,352,705	1,074,930	1,352,705	1,074,930
Life business	211,995	166,081	211,995	166,081
Balance, end of year	1,564,700	1,241,011	1,564,700	1,241,011

(i) Non-Life Business

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	1,074,930	845,819	1,074,930	845,819
Transfer from retained earnings	277,775	229,111	277,775	229,111
Balance, end of year	1,352,705	1,074,930	1,352,705	1,074,930

(ii) Life Business

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	166,081	142,404	166,081	142,404
Transfer from retained earnings	45,913	23,677	45,913	23,677
Balance, end of year	211,995	166,081	211,995	166,081

17.4 Other reserves

Other reserves comprises of the following:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Capital reserves (see note (a) below)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Treasury shares (see note (b) below)	(34,494)	(176,895)	(176,895)	-	-	-
						-
	2,465,506	2,323,105	2,323,105	2,500,000	2,500,000	2,500,000

(a) Capital reserve

The Company's issued and fully paid capital was reconstructed by a special resolution at its Board meeting on 18th October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid capital will stand at N2,500,000,000 divided into 5,000,000,000 Ordinary shares at 50k each with the surplus nominal value arising from the reconstruction being transferred to the Company's capital reserve account. The reconstruction was sanctioned by the Federal High Court of Nigeria, Lagos on 31st October 2007 and registered by the Corporate Affairs Commission on 18th December 2007. The balance on the capital reserve was allocated between the non-life business and life business segments in the proportion of their share capital, as follows:

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Life business segment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Non-life business segment	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000

(b) Treasury shares

Treasury shares represent the cost of the 43,388,245 ordinary shares of the Company (2011: 153,336,758) held by the Staff Share Investment Trust as at 31 December 2012.

The average cost of the shares purchases as at the reporting date is N34,494,244 and has been deducted from shareholders' equity. The shares are held as treasury shares. The Company has the right to re-issue these shares at a later date. All shares issued by the Company were fully paid. The Company is in the process of winding down the Staff Investment Trust Scheme and remaining shares held by Scheme will be disposed subsequent to year end.

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	176,895	176,895	-	-
Additions, during the year	3,851	-	-	-
Disposal, during the year	(146,252)	-	-	-
Balance, end of the year	34,494	176,895	-	-

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17.5 Fair value reserves
Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired.

Movements in the retained earnings reserve

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
At beginning of the year	857,963	711,823	857,963	711,823
Fair value gain	208,081	32,840	208,081	32,840
Exchange (loss)/gain on available for sale instruments	(30,927)	113,300	(30,927)	113,300
Balance as at end of the period	1,035,117	857,963	1,035,117	857,963

17.6 Retained earnings
The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company . See statement of changes in equities for movement in retained earnings.

18.0 Non-controlling interests in equity
The entity accounting for non-controlling interest is shown below

	Group Dec-2012	Group Dec-2011
APD Limited	468,951	330,509

The movement in Non controlling interest

	Group Dec-2012	Group Dec-2011
Balance beginning of the year	304,076	-
Shares transferred during the period	-	304,076
Transfer from the profit and loss account	164,875	-
Balance as at period end	468,951	304,076

Non controlling interest represents 44.3% (1,882,725 ordinary shares) of the equity holding of the Company's subsidairy Assur Property Limited which was sold to Karsang Limited in prior period for a purchase consideration of N304,075,804.

19.0 Insurance liabilities

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
– Claims reported and loss adjustment expenses (See note 19.1)	1,272,801	1,300,801	671,196	1,272,801	1,300,801	671,196
– Claims incurred but not reported	826,227	537,072	296,581	826,227	537,072	296,581
– Unearned premiums (See note 19.2)	3,259,623	2,471,190	1,838,810	3,259,623	2,471,190	1,838,810
	5,358,651	4,309,063	2,806,587	5,358,651	4,309,063	2,806,587
Life fund (See note 19.3)	506,611	340,137	526,774	506,611	340,137	526,774
Total insurance liabilities, gross	5,865,263	4,649,200	3,333,361	5,865,263	4,649,200	3,333,361
Reinsurance receivables						
– Claims reported and loss adjustment expenses	616,335	650,717	199,400	616,335	650,717	199,400
Total reinsurers' share of insurance liabilities (See note 9)	616,335	650,717	199,400	616,335	650,717	199,400
Net insurance contracts:	5,248,928	3,998,484	3,133,361	5,248,928	3,998,484	3,133,361
Current	4,745,498	4,149,320	2,539,459	4,745,497	4,149,320	2,538,459
Non-current	1,119,765	499,881	793,902	1,119,766	499,881	794,902

Development claim tables

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated balance sheet.

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Claims Paid Triangulations as at December 2012

Engineering

Development Year

Accident Year	0	1	2	3	4	5	6	7
2005	-	1,265,913	1,265,913	1,265,913	1,265,913	1,265,913	1,265,913	1,265,913
2006	1,213,720	11,622,096	11,649,020	11,649,020	11,649,020	11,649,020	11,649,020	
2007	32,842,586	43,872,247	46,968,938	46,980,633	48,615,633	48,615,633		
2008	12,702,610	98,110,917	98,460,854	98,524,243	98,524,243			
2009	25,793,507	45,494,929	47,431,954	57,489,206				
2010	7,553,626	107,066,086	111,973,967					
2011	20,132,995	122,500,971						
2012	19,816,051							

General Accident

Development Year

Accident Period	0	1	2	3	4	5	6	7
2005	8,765,936	9,853,912	9,885,888	9,910,729	9,910,729	9,910,729	9,910,729	9,910,729
2006	10,916,210	23,922,477	25,663,828	29,168,936	29,798,746	30,132,646	32,329,068	
2007	26,260,296	62,574,793	76,785,376	79,743,132	81,890,763	82,949,172		
2008	83,606,923	155,615,855	171,884,985	185,087,298	186,536,069			
2009	36,586,159	127,651,130	150,966,030	154,966,410				
2010	90,445,810	162,769,927	192,799,953					
2011	66,488,196	148,026,080						
2012	90,404,840							

Marine Cargo

Development Year

Accident Period	0	1	2	3	4	5	6	7
2005	217,672	533,727	1,136,921	2,167,720	2,167,720	2,167,720	2,167,720	2,167,720
2006	10,512,067	14,005,998	14,005,998	14,890,073	14,890,073	14,890,073	14,890,073	
2007	5,090,587	42,503,176	46,775,048	49,350,911	49,350,911	49,350,911		
2008	3,484,254	15,487,218	15,893,408	15,967,863	15,967,863			
2009	11,507,634	32,314,489	42,319,677	44,320,726				
2010	64,164,322	89,054,193	92,246,557					
2011	62,840,563	93,307,218						
2012	126,873,788							

Marine Hull

Development Year

Accident Period	0	1	2	3	4	5	6	7
2005	-	1	1	1	1	1	1	1
2006	1,020,838	1,913,250	1,913,250	1,913,250	1,913,250	1,913,250	1,913,250	
2007	9,075,533	13,537,322	13,845,103	13,845,103	13,845,103	13,845,103		
2008	104,400	104,400	104,400	104,400	104,400			
2009	10,187,468	25,424,032	25,801,282	25,801,282				
2010	13,976,244	15,305,050	15,305,050					
2011	8,009,796	42,395,572						
2012	55,407,848							

Notes to the financial statements

For the Year Ended 31 December 2012

In thousands of Nigerian Naira

Claims Paid Triangulations as at December 2012

Fire

	Development Year														
Accident Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005 Q1	-	-	-	3,938,501	3,938,501	3,938,501	3,938,501	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547
2005 Q2	-	-	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829
2005 Q3	-	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916
2005 Q4	23,667	23,667	23,667	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819
2006 Q1	1,381,785	1,387,342	1,618,386	1,649,938	3,101,725	3,101,725	3,101,725	3,101,725	3,101,725	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183
2006 Q2	0	361,461	3,422,962	3,983,904	4,564,339	4,564,339	4,564,339	4,564,339	4,564,339	4,564,339	4,564,339	4,564,339	7,716,581	8,216,581	8,216,581
2006 Q3	10,395,145	11,656,799	12,276,863	12,328,519	12,819,352	13,300,848	14,337,509	14,361,019	14,361,019	14,361,019	14,361,019	14,361,019	14,361,019	14,361,019	14,361,019
2006 Q4	3,428,923	4,953,442	5,271,074	5,479,452	5,783,995	7,488,539	7,491,888	7,934,588	7,934,588	7,934,588	7,952,188	7,965,683	8,120,703	8,120,703	8,120,703
2007 Q1	0	602,244	659,985	3,547,120	10,499,277	12,247,573	12,903,715	28,268,372	30,397,444	30,397,444	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144
2007 Q2	239,338	546,409	1,731,152	3,274,338	3,705,019	4,337,062	4,687,062	4,839,062	5,466,290	5,466,290	5,466,290	5,566,163	5,566,163	5,566,163	5,566,163
2007 Q3	43,000	654,250	2,340,467	6,151,238	9,375,362	9,375,362	10,912,191	10,912,191	11,109,678	11,109,678	11,132,655	11,132,655	11,132,655	11,260,019	11,260,019
2007 Q4	-	7,606,365	8,670,685	9,130,149	9,964,988	17,357,854	21,928,587	21,933,987	24,904,095	24,997,743	24,997,743	24,997,743	24,997,743	25,007,743	25,089,994
2008 Q1	202,065	1,418,230	3,628,669	4,142,086	10,036,639	10,036,639	10,391,839	10,391,839	10,497,014	10,497,014	10,497,014	10,497,014	10,616,579	10,811,849	10,822,749
2008 Q2	-	310,209	869,562	1,481,404	1,694,798	1,772,830	1,822,450	2,027,070	2,131,394	2,316,140	7,117,600	9,853,886	9,865,786	10,512,016	10,745,800
2008 Q3	572,289	942,663	2,130,118	2,217,608	2,803,846	3,545,338	4,649,249	4,932,709	5,104,074	5,104,074	5,641,137	5,895,487	5,902,387	5,902,387	5,902,387
2008 Q4	97,250	2,546,877	3,022,626	3,059,338	5,580,272	8,923,444	8,927,094	12,744,108	13,307,969	13,325,969	13,325,969	13,631,166	13,631,166	13,646,316	13,646,316
2009 Q1	119,868	31,768,987	33,435,158	33,732,068	34,154,830	35,852,588	35,987,243	35,987,243	36,149,342	36,259,572	36,940,688	36,940,688	36,940,688	36,940,688	36,940,688
2009 Q2	73,000	11,429,751	15,507,743	16,398,381	20,107,523	20,725,861	21,094,646	21,870,104	21,972,204	22,032,055	22,200,760	22,200,760	22,200,760	22,200,760	22,200,760
2009 Q3	474,653	1,857,267	3,236,514	4,589,429	6,510,658	6,510,658	8,337,976	8,344,829	8,344,829	8,344,829	8,344,829	8,344,829	8,344,829	8,344,829	
2009 Q4	1,459,115	2,954,342	5,816,056	7,157,190	7,485,185	7,753,426	7,762,100	9,344,453	9,344,453	9,867,630	9,987,140	9,987,140	10,959,534		
2010 Q1	355,950	2,045,684	17,968,831	21,721,021	22,517,423	36,268,512	36,626,413	36,655,731	36,655,731	36,655,731	36,655,731	36,655,731			
2010 Q2	8,795,354	14,705,710	26,330,832	28,998,323	31,542,471	34,311,885	35,395,000	37,671,279	37,714,404	41,823,759	44,385,878				
2010 Q3	908,218	3,457,730	4,652,617	7,404,689	8,722,260	31,036,571	31,147,346	31,221,321	31,222,192	31,222,192					
2010 Q4	956,579	1,331,579	5,391,272	10,908,816	10,918,847	10,918,847	11,081,625	11,112,945	11,112,945						
2011 Q1	1,949,608	14,331,196	28,562,001	32,488,312	33,139,042	37,261,751	37,346,639	38,705,639							
2011 Q2	597,040	80,551,276	106,918,314	108,270,850	141,249,144	144,926,773	144,926,773								
2011 Q3	3,634,731	23,223,435	28,407,520	116,489,190	119,900,922	120,455,418									
2011 Q4	3,868,514	5,316,513	27,131,591	56,195,870	57,605,454										
2012 Q1	1,806,990	44,997,684	56,198,232	71,768,241											
2012 Q2	5,162,976	12,089,521	35,671,040												
2012 Q3	3,548,061	18,928,264													
2012 Q4	2,433,236														

Notes to the financial statements

For the Year Ended 31 December 2012

In thousands of Nigerian Naira

Claims Paid Triangulations as at December 2012

Fire

	Development Year																
Accident Period	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
2005 Q1	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547	4,072,547
2005 Q2	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	71,829	
2005 Q3	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916	86,916		
2005 Q4	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819	95,819			
2006 Q1	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183	3,220,183				
2006 Q2	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581	8,216,581					
2006 Q3	14,361,019	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167	14,463,167						
2006 Q4	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703	8,120,703							
2007 Q1	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144	30,464,144								
2007 Q2	5,566,163	5,566,163	5,585,113	5,585,113	5,585,113	5,585,113	5,593,577	5,593,577									
2007 Q3	11,260,019	11,271,919	11,326,644	11,426,144	11,426,144	11,426,144	11,426,144										
2007 Q4	25,136,444	25,136,444	25,136,444	25,136,444	25,136,444	25,136,444											
2008 Q1	10,822,749	10,822,749	10,824,899	10,824,899	10,824,899												
2008 Q2	10,745,800	10,745,800	10,745,800	10,745,800													
2008 Q3	5,902,387	5,902,387	5,902,387														
2008 Q4	13,646,316	13,646,316															
2009 Q1	36,940,688																

