



2011 Annual Report & Accounts



Motor Insurance

Renewal Made Simple



In its commitment to use technology to drive excellence and improve service delivery, Standard Alliance Insurance Plc, one of the nation's leading underwriting companies, has introduced the Third Party Insurance Scratch card. It is a mobile-based system aimed at tackling fake Motor Insurance and ensuring faster and more transparent processing of clients' policies.

The Scratch card can be purchased for either private or commercial vehicles. They are easy to use and very convenient. The Scratch Cards should be uploaded via your Mobile Phone, after which you would receive an immediate confirmation of the transaction.

- Each card has a **Policy Certificate** attached which bears the same security code on the card and a Hologram security feature, therefore, making it easy for the appropriate authorities to identify. Please keep this safe.
- Customers will be able to request policy verification via SMS and will receive an instant confirmation.
- The cards are readily available for purchase at any SA Insurance Plc's offices or through our appointed distributors and Sales Agents nationwide.
- Please read and follow carefully the instructions on the card or call our Help Centre lines on **01-7406410-2** from 8.00am to 6.00pm (Mondays to Fridays) for assistance where necessary.
- For further details, please call our Customer care lines: **0700-insurance (0700-46782623)**, **0700-my claims (0700-69252467)** or email, us: **info@sainsuranceng.com**

* Powered by SYSTEL Ltd



Plots 280 / 281, Ajose Adeogun Street, Victoria Island, Lagos.
Tel: 01-4616201 - 2, 7741644 - 5, 7939438, 0700-insurance, 0700-46782623, 0700-myclaims 0700-69252467, Fax: 01-4619199
Email: info@sainsuranceng.com Website: www.sainsuranceng.com



Our Core Value

Our Core Value is entrenched in the word Dependability, living up to our words and promises because we are **WISE**.

We:

W are **Welcoming**: Our doors are always open to meet your unique needs, and with a smile.

I have **Integrity**. We deal honestly and fairly with the public and one another, maintaining the highest professional and ethical standards.

S exhibit **Strength**. We have the financial capacity to deliver on all promises so you can always count on us.

E Demonstrate **Empathy**. We always put ourselves in the position of others, ready to serve with diligence, utmost confidentiality and care.

...Dependability you can recommend.

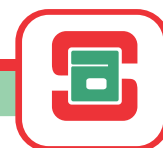


Vision

To be the leading provider of Insurance, Risk Management and Investment Services in Africa.

Mission

To become the best within the shortest time possible through hard work, innovation, the employment of most trusted professional hands and deployment of appropriate technology.



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Notice of the 16th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General meeting of STANDARD ALLIANCE INSURANCE PLC will hold at the Event Hall, Plot 1, Block 94, Providence Street, Lekki Phase 1, Lekki, Lagos State on Thursday 20th December, 2012 at 11.00a.m to transact the following business.

Ordinary Business

- a) To receive and adopt the Audited Financial Statements together with Auditor's Report, Directors' Report and Audit Committee's Report thereon for the year ended 31st December, 2011.
- b) To re-elect retiring Directors.
- c) To approve the remuneration of the Directors.
- d) To authorize the Directors to fix the remuneration of the Auditors
- e) To re-elect/elect members of the Audit Committee

Special Business

To consider and if thought fit, pass the following resolutions being proposed as Ordinary Resolution:

That Clause 6 of the Memorandum of Association of the Company be and is hereby amended by deleting the words:

"The Authorized Share Capital of the company is =N=7,000,000,000 (Seven Billion Naira) only divided into 10,500,000,000.00 (Ten Billion, Five Hundred Million) ordinary shares of 50 Kobo each and 17,500,000.00 (Seventeen Million, Five Hundred Thousand) preference shares of N100 each at par" from Clause 6 of the Memorandum of Association and substituting therein the following words:

"The authorized share capital of the Company is N7, 000,000,000 (Seven Billion Naira) divided into 14,000,000,000 (Fourteen Billion) ordinary shares of 50 kobo each".

Dated this 21st day of November, 2012

BY ORDER OF THE BOARD

AGNES OKIEMUTE UMIKORO
COMPANY SECRETARY
STANDARD ALLIANCE INSURANCE PLC
PLOT 1, BLOCK 94,
PROVIDENCE STREET,
LEKKI PHASE 1, LEKKI,
LAGOS.



• **Miss Agnes Umukoro**
Company Secretary

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Notice of the 16th Annual General Meeting (Continues)

NOTES

1. Proxies

A member of the company entitled to attend and vote is entitled to appoint a proxy on his or her behalf. A proxy need not be a member of the company. A detachable blank proxy form is attached to the Annual Report and Accounts and if it is to be valid for the purpose of the meeting, it must be duly completed and deposited with the Registrars, FIRST REGISTRARS OF NIGERIA LIMITED at Plot 2, Abebe Village Road, Iganmu, Lagos State not less than 48 hours before the time of the meeting.

2. Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from Monday 10th December, 2012 to Friday 14th December, 2012 (both dates inclusive) for the purpose of preparing an up-to-date Register.

3. Unclaimed Share Certificates and Share Warrants

All Shareholders are hereby informed that the Registrars of the Company are holding share certificates and dividend warrants which have been returned by the Post Office as "unclaimed". Some dividend warrants sent to Shareholders' registered addresses or their bankers too are yet to be presented for payment or returned to the Registrars of the Company for revalidation. The affected shareholders should please get in touch with First Registrars.

4. Nomination for Audit Committee

In accordance with Section 359 (5) of the Companies and Allied Matters Act 1990, any member may nominate a Shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Secretary of the Company at least 21 days before the Annual General Meeting.



Financial And General Highlights

For The Year Ended 31 December 2011

	2011	2010	CHANGE	%
PROFIT AND LOSS ITEMS	=N='000	=N='000	=N='000	%
Gross premium written	4,765,192	3,883,160	882,032	23
Net premium earned	4,160,339	3,513,741	646,598	18
Claims paid	535,848	758,348	(222,500)	(29)
Underwriting profit	2,728,885	1,754,156	974,729	56
Investment income	171,116	49,250	121,866	247
Management expenses	1,388,761	1,204,644	184,117	15
Profit/(Loss) before taxation	319,095	(8,462,155)	8,781,250	104
BALANCE SHEET ITEMS				
Cash/bank balances and short-term				
Investments	2,252,392	2,244,842	7,550	0
Long-term investments	4,195,620	4,091,687	103,933	3
Insurance fund	1,026,959	726,143	300,816	41
Paid up share capital	5,996,587	5,996,587	-	-
Shareholders' fund	7,691,889	7,658,064	33,825	0
Total assets	10,942,345	10,693,956	248,389	2
PER SHARE DATA				
Based on the weighted average units of ordinary shares of 50k each				
Basic earnings per share (Kobo)	3.17	(99)	102.17	103.21
Net assets per share (adjusted)	73	164	(91.22)	(56)
Market capitalization per share	50	50	-	-
GENERAL	3	Number	Number	%
Number of shareholders	78,030	78,030	-	-
Number of employees	189	191	(2)	(1.05)
Number of branches	23	23	-	-



Board of Directors



Alhaji Aliyu Yahaya Sa'ad
Chairman



Olorogun O'tega Emerhor, OON
Vice Chairman



Dr. Ramsey O. Mowoe, CON
Director



Joshua Ayodele Ajayi
Director



Mrs. Rhe Emerhor-Iwuagwu
Director



Mr. Tom Imokhai
Managing Director



Brig. Gen. Dominic Oneya (rtd.)
Director



Miss Agnes Umukoro
Company Secretary



Corporate Profile

DIRECTORS

Alhaji Aliyu Sa'ad	-	Chairman
Olorogun O'tega Emerhor, OON	-	Vice Chairman
Mr Tom Imokhai	-	Managing Director
Brig. Gen. Dominic Oneya (Rtd.)	-	Director
Dr Ramsey Mowoe, CON	-	Director
Mr Ayodele Ajayi	-	Director
Alhaji Mohammed Hassan	-	Director (Deceased)
Mrs Orerhime Emerhor-Iwuagwu	-	Director

Company Secretary - Agnes Oklemute Umukoro

Registered office - Plot 281 Ajose Adeogun Street
Victoria Island
Lagos

Registrars - First Registrars Nigeria Limited
Plot 2, Abebe Village Road
Iganmu Lagos.

Auditors - Messrs Muhtari Dangana & Co
(Chartered Accountants)
Maanah Plaza
19 Araromi Street
Onikan - Lagos

Reinsurers

Local

1. African Reinsurance Corporation, Nigeria
2. Continental Reinsurance Plc
3. Nigerian Reinsurance Plc
4. WAICA Reinsurance Pool, Nigeria.

Foreign

1. GIC Re of India

Bankers

- | | |
|------------------------------|----------------------------------------|
| 1. Access Bank Plc | 8. Lagoon Home Savings & Loans Limited |
| 2. Afribank Plc | 9. Skye Bank Plc |
| 3. Diamond Bank Plc | 10. Standard Chartered Bank Limited |
| 4. Ecobank Plc | 11. Sterling Bank Plc |
| 5. Fidelity Bank Plc | 12. United Bank for Africa |
| 6. Finbank Plc | 13. Zenith Bank Plc |
| 7. First Bank of Nigeria Plc | |



Chairman's Statement

Distinguished shareholders, Members of the Board, ladies and gentlemen, it is my privilege to welcome you to the 16th Annual General Meeting of our company, and present the company's performance for the financial year ended December 31, 2011. There were several challenges during the year. Generally, businesses operated in a very unfriendly environment caused by inadequate infrastructure, insecurity and high cost of funds among others. Despite these, our company's financial performance improved over that of the previous year.

The Global Economy

The real GDP growth in the global economy stood at 3.9% with developed countries growing at just 1.6% while emerging and developing economies grew at 6.3%. Unemployment remained a key problem facing the global economy during the financial year, and emerged a stumbling block to global recovery, principally in the western world. Growth in the Euro-zone slowed considerably since the beginning of 2011 and the ever-simmering sovereign debt crisis heavily weighed on consumer and business confidence across Europe. Japan's growth prospects were also weakened considerably by the nuclear crisis and the effects of the tsunami and earthquake, culminating in the downgrade of the country's credit rating.

Generally, the failure of policymakers in developed economies to address unemployment and prevent sovereign debt distress and financial sector fragility from escalating, posed the most acute risk for the global economy in the year under review; with renewed global recession being a possibility all year round.

The sub-Saharan Africa region was not significantly affected by the global economic crisis and growth continued to outperform advanced economies. The region grew at an estimated 5.2% in 2011; driven essentially by a recovery in commodity prices and exports during the year. In the Middle East and North Africa, political unrest and political instability was experienced in some countries which adversely affected the economies of the region.

Nigerian Economy

2011 saw the emergence of Dr. Goodluck Jonathan as the President of the country in a very free and fair election. This ongoing political stability in the country has been an important factor in the continuing high level of investor confidence enjoyed by the country. 2011 also saw the unveiling of the President's transformation agenda. The agenda ranged from ports and agriculture reforms to the establishment of a Sovereign Wealth Fund, indicating the government's readiness to create the enabling environment for sustainable economic growth.



Alhaji Aliyu Yahaya Sa'ad
Chairman

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Chairman's Statement (Continues)

The average crude oil price was consistently high and above the benchmark price of US\$75 per barrel. There was also improved oil production, due mainly to the implementation of the amnesty and post-amnesty programmes of the Federal Government that severely reduced youth restiveness in the Niger Delta.

The high crude oil prices and the increased production subsequently had a positive effect on foreign reserves, averaging US\$32.71 billion for the year.

Inflation, a key economic indicator, closed the year at 10.3% compared to 12.1% in January. Similarly, interest rate started the year at 6% and closed the year at 12%. The exchange rates between the Naira and the US Dollar fluctuated between =N=148.5 and =N=156.4 to the US Dollar.

Financial Results

The effects of the global economic recession continued to resonate across the globe and Nigeria, being a part of the global economy, was not left out. In spite of this and other economic challenges, your company was able to improve on its performance compared to 2010. The company generated a gross premium of =N=4.765 billion compared to =N=3.883 billion in 2010 representing an increase of 23%. Underwriting income also grew to =N=4.253 billion from the 2010 level of =N=3.541 billion. Underwriting profit stood at =N=2.729 billion compared to =N=1.754 billion recorded in 2010.

Distinguished shareholders I am happy to inform you that your company returned to profitability in 2011. Profit after tax for the year stands at =N=223.6 million compared to a loss of =N=8.6 billion recorded in 2010. I am very confident that this trend will continue in the coming years.

Our People

Our staff have continued to show their skills and hard labour by producing this financial result in the face of difficult market conditions. On behalf of the Board of Directors, I would like to extend my appreciation to the staff of our Company for their dedication, tenacity and loyalty at all times. I wish to assure all staff that the company is committed to their professional development and improved welfare.

Future Outlook

The partial deregulation of the downstream sector of the oil and gas industry is expected to lead to an increase in the rate of inflation and consequently increase the cost of living in the country. The implementation of the minimum wage and the value of the Naira relative to other world currencies will also impact on the macro-economy of the country.

However, the planned reforms and deregulation being planned for the power and agricultural sectors will be implemented in 2012. The Petroleum Industry Bill is also expected to impact positively on the Nigerian economy and our company is strategically positioned to take full advantage of this to drive our business to greater heights.

Conclusion

Esteemed shareholders, the good results would not have been achieved were it not for the support we have received from our customers, brokers, shareholders, staff and all other business partners. We look forward to your continued support and patronage.

Finally I want to say thank you to fellow board members for their contributions, the management and staff for the loyalty, dedication and continued commitment to the growth of the company.

I thank you all our esteemed shareholders for attending the 16th Annual General Meeting of Standard Alliance Insurance Plc.

Thank you and may God bless you all.

ALHAJI ALIYU YAHAYA SA'AD, Chairman

Lagos

December 20, 2012.



Managing Director/CEO's Report

Esteemed shareholders,

I am pleased to welcome you to our 16th annual general meeting. We started the year 2011 with renewed hope, vigor and enthusiasm, after the financial sector tornado of the past three years. We see hope and we can do it.

Operating Environment

With the Nigerian economy forecast to grow at 7.0% in 2011, and given rising income levels and higher risk awareness among the populace, we are cautiously optimistic about the demand for insurance products. However, intense competition with rate undercutting, moderate returns from investments, and adjustments to the new regulatory guidelines is likely to continue to taper short-term profitability.

