

STANDARD ALLIANCE INSURANCE PLC

**Unaudited Financial Statements for the
Period ended September 30, 2017**

October 27, 2017

The Director General
Securities and Exchange Commission
Plot 272 Samuel Adesujo Ademulegun Street
Garki Abuja

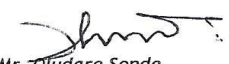
Dear Sir

**STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES
ACT NO.29 OF 2007**

We the undersigned hereby certify the following with regards to our audited report for the quarter ended 30 September 2017 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii)Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operations of the company as of, and for the periods presented in the report;
- (d) We:
 - (i) are responsible for establishing and maintaining internal controls;
 - (ii) have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared;
 - (iii)have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - (iv) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the Company and audit committee:
 - (i) all significant deficiencies in the design or operations of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data have been identified.
 - (ii) any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

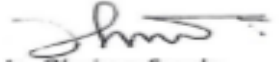

Mr. Oludare Sonde
Chief Finance Officer
FRC/2014/ICAN/00000005647

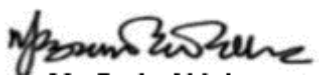

Mr. Bode Akinboye
Chief Executive Officer
FRC/2013/ICAN/00000005139

STANDARD ALLIANCE INSURANCE PLC
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

		Company 30-Sep-17 N'000	Group 31-Dec-16 N'000
ASSETS	NOTES		
Cash and Cash Equivalents	3	794,719	485,013
Financial Assets	4		
- <i>At fair value through profit or loss</i>		40,716	29,303
- <i>Loans & Receivables</i>		86,592	84,095
- <i>Available for sale investment</i>		256,319	342,674
- <i>Held to maturities</i>		2,000	314,678
Trade Receivables	5	125,832	16,340
Reinsurance Assets	6	1,114,385	955,467
Deferred Acquisition Costs	7	114,793	117,910
Other Receivables and Prepayments	8	160,391	44,294
Investment Properties	9	3,824,589	3,824,589
Goodwill & Other Intangible Assets	10	9,789	13,480
Property, Plant and Equipment	11	6,120,318	6,257,177
Statutory Deposits	12	535,000	535,000
TOTAL ASSETS		13,185,442	13,020,020
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Insurance Contract Liabilities	13	4,901,694	5,022,163
Investment Contract Liabilities	14	481,052	590,676
Trade Payables	15	72,944	75,670
Other Payables and Accruals	16	440,277	538,464
Financial Liabilities	17	1,160,885	1,269,650
Finance Lease Obligation	18	46,939	80,676
Taxation	19	287,005	204,136
Deferred Tax Liabilities	20	596,673	586,662
TOTAL LIABILITIES		7,987,469	8,368,097
SHAREHOLDERS' EQUITY			
Ordinary Share Capital	21	6,455,515	5,996,587
Share Premium	22	7,529,797	7,667,476
Contingency Reserve	23	1,590,483	1,505,600
Accumulated Loss	24	(13,556,597)	(13,870,648)
Revaluation Reserves	25	3,076,501	3,076,501
Fair Value Reserves	26	102,274	-
		5,197,973	4,375,516
Non controlling interest		-	276,408
Total equity		5,197,973	4,651,924
LIABILITIES AND SHAREHOLDERS' EQUITY		13,185,442	13,020,020

The financial statement were approved by the Board of Directors on 26 October 2017 and signed on its behalf by