Notes to the financial statements
For the Year Ended 31 December 2012

Claims Paid Triangulations as at December 2012
Motor

Accident Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2005 Q1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2005 Q2	-	-	-	-	-	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751
2005 Q3	-	-	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800
2005 Q4	1,706,251	6,988,037	6,988,037	7,806,634	8,964,954	8,964,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954
2006 Q1	8,137,770	10,029,892	11,417,527	11,468,305	11,468,305	11,468,305	11,468,305	11,468,305	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805
2006 Q2	8,474,306	16,200,041	23,136,423	28,200,844	28,200,844	28,535,404	28,539,904	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384
2006 Q3	8,617,052	19,871,844	22,791,113	24,230,113	24,649,153	24,649,153	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490
2006 Q4	9,976,535	24,223,086	24,306,323	32,728,862	32,748,400	32,795,105	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354
2007 Q1	22,280,657	41,031,867	54,839,931	62,265,784	63,502,534	63,513,533	64,713,533	65,963,533	68,963,533	70,563,533	70,579,221	70,579,221	70,579,221	72,033,447	72,033,447
2007 Q2	13,593,469	36,776,637	50,543,218	57,526,962	58,114,232	59,614,232	60,208,941	60,221,946	60,221,946	61,766,772	61,766,772	61,766,772	61,766,772	61,766,772	61,766,772
2007 Q3	21,366,879	49,772,065	68,900,810	71,934,545	72,795,101	72,795,101	76,045,101	76,045,101	76,045,101	76,045,101	76,045,101	76,045,101	76,045,101	76,045,101	76,045,101
2007 Q4	22,751,512	69,430,456	75,727,828	79,477,697	80,030,123	80,183,092	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617
2008 Q1	30,307,739	81,187,742	98,471,119	102,865,494	103,380,793	103,729,359	103,729,359	104,616,839	104,616,839	104,616,839	104,704,481	104,704,481	104,889,836	104,889,836	104,889,836
2008 Q2	38,321,191	88,158,924	110,726,838	125,497,965	136,191,393	136,501,517	136,828,455	137,185,135	137,185,135	137,210,184	137,210,184	138,830,559	138,845,559	138,845,559	138,953,896
2008 Q3	29,367,503	81,155,543	93,245,387	98,167,275	101,266,837	101,461,237	101,604,991	101,604,991	101,748,050	101,748,050	102,115,275	102,719,544	102,719,544	102,719,544	102,722,494
2008 Q4	22,589,695	74,527,775	81,729,949	93,457,385	93,668,588	93,851,097	94,150,337	94,474,628	94,474,628	97,864,256	99,782,281	100,090,036	100,090,036	100,180,931	115,284,727
2009 Q1	55,078,468	110,806,897	116,756,710	129,001,652	134,477,370	135,111,213	135,706,112	135,706,112	135,706,112	135,706,112	135,706,112	135,706,112	135,807,854	135,823,744	135,823,744
2009 Q2	52,709,746	82,513,866	94,234,215	97,122,356	101,093,687	101,302,192	101,477,467	101,614,898	101,614,898	102,051,237	102,051,237	102,082,428	102,174,464	102,174,464	102,174,464
2009 Q3	57,265,858	105,949,876	110,816,836	113,676,542	115,576,838	120,095,304	128,473,755	128,473,755	128,473,755	128,473,755	128,473,755	129,472,838	129,472,838	129,474,213	
2009 Q4	74,373,782	164,976,054	178,908,319	189,973,785	193,426,938	194,187,501	194,187,501	198,716,278	198,716,278	198,716,278	198,716,278	198,716,278	198,718,523		
2010 Q1	98,807,365	166,173,494	180,099,472	186,290,013	191,789,497	194,691,902	197,309,727	198,600,072	199,611,559	206,611,559	206,611,559	206,614,080			
2010 Q2	81,073,153	152,673,213	176,885,281	187,334,928	187,935,448	187,954,159	194,194,159	194,196,271	194,250,811	194,250,811	194,256,011				
2010 Q3	71,735,972	137,319,156	143,328,607	146,636,724	148,997,291	149,056,619	149,074,422	150,014,414	150,014,414	150,314,414					
2010 Q4	99,698,723	217,103,714	248,206,387	268,641,642	275,532,152	276,561,623	276,586,373	276,586,373	277,156,491						
2011 Q1	91,203,594	174,912,854	193,822,134	194,821,106	197,827,813	198,006,788	201,161,910	201,266,743							
2011 Q2	97,180,288	185,087,494	201,450,302	208,367,942	211,526,494	216,404,078	216,596,491								
2011 Q3	103,709,062	182,994,759	210,145,786	228,546,501	231,331,288	232,538,020									
2011 Q4	131,879,697	250,228,571	280,595,244	297,829,384	311,216,240										
2012 Q1	113,472,306	254,604,531	283,734,894	297,315,286											
2012 Q2	142,133,532	301,952,679	349,872,120												
2012 Q3	137,090,787	271,230,245													
2012 Q4	96,506,697														

Claims Paid Triangulations as at December 2012
Motor

15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	28,751	
362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800	362,800		
8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954	8,966,954			
12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805	12,237,805				
28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384	28,558,384					
24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490	24,675,490						
32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354	32,850,354							
72,033,447	72,033,447	72,033,447	72,033,447	74,033,447	74,033,447	74,134,247	74,134,247	74,534,247								
61,766,772	61,766,772	61,766,772	61,766,772	61,766,772	61,766,772	61,766,772	61,766,772									
76,045,101	76,045,101	76,045,101	76,045,101	76,079,601	76,079,601	76,079,601										
80,387,617	80,387,617	80,387,617	80,387,617	80,387,617	80,387,617											
104,977,721	105,062,285	105,062,285	112,062,285	113,125,385												
138,962,316	138,990,441	138,990,441	138,990,441													
102,724,344	102,724,344	102,724,344														
115,286,077	115,286,077															
135,823,744																

Notes to the financial statements
For the Year Ended 31 December 2012
In thousands of Nigerian Naira

19.1 Claims reported and loss adjustment expenses

	Group Dec -2012	Group Dec -2011	Group Jan-2011	Parent Dec -2012	Parent Dec -2011	Parent Jan-2011
Non-Life	877,389	679,006	577,218	877,389	679,006	577,218
Life	395,412	621,795	93,978	395,412	621,795	93,978
	1,272,801	1,300,801	671,196	1,272,801	1,300,801	671,196

– Claims incurred but not reported

	Group Dec -2012	Group Dec -2011	Group Jan-2011	Parent Dec -2012	Parent Dec -2011	Parent Jan-2011
Non-Life	457,029	359,406	296,581	457,029	359,406	296,581
Life	369,199	177,666	-	369,199	177,666	-
	826,227	537,072	296,581	826,227	537,072	296,581

The aging analysis for claims reported and losses adjusted for non- life insurance contracts

	2012 Dec -2012	2011 Dec -2011	2011 Jan-2011
Days			
0 - 90	270,365	96,935	175,092
91 -180	159,363	62,473	98,250
181-270	125,822	147,728	100,255
271-360	100,588	76,100	53,609
361 and above	221,251	295,770	150,012
	877,389	679,006	577,218

The aging analysis for claims reported and losses adjusted for life contracts

	2012 Dec -2012	2011 Dec -2011	2011 Jan-2011
Days			
0 - 90	130,503	8,768	38,839
91 -180	48,377	8,505	11,064
181-270	30,517	33,012	9,471
271-360	112,868	32,847	34,604
361 and above	73,147	538,663	-
	395,412	621,795	93,978

Analysis of Non-life insurance contract per class of insurance

	Outstanding Dec -2012	IBNR Dec -2012	Claims Dec -2012	Claims Dec -2011	Claims Jan-2011
Fire	163,502	85,952	249,454	174,768	147,148
General accidents	255,834	68,316	324,150	241,477	217,257
Motor	314,831	85,249	400,080	264,779	176,973
Marine	48,011	80,048	128,058	85,060	67,029
Engineering	41,414	65,884	107,298	83,559	130,772
Energy	46,618	58,182	104,800	106,438	68,096
Aviation	7,179	13,399	20,578	10,145	5,754
Total	877,389	457,029	1,334,418	966,226	813,029

Life Business
Claims reported and loss adjustment expenses inclusive of IBNR

	Group Dec -2012	Group Dec -2011	Parent Dec -2012	Parent Dec -2011
Outstanding claims	395,412	621,795	395,412	621,795
IBNR on life contracts	369,199	177,666	369,199	177,666
Reserve for the year	764,611	799,461	764,611	799,461

The movement in total life and non-life claims during the year was as follows:

	Group Dec -2012	Group Dec -2011	Parent Dec -2012	Parent Dec -2011
Balance, beginning of year	1,300,801	671,197	1,300,801	671,197
Claims paid during year	(3,576,934)	(2,653,719)	(3,576,934)	(2,653,719)
Additional claims incurred during the year	3,548,934	3,283,323	3,548,934	3,283,323
Balance, end of year	1,272,801	1,300,801	1,272,801	1,300,801
IBNR, beginning of the year	537,072	235,810	537,072	296,581
Increase/(decrease) in IBNR	289,155	301,262	289,155	301,262
Balance, end of year	826,227	537,072	826,227	537,072
Total claims, end of the year	2,099,028	1,837,873	2,099,028	1,837,873

19.2 The movement in unearned premium during the year was as follows:

	Group Dec -2012	Group Dec -2011	Parent Dec -2012	Parent Dec -2011
Balance, beginning of year	2,471,190	1,838,810	2,471,190	1,838,810
Increase in the year	9,259,161	7,637,029	9,259,161	7,637,029
Release of unearned premium	(8,470,728)	(7,004,649)	(8,470,728)	(7,004,649)
Balance, end of year	3,259,623	2,471,190	3,259,623	2,471,190
Current	2,964,135	2,420,788	2,964,135	2,420,788
Non-current	295,488	50,402	295,488	50,402

These reserve represents the liability for short term insurance contracts for which the group's obligation are not expired as at year end. Management's assessment of the estimated cost of claims and expenses resulting from claims does not exceed the unearned premium reserve, thus no provision was made for unexpired risk as at period end.

19.3 The life fund can be analysed as follows:

	Dec -2012	Dec -2011	Jan-2011
Annuity	289,922	35,332	3,792
Individual life	192,874	304,700	518,607
Group health	23,815	105	4,375
	506,611	340,136	526,774

Notes to the financial statements

For the Year Ended 31 December 2012

In thousands of Nigerian Naira

20 Investment Contract Liabilities

The movement in deposit administration during the year can be divided into interest-linked and unitized fund. The movements in these two categories of investment contract liabilities during the year were as follows:

20.1Interest linked funds -at amortised cost

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Guaranteed investment	1,999,686	1,513,107	971,979	1,999,686	1,513,107	971,979
Annuity funds		-	4,011	-	-	4,011
	1,999,686	1,513,107	975,990	1,999,686	1,513,107	975,990

Movements in amounts payable under investment contracts liabilities during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 31 December. The movement in interest-linked funds during the year was as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	1,385,519	971,979	1,385,519	971,979
Contributions	2,322,898	1,586,390	2,322,898	1,586,390
Withdrawal	(1,874,910)	(1,149,121)	(1,874,910)	(1,149,121)
Interest capitalised	166,179	103,859	166,179	103,859
Balance, end of year	1,999,686	1,513,107	1,999,686	1,513,107
Currrent	1,999,686	1,513,107	1,999,686	1,513,107
Non-current	-	-	-	-

Financial liabilities are presented at amortised cost in the group financial statement. (The fair value of the financial liabilities is equal to the amortised cost as the reporting date)

20.2 The movement in unitised funds during the year was as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	1,042,101	846,674	1,042,101	846,674
Contributions	547,347	890,552	547,347	890,552
Withdrawals	14,426	(695,125)	14,426	(695,125)
Balance, end of year	1,603,874	1,042,101	1,603,874	1,042,101
Currrent	1,603,874	1,042,101	1,603,874	1,042,101
Non-current	-	-	-	-

21 Borrowing

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Bank Loan (see note (a) below)	2,282,309	-	-	-	-	-
Loan note (see note (b) below)	1,063,297	926,463	-	-	-	-
Short term borrowing	235,967	-	-	235,967	-	-
Total borrowings	**3,581,573**	**926,463**	**-**	**235,967**	**-**	**-**
Current portion (liabilities to be settled within one year)	1,366,034	-	-	235,967	-	-
Non-current portion (liabilities to be settled after one year)	2,215,539	926,463	-	-	-	-

(a) Bank borrowing represents N2,240,000,000 (2011: Nil) facility granted to APD Ltd. by GTBank plc payable in 5 years commencing April 2012. Interest is payable quarterly at an average rate of 90 days NIBOR less a spread of 100 basis point subject to a floor of 15% resulting to an effective interest rate of 17.17% and the principal is due at maturity in April 2017 . An equitable mortgage on the Group's investment property under construction (See note 13) was used to secure the borrowing

(b) Loan represents N912,227,414 unsecure facility granted to APD by Karsang Limited payable in 7 year commencing November 2011. Interest is payable quarterly at an effective rate of 14.24% and the principal due at maturity in November 2018.

The movement in borrowing during the year is as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	926,463	-	-	-
Payment during the year	(175,843)	-	-	-
Addition borrowing during the year	2,453,567	926,463	235,967	-
Interest capitalised	377,386	-	-	-
	3,581,573	926,463	235,967	-

22 Trade payables

Trade payables represents liabilities to agents, brokers and re-insurer on insurance contracts as at year end.

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Reinsurance payable	741,380	850,954	239,467	741,380	850,954	239,467
Other trade creditors	1,312,432	437,207	355,937	1,312,432	437,207	355,936
Deposit for premium (see note (a) below)						
	2,053,812	1,288,161	595,403	2,053,812	1,288,161	595,403
Current	2,053,812	1,288,161	595,403	2,053,812	1,288,161	595,403

(a) Deposit premium represents 2013 premiums collected in advance that are yet to recognised as at year end.

23 Other payables

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Deferred income	100,910	89,236	54,203	100,910	89,236	54,203
Other creditors	858,047	651,379	239,575	326,698	585,808	226,269
Payables to related parties	-	-	-	-	6,322	2,487
Accrued expenses	58,031	52,469	60,668	47,248	40,821	59,194
Provisions (see note (c) below)	26,421	24,426	17,281	26,421	24,427	17,281
Deposits against guarantees (see note (a) below)	3,702	3,702	3,072	3,702	3,702	3,702
Cash settled share based payment liability (see note (b) below)	97	57,799	76,852	-	-	-
	1,047,208	879,010	451,651	504,978	750,316	363,136
Current	1,029,677	867,028	441,533	487,447	750,305	353,018
Non-current	17,531	11,981	10,118	17,531	11,981	10,118

(a) This represents amounts deposited by customers as collateral for bid and performance bonds or advance payment guarantees provided by the Group.

(b) The carrying amount of liabilities for cash-settled share based payments includes:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	57,798	76,852	-	-
Effect of changes in fair value of SAR at year end	(5,253)	(15,139)	-	-
Options forfeited during the year	(146,252)	(4,133)	-	-
Share rights exercised during the year	93,804	218	-	-
	97	57,798	-	-

The movement in the number of share options outstanding and their related weighted average exercise price are as follow:

	Dec 2012 Average Exercise price Per share	Share right (thousands)	Dec 2011 Average Exercise price Per share	Share right (thousands)
At I January	1.11	42,225	0.91	46,279
Exited	1.30	(112,502)	0.97	(4,228)
Exercised	1.32	70,345	1.26	173
As 31 December	1.42	68	1.11	42,225

(d) Provisions represent performance pay due to staff that are considered to have performed exceptional during the year for which the appraisal would be concluded subsequent to the year end. The movement in provision and other liabilities charges are as folows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of the year	24,426	17,281	24,426	17,281
Addition	18,991	37,014	18,991	37,014
payments	(16,996)	(29,869)	(16,996)	(29,869)
Balance, end of the year	26,421	24,426	26,421	24,426

24 Deferred income tax

	Group Dec-2012	Group Dec-2011	Group Jan-2011	Parent Dec-2012	Parent Dec-2011	Parent Jan-2011
Deferred income tax liabilities to be recovered after more than 12 months	421,017	145,445	132,703	214,377	142,618	131,000
	421,017	145,445	132,703	214,377	142,618	131,000
Deferred income tax asset to be recovered in 12 months	-	-	4,705	-	-	4,705
	-	-	4,705		-	4,705
Total	421,017	145,445	127,998	214,377	142,618	126,295

The movement in deferred income tax during the period is as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	145,446	127,998	142,618	126,295
Charge/(credit) for the year	275,571	17,448	71,760	16,323
Balance, end of year	421,017	145,446	214,377	142,618

Deferred income tax are attributable to the following:

Liabilities:						
Property and equipment	381,108	134,159	48,265	206,539	131,331	46,563
Unrealized exchange gain	7,838	13,124	86,275	7,838	13,124	86,274
Fair value gain/(loss) on investment property	32,071	(1,837)	(1,837)	-	(1,837)	(1,837)
Balance end of the year	421,017	145,446	132,703	214,377	142,618	131,000
Assets:						
Property and equipment	-	-	4,705	-	-	4,705

25 Current income tax liabilities

The movement in this account during the year was as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Balance, beginning of year	587,702	650,328	571,032	643,555
Charge for the year (see note (b) below)				
- General	214,738	235,910	214,738	235,910
- Life	64,083	14,764	64,083	14,764
- Mansard Investment	22,106	22,320	-	-
Payments during the year	(477,195)	(335,623)	(457,554)	(323,197)
Balance, end of year	411,434	587,699	392,299	571,032

25.1The tax charge for the year comprises:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Company income tax				
-General	146,282	214,198	146,282	214,198
- Life	60,000	14,764	60,000	14,764
- Mansard Investments	10,514	20,757	-	-
Education tax				
- General	15,617	21,712	15,617	21,712
- Life	-	-	-	-
- Mansard Investments	794	1,563	-	-
Capital gains tax	-	-	-	-
- General	-	-	-	-
- Life	4,083	-	4,083	-
Additional Prior Year tax				
-General	52,839	-	52,839	-
- Mansard Investments	10,799	-	-	-
	300,928	272,994	278,822	250,674
Deferred tax				
- General	71,760	11,620	71,760	11,620
- Life	-	4,705	-	4,705
- Mansard Investments	(983)	1,123	-	-
APD	172,724			
-Barista Properties	32,071	-	-	-
	275,572	17,448	71,760	16,325
Total tax charge for the year	576,499	290,442	350,581	266,999

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated companies as follows:

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Profit before income tax	2,179,805	1,256,039	1,730,635	1,197,435
Tax calculated at domestic rate applicable in Nigeria at 30% (2011:30%).	653,941	376,812	519,191	359,230
Effect of:				
Income not subject to tax	(1,230,994)	(634,916)	(1,180,309)	(632,173)
Expenses deduction from profit subject to tax	1,009,421	510,178	879,161	503,135
Prior year under provision	63,638	-	52,839	-
Education tax	16,411	23,607	15,617	22,044
Minimum tax on life business	60,000	14,764	60,000	14,764
Capital Gains Tax	4,083	-	4,083	-
	576,500	290,445	350,582	267,001

26 Contingencies

(a) Claims and litigation

The Company in its ordinary course of business is presently involved in 2 cases as defendant (December 2011: 2) and 1 case as a plaintiff (December 2011:Nil) . The total amount of claims in the 2 cases against the Company is estimated to N11,000,000 (December 2011: N16,000,000). While the total amount claim in the 1 case instituted by the Company is N5, 000,000 (December 2011: Nil). The directors, having sought advise of professional counsel, are of the opinion that no significant liability will crystallize from these claims. No provisions have been made in these financial statements.