On the global scene, the Monetary Policy Committee (MPC), of Central Bank of Nigeria noted with concern the enormity of the challenges being faced by the US and euro zone countries as well as the major emerging market economies such as the fiscal position of Brazil, possible real estate bubbles in China and seemingly intractable inflation in India, which may impact the Nigerian economy adversely through several

channels. The economic slowdown and the commodity price inflation in the international economy as well as the rapid increase in prices of some asset classes in some emerging market economies remain serious threats to the global economic recovery.

On the domestic scene, the Committee noted that inflationary pressures which were traceable to the high expenditure levels associated with the April 2011 general elections as well as the effects of rising international energy, commodity and food prices had moderated by June 2011. This development was due in part to the tight monetary policy stance of the Bank since September of 2010. However, the Committee observed that the inflation outlook appears uncertain owing to the expected implementation of the new national minimum wage policy and the imminent deregulation of petroleum prices.

The major sources of anticipated improvements in the economic outlook are the rising prices of oil and other main international commodities, the potential easing of banks' bad-debt burden as well as improvements in overall corporate governance standards in the financial services sector following CBN's policy efforts, considerable reduction in the macroeconomic uncertainty levels with the implications for prospective 'economically meaningful' stability in economic prices as well as better monetary policy transmission / effectiveness. In addition to these will be the short-term wealth effects of the huge proposed consumption-skewed budget deficit. Cumulatively, these are expected to deliver relatively stronger GDP growth and slightly moderate the potential level of unemployment expected within the year. However, we are hopeful that the continual commitment of the Federal Government to



Tom Imokhai

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Managing Director/CEO's Report (continues)

get the infrastructure reworking, improve on the security situation in the nation will ultimately yield the desired result and position the nation on the path to realizing its vision of being one of the best 20 economies in the world in the year 2020. Tagged vision 20:20:20

Financial Performance

Having put behind us the bitter experience occasioned by the recent economic meltdown, we posted a growth in gross premium income of 23% to stand at N4.7b from N3.8b achieved in 2010 this was a result of new drive and commitment.

Buoyed with prudent risk management expertise, our Underwriting profit grew by 56% from N1.75b in 2010 to N2.728 in 2011.

Investment income grew by 222%, this is an indication that we are on the right track of returning to our glory days and we are hopeful of doing more as the financial market improves.

The Balance Sheet size also grew from N10.6b in 2010 to N10.96b in 2011.

Our drive towards efficient and prudent management of resources was evident in the marginal increase in management expenses by a modest 15%.

The bottom line is that your company recorded a Profit Before Tax of N319.09m as against a loss position in the preceding year.

Challenges

Relative to the preceding year, 2011 was a better year business wise. However, among the many concerns which frustrated aspirations is the worsening security situation which needs to be more properly managed.

Non-passage of the Petroleum Industry bill, Local Content Act by the legislature is also posing challenge in the Nigeria Insurance market. I strongly believe that once this all important bill is passed we will be well positioned to cash in on the opportunity.

The negative impact of the Niger Delta militancy, the spate of kidnapping in the southeastern part of the country and the Boko Haram menace in the Northern part of the country all hindered our better performance. Therefore, not only can it be the next source of uncertainty and macroeconomic disruptions, it will until addressed remain a major scare to foreign investors. This factor therefore should be accorded the desired attention by the government.

Information Communication Technology.

We have acquired a new sophisticated, robust and state of the Art software package (TURNQUEST) to boost our business processes and prompt service delivery to our clientele.

Adoption & Implementation of IFRS

May I also use this opportunity to inform you that we have put in place the necessary machinery towards the adoption of International Financial Reporting Standard (IFRS) and we are also on course towards full implementation and our 2012 financials shall be IFRS compliant.

Staff Welfare

Standard Alliance Insurance has a mandate to satisfy its customers by meeting their needs as and when due and grow with trends in the industry both locally and globally. This we can only achieve by paying great premium on our workforce- our assets of inestimable value. With this in mind, we have renewed our commitment to always employing good hands, developing them through series of in-house and external (Local & International) training programmes so as to meet the ever dynamic demands of the industry. Our several training programmes have enabled our staff to project our worth and status in conformity with international best practices.

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Prospects

Our strategic focus is to increase our market share both locally and internationally in the nearest future. We also intend to maintain our rating as a first tier insurance company in Nigeria. We will not cease to point out another area of our strength which is prompt claims settlement. This is a culture we cannot afford to denigrate. We also intend to uphold good corporate governance and Enterprise risk Management culture in our business processes. We are reputed for keeping to the rules and regulations guiding the business environment as directed by our regulatory authorities such as NIA, NAICOM, SEC, NSE, CAC, among others, and constantly updating them on our activities as the law stipulates.

Conclusion

I want to conclude by expressing my heartfelt appreciation to the Board, Management and the entire staff for your co-operation, tenacity and resilience during the period under review and will want to ask for more in the coming year. I also owe our success to our Shareholders for the unflinching support. TOGETHER WE WILL GET THERE.

Tom Imokhai
MD/ CEO

December 20, 2012.



Management Team



• Anietie Udo
Regional Head, South-South



• Chibuzor Chukwudi
Regional Head, Mid-West/South-East



• Austin Osegha Ebose
Divisional Head, Public Sector,
Energy & Telecoms.



• Ekundayo Mobayo
Divisional Head,
Financial Institutions Group



• Ndebisi Ifeanyi
Group Head, Technical



• Koleola Ojo
Divisional Head, Brokers' Group



• Abayomi Ayegbusi
Regional Head, North



• Tom Imokhai
Managing Director/CEO



• George Ododo
Head, Quality Assurance Group



• Adewale Koko
Group Head, Energy and Special Risk



• Jide Fasanmi
Regional Head, South-West



• Nelson Egboboh
Head, Group Corporate
Communications



• Akanni Oladele
Divisional Head, Business Development



• Ijeremhe Kadiri
Group Head, Finance and Investments



• Akinyanju Akintunde
Divisional Head, General Business/
Multi-Clients



• Miss Agnes Umukoro
Company Secretary



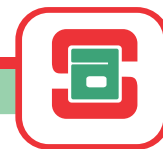
• Nnaemeka Obi
Head, Corporate Services



• Bolatito Salami
Team Leader, Brokers Team 1



• Haruna Mohammed
Head, Public Sector, North



Report of the Directors

For The Year Ended 31 December 2011

The Directors have the pleasure in presenting their reports and the audited financial statements of the Company for the year ended 31 December 2011.

Results for the year
The highlights of the Company's results for the year are:

PROFIT AND LOSS ITEMS	2011 =N='000	2010 =N='000
Gross Premium Written	4,765,192	3,883,160
Net Premium Earned	4,160,339	3,513,741
Claims Paid	535,848	758,248
Underwriting Profit	2,728,885	1,754,156
Investment Income	171,116	49,250
Management Expenses	1,388,761	1,204,644
Provision for doubtful debts	784,359	2,585,306
Profit/(Loss) before taxation and exceptional items	578,468	(1,986,544)
Exceptional item - Diminution of investments	259,373	6,475,611
Profit/(Loss) before taxation	319,095	(8,462,155)

Legal form

The Company was incorporated in July 1981 as Private Limited Liability Company and commenced full operations in 1982 under the name Jubilee Insurance Company Limited. Its name was changed to Standard Alliance Insurance Company Limited (Standard Alliance) in August 1996.

Standard Alliance became a Public Liability Company (Plc) on 30 May 2002 and quoted in the Nigerian Stock Exchange in December 2003.

Principal activities

The principal activities of the Company during the year remained as to transact non-life businesses.



Report of the Directors

For the year ended 31 December 2011 (Continues)

Directors' responsibilities

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for that period and comply with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004. In doing so, they ensure that:

- proper accounting records are maintained;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;
- adequate internal control procedures are established, which as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities;
- judgements and estimates made are reasonable and prudent and consistently applied and
- the going concern basis is used, unless it is inappropriate to presume that the company shall continue in business.

Directors

The following Directors served during the year:

Alhaji Aliyu Sa'ad	-	Chairman
Olorogun O'tega Emerhor, OON	-	Vice Chairman
Mr Tom Imokhai	-	Managing Director
Brig. Gen. Dominic Oneya (Rtd.)	-	Director
Dr Ramsey Mowoe, CON	-	Director
Mr Ayodele Ajayi	-	Director
Alhaji Mohammed Hassan	-	Director (Deceased - November 2011)
Mrs Orerhime Emerhor-Iwuagwu	-	Director

Retirement of directors

In accordance with Section 83(2) of the Company's Article of Association, one third of the non-executive Directors shall retire at the Company's Annual General Meeting and being eligible, offer themselves for re-election.



Report of the Directors

For the year ended 31 December 2011 (continues)

Directors' interests

Shares

The Directors' direct interests in the issued share capital of the Company as recorded in the Register of members were as follows:

	Number of shares held at the end of:	
	2011 Units	2010 Units
Olorogun O'tega Emerhor, OON	415,130,000	415,130,000
Alhaji Aliyu Sa'ad	73,012,500	73,012,500
Brig. Gen. Dominic Oneya (Rtd.)	2,100,000	2,100,000
Ayodele Ajayi	1,442,900	1,442,900
Dr. Ramsey O. Mowoe	1,200,000	1,200,000
Mr Tom Imokhai	6,000,000	6,000,000
Alhaji Mohammed Hassan	25,000	25,000
Mrs Orerhime Emerhor-Iwuagwu	25,200,000	25,200,000

The Directors' indirect interests in the issued share capital of the Company as recorded in the Register of members were as follows:

	Number of shares held at the end of:	
	2011 Units	2010 Units
OLOROGUN O'TEGA EMERHOR, OON		

Ordinary Shares

Standard Alliance Investments Ltd	365,892,140	365,892,140
Synetics Technologies Limited	309,581,094	309,581,094
New Heroes Limited	113,580,709	113,580,709

Preference Shares

Finbank Plc	3,500,000	3,500,000
Synetics Technologies Limited	13,965,000	13,965,000
Strength Security Services Limited.	25,000	25,000
Standard Insurance Consultants Ltd	10,000	10,000



Report of the Directors

For the year ended 31 December 2011 (Continues)

Directors' interest (continued)

Contracts

Olorogun O'tega Emerhor, OON has beneficial interests in Strength Security Limited and Standard Alliance Investments Limited that the Company maintains business relationships with. The transactions between them are carried out at arm's length.

Other than as stated above, none of the directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, of any declarable interest in contracts in which the Company was involved during the year ended 31 December 2011.

Acquisition of own shares

The Company did not acquire any of its own shares during the year ended 31 December 2011.

Fixed assets

Information relating to changes in tangible assets is given in Note 9 to the financial statements. The Directors are of the opinion that the market value of the Company's assets is not lower than the carrying amounts as shown in these financial statements.

Human resources

(a) Employment of disabled persons

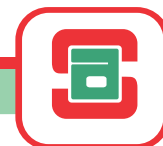
The Company does not discriminate in considering applications from suitably qualified persons. Equal opportunities for development are given to all employees regardless of disability. Where an employee becomes disabled, every effort is made to ensure his/her continued employment.

(b) Employees' health, safety and welfare

The members of staff enjoy free and comprehensive medical services, which are extended to members of their family at retained clinics and hospitals. Every effort is made to provide a safe and healthy working environment for staff.

(c) Employee involvement and training

The Company attaches great premium to training of its staff. Staffers are sponsored to attend local and overseas courses of the highest quality.



Report of the Directors

For the year ended 31 December 2011 (continues)

Share capital information

a. Share range analysis

Range of Shares	Number of Shareholders	Share Units	% Total
1 - 1,000	15,304	14,814,191	0.17
1,001 - 5,000	28,615	89,645,551	1.06
5,001 - 10,000	12,150	107,900,067	1.27
10,001 - 50,000	17,818	391,350,704	4.61
50,001 - 100,000	2,029	166,211,324	1.96
100,001 - 500,000	1,547	347,191,948	4.09
500,001 - 1,000,000	254	213,966,211	2.52
1,000,001 - 5,000,000	184	398,213,972	4.69
5,000,001 - 10,000,000	47	360,772,612	4.25
10,000,001 - 50,000,000	41	935,906,480	11.02
50,000,001 and above	41	5,467,200,390	64.37
	<u>78,030</u>	<u>8,493,173,450</u>	<u>100.00</u>

b. Substantial interest in shares

No shareholder held more than 5% of the issued share capital of the Company as at 31 December 2011.

Donations

The Company made donations to the following organisations during the year:

Nigerian Chamber of Shipping	=N=
Holy Rosary Catholic	1,000,000
	<u>500,000</u>
	<u>1,500,000</u>

The Company did not make any donations to political organizations during the year.

Auditors

The Auditors, Messrs Muhtari Dangana & Co, have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

AGNES OKIEMUTE UMIKORO
COMPANY SECRETARY
STANDARD ALLIANCE INSURANCE PLC

15th November, 2012



Corporate Governance Report

The Board is committed to best practices and procedures in corporate governance. Overseen by the Board of Directors, Standard Alliance Insurance Plc's corporate governance practices are constantly under review, in line with the dynamics of the business environment and guidelines of the regulatory bodies.

The corporate governance policies adopted by the Board of Directors are designed to ensure that the company's business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

The day to day running of the company is delegated to the Managing Director by the Board of Directors assisted by the management committee.

Responsibilities of the Board of Directors

The responsibility of the Board of Directors includes:

- i. Review corporate strategy, major plans of actions, risk policy, business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures and acquisitions.
- ii. Select, compensate, monitor and when necessary, replace key executives and oversee succession planning.
- iii. Monitor the effectiveness of the governance practices under which it operates and make changes as may be necessary.
- iv. Ensure the integrity of the companies' accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control and compliance with the law.
- v. Monitor and manage potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- vi. Supervise and monitor the execution of policies and providing direction for the management.
- vii. Monitor potential risks within the company including recognising and encouraging honest whistle blowing.
- viii. Oversee the process of disclosure and communication in the company.



Corporate Governance Report (continues)

The Board carries out some of the above responsibilities through the Board sub-committees whose terms of reference set out clearly their roles, responsibilities, scope of authority and procedures for reporting to the Board. Each committee is chaired by a Non Executive Director in compliance with principles of good corporate governance. The Audit Committee is chaired by a representative of the shareholders.

Sub Committees of the Board of Directors

The Board delegated some of its responsibilities to standing committees that consist of Executive and Non Executive Directors. These committees report to the Board of Directors on their activities and decisions, which are ratified by the full Board.