Mr. Oludare Sonde
Chief Finance Officer
FRC/2014/ICAN/00000005647


Mr. Bodé Akínboye
Chief Executive Officer
FRC/2013/ICAN/00000005139

STANDARD ALLIANCE INSURANCE PLC

**STATEMENT OF COMPREHENSIVE INCOME FOR PERIOD ENDED
30 SEPTEMBER 2017**

		30-Sep-17	30-Sep-16
REVENUE	Notes	N'000	N'000
Gross Premium written	27	3,917,443	3,883,573
Unearned premium		(90,910)	230,967
		3,826,533	4,114,540
Reinsurance premium expenses	28	(450,203)	(627,789)
Net premium income		3,376,330	3,486,751
Fees and Commission income	29	163,741	154,577
Net Underwriting income		3,540,071	3,641,328
Claims expenses	30	(1,068,426)	(1,127,944)
Claims exp.recoveries from reins.		237,671	847,635
Net Claims expenses		(830,755)	(280,309)
Underwriting expenses	31	(1,287,063)	(1,152,824)
Total underwriting expenses		(2,117,818)	(1,433,133)
Underwriting Profit		1,422,253	2,208,195
Investment income	32	88,121	(6,092)
Forex gain/loss		42,502	(443,623)
Operating expenses	33	(999,325)	(903,729)
Finance charges	34	(20,196)	(26,992)
Unrealised Fair value gains/(losses)	4.1	11,413	(6,259)
Profit before taxation		544,768	821,500
Income tax	20	(100,110)	(94,863)
Deferred tax	21	(10,011)	(9,486)
Profit after taxation		434,647	717,151
Other comprehensive income that may subsequently be reclassified to P or L			
FV gains on quoted shares (AVFS)	26	102,273	(82,629)
Total other comprehensive income		102,273	(82,629)
Total compre(loss) income for the yr		536,920	634,522
EPS : Basic/Diluted (Kobo)		4.22	6.85

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENT FOR PERIOD ENDED SEPTEMBER 30, 2017
STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 2017

	Share Capital N'000	Share Premium N'000	Revaluatio N'000	Fair Value Reserve N'000	Contingency N'000	Retained Earnings N'000	Non Controllin N'000	Total N'000
At 1 January 2017	5,996,587	7,667,476	3,076,501	-	1,505,600	(13,870,649)	276,408	4,651,923
Profit for the year	-	-	-	-	-	434,647	-	434,647
Transfer to Contingency reserve	-	-	-	-	84,883	(84,883)	-	-
FV gain on quoted shares(AVFS)	-	-	-	102,273	-	-	-	102,273
Additions to Share Capital	458,928	(137,679)	-	-	-	(44,841)	(276,408)	-
Adjustments for Inv. in Subsidiary	-	-	-	-	-	9,128	-	9,128
Transactions with owners						-		-
Acquisition of shares	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Transfers for the year	-	-	-	-	-	-	-	-
At September 30, 2017	6,455,515	7,529,797	3,076,501	102,273	1,590,483	(13,556,598)	-	5,197,972

30TH SEPTEMBER, 2016

	Ordinary Share N'000	Share Premium N'000	Revaluatio N'000	Fair value Reserve N'000	Contingency N'000	Retained Earnings N'000	Non Controllin N'000	Total N'000
At 1 January 2016	5,996,587	7,667,475	1,114,518	500,536	1,243,423	(13,220,960)	343,085	3,644,664
Loss for the year	-	-	-	-	-	836,970	50,511	887,481
Ttransfer to Contingency reserve	-	-	-	-	191,827	(191,827)	-	-
Fair value gain on quoted shares (AV	-	-	-	(436,930)	-	-	-	(436,930)
Revaluation surplus on building	-	-	557,314	-	-	-	-	557,314
Allotment of treasury shares	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
Transfers for the year	-	-	-	-	-	-	-	-
At 30 September 2016	5,996,587	7,667,475	1,671,832	63,606	1,435,250	(12,575,817)	393,596	4,652,529