(b) Bonds and guarantees

The Company provides financial guarantee and bonds to third parties at the request of customers in the form of bid and performance bonds or advance payment guarantee . As at the reporting date N5,000,000 (December 2011: 382,020,000) represents the maximum loss that would be recognized if the counter parties failed completely to perform the contract.

27 Net premium income

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Gross premium written	12,444,451	10,004,771	12,444,451	10,004,771
Provision for unearned premium (non-life)	(630,509)	(739,764)	(630,509)	(739,764)
Provision for unearned premium (life)	(157,922)	107,384	(157,922)	107,384
Gross premium income	11,656,020	9,372,391	11,656,020	9,372,391
– Re-insurance cost	4,943,338	3,640,618	4,943,338	3,640,618
– Changes in prepaid re-insurance (Non-life contracts)	(396,619)	(351,689)	(396,619)	(351,689)
Re-insurance expenses	4,546,719	3,288,929	4,546,719	3,288,929
Net premium income	7,109,301	6,083,463	7,109,301	6,083,463

28 Fee and commission income

Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.

29 Investment income

Investment income comprises the following:

	Group Dec-2012	Group Dec-2011	Parent 'Dec-2012	Parent Dec-2011
Investment income attributable to shareholders funds (see note (29.1) below)	1,419,292	395,982	1,302,165	291,861
Investment income attributable to insurance funds (see note (29.2) below)	205,139	142,707	205,139	142,707
	1,624,431	538,689	1,507,305	434,568

29.1 Investment income attributable to shareholders fund

	Group Dec-2012	Group Dec-2011	Parent 'Dec-2012	Parent Dec-2011
Dividend income	218,489	225,195	272,316	220,213
Interest income on investment securities	575,719	22,518	551,879	4,275
Net foreign exchange gain	5,082	-	4,982	-
Interest income on HTM instruments				-
Interest income on debt securities	300,105	-	214,806	-
Gain on sale of properties	40,832	-	40,832	-
Cash and cash equivalents interest income	125,264	107,431	93,697	117,497
Rental income	129,417	-	-	-
Asset management fees	24,385	40,838	(101,482)	(50,124)
Interest income from related parties	-	-	225,135	-
Total investment income	1,419,292	395,982	1,302,165	291,861

29.2 Investment income attributable to insurance funds

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Dividend income	18,467	21,051	18,467	21,051
Interest income	131,382	152,583	131,382	152,583
Interest income on debt securities	18,767	62,699	18,767	62,699
Net realised gains/(losses) on financial assets	18,406	(122,756)	18,406	(122,756)
Cash and cash equivalents interest income	18,117	29,130	18,117	29,130
Total investment income	205,139	142,707	205,139	142,707

30 Net realised gains/(losses) on financial assets

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Realised gains/(losses) on financial assets -				
– Quoted equity securities	835	-	(3,441)	-
– Debt securities	29,882	10,118	29,882	10,118
– Unquoted equity securities (AFS)	(14,900)	-	(14,900)	-
Impairment of financial assets				
Total net realised gains on financial assets	15,817	10,118	11,541	10,118

31 Net fair value gains on assets

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Net fair value gains on financial assets at fair value through profit or loss	3,325	58,676	2,431	58,676
Fair value gain on investment property	572,971	93,755	-	-
Fair value gains on financial assets and non financial assets	576,296	152,431	2,431	58,676

32 Investment contracts

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Interest income	212,388	105,309	196,085	105,309
Gains/(losses) from sale of investments	51,816	(15,590)	51,816	(15,590)
	264,204	89,719	247,901	89,719
Guaranteed interest	(114,201)	(103,859)	(114,201)	(103,859)
Profit/(losses) from investment contracts	150,003	(14,140)	133,700	(14,140)

33 Other operating income

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Income from sale of fixed assets	6,786	1,856	6,786	1,856
Sundry income	1,011	-	1,011	-
Other income received	13,017	42,012	54,361	82,066
Unrealised net foreign exchange gain/(loss)	(29,212)	81,215	(29,371)	71,354
Total	(8,398)	125,083	32,787	155,276

34 Claims:

Claims expenses (Gross)

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Current year claims paid	3,565,804	2,698,295	3,565,804	2,698,295
Outstanding claims	272,800	828,864	272,800	828,864
Total claims and loss adjustment expense	3,838,604	3,527,159	3,838,604	3,527,159
Recoverable from re-insurance	(678,355)	(867,694)	(678,355)	(867,694)
Net claims and loss adjustment expense	3,160,249	2,659,465	3,160,249	2,659,465

35 Underwriting Expenses:

Underwriting expenses can be sub-divided into acquisition and other underwriting expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and indirect expenses such as salaries of underwriting staff. Other underwriting expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other incidental costs attributable to maintenance.

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Acquisition Cost	1,323,093	1,112,103	1,323,093	1,112,103
Other underwriting expenses	161,379	89,099	161,379	89,099
Increase and decrease in life fund	166,473	(190,773)	166,473	(190,773)
	1,650,945	1,010,429	1,650,945	1,010,429

36 Employee benefit expense

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Wages and salaries	993,148	798,969	915,288	727,881
Pension costs – defined contribution plans	20,223	10,939	18,610	9,505
Employee expenses for share-based payments (see note (a) below	14,291	(11,403)	-	-
	1,027,662	798,503	933,898	737,386

Cash- settled share-based payments

"The Group operates a cash-settled share based compensation plan (share appreciation rights (SARs)) for its management personnel. The amount of cash payment is determined based on the fair value of the shares of the Company. The details of SARs granted at the reporting date are provided below:

In thousands	Number of shares
SARs granted to senior management employees at 31 Decemebr 2011	153,337
SARs granted to senior management employees at 31 Decemebr 2012	68

(a) Employee expenses for share-based payments

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Effect of changes in the fair value of SARs	(5,253)	(15,139)	-	-
Dividend payment to members of the scheme	19,543	3,735	-	-
Total expense recognized as personnel expenses	14,290	(11,404)	-	-

37 Other operating expenses

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Depreciation and amortisation charges	248,514	166,637	242,560	161,832
Impairment on premium receivables (See note 8)	69,589	167,395	69,589	167,395
Other professional fees	136,709	58,489	121,268	57,564
Directors expenses	37,543	32,580	36,203	31,200
Contract Services	301,489	219,611	301,489	219,611
Auditor's remuneration	19,000	19,000	16,000	16,000
Other expenses	364,824	351,726	333,572	316,361
	1,177,669	1,015,439	1,120,681	969,964

38 Interest expense

Interest expense represents finance cost recognized on the bank loan during the year under review.

39 Earning per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares (Note 16).

	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Profit attributable to the equity holders	1,544,527	965,597	1,486,151	930,436
Weighted average number of ordinary shares in issue (thousands)	9,956,612	9,844,110	10,000,000	10,000,000
Basic earnings per share (kobo per share)	16k	10k	15k	9k

40.0 Net cash flow from operating activities before changes in operating assets:

This comprises:

	Notes	Group Dec-2012	Group Dec-2011	Parent Dec-2012	Parent Dec-2011
Profit after taxation		1,603,305	965,597	1,380,054	930,436
Taxation		576,499	290,442	350,581	266,999
Operating profit		2,179,804	1,256,039	1,730,635	1,197,435
Adjustment to reconcile profit before taxation to net cash flow from operations:					
Impairment on trade receivables	37	69,589	167,395	69,589	167,395
Depreciation and amortisation charges	14&15	248,514	179,036	242,560	171,671
Increase/ (decrease) in unearned premium	27	630,509	739,764	630,509	739,764
Increase/(decrease) in Life funds		324,395	(294,022)	324,395	(294,022)
(Profit)/Loss on sale of fixed assets	33	(6,786)	(1,856)	(6,786)	(1,856)
Dividend income on equity investments	29	(236,957)	(246,246)	(290,783)	(241,264)
Net realised gain on financial assets	30	(15,817)	(10,118)	(11,541)	(10,118)
Unrealised fair value gain on financial instruments	31	(3,325)	(58,676)	(2,431)	(58,676)
Profit on disposal of investments	29	(40,832)	-	(40,832)	-
Fair value loss on trading properties	31	(572,971)	(93,755)	-	-
Interest income from related parties		-	-	(225,135)	-
Unrealized foreign exchange gain					
Net cash flow from operating activities		2,576,124	1,637,562	2,420,180	1,670,328

41.0 Supplementary profit and loss information:

(a) Staff and directors' cost:

i. Employee costs excluding executive directors during the year amounted to:

	Group 2012 31 Dec	Group 2011 31 Dec	Parent 2012 31 Dec	Parent 2011 31 Dec
Wages and salaries	913,806	745,452	804,048	665,422
Other pension costs	18,437	9,742	16,824	8,308
Cash settled compensation for management staff -		9,971	2,895	-
	942,214	758,089	820,872	673,730

ii. Employees, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group 2012 31 Dec Number	Group 2011 31 Dec Number	Parent 2012 31 Dec Number	Parent 2011 31 Dec Number
N720,001 – N1,400,000	-	-	-	-
N1,400,001 – N2,050,000	78	63	78	63
N2,050,001 – N2,330,000	-	-	-	-
N2,330,001 – N2,840,000	28	27	28	27.00
N2,840,001 – N3,000,000	-	-	-	-
N3,000,001 – N4,500,000	65	65	62	62
N4,500,001 – N5,950,000	7	9	6	8
N5,950,001 – N6,800,000	4	6	4	6
N6,800,001 – N7,800,000	-	-	-	-
N7,800,001 – N8,600,000	6	2	5	-
N8,600,001 – N11,800,000	2	-	2	-
Above N11,800,000	5	5	3	3
	195	177	188	169

iii. The average number of full time persons employed by the Company during the year was as followed:

	Group 2012 31 Dec Number	Group 2011 31 Dec Number	Parent 2012 31 Dec Number	Parent 2011 31 Dec Number
Executive Directors	3	2	3	2
Management staff	20	19	17	15
Non management staff	172	156	168	152
	195	177	188	169

(c) Directors' remuneration:

i. Remuneration paid to the directors of the Company was as follows:

	Group 2012 31 Dec	Group 2011 31 Dec	Parent 2012 31 Dec	Parent 2011 31 Dec
Executive compensation	59,506	40,137	59,506	40,137
Directors fees	4,480	4,905	3,290	4,105
Other directors expenses	33,063	27,675	32,913	27,095
Defined contribution	1,786	1,198	1,786	1,198
Cash settled compensation for executive directors	4,320	2,017	-	-
	103,155	43,384	97,495	41,366

ii. The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

	Group 2012 31 Dec	Group 2011 31 Dec	Parent 2012 31 Dec	Parent 2011 31 Dec
Chairman	5,053	4,287	4,433	4,287
Highest paid director	6,970	4,800	6,970	4,800

iii. The emoluments of all other directors fell within the following range:

	Group 2012 31 Dec Number	Group 2011 31 Dec Number	Parent 2012 31 Dec Number	Parent 2011 31 Dec Number
N300,001 - N350000	1	-	-	-
N500,001 - N1,000,000	-	1	-	1
N1,000,000- N1,500,000	5	8	5	8
N1,500,001 - N2,000,000	3	1	3	1
	9	10	8	10

42 Dividends

The following dividends were declared and paid by the Group for the period ended 01 January:

	Group 2012 31 Dec	Group 2011 31 Dec	Parent 2012 31 Dec	Parent 2011 31 Dec
Final dividend declared	800,000	900,000	800,000	900,000
Interim dividend declared	400,000	70,000	400,000	-
Final dividend declared	-	-	-	-
Payment during the year	(1,200,000)	(970,000)	(1,200,000)	(900,000)
Balance, end of year	-	-	-	-

After 01 January 2013 the following final dividends N0.07 were proposed by the directors in respect of the year ended 31 December 2012. The dividends have not been provided for and there are no income tax consequences.

43.0 Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2012. The actuarial value of the net liability of the fund was N944,655,000 (2011: N562,711,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2012 was carried out by HR Nigeria Limited, a recognized actuarial valuation firm. The valuation was done based on the following principles:

(a) For all individual life policies, the gross premium method of valuation was used. Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments including an allowance for rider benefits. Future cashflows were discounted back to the valuation date at the valuation rate of interest. The reserve for deposit based plans were taken as the amount standing to the credit of the policyholder at the valuation date plus the estimated value of the mortality risk;

(b) For group life policies, the net liabilities for annual premium contracts were calculated in the same way as individual business. An unearned premium reserve was included for group life policies;

(c) For individual life policies, the valuation age was taken as the age last birthday at the valuation date. The outstanding premium paying term has been calculated as the year of maturity minus expired duration. In all cases, full credit has been taken for premiums due between the valuation date and the end of the premium paying term;

(d) The valuation of the liabilities was made on the assumptions that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment. No specific adjustment has been made for immediate payment of claims;

(e) The Mortality of Assured Lives A67/70 Ultimate Table was used in the valuation.

(f) The valuation assumed an interest rate of 9%.

44.0 Contravention of laws and regulations

The Company did not contravene any law or regulation during the year and no penalty was paid.

45.0 Events after reporting period

There were no events after the reporting period which could have a material effect on the financial position of the Company as at 31 December 2012 and profit attributable to equity holders.

46.0 Related parties

Parent

The parent company, which is also the ultimate parent company, is Assur Africa Holding which owns 75% of the Company's shares. The remaining 25% of the shares are widely held.

Subsidiaries

Transactions between Mansard Insurance plc. and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Mansard Insurance plc.

The volume of related party transactions, outstanding balances at the year end, and related expense and income for the year are as follows:

(a) *Loans and advances to key management personnel*

	2012	2011
Loans outstandings as at 1 January	-	-
Loans issued during the year	3,500	-
Loans repayment during the year	(1,950)	-
Loan outstanding at 31 December	1,550	-
Net interest income earned		
Net interest income earned	149	-

No provision have been recognised in respect of loans given to key management personnel (2011:Nil)

The loan given to key managent personnel of N3,500,000 during the year are repayable monthly over a period of 2 months and has an interest rate of 13% .