These committees are as follows:

The Investment and Finance Committee

This is a standing committee of the Board with the responsibility for investment. The Managing Director is a member of the Committee. The committee members are:

Mr Joshua Ayodele Ajayi	-	Chairman
Olorogun O'tega Emerhor, OON	-	Member
Alh. Mohammed Hassan (Ciroman Keffi)	-	Member (Deceased – Nov. 2011)
Mr. Thomas Imokhai	-	Member
Mrs. Oerhime Emerhor-Iwuagwu	-	Member

Its terms of reference include:

- Ensure investment policies in place are documented, including placement limits.
- Review existing investments and investment strategies

The Strategy and Establishment Committee

The Committee membership includes the Managing Director.

Dr. Ramsey Mowoe , CON	-	Chairman
Olorogun O'tega Emerhor, OON	-	Member
Mr. Thomas Imokhai	-	Member
Brig. Gen. Dominic Oneya (Rtd)	-	Member
Mrs. Oerhime Emerhor-Iwuagwu	-	Member



Corporate Governance Report (Continues)

Its terms of reference include:

- Review capital and recurrent expenditure policies/processes.
- Review of administration and general management practices.
- Review entitlements and otherwise as they relate to board members and make recommendations.
- Any other matter that may be relevant in the improvement of strategy and establishment process.
- Enterprise risk management.

Risk and Remuneration Committee

The Committee membership includes the Managing Director.

Brig. Gen. Dominic Oneya (Rtd)	- Chairman
Olorogun O'tega Emerhor, OON	- Member
Mr. Thomas Imokhai	- Member
Mrs. Orerhime Emerhor-Iwuagwu	- Member
Mr Joshua Ayodele Ajayi	- Member

Its terms of reference include:

- Review Directors compensations.
- Review Executive Directors remuneration packages.
- Enterprise risk management.

The Audit Committee

The Audit Committee is made up of 6 (six) members, three representatives each of Shareholders and Directors. Its members are elected at the Annual General Meeting. The members of the committee are:

Mr Chuka Onwuchekwa	- Chairman (Shareholder)
Mr. Matthew Esonanor	- Member (Shareholder)
Mr. Ese Arueya	- Member (Shareholder)
Dr. Ramsey Mowoe CON	- Member (Director)
Brig. Gen. Dominic Oneya (Rtd)	- Member (Director)
Alh. Mohammed Hassan (Ciroman Keffi)	- Member (Director) (Deceased – Nov.2011)

In addition to its responsibility to review the scope, independence and objectivity of the audit, the Committee carries out all such matters as are reserved to it by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004. These include to:

- Review adequacy and effectiveness of the company's internal control policies prior to endorsement by the Board.
- Direct and supervise investigations into matters within the scope, such as evaluation of internal controls, cases of employee, business partners and client misconduct or conflict of interest.



Corporate Governance Report (Continues)

Attendance at meetings - 2011

Board Meetings

	15/06/2011	17/11/2011	16/12/2011	Total
Alhaji Yahaya Sa'ad (Chairman)	1	1	1	3
Olorogun O'tega Emerhor, OON	1	1	1	3
Mr Thomas Imokhai	1	1	1	3
Brig. Gen. Dominic Oneya (Rtd)	1	1	1	3
Mr Ayodele Joshua Ajayi	1	1	1	3
Alh Mohammed Hassan (Groma Keffi)	-	-	Deceased	-
Dr Ramsey Mowoe, CON	1	1	1	3
Mrs Orerhime Emerhor-Iwuagwu	1	1	1	3

Audit Committee Meetings

	04/08/2011		16/11/2011	Total
Mr Chuka Onwuchekwa (Chairman)	1		1	2
Dr Ramsey Mowoe, CON	1		1	2
Brig. Gen. Dominic Oneya (Rtd)	1		1	2
Alh. Mohammed Hassan	-		Deceased	-
Mr Matthew Esonanjour	1		1	2
Mr Ese Arueya	1		1	2
Mr Ayodele Ajayi	-		Appointed	-

Investment and Finance Committee Meetings

	20/01/2011	09/06/2011	17/11/2011	14/12/2011	Total
Mr Joshua Ayodele Ajayi (Chairman)	1	1	1	1	4
Olorogun O'tega Emerhor, OON	1	1	1	1	4
Alh. Mohammed Hassan	1	-	-	Deceased	1
Mr Thomas Imokhai	1	1	1	1	4
Mrs Orerhime Emerhor-Iwuagwu	-	1	1	1	3

Strategy and Establishment Committee Meetings

	09/06/2011	16/11/2011		Total
Dr Ramsey Mowoe, CON (Chairman)	1	1		2
Olorogun O'tega Emerhor, OON	1	-		1
Mr Tom Imokhai	1	1		2
Brig. Gen. Dominic Oneya (Rtd)	1	1		2
Mrs Orerhime Emerhor-Iwuagwu	1	1		2

Risk and Remuneration Committee Meetings

	10/06/2011	15/11/2011		Total
Brig. Gen. Dominic Oneya (Rtd)	1	1		2
Mr Tom Imokhai	1	1		2
Mr Ayo Ajayi	1	-		1
Olorogun O'tega Emerhor, OON	1	1		2
Mrs Orerhime Emerhor-Iwuagwu	1	1		2



Report of the Audit Committee

For the year ended 31 December 2011

In accordance with the statutory provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, members of the Audit Committee of Standard Alliance Insurance Plc hereby report as follows:

We have carried out our statutory duties as required and we acknowledge the co-operation of management, staff and external auditors in the performance of these duties.

The accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.

The scope and planning of both the external and internal audit programmes for the year ended 31 December 2011 are satisfactory and adequate to reinforce the Company's internal control system.

We reviewed the External Auditors' Management Reports for the year ended 31 December 2011 and are satisfied with the Management's response thereon.



CHAIRMAN

15th November 2012

Members of the Audit Committee are:

- | | | | |
|----|--------------------------------|---|------------------------|
| 1. | Mr Onwuchekwa Chuka | - | Chairman (Shareholder) |
| 2. | Mr Esonanjor Mathew | - | Member (Shareholder) |
| 3. | Mr Ese Arueya | - | Member (Shareholder) |
| 4. | Dr Mowoe Ramsey, CON | - | Member (Director) |
| 5. | Brig. Gen. Dominic Oneya (Rtd) | - | Member (Director) |
| 6. | Mr Ayodele Ajayi | - | Member (Director) |

The Company secretary, AGNES OKIEMUTE UMUKORO, is the Secretary to the Committee.



**Muhtari
Dangana & Co.**
CHARTERED ACCOUNTANTS



AUDITORS REPORT TO THE MEMBERS OF STANDARD ALLIANCE INSURANCE PLC

OFFICES:

KANO:
12, Bompai Road
P. O. Box 4698
Kano, Nigeria
Tel: 064-648981
648982
318000

ABUJA:
13, Ajesa Street
Off Aminu Kano Crescent
Wuse - Abuja,
P. O. Box 7436, Wuse II
Tel: 09-4132590
4132591
7816945

LAGOS:
32, Berkley Street,
Maanah Plaza
Onikan - Lagos
P.O. Box 72293
Victoria Island
Tel: 01-2631350
7300495
t: muhtaridangana@yahoo.com

We have audited the financial statements of Standard Alliance Insurance Plc which comprise the balance sheet as at 31 December 2011, the profit and loss account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Standard Alliance Insurance Plc as at 31 December 2011 in accordance with Statement of Accounting Standards issued by Nigerian Accounting Standards Board and the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004.

Report on Legal Requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to Standard Alliance Insurance Plc on the following matters. We confirm that:

1. We have obtained all the information and explanations which to best of our knowledge and believe were necessary to the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Company;
3. The Company's balance sheet and profit and loss account are in agreement with the books of account.

Muhtari Dangana & Co
MUHTARI DANGANA & CO
(Chartered Accountants)
LAGOS - NIGERIA



16th Nov.
----- 2012



The Company and its Accounting Policies

For the year ended 31 December 2011

The Company was incorporated in July 1981, and commenced full operations in 1982 under the name Jubilee Insurance Company Limited. The Company was licensed then to carry on the business of non-life insurance in Nigeria.

Its name was changed from Jubilee Insurance Company Limited to Standard Alliance Insurance Company Limited (Standard Alliance) on 1st August, 1996 after a major transformation in the Company's ownership and management. It transacts all classes of insurance businesses other than life such as bonds, motor insurance, fire and consequential loss, burglary insurance, money insurance, goods-in-transit.

The Company was re-registered by NAICOM and granted licence to transact long-term (life) insurance business in 2003. It commenced transacting life business in 2004. However as a result of change in government policy and following NAICOM's directive on composite insurance companies, the Company discontinued its life business and was re-registered in 2007 as a non-life company. The Group's life business is conducted by its associate, Standard Alliance Life Assurance Limited.

Standard Alliance became a Public Limited Company (Plc) on 30th May 2002 and has its shares listed on the Nigerian Stock Exchange on 19th December, 2003.

Statement of significant accounting policies

The following summarize the significant accounting policies applied by the Company in arriving at the accompanying accounts:

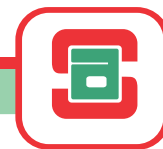
1. Insurance contracts

Contracts that are classified as insurance contracts are those under which the Company underwrites significant insurance risk from another party (the Broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2. Basis of accounting

These financial statements are prepared in accordance with Nigerian Statements of Accounting Standards (SAS), the Companies and Allied Matters Act (CAMA) CAP. C20 LFN 2004, the Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines.

The financial statements have been prepared under the historical cost convention as modified by the carrying of fixed assets and some investments at valuation amounts.



The Company and its Accounting Policies (Continues)

3. Reporting currency

The financial statements are presented in the Nigerian currency (Naira), which is the Company's reporting currency.

4. Foreign currency transactions.

Transactions in foreign currencies are converted at the exchange rates ruling on the dates of the transactions. Foreign currency balances are translated into Naira at the rates of exchange ruling at the balance sheet date. Exchange gains or losses in any particular year are charged to the profit and loss account of the year.

5. Use of estimates in the preparation of financial statements

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Although these estimates are based on historical information, actuarial analysis and the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis to take account of new and available information. Revisions to an accounting estimate is recognized in the year in which the estimate is revised.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks. Cash equivalents are short-term, highly liquid instruments which are:

- (a) Readily convertible into cash, whether in local or foreign currencies; and
- (b) So near to their maturity dates as to present any risk of changes in value as a result of changes in interest rates.



The Company and its Accounting Policies (Continues)

7. Revenue accounts
 - (a) Basis of accounting

The Company uses annual basis of accounting for its general business.
 - (b) Premium
 - i. Gross premium

This is recognized at the point of attachment of risk to an insurance policy before deducting cost of reinsurance cover.
 - ii. Net premium

Net premium represents gross premium less reinsurance costs.
 - (c) Reinsurance
 - i. Basis of accounting

Proportional and non-proportional reinsurance premiums are accounted for on an accrual basis. Reinsurance premiums are recognized as outflows in accordance with the tenor of the reinsurance contract.
 - ii. Reinsurance cost

Reinsurance cost represents outward premium due to reinsurance companies less the unexpired portion as at the end of the accounting year.
 - iii. Reinsurance recoveries

Reinsurance recoveries represent that portion of claims paid/payable on risks ceded out in respect of which recoveries are received/receivable from the Reinsurers. They are applied as offsets against gross claims incurred.
 - iv. Prepaid reinsurance

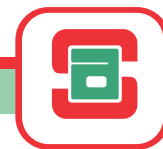
Unexpired reinsurance cost is determined on a time apportionment basis and is reported under other debtors in the balance sheet.
 - v. Commission earned

Commissions are recognized as income on ceding businesses to the reinsurers and other insurance companies.
 - (d) Claims
 - i. Cross claims paid

Consist of direct claims plus reinsurance claims paid during the reporting period.
 - ii. Gross claims incurred

Consist of claims and claims handling expenses paid during the financial year after adjusting for movements in provisions for outstanding claims and IBNR.
 - iii. Net claims incurred

Gross claims incurred after adjusting for reinsurance claims recoveries.



The Company and its Accounting Policies (Continues)

8. Underwriting expenses

Underwriting expenses are subdivided into acquisition and maintenance expenses. Acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commission paid, policy expenses and indirect expenses such as salaries of underwriting staff, and are deferred and amortized in proportion to the amount of premium determined separately for each class of business recognized in the reporting period in line with the matching concept. Maintenance expenses are those incurred in servicing existing policies/contracts. Maintenance expenses are charged to the revenue account in the accounting period in which they are incurred.

9. Deferred acquisition costs

The proportions of acquisition costs that correspond to the unearned premiums for each class of business are deferred for expensing in the subsequent period.

10. Management expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include administration salaries and wages, depreciation charges and other non-operating expenses. Management expenses are charged to the profit and loss accounts in the accounting period in which they are incurred.

11. Investment income

Investment income comprises interest earned on short term deposits, rental income, dividend and income earned on trading of securities. Investment income is accounted for on an accrual basis.

12. Technical reserves

i. Provision for unexpired premium

Provision for unexpired premium represents the portion of gross premium income on shorter general business insurance contracts that relate to a period of risk after the end of the accounting period. This is calculated on a time apportionment basis of the risk accepted in the year in accordance with the provisions of Section 20 of the Insurance Act 2003

ii. Unexpired risks provisions

Unexpired risks provisions are the estimated amounts required over and above provisions for unearned premiums to meet future claims and related expenses on policies in force at the end of the accounting period.



The Company and its Accounting Policies (Continues)

Unexpired risk provision is determined based on the underwriting experience of each class of business written. The unexpired risk provision is determined in a way that allows for proper segregation of items of income and expenditure. In this case, deferred acquisition expenses are disregarded and a provision is made for the entire shortfall in the unearned premium provision with deferred acquisition expenses being carried forward separately.

iii. Provision for outstanding claims

Provision for outstanding claims comprise of estimated costs of settling all claims and related claim handling expenses incurred but unpaid at the balance sheet date.

