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This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, kindly consult your Stockbroker, Fund/Portfolio Managers, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

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**“FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE “RISKS & MITIGATING FACTORS” ON PAGE 9**

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**WAPIC INSURANCE PLC**  
RC 1647

## **Rights Issue**

Of

**6,350,518,383**  
Ordinary shares of 50 kobo each

At

**₦0.55 per share**

On the basis of Eight (8) new Ordinary shares for every Ten (10) Ordinary shares held as at Friday, February 08, 2013

The Rights being offered in this Rights Circular are tradable on the floor of The Nigerian Stock Exchange during the offer period.

**Payable in full on Acceptance**

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**ACCEPTANCE LIST OPENS: Monday, June 10, 2013**  
**ACCEPTANCE LIST CLOSES: Friday, July 05, 2013**

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**Lead Issuing House**



**Joint Issuing House**



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**“This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No 29 of 2007 to issue a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.”**

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**This Rights Circular is dated Tuesday, 28 May, 2013**

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## DEFINITION OF TERMS

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“Business Day”	Any day other than a Saturday, Sunday or official Public holiday in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act Cap C20 LFN 2004
“Company” or “WAPIC Insurance”	Wapic Insurance Plc
“CSCS”	Central Securities Clearing System Plc
“Directors”	The members of the Board of Directors of WAPIC Insurance who as at the date of this document are those persons whose names are set out on page 10 of this Right Circular
“ISA”	Investments & Securities Act No. 29 of 2007
“Issue Price”	The price at which the shares under the Rights Issue will be issued to the existing Shareholders
“Issuing Houses”	BGL Plc and Marina Securities Limited
“Joint Issuing House”	Marina Securities Limited
“Lead Issuing House”	BGL Plc
“LFN”	Laws of the Federation of Nigeria
“NSE” or “The Exchange”	The Nigerian Stock Exchange
“Parties”	Professionals engaged, whose roles will ensure the success of the Issue.
“Qualification Date”	Friday, February 08, 2013
“Receiving Agents”	Any of the institutions listed on page 55- 56 of this Rights Circular to whom Shareholders listed on the share register of the Company as at the Qualification Date may return their duly completed Acceptance/Renunciation Forms together with payment instrument.
“Registrars”	United Securities Limited
“Rights Circular”	This document which is issued in accordance with the Rules and Regulations of the Commission in respect of this Right Issue exercise.
“Rights Issue”	Rights Issue of 6,350,518,383 Ordinary shares of 50 kobo each at ₦0.55 per share to the existing Shareholders in the Ratio of Eight(8) new Ordinary shares for every Ten (10) Ordinary shares held as at Friday, February 08, 2013
“SEC” or “The Commission”	Securities and Exchange Commission
“Shareholders”	Means shareholders of the Company whose name appears on the shareholders register as at the Qualification Date.

## ABRIDGED TIMETABLE

The dates given below are indicative only. The timetable has been prepared on the assumption that certain key events for the offer will be achieved as stated. If not, then the dates surrounding key events in the timetable may be subject to adjustments.

DATE	ACTIVITY	RESPONSIBILITY
10/06/2013	Acceptance List opens	Issuing Houses/Registrars
05/07/2013	Acceptance List closes	Issuing Houses/Registrars
19/07/2013	Receiving Agents submit returns to the Registrars	Issuing Houses/Receiving Agents
05/08/2013	Forward allotment proposal and draft newspaper announcement to SEC	Issuing Houses
09/08/2013	Receive SEC clearance of Allotment	Issuing Houses
12/08/2013	Pay net issue proceeds to WAPIC Insurance	Receiving Bank
13/08/2013	Allotment announcement in the newspaper	Issuing Houses
13/08/2013	Return excess/rejected Application monies	Issuing Houses /Registrars
13/08/2013	Dispatch Share Certificates	Registrars
15/08/2013	Forward Declaration of Compliance to The Exchange	Stockbroker
16/08/2013	List the new shares of Wapic Insurance Plc on the floor of The Exchange	Stockbroker
19/08/2013	Forward Summary Report to SEC	Issuing Houses

## SUMMARY OF THE ISSUE

The following information should be read in conjunction with the full text of this Rights Circular from which it was derived:

**ISSUER:** WAPIC Insurance Plc

**LEAD ISSUING HOUSE:** BGL Plc

**JOINT ISSUING HOUSE:** Marina Securities Limited

### SHARE CAPITAL:

Authorised ₦8,500,000,000 divided into 17,000,000,000 Ordinary shares of 50k each  
Issued and Fully paid ₦3,969,073,990 divided into 7,938,147,979 Ordinary shares of 50k each  
Now being issued: 6,350,518,383 Ordinary shares of 50kobo each by way of Rights Issue at ₦0.55 per share

**METHOD OF OFFER:** By way of Rights to the existing Shareholders

**PURPOSE:** The main purpose of the issue is to shore-up the capital base of the Company in order to ensure it is fully prepared for the increased business opportunities in the Insurance sector and the Nigerian economy in general. The estimated net offer proceeds of ₦3,342,944,629.51 after the deduction of the estimated offer costs of ₦149,840,481.25 (including ₦39,119,193.24 advert, marketing, printing and publicity expenses) representing approximately 4.29% total offer cost would be applied as follows:

Utilisation	₦	%	Period
*Expansion and Infrastructure Upgrade for the New Head Office Building	1,103,171,727.74	33	To be completed within 24 months of commencement
Equity Investment in Subsidiaries (Wapic Insurance Ghana and Wapic Life Assurance Limited)	1,704,901,761.05	51	To be completed within 12 months of commencement
**IT Upgrade (IT Software N264m and IT Hardware N270m)	534,871,140.72	16	Ongoing. To be completed in line with the expansion of the head office
<b>Total</b>	<b>N3,342,944,629.51</b>	<b>100%</b>	

#### \*The Expansion and Infrastructure Upgrade will be incurred as follows:

- New 8 floor head office building of N1,000,000,000; and
- Furniture, Fittings and Other Infrastructure N103,171,727.74

**\*\*IT UPGRADE:** This is to transform the Company's IT system from the present position to the desired form in terms of both hardware and software. It also includes the IT requirements of the new Head Office. The breakdown of the total cost is as follows:

- Software : This will include;
  - i. Licenses for Microsoft and Oracles N145.874 million
  - ii. Network Security Implementation N62.239 million
  - iii. Others (ACL, Contact centre, service desk application etc.) N56.404 million
- Hardware : This includes;
  - i. Desktop, Pcs, Laptops, Printers and Scanners N68.074 million
  - ii. APC UPS 40KVA N100.166 million
  - iii. Fibre Optic links, Connectivity & Back up site N38.898 million
  - iv. Data centre and Database appliance N63.212 million

## SUMMARY OF THE ISSUE

<b>ISSUE PRICE:</b>	₦0.55 per share
<b>PROVISIONAL ALLOTMENT:</b>	Eight (8) new Ordinary shares for every Ten (10) Ordinary shares held
<b>QUALIFICATION DATE:</b>	Friday, February 08, 2013
<b>PAYMENT:</b>	In full on Acceptance
<b>MARKET CAPITALIZATION</b>	
<b>At Issue Price:</b>	
<b>Pre Issue:</b>	₦ 4,365,981,388.45
<b>Post Issue:</b>	₦ 7,858,766,499.21
<b>ACCEPTANCE LISTS OPENS:</b>	Monday, June 10, 2013
<b>ACCEPTANCE LISTS CLOSES:</b>	Friday, July 05, 2013
<b>QUOTATION:</b>	Application has been made to The Council of The Nigerian Stock Exchange (“The Exchange”) for the admission to its Daily Official List, the Rights Issue of 6,350,518,383 Ordinary shares of 50 kobo each now being offered.
<b>STATUS:</b>	The Ordinary shares being issued will rank pari-passu with the existing issued Ordinary shares of the Company. However, the shares being issued under this exercise will not qualify for any dividend declared by the Company for the 2012 financial year.
<b>INDEBTEDNESS:</b>	As at the date of this Rights Circular, Wapic Insurance Plc had no outstanding debentures, mortgages, loans, charges or similar indebtedness other than those incurred in the ordinary course of business.