(b) Other receivables

	2012	2011
Balance as at 1 January	-	-
Additions during the year	22,524	-
Repayment during the year	-	-
Balance as at 31 December	22,524	-

Other receivables from key management personnel can be analysed as follows:

	Key Management	Affiliated Companies Personnel	Parent & Subsidiary	Others
Salary upfront allowance	10,688	-	-	-
Receivables	-	-	13,500	-

(c) **Borrowing from related entity:**

	2012	2011
Borrowing at 1 January	926,463	-
Additions during the year	-	912,227
Interest capitalised	136,834	14,236
Due to related entity at 31 December	1,063,297	926,463

See note 21(b) for details of the loan agreement.

(d) **Key management compensation**

See note 41 (c) for key management compensation

Sales of insuramce contracts and other services

	2012	2011
Premium received (see note (i) below)	586,661	423,547
Traveling expenses	32,676	27,675
Claims paid	-	342,500

Terms and conditions

(i) Premium received relates to sale of insurance contracts and are at arms length.

47.0 Explanation of transition to IFRSs

Explanations of the transition to IFRSs has been provided in the statement of significiant accounting policies of the group. The analysis below represents a reconciliation of the statement of financial position and comprehensive income for both the group and parent from the previous Nigerian GAAP to IFRS:

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Reconciliation of Nigerian GAAP to IFRS (Statement of Financial Position) Group

		31 December 2011		
	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
Asset				
Cash and bank balances	(i)	887,448	(887,448)	-
Cash and cash equivalent	(i)		2,606,744	2,606,744
Short term investment	(ii)(a)	7,344,754	(7,344,754)	-
Long term investment	(ii)(b)	4,969,418	(4,969,418)	-
Financial assets				
Equity securities:				
– available-for-sale	(ii)(c)	-	2,858,241	2,858,241
– At fair value through profit or loss	(ii)(d)	-	522,524	522,524
Debt securities:				
– held-to-maturity	(ii)(e)	-	2,879,202	2,879,202
– At fair value through profit or loss	(ii)(d)	-	4,000,887	4,000,887
Other financial assets				
designated at fair value	(ii)(a)	-	1,042,101	1,042,101
Trade receivables	(ii)(g)	-	1,656,457	1,656,457
Reinsurance receivables	(ii)(h)	-	1,436,568	1,436,568
Other receivables	(ii)(g)	3,345,830	(2,993,038)	352,792
Investment property	(iv)(a)	2,565,729	93,754	2,659,483
Investment properties under construction	(iv)(b)	2,816,773	14,236	2,831,008
Deferred acquisition cost		196,656	-	196,657
Deferred tax asset		-	-	-
Intangible assets	(iii)	41,697	-	41,697
Property and equipment	(iii)	1,278,912	8,987	1,287,899
Statutory deposit		500,000	-	500,000
		23,947,217	925,043	24,872,259
Liabilities				
Insurance liabilities	(v)	4,242,860	406,341	4,649,201
Financial liabilities:				
Investment contracts:				
Deposit admin	(vi)	2,555,208	(2,555,208)	-
– At fair value	(vi)	-	1,042,101	1,042,101
– At amortised cost	(vi)	-	1,513,107	1,513,107
Borrowing	(viii -	926,463	926,463	

Creditors and accruals	(vii) & (viii)	3,171,563	(3,171,563)	-
Other payables	(ix)	879,009	879,009	
Trade payables	(viii)	1,288,161	1,288,161	
Current income tax liabilities		587,700	-	587,699
Deferred income tax	(x)	185,249	(39,804)	145,445
TOTAL LIABILITIES		10,742,580	288,608	11,031,186
Net assets		**13,204,637**	**636,435**	**13,841,074**
EQUITY				
Equity attributable to owners of the parent				
Ordinary shares		5,000,000	-	5,000,000
Share premium		3,843,243	-	3,843,243
Contingency reserves		1,241,011	-	1,241,011
Capital reserves		2,500,000	-	2,500,000
Retained earnings	(xi)	316,307	(44,634)	271,676
Treasury shares	(vii)	-	(176,895)	(176,895)
Fair value reserves	(ii)(c)	-	857,964	857,963
Non-controlling interest		304,076	-	304,076
Total equity		**13,204,637**	**636,435**	**13,841,074**

Reconciliation of Nigerian GAAP to IFRS (Statement of Financial Position) Group

	Notes	Previous GAAP	1 January 2011 Effect of transition to IFRS	IFRS
Asset				
Cash and bank balances	(i)	392,964	(392,964)	-
Cash and cash equivalent	(i)	-	5,370,113	5,370,113
Short term investment	(ii)(a)	7,334,901	(7,334,901)	-
Long term investment	(ii)(b)	4,240,299	(4,240,299)	-
Financial assets				
Equity securities:				
– available-for-sale	(ii)(c)	-	2,954,679	2,954,679
– At fair value through profit or loss	(ii)(d)	-	2,858,241	2,858,241
Debt securities:				
– held-to-maturity	(ii)(e)	-	1,665,319	1,665,319
– At fair value through profit or loss	(ii)(d)	-	1,229,189	1,229,189
Other financial assets designated at fair value	(ii)(a)	-	846,674	846,674
Trade receivables	(ii)(g)	-	1,008,674	1,008,674
Reinsurance receivables	(ii)(h)	-	(2,993,038)	633,562
Other receivables	(ii)(g)	2,105,361	(1,683,543)	421,818
Investment property	(iv)(a)	2,563,703	(18,368)	2,545,335
Investment properties under construction	(iv)(b)	1,872,838	-	1,872,838
Deferred acquisition cost		145,042		145,042
Deferred tax asset		4,705	-	4,705
Intangible assets	(iii)	-	27,654	27,654
Property and equipment	(iii)	384,184	(21,208)	362,976
Statutory deposit		500,000	-	500,000
		19,543,997	753,573	20,297,571
Liabilities				
Insurance liabilities	(v)	3,094,502	238,859	3,333,361
Financial liabilities:				
Investment contracts:				
– At amortised cost (deposit admin)	(vi)	1,822,664	(1,822,664)	-
– At fair value	(vi)	-	846,674	846,674
– At amortised cost	(vi)	-	975,990	975,990
Creditors and accruals	(vii) & (viii)	970,201	(970,201)	-

Other payables	(ix)		451,651	451,651
Trade payables	(viii)		595,403	595,403
Current income tax liabilities		650,328	-	650,328
Deferred income tax	(x)	137,316	(4,613)	132,703
TOTAL LIABILITIES		6,675,011	311,099	6,986,110
Net assets		**12,868,986**	**442,474**	**13,311,461**
EQUITY				
Equity attributable to owners of the parent				
Ordinary shares		5,000,000	-	5,000,000
Share premium		3,843,243	-	3,843,243
Contingency reserves		988,221	-	988,221
Capital reserves		2,500,000	-	2,500,000
Retained earnings	(xi)	537,522	(92,452)	445,069
Treasury shares	(vii)	-	(176,895)	(176,895)
Fair value reserves	(ii)(c)	-	711,823	711,823
Non-controlling interest			-	-
Total equity		**12,868,986**	**442,476**	**13,311,461**

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Reconciliation of Nigerian GAAP to IFRS (Statement of Financial Position) Parent

	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
		31 December 2011		
Asset				
Cash and bank balances	(i)	285,842	(285,842)	-
Cash and cash equivalent	(i)		1,917,218	1,917,218
Short term investment	(ii)(a)	6,990,316	(6,990,316)	
Long term investment	(ii)(b)	8,267,472	(8,267,472)	
Financial assets				
Equity securities:				
– available-for-sale	(ii)(c)	-	2,858,242	2,858,242
– At fair value through profit or loss	(ii)(d)	-	489,593	489,593
Debt securities:				
– held-to-maturity	(ii)(e)		2,629,202	2,629,202
– available-for-sale	(ii)(c)	-	-	-
– At fair value through profit or loss	(ii)(d)	-	3,767,300	3,767,300
Other financial assets designated at fair value	(ii)(b)	-	1,042,101	1,042,101
Trade receivables	(ii)(g)	1,569,695	86,762	1,656,457
Reinsurance receivables	(ii)(h)	1,436,568	1,436,568	
Other receivables	(ii)(g)	3,966,408	(1,302,400)	2,664,008
Investment in subsidiaries	(ii)(f)	-	3,546,829	3,546,829
Deferred acquisition cost		196,657	-	196,657
Deferred tax asset		-	-	
Intangible assets	(iii)	39,665	-	39,665
Property and equipment	(iii)		1,264,610	8,671
1,273,281				
Statutory deposit		500,000	-	500,000
		23,080,665	936,456	24,017,121
Liabilities				
Insurance liabilities	(v)	4,242,860	406,340	4,649,200
Financial liabilities:				
Investment contracts:				
Deposit admin	(vi)	2,555,208	(2,555,208)	-
– At fair value	(vi)	-	1,513,107	1,513,107
– At amortised cost	(vi)	-	1,042,101	1,042,101
Creditors and accruals	(vii) & (viii)	2,188,858	(2,188,858)	-
Trade Payables	(viii)	-	1,288,161	1,288,161

Other Payables	(ix)	-	750,314	750,314
Current income tax liabilities 571,032			571,032	-
Deferred income tax	(x)	182,421	(39,803)	142,618
TOTAL LIABILITIES		9,740,379	216,154	9,956,533
Net assets		**13,340,286**	**720,301**	**14,060,588**
EQUITY				
Equity attributable to owners of the parent				
Ordinary shares		5,000,000	-	5,000,000
Share premium		3,843,243	-	3,843,243
Fair value reserves	(ii)(c)	-	857,963	857,963
Contingency reserves		1,241,011	-	1,241,011
Capital reserves		2,500,000	-	2,500,000
Retained earnings	(xi)	756,034	(137,656)	618,371
Total equity		**13,340,288**	**720,307**	**14,060,588**

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Reconciliation of Nigerian GAAP to IFRS (Statement of Financial Position) Parent

1 January 2011

	Notes	Previous GAAP	Effect of transition to IFRS	IFRS
Asset				
Cash and bank balances	(i)	379,220	(379,220)	-
Cash and cash equivalent	(i)		5,012,516	5,012,516
Short term investment	(ii)(a)	6,949,412	(6,949,412)	
Long term investment	(ii)(b)	7,044,090	(7,044,090)	
Financial assets				
Equity securities:				
– available-for-sale	(ii)(c)	-	1,568,417	1,568,420
– At fair value through profit or loss	(ii)(d)	-	656,387	656,387
Debt securities:				
– held-to-maturity	(ii)(e)	-	1,302,264	1,302,264
– available-for-sale	(ii)(c)	-	1,386,261	1,386,260
– At fair value through profit or loss	(ii)(d)	-	1,229,190	1,229,190
Other financial assets designated at fair value	(ii)(b)	-	846,674	846,674
Trade receivables	(ii)(g)	934,603	74,071	1,008,674
Reinsurance receivables	(ii)(h)		633,562	633,562
Other receivables	(ii)(g)	3,558,014	(625,463)	2,932,551
Investment in subsidiaries	(ii)(f)		3,163,703	3,163,703
Deferred acquisition cost		145,042		145,042
Deferred tax asset		4,705	-	4,705
Intangible assets	(iii)		27,343	27,343
Property and equipment	(iii)	376,854	(21,013)	355,841
Statutory deposit		500,000	-	500,000
		19,891,940	819,234	20,773,132
Liabilities				
Insurance liabilities	(v)	3,094,502	238,859	3,333,361
Financial liabilities:				
Investment contracts:				
Deposit admin	(vi)	1,822,664	(1,822,664)	-
– At fair value	(vi)	-	975,990	975,990
– At amortised cost	(vi)	-	846,674	846,674
Creditors and accruals	(vii) & (viii)	958,960	(958,960)	-
Trade Payables	(viii)	-	595,403	595,403

Other Payables	(ix)		363,136	363,136
Current income tax liabilities		643,555	-	643,555
Deferred income tax	(x)	135,613	(4,613)	131,000
TOTAL LIABILITIES		6,655,294	173,054	6,889,119
Net assets		**13,236,646**	**646,180**	**13,884,010**
EQUITY				
Equity attributable to owners of the parent				
Ordinary shares		5,000,000	-	5,000,000
Share premium		3,843,243	-	3,843,243
Fair value reserves	(ii)(c)	-	711,823	711,823
Contingency reserves		988,221	-	988,221
Capital reserves		2,500,000	-	2,500,000
Retained earnings	(xi)	905,182	(64,458)	840,723
Total equity		**13,236,646**	**646,180**	**13,884,010**

The adoption of IFRS by the Group was effective 1st January 2011. The key principle of IFRS 1 – First-time Adoption of International Financial Reporting Standards for reporting entities with adoption date subsequent to 1 January 2006 is a full retrospective application of IFRS. However, this statement provides exemption from retrospective application in certain instances due to costs and practical considerations.

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(c) Key impact analysis of IFRS on the financial position as at 1 January 2011, date of transition and 31 December 2011.

(i) Explanation of material adjustments to cash and cash equivalents at 1 January 2011 and 31 December 2011

The net impact of application of IFRSs on cash and cash equivalents of the Group is an increase in cash and cash equivalents by N1.7billion (parent: 1.6 billion) and 4.98billion (parent: 4.63 billion) as at 31 December 2011and 1 January 2011 respectively. Apart from the reclassification of placements to cash and cash equivalents, there have been no material adjustments to the cash flow statements in respect of cash utilised by operating activities before tax, cash flows from investing activities and cash flows from financing activities as a result of the adoption of IFRSs.