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2017
STATEMENT OF CASH FLOW

	30-Sep-17	30-Sep-16
	N'000	N'000
CASH-FLOWS FROM OPERATING ACTIVITIES		
Premium received from policy holders	3,769,822	3,665,744
Cash received on DA	1,225,910	933,833
Interest received on investments	60,932	105,238
Dividend received	435	308
Rent and sundry income	43,648	16,709
Other income	57,125	296
Claim paid (net of recoveries)	(1,220,922)	(913,620)
Fees and commission	163,740	154,577
Cash payments for reinsurance	(362,605)	(575,565)
Brokers commissions and allowances	(312,345)	(403,588)
Agents' allowances and commissions	(142,701)	(152,536)
Cash pmt to employees, suppliers and others	(1,569,640)	(1,311,256)
Loans against policy	(5,185)	(16,877)
Staff Loan repayment	(708)	3,139
Cash withdrawals on DA	(1,335,533)	(1,255,001)
	371,973	251,401
Tax paid: Income tax	(20,000)	(72,750)
NET O/FLOWS FROM OPERATING ACTIVITIES	351,973	178,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property plant and Equipment	(917)	(35,001)
Purchase of HTM Financial Asset	-	(83,540)
Purchase of Intangible assets	-	(7,500)
Investment in Financial Asset through P or L	83,940	-
Income from investment property	-	8,802
NET CASH INFLOWS FROM INVESTING ACTIVITIES	83,023	(117,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges	17,216	(4,629)
Repayment of borrowing - Daewoo securities bond	(61,000)	-
Loan obtained from FCMB	(47,766)	-
Lease financing (net)	(33,737)	(46,115)
Repayment of Term Loan	-	(44,597)
NET CASH OUTFLOWS TO FINANCING ACTIVITIES	(125,287)	(95,341)
NET INC./(DEC) IN CASH AND CASH EQUIVALENTS	309,711	(33,925)
Cash and cash equivalent at 1 January	485,011	1,317,865
NET CASH AND CASH EQUIVALENTS AT 31 DEC	794,719	1,283,937
NET CASH AND CASH EQUIVALENTS COMPRISE:		
Current and domiciliary accounts balances	163,416	294,299
Short term deposits - Local banks	631,303	989,638
	794,719	1,283,937

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

1 THE COMPANY- Please see the description presented on pages below

2 ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of these financial statements and which have been consistently applied over the periods are as fully disclosed

3 CASH AND CASH EQUIVALENT	Company	Group
	30-Sep-17	31-Dec-16
	N'000	N'000
Cash at hand	7,651	2,183
Cash in bank - Unclaimed dividend	2,632	2,476
Current and Domiciliary accounts	203,132	278,696
	213,415	283,355
Short term deposits with other Financial Institutions	581,303	201,658
	794,718	485,013

4 FINANCIAL ASSETS

At fair value through Profit or loss (Note 4.1)	40,716	29,303
Loans & Receivables (Note 4.2)	86,592	84,095
Available for sale (Note 4.3)	256,319	342,674
Held to maturity	2,000	314,678
	385,626	770,750

4.1 Financial assets at fair value through Profit or loss

Quoted securities		
Cost	391,859	391,859
Cost of Disposal	-	100
Fair value changes	(351,242)	(362,656)
Market value	40,716	29,303

The fair value changes are further analysed thus:

At 1 January	(362,655)	(355,464)
Fair value gains/(losses) during the year	11,413	(7,192)
At 30 September	(351,242)	(362,656)

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

	Company	Group
	30-Sep-17	31-Dec-16
	N'000	N'000
4.2 Loans & Receivables		
Staff Debtors	2,784	78,623
Loan against policy	83,808	5,472
	86,592	84,095

4.3 Available for sale financial assets	30-Sep-17	31-Dec-16
	N'000	N'000
Investment in Bluberry Project (see note 8)	-	188,628
Quoted shares in Transcorp Plc (Note 4.3.2)	256,319	154,056
	256,319	342,684

4.3.1 Investment in quoted shares

Cost

At 1 January	120,835	120,835
Addition during the year	-	-
Disposal during the year	-	-
At 30 September	120,835	120,835
Fair Value Gain	135,484	33,211
Market Value	256,319	154,046