## FINANCIAL SUMMARY:

For the year ending	31 Dec 2012 <sup>2</sup>	31 Dec 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Gross Premium Written</b>	4,150,283	5,208,339	3,655,497	4,724,976	6,141,861	3,440,725
<b>Profit/(Loss) before Taxation</b>	912,949	522,616	269,290	(576,055)	(226,038)	875,517
<b>Profit/(loss) after Taxation</b>	778,158	290,526	(587,657)	(387,542)	(29,317)	601,813
<b>Dividend</b>	-	-	-	-	-	-
<b>Share Capital</b>	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,109,085
<b>Net Assets</b>	8,110,435	7,845,620	7,481,118	8,042,694	8,455,011	8,906,145
<b>Basic earnings per share (k)</b>	15	6	(12)	(8)	(1)	14
<b>Dividend per share (k)</b>		-	-	-	-	-

<sup>2</sup> Unaudited Management Account as at 31 December 2012

### **E-ALLOTMENT/SHARE CERTIFICATE**

The CSCS accounts of Shareholders will be credited not later than 15 working days from the date of allotment. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Number as well as their CSCS Account Number in the relevant spaces on the Acceptance Form. Certificates will be issued to Shareholders who do not provide CSCS account within 15 working days from the date of allotment

### **CLAIMS AND LITIGATION**

The Company in the ordinary course of business is presently involved in 8 cases. The total number of the cases instituted against the Company is 7, whilst 1 case has been instituted by the Company. The total amount claimed in the 7 cases instituted against the Company is estimated at N2,576,009,258.443 while the total amount claimed in the 1 case instituted by the Company is estimated at N31,711,238.21.

Based on the legal opinion received by the Company, the Directors of the Company believe that the aforementioned cases are unlikely to succeed in any material term and that the contingent liability of the Company that may result from the cases is unlikely to exceed N209,917,946.56 and the claims and litigation may therefore has no material adverse effect on the Company or the Rights being offered.

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<sup>3</sup> The sum is inclusive of a claim of US\$1,290,871.70 which was converted to Naira using the Central Bank of Nigeria official exchange rate of N155.74 as at 5<sup>th</sup> February 2013

## RIGHT ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities and Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and the Listing Requirements of the NSE and contains particulars in compliance with the requirements of the Commission and The Exchange , for the purpose of giving information to shareholders and the public with regards to the Rights Issue of 6,350,518,383 Ordinary Shares of 50 kobo each in WAPIC Insurance by BGL Plc and Marina Securities Limited. An application has been made to The Council of The Nigerian Stock Exchange for the admission to its Daily Official Lists of the 6,350,518,383 Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors of WAPIC Insurance Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

### Leading Issuing House



### Joint Issuing House



On behalf of

**wapic**

> A subsidiary of Access Bank Plc

**WAPIC INSURANCE PLC**

RC 1647

Are authorized to receive acceptances for the

### Rights Issue of 6,350,518,383 Ordinary Shares of 50 kobo each at ₦0.55 per share

On the basis of Eight (8) new ordinary shares for every Ten (10) ordinary shares of 50 kobo each held as at the close of business on Friday, February 08 2013 for those Shareholders whose names appear on the Register of Members.

The Acceptance List for the shares now being issued will open on Monday, June 10, 2013 and close on Friday July 05, 2013

### SHARE CAPITAL AND RESERVE OF THE COMPANY AS AT 31 DECEMBER, 2011

(Extract from the 2011 audited accounts)

		₦
Authorized Share Capital <sup>4</sup>	7,000,000,000 Ordinary Shares of 50 Kobo each	3,500,000,000
Issued and Fully Paid <sup>5</sup>	5,061,804,000 Ordinary Shares of 50 Kobo each	2,530,902,000
Equity and Reserves		
	Share Capital	2,530,902,000
	Share Premium	5,240,627,000
	Contingency Reserve	1,076,849,000
	Other Reserves	181,688,000
	Revenue Reserve	(1,184,446,000)
	<b>TOTAL EQUITY</b>	<b>7,845,620,000</b>

<sup>4</sup> At the 53<sup>rd</sup> AGM held on 4<sup>th</sup> of June, 2012, it was resolved that the authorized share capital of the Company be increased from N3.5 billion to N8.5 billion comprising of 17,000,000,000 Ordinary Shares of 50 kobo each

<sup>5</sup> The merger between the Company and Intercontinental Properties Limited which was concluded in January 30, 2013 increased the issued and fully paid Ordinary Share Capital of the Company to N3,969,073,990 divided into 7,938,147,979 of 50 kobo each and this form the basis for this Rights Issue.