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
In thousands of Nigerian Naira					
Reclassification of cash and bank balances		887,448	392,964	285,842	379,220
Reclassification of short term deposit	(ii)(a)	1,719,296	4,977,149	1,631,375	4,633,296
		2,606,744	5,370,113	1,917,217	5,012,516

(ii) IAS 32, 39 and IFRS 7 financial instruments

Under IFRSs, financial assets and liabilities are required to be classified as held-for-trading, at fair value through profit or loss, fair value through equity, loans and receivables and held-to-maturity and other financial assets and liabilities. Financial instruments are measured based on their classification. Nigerian GAAP does not require such classification of financial instruments and measurement. The basis of valuation of individual instruments is provided in the accompanying statement of accounting policy. The changes above are as follows:

(ii)(a) Short term investment:

Under IFRS, investments are not classified as short term investments but as available-for-sale (AFS), held-for-trading (HFT) or held-to-maturity (HTM). The changes above are as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
In thousands of Nigerian Naira					
Cash and cash equivalent	(i)	(1,719,296)	(4,977,149)	(1,631,375)	(4,633,296)
AFS equity securities	(ii)(c)	(59,900)	(10,400)	(59,900)	(10,400)
Equities securities at fair value through profit or loss	(ii)(d)	(522,524)	(708,992)	(489,594)	(656,387)
Other financial asset designated at fair value		(1,042,101)	-	(1,042,101)	-
Debt securities at fair value through profit or loss	(ii)(d)	(4,000,887)	(1,706,503)	(3,767,300)	(1,706,503)
Net fair value gain/(loss) on financial instruments at fair value through profit or loss		(46)	68,143	(46)	57,174
		(7,344,754)	(7,334,901)	(6,990,316)	(6,949,412)
Impact on equity		(46)	68,143	(46)	57,174

(ii)(b)Long term investment:

Under IFRS, investments are not classified as long term investments but as AFS, HFT or HTM. The changes above are as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
In thousands of Nigerian Naira					
AFS equity securities	(ii)(c)	(2,053,677)	(2,248,155)	(2,053,677)	(2,248,155)
Accrued interest receivable					
Investment in subsidiaries	(ii)(f)	-	-	(3,548,054)	(3,163,703)
Held-to-maturity debt securities	(ii)(e)	(3,029,166)	(1,665,320)	(2,779,166)	(1,302,264)
Other financial assets designated at fair value		-	(846,674)	-	(846,674)
Debt securities at fair value through profit or loss	(ii)(d)	-	477,313	-	477,313
Derecognition of accrued interest income	(ii)(g)	54,703	56,079	54,703	51,738
Net fair value gain/(loss) on financial instruments at fair value through profit or loss	(xi)	58,722	(13,542)	58,722	(12,345)
		(4,969,418)	(4,240,299)	(8,267,472)	(7,044,090)
Impact on equity		58,722	(13,542)	58,722	(12,345)

(ii)(c) Available–for-sale financial instruments

The effect of measuring available-for-sale investments is as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Short term investments	(ii)(a)	59,900	10,400	59,900	10,400
Long term investments	(ii)(b)	2,053,677	2,248,155	2,053,677	2,248,155
Foreign exchange gain	(xi)	(113,300)	(15,700)	(113,300)	(15,700)
Net fair value gain		857,964	711,822	857,964	711,822
		2,858,241	2,954,677	2,858,241	2,954,677
Impact on equity (AFS reserves)		857,964	696,122	857,964	696,122

(ii)(d)Financial instruments at fair value through profit and loss

(1) The effect of measuring financial instruments at fair value through profit and loss account is as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
In thousands of Nigerian Naira					
Equity instruments					
Short term investments	(ii)(a)	522,524	708,992	489,594	656,387
Net fair value gain		-	-	-	-
		522,524	708,992	489,594	656,387
Debt instruments					
Short term investments	(ii)(a)	4,000,887	1,706,503	3,767,299	1,706,503
Long term investments	(ii)(b)	-	(477,313)	-	(477,313)
		4,000,887	1,229,190	3,767,299	1,229,190
Impact on equity		-	-	-	-

(ii)(e) Held-to-maturity financial instruments

Under the Nigerian GAAP, long term investments are carried at cost less any permanent dimunition in value of investments. The effect of measuring held-to-maturity financial instruments at amortized cost is as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Debt instruments					
Long term investments	(ii)(b)	3,029,166	1,665,320	2,779,166	1,302,264
Reclassification unearned discount from other payables	(viii)	(149,964)	-	(149,964)	-
		2,879,202	**1,665,320**	**2,629,202**	**1,302,264**
Impact on equity		-	-	-	-
c11 long term					

(ii)(f) Investment in subsidiaries

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Reclassfication from long term investment	(ii)(b)	-	-	3,548,054	3,163,703
Reclassifcation to other receivables	(ii)(g)	-	-	(1,225)	-
		-	**-**	**3,546,829**	**3,163,703**

(ii)(g) Other receivables:

Under Nigerian GAAP, loans and receivables are measured at cost net of impairment losses. A specific risk provision for loan impairment is established to provide for management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. Under IFRSs, an impairment loss can only be accounted for if there is objective evidence that a loss has occurred after the initial recognition but before the balance sheet date.

In addition to the above, the impact of change on loans and receivables from the Nigerian NGAAP to IFRS balance were also attributable to the reclassification of prepaid re-insurance and accrued income on from loans and receivable to re-insurance assets and held-to-maturity assets respectively.

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Balance per NGAAP		3,345,830	2,105,361	5,536,103	4,492,617
Reclassification of reinsurance assets	(ii)(h)	(1,248,922)	(571,491)	(1,248,922)	(571,491)
Reclassifcation of trade receivables		(1,656,457)	(1,008,674)	(1,656,457)	(1,008,674)
Reversal of excess impairment on trade debtors	(xi)	86,762	74,071	86,762	74,071
Reclassification of interest receivable on HTM bonds	(ii)(b)	(54,703)	(56,079)	(54,703)	(51,738)
Reversal of interest income on treasury bills		-	(2,234)	-	(2,233)
elimination of loan to the SIT		(119,717)	(119,137)	-	-
Reclassification of receivable from investment in subsidiaries	(ii)(f)	-	-	1,225	-
		352,793	**421,817**	**2,664,009**	**2,932,552**
Impact on equity		86,762	74,071	86,762	71,838

(ii)(h) Re-insurance receivables

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Reclassification from other receivables	(ii)(g)	1,248,922	571,491	1,248,922	571,491
Reinsurance on IBNR	(xi)	72,810	62,071	72,810	62,071
Reclassification of re-insurance on life contracts from the insurance liabilities	(v)	114,836	-	114,836	-
		1,436,568	**633,562**	**1,436,568**	**633,562**
Impact on equity		**72,810**	**62,071**	**72,810**	**62,071**

(iii) Property and equipment / Intangible assets

Prior to the enactment of SAS 31 on 1 January 2011 under the Nigerian GAAP, which is in line with IFRS as regards the classification of intangible assets, acquired software was capitalised as computer software and computer equipment under property and equipment, and deprecaited over the estimated useful life of the asset. IAS 16 requires that software should be classified as intangible assets. As a result, the net book value of software were reclassified from property and equipment to intangible assets. The reclassification did not impact the profit and loss account, neither did it impact equity.

The application of a 5% residual value on the cost of motor vehicles was implemented. This change was also applied retrospectively and resulted in a decrease in accumulated depreciation of motor vehicles which impacted the profit and loss account as at 31 December 2011 and 1 January 2011 repectively. (See table below for details of adjustment passed)

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Reclassification of intangible assets		-	-	27,654	27,654
Reversal of excess depreciation on motor vehicles	(xi)	8,987	6,446	8,670	6,330
		8,987	6,446	36,324	33,984
Impact on equity		**8,987**	**6,446**	**8,670**	**6,330**

(iv)(a) Investment property

Under Nigerian GAAP investment property are measured at lower of cost and net realisable amount. Under IFRSs, investment property are measured at fair value with changes in fair value recognized in the profit or loss account.The impact of changes in Investment properties from the Nigerian GAAP to IFRS balance were mainly attributable to the fair value gain of N93.7 million (2011: (18) million) recognized in the profit or loss account.

(iv)(b) Investment property under construction

Under Nigerian GAAP borrowed cost incurred on properties under construction are expensed as incurred. Under IFRSs, borrowed cost are properties under developments are capitalised in accordance with IAS 23- Borrowed cost. The impact of the application of IAS 23 resulted in an increase in the value of the property under construction by N14.3 as at 31 December 2011 (1 January 2011: Nil).

(v) Insurance Liabilities

The impact of changes in Insurance liabilites from the Nigerian GAAP to IFRS balance were mainly attributable to the additional provision of 219 million (2011: 235 million) and the reclassification of re-insurance assets of N114 million (2010: Nil) in order to comform with the IFRSs presentation requirements of disclosing insurance liabilities gross re-insurance. The additional provisions were recognised by Company in line with the results of the liability adequacy test carried out by the Company. As a result additional provisions of were made for claims incurred by not reported which impacted on equity.

(vi) Investment Contracts

The impact of changes in investment contracts resulting in split of deposit adminstration into investment contracts carried at fair value and amortised cost.

(vii) Business combinations

The Group has applied IFRS 3 to all business combinations that occurred with effect from 1 January 2011 (the date of transition to IFRS).

On 1 January 2011 the Staff Share Investment Trust was the only entity not previously consolidated. The effect of consolidating the results of the Staff Share Investment Trust Scheme at 1 January 2011 was an increase in liabilities to employees by N71 million (2011: N53 million) and the recognition of treasury shares of N176 million (2011: 176 million) at this date.

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Impact on equity	(xi)	(619)	(19,093)	-	-

(viii) Creditors and accruals

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Reclassification of trade payables		(1,288,161)	(595,403)	(1,288,161)	(595,403)
Reclassification of other payables	(ix)	(821,212)	(374,799)	(750,316)	(363,136)
Reclassification of unearned income	(ii)(e)	(149,964)	-	(149,964)	-
Reclassification of other borrowings		(912,227)	-	-	-
		(3,171,563)	**970,201**	**(2,188,441)**	**(958,539)**

(ix) Other payables

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Reclassification from creditors and accruals	(viii)	821,212	374,799	750,316	363,136
Due to subscribers of the SIT scheme		57,798	76,852	-	-
		879,009	451,651	750,316	363,136
		(5,602)	(20,741)	-	-

(x) Deferred income tax

The impact of changes in deferred income tax resulted from from timing differnces on fair value gains on avaliable for sale unquoted equity financial instruments recognized under IFRSs. See table below for adjustment:

		Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Impact on equity	(xi)	(39,804)	(4,613)	(39,804)	(4,613)

(xi) Retained earnings

The effect of IFRS measurment on retained earnings is as follows:

	Ref	Group 31 Dec 2011	Group 1 Jan 2011	Parent 31 Dec 2011	Parent 1 Jan 2011
Balance per NGAAP		316,309	537,522	756,034	905,182
Reversal/(additional) provision for insurance liabilities		(291,505)	(238,859)	(292,086)	(238,860)
Re-insurance on life contracts		-	-	-	624,399
Re-insurance on IBNR	(ii)(h)	72,810	62,071	72,810	62,071
Reversal of excess depreciation on property plant and equipments	(iii)	8,988	6,446	8,672	6,330
Fair value gain on financial instruments		58,655	68,143	58,676	57,174
Fair value loss on investment properties		(iv)(a)	93,755	(18,368)	-
Reversal of excess interest on debt instruments		-	(15,776)	-	(14,158)
SIT retained earnings	(vii)	4,982	1,648	-	-
Additional SIT liability		(vii)	(5,602)	(20,741)	-
Reclassification of exchange gain on AFS instruments	(ii)(c)	(113,300)	(15,700)	(113,300)	(15,700)
Deferred tax expense	(x)	39,803	4,613	39,803	4,613
Reversal of impairment on trade receivables	(ii)(g)	86,781	74,071	86,762	74,071
Balance per IFRS		**271,677**	**445,069**	**617,371**	**840,723**

Notes to the financial statements

For the Year Ended 31 December 2011

In thousands of Nigerian Naira

Group	Notes	Bal per NGAAP	Reclassification	Life Revenue	Adjustments	Bal per IFRS
Gross Premium written		10,004,771				
Gross Premium Income	(i)(a)	7,637,030	-	2,367,741	-	10,004,771
Less Unearned Premium Income (Non-Life)		(739,764)	-	-	-	(739,764)
Life Unearned Premium	(i)(a)&(i)(b)	-	(110,570)	217,955	-	107,384
Gross Insurance premium Income		6,897,266	(110,570)	2,585,696	-	9,372,391
Reinsurance Expenses	(iii)&(i)(a)	(2,767,870)	-	(531,798)	10,739	(3,288,929)
Net Insurance Premium Income	**(i)**	**4,129,396**	**(110,570)**	**2,053,898**	**10,739**	**6,083,463**
Fee income:						
– Insurance Contracts	(i)(a)	270,641	-	73,990	-	344,631
Total Underwriting Income		**4,400,037**	**(110,570)**	**2,127,888**	**10,739**	**6,428,094**
Claims:						
Claim Expenses (Gross)	(i)(b)&(ii)	1,734,189	177,666	1,562,658	52,646	3,527,159
Claim Expenses Recovered from Reinsiurers	(i)(b)&(ii)	(287,273)	(114,836)	(465,585)	-	(867,694)
Claims expenses (Net)		**1,446,916**	**62,830**	**1,097,073**	**52,646**	**2,659,465**
Underwriting Expenses:						
Acquisition Cost	(i)(a)&(i)(b)	918,262	(190,773)	193,841	-	921,330
Other Underwriting Expenses	(i)(a)	60,139	-	28,960	-	89,099
Total Underwriting Expenses		**978,401**	**(190,773)**	**222,801**	**-**	**1,010,429**
Underwriting Profit		1,974,720	17,373	808,014	(41,907)	2,758,200
Investment Income	(i)(a)&(vii)	526,680	-	17,093	(5,083)	538,690
Net Realised Gains/(Losses) on FnanciaAssets		(23,205)	-	33,323	-	10,118
Other Operating Income	(v)	258,330	-	-	(133,247)	125,083
Shareholder's Share of Life Fund						
Valuation Surplus	(i)(b)	17,373	(17,373)	-	-	-
Investment Contracts		(14,140)	-	-		(14,140)
Net Fair Value Gain on Financial Asset	(iii)	-	-	-	152,431	152,431
Total Investment Income		**765,038**	**(17,373)**	**50,416**	**14,101**	**812,182**
Net income		**2,739,758**	**-**	**858,430**	**(27,806)**	**3,570,382**
Expenses for Marketing and Administration		221,500	-	278,899	-	500,399
Employee Benefit Expense	36& (vii)	546,425	-	263,483	(11,404)	798,503
Other Operating Expenses	(i)(a)&(vi)	714,623	-	316,048	(15,232)	1,015,439
Expenses		1,482,548	-	858,430	(26,636)	2,314,341
Results ofOperating Activities		1,257,210	-	-	(1,170)	1,256,040
Finance Costs		-				-
Profit Before Tax		**1,257,210**	**-**	**-**	**(1,170)**	**1,256,040**
Income Tax Expense	(viii)	(325,632)			35,190	(290,442)
Profit After Tax		**931,578**			**34,020**	**965,598**

Notes to the financial statements
For the Year Ended 31 December 2012
In thousands of Nigerian Naira

Parent	Notes	Bal per NGAAP	Effect of IFRS Transition Reclassification	Life Revenue	Adjustments	Bal per IFRS
Gross Premium written		10,004,771				
Gross Premium Income	(i)(a)	7,637,030	-	2,367,741	-	10,004,771
Less Unearned Premium Income (Non-Life)		(739,764)	-	-	-	(739,764)
Life Unearned Premium	(i)(a)&(i)(b)	-	(110,570)	217,955	-	107,384
Gross Insurance premium Income		6,897,266	(110,570)	2,585,696	-	9,372,391
Reinsurance Expenses	(iii)&(i)(a)	(2,767,870)	-	(531,798)	10,739	(3,288,929)
Net Insurance Premium Income	**(i)**	**4,129,396**	**(110,570)**	**2,053,898**	**10,739**	**6,083,463**
Fee income:						
– Insurance Contracts	(i)(a)	270,641	-	73,990	-	344,631
Total Underwriting Income		**4,400,037**	**(110,570)**	**2,127,888**	**10,739**	**6,428,094**
Claims:						
Claim Expenses (Gross)	(i)(b)&(ii)	1,734,189	177,666	1,562,658	52,646	3,527,159
Claim Expenses Recovered from Reinsiurers	(i)(b)&(ii)	(287,273)	(114,836)	(465,585)	-	(867,694)
Claims expenses (Net)		**1,446,916**	**62,830**	**1,097,073**	**52,646**	**2,659,465**
Underwriting Expenses:						
Acquisition Cost	(i)(a)&(i)(b)	918,262	(190,773)	193,841	-	921,330
Other Underwriting Expenses	(i)(a)	60,139	-	28,960	-	89,099
Total Underwriting Expenses		**978,401**	**(190,773)**	**222,801**	**-**	**1,010,429**
Underwriting Profit		**1,974,720**	**17,373**	**808,014**	**(41,907)**	**2,758,200**
Investment Income	(i)(a)&(vii)	417,475	-	17,093	-	434,568
Net Realised Gains/(Losses) on FnanciaAssets		(23,205)	-	33,323	-	10,118
Other Operating Income	(v)	295,471	-	-	(140,195)	155,276
Shareholder's Share of Life Fund Valuation Surplus	(i)(b)	17,373	(17,373)	-	-	-
Investment Contracts		(14,140)	-	-	-	(14,140)
Net Fair Value Gain on Financial Asset	(iii)	-	-	-	58,676	58,676
Total Investment Income		**692,974**	**(17,373)**	**50,416**	**(81,519)**	**644,498**
Net income		**2,667,694**	**-**	**858,430**	**(123,426)**	**3,402,698**
Expenses for Marketing and Administration		219,015	-	278,899	-	497,914
Employee Benefit Expense	36& (vii)	473,903	-	263,483	-	737,386
Other Operating Expenses	(i)(a)&(vi)	668,948	-	316,048	(15,032)	969,964
Expenses		1,361,865	-	858,430	(15,032)	2,205,263
Results ofOperating Activities		1,305,829	-	-	(108,394)	1,197,435
Finance Costs		-		-		-
Profit Before Tax		**1,305,829**	**-**	**-**	**(108,394)**	**1,197,435**
Income Tax Expense	(viii)	(302,189)	-	-	35,190	(266,999)
Profit After Tax		**1,003,640**	**-**	**-**	**(73,204)**	**930,436**

Notes to the financial statements

for the year ended 31 December 2012

In thousands of Nigerian Naira

Explanation of material changes to income statement items

(i)(a) Life insurance contracts

Under IFRSs life insurance contracts are accounted on an annual basis with premium recognised as revenue when they become payable by the contract holders. Premiums are shown before deduction of commission. Under Nigerian GAAP life contracts are accounted for using the fund accounting method. The change in accounting policies brought about the reclassification of all balances previously recognised in the revenue account under Nigerian GAAP to the income statement. Thus resulting in material changes in the following financial statement captions listed below:

- Gross premium income
- Insurance premium income
- Reinsurance expense
- Fee income (Insurance contracts)
- Total underwriting expenses
- Claims expenses (Net)
- Investment income
- Expenses for marketing and administration
- Employee benefit expenses
- Other operating expenses
- Increase/decrease in life fund

(i)(b) Life unearned premium

Under NGAAP the life fund was used to account for all premium and associated expenses on life contracts using the fund accounting method with changes in the actuarially determined life fund transferred to the income statement. Under IFRSs the fund represents the actual liability due to only long term life contracts with changes in the life fund being transferred as an underwriting expense to the income statement. The changes in the treatment of life contracts resulted in the reclassification to re-insurance recovery, IBNR on claims and shareholder's share of life valuation surplus to and from the increase in life fund. The outstanding balance represents changes in unearned premium on life contracts which is used to offset premium income recognised.