Outstanding claims that have occurred at the balance sheet date and have been notified to the company are carried at their reported amounts, while

Adequate provisions are also made for claims incurred, but not reported (IBNR) at 10% of outstanding claims amount as at the balance sheet date in accordance with the provision of Section 20 of the Insurance Act 2003

iv. Contingency reserve

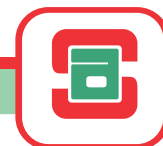
The Company maintains contingency reserves in accordance with the provisions Section 21 of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation, until the reserve reaches the greater of minimum paid up capital or 50% of net premium

13. Fixed assets and depreciation

Fixed assets are stated at cost/valuation less accumulated depreciation.

a. Recognition and classification

- i. Fixed assets comprising land and buildings and other properties owned by the Company are initially recorded at cost. Subsequently, such assets may be recorded at revalued amounts based on valuation by external independent valuers.
- ii. Revaluations are carried out at the discretion of management. Surpluses arising on the revaluation of individual fixed assets are credited to the Asset Revaluation Reserve Account subject to compliance with the relevant NAICOM's policy guidelines.
- iii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item



The Company and its Accounting Policies (Continues)

will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

- iv. All construction costs are carried at cost as work-in-progress. On completion of construction, the related amounts are transferred to the appropriate category of fixed assets.
- v. Payments in advance for items of fixed assets are classified under prepayments and upon delivery are reclassified as additions to the appropriate category of property and equipment.

b. Depreciation

Depreciation is calculated on fixed assets on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on an item of fixed assets until it is brought into use.

The principal annual rates used for this purpose, which are consistent with those for the previous years, are as follows:

Assets-by-classification	Rates
Office Furniture and Fittings	10%
Office Equipment	20%
Motor Vehicles	25%
Generators	20%
Buildings	2%

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell and value in use.

c. Disposal

Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are charged to the profit and loss account for the year.

14. Investments

Accounting

Investments are initially recognized at cost and classified into short and long term in accordance with the Statement of Accounting Standard (SAS 13) on accounting for investments depending on the purpose for which they are acquired. This classification is revaluated on every reporting date.



The Company and its Accounting Policies (Continues)

a. Short-term investments

An investment is classified into this category at inception if acquired principally on temporary basis for a period of not more than one year. Such investments can be converted into cash when current financing needs make it desirable, or if it forms part of a portfolio of financial assets in which there is evidence of short-term profit taking.

Short-term investments are valued at the lower of cost or market value. The amount by which cost exceeds market value (unrealized loss) is charged to the profit and loss account for the period.

b. Long-term investments

Long-term investments relate to investments held over a long period of time to earn income. These are investments other than short-term investments and include:

i. Quoted investments

Quoted investments are stated at valuation amount (market value) as at the balance sheet date. An increase in the carrying amount arising from the revaluation of quoted investment is credited to owner equity as revaluation surplus.

To the extent that a decrease in carrying amount off sets a previous increase for the same investment that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against the revaluation surplus rather than profit and loss account.

ii. Unquoted investments

These are stated at cost. Where in the opinion of the Directors the value of any unquoted investment is below its cost, an appropriate provision for the diminution in value thereof is charged against the profit and loss account of the relevant year.

iii. Investments in associates

Investments in associates are accounted at cost and are stated net of any accumulated impairment loss.

15. Investment properties

This is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the enterprise and/or members of the group. An occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market values and revalued periodically on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there is a decline in value of an investment property, the carrying amount of the property is written down to recognize the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the company's policy, on investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to Asset Revaluation Reserve Account. To the extent that a decrease in carrying amount offsets a previous



The Company and its Accounting Policies (Continues)

increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilized, it is charged against that revaluation surplus rather than the profit and loss account.

An increase in revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

Investment properties are classified separately from other properties used for the purposes of the business.

16. Debtors

Debtors are stated at cost after writing off bad debts and deducting provisions made for other specific debts considered doubtful of recovery. An allowance for specific debt is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables.

In line with the statutory guidelines set by NAICOM, allowance for outstanding premium is made as follows:

Period outstanding	% allowance required
Under 90 days	Nil
91 – 180 days	50
Above 180 days	100

When a receivable in respect of which a provision has already been made is deemed uncollectible, it is written-off against the related provision and subsequent recoveries are credited to the profit and loss account.

17. Finance lease

Leases in which ownership, risks and rewards are transferred to the lessee who is obligated to pay such costs as insurance, maintenance and similar charges on the assets are classified as finance leases. Assets under finance lease are capitalized and depreciated over their estimated useful lives in line with the Company's policy for assets of the same class. Related finance charges are recognized as expenses in the year in which they are incurred.

18. Staff retirement benefit schemes

i. Pension

The Company operates a defined contributory pension scheme. Under the scheme, the employee and employer contribute 7.5% each of the employee's total emolument on monthly basis. The Company's contributions are charged to the profit and loss account of the year as they fall due.

ii. Gratuity

The Company operates a defined non-contributory gratuity wherein it pays retired staff a lump sums using a graduated percentage based on the number of years spent in the employment of the company.

These are charged to the profit and loss account of the year that they become due on the disengagement of staff from the service of the company.



The Company and its Accounting Policies (Continues)

19. Dividend

Dividend distribution to the Company's ordinary shareholders is recognized as liability only in the financial statements of the year in which it is declared and approved by the shareholders at the Annual General Meeting as it does not meet the criteria of present obligation as defined by Statement of Accounting Standard (SAS) 23 before then.

20. Company Income Tax

Income tax payable on profits based on the applicable Nigerian tax law is recognized as an expense in the period in which the related taxable profits arise.

21. Deferred taxation

- a. Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the difference between the net book value of qualifying fixed assets and their corresponding tax written down value.
- b. The tax effects of income tax losses available for carrying forward are recognized as an asset when it is probable that taxable profits will be available against which these losses can be utilized.

22. Provisions, contingent liabilities and contingent assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligations.

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 company or the company has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

A contingent asset is a possible asset 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 company.

Contingent liabilities and contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

23. Other assets and payments

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts. Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the profit and loss account.

Prepayments are stated at cost net of amortization.



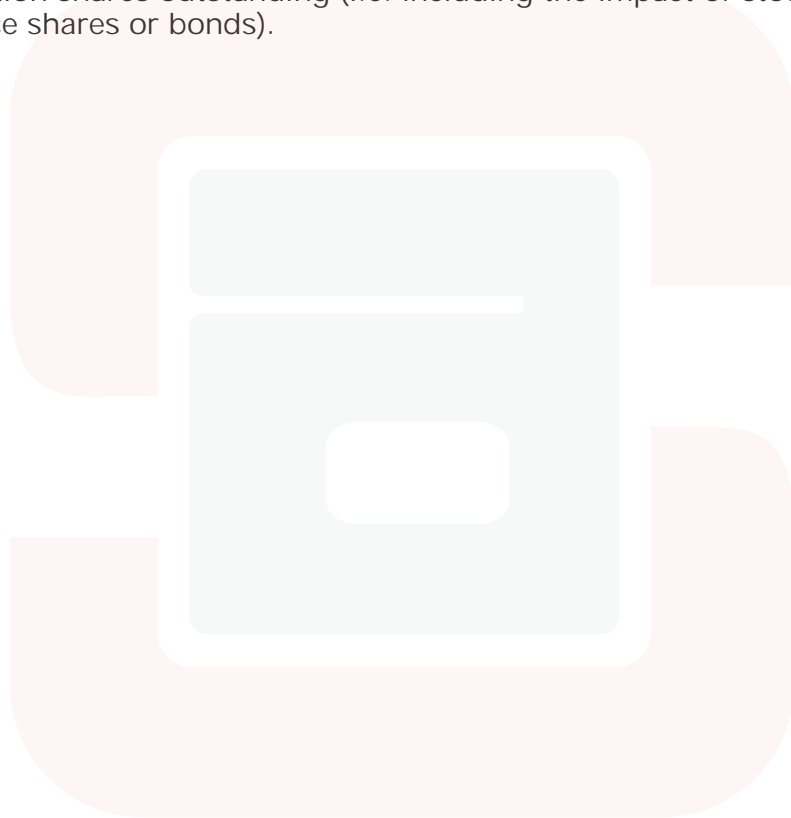
The Company and its Accounting Policies (continues)

24. Earnings per share

The Company presents basic earnings per share for its ordinary shares. A basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive option shares outstanding (i.e. including the impact of stock option grants, convertible preference shares or bonds).

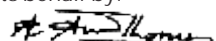





Balance Sheet as at 31 December 2011

		2011	2010
	Notes	=N=	=N=
ASSETS EMPLOYED			
Cash and bank balances	1	60,710,075	76,939,475
Short-term investments	2	2,191,681,448	2,167,902,264
Premium debtors	3	2,262,701,673	1,569,622,845
Other debtors and prepayments	4	608,913,027	1,162,330,595
Deferred commission and reinsurance costs	5	161,162,339	158,974,887
Long-term investments	6	4,195,619,665	4,091,686,694
Statutory deposits	7	335,000,000	335,000,000
Fixed assets	8	1,126,557,150	1,131,498,923
		<u>10,942,345,377</u>	<u>10,693,955,683</u>
LIABILITIES:			
Creditors and accruals	9	464,606,535	924,504,476
Bank overdraft		90,246,158	31,626,168
Term Loan	10	178,571,429	-
Finance lease obligation	11	-	5,041,382
Taxation payable	12	189,222,147	162,944,147
Deferred taxation	13	89,017,500	79,111,500
Long term borrowing-Daewoo Securities Bond	14	1,211,833,608	1,106,520,499
Insurance funds	15	1,026,958,708	726,143,430
		<u>3,250,456,085</u>	<u>3,035,891,603</u>
TOTAL ASSETS LESS LIABILITIES		<u><u>7,691,889,290</u></u>	<u><u>7,658,064,080</u></u>
FINANCED BY:			
SHARE CAPITAL	16	5,996,586,725	5,996,586,725
SHARE PREMIUM		15,852,048,820	15,852,048,820
REVENUE RESERVE	17	(15,005,809,025)	(14,896,678,468)
CONTINGENCY RESERVE	18	834,763,770	691,808,003
REVALUATION RESERVE	19	14,299,000	14,299,000
SHAREHOLDERS' FUND		<u><u>7,691,889,290</u></u>	<u><u>7,658,064,080</u></u>

The financial statements on pages 28 to 32 were approved by the Board of Directors in its meeting of 15th November 2012 and were signed on its behalf by:


 Directors

The notes on pages 26 to 35 and 41 to 51 form an integral part of these accounts



Profit and Loss Account

For the year ended 31 December 2011

	NOTES	2011 =N=	2010 =N=
INCOME			
Gross premium		4,551,723,059	3,782,263,901
Less reinsurance cost		391,384,230	268,523,307
Net premium		4,160,338,829	3,513,740,594
Commission received		92,725,855	26,942,224
Underwriting Income		4,253,064,684	3,540,682,818
LESS UNDERWRITING EXPENSES			
Claims incurred		428,467,620	691,529,289
Commission incurred		475,753,580	534,203,037
Other business acquisition and maintenance costs		619,958,153	560,794,818
Total underwriting expenses		1,524,179,354	1,786,527,144
Underwriting profit		2,728,885,330	1,754,155,674
Investment income and others	20	171,115,679	49,250,333
		2,900,001,009	1,803,406,007
LESS:			
Management expenses	21	1,388,761,294	1,204,643,916
Finance Charges		148,413,067	47,045,874
Provision for bad and doubtful debts	22	784,358,821	2,585,306,296
Profit/(Loss) before taxation and exceptional charge		578,467,827	(1,986,544,205)
Exceptional charge-provision for diminution of investments	23	(259,372,865)	(6,475,611,121)
Profit/(Loss) before taxation		319,094,962	(8,462,155,326)
Information Technology Development levy		(3,190,950)	-
Taxation on ordinary activities	12	(82,307,000)	(109,802,767)
Deferred tax	13	(9,906,000)	(27,546,000)
PROFIT/(LOSS) AFTER TAXATION		223,691,012	(8,599,504,093)
Transfer to contingency reserve	18	(142,955,767)	(116,494,816)
PROFIT/(LOSS) FOR THE YEAR TRANSFERRED TO RESERVES	17	80,735,245	(8,715,998,909)
Basic Earnings per share (kobo)		2.63	(99)
Diluted Earnings per share (kobo)		1.87	(100.68)
Dividend per share:			
Preference		10.00	10.00

The notes on pages 26 to 35 and 41 to 51 form an integral part of these accounts



Revenue Accounts

For the year ended 31 December 2011

	Motor	Fire	General Accident	Engineering	Marine	2011	2010
	=N=	=N=	=N=	=N=	=N=	=N=	=N=
PREMIUM INCOME							
Premium Written - Direct	1,745,643,911	379,938,890	802,253,442	768,346,710	1,024,033,455	4,720,216,407	3,669,272,502
Reinsurances accepted	3,279,988	3,230,309	14,049,131	19,475,486	4,940,909	44,975,822	213,888,031
Gross premium written	<u>1,748,923,898</u>	<u>383,169,199</u>	<u>816,302,573</u>	<u>787,822,196</u>	<u>1,028,974,364</u>	<u>4,765,192,229</u>	<u>3,883,160,533</u>
(Increase)/Decrease in unearned premium	(68,144,045)	(56,720,551)	(36,554,457)	(115,155,728)	63,105,610	(213,469,171)	(100,896,632)
	<u>1,680,779,854</u>	<u>326,448,648</u>	<u>779,748,116</u>	<u>672,666,468</u>	<u>1,092,079,974</u>	<u>4,551,723,059</u>	<u>3,782,263,901</u>
Less: Reinsurance	<u>98,683,602</u>	<u>30,438,332</u>	<u>81,080,016</u>	<u>84,017,951</u>	<u>97,164,329</u>	<u>391,384,230</u>	<u>268,523,307</u>
Net premium earned	<u>1,582,096,251</u>	<u>296,010,316</u>	<u>698,668,100</u>	<u>588,648,517</u>	<u>994,915,645</u>	<u>4,160,338,829</u>	<u>3,513,740,594</u>
Commissions received	<u>19,550,698</u>	<u>7,609,583</u>	<u>20,270,004</u>	<u>21,004,488</u>	<u>24,291,082</u>	<u>92,725,855</u>	<u>26,942,224</u>
Total income	<u>1,601,646,949</u>	<u>303,619,899</u>	<u>718,938,104</u>	<u>609,653,005</u>	<u>1,019,206,727</u>	<u>4,253,064,684</u>	<u>3,540,682,818</u>
LESS EXPENSES:							
CLAIMS							
Claims paid	315,144,893	70,997,446	43,983,763	22,398,417	83,323,506	535,848,026	758,347,809
Increase in outstanding claims	52,411,541	4,071,869	7,360,741	19,897,439	3,604,517	87,346,107	79,646,980
Gross claims incurred	<u>367,556,435</u>	<u>75,069,315</u>	<u>51,344,504</u>	<u>42,295,856</u>	<u>86,928,023</u>	<u>623,194,133</u>	<u>837,994,789</u>
Less: Reinsurance recoveries	<u>61,997,069</u>	<u>45,622,143</u>	<u>3,230,239</u>	<u>1,393,412</u>	<u>82,483,650</u>	<u>194,726,513</u>	<u>146,465,500</u>
Net Claims Incurred	<u>305,559,365</u>	<u>29,447,173</u>	<u>48,114,265</u>	<u>40,902,444</u>	<u>4,444,374</u>	<u>428,467,620</u>	<u>691,529,289</u>
UNDERWRITING EXPENSES							
Commission paid less deferred cost	149,082,608	47,782,975	100,706,724	51,904,295	126,276,979	475,753,580	534,203,037
Other business maintenance expenses	<u>235,758,074</u>	<u>44,110,352</u>	<u>104,112,911</u>	<u>87,718,203</u>	<u>148,258,613</u>	<u>619,958,153</u>	<u>560,794,818</u>
Total underwriting expenses	<u>384,840,682</u>	<u>91,893,327</u>	<u>204,819,635</u>	<u>139,622,498</u>	<u>274,535,592</u>	<u>1,095,711,734</u>	<u>1,094,997,855</u>
TOTAL EXPENSES	<u>690,400,047</u>	<u>121,340,499</u>	<u>252,933,899</u>	<u>180,524,942</u>	<u>278,979,966</u>	<u>1,524,179,354</u>	<u>1,786,527,144</u>
UNDERWRITING PROFIT-2011	<u>911,246,902</u>	<u>182,279,399</u>	<u>466,004,205</u>	<u>429,128,062</u>	<u>740,226,761</u>	<u>2,728,885,329</u>	<u>1,754,155,674</u>
-2010	<u>704,395,594</u>	<u>30,363,889</u>	<u>524,948,398</u>	<u>184,369,213</u>	<u>310,078,580</u>	<u>1,754,155,674</u>	

