

**LASACO ASSURANCE PLC**  
**FINANCIAL STATEMENTS**  
**THIRD QUARTER ENDED 30TH SEPTEMBER 2014**

## LASACO ASSURANCE PLC

### 2014 Q3 FINANCIAL HIGHLIGHTS

|                                                    | Group<br>2014<br>N'000 | Group<br>2013<br>N'000 | Company<br>2014<br>N'000 | Company<br>2013<br>N'000 | Group<br>Growth<br>% | Company<br>Growth<br>% |
|----------------------------------------------------|------------------------|------------------------|--------------------------|--------------------------|----------------------|------------------------|
| <b>MAJOR STATEMENT OF FINANCIAL POSITION ITEMS</b> |                        |                        |                          |                          |                      |                        |
| Total assets                                       | 12,659,589             | 13,412,738             | 10,568,739               | 11,193,206               | (6)                  | (6)                    |
| Shareholders' funds                                | 6,187,114              | 5,875,918              | #REF!                    | 5,798,920                | 5                    | #REF!                  |
| Financial assets                                   | 1,936,397              | 2,624,118              | 1,380,589                | 1,954,094                | (26)                 | (29)                   |
| Investment properties                              | 2,762,621              | 2,755,740              | 2,679,706                | 2,672,825                | 0                    | 0                      |

### MAJOR STATEMENT OF COMPREHENSIVE INCOME ITEMS

|                        |           |           |           |           |      |      |
|------------------------|-----------|-----------|-----------|-----------|------|------|
| Gross premium written  | 4,247,418 | 4,965,328 | 2,555,641 | 3,341,515 | (14) | (24) |
| Net premium earned     | 1,402,334 | 3,609,819 | 635,816   | 2,381,021 | (61) | (73) |
| Underwriting profit    | 1,154,042 | 1,405,498 | 736,552   | 1,215,267 | (18) | (39) |
| Investment income      | 209,475   | 309,307   | 118,271   | 151,273   | (32) | (22) |
| Other income           | 7,076     | 360,065   | 4,654     | 310,627   | (98) | (99) |
| Profit before taxation | 414,929   | 412,807   | 40,746    | 400,141   | 1    | (90) |
| Profit after taxation  | 311,197   | 275,340   | 30,560    | 271,405   | 13   | (89) |

### INFORMATION PER 50K ORDINARY SHARE

|                                                |           |           |           |           |      |       |
|------------------------------------------------|-----------|-----------|-----------|-----------|------|-------|
| Earnings per share (kobo)                      | 4         | 4         | #REF!     | 4         | (13) | #REF! |
| Net assets (kobo)                              | 84        | 80        | #REF!     | 79        | 5    | #REF! |
| Stock exchange quotation (kobo) at 31 December | 50        | 50        | 50        | 50        | -    | -     |
| Price earning ratio                            | 12        | 13        | #REF!     | 14        | 12   | #REF! |
| Number of 50k shares issued                    | 7,334,344 | 7,334,344 | 7,334,344 | 7,334,344 | -    | -     |
| Number of employees                            | 151       | 151       | 140       | 140       | -    | -     |
| Number of branches                             | 15        | 15        | 14        | 14        | -    | -     |