## RISKS AND MITIGATING FACTORS

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The following are risks associated with investments in the capital market which could affect the financial position of the Company. WAPIC Insurance will continue to adopt a risk based approach in formulating the long term strategies and objectives of the Company, by identifying, assessing and evaluating, the potential risks that may affect our overall performance.

Stated below are the identified risks and the mitigating factors that would minimize their impact.

### **Business/Company Specific Risks**

WAPIC Insurance provides insurance and underwriting services to various sectors of the economy namely, Oil and Gas, Power, Telecommunications, Manufacturing and Agriculture, and retail, which involves significant levels of risks that may affect its business activities

**Mitigating factors:** WAPIC Insurance has however put in place adequate structures and guidelines to effectively manage this exposure.

### **Industry/Sector Risks**

The current merger talks among various operators and the drive for recapitalization in the Insurance industry has increased the competitiveness in the industry. WAPIC Insurance faces significant competition which is likely to increase from both local and foreign insurance companies.

**Mitigating factors:** The Company has put in place necessary structures and expansion programme to enhance its core business areas, widen its operational base through increased diversification and branch network expansion. The drive towards strong capital base is a pointer to the preparedness of the Company in managing this potential risk

### **Environmental Risks**

The environmental risk is associated with the hazards relating to the Company's premises arising from changes in the climate and non-compliance to safety and other environmental standards and procedures.

**Mitigating factors:** WAPIC Insurance is adequately equipped to handle any environmental incidence that may arise in the ordinary course of business.

### **Government/Political/Regulatory Risk**

The Company is faced with potential changes in government policies or any other government action that could affect its business activities positively or negatively. In addition, possible regulatory changes and pronouncement may have potential huge impact on the Company's activities.

**Mitigating factors:** Wapic is willing to comply at all times with any relevant government regulation and any new rules and regulations from all the relevant regulators. The Company maintains a proactive stance regarding potential external pronouncements.

### **Currency Risk**

This refers to the risk of unpredictable losses as a result of the fluctuations in the exchange rates of the Naira against major currencies.

**Mitigating factors:** The success of the Central Bank of Nigeria in effectively managing the exchange rate for quite some years now is expected to continue in the future. Further, the increased regulatory powers of the Central Bank of Nigeria and the resolve of the Federal Government to keep the exchange rate stable will mitigate the currency risk of this investment.

## DIRECTORS AND OTHER PARTIES TO THE ISSUE

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<b>CHAIRMAN</b>	<b>Mr. Aigboje Aig-Imoukhuede, CON</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mr. Taukeme Koroye</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mr. Victor Etuokwu</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mrs. Ojini N. Olaghere</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mrs. Titilayo Osuntoki</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mr. Adamu Mahmoud Atta</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mr. Bababode Osunkoya</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DIRECTOR</b>	<b>Mr. Barnabas Olise</b> 50, Awolowo Road, Ikoyi, Lagos
<b>MANAGING DIRECTOR/CEO</b>	<b>Mr. Segun Balogun</b> 50, Awolowo Road, Ikoyi, Lagos
<b>DEPUTY MANAGING DIRECTOR</b>	<b>Mr. David Aluko</b> 50, Awolowo Road, Ikoyi, Lagos
<b>EXECUTIVE DIRECTOR</b>	<b>Mr. Richard Abiodun Adewole</b> 50, Awolowo Road, Ikoyi, Lagos
<b>COMPANY SECRETARY</b>	<b>Ms. Mary Agha</b> 50, Awolowo Road, Ikoyi, Lagos

## DIRECTORS AND OTHER PARTIES TO THE ISSUE

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<b>LEAD ISSUING HOUSE</b>	<b>BGL PLC</b> 12A, Catholic Mission Street, Lagos
<b>JOINT ISSUING HOUSE</b>	<b>MARINA SECURITIES LIMITED</b> 10, Amodu Ojikutu Street, Victoria Island, Lagos
<b>JOINT STOCKBROKERS</b>	<b>MARINA SECURITIES STOCKBROKING SERVICES LIMITED</b> 10, Amodu Ojikutu Street, Victoria Island, Lagos  <b>BGL SECURITIES LIMITED</b> 12A, Catholic Mission Street, Lagos
<b>SOLICITOR TO THE ISSUE</b>	<b>ALUKO &amp; OYEBODE</b> 1, Murtala Muhammed Drive (formerly Bank Road) Ikoyi, Lagos
<b>REGISTRARS TO THE ISSUE</b>	<b>UNITED SECURITIES LIMITED</b> 10, Amodu Ojikutu Street Victoria Island, Lagos
<b>RECEIVING BANK</b>	<b>ACCESS BANK PLC</b> Plot 999c, Danmole Street Off Adeola Odeku Street Victoria Island, Lagos
<b>COMPANY AUDITOR</b>	<b>KPMG Professional Services</b> KPMG Tower Bishop Aboyade Cole Street Victoria Island