The notes on pages 26 to 35 and 41 to 51 form an integral part of these accounts



Statement of Value Added

For the year ended 31 December 2011

	2011 =N=	%	2010 =N=	%
PREMIUM , COMMISSION, INVESTMENT AND OTHER INCOME	4,424,180,363	314.68	3,589,933,151	325.66
CLAIMS INCURRED, COMMISSIONS PAID AND OTHER OPERATING COSTS	(3,018,269,563)	(214.68)	(2,487,566,714)	(225.66)
VALUE ADDED	1,405,910,800	100	1,102,366,437	100
DISTRIBUTED AS FOLLOWS:				
EMPLOYEES				
Salaries and other benefits	489,750,757	34.84	480,614,813	43.60
PROVIDERS OF FUNDS				
Finance charges	148,413,067	10.56	47,045,874	4.27
Preference dividend payable	175,000,000	12.45	175,000,000	15.87
GOVERNMENT				
Taxation	82,307,000	5.85	109,802,767	9.96
SHAREHOLDERS				
ASSET REPLACEMENT				
Depreciation	111,748,964	7.95	114,902,984	10.42
RETAINED FOR ORDINARY SHAREHOLDERS				
Contingency reserve	142,955,767	10.17	116,494,816	10.57
Profit/(Loss) for the year (Net of pref. div)	255,735,245	18.19	(58,505,184)	5.31
VALUE ADDED	1,405,910,800	100.00	1,102,366,437	100.00

The value added statement represents the distribution of the wealth created by the Company through the use of its assets and the efforts of the employees.

The notes on pages 26 to 35 and 41 to 51 form an integral part of these accounts



Statement of Cash Flows

For the year ended 31 December 2011

	Notes	2011 =N=	2010 =N=
CASH-FLOWS FROM OPERATING ACTIVITIES			
Premium received from policy holders	24	6,448,630,070	2,518,653,160
Commission received		92,725,855	26,942,224
Cash recoveries from reinsurance		282,508,932	250,844,055
Cash payments for reinsurance		(391,384,230)	(268,523,307)
Claims paid		(535,848,026)	(758,347,809)
Commission paid		(475,753,580)	(534,203,037)
Cash payments to employees, suppliers and others		(4,442,165,565)	(941,573,599)
NET CASH INFLOWS FROM OPERATING ACTIVITIES	25	978,713,456	1,278,062,097
Taxation Paid: Company Income Tax paid			
Value Added Tax	12	(56,029,000)	(76,439,224)
		(5,370,014)	-
		917,314,442	1,201,622,873
CASH FLOWS INVESTING ACTIVITIES			
Treasury deposits	2	(326,220,816)	(908,856,206)
Property held for sale	2	(350,000,000)	-
Expenditure on fixed assets and projects	8	(105,326,049)	(309,738,931)
Quoted shares purchased (Net purchase)	6.3	(85,112,197)	(95,157,500)
Current account with associates	4	31,834,000	194,861,703
Interest income	20	158,038,034	30,154,373
Dividend income/others	20	13,077,645	19,095,960
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(663,709,383)	(1,069,640,601)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance charges		(148,413,067)	(47,045,874)
Net payment of principal lease obligations		(5,041,382)	(2,509,160)
Preference share dividend paid	9.1	(175,000,000)	(113,965,000)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		(328,454,449)	(163,520,034)
NET DECREASE IN CASH AND CASH EQUIVALENT		(74,849,390)	(31,537,762)
Bank and cash balances at 1 January		45,313,307	76,851,069
NET CASH AND CASH EQUIVALENT AT 31 DECEMBER		(29,536,083)	45,313,307
NET CASH AND CASH EQUIVALENT COMPRISE:			
Bank and cash balances	1	60,710,075	76,939,475
Bank overdrafts		(90,246,158)	(31,626,168)
		(29,536,083)	45,313,307

The notes on pages 26 to 35 and 41 to 51 form an integral part of these accounts



Notes To The Accounts

For the year ended 31 December 2011

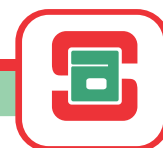
	2011 =N=	2010 =N=
1 BANK AND CASH BALANCES		
Current accounts	47,729,491	66,495,431
Provision for doubtful bank balances (Note 22)	<u>(28,904,792)</u>	-
	18,824,699	66,495,431
Domiciliary bank accounts	<u>41,885,376</u>	10,444,045
	<u>60,710,075</u>	76,939,476
The sum of =N=35,462,383 of the above relates to policy holders' fund. (See note 15)		
2 SHORT TERM INVESTMENTS		
Treasury deposits		
Banks	539,965,610	556,933,987
Non- Bank financial institutions	<u>214,195,223</u>	371,377,871
	754,160,833	928,311,858
Provision for diminution in value (Non- bank financial institutions)	<u>(152,069,791)</u>	-
	602,091,042	928,311,858
Managed funds (Note 2.1)	1,239,590,406	1,239,590,406
Properties held for sale (Note 2.2)	<u>350,000,000</u>	-
	<u>2,191,681,448</u>	2,167,902,264
The total treasury deposits banks of =N=539,965,610 is dedicated to policy holders' fund. (See note 15)		
2.1 Managed funds		
Book value	13,236,226,991	13,236,226,991
Provision for diminution in value (Note 23)	<u>(11,996,636,585)</u>	(11,996,636,585)
	<u>1,239,590,406</u>	1,239,590,406
Managed funds represent investments arising from the Company's public offer of 2008 domiciled with third parties including the Company's associate, Standard Alliance Capital and Assets Management Limited for management on behalf of the Company. The allotment of the shares did not result in net cash inflows to the Company under the fund management arrangement. The Company aggregated all these funds in 2010 and made full provisions for impairment.		
At the Annual General Meeting of the Company held on 16th December 2011, the shareholders authorized the cancellation of these shares. Subsequently, the Company initiated all the Legal requirements including the court actions. The share cancellation exercise was not concluded by the end of the financial year and as at the date of this report.		
2.2 Properties held for sale	<u>350,000,000</u>	-
The company acquired landed properties at Parkview Estate, Ikoyi-Lagos, during the year. These are intended for sale in the short-term. The properties were acquired using Company's own funds, bank overdraft of =N=50million and a term loan per note 10.		
The entire amount (=N=350million) is in respect of Policy holder's fund. (See note 15)		
3 PREMIUM DEBTORS		
Policy Holders	2,557,401,187	4,240,839,028
Due from Reinsurers	188,692,983	255,115,473
Provision for doubtful debts (Note 3.1)	<u>(483,392,497)</u>	(2,926,331,656)
	2,262,701,673	1,569,622,845
3.1 Provision for doubtful premium debts		
At January 1	2,926,331,656	708,378,319
Provision for the year (Note 22)	737,499,033	2,217,953,337
Premium debts written off	<u>(3,180,438,192)</u>	-
At December 31	<u>483,392,497</u>	2,926,331,656

The provision of =N=3,180,438,192 made on premium debts in respect of previous years was considered as no longer required as management is of the opinion they are no longer collectable and consequently written off during the year.



Notes to the Accounts (Continues)

				2011 =N=	2010 =N=
4 OTHER DEBTORS AND PREPAYMENTS					
Staff debtors				81,172,059	104,653,334
Prepayments and others				83,243,764	518,846,058
Current account with related companies				506,997,203	538,831,203
Provision for doubtful balances				<u>(62,500,000)</u>	-
				<u>608,913,027</u>	<u>1,162,330,595</u>
5 DEFERRED COMMISSION AND REINSURANCE COSTS					
		Commission =N=	Reinsurance =N=		
Motor		35,723,011	16,094,070	51,817,081	52,632,253
Fire		7,826,503	4,964,114	12,790,617	12,114,929
General accident		16,673,559	13,223,144	29,896,703	33,504,514
Engineering		16,091,827	13,702,285	29,794,112	34,316,722
Marine		21,017,531	15,846,296	36,863,827	26,406,467
		<u>97,332,431</u>	<u>63,829,908</u>	<u>161,162,339</u>	<u>158,974,887</u>
6 LONG-TERM INVESTMENTS					
		% Holding	Cost =N=	Impairment (Note 6.1) =N=	
Shares in unquoted associated companies:					
-Standard Alliance Life Assurance Limited	47.47	1,905,000,000	878,599,165	1,026,400,835	1,026,400,835
-Standard Alliance Pension Managers Limited	40	260,000,000	260,000,000	-	-
-Standard Alliance Capital & Asset management Limited	40	399,999,600	308,542,000	91,457,600	91,457,600
-Standard Alliance Properties Limited	36.67	275,000,000	-	<u>275,000,000</u>	<u>275,000,000</u>
		<u>2,839,999,599</u>	<u>1,447,141,165</u>	<u>1,392,858,434</u>	<u>1,392,858,435</u>
Investment in Oil and Energy Pool				6,617,500	6,617,500
Others (Note 6.2)				2,648,600,826	2,522,476,977
Quoted shares (Note 6.3)				147,542,905	169,733,782
Net amount				<u>4,195,619,665</u>	<u>4,091,686,694</u>
6.1 Impairment provision on long-term investments					
At 1 January				1,447,141,565	859,846,513
Made in the year				-	587,295,052
At 31 December				<u>1,447,141,565</u>	<u>1,447,141,565</u>
The Directors are of the opinion that the market values of each these investments are not lower than the carrying amounts as reported above in these financial statements.					
6.2 Other investments				<u>2,648,600,826</u>	<u>2,522,476,977</u>
Amount represents investment by the Company in Standard Alliance Properties Limited under a joint venture arrangement for property business. The terms of the arrangement include annual interest income and share of profit.					
6.3 Quoted shares					
Cost					
At January 1				344,479,022	249,321,522
Purchases during the year				85,112,197	100,000,000
Adjustment for returned money				-	(4,842,500)
At 31 December				<u>429,591,219</u>	<u>344,479,022</u>
Provision for diminution in value (Note 23)				<u>(282,048,314)</u>	<u>(174,745,240)</u>
Market Value at 31 December				<u>147,542,905</u>	<u>169,733,782</u>
All investments in quoted shares with the market value of =N=147,542,905 as above are assigned to cover policyholders' interest. (See note 15)					
7 STATUTORY DEPOSITS					
These represent the amounts deposited with the Central Bank of Nigeria in accordance with Section 9(1)(c) of the Insurance Act, 2003. Further details are:					
				<u>335,000,000</u>	<u>335,000,000</u>



Notes to the Accounts (Continues)

8 FIXED ASSETS

	Building	Office Furniture & Fittings	Office Equipment	Motor Vehicles	Renovation of Office Building	Project In-Progress (Note 8.1)	2011	2010
Cost/valuation	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
At 1/1/2011	62,000,000	92,762,344	207,700,273	433,995,585	23,488,839	835,719,071	1,655,666,112	1,404,214,954
Additions	17,023,057	17,608,599	22,654,099	48,040,294	-	-	105,326,049	309,738,931
Reclassification	835,719,071	-	-	-	-	(835,719,071)	-	-
Disposal	-	-	-	(135,536,477)	-	-	(135,536,477)	58,287,771
At 31/12/2011	914,742,128	110,370,943	230,354,372	346,499,402	23,488,839	-	1,625,455,684	1,404,214,955
DEPRECIATION								
At 1/1/2011	3,562,746	38,092,169	109,402,391	357,281,481	15,828,406	-	524,167,193	435,491,288
Charge for the year	1,240,000	8,869,746	34,083,288	62,306,681	3,768,105	-	110,267,819	114,902,984
Disposal	-	-	-	(135,536,477)	-	-	(135,536,477)	(26,227,081)
At 31/12/2011	4,802,746	46,961,915	143,485,679	284,051,685	19,596,511	-	498,898,535	524,167,191
NET BOOK VALUE								
31/12/2011	<u>909,939,382</u>	<u>63,409,029</u>	<u>86,868,693</u>	<u>62,447,717</u>	<u>3,892,328</u>	-	<u>1,126,557,150</u>	<u>1,131,498,923</u>
31/12/2010	<u>58,437,253</u>	<u>54,670,175</u>	<u>98,297,885</u>	<u>76,714,106</u>	<u>7,660,433</u>	<u>835,719,071</u>	<u>1,131,498,923</u>	

8.1 Project in progress

The Company's Head Office building at Lekki heitherto under construction (Work in Progress) was completed and revalued by the firm of Messrs Osaro Egusa & Co at =N= 1.620billion in March 2011. The building is now being used by the Company.



