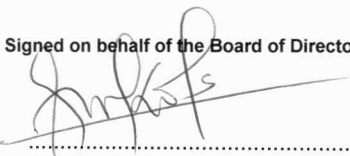
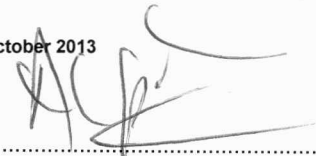


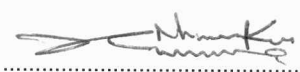
AFRICAN ALLIANCE INSURANCE PLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2012

	NOTES	GROUP			COMPANY		
		31-Dec-12	31-Dec-11	1-Jan-11	31-Dec-12	31-Dec-11	1-Jan-11
		N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and Cash Equivalents	6	883,726	385,113	156,098	879,308	385,243	145,804
Financial Assets	7	2,237,893	2,228,655	2,350,747	2,237,893	2,228,655	2,350,747
Trade Receivables	8	30,119	30,472	31,537	-	-	-
Reinsurance Assets	9	27,710	7,131	3,443	27,710	7,131	3,443
Deferred Acquisition Cost	10	444	137	242	444	137	242
Other Receivables	11	226,560	188,123	1,113,057	309,458	128,993	1,019,820
Investment in subsidiaries	12	-	-	-	4,013,053	4,000,052	4,000,052
Investment in Associates	13	684,375	523,824	232,978	849,061	688,510	397,664
Investment Properties	14	5,927,000	5,604,000	4,058,000	5,927,000	5,604,000	4,058,000
Deferred Tax Assets	25	38,025	26,822	23,017	38,025	26,822	23,017
Intangible Asset	15	13,331	16,040	66,052	13,331	16,040	11,894
Property Plant and Equipment	16	3,949,005	4,089,310	5,412,113	340,501	314,750	1,508,151
Statutory Deposits	17	200,000	200,000	200,000	200,000	200,000	200,000
Total Assets		14,218,188	13,299,626	13,647,284	14,835,783	13,600,332	13,718,834
Liabilities							
Insurance Contract Liabilities	18	2,948,308	1,644,469	1,576,578	2,948,308	1,644,469	1,576,578
Investment Contracts Liabilities	19	3,313,719	3,393,094	3,191,530	3,313,719	3,393,094	3,191,530
Borrowings	20	127,054	245,479	217,402	116,308	201,151	130,394
Trade Payable	21	218,777	94,362	55,228	95,567	36,417	19,484
Other payables	22	591,066	828,600	591,198	153,918	369,524	201,928
Employee Benefit Liability	23	186,241	129,688	97,257	142,715	108,919	87,242
Income Tax liabilities	24	171,250	158,595	144,347	150,318	139,943	129,488
Deferred tax liabilities	25	360,079	201,442	287,382	320,631	161,994	247,934
Total Liabilities		7,916,495	6,695,729	6,160,922	7,241,485	6,055,511	5,584,578
Equity							
Issued and paid Share capital	26 (i)	10,292,500	10,292,500	10,292,500	10,292,500	10,292,500	10,292,500
Share Premium	26 (ii)	14,365,133	14,365,133	14,365,133	14,365,133	14,365,133	14,365,133
Contingency Reserves	26 (iii)	112,808	78,886	60,607	112,808	78,886	60,607
Retained earnings	26 (iv)	(20,172,432)	(19,823,135)	(20,111,632)	(17,343,214)	(17,345,598)	(17,927,125)
Revaluation Reserves	26 (v)	1,703,684	1,690,513	2,879,754	167,071	153,900	1,343,141
Shareholders funds		6,301,693	6,603,897	7,486,362	7,594,298	7,544,821	8,134,256
Total liabilities & Reserves		14,218,188	13,299,626	13,647,284	14,835,783	13,600,332	13,718,834