**LASACO ASSURANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**

|                                     |      | Group<br>30 September 2014 | Group<br>31 December 2013 | Company<br>30 September 2014 | Company<br>31 December 2013 |
|-------------------------------------|------|----------------------------|---------------------------|------------------------------|-----------------------------|
| ASSETS                              | Note | N'000                      | N'000                     | N'000                        | N'000                       |
| Cash and cash equivalents           | 1    | 3,989,469                  | 3,088,378                 | 1,223,736                    | 568,843                     |
| Financial assets                    | 2    | 1,936,397                  | 2,624,118                 | 1,380,589                    | 1,954,094                   |
| Trade debtors                       |      | 11,363                     | 27,807                    | 11,293                       | -                           |
| Reinsurance assets                  | 3    | 2,538,846                  | 3,253,969                 | 2,124,093                    | 2,605,651                   |
| Other receivables                   | 4    | 366,923                    | 545,223                   | 285,028                      | 505,303                     |
| Deferred acquisition cost           | 5    | 76,832                     | 52,155                    | 76,832                       | 52,155                      |
| Investment in Subsidiary            | 6    | -                          | -                         | 2,000,000                    | 2,000,000                   |
| Investment properties               | 7    | 2,762,621                  | 2,755,740                 | 2,679,706                    | 2,672,825                   |
| Property and equipment              | 8    | 477,137                    | 565,348                   | 482,449                      | 534,335                     |
| Statutory deposit                   | 9    | 500,000                    | 500,000                   | 300,000                      | 300,000                     |
| Intangible Asset                    |      | -                          | -                         | 5,013                        | -                           |
| <b>Total Assets</b>                 |      | <b>12,659,589</b>          | <b>13,412,738</b>         | <b>10,568,739</b>            | <b>11,193,206</b>           |
| <b>LIABILITIES</b>                  |      |                            |                           |                              |                             |
| Investment contract liabilities     | 10   | 1,029,906                  | 1,048,148                 | -                            | -                           |
| Insurance contract liabilities      | 11   | 3,954,467                  | 5,065,707                 | 2,904,216                    | 3,778,683                   |
| Trade payables                      | 12   | 345,395                    | 226,882                   | 239,425                      | 27,113                      |
| Deferred commission income          | 13   | 66,145                     | 91,992                    | 66,145                       | 60,657                      |
| Other payables                      | 14   | 116,690                    | 189,645                   | 819,288                      | 776,819                     |
| Employee benefit liabilities        | 15   | 555,099                    | 565,665                   | 446,702                      | 457,268                     |
| Deferred tax liabilities            | 16   | 145,862                    | 145,862                   | 139,934                      | 139,934                     |
| Current income tax liabilities      | 17   | 258,911                    | 202,919                   | 123,549                      | 153,812                     |
| <b>Total liabilities</b>            |      | <b>6,472,475</b>           | <b>7,536,820</b>          | <b>4,739,259</b>             | <b>5,394,286</b>            |
| <b>EQUITY</b>                       |      |                            |                           |                              |                             |
| Issued share capital                | 18   | 3,667,172                  | 3,667,172                 | #REF!                        | 3,667,172                   |
| Share premium                       | 18   | 940,612                    | 940,612                   | #REF!                        | 940,612                     |
| Contingency reserve                 | 19   | 986,031                    | 858,608                   | 872,961                      | 796,292                     |
| Other reserves                      | 20   | 844,830                    | 844,830                   | 782,634                      | 782,634                     |
| Retained earnings                   | 21   | (251,531)                  | (435,304)                 | (433,899)                    | (387,790)                   |
| <b>Shareholders' Funds</b>          |      | <b>6,187,114</b>           | <b>5,875,918</b>          | <b>#REF!</b>                 | <b>5,798,920</b>            |
| Non controlling interest            |      | -                          | -                         | -                            | -                           |
| <b>Total Liabilities and Equity</b> |      | <b>12,659,589</b>          | <b>13,412,739</b>         | <b>#REF!</b>                 | <b>11,193,206</b>           |