Notes to the Accounts (Continues)

			2011 =N=	2010 =N=
9 CREDITORS AND ACCRUALS				
Due to reinsurance Companies & Brokers			-	538,647,954
Preference dividend payable (Note 9.1)			350,000,000	350,000,000
Sundry creditors and accruals			111,415,585	35,856,522
Information Technology Development levy (Note 9.2)			3,190,950	-
			<u>464,606,535</u>	<u>924,504,476</u>
9.1 Preference dividend				
At 1 January			350,000,000	288,965,000
Paid during the year			(175,000,000)	(113,965,000)
Due for the year			175,000,000	175,000,000
At 31 December			<u>350,000,000</u>	<u>350,000,000</u>
9.2 Information Technology Development Levy				
The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April, 2007. Section 12(a) of the Act stipulates that specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. The provision of =N=2,694,901 made by the Company in the year is in accordance with the Act.				
			<u>178,571,429</u>	-
10 TERM LOAN				
This is the balance of the loan facility of =N=250 million the company took from Access Bank Plc during the year for the acquisition of landed properties at Park View, Lagos. The loan is repayable in twenty one equal monthly installments of =N=11,904,761.90 beginning July 2011.				
It attracts interest rate at 18% per annum.				
The balance at year end is classified further thus:				
Repayments due within 12 months			107,142,857	-
Repayments due after 12 months			71,428,571	-
			<u>178,571,429</u>	-
11 FINANCE LEASE OBLIGATION				
The company paid off its existing lease obligations during the year.				
			-	<u>5,041,382</u>
12 TAXATION				
	Company Taxation =N=	Education Tax =N=	2011 =N=	2010 =N=
Per Profit and Loss Account:				
Gross provisions for the year	72,191,000	10,116,000	82,307,000	74,772,767
Adjustments - Prior years underprovisions	-	-	-	35,030,000
	<u>72,191,000</u>	<u>10,116,000</u>	82,307,000	<u>109,802,767</u>
Per Balance Sheet:				
At 1 January				
Net charges for the year	159,211,467	3,732,680	162,944,147	129,580,604
Net charges for the year	72,191,000	10,116,000	82,307,000	109,802,767
Net charges for the year	<u>231,402,467</u>	<u>13,848,680</u>	245,251,147	<u>239,383,371</u>
Payments during the year	(44,943,000)	(11,086,000)	(56,029,000)	(76,439,224)
At 31 December	<u>186,459,467</u>	<u>2,762,680</u>	189,222,147	<u>162,944,147</u>

Income tax provision is in accordance with the provisions of the Companies Income Tax Act, CAP 21 LFN 2004 as amended, while Education Tax is based on the provisions of the Education Tax Act, CAP 4 LFN 2004.



Notes to the Accounts (Continues)

				2011	2010
				=N=	=N=
13	DEFERRED TAXATION				
	At 1 January			79,111,500	51,565,500
	Amount charged to profit in the year (Note 4)			9,906,000	27,546,000
	At 31 December			89,017,500	79,111,500
14	LONG-TERM BORROWING - Daewoo Securities Bond				
	The company received a capital inflow of JPY 650,000,000 (\$7,397,516) zero coupon bond raised from Daewoo Securities in December 2009				
	The bond was tenored originally for 20 years with the lenders' option to convert the loans to Standard Alliance Insurance PLC's shares. If the option is not exercised, the Company must pay interest at 4.25% per annum on the gross bond value for the entire term it has been outstanding.				
	The bond holders requested for the full redemption of the bond by the Company during the year, which Crystallized the hitherto contingent interest payment obligations and necessitated the negotiation of a fresh repayment plan. The interest of JPY 55,250,000 (\$718,250) (N94,054,242) accrued below covers years 2010 and 1011. An amount of \$398,185.80 (N47,027,121.21) was paid by the company subsequently in February 2012.				
		JPY	\$'000	2011	2010
				=N=	=N=
	At 1 January	650,000,000	8,532	1,106,520,499	1,106,520,499
	Interest accrued during the year	55,250,000	718	94,054,242	-
	Foreign exchange differences	-	-	11,258,867	-
	At 31 December	705,250,000	9,251	1,211,833,608	1,106,520,499
	Under the negotiated repayment plan, the Company is to pay up both principal and interest in six (6) years, commencing from year 2012. The term analysis of account balances above is as hereunder:				
	Current maturities				
	Interest	55,250	718	94,054,242	-
	Principal	134,249	1,745	228,635,000	-
	Total, current maturities	189,499	2,464	322,689,242	-
	Balance, non current principal maturities	515,751	6,787	889,144,366	1,106,520,499
		705,250	9,251	1,211,833,608	1,106,520,499
15	INSURANCE FUNDS				
		Unexpired Risks	Outstanding Claims		
		=N=	=N=		
	Motor	294,690,974	116,816,331	411,507,305	291,802,209
	Fire	98,244,745	17,087,575	115,332,321	54,539,900
	General accident	158,722,125	39,644,052	198,366,177	154,450,979
	Engineering	143,444,534	31,372,457	174,816,992	61,879,813
	Marine	82,583,142	44,352,772	126,935,914	163,470,529
		777,685,520	249,273,188	1,026,958,708	726,143,430
	The insurance fund balances above are covered by the company's dedicated assets thus:				
	Bank and Cash balances (Note 1)			35,462,383	51,916,784
	Treasury deposits (Note 2)			539,965,610	506,866,747
	Real Estate/Properties held for sale (Note 2.2)			350,000,000	-
	Quoted Shares (Note 6.3)			147,542,905	169,733,782
				1,072,970,898	728,517,313



Notes to the Accounts (Continues)

	2011 =N=	2010 =N=
16 SHARE CAPITAL		
Authorised		
8,500,000,000 units of ordinary shares of 50k each	4,250,000,000	4,250,000,000
17,500,000 units of floating rate irredeemable convertible preference shares of N100 each	<u>1,750,000,000</u>	<u>1,750,000,000</u>
	6,000,000,000	6,000,000,000
Issued and Fully Paid:		
Ordinary shares - 8,493,173,450 units	4,246,586,725	4,246,586,725
Preference shares - 17,500,000 units of N100 each (Note 16.1)	<u>1,750,000,000</u>	<u>1,750,000,000</u>
	5,996,586,725	5,996,586,725
16.1 Issued preference shares	1,750,000,000	1,750,000,000
The Company issued 17,500,000 units of irredeemable convertible preference shares at'=N=100 per share in 2007. The preference shares attract interest at the rate of 1% above the monetary policy rate ruling at any time subject to a floor and cap of 10% and 16% per annum respectively.		
17 REVENUE RESERVE		
At 1 January	(14,848,278,508)	(6,005,679,561)
Prior year adjustments - Provision for diminution in managed funds	<u>(48,399,962)</u>	-
	(14,896,678,470)	(6,005,679,561)
- Gratuity	(14,865,800)	-
Profit/(Loss) for the year	<u>80,735,245</u>	<u>(8,715,998,909)</u>
Appropriations:	(14,830,809,025)	(14,721,678,470)
Preference dividend due	<u>(175,000,000)</u>	<u>(175,000,000)</u>
At 31 December	<u>(15,005,809,025)</u>	<u>(14,896,678,470)</u>
17.1 Prior year adjustments		
These relate to shortfall in the provision for diminution made in 2010 on the value of investment in managed funds (=N=48,399,962) per note 2, and previous charges for staff retirement benefit - Gratuity (=N=14,865,800). The comparative figures of the provisions for diminution in the value of investments per notes 2.1 and 23 and revenue reserve above have been restated for the prior year adjustment of =N=48,399,962. These are taken gross because the Company was taxed on minimum tax provision during 2011 tax year.		
18 CONTINGENCY RESERVE		
This has been provided in accordance with Section 21(2) of the Insurance Act 2003 at the rate of 3% of the total premium or 20% of net profit, (whichever is greater for the year) and further details on the account provided as follows.		
At 1 January	691,808,003	575,313,187
Provision for the year	<u>142,955,767</u>	<u>116,494,816</u>
At 31 December	<u>834,763,770</u>	<u>691,808,003</u>



Notes to the Accounts (Continues)

	2011 =N=	2010 =N=
19 REVALUATION RESERVE		
At 1 January	14,299,000	14,299,000
Addition during the year (Note 8)		
At 31 December	<u>14,299,000</u>	<u>14,299,000</u>
<p>The Company's office building at Ibadan was revalued at =N=20M in 2006 by the firm of Messrs Osaro Eguasa & Co. The revaluation resulted in a surplus of =N=14.299million, which has been credited to the revaluation reserve account.</p> <p>Furthermore, the Head Office building at Lekki under construction was completed during the year and revalued by the same firm at =N=1.620billion in March 2011. The surplus resulting from this has been credited to the revaluation reserve account in the year.</p>		
20 INVESTMENT AND OTHER INCOME		
Interest on deposit placements	158,038,034	30,154,373
Dividends and other income	<u>13,077,645</u>	<u>19,095,960</u>
	<u>171,115,679</u>	<u>49,250,333</u>
21 MANAGEMENT EXPENSES		
Salaries and wages	431,521,027	414,774,967
Employees' retirement benefits	25,266,634	31,475,446
Directors' fees and allowances	18,730,596	19,364,400
Executive compensation	14,232,500	15,000,000
Depreciation	111,748,964	114,902,984
Bank charges	43,855,269	28,849,365
Rent and rates	46,143,791	48,919,574
Advert and publicity	16,508,233	20,039,933
Auditors' remuneration	7,500,000	7,500,000
Entertainment	4,407,995	3,344,621
Electricity and Water Rate	3,339,272	2,117,949
Transport and travels	116,416,366	77,769,256
Subscription and periodicals	11,269,499	10,842,938
Levies, fines and permit	35,474,546	28,889,114
Insurance	36,917,396	28,124,151
Legal and consultancy services	121,664,852	77,868,014
Corporate gifts	17,794,900	19,396,499
Printing and stationery	12,129,561	10,533,248
Telephone, postages and courier services	17,440,567	16,823,561
Motor vehicles running expenses	44,661,770	38,923,152
Repairs and maintenance	39,317,932	27,441,934
Generator fuel and lubrication	32,247,760	28,248,517
Annual General Meeting expenses	6,310,217	8,365,155
Office Cleaning and security	25,069,958	16,513,350
Other Expenses	<u>148,791,690</u>	<u>61,569,916</u>
	<u>1,388,761,294</u>	<u>1,157,598,042</u>
22 PROVISION FOR BAD DEBTS AND DOUBTFUL DEBTS		
Provision for doubtful premium debts (Note 3.1)	737,499,032	2,217,953,337
Provision for doubtful other accounts (Note 1)	28,904,792	-
Others	<u>17,954,997</u>	<u>367,352,959</u>
	<u>784,358,821</u>	<u>2,585,306,296</u>
23 PROVISION FOR DIMINUTION OF INVESTMENTS		
Impairment provisions on:		
Managed funds (Note 2.1)	-	5,900,353,401
Long-term investments in Associates (Note 6.1)	-	587,295,052
Fund deposit with non - bank financial institutions	152,069,791	-
Quoted shares (Note 6.3)	<u>107,303,074</u>	<u>(12,037,332)</u>
	<u>259,372,865</u>	<u>6,475,611,121</u>



Notes to the Accounts (Continues)

	2011 =N=	2010 =N=
24 PREMIUM RECEIPTS FROM POLICY HOLDERS		
Premium due from policyholders at 1 January (Note 3)	4,240,839,028	2,876,331,655
Gross Premium written in the year	<u>4,765,192,229</u>	<u>3,883,160,533</u>
	9,006,031,257	6,759,492,188
Less: Premium due from policyholders at 31 December (Note 3)	<u>2,557,401,187</u>	<u>4,240,839,028</u>
Premium receipts in the year	<u><u>6,448,630,070</u></u>	<u><u>2,518,653,160</u></u>
25 RECONCILIATION OF NET PROFIT TO NET CASH GENERATED BY OPERATIONS		
Profit/(Loss) before taxation		
Adjustments:	319,094,962	(1,986,544,205)
Depreciation		
Provision for doubtful debts	111,748,964	114,902,984
Interest income	784,358,821	2,585,306,296
Dividend income	(158,038,034)	(30,154,373)
Finance charges	(13,077,645)	(19,095,960)
Increase in deferred commission	148,413,067	47,054,874
(Decrease)/Increase in debtors and prepayments excluding related Companies	(2,187,452)	45,505,723
	(55,663,941)	(1,374,853,988)
Increase/(Decrease) creditors and accruals	(456,750,564)	(459,092,510)
Increase/(Decrease) in provision for Insurance Funds	300,815,278	(180,543,612)
Net Cash gained from operations	<u><u>978,713,456</u></u>	<u><u>1,278,062,097</u></u>
26 PENALTY BY NAICOM		
The Company contravened certain sections of the Insurance policy guidelines 2011 and other circulars issued by the National Insurance Commission (NAICOM)		
SECTION	NATURE	PENALTY
Section 49(5) of NAICOM ACT, 1997	Investment in subsidiary or related Company	500,000
Section 81(2) of NAICOM ACT, 2003	Investment in real estate	<u>100,000</u>
		<u><u>600,000</u></u>



Notes to the Accounts (Continues)

27 DIRECTORS AND EMPLOYEES

Employees

The average number of persons employed by the company during the year by category:

	2011 Number	2011 Number
Executive Directors	1	1
Management Staff	52	52
Non-management Staff	136	136
	<u>189</u>	<u>189</u>

Staff cost for the above persons (excluding Executive Directors) was:

Wages and Salaries	431,521,027	431,521,027
Employees' Retirement Benefit	25,266,634	25,266,634
	<u>456,787,661</u>	<u>456,787,661</u>

The number of employees of the company other than Directors who received emoluments in the following ranges was:

	2011 Number	2011 Number
=N=100,001 - =N=200,000	0	0
=N=200,001 - =N=300,000	6	6
=N=300,001 - =N=400,000	0	0
=N=400,001 - =N=500,000	0	0
=N=500,001 - =N=600,000	0	0
=N=600,001 - =N=700,000	0	0
=N=700,001 - =N=800,000	0	0
=N=800,001 - =N=900,000	0	0
=N=900,001 - =N=1,000,000	17	17
=N=1,000,001 - =N=1,100,000	9	9
=N=1,100,001 - =N=1,200,000	29	29
=N=1,200,001 - =N=3,000,000	13	13
=N=1,300,001 - =N=1,400,000	7	7
=N=1,400,001 - =N=1,500,000	5	5
Above =N=1,500,000	103	103
	<u>189</u>	<u>189</u>



Notes to the Accounts (Continues)

DIRECTORS AND EMPLOYEES (continued)

Directors' Remuneration

The remuneration paid to the Directors of the company was:

	2011 =N=	2010 =N=
Fees and other allowances	14,232,500	12,505,988
Executive compensation	<u>18,730,596</u>	<u>19,815,125</u>
	<u>32,963,096</u>	<u>32,321,113</u>

Fees and other emoluments disclosed above include amounts paid to:

The Chairman	<u>1,500,000</u>	<u>2,170,000</u>
The Highest paid Director	<u>18,730,596</u>	<u>19,815,125</u>

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	2011 Number	2010 Number
=N=1,000,001 - =N=2,000,000	5	5
=N=2,000,001 and above	<u>2</u>	<u>3</u>
	<u>7</u>	<u>8</u>

28 POST BALANCE SHEET EVENT

28.1 Increase in Authorised Share Capital

The Company at its Annual General Meeting held on Friday, 16th December 2011 approved the increase in its authorised share capital from N6.0 billion to N7.0 billion by the creation of additional 2,000,000,000 units of ordinary shares of 50k each, such shares ranking pari passu in all respects with the existing ordinary shares of the Company.