Signed on behalf of the Board of Directors on 11th October 2013


 Mrs. Olabisi Adekola
 FRC/ICAN/00000001179
 Chief Finance Officer


 Mr. Alphonse O. Okpor
 FRC/2013/CIIN/00000003868
 Chief Executive Officer


 Engr. Cyril Ajagu
 FRC/2013/ODN/00000003711
 Chairman

African Alliance Insurance Plc

Statements of Comprehensive Income
For the year ended 31 December 2012

	Notes	GROUP		COMPANY	
		31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
		N'000	N'000	N'000	N'000
Gross Premium written		3,392,159	1,827,926	3,392,159	1,827,926
Gross Premium Income	28	3,332,966	1,747,226	3,332,966	1,747,226
Reinsurance Expense	29	(42,657)	(15,551)	(42,657)	(15,551)
Net Premium Income		3,290,309	1,731,675	3,290,309	1,731,675
Fees and Commission income	30	17,675	5,774	17,675	5,774
NET UNDERWRITING INCOME		3,307,984	1,737,449	3,307,984	1,737,449
Claims expenses	31	(1,387,379)	(921,959)	(1,387,379)	(921,959)
Reinsurance claims	31	27,916	10,517	27,916	10,517
Changes in contract liabilities	31	(1,031,430)	127,913	(1,031,430)	127,913
Net claims expenses		(2,390,893)	(783,529)	(2,390,893)	(783,529)
Underwriting Expenses					
Acquisition expenses		(74,235)	(38,757)	(74,235)	(38,757)
Maintenance expenses		(325,547)	(279,805)	(325,547)	(279,805)
Total underwriting expenses		(399,782)	(318,562)	(399,782)	(318,562)
Underwriting Profit/(Loss)		517,309	635,358	517,309	635,358
Investment income	32	441,247	790,466	169,795	174,249
Other operating income	33	-	3,954	-	-
Total Investment income		441,247	794,420	169,795	174,249
Impairment charges	34	9,535	(1,071,109)	9,535	(1,016,951)
Net fair value gain/(loss) on financial assets at fair value through profit or loss	35	13,643	(61,625)	13,643	(61,625)
Fair value gain/(loss) on investment properties	35	323,000	346,000	323,000	346,000
Net Operating Income		787,425	7,686	515,973	(558,327)
Share of profit of equity accounted investee	33	160,551	118,856	160,551	118,856
		947,976	126,542	676,524	(439,471)
Administrative Expense	36	(419,558)	(449,074)	(341,106)	(331,165)
Other operating Expenses	37	(1,158,516)	(1,231,022)	(619,360)	(505,675)
Total Expenses		(1,578,074)	(1,680,096)	(960,466)	(836,840)
Result of operating activities		(112,789)	(918,196)	233,367	(640,953)
Interest Expense	37	(39,617)	(51,892)	(36,373)	(39,898)
Profit or (Loss) before Taxation		(152,405)	(970,088)	196,995	(680,851)
Income Tax Expense/Credit	38	(162,970)	75,497	(160,689)	79,290
Profit or (Loss) after Taxation		(315,375)	(894,591)	36,306	(601,561)
Profit attributable to:					
Equity holders of the Company		(315,375)	(894,591)	36,306	(601,561)
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		(315,375)	(894,591)	36,306	(601,561)
Other Comprehensive income					
Items within OCI that will not be reclassified to the profit or loss;					
PPE revaluation gains	26(v)	13,171	12,126	13,171	12,126
Other comprehensive income for the period		13,171	12,126	13,171	12,126
Total comprehensive income		(302,204)	(882,465)	49,477	(589,435)
Total comprehensive income attributable to:					
Equity holders of the company		(302,204)	(882,465)	49,477	(589,435)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(302,204)	(882,465)	49,477	(589,435)
Earnings per share-basic	39	(1.53)	(4.35)	0.18	(2.92)

African Alliance Insurance Plc
Statements of Changes in Equity (GROUP)
for the year ended 31 December 2012