LASACO ASSURANCE PLC  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THIRD QUARTER ENDED SEPTEMBER 30 2014

|                                                                      |      | Group<br>30 Sept 2014 | Group<br>31 Dec 2014 | Company<br>30 Sept 2013 | Company<br>31 Dec 2013 |
|----------------------------------------------------------------------|------|-----------------------|----------------------|-------------------------|------------------------|
|                                                                      | Note | N'000                 | N'000                | N'000                   | N'000                  |
| Gross premiums written                                               |      | 4,247,418             | 4,965,328            | 2,555,641               | 3,341,515              |
| Changes in unearned premium                                          |      | (814,760)             | 376,911              | (549,540)               | 376,911                |
| <b>Gross insurance premium earned</b>                                |      | <b>3,432,658</b>      | <b>5,342,239</b>     | <b>2,006,101</b>        | <b>3,718,426</b>       |
| Reinsurance expenses                                                 |      | (2,030,324)           | (1,732,420)          | (1,370,285)             | (1,337,405)            |
| <b>Net insurance premium earned</b>                                  | 22   | <b>1,402,334</b>      | <b>3,609,819</b>     | <b>635,816</b>          | <b>2,381,021</b>       |
| Fees and commission income                                           | 23   | 491,145               | 599,155              | 321,415                 | 499,928                |
| <b>Net underwriting income</b>                                       |      | <b>1,893,479</b>      | <b>4,208,974</b>     | <b>957,231</b>          | <b>2,880,949</b>       |
| Net claims paid                                                      | 24   | 538,488               | 1,475,409            | 243,066                 | 633,578                |
| Changes in contract liabilities                                      | 25   | (206,412)             | 405,039              | (341,374)               | 346,151                |
| Underwriting expenses                                                | 26   | 407,361               | 923,028              | 318,987                 | 685,953                |
|                                                                      |      | <u>739,437</u>        | <u>2,803,476</u>     | <u>220,679</u>          | <u>1,665,682</u>       |
| <b>Underwriting profit</b>                                           |      | <b>1,154,042</b>      | <b>1,405,498</b>     | <b>736,552</b>          | <b>1,215,267</b>       |
| Investment income                                                    | 27   | 209,475               | 309,307              | 118,271                 | 151,273                |
| Investment contracts                                                 | 28   | 8,274                 | 21,904               | -                       | -                      |
| Other income                                                         | 29   | 7,076                 | 360,065              | 4,654                   | 310,627                |
| Realised gain/loss on financial assets                               |      |                       | 75,414               |                         | 59,778                 |
| Other operating and administrative expenses                          | 30   | (963,938)             | (1,759,381)          | (818,731)               | (1,336,804)            |
| <b>Profit before taxation</b>                                        |      | <b>414,929</b>        | <b>412,807</b>       | <b>40,746</b>           | <b>400,141</b>         |
| Taxation                                                             | 17   | (103,732)             | (137,467)            | (10,187)                | (128,736)              |
| <b>Profit after taxation</b>                                         |      | <b>311,197</b>        | <b>275,340</b>       | <b>30,560</b>           | <b>271,405</b>         |
| <b>Profit attributable to:</b>                                       |      |                       |                      |                         |                        |
| Owner of equity                                                      |      | 311,197               | 275,340              | 30,560                  | 271,405                |
| Non controlling interest                                             |      | -                     | -                    | -                       | -                      |
|                                                                      |      | <u>311,197</u>        | <u>275,340</u>       | <u>30,560</u>           | <u>271,405</u>         |
| <b>Other comprehensive income</b>                                    |      |                       |                      |                         |                        |
| <i>Items that may be subsequently reclassified to profit or loss</i> |      |                       |                      |                         |                        |
| Gain on revaluation reserve                                          |      | -                     | 24,000               | -                       | 24,000                 |
| Fair value gain on available for sale financial assets               |      | -                     | (20,778)             | -                       | 76,627                 |
| <b>Other comprehensive income for the year</b>                       |      | <b>-</b>              | <b>3,222</b>         | <b>-</b>                | <b>100,627</b>         |
| <b>Total comprehensive income for the year</b>                       |      | <b>311,197</b>        | <b>278,562</b>       | <b>30,560</b>           | <b>372,032</b>         |
| <b>Profit attributable to:</b>                                       |      |                       |                      |                         |                        |
| Owner of equity                                                      |      | 311,197               | 278,562              | 30,560                  | 372,032                |
| Non controlling interest                                             |      | -                     | -                    | -                       | -                      |
|                                                                      |      | <u>311,197</u>        | <u>278,562</u>       | <u>30,560</u>           | <u>372,032</u>         |