	Group 31 Dec 2011	Parent 31 Dec 2011
Balance per NGAAP revenue account	217,955	217,955
Reclassification of shareholder's share of life valuation surplus	17,373	17,373
Reclassification of IBNR expenses from the increase/ decrease in life fund to claim expenses (Gross)	177,666	177,666
Reclassification of re-insurance recovery on IBNR expenses to claim expenses recovered from re-insurance	(114,836)	(114,836)
Reclassification of changes in life fund (long term contracts) to underwriting Expenses	(190,773)	(190,773)
Changes in unearned premium on life contracts	107,384	107,384

(ii) Net insurance benefits and claims

The Changes in net insurance benefit and claims were attributable to changes in estimates for claims incurred and not reported and reclassification of claims on life contract from the revenue account and increase/decrease in life fund. Under IFRSs reserves for claims incurred but not reported (IBNR) for non life insurance contracts are estimated using an actuarial method based on historical data available. Under NGAAP reserves for IBNR were estimated at 10% of outstanding claims incurred and reported. The changes in the estimate resulted in an increase of N52.6 million in claims expenses (net). See (i)(a)&(i)(b) for details of reclassification for life contracts claims.

	Group 31 Dec 2011	Parent 31 Dec 2011
Balance per NGAAP	1,446,916	1,446,916
Reclassification from the revenue account	1,097,074	1,097,074
Additional IBNR on non-life insurance contract	52,646	52,646
Reclassification from increase and decrease in life fund	62,830	62,830
Balance per IFRS	2,659,466	2,659,466

(iii) Reinsurance cost

The changes in re-insurance assets between 2011 and 2010 resulted in a increase of N10.739 million on re-insurance cost on IBNR from N62.07 million from I January 2010 to N72.18 million as at 31 December 2011. See note (ii)(a) on the key impact of IFRS on the statement of financial position.

(iv) Net fair value gains on financial assets at fair value through profit or loss

Under NGAAP trading properties, equity securities and investment in treasury bills were measured at the lower of cost and net realisable value. Under IFRS these investments are measured at fair value with any change in the carrying amount recognised through the income statement. See table below for details of fair value gain on investment property and investment securities.

	Notes	Group 31 Dec 2011	Parent 31 Dec 2011
Balance per NGAAP		-	-
Fair value gain on trading property	(iv)	93,755	-
Entries to reverse provision made on equity securities based on NGAAP	(ii)(ii)	58,722	58,722
Being entries to properly account for fair value gains and losses on held for trading treasury bills to be recognised through P&L		(46)	(46)
		152,431	58,676

(v) Other income

Under IFRS changes in the carrying amount (exchange gains) of financial assets available for sale are recognised directly into equity. Under NGAAP exchange gains are recognised directly into the profit and loss statement.

	Group 31 Dec 2011	Parent 31 Dec 2011
Entries to reverse exchange gain on AFS instrument to fair value reserves	(97,600)	(97,600)
Reversal of net impact on IFRS on opening period	(42,595)	(35,647)
	(140,195)	(133,247)

(vi) Other operating expenses

	Group 31 Dec 2011	Parent 31 Dec 2011
Reversal of excess depreciation	2,542	2,342
Reversal of excess impairment on trade receivables	12,690	12,690
	15,232	15,032

(vii) Investment income

The Group has applied IFRS 3 to all business combinations that occurred with effect from 1 January 2011 (the date of transition to IFRS). On 1 January 2011 the Staff Share Investment Trust was the only entity not previously consolidated. The effect of consolidating the results of the Staff Share Investment Trust Scheme at 1 January 2011 was an increase in employee benefit of N11,404 million and a decrease of N5.083million in investment income for the period end 31 December 2012.

(viii) Tax expenses

The impact of changes in tax expenses resulted from timing differences on fair value gains on available for sale unquoted equity financial instruments recognized under IFRSs.

Appendix to the financial statements

General business revenue account

summarised revenue accounts (non-life)

for the period ended 31st december 2012

	FIRE =N=	GENERAL ACCIDENT =N=	MOTOR =N=	MARINE =N=	ENGINEERING =N=	OIL & ENERGY =N=	AVIATION =N=	DEC 2012 =N=	DEC 2011 =N=
REVENUE									
Gross Premium Income	927,800	1,190,195	2,297,149	1,310,584	322,104	2,819,747	336,888	9,204,467	7,612,866
Add Reinsurance Inward Premium	15,117	8,533	2,837	3,580	19,378	4,564	685	54,694	24,164
Total Gross Premium Income	942,917	1,198,727	2,299,986	1,314,164	341,482	2,824,311	337,573	9,259,161	7,637,029
Less Unearned Premium Income	55,073	(45,265)	(148,469)	(49,389)	(9,230)	(433,089)	(140)	(630,509)	(739,765)
Gross Insurance Premium Income	997,990	1,153,462	2,151,518	1,264,775	332,252	2,391,222	337,433	8,628,652	6,897,265
Less Reinsurance Expense	-	-	-	-	-	-	-	-	-
Local Facultative Premium	(161,873)	(322,365)	(15,810)	(558,865)	(40,824)	(2,187,493)	(260,460)	(3,547,690)	(2,557,158)
Prepaid Reinsurance	1,695	11,756	3,890	77,110	1,875	315,968	(15,676)	396,619	466,924
Reinsurance Treaty Premium	(363,721)	(35,126)	(24,358)	(150,658)	(122,760)	(88,576)	-	(785,199)	(666,895)
Re-insurance expenses	(523,899)	(345,735)	(36,277)	(632,413)	(161,709)	(1,960,101)	(276,136)	(3,936,270)	(2,757,129)
Net Insurance Premium Income	**474,091**	**807,727**	**2,115,240**	**632,362**	**170,543**	**431,121**	**61,297**	**4,692,382**	**4,140,136**
Add Fee Income	-	-	-	-	-	-	-	-	-
Direct Business Commission	1,502	481	-	5,564	-	54,270	-	61,817	47,692
Local Facultative Comm	52,768	29,540	1,955	55,007	5,603	27,224	5,493	177,590	97,453
Reinsurance Treaty Comm	66,481	-	-	33,620	32,331	27,557	-	159,989	161,037
Deferred Comm. Income	(2,860)	(1,460)	(476)	(6,081)	(450)	(5,517)	5,004	(11,840)	(35,540)
	117,891	28,561	1,479	88,110	37,484	103,535	10,497	387,557	270,642
Total Income	**603,440**	**850,985**	**2,145,085**	**736,655**	**212,005**	**569,476**	**75,954**	**5,079,939**	**4,410,778**
Expenses	-	-	-	-	-	-	-	-	-
Claims Paid	323,767	223,481	1,315,669	251,687	137,433	96,025	10,207	2,358,270	1,622,224
Outstanding Claims	37,787	36,496	165,329	26,876	(1,915)	23,745	7,688	296,006	164,614
Gross Claims Expense	**361,555**	**259,976**	**1,480,998**	**278,563**	**135,519**	**119,770**	**17,895**	**2,654,276**	**1,786,838**
Treaty Claims Recovered	152,163	19,399	19,129	67,022	56,552	-	-	314,264	257,675
Facultative Claims Recovered	-	575	-	222	10,127	-	-	10,924	5,290
RI Claim Recoverable	40,441	10,141	6,310	10,602	46,080	46,979	6,292	166,845	24,307
Total Claims Recovered from Reinsurers	**192,603**	**30,115**	**25,438**	**77,846**	**112,759**	**46,979**	**6,292**	**492,033**	**287,272**
Net Claims Expense	**168,951**	**229,862**	**1,455,560**	**200,717**	**22,760**	**72,790**	**11,604**	**2,162,244**	**1,499,566**
Acquisition Cost (Commission expenses)	150,289	166,135	168,362	182,841	54,334	119,366	11,703	853,030	776,310
Deferred Acquisition Cost (Comm)	6,958	(7,964)	(9,604)	(8,527)	(511)	(38,360)	646	(57,361)	(51,614)
Other acquisition Cost	34,290	20,270	98,296	61,495	3,601	25,747	3,766	247,465	193,566
Maintenance Costs	10,053	14,683	14,671	11,422	3,803	17,157	5,423	77,211	60,135
Total Underwriting Expenses	**201,590**	**193,125**	**271,726**	**247,230**	**61,227**	**123,909**	**21,538**	**1,120,346**	**978,397**
Total Expenses	**370,542**	**422,986**	**1,727,286**	**447,947**	**83,987**	**196,700**	**33,142**	**3,282,589**	**2,477,963**
Underwriting Profit (Loss)	**232,898**	**427,999**	**417,800**	**288,708**	**128,018**	**372,776**	**42,812**	**1,797,349**	**1,932,815**

Life business revenue account

for the period ended 31st december 2012

(all amounts in naira thousands unless otherwise stated)

	GROUP LIFE =N=	HEALTH INSURANCE =N=	INDIVIDUAL LIFE =N=	ANNUITY =N=	DEC 2012 =N=	DEC 2011 =N=
REVENUE						
Gross Premium Income	2,215,878	103,224	590,602	275,586	3,185,290	2,367,738
Decrease/(Increase) in Life Unearned Premium	(157,922)	-	-	-	(157,922)	107,384
Gross Premium Income	**2,057,956**	**103,224**	**590,602**	**275,586**	**3,027,368**	**2,475,122**
Less Reinsurance Expense						
Local Facultative Premium	(528,542)	-	(4,984)	-	(533,526)	(416,116)
Reinsurance Treaty Premium	(5,012)	(62,357)	(9,554)	-	(76,923)	(115,682)
Net Insurance Premium Income	**1,524,402**	**40,868**	**576,063**	**275,586**	**2,416,919**	**1,943,324**
Add Fee Income						
Local Facultative	122,347	-	13,898	-	136,245	72,806
Reinsurance Treaty	146	-	3,744	-	3,890	1,184
	122,493	-	17,642	-	140,135	73,990
Total Income	**1,646,895**	**40,868**	**593,705**	**275,586**	**2,557,054**	**2,017,31**
Expenses	-	-	-	-	-	-
Claims Paid	1,115,072	4,977	83,725	14,890	1,218,663	1,031,498
Surrenders	-	-	514	-	514	3,344
Maturity Claims	-	-	-	-	-	-
Increase/Decrease Outstanding Claims	(34,850)	-	-	-	(34,850)	705,482
Gross Claims Expense	**1,080,222**	**4,977**	**84,239**	**14,890**	**1,184,328**	**1,740,324**
Reinsurance Recovery	(427,024)	(4,698)	(17,000)	-	(448,722)	(180,789)
Claims Recoverable	262,400	-	-	-	262,400	(399,632)
Net Claims Expense	**915,598**	**278**	**67,239**	**14,890**	**998,005**	**1,159,903**
Acquisition Expenses	181,035	1,188	97,736	-	279,959	3,067
Other Underwriting Expenses	196,936	8,806	44,899	-	250,640	28,961
Total Expenses	**1,293,569**	**10,272**	**209,874**	**14,890**	**1,528,605**	**1,191,931**
Underwriting Result	**423,703**	**34,640**	**478,688**	**16,422**	**1,028,449**	**825,383**

Statement of Value Added

(All amounts in Naira thousands unless otherwise stated)

		Group				Parent		
	Dec-2012	%	Dec-2011	%	Dec-2012	%	Dec-201	1%
Gross premium income	11,656,020		9,319,692		11,656,020		9,319,692	
Re-insurance, claims and commission & others	(10,558,187)		(7,910,693)		(10,436,689)		(7,867,537)	
	1,097,833		1,408,999		1,219,330		1,452,154	
Investment and other income	2,358,148		812,181		1,687,764		644,498	
Value added	3,455,981		2,221,180		2,907,094		2,096,652	
Applied to pay:								
Staff cost	1,016,552	29%	814,820	37%	933,898	32%	737,386	35%
Government as tax	470,403	14%	290,442	13%	244,485	8%	266,999	13%
Shareholder as dividend	400,000	12%	900,000	41%	400,000	14%	900,000	43%
Retained in the business								
Depreciation and amortisation	248,514	7%	166,637	8%	242,560	8%	161,832	8%
Retained profit for the period	1,155,638	33%	49,281	2%	1,086,151	37%	30,436	1%
Non-controlling interest	164,875	5%	-	0%	-	0%		
Fair value reserves						0%		
Value added	3,455,980	100%	2,221,180		2,907,094	100%	2,096,652	100%

MANSARD INSURANCE

Four year financial summary

(All amounts in Naira thousands unless otherwise stated)