RC 1647

January 17, 2013

To: All Shareholders

Dear Shareholders,

**RIGHTS ISSUE OF 6,350,518,383 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.55 PER SHARE**

**1. Introduction**

You will recall that at the last Annual General Meeting of WAPIC Insurance (“the Company”) held on Monday, 4<sup>th</sup> of June, 2012, the Shareholders of the Company authorized the Directors to raise whether by way of public offering, private placement, rights offering, book building process or other methods or combination of methods, additional capital of up to Five Billion Naira (N5 billion) or its equivalent in foreign currency by way of issuance of ordinary shares, preference shares, convertible, non-convertible loans stock, medium term notes, bonds or other securities in such tranches, series or proportion and at such coupon or interest rates within such maturity periods and on such other terms and conditions including the provisions of securities for repayment as the directors may deem fit or determine subject to obtaining the approvals of the relevant regulatory authorities. This resolution was passed in recognition of the need to reposition the Company for future challenges and business opportunities.

I am pleased to inform you that the Board of Directors at its meeting held on April 11, 2013 in line with the strategic focus of the Company and in consonance with the above-mentioned shareholders resolution approved the raising of additional capital through the issuance by way of Rights, 6,350,518,383 Ordinary shares of 50k each to the existing Shareholders on the basis of Eight (8) new ordinary shares for every Ten (10) ordinary shares already held as at the close of business on Friday, February 08, 2013. The new shares, which will be issued at a price of ₦0.55, will rank pari-passu in all respects, with the existing Ordinary shares of the Company. Regulatory approvals for the registration of the Issue with the Securities and Exchange Commission have been received.

**2. History and Business of the Company**

WAPIC Insurance was incorporated as a private limited liability company in March, 1958 and it became a publicly quoted company following the divestment of Federal Government of Nigeria’s holding in 1990. In 1997, the company was acquired by Intercontinental Bank PLC and the name later became Intercontinental WAPIC Insurance PLC. The acquisition of Intercontinental Bank PLC by Access Bank led to a reversion to the name – WAPIC Insurance PLC. The company has its registered office at No 119, Awolowo Road, Ikoyi, Lagos. The shares of the company are quoted on the floor of the Nigerian Stock Exchange.

**3. Subsidiaries and Associate Companies**

WAPIC Insurance has two subsidiaries: WAPIC Life Assurance Limited (“WAPIC Assurance”) and WAPIC Insurance Ghana Limited.

WAPIC Assurance was incorporated in 2007 and offers life insurance products while WAPIC Insurance (Ghana) Limited commenced business in 2009 to underwrite non-life insurance in Ghana.

Country of Incorporation	Company Name	% Holding
Nigeria	WAPIC Life Assurance Limited	100
Ghana	WAPIC Insurance (Ghana) Limited	100

Products and services

I. Non-Life Insurance

The non-life products and services offered include:

- **Fire and Special Perils:** This insurance policy provides cover against fire, lightning, explosion impact and water damage to buildings, machinery, plants, office furniture and fittings
- **Fidelity Guarantee:** This insurance policy covers an organization against misappropriation or fraudulent conversion of money, forgery, embezzlement and larceny by any employee
- **Group Personal Accident:** This insurance policy covers employees against accidents
- **Burglary and House-breaking:** This insurance policy covers any loss or damage as a result of burglary or attempted burglary of buildings and equipment
- **Money Insurance:** This insurance policy covers against loss of cash, money order bank and currency notes as well as cheques whilst in transit, safe premises and personal custody of any responsible officer
- **All-Risks Insurance:** This insurance policy covers mobile phones against loss or damage due to fire, lightning, accidental damage, water damage, storm, flood, theft and malicious damage

II. Life Insurance

WAPIC Insurance offers life insurance products and services through its subsidiary, WAPIC Assurance. The products and services offered include:

- **Credit Life:** This insurance policy is a basic cover against failure of credits associated with the disability or sudden death of the person who has been granted a form of credit
- **I' Life Guard:** The WAPIC life education guard assurance policy offers educational plans to parents, guaranteeing the continuation of the education of their children at minimum cost
- s in a flexible manner
- **I-Val Plus:** This insurance policy offers faster growth prospects on savings and higher payouts on death or at maturity

**Group Life:** This insurance policy covers the employees of an organization against death-in-service as provided under the Pension Reform Act 2004

- **I' Good Life:** This insurance policy offers individual income earners the opportunity to save and earn interest income as a hedge against inflation while enjoying high protection against premature death at the same time
- **I' Cash:** This insurance policy encourages savings accumulation which grows continuously throughout the duration of the policy while keeping the life insurance cover at levels which meet the needs of the survivors or self
- **I' Trust:** This insurance policy enables the payment of school fees upon death or the sudden disability of the parents

4. Purpose of the Issue and Use of Issue Proceeds

The purpose of this Issue is to shore up the capital base of the Company's different lines of business for improved performance. The Insurance Commission in Ghana is already planning for a new minimum capital for insurance companies in 2013. NAICOM in addition has in the recent past raised issue of undercapitalization of Life companies. Hence a review is expected very soon. Besides, more capital is an advantage to underwrite corporate and big ticket accounts. Wapic also planned to significantly upgrade its IT infrastructure and to also carry out the expansion and infrastructure upgrade of its new head office. The estimated net proceeds of ₵3,342,944,629.51 after the deduction of the total Offer costs ₵149,840,481.25 would be utilized as follows:

Utilisation	₵	%
Expansion and Infrastructure Upgrade for the New Head Office Building	1,103,171,727.74	33
Equity Investment in Subsidiaries (Wapic Insurance Ghana and Wapic Life Assurance Limited)	1,704,901,761.05	51
IT Upgrade	534,871,140.72	16
<b>Total</b>	<b>₵3,342,944,629.51</b>	<b>100%</b>

### 5. General Risk Disclosure

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their specific circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors.

### 6. Compliance with Codes of Corporate Governance

WAPIC Insurance is fully committed to implementing the best practice standards of Corporate Governance. The Company recognizes that Corporate Governance and Practices must balance two goals of protecting the interest of Shareholders and providing for the duty of the Board and Management to direct and manage the affairs of the Company.

In line with our group framework, we have strengthened the corporate governance arrangements of the Company by increasing the Board Committees from four (4) to five (5), namely: Enterprise Risk Management Committee, Investment Committee, Finance and General Purpose Committee, Establishment and Governance Committee and Audit and Compliance Committee. The over-arching goal is to ensure better strategic oversight by the Board and a more in-depth approach to Corporate Governance in the Company.

Members of the Board of Directors attend regular trainings on Corporate Governance and related issues both at local and international levels. In addition, the Company Secretary provides advice to the Board on Corporate Governance best practices from time to time.

### 7. Future Plans

The Company has set our vision at being the first and distinctive in all aspects of our business. To facilitate this vision, we have set out a five-year strategic plan of expanding our operations in Nigeria and abroad with a view to actualizing our vision.

### 8. Participation in the Rights Issue

The Rights Circular contains a summary of the financial and general information relating to the Company. It also contains a Provisional Allotment Letter detailing full instructions for acceptance, payment and renunciation of your Rights. It is recommended that Shareholders take up their rights in full to ensure that they continue to enjoy the full benefits of their investment in the Company.

As you may be aware, the shares being issued are tradable on the floor of The Exchange during the offer period. Shareholders who wish to participate in the trading of the Rights should consult their stockbroker for proper guidance. Shareholders who want more shares can do so by applying for additional shares under the relevant section of the application form. However, any Shareholder applying for more additional shares should note that he/she may be allotted lower number of additional shares other than what is applied for. Any additional shares acquired through trading of the Rights will not be subject to any allotment rule.

**9. Conclusion**

The future of the Company is full of interesting opportunities and the Company will continue to achieve progressive levels of success in all areas of our business. I therefore encourage you to take up your rights in full to ensure that you continue to enjoy the benefits of your investment in the Company and as a mark of your belief in the prospects that lie ahead of it.

Thank you.

Yours faithfully,



Mr. Aigboje Aig-Imoukhuede, CON  
**CHAIRMAN**

### 1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in periods presented except as disclosed in note 'm' below;

#### a. Basis