The fair value changes are further analysed thus:

At 1 January	33,211	135,485
Fair value gain/(loss) realised on disposal	-	-
Fair value gain/(loss) during the year	102,273	(102,274)
At 30 September	135,484	33,211

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30 2017

NOTES TO THE FINANCIAL STATEMENTS

	Company 30-Sep-17 N'000	Group 31-Dec-16 N'000
4.3.4 5% 5year Redeemable Preference Shares in Lagoon Homes Savings and Loans Ltd	-	162,848
Less Impairmnt Provision	-	(162,848)
	-	-
5 TRADE RECEIVABLES		
Premium receivable		
Dues from brokers	125,832	16,340
Impairment allowance	-	-
	125,832	16,340
6 REINSURANCE ASSETS		
Claims recoverable	976,535	772,125
Deferred reinsurance cost	137,850	183,342
	1,114,385	955,467
All of the above amounts are of current tenor.		
7 DEFERRED ACQUISITION COSTS		
Motor	23,058	23,058
Aviation	-	959
Engineering	5,190	8,192
Fire	27,028	19,774
General Accident	13,968	7,926
Marine	7,545	17,026
Bond	5,943	5,791
Oil & Gas	3,194	4,159
Life	27,908	31,025
	113,834	117,910
The movement in deferred acquisition cost are:		
At 1 January	117,910	131,238
Additions during the year	210,872	385,360
Amortization for the year	(242,856)	(398,688)
Life	27,908	-
At September 30	113,834	117,910
8 OTHER RECEIVABLES AND PREPAYMENTS		
Prepayments	9,840	12,062
Loans and Receivables (Note 8.1)		31,576
Staff Debtors	1,858	-
Sundry	16,653	656
Deferred Expenses (Note 8.1)	132,040	-
	160,391	44,294
8.1 Deferred Expenses		
At 1 January	188,628	188,628
Amortization	(56,588)	-
	132,040	188,628

Deferred expenses relates to amounts incurred in respect of Blueberry Technology Solutions/Kaduna State Govt project to drive Third Party motor insurance business generation. The project has since been completed. The total cost of N188,627,960.11 incurred is now reclassified and being amortised over the remaining life of the project of three years with effect from January 1 2017

9 INVESTMENT PROPERTIES

At 1 January	3,824,589	2,177,001
Additions during the year	-	-
Disposal during the year	-	-
Changes in FV	-	1,647,588
At September 30	3,824,589	3,824,589

These comprise the following properties:

Property on Plot 456, Cadastral Zone B13, Abuja	580,000	-
250 Hecters of farmland at Mydumbi, Kaduna - Zaria	100,000	100,000
10 2 B/room Terrace hs and wing of 4 B/room duplex	495,000	-
6 storey lettable office complex	599,589	-
11 units of '4-Bedroom terrace houses at New County	1,200,000	1,200,000
Property on No 1207, Yakubu Gowown Street, Abuja	850,000	-
Life	-	2,524,589
	3,824,589	3,824,589

STANDARD ALLIANCE INSURANCE PLC
 FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017
 NOTES TO THE FINANCIAL STATEMENTS

	Company 30-Sep-17 N'000	Group 31-Dec-16 N'000
10 GOODWILL AND INTANGIBLE ASSET		
COMPUTER SOFTWARE		
COST		
AT 1 January	15,000	-
Additions-Goodwill arising from conversion MI	-	15,000
	<u>15,000</u>	<u>15,000</u>
AMORTISATION		
AT 1 January	1,520	-
Amortisation for the period	3,691	1,520
	<u>5,211</u>	<u>1,520</u>
CARRYING AMOUNT		
	<u>9,789</u>	<u>13,481</u>

The intangible asset above relate to the Company's accounting software packages (GIBS)

STANDARD ALLIANCE INSURANCE PLC
 FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017
 NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT

Company						30-Sep-17	31-Dec-16
	Land	Building	Motor vehicles	Furniture and fittings	Computer and other equipments	Total	Total
COST	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1/1/2017	2,490,433	3,583,067	843,350	225,377	451,580	7,593,807	4,149,151
Additions	-	-	-	-	392	392	44,211
Transfer from NCAHFS	-	-	-	-	-	-	1,890,433
Revaluation surplus	-	-	-	-	-	-	1,622,666
Reclassification	-	-	-	-	-	-	(57,082)
Disposals	-	-	(12,290)	-	-	(12,290)	(55,573)
At September 30, 2017	2,490,433	3,583,067	831,060	225,377	451,972	7,581,909	7,593,806
DEPRECIATION							
At 1/1/2017	-	303	759,792	169,547	406,987	1,336,629	1,251,258
Charge for the year	-	53,746	48,311	14,483	20,936	137,476	194,044
Disposals	-	-	(12,290)	-	-	(12,173)	(108,673)
At September 30, 2017	-	54,049	795,813	184,030	427,923	1,461,932	1,336,629
CARRYING AMOUNT							
At 30 September 2017	2,490,433	3,529,018	35,247	41,347	24,049	6,120,318	
31/12/2016	2,490,433	3,582,763	83,556	55,830	44,595	6,257,177	6,257,177

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

	Company 30-Sep-17 N'000	Group 31-Dec-16 N'000
12 STATUTORY DEPOSIT	535,000	535,000
This represents the mandatory deposit maintained with Central Bank of Nigeria in accordance with the Insurance Act CAP 117 LFN 2004 as a general business insurance company. The deposit is entirely non-current.		
13 INSURANCE CONTRACT LIABILITIES		
Unearned Premium reserve (Note 15.1)	2,831,683	1,091,889
Outstanding claims (Note 15.2)	2,070,012	3,930,274
	4,901,695	5,022,163
The insurance contract liabilities balances above are covered by the company's dedicated assets as thus		
Cash and cash equivalent (Note 3)	633,934	480,494
Financial assets (Note 4)	383,627	576,650
Investment Properties (Note 9)	3,349,134	2,072,888
Statutory Deposit	535,000	335,000
	4,901,695	3,465,032
13.1 Unearned Premium Reserve		
Aviation	13,894	13,894
Bond	29,778	29,778
Engineering	49,855	49,855
Fire	231,209	231,209
General Accident	95,553	95,553
Marine	123,667	123,667
Motor	186,398	186,398
Oil & Gas	81,180	81,180
Life	2,020,149	280,355
	2,831,683	1,091,889
13.2 Outstanding Claims		
Accrued Claims (Note 13.2.1)	1,776,349	1,987,728
Provision for claims (IBNR) (Note 13.2.2)	293,663	1,942,546
	2,070,012	3,930,274

13.2.1 Accrued Claims

At 1 January	1,987,728	1,768,744
Reported claims in the current year	1,068,427	1,750,891
Claims paid during the current year	(1,279,806)	(1,531,907)
	1,776,349	1,987,728

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

	Company	Group
	30-Sep-17	31-Dec-16
13.2.2 Claims incurred but not reported (IBNR)	N'000	N'000
At 1 January	293,663	1,942,546
Movement charged to claims expenses	-	-
	293,663	1,942,546
The breakdown of the outstanding claims per class of general business is:		
Aviation	72,671	103,957
Bond	18,505	18,505
Engineering	21,259	43,851
Fire	216,074	325,154
General Accident	212,504	221,244
Marine	77,017	57,514
Motor	51,473	109,751
Oil & Gas	460,034	458,357
Life	646,813	649,395
	1,776,350	1,987,728
14 INVESTMENT CONTRACT LIABILITIES		
Deposit Administration Fund	1,816,586	2,123,743
Withdrawals during the year	(1,335,533)	(1,533,067)
	481,053	590,676
15 TRADE PAYABLES		
Due to Reinsurers	72,944	75,670
16 OTHER PAYABLES AND ACCRUALS		
Due to Government Agencies	45,156	43,538
Rent received in advance (Note 17.1)	8,270	4,523
Due to Staff	18,021	80,025
Accrued Expenses	119,190	152,289
Unclaimed Dividend	2,633	2,476
Other credit balances	72,007	80,613
Preference dividend payable (Note 17.2)	175,000	175,000
	440,277	538,464
The above amounts are further analysed as:		
Current	262,560	538,464
Non-Current	177,717	-
	440,277	538,464