**LASACO ASSURANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THIRD QUARTER ENDED 30 SEPTEMBER 2014**

**GROUP**

|                                                 | SHARE<br>CAPITAL<br>N'000 | SHARE<br>PREMIUM<br>N'000 | REVALUATION<br>RESERVE<br>N'000 | AVAILABLE FOR<br>SALE RESERVE<br>N'000 | CONTIGENCY<br>RESERVE<br>N'000 | RETAINED<br>EARNINGS<br>N'000 | TOTAL<br>EQUITY<br>N'000 |
|-------------------------------------------------|---------------------------|---------------------------|---------------------------------|----------------------------------------|--------------------------------|-------------------------------|--------------------------|
| <b>Balance as at 1 January, 2014</b>            | 3,667,172                 | 940,612                   | 493,052                         | 351,778                                | 858,608                        | (435,304)                     | 5,875,918                |
| - Total other comprehensive income for the year | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Issue of share capital                        | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Transfer from (to) retained earnings          | -                         | -                         | -                               | -                                      | -                              | 311,197                       | 311,197                  |
| - Transfer to revaluation reserve               | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Transfer to contingency reserve               | -                         | -                         | -                               | -                                      | 127,423                        | (127,423)                     | -                        |
| Transaction with owner of business              | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Dividend                                      | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Issue of share capital                        | 3,667,172                 | 940,612                   | 493,052                         | 351,778                                | 986,031                        | (251,530)                     | 6,187,115                |

**Balance as at 30 SEPTEMBER 2014**

**COMPANY**

|                                                 | SHARE<br>CAPITAL<br>N'000 | SHARE<br>PREMIUM<br>N'000 | REVALUATION<br>RESERVE<br>N'000 | AVAILABLE FOR<br>SALE RESERVE<br>N'000 | CONTIGENCY<br>RESERVE<br>N'000 | RETAINED<br>EARNINGS<br>N'000 | TOTAL<br>EQUITY<br>N'000 |
|-------------------------------------------------|---------------------------|---------------------------|---------------------------------|----------------------------------------|--------------------------------|-------------------------------|--------------------------|
| <b>Balance as at 1 January, 2014</b>            | 3,667,172                 | 940,612                   | 493,052                         | 289,582                                | 796,292                        | (387,790)                     | 5,798,920                |
| - Total other comprehensive income for the year | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Issue of share capital                        | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Transfer from (to) retained earnings          | -                         | -                         | -                               | -                                      | -                              | 30,560                        | 30,560                   |
| - Transfer to revaluation reserve               | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Transfer to contingency reserve               | -                         | -                         | -                               | -                                      | 76,669                         | (76,669)                      | -                        |
| Transaction with owner of business              | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Dividend                                      | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| - Issue of share capital                        | -                         | -                         | -                               | -                                      | -                              | -                             | -                        |
| <b>Balance as at 30 SEPTEMBER 2014</b>          | 3,667,172                 | 940,612                   | 493,052                         | 289,582                                | 872,961                        | (433,900)                     | 5,829,480                |