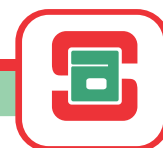
The newly created shares have been duly registered with the Corporate Affairs Commission and the requisite stamp duties paid subsequently in 2012.

28.2 Cancellation of Issued Ordinary Shares

At the Annual General Meeting of the Company held on the 16th December 2001 members authorised the cancellation of the issued ordinary shares of the Company not represented by net cash inflows. Subsequently, and upon the Company's petition dated 6th day of March 2012 and filed on the 7th day of March, 2012 before the Federal High Court of Nigeria holden at Lagos, the Court approved the cancellation of 2,212,046,824 ordinary shares of 50 kobo (fifty kobo) from the Company's share capital per order of Court dated 26th day of April 2012.

The net impact of the share cancellation on the Company's balance sheet as at 31 December 2011 is the reduction of the shareholders' fund by the sum of =N=1,106,023,412 as detailed below:

Assets	Note Ref.	Dr./(Cr) =N=
Managed funds - Book Value	2.1	(13,102,659,997)
- Provision for diminution	2.1	<u>11,996,636,585</u>
		(1,106,023,412)
Capital Reserve		
Share capital - Ordinary shares	16	1,106,023,412
Share premium		11,996,636,585
Revenue reserves		<u>(11,996,636,585)</u>
		<u>1,106,023,412</u>



Notes to the Accounts (Continues)

- 28.3 Conversion of Issued Preference Shares
At the same 15th Annual General Meeting of the Company and upon implementation of the preceding resolutions on increase in authorised share capital and cancellation of issued ordinary shares, members resolved "that pursuant to the terms of the issue and upon receipt of conversion notices, the existing 17,500,000 (Seventeen Million, Five Hundred Thousand) preference shares of N100.00 (One Hundred Naira) each, all of which have been issued and are fully paid-up, be converted on 31st December, 2011 ("the Effective Conversion Date") into ordinary shares of 50k (Fifty Kobo) each in the Company and issued to the holders of the preference shares registered at the close of business of the day preceding the Effective Conversion date, Such ordinary shares to be issued, to rank for the full amount of all dividends declared and paid on the issued ordinary shares of the Company after the date of conversion (but not for the year ended December 31, 2011) and in all other respects pari passu with such ordinary shares".
That the Company shall issue to such holders of preference shares a new certificate for the shares so converted as ordinary shares upon receipt of certificates of their holdings of preference shares.
The Company has commenced the processes leading to the eventual conversion of the shares in 2012.

- 29 EARNINGS PER SHARE
Basic earnings per equity ordinary share are calculated by dividing the profit after tax by the weighted average number of ordinary shares in issue during the year.

Adjusted earnings per share are calculated by dividing profit after tax by the weighted average number of ordinary and convertible preference shares in issue during the year.

The calculation of the adjusted earnings per share did not take into cognizance the proceeds of the convertible zero coupon Daewoo Securities' bond, as it is now obvious that the bond is no longer convertible following the request by the holders during year of its full redemption.

- 30 CONTINGENT LIABILITIES
Pending Law Suits and Guarantees
Contingent liabilities as at the balance sheet date in respect of outstanding litigations and guarantees amounted to =N=467 million (2010 =N=359 million). It is the opinion of the Directors that no liabilities would result therefrom.

- 31 RELATED COMPANY TRANSACTIONS
The Company transacts with its associated companies in the ordinary course of business. The status of its accounts with the companies are as detailed below:

	2011 =N=	2010 =N=
i Lagoon Home Savings & Loans Ltd		
Current accounts	(87,607)	2,630
Deposits	300,970,905	239,409,551
ii Standard Alliance Capital & Asset Mgt Ltd - Net funds	691,950,000	691,950,000
iii Standard Alliance Capital & Asset Mgt Ltd - Current Account	470,966,000	502,800,000
iv Standard Alliance Properties Ltd	2,648,600,826	2,522,476,977
v Standard Alliance Investments Ltd.	36,031,203	36,031,203

In addition, Olorogun O'tega Emerhor, OON has beneficial interests in Strength Security Services Limited that the company maintains business relationships with. The transactions between them are carried out at arm's length.

- 32 COMPARATIVE FIGURES
Certain comparative figures have been restated/adjusted in these financial statements to enhance upon understanding and comparison.

All the above notes form an integral part of these accounts.

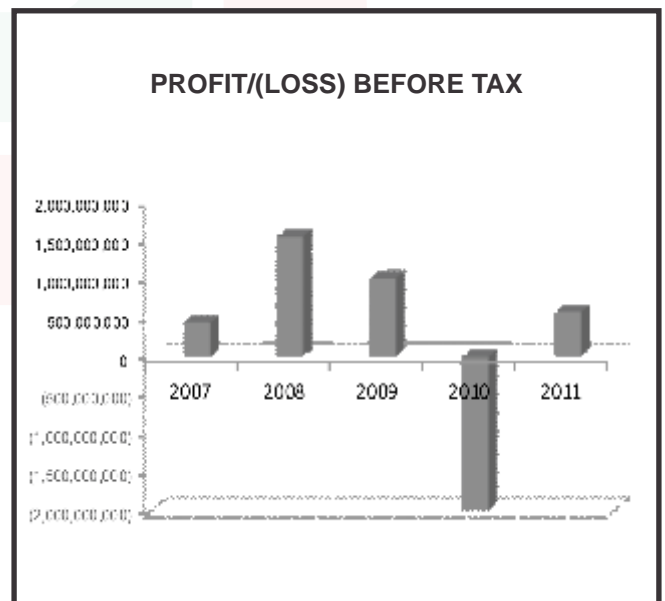
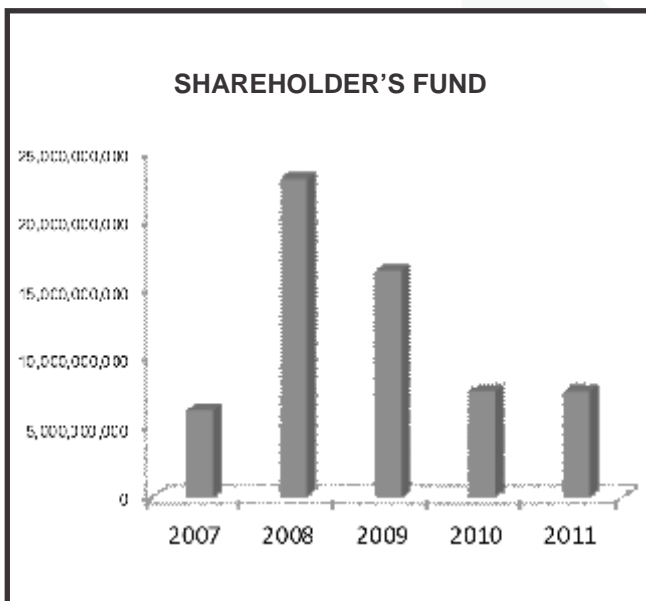
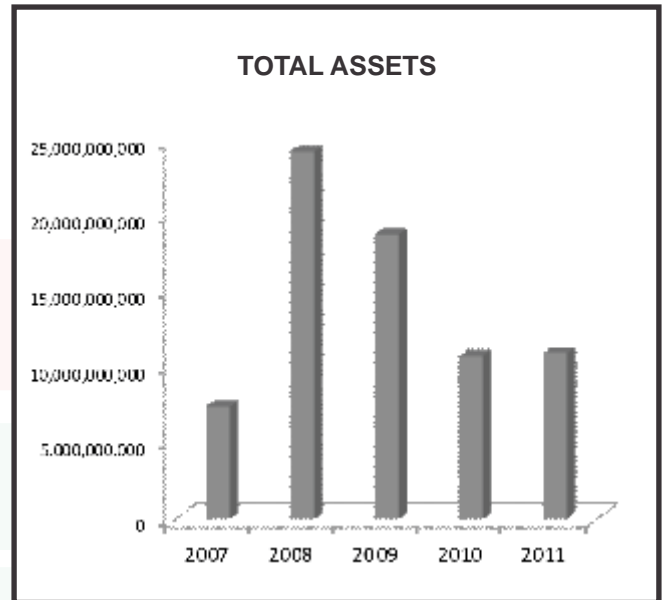
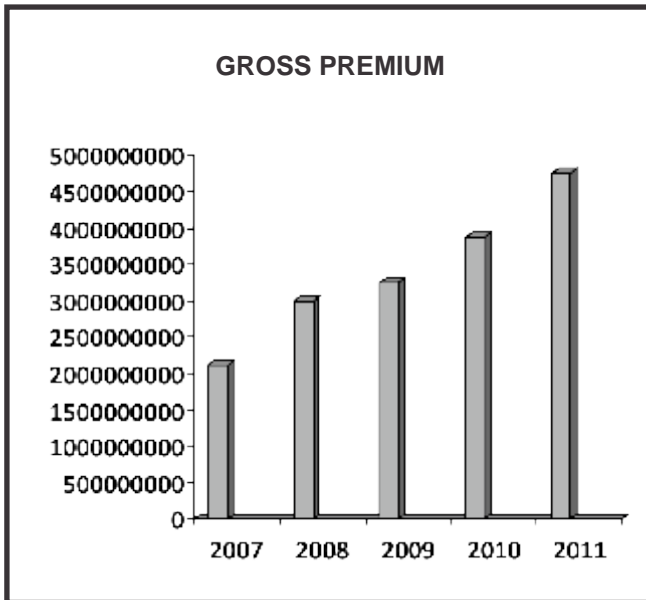


Financial Summary

	2011 =N=000	2010 =N=000	2009 =N=000	2008 =N=000	2007 =N=000
ASSETS EMPLOYED					
Cash and bank balances	60,710	76,939	80,519	111,120	34,903
Short term investments	2,191,681	2,167,902	10,889,008	14,377,245	170,880
Debtors and prepayments	2,871,615	2,731,953	3,724,961	3,086,025	1,194,853
Deferred commission	161,162	158,975	204,481	141,850	-
Long term investments	4,195,620	4,091,687	2,539,773	5,212,407	4,969,514
Statutory deposits	335,000	335,000	335,000	335,000	315,000
Fixed assets	1,126,557	1,131,499	968,724	938,274	703,296
	<u>10,942,345</u>	<u>10,693,956</u>	<u>18,742,465</u>	<u>24,201,921</u>	<u>7,388,446</u>
CREDITORS	<u>3,250,456</u>	<u>3,035,892</u>	<u>2,309,897</u>	<u>1,136,152</u>	<u>1,049,994</u>
NET ASSETS	<u>7,691,889</u>	<u>7,658,064</u>	<u>16,432,568</u>	<u>23,065,769</u>	<u>6,338,452</u>
FINANCED BY:					
Share capital	5,996,587	5,996,587	5,996,587	5,996,587	3,571,587
Share premium	15,852,049	15,852,049	15,852,049	16,027,049	654,777
Profit & loss	(15,005,809)	(14,896,678)	(6,005,680)	550,266	308,011
Contingency reserves	834,764	691,808	575,313	477,568	303,865
Revaluation reserve	14,299	14,299	14,299	14,299	14,299
Investment reserve	-	-	-	-	1,485,913
	<u>7,691,889</u>	<u>7,658,064</u>	<u>16,432,568</u>	<u>23,065,769</u>	<u>6,338,452</u>
PROFIT AND LOSS ACCOUNT					
Gross premium earned	<u>4,765,192</u>	<u>3,883,161</u>	<u>3,258,173</u>	<u>3,007,466</u>	<u>2,120,134</u>
Underwriting profit	2,728,885	1,754,156	1,795,900	1,481,102	1,250,312
Investment & sundry income	171,116	49,250	1,113,004	1,378,596	84,478
	2,900,001	1,803,406	2,908,904	2,859,698	1,334,791
Less: Management expenses and provisions for bad debts	2,173,120	3,789,950	1,892,504	1,300,648	890,498
Finance Charges	148,413				
Exceptinal charge - prov for diminution of investment	259,373	6,475,611	6,719,201	423,711	-
	<u>319,095</u>	<u>(8,462,155)</u>	<u>(5,702,801)</u>	<u>1,135,338</u>	<u>444,292</u>
PROFIT BEFORE TAXATION AND EXTRA ORDINARY LOSS					
Information technology development levy	(3,191)	-	-	(11,353)	-
Extra ordinary loss	-	-	-	(138,525)	-
	<u>315,904</u>	<u>(8,462,155)</u>	<u>(5,702,801)</u>	<u>985,460</u>	<u>444,292</u>
PROFIT BEFORE TAXATION					
Taxation	(92,213)	(137,349)	(155,741)	(121,264)	(27,323)
Transfer to contingency reserve	(142,956)	(116,495)	(97,745)	(173,703)	(83,394)
(LOSS)/PROFIT FOR THE YEAR	<u>80,735</u>	<u>(8,715,999)</u>	<u>(5,956,287)</u>	<u>690,493</u>	<u>333,576</u>
Prior year adjustment	(14,866)	-	-	-	-
Profit brought forward	(14,896,679)	(6,005,680)	550,266	308,011	149,435
	<u>(14,830,809)</u>	<u>(14,721,679)</u>	<u>(5,406,021)</u>	<u>998,504</u>	<u>483,011</u>
Appropriations					
Preference dividend	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Bonus issue	-	-	-	-	-
Dividend	-	-	(424,659)	(273,238)	-
	<u>(15,005,809)</u>	<u>(14,896,679)</u>	<u>(6,005,680)</u>	<u>550,266</u>	<u>308,011</u>
RETAINED (LOSS)/ PROFIT AT END OF YEAR					
BASIC EARNINGS PER SHARE	2.63	(99)	(67) k	11.8k	13.45K
EARNINGS PER SHARE (Diluted)	1.87	(100.68)	(66.23) k	11.90k	11.72K
DIVIDEND PER SHARE - Proposed	-	-	-	5k	7.5k
- Paid	-	-	5k	7.5k	-



Financial Indicators





Share Capital Information

For the year ended 31 December 2011

The following changes occurred over the years in the Company's share capital.