	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Investment Property reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2011	10,292,500	14,365,133	2,638,842	60,607	163,410	(19,796,187)	7,724,305
Total comprehensive income							-
Profit and loss	-	-	-	-	-	-	-
Other comprehensive income							-
Transfer from investment property reserve					(163,410)	163,410	-
Net correction of errors at conversion						(20,343)	(20,343)
Gain on the revaluation of land and buildings			240,912				240,912
Deferred tax on revaluation surplus						(72,274)	(72,274)
Net fair value gain/loss on investment property						(59,059)	(59,059)
Deferred tax on fair value loss on invest. Property						17,718	17,718
Provision for fees payable no longer required						121,383	121,383
Additional liability on staff gratuity						(76,724)	(76,724)
Deferred tax impact of the liability on staff gratuity						23,017	23,017
Adjustment for deferred acquisition cost						242	242
Recognition of reinsurance in valuation						3,443	3,443
Recognition of net change in contract liabilities						(416,258)	(416,258)
Other comprehensive income for the period	-	-	240,912	-	(163,410)	(315,445)	(237,943)
Total comprehensive income for the period	-	-	240,912	-	(163,410)	(315,445)	(237,943)
Balance at 1 January 2011	10,292,500	14,365,133	2,879,754	60,607	-	(20,111,632)	7,486,362
Balance at 1 January 2011	10,292,500	14,365,133	2,879,754	60,607	-	(20,111,632)	7,486,362
Total comprehensive income for the period							-
Profit or loss	-	-	-	-	-	(894,591)	(894,591)
Other comprehensive income							-
Transfer from fixed asset to investment property reserve			(1,201,367)		1,201,367	-	-
Transfer from investment property reserve			-		(1,201,367)	1,201,367	-
Gain on the revaluation of land and buildings	-	-	12,126	-	-	-	12,126
Transfer to contingency reserve	-	-	-	18,279	-	(18,279)	-
Other comprehensive income for the period	-	-	(1,189,241)	18,279	-	1,183,088	12,126
Total comprehensive income for the period	-	-	(1,189,241)	18,279	-	288,497	(882,465)
Balance at 31 December 2011	10,292,500	14,365,133	1,690,513	78,886	-	(19,823,135)	6,603,897
Balance at 1 January 2012	10,292,500	14,365,133	1,690,513	78,886	-	(19,823,135)	6,603,897
Total comprehensive income for the period							-
Profit or loss						(315,375)	(315,375)
Other comprehensive income							-
Transfer to contingency reserve	-	-	-	33,922		(33,922)	-
Gain on the revaluation of land and buildings			13,171			-	13,171
Other comprehensive income for the period	-	-	13,171	33,922	-	(33,922)	13,171
Total comprehensive income for the period	-	-	13,171	33,922	-	(349,297)	(302,204)
Balance at 31 December 2012	10,292,500	14,365,133	1,703,684	112,808	-	(20,172,432)	6,301,693

African Alliance Insurance Plc
Statements of Changes in Equity (COMPANY)
for the year ended 31 December 2012