**LASACO ASSURANCE PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THIRD QUARTER ENDED SEPTEMBER 30 2014**

|                                                             |             | <b>Group</b><br><b>30 Sept 2014</b> | <b>Group</b><br><b>31 Dec 2013</b> | <b>Company</b><br><b>30 Sept 2014</b> | <b>Company</b><br><b>31 Dec 2013</b> |
|-------------------------------------------------------------|-------------|-------------------------------------|------------------------------------|---------------------------------------|--------------------------------------|
|                                                             | <b>Note</b> | <b>N'000</b>                        | <b>N'000</b>                       | <b>N'000</b>                          | <b>N'000</b>                         |
| <b>Cash flow from operating activities</b>                  |             |                                     |                                    |                                       |                                      |
| Premium received from policy holders                        |             | 3,982,260                           | 4,676,187                          | 2,555,641                             | 3,127,185                            |
| Reinsurance receipts in respect of claims                   |             | 461,896                             | (999,329)                          | 288,765                               | (1,152,723)                          |
| Reinsurance cost                                            |             | (1,471,176)                         | (1,732,420)                        | (1,074,248)                           | (1,337,405)                          |
| Cash paid to and on behalf of employees                     |             | (418,711)                           | (619,928)                          | (150,170)                             | (503,787)                            |
| Other operating cash payments/receipts                      |             | (917,211)                           | 1,623,556                          | (668,561)                             | 1,487,893                            |
| Claims paid                                                 |             | (995,384)                           | (2,417,615)                        | (531,831)                             | (1,163,700)                          |
| Tax paid                                                    |             | (40,450)                            | (69,816)                           | (40,450)                              | (69,816)                             |
| Net cash provided by operating activities                   |             | <u>601,224</u>                      | <u>460,635</u>                     | <u>379,146</u>                        | <u>387,647</u>                       |
| <b>Cash flow from investing activities</b>                  |             |                                     |                                    |                                       |                                      |
| Purchase of property and equipment                          |             | (73,634)                            | (97,124)                           | (37,978)                              | (88,175)                             |
| Improvement to investment properties                        |             | (6,881)                             | (9,215)                            | (6,881)                               | (9,215)                              |
| Purchase of investment properties                           |             | -                                   | (82,915)                           | -                                     | -                                    |
| Sale of property, plant and equipment                       |             | 32,641                              | 40,882                             | 2,335                                 | 37,310                               |
| Sale of investment properties                               |             | -                                   | -                                  | -                                     | -                                    |
| Purchase of bond                                            |             | -                                   | (230,000)                          | -                                     | (25,000)                             |
| Change in held to maturity                                  |             | 200,000                             | (779,924)                          | 200,000                               | (779,924)                            |
| Dividend received                                           |             | 44,266                              | 52,536                             | 22,815                                | 43,656                               |
| Interest received                                           |             | 103,475                             | 142,314                            | 95,456                                | 33,248                               |
| Net cash provided by investing activities                   |             | <u>299,867</u>                      | <u>(963,446)</u>                   | <u>275,747</u>                        | <u>(788,100)</u>                     |
| <b>Cash flow from financing activities</b>                  |             |                                     |                                    |                                       |                                      |
| Interest on overdraft                                       |             | -                                   | -                                  | -                                     | -                                    |
| Issue of Share Capital                                      |             | -                                   | -                                  | -                                     | -                                    |
| Net cash used in financing activities                       |             | <u>-</u>                            | <u>-</u>                           | <u>-</u>                              | <u>-</u>                             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |             |                                     |                                    |                                       |                                      |
|                                                             |             | 901,091                             | (502,811)                          | 654,893                               | (400,453)                            |
| Cash and cash equivalents at the beginning of the year      |             | 3,088,378                           | 3,591,189                          | 568,843                               | 969,296                              |
| Cash and cash equivalents at the end of the year            |             | <u><b>3,989,469</b></u>             | <u><b>3,088,378</b></u>            | <u><b>1,223,736</b></u>               | <u><b>568,843</b></u>                |
| <b>Represented by:</b>                                      |             |                                     |                                    |                                       |                                      |
| Cash and cash equivalents                                   |             | 3,989,469                           | 3,088,378                          | 1,223,736                             | 568,843                              |
| Cashbook overdrawn                                          |             | -                                   | -                                  | -                                     | -                                    |
|                                                             |             | <u><b>3,989,469</b></u>             | <u><b>3,088,378</b></u>            | <u><b>1,223,736</b></u>               | <u><b>568,843</b></u>                |