STANDARD ALLIANCE INSURANCE PLC**FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017****NOTES TO THE FINANCIAL STATEMENTS****Company****Group****16.1 Rent received in advance**

This is the rent received from the office space let out in the HO building and from the investment properties @ new county estate

8,270**4,523****16.2 Preference dividend payable**

At 1 January

175,000

175,000

Paid during the period

-

Due for the period

-

-

175,000**175,000**

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

Company	Group
30-Sep-17	31-Dec-16
N'000	N'000

17 FINANCIAL LIABILITIES/BORROWINGS

Daewoo Securities Bond (Note 17.1)	1,116,336	1,177,335
First City Monument Bank Plc - Term Loan(Note 17.2)	44,549	92,315
	1,160,885	1,269,650

17.1 Daewoo Securities Facility

Balance, at beginning of the year	1,177,335	647,541
Additions during the year(Exchange Rate Differential)	-	529,794
Repayments during the period	(61,000)	-
Balance, at end of period	1,116,335	1,177,335

N'000

17.2 First City Monument Bank Plc -Term Loan

Balance, at beginning of the year	92,315	148,377
Additions during the year	-	-
Repayments during the year	(47,766)	(56,062)
Balance, at end of period	44,549	92,315

The loan attracts interest at the rate of 18% per annum.

Current maturities	21,142	92,315
Non-current maturities	23,407	-
	44,549	92,315

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENT FOR PERIOD ENDED SEPTEMBER 30, 2017
NOTES TO THE FINANCIAL STATEMENTS

	Company 30-Sep-17 N'000	Group 31-Dec-16 N'000
18 FINANCE LEASE OBLIGATIONS		
Balance, at beginning of the period	80,676	136,698
Additions during the period	-	24,000
Repayments during the period	(33,737)	(80,022)
Balance, at end of period	46,939	80,676
The Company obtained lease facilities totalling =N=48,836,000 at 21% rate of interest from to finance the acquisition of motor vehicles during 2013. These motor vehicles are included The rentals due as at 30 September are further analysed as follows		
Less than 3 months	16,662	19,344
Between 3 and 6 months	16,672	19,214
Between 6 and 12 months	9,830	11,929
Over 12 months	3,774	30,189
	46,938	80,676
19 Taxation		
Current income tax liabilities	N'000	N'000
Per Statement of comprehensive income		
Company income tax	100,110	74,934
Education tax	-	9,440
	100,110	84,374
Per Statement of Financial Position	N'000	N'000
<i>Balance at beginning of the year</i>		
Company income tax	190,465	187,436
Education tax	16,430	26,577
Tax expense for the year	206,895	214,013
Provisions for the year:		
Company income tax	100,110	74,934
Education tax	-	9,440
Payments during the year:		
Company income tax	(20,000)	(83,227)
Education tax	-	(11,024)
At 30 September 2017	287,005	204,136
20 DEFERRED TAX LIABILITIES		
At 1 January	586,662	382,004
Charge for the year (Note 20.1)	10,011	204,658
At 30 September 2017	596,673	586,662

20.1 Charge for the year

Profit or loss charge on timing differences of carrying amounts of taxable assets

Tax recorded in other comprehensive income

10,011	-
10,011	-

21 ORDINARY SHARE CAPITAL

Authorised (Note 21.1)