Group					
		IFRS			NGAAP
STATEMENT OF FINANCIAL POSITION	2012 N' 000	2011 N' 000	2010 N' 000	BALANCE SHEET	2009 N' 000
ASSETS			ASSETS		
Cash and cash equivalents	3,188,785	2,606,744	5,370,113	Cash and bank balance	459,435
Financial assets				Short-term investments	8,657,009
– Held-to-maturity	5,422,982	2,879,202	1,665,320	Long -term investments	2,015,625
– Available-for-sale	3,067,015	2,858,242	2,954,680	Debtors and prepayments	2,010,228
– At fair value through profit or loss	4,075,261	4,523,411	1,938,181	Deferred acquisition cost	98,682
Other financial assets designated at fair value	1,603,874	1,042,101	846,674	Assets representing insurance funds	-
Pledged assets	235,967	-	-	Deferred tax assets	1,106
Trade receivables	2,036,827	1,656,457	1,008,674	Statutory deposit	500,000
Reinsurance receivables	1,798,806	1,436,568	633,562	Trading properties	2,519,241
Other receivables	867,424	352,792	421,818	Investment property under development	-
Deferred acquisition	254,018	196,657	145,042	Property and equipment	910,028
Investment in subsidiaries	-	-	-	Intangible assets	-
Investment properties	6,936,660	5,490,491	4,418,173		
Deferred tax asset	-	-	4,705		
Intangible assets	100,769	41,697	27,654		
Property and equipment	1,477,814	1,287,899	362,976		
Statutory deposit	500,000	500,000	500,000		
TOTAL ASSETS	31,566,202	24,872,261	20,297,571	TOTAL ASSETS	17,171,354
LIABILITIES				Liabilities	
Insurance liabilities	5,865,263	4,649,200	3,333,361	Outstanding claims	-
Investment contract liabilities:				Creditors and accruals	673,538
– At amortised cost	1,999,686	1,513,107	975,990	Insurance fund	1,983,363
Other financial liabilities designated at fair value	1,603,874	1,042,101	846,674	Deposit administration	1,115,094
Borrowing	3,581,573	926,463	-	Taxation	582,424
Trade payables	2,053,812	1,288,161	595,403	Deferred tax	191,595
Other payables	1,047,208	879,010	451,651		
Current income tax liabilities	411,434	587,699	650,328		
Deferred income tax	421,017	145,446	132,703		
TOTAL LIABILITIES	16,983,869	11,031,187	6,986,110	TOTAL LIABILITIES	4,546,014
	EQUITY				
		Paid up share capital	5,000,000	5,000,000	5,000,000
Capital and reserves					
Share premium	3,843,243	3,843,243	3,843,243	Share capital	5,000,000
Contingency reserve	1,564,699	1,241,011	988,221	Capital reserve	2,500,000
Other reserves	2,465,506	2,323,105	2,323,105	Share premium	3,843,243
Retained earnings	204,818	271,677	445,069	Statutory contingency reserve	745,687
Fair value reserves	1,035,117	857,963	711,823	Retained earnings	536,410
SHAREHOLDERS' FUNDS	14,113,383	13,536,999	13,311,461	SHAREHOLDERS' FUNDS	12,625,340
Total equity attributable to the owners of the parent	14,113,383	13,536,999	13,311,461		
Non-controlling interests in equity	468,951	304,076	-		
TOTAL EQUITY	**14,582,333**	**13,841,075**	**13,311,461**		
TOTAL LIABILITIES AND EQUITY	**31,566,202**	**24,872,262**	**20,297,571**		

STATEMENT OF COMPREHENSIVE INCOME				PROFIT AND LOSS ACCOUNT	
	2012 N' 000	2011 N' 000	2010 N' 000		2009 N' 000
Gross premium written	12,444,451	10,004,767	7,520,527	Gross premium written	5,377,502
Premium earned	7,109,300	6,083,463	3,166,847	Premium earned	2,372,031
Profit before taxation	2,179,804	1,256,039	1,017,902	Profit before taxation	1,312,601
Taxation	(576,499)	(290,442)	(374,256)	Taxation	(796,013)
Profit after taxation	1,603,305	965,597	643,646	Profit after taxation	516,588
Transfer to contingency reserve	323,688	252,790	242,534	Transfer to contingency reserve	184,619
Earnings per share	14k	9k	6k	Earnings per share	4k

Five year financial summary

(All amounts in Naira thousands unless otherwise stated)

Parent						
STATEMENT OF FINANCIAL POSITION		IFRS		BALANCE SHEET		NGAAP
	2012	2011	2010		2009	2008
	N' 000	N' 000	N' 000		N' 000	N' 000
ASSETS				Assets		
Cash and cash equivalents	2,806,096	1,917,218	5,012,516	Cash and bank balance	434,537	350,224
Financial assets				Short-term investments	10,511,556	11,404,514
– Held-to-maturity	5,166,769	2,629,202	1,302,264	Long -term investments	2,565,625	638,500
– Available-for-sale	3,067,015	2,858,242	2,954,680	Debtors and prepayments	2,003,994	2,681,311
– At fair value through profit or loss	3,797,654	4,256,893	1,885,577	Deferred acquisition cost	98,682	74,731
Other financial assets designated at fair value	1,603,874	1,042,101	846,674	Deferred tax assets	1,106	36,846
Pledged assets	235,967	-	-	Statutory deposit	500,000	500,000
Trade receivables	2,036,827	1,656,457	1,008,674	Trading properties	-	-
Reinsurance receivables	1,798,806	1,436,568	633,562	Investment property under development	-	-
Other receivables	1,769,005	2,664,008	2,932,550	Property and equipment	897,343	788,010
Deferred acquisition	254,018	196,657	145,042			
Investment in subsidiaries	2,687,661	3,546,829	3,163,703			
Investment properties	-	-	-			
Deferred tax asset	-	-	4,705			
Intangible assets	96,357	39,665	27,343			
Property and equipment	1,468,003	1,273,281	355,841			
Statutory deposit	500,000	500,000	500,000			
TOTAL ASSETS	**27,288,052**	**24,017,122**	**20,773,131**	**TOTAL ASSETS**	**17,012,843**	**16,474,136**
LIABILITIES				LIABILITIES		
Insurance liabilities	5,865,263	4,649,200	3,333,361	Outstanding claims	388,040	188,588
Investment contract liabilities:						
Creditors and accruals	662,582	2,193,271				
– At amortised cost	1,999,686	1,513,107	975,990	Insurance fund	1,595,323	794,546
Other financial liabilities designated at fair value	1,603,874	1,042,101	846,674	Deposit administration	1,115,094	586,386
Borrowing	235,967	-		Taxation	540,956	166,836
Trade payables	2,053,812	1,288,161	595,403	Deferred tax	189,080	29,157
Other payables	504,978	750,316	363,136			
Current income tax liabilities	**392,300**	**571,032**	**643,555**			
Deferred income tax	**214,377**	**142,618**	**131,000**			
TOTAL LIABILITIES	**12,870,257**	**9,956,534**	**6,889,119**	**TOTAL LIABILITIES**	**4,491,075**	**3,958,784**
EQUITY						
Paid up share capital	5,000,000	5,000,000	5,000,000	Capital and reserves		
Contingency reserve	1,564,698	1,241,011	988,221	Share capital	5,000,000	4,375,000
Share premium	3,843,243	3,843,243	3,843,243	Capital reserve	2,500,000	2,500,000
Other reserves	2,500,000	2,500,000	2,500,000	Share premium	3,843,243	3,073,153
Retained earnings	474,736	618,371	840,723	Statutory contingency reserve	745,687	561,068
Fair value reserves	1,035,117	857,962	711,823	Retained earnings	432,838	2,006,131
SHAREHOLDERS' FUNDS	**14,417,794**	**14,060,588**	**13,884,010**	**SHAREHOLDERS' FUNDS**	**12,521,768**	**12,515,352**
Total equity attributable to the owners of the parent	14,417,794	14,060,588	13,884,010			
TOTAL EQUITY	**14,417,794**	**14,060,588**	**13,884,010**			
TOTAL LIABILITIES AND EQUITY	**27,288,052**	**24,017,122**	**20,773,130**	**TOTAL LIABILITIES AND EQUITY**	**17,012,843**	**16,474,136**

STATEMENT OF COMPREHENSIVE INCOME				PROFIT AND LOSS ACCOUNT		
	2012	2011	2010		2009	2008
	N' 000	N' 000	N' 000		N'000	N' 000
Gross premium written	12,444,451	10,004,767	7,520,527	Gross premium written	5,377,502	4,143,899
Premium earned	7,109,300	6,083,463	3,166,867	Premium earned	2,372,031	1,682,648
Profit before taxation	1,730,635	1,197,435	1,467,952	Profit before taxation	1,173,520	1,987,413
Taxation	(244,485)	(266,999)	(353,074)	Taxation	(749,694)	(122,193)
Profit after taxation	1,486,151	930,436	1,114,878	Profit after taxation	423,826	1,865,220
Transfer to contingency reserve	339,144	252,790	242,534	Transfer to contingency reserve	184,619	324,756
Earnings per share	14k	9k	11k	Earnings per share	4k	18k

Unclaimed Interim Dividend Payment 7 Schedule

Beneficiary
ABAH JOHN, ABAH
ABARI FOLUKEMI, ELIZABETH
ABASI HELPME, SORBO
ABATAN AKANI, OYEBANJI
ABATAN MATTHEW, OLUWOLE
ABIDOYE LATEEF, BOLAJI
ABIDOYE MAJEED, TUNJI
ABIDOYE TAOFIK, OWOLABI
ABODERIN GBOYEGA,
ABODERIN TITILAYO,
ABODUNRIN OLALEKAN, SEGUN
ABOJE ONYANTA, OCHOWECHI
ABOLAJI OLUFEMI, OLAJIDE
ABOLARIN OLUGBENGA,
ABOLUWOYE AKINWANDE, EBENEZER
ABUBAKAR MOHAMMED, SANI
ABUI DAUDA,
ACHAKOBE GENEVIEVE, ALICE ANDREE
ADEAYO MOBOLAJI, OLALEKAN
ADEBAMBO OLUWABUKOLA, ALICE
ADEBAYO RASHIDA, AJOKE
ADEBAYO SAMUEL, SUNDAY
ADEBOWALE KAYODE, MICHAEL
ADEDEJI ADEKUNLE,
ADEDIRAN ADENIYI, ADESOJI
ADEFOWOKAN TIMOTHY, OLATUNDE
ADEGBITE ADEDAMOLA,
ADEGBOYEGA SAMUEL,
ADEGOKE SAMSON, OLUTAYO
ADEJARE ADESANMI, ADEDAMOLA
ADEJUMO & OTTUN LAWRENCE OLUBISI, & BOLANLE ADELE
ADEKANYE NOAH, ADEGBOYEGA
ADEKOLA DANIEL, OREOLUWA
ADEKOYA TAIWO, JOHNSON
ADEKUNJO IDOWU,
ADELEKE OLUGBENGA, MOSES
ADELEYE ABIODUN, OLUWATOYIN
ADELUSI OLUFEMI, ISAAC
ADEMILUYI ADEKUNLE, OLUWASEUN
ADENEKAN KOLAWOLE, ISAAC
ADENIJI IYINOLUWA, OLOHIJE ESTHER
ADENIRAN BABATUNWA,
ADENIRAN OLUWATOYIN, SARAH
ADENIREGUN ABIOLA, ATINUKE
ADENIYI ISIRAT, MOJISOLA
ADENIYI SAMUEL, AYODEJI
ADENRELE RAHEEMOT, YETUNDE OMOTOLA
ADENUGA PRECIOUS, ADEDAMOLA
ADEOTI COMFORT, OLUWAKEMI
ADEREWA TINUKEMI,
ADESANYA SHAMSIDIN, OSARETIN
ADESHINA KAYODE, ABIODUN
ADESINA-IBRAHIM ODUAYO, MARY
ADETILOYE KOYEJO, OLUYINKA
ADETONA ADEMUYIWA, OLADIPUPO
ADEUYI SMART, GBENGA
ADEWUNNU KAZEEM, ODUBOLA
ADEYEMI AFUSAT, ONIBIPE
ADEYEMI JONATHAN, OYEJIDE
ADEYEMI KEHINDE,
ADEYEMI OLUTOSIN, JOSEPH
ADEYEYE ADEOLA, OPEYEMI (DR)
ADIGUN OMOWUMI, T.
ADINDE ROBINSON, ANAYOCHUKU
ADIO ODUNOLA, E.
AD-MAT INVESTMENT CO LTD
ADUOMAHOR INTELLIGENCE, IGHO
AFEN-ASHIA BUKEYIM, KEVIN
AFOLABI IBRAHIM, ABIMBOLA
AFOLABI MOSES, BABAJIDE
AFOLARIN GANI, KOLA
AGBAJE BABATUNDE, AINA
AGBAJE ELOHO, MARO
AGBASIERE ROMANUS,
AGBOJO CLOTILDA, ONYEOGHANI
AGBOLAGORITE HEZEKIAH, OLUWAG-BAMIGBE
AGHEDO DESMOND, ESEOSA
AGONI SYLVESTER, O.
AGOSU ADEWALE, MAUTIN
AGU ONYEKACHI, HARRISON
AGUBATA ECHEZONA, I.
AGWUIKE EDWIN, OGBONNA
AGWUNOBI CHIKELUE, CHIBUZO
AGWUNOBI NNAMDI, & ANWULI
AHAOTU KELECHI, OBIANUJU
AILERU HALIMOT, OLUBUNMI
AINA OLUSHOLA, REUBEN
AIYEGBUSI AYOMIDE, AMANDA
AIYEGBUSI ENIOLA, DEBORAH
AIYEOLA AFOLABI, AKINKUNMI
AJALA ESTHER, NIHINLOLA
AJANWACHUKU JEMA, NNENA
AJAO MOSUDI, AYINDE
AJAYI ADEBOLA, OLATOKUNBO
AJAYI ADEDAYO, DAVID
AJAYI MOBOLAJI, ABIODUN
AJAYI OLADUNNI, OLAPEJU
AJAYI TAYE, HENRY
AJEYOMI OLUWAFEMI, M.
AJIBADE ADEBAYO, AIDEN
AJIBADE ADEMIDE, ALEXANDER
AJIRIOGHENE MILLER, OKE
AKANDE MUKTAR, OPEYEMI
AKANDE OMOLABAKE,
AKANNI OLALEKAN, OLUFEMI
AKANNI OLUWADUROTIMI, WILSON
AKANNI OLUWANITEMI, AMOS
AKINADE EZEKIEL, A.
AKINBO OLADIMEJI, AYINLA
AKINBORO SUNDAY, OLUKAYODE
AKINGBESOTE ABIMBOLA,
AKINGBESOTE OLUWAMAYOWA, O.
AKINLADE SAMSON, OLUWATOSIN
AKINLOLU AKINDURO,
AKINLUYI FIKAYO,
AKINLUYI MAKINDE,
AKINLUYI TOYOLE,
AKINNIRANYE AKINJOMIDE, OLASUNKANMI
AKINOLA FELICIA, I.A&BABAJIDE O(ADMORS)
AKINOLA OLADUNMIYE,
AKINRODEMI AKINYEMI, ORIOLA
AKINRUJOMU SILEOLA, JOSPHINE
AKINTOLA SOLOMON, BABATUNDE
AKINWALE OLUWADAARA, INIOLUWA DAVID
AKINYELE OLUBODUN, TEMITAYO
AKINYELUWA ADESOLA, ADERONKE
AKINYOSOYE ADETOKUNBO,
AKINYOSOYE AYO, (MR & MRS).
AKINYOSOYE AYOYINKA ALEX
AKIODE OLATUNJI,
AKPAN OKON UDO
AKPAN PRAISE, ITORO
AKPUBI J., E. O'FEGHO
ALABI ABIGAEL, BOLAJOKO
ALABI AJOKE, ZAINAB OLAMIDE
ALABI MODUPE OLAIDE
ALABI OLUGBENGA, SAMUEL
ALAYANDE FOLARIN,
ALIU IBRAHIM, ABIODUN
ALIU IDODE, MOHAMMED
ALLI FATIMOH, IYABO
ALLI OLAYINKA, ASIMIYU
ALUKO BOLUWATIFE,
ALUSHA IORKYAR, AONDOWASE
ALUSHA IORKYAR, TERSOO
ALUSHA MBAWUESE,
ALUSHA MYOM,
ALUSHA VERASHE,
ALUSHA ZERDOON,
AMAMBA JANET, EMGBAM
AMAWE UCHE, DEBORAH
AMAYESHOLA GUY, TORITSEJU
AMAYESHOLA ITSEORITSETUMARA, SAMUELLE
AMAYO LOVETH,
AMBALI HAMID, ABDULAI
AMOBI OGOCHUKWU, CELESTINA
ANASTATIS CAPITAL PATNERS LTD
ANGA KENNETH,
ANIH ANTHONIA, AMUCHE
ANIMASHAUN KAFILAT, FOLAKE
ANIMASHAUN KAZEEM, GBENGA
ANIMASHAUN, AL-FUR QAN, FOLORUNSHO
ANIMASHAUN,NADIA OLAOLUWA,
ANMAK LIMITED -
ANOZIE DOMINIC,
ANWANA ARIT, CHRISTOPHER
ANYANWU CHARITY,
ANYIAM SAMUEL, NNAMDI
ARASE KINGSLEY, EDENABOYEN
ARCHIBONG MARIA-PIA OBO
AREWE ALBERT, HOPE
ARHIN PRINCESS, OGECHI
ARIYIBI ABIODUN, MARIAM (DR)
AROGBO MOFIYINFOLUWA, B.
AROGUNDADE OLAMIDE, ALBERT
AROLE OLUWATOBILOBA, TAOFIKAT
ARUGU EVIDENCE, IKPOKI
ASIYANBI OLUFEMI, OLADELE
ASOGWA JOHN, OKWUDILI
ATINUKE ONASHILE,
AVOH INITIATIVE, LIMITED
AWE YEWANDE &TINUADE
AWOGBORO OLA, PHIL
AWOH NORNAH
AWOJOBI JAMES OLANREWAJU
AWOKOYA OLAYINKA,
AWOLUMATE SAMUEL, EHINMIDUN
AWOSANYA JOHN, ADESINA
AWOSEMO OLAPADE,
AWOTUNDE OLUWAFEMI, ATANDA
AWUNOR SUNDAY, AZUBUIKE
AYADI MONIAYE,
AYANRU OSAMUDIAME, MICHEAL
AYANRU OSAMUDIAME, OSAGIEDE
AYANRU OSAROMEN, GABRIELLA
AYANRU OSASUMWEN, JOSH
AYAYEIBO ERIC, EBIKAPADE
AYEKOMILOGBON OLUWAYOMI,
AYO KASUMU, KEHINDE
AYODELE AYODEJI, OLUFEMI
AZEEZ AMIDU, BABATUNDE
AZEEZ AMINAT, OLUREMI
AZEEZ RASAKI, KOLAWOLE
AZUBUIKE KAMSI, JESSICA
BABAJARE OLUWOLE, EMMANUEL
BABAJIDE TUNDE,
BABATUNDE ESTHER, AINA
BADMUS ABDULRAHMON, ABIODUN
BAKARE FLORENCE, OLUFUNKE
BAKARE OLANIYI, & OPEOLUWA
BAKUT BENEDICT, YASHIM