	Share Capital	Share Premium	Revaluation reserve	Investment Property reserves	Contingency reserve	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2011	10,292,500	14,365,133	1,102,229	163,410	60,607	(17,632,023)	8,351,856
Total comprehensive income							-
Profit and loss	-	-	-	-	-	-	-
Other comprehensive income							-
Transfer from investment property reserve				(163,410)		163,410	-
Gain on the revaluation of land and buildings	-	-	240,912		-	-	240,912
Deferred tax impact of revaluation surplus						(72,274)	(72,274)
Net fair value gain/loss on investment property						(59,059)	(59,059)
Deferred tax impact of fair value loss on invest. Property						17,718	17,718
Provision for fees payable no longer required						121,383	121,383
Additional liability on staff gratuity						(76,724)	(76,724)
Deferred tax impact of the liability on staff gratuity						23,017	23,017
Adjustment for deferred acquisition cost						242	242
Recognition of reinsurance assets						3,443	3,443
Recognition of net change in contract liabilities						(416,258)	(416,258)
Other comprehensive income for the period	-	-	240,912	(163,410)	-	(295,102)	(217,600)
Total comprehensive income for the period	-	-	240,912	(163,410)	-	(295,102)	(217,600)
Balance at 1 January 2011	10,292,500	14,365,133	1,343,141	-	60,607	(17,927,125)	8,134,256
Balance at 1 January 2011	10,292,500	14,365,133	1,343,141	-	60,607	(17,927,125)	8,134,256
Total comprehensive income for the period							-
Profit or loss	-	-	-	-	-	(601,561)	(601,561)
Other comprehensive income							-
Transfer from fixed asset to investment property reserve			(1,201,367)	1,201,367		-	-
Transfer from investment property reserve				(1,201,367)		1,201,367	-
Gain on the revaluation of land and buildings	-	-	12,126		-	-	12,126
Transfer to contingency reserve	-	-	-		18,279	(18,279)	-
Other comprehensive income for then period	-	-	(1,189,241)	-	18,279	1,183,088	12,126
Total comprehensive income for the period	-	-	(1,189,241)	-	18,279	581,527	(589,435)
Balance at 31 December 2011	10,292,500	14,365,133	153,900	-	78,886	(17,345,598)	7,544,821
Balance at 1 January 2012	10,292,500	14,365,133	153,900		78,886	(17,345,598)	7,544,821
Total comprehensive income for the period							-
Profit or loss						36,306	36,306
Other comprehensive income							-
Transfer to contingency reserve	-	-	-		33,922	(33,922)	-
Gain on the revaluation of land and buildings			13,171				13,171
Other comprehensive income for the period	-	-	13,171		33,922	(33,922)	13,171
Total comprehensive income for the period	-	-	13,171		33,922	2,384	49,477
Balance at 31 December 2012	10,292,500	14,365,133	167,071		112,808	(17,343,214)	7,594,298

African Alliance Insurance Plc

Statement Of Cash Flows

For the year ended 31 December 2012

	GROUP		COMPANY	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
	N'000	N'000	N'000	N'000
Cash flows from operating activities				
Insurance premium received from policy holders, Brokers & Agents, Cedants	3,332,966	1,747,226	3,332,966	1,747,226
Commission received	17,675	5,774	17,675	5,774
Reinsurance receipts in respect of claims	27,916	10,517	27,916	10,517
Reinsurance premium paid	(42,657)	(15,551)	(42,657)	(15,551)
Other operating cash payments	(669,172)	(15,541)	(699,578)	(55,579)
Insurance benefits and Claims paid	(1,387,379)	(921,959)	(1,387,379)	(921,959)
Investment Contracts Receipts	1,373,036	1,696,055	1,373,036	1,696,055
Investment Contracts Benefits paid	(1,597,797)	(1,678,728)	(1,597,797)	(1,678,728)
Payments to intermediaries to acquire insurance and investment contracts	(545,168)	(460,957)	(545,168)	(460,957)
Interest Received	64,587	19,908	64,587	19,908
Dividend Income Received	9,602	5,562	9,602	5,562
Cash generated from operations	583,609	392,306	553,203	352,268
Interest Paid	(39,617)	(51,892)	(36,373)	(39,898)
Company Income Tax paid	-	(4,334)	(2,880)	-
Net cash provided by operating activities	543,993	336,080	513,951	312,370
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(78,095)	(60,900)	(52,471)	(36,610)
Proceeds from sale of property, plant and equipment	1,593	787	1,593	337
Purchase of investments	(215,556)	(194,329)	(215,556)	(194,329)
Sales of investments	99,808	51,972	99,808	51,972
Purchase of investment property	(1,589)	-	(1,589)	-
Investment incomes and other receipts	32,021	23,553	32,021	23,553
Net Cash provided by investing activities	(161,818)	(178,917)	(136,194)	(155,077)
Cash Flows from Financing Activities				
Proceeds from borrowings	116,308	201,151	116,308	201,151
Net cash provided by financing activities	116,308	201,151	116,308	201,151
Net Increase/(decrease) in cash and cash equiv.				
Cash and Cash equivalent at the beginning	385,243	26,799	385,243	26,799
Net increase/decrease in cash and cash equivalents	498,483	358,314	494,065	358,444
Cash and Cash equivalent at the end of period	883,726	385,113	879,308	385,243