14,000,000,000 units of ordinary shares of 50k each

7,000,000	7,000,000
7,000,000	7,000,000

21.1 Issued and Fully Paid Share Capital:

Ordinary shares

- 11,993,173,450 units of ordinary shares

5,996,587 5,996,587

Shares of Minority Interest in Life for conversion to SA

Ins. Shares -917,857,136 - New issues during the year

arising from merger with Standard Life

458,928

- 12,911,030,586 units of ordinary shares

6,455,515 **5,996,587**

The Company was granted a licence to operate a composite company in the first quarter of the year after a successful merger with its subsidiary Standard Alliance Life Assurance Limited. Under the scheme of arrangement for the merger 7 ordinary shares of Standard Life shares were exchanged for 5 ordinary shares in Standard Alliance Insurance plc. This resulted in the creation of 917,857,136

Standard Alliance Insurance Plc shares of 50k each. The effect of this is reflected in note 21.1 above

22 SHARE PREMIUM

7,667,475 7,667,475

7,667,475 7,667,475

Post Merger Adjustment (Note 22.1)

(137,679)

7,667,475 **7,667,475**

Share premium comprises additional paid in capital in excess of the par value. This reserve is not ordinarily not available for distribution

22.1 Post Merger Adjustment

This is the negative share premium arising from the merger.

Issue price of consideration shares (per share)

0.35

Nominal value of consideration shares (per share)

0.50

Negative share premium (per share) -A

(0.15)

No. of consideration shares -B

917,857,136

Share premium arising from merger (A*B)

(137,678,570)

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

Company	Group
30-Sep-17	31-Dec-16
N'000	N'000

23 CONTINGENCY RESERVE

Contingency reserve is provided for at the rate of 3% of the total premium or 20% of net profit (whichever is greater for the year) in accordance with section 22 (1)(b) of the Insurance Act 2003.

At 1 January	1,505,600	1,411,579
Charge for the year	84,883	94,021
Post Merger Adjustment	-	-
	1,590,483	1,505,600

24 ACCUMULATED LOSS

At 1 January	(13,870,648)	(12,552,146)
(Loss)/Profit for the year	434,647	(1,224,481)
Appropriation to contingency reserve	(84,883)	(94,021)
Conversion of NCI to Share	(35,713)	-
	(13,556,597)	(13,870,648)
	(13,556,597)	(13,870,648)

25 REVALUATION RESERVES

At 1 January	3,076,501	1,460,400
Addition during the year(Note 12)	-	-
	3,076,501	1,460,400

26 FAIR VALUE RESERVE

This is the net accumulated changes in fair value of available for sale assets.

Further details are:

At 1 Jan	-	63,606
Transfer to P or L during the year	102,273	(63,606)
Fair value loss	-	-
	102,273	-

Fair value reserves include the net accumulated changes in the FV
of available for sale assets

Further details are:

Transfer to P or L	-	-
Fair value (loss)/gains on available for sale - (Note 4.3.2)	102,273	(63,606)
Deffered Tax on fair value gains for the year	-	-
	<u>102,273</u>	<u>(63,606)</u>

STANDARD ALLIANCE INSURANCE PLC

FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

									Non Life 30-Sep-17	Life 30-Sep-17	Company 30-Sep-17	Group 30-Sep-16	Company 30-Sep-16
27 GROSS PREM.INCOME	Aviation	Bonds	Engineering	Fire	General Accident	Marine	Motor Accident	Oil & Gas					
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Premium written	18,066	28,307	104,562	160,635	376,800	721,520	287,105	687,284	2,384,279	1,532,799	3,917,443	3,883,573	2,095,504
Inward reinsurance premium	-	-	-	-	-	-	-	-	-	-	-	230,967	119,833
	18,066	28,307	104,562	160,635	376,800	721,520	287,105	687,284	2,384,279	1,532,799	3,917,443	4,114,540	2,215,337
Movements in unexpired risks	-	-	-	-	-	-	-	-	-	(90,910)	(90,910)	-	-
Gross premium	2 18,066	28,307	104,562	160,635	376,800	721,520	287,105	687,284	2,384,279	1,441,889	3,826,533	4,114,540	2,215,337
28 REINSURANCE PREMIUM EXPENSES													
Expense	-	3,919	8,920	21,820	11,715	17,271	-	258,110	321,755	128,447	450,203	627,789	345,339