Ordinary Shares					
Year	Authorized (₦)		Issued and Fully Paid up (₦)		
	Increase	Cumulative	Increase	Cumulative	Consideration
1994	-	6,000,000	-	6,000,000	Cash
1996	24,000,000	30,000,000	24,000,000	30,000,000	Cash
1997	70,000,000	100,000,000	45,000,000	75,000,000	Cash
1998	-	100,000,000	25,000,000	100,000,000	Cash
2000	100,000,000	200,000,000	25,000,000	125,000,000	Bonus
2001	-	200,000,000	25,000,000	150,000,000	Bonus
2002	150,000,000	350,000,000	50,000,000	200,000,000	Bonus
2002	-	350,000,000	-	200,000,000	Stock split (2 for 1)
2003	150,000,000	500,000,000	150,000,000	350,000,000	Cash
2004	-	500,000,000	140,000,000	490,000,000	Bonus
2005	1,250,000,000	1,750,000,000	245,000,000	735,000,000	Bonus
2006	-	1,750,000,000	999,844,500	1,734,844,500	Cash
2007	2,500,000,000	4,250,000,000	86,742,225	1,821,586,725	Bonus
2008	-	-	2,425,000,000	4,246,586,725	Cash
2009	-	-	-	4,246,586,725	
2010	-	-	-	4,246,586,725	
2011	-	-	-	4,246,586,725	
Preference Shares					
2006	17,500,000	17,500,000	-	-	
2007	-	-	1,750,000,000	1,750,000,000	Cash
2008	-	-	-	1,750,000,000	
2009	-	-	-	1,750,000,000	
2010	-	-	-	1,750,000,000	
2011	-	-	-	1,750,000,000	

Dividend History

Year	Dividend per 50k ordinary share (adjusted)
1999	1.0k
2000	4.0k
2001	5.0k
2002	7.5k
2003	10.0k
2004	-
2005	-
2006	-
2007	7.5k
2008	5.0k
2009	-
2011	-



Corporate Directory

States	City/Town	Address
ABIA	Aba	117 Nnamdi Azikiwe Road, Aba.
AKWA IBOM	Uyo	2nd Floor, APICO Investment House Olusegun Obasanjo Way (Former Abak Road), Uyo.
ANAMBRA	Onitsha	44 New Market Road, Onitsha.
		60B Old Market Road, Onitsha.
BAYELSA	Yenagoa	76, Mbiama - Yenagoa Road, Yenagoa
BENUE	Makurdi	7 New Bridge Road, Makurdi.
BORNO	Maiduguri	NIDB House (3rd Floor) Behind Zenith Bank. Shehu Laminu Way, Maiduguri.
CROSS RIVER	Calabar	2nd Floor, Davandy House 143 Murtala Mohammed Highway, Calabar.
DELTA	Warri	Zonal Group Office: 9 Airport Road, Effurun, Warri.
EDO	Benin City	131B Sapele Road, Benin City.
EKITI	Ado-Ekiti	157 Ajilosun Street, Off Ikere Road, Ado Ekiti.
ENUGU	Enugu	1A Chime Avenue, New Haven, Enugu.
FCT	Abuja	3 Warri Street, Off Tafawa Balewa Way, Behind International Conference Centre, Area 11, Garki. Abuja.
IMO	Owerri	70 Douglas Road, Owerri.
KADUNA	Kaduna	52 Constitution Road, Kaduna.
KANO	Kano	38 Beirut Road, by Civic Centre Road, Kano.
KWARA	Ilorin	163 Ibrahim Taiwo Road, Décor Plaza. Ilorin.
LAGOS	Ikeja	16, Opebi Road, Opebi, Ikeja.
	Apapa	12b Kofo Abayomi Street, Via Flour Mills, Apapa.
	Victoria Island	Plot 281 Ajose Adeogun Street, Victoria Island
OGUN	Abeokuta	9 Olusegun Obasanjo Way, Ita – Eko Abeokuta.
ONDO	Akure	2nd Floor, Ule Uyi House, 9B Ado-Owo way beside ECOBANK, Akure.
OSUN	Osogbo	42 Oke-fia Street, Opp Osogbo Grammar School, Osogbo.
OYO	Ibadan	20, Bolumole Street , Off Ring Road , NEPA Bus Stop, Ibadan.
PLATEAU	Jos	193 Bukuru Bye – Pass, by British – American Junction , Jos.
RIVERS	Port Harcourt	48 Old Aba Road, Rumuobiokani, PH.



Notes





Consolidation of Accounts

Dear Shareholders:

Records with our Registrars and as revealed by the Register of Members show that some members have multiple accounts in their names.

This situation may have arisen as a result of multiple applications made during new issues or as a result of purchases made through the Stock Market.

Servicing these accounts is a huge administrative problem resulting in avoidable costs e.g postages, maintenance, issuance of certificates, etc. These ultimately have an impact on the profit of your company.

The Company appeals to you to make efforts to consolidate your multiple accounts, more especially to facilitate the operations and to save the Company costs.

We ask for your co-operation in this respect.

Please complete the Consolidation Request Form below and send it to the Registrars, First Registrars Ltd; 2 Abebe Village Road, Iganmu, Lagos, Nigeria.

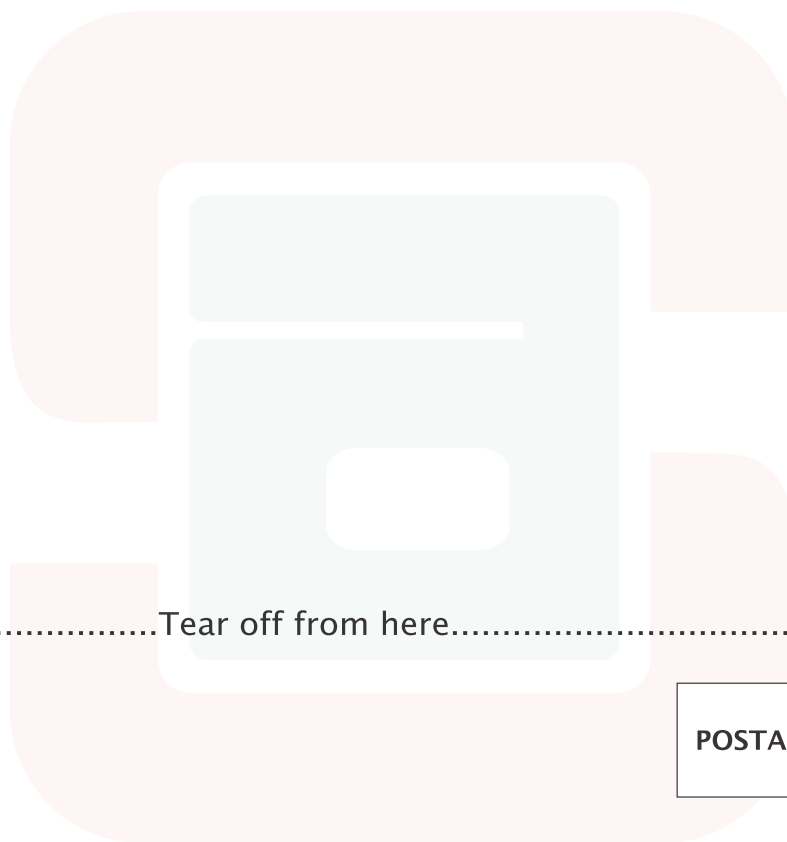
Kindly state in your request for consolidation the names/addresses of those persons you bought shares for during any public offers by the Company and the secondary market besides yourself e.g your children, grandchildren, etc. Certificates should not be forwarded.

✂.....Tear off from here.....

CONSOLIDATION OF ACCOUNTS FORMS

S/N	Name	Address	Units of Shares	Certificate Number	A/C Number	Date Issued

Shareholder's Signature: _____ Date: _____



Tear off from here.....

POSTAGE STAMP

MAIL TO:

**FIRST REGISTRARS NIG. LTD.
2 ABEBE VILLAGE ROAD,
IGANMU, LAGOS.
P.M.B. 12692
MARINA, LAGOS.**



Proxy Form

Sixteen Annual General Meeting to be held at Plot 1, Block 94, Providence Street, Lekki Scheme 1, Lekki, Lagos State, on Thursday 20th December, 2012 at 12noon.

I/We.....
or

 Being a member/members of
 STANDARD ALLIANCE PLC hereby appoint
or failing him/her,
 the chairman of the meeting as My/our proxy
 to attend and vote for me/us on my/our behalf
 at the Annual General Meeting of the company
 to be held on Thursday 20th December, 2012 and
 at any adjournment thereof.

Dated this

Signature.....

NUMBER OR SHARES HELD:		
RESOLUTIONS:	FOR	AGAINST
To receive and adopt the Audited Financial Statements together with Auditor's Report and Audit Committee's Report thereon for the year ended 31 st December, 2011 .		
To re-elect retiring Directors.		
To approve the remuneration of the Directors.		
To authorize the Directors to fix the remuneration of the Auditors.		
To re-elect/elect members of the Audit Committee		
Special Business		

NOTES

- A member of the company is entitled to attend and vote at the meeting of the company. He is also entitled to appoint a proxy to attend and vote instead of him or her. In this case, the above Form and Admission Slip herein may be used to appoint a proxy.
- The name of chairman of the meeting has been entered on the form of proxy to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space marked on the form, the name of any person, whether a member of the company or not, who will attend and vote on your behalf.
- The above form of proxy, when completed must be deposited with the Registrar, First Registrar Nig. Ltd., Plot 2 Abebe Village, Iganmu, Lagos not later than 48 hours before the time of the meeting. If the form of proxy is executed by a Corporation, it should be sealed under the Common Seal of the Corporation.
- Stamp Duties Act Cap 411, Laws of the Federation of Nigeria, 1990 requires 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 two (2) kobo.
- If you are unable to attend the meeting, kindly adhere to the following instructions:
 (A) Write your name in Block Capitals on the proxy form where marked
 (B) Write the name of your proxy where marked **, and ensure the proxy form is dated and signed by you.

✂.....Tear off from here.....

ADMISSION CARD

STANDARD ALLIANCE INSURANCE PLC Annual General Meeting to be held at Plot 1, Block 94, Providence Street, Lekki Scheme 1, Lekki, Lagos State, on Thursday 20th December, 2012.

Name of Shareholder.....

Signature of Person Attending.....

NOTE:

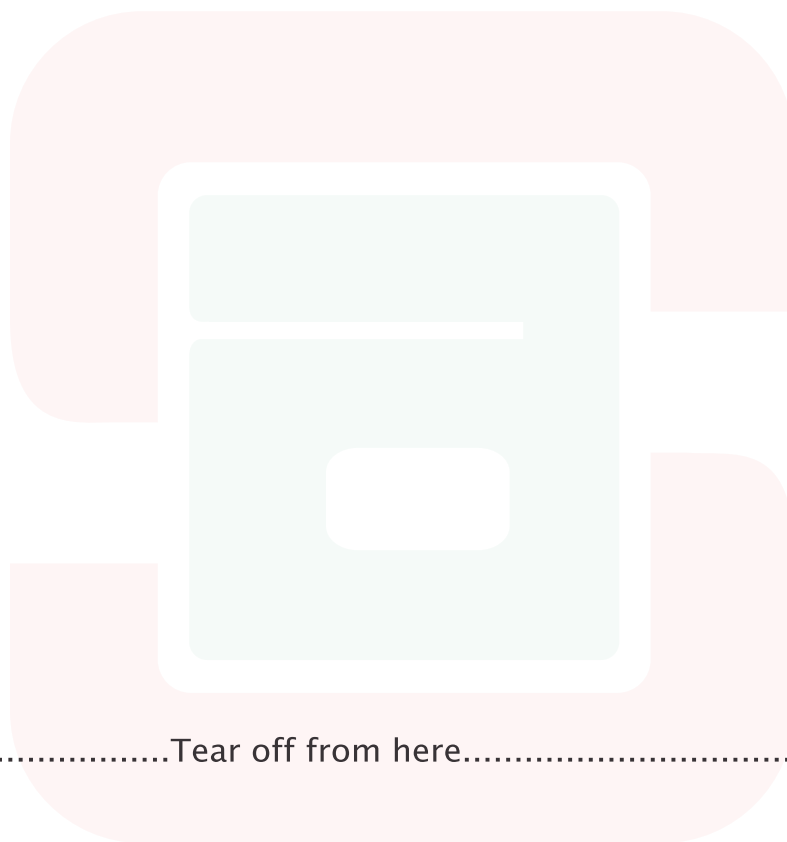
This admission card must be produced by the shareholder or his/her proxy in order to be admitted at the meeting. Shareholders or their proxies are requested to sign the admission card at the entrance of the venue of the Annual General Meeting.

For Company use only:

Number of Shares	
------------------	--




 AGNES UМУKORO
 Company Secretary



✂.....Tear off from here.....

MAIL TO:

**FIRST REGISTRARS NIG. LTD.
2 ABEBE VILLAGE ROAD,
IGANMU, LAGOS.
P.M.B. 12692
MARINA, LAGOS.**



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Plot 1, Block 94, Providence Street, Lekki Scheme 1, Lekki-Epe Expressway, Lekki, Lagos
Tel/Fax: 234-1-4619546. Contact Centre: 0700 Insurance (0700-467872623) 0700-myclaims (0700-69252467)
Annex: Plots 280/281, Ajose Adeogun Street, Victoria Island, Lagos.

www.sainsuranceng.com



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