BAKUT FIDELIS, SULE
BAKUT GABRIEL, KARAM
BALOGUN ADEBAYO, HAMMED
BALOGUN OLAKUNLE,
BAMIDURO ADETAYO, OLANREWAJU
BAMMEKE MOFOPEFOLUWA, OLUWATOMISIN
BAMMEKE MOLOLUWA, OLUWATOBILOBA
BAMMEKE MORANUOLUWA, TOLUWALOPE
BANJOKO ABIMBOLA, MARTINS
BANKOLE B., BASIRU
BANKOLE DEBORAH, REGINA
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WADI BRIDGET, CHIYERE
WASIMO VENTURES LIMITED
WILLIAMS EMMANUEL,
WILLIAMS GRACE, NWAKEGO
WILLIAMS JADESOLA,
WOKOMA BENONI, SOGBEYE
WONSIRIM HYCIENTH, IHEANYICHUKWU
YAHAYA ABDULMUMINI,
YAHAYA SULEIMAN, ALIYU
YAHAYA-ZEKERI SHERIFAT,
YAKUBU ALI,
YAKUBU SHERIFF,
YEKINNI ADISA, AKINGBOROWA
YINUSA AMUDA, YUSUF
YUSUF BALLA-JOSE,
YUSUF OLAITAN, LUKMAN
YUSUF OLUKUNLE, ISAAC

DataMax
DataMax Registrars Limited
RC 645075

7, Anthony Village Road,
Anthony,
P.M.B.10014,
Shomolu, Lagos State.
Tel: 01-2716090-4; 8419257-8
Fax: 01-2716095
datamax@datamaxregistrars.com
www.datamaxregistrars.com

MANDATE FOR e-DIVIDEND PAYMENT

It is our pleasure to inform you that you can henceforth, collect your dividend through DIRECT CREDIT into your Bank Account. Consequently, we hereby request you to provide the following information to enable us process direct payment of your dividend (when declared) into your bank account (ONLY CLEARING BANKS ARE ACCEPTABLE)

Date (DD/MM/YYY)

☐☐ / ☐☐ / ☐☐☐☐

Shareholder Account Number (if Known)

CSCS CHN Number

C

Item

(1) **Name of Company in which shares are held.**

GTBANK ☐ **GDR** ☐ **MANSARD** ☐

(2) **Surname/Company's Name**

(2.1) **Other Name (for Individual Shareholder)**

(2.2) **Present Postal Address**

(2.3) **City** **State**

(2.4) **E-mail Address**

(2.5) **Mobile (GSM) Phone Number**

(3) **Bank Name**

(3.1) **Branch Address**

(3.2) **Bank Account Number (NUBAN ONLY)**

(3.3) **Bank Sort Code**

Please forward until further notice all future interest or dividends to which I/We become entitled for the company detailed in item 1 to the branch of the bank detailed in item 3 - 3.1.

(4) *

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation Number (Corporate Shareholder)

This form must be signed by ALL the registered holders, executor(s) or administrators

When completed on behalf of corporate body, each signatory should state the representative capacity e.g. Company Secretary, Director etc.

(5) **

AUTHORISED SIGNATURE AND STAMP OF BANKERS

* The signature(s) in 4 must correspond with your specimen in our records as any contrary signature(s) or non-existence in our records would void your request.

**The branch stamp and signature of an authorised signatory of your bank is required to confirm that the signature(s) in box 4 is/are that of the shareholder(s)or an authorised signatory, before returning to the Registrars.

Please disregard this form if you already have a standing mandate instruction on your account.

PROXY FORM

MANSARD INSURANCE PLC *RC 133276*

21st ANNUAL GENERAL MEETING to be held at the Lagos Oriental Hotel, No 3, Lekki Road, Victoria Island, on Thursday, May 23, 2013 at 10:00 a.m

I/We... being a member/members of Mansard Insurance plc hereby a point*...or failing him Mr. Victor Osibodu, or failing him Mr. Tosin Runsewe, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on May 23, 2013 and at any adjournment thereof.

Dated this .... day of .... 2013.

Signature of Shareholder..

Name of Shareholder..

NUMBER OF SHARES:		
RESOLUTIONS	FOR	AGAINST
To receive the Audited Financial Statements for the year ended December 31, 2012, and the Reports of the Directors, Auditor and Audit Committee thereon.		
To declare a dividend.		
To appoint Auditor		
To authorize Directors to fix the remuneration of the Auditor		
To elect members of the Audit Committee		
To authorize Directors to increase the authorized share capital of the Company from N5,000,000,000.00 to N5,250,000,000.00.		
To amend the Memorandum and Articles of Association of the Company by deleting Clause 6 of the Memorandum and substituting the said Clause with the following: "The Share Capital of the Company is N5,250,000,000.00 divided into 10,500,000,000 Ordinary shares of 50 kobo each ranking pari passu in all respects with the existing Ordinary Shares of the Company		
To authorize Directors to issue and administer up to 500,000,000 Ordinary shares of 50 kobo each from the Company's share capital to the Staff Investment Scheme, as contained in the Trust Deed for the Staff and Management of the Company		
To approve a Debt Issuance Programme		
To authorize Directors to do or procure to be done, all such acts and things on behalf of the Company as they consider necessary, expedient or desirable in connection with the Debt Issuance Programme.		
Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

ADMISSION CARD

Twenty First Annual General Meeting to be held at the Lagos Oriental Hotel, No 3, Lekki Road, Victoria Island, on Thursday, May 23, 2013 at 10:00 a.m.

Name of Shareholder (in BLOCK LETTERS)

....

Shareholder's Account No..

Number of shares...

IMPORTANT

1. Before posting the above form of proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Company or his proxy should produce this card to secure admission to the meeting.

2. A member of the Company is entitled to attend and vote at the Annual General Meeting of the Company. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.

3. In line with the current practice, the names of two (2) of the Directors of the Company have been entered on the form of proxy to ensure that someone will be at the Meeting to act as your proxy. You may however wish to insert in the blank space on the form (marked " * ") the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of one (1) of the Directors named.

4. The above form of proxy, when completed, must be deposited at the office of the Registrar, DataMax Registrars Limited, No. 7, Anthony Village Road, Anthony, Lagos, not less than forty-eight (48) hours before the time fixed for the meeting.

5. It is a requirement of the law under the Stamp Duties Act, Cap. A8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty of Fifty (50) Kobo.

6. If the form of proxy is executed by a Company, it should be sealed under its Common Seal or under the hand and seal of its Attorney.

Signature of the person attending...

Corporate Directory

Executive Suite

Tosin Runsewe
Yetunde Ilori
Adekunle Ahmed

Institutional Business Division

Polycarp Didam
Assistant General Manager

Funlola Jide- Aribaloye
Senior Manager

Akinlolu Akinyele
Manager

Oluwamuyiwa Omoyele
Manager

Gabriel Njoku
Deputy Manager

Oladipupo Awogboro
Deputy Manager

James Awojobi
Deputy Manager

Ayodeji Alamutu
Assistant Manager

Retail Business Division

Abayomi Onifade
Deputy General Manager

Suman Ramesh
Senior Manager

Edison Emoabino
Manager

Chukwuemeka Albert
Deputy Manager

Olushola Stephen
Assistant Manager

Olusoji Osunsedo
Assistant Manager

Tejumade Coker
Assistant Manager

Latifah Aliu
Assistant Manager

Abayomi Olota
Assistant Manager

Leonard Oyinbo
Assistant Manager

Technical Division

Lekan Oyinlade
Assistant General Manager

Rantimi Ogunleye
Senior Manager

Adewale Adeneye
Deputy Manager

Emonefe Isodje
Deputy Manager

Olaniyi Abijo
Assistant Manager

Omovwoma Oroka
Assistant Manager

Adebowale Adesona
Assistant Manager

Claims and Risk Management Division

Henry Akwara
Assistant General Manager

Olufemi Aluko
Manager

Babatunde Braimah
Manager

Patience Ugboajah
Deputy Manager

Adekunle Omotoye
Deputy Manager

Adebola Surakat
Deputy Manager

Adeseye Ajibulu
DeputyManager

Omowunmi Adewusi
Deputy Manager

Operations& Technology Division

Babatope Adeniyi
Deputy General Manager

Akinmaderin Osofisan
Manager

Olanike Olaniyan
Manager

Yusuf Omoshola
Deputy Manager

Morenike Hassan
Assistant Manager

Olanrewaju Ogunleye
Assistant Manager

Financial Control and Corporate Services Division

Rashidat Adebisi
Assistant General Manager

Nkechi Osawemen
Deputy Manager

Opeyemi Ojedele - Akinwonmi
Assistant Manager

Adeolu Adeosun
Assistant Manager

Olachi Ekechukwu
Assistant Manager

Osagie Uyi
Assistant Manager

Oluwadamilola Ogedengbe
Assistant Manager

Marketing and Corporate Communications

Taiwo Adeleye
Assistant General Manager

Omosolape Odeniyi
Assistant Manager

Systems and Control Group

Olusola Odumuyiwa
Assistant General Manager

Ariyibi Kehinde
Assistant Manager

Tosin Taiwo
Assistant Manager

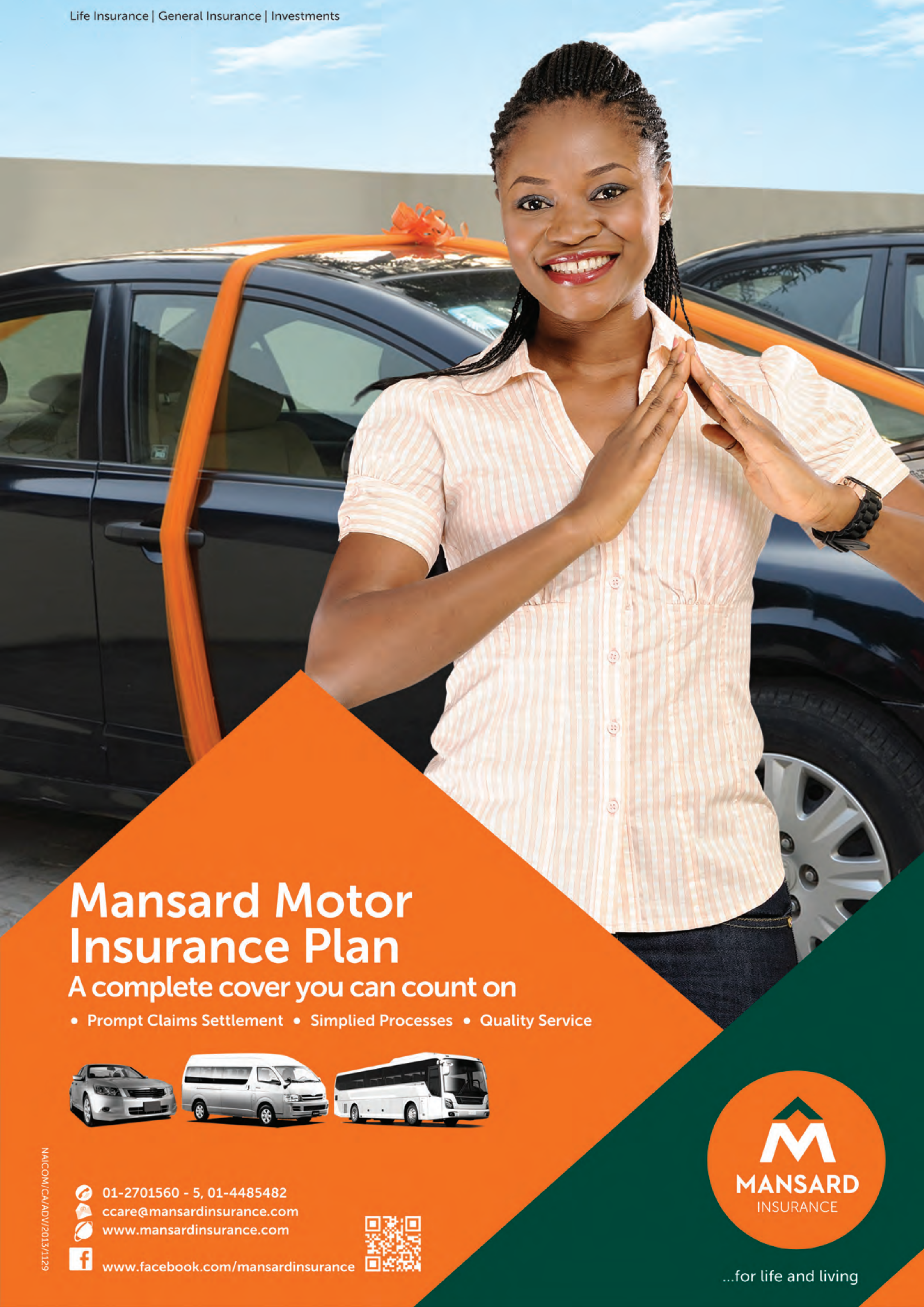
Bruno Akpaibor
Assistant Manager

Vincent Anosike
Assistant Manager

Mansard Investments Limited

Victor Inyang
Chief Investment Officer

Babajide Lawani
Analyst


Life Insurance | General Insurance | Investments
Mansard Motor Insurance Plan
A complete cover you can count on
• Prompt Claims Settlement • Simplied Processes • Quality Service
01-2701560 - 5, 01-4485482
ccare@mansardinsurance.com
www.mansardinsurance.com
www.facebook.com/mansardinsurance
NAICOM/CA/ADV/2013/129
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INSURANCE
...for life and living

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