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

	Company	Group
	30-Sep-17	30-Sep-16
	N'000	N'000
29 COMMISSION EARNED ON REINSURANCE		
Aviation	(21)	-
Bond	1,078	1,330
Engineering	2,435	2,936
Fire	7,092	11,090
General Accident	3,515	12,212
Marine	4,564	4,214
Motor	(45)	-
Oil & Gas	-	-
Life	145,123	122,796
	163,741	154,578
30 CLAIMS EXPENSES		
Claim paid	932,439	666,734
Increase in outstanding Claims (Note 14.2.1)	135,987	688,940
Increase/(Decrease)in Claims IBNR(Note 14.2.2)	-	(227,730)
Gross claims incurred	1,068,426	1,127,944
31 UNDERWRITING EXPENSES		
Acquisition Cost		
Aviation	1,917	9
Bond	5,615	9,476
Engineering	17,200	15,671
Fire	31,110	44,087
General Accident	62,860	74,750
Marine	28,950	72,739
Motor	36,554	34,585
Oil & Gas	26,666	6,320
Others	11,663	11,857
Life - Acquisition Cost/Brokers Commission	104,749	133,036
Agents Allowance and Commission	107,153	152,536
Medical Expenses	495	-
Salaries and other admin expenses	440,595	531,606
	875,527	1,086,672
Maintenance Cost	408,420	66,153
Changes in Insurance Contract	3,116	-
	1,287,063	1,152,825

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS

32 INVESTMENT INCOME

	Company	Group
Interest on deposits	75,709	54,218
Lease rental income	11,909	14,485
Dividend received	435	160
Sundry income	84,015	296
	172,068	69,159
Profit/Loss on Investment Contract	(83,946)	(107,499)
Investment Income on Annuity	-	30,025
Foreign Exchange difference	7,634	(443,623)
Gain on disposal of Quoted Shares	(21,732)	-
Others	14,097	2,225
	88,121	(449,713)

33 OPERATING EXPENSES

Salaries and allowances	420,734	571,047
Other staff costs	79,484	74,564
Director fees and allowances	67,830	48,485
Insurance expenses	9,675	15,596
Rent and rates	43,491	45,960
Repairs and maintenance	236,005	146,453
Depreciation and amortisation	197,626	159,764
Professional fees	210,059	67,830
Bank charges	9,475	9,908
Printing and stationery	35,474	23,944
Advertisement	88,781	10,340
Books and periodicals	964	839
Telephone and postages	35,105	15,418
Other administrative expenses	9,425	13,965
Supervisory levies	28,349	1,691
Staff training and development	16,081	151
Audit fee	4,500	4,500
Fines and Penalties	45,223	39,612
Misc office expenses	30,616	34,276
Travelling, outstation and hotel expenses	44,172	17,152
Annual General Meeting expenses	-	3,467
Share capital expenses	-	14,025
Corporate expenses	32,998	20,415
Others	156,053	67,113
	1,802,120	1,406,515
Less - Allocation to Underwriting Expenses	(802,795)	(502,786)
	999,325	903,729

STANDARD ALLIANCE INSURANCE PLC
FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

NOTES TO THE FINANCIAL STATEMENTS	<u>Company</u>	Group
	Sep-17	Sep-16
	N'000	N'000
34 FINANCIAL CHARGES		
Bank interests	20,196	12,904
Lease charges	-	2,281
	<u>20,196</u>	<u>15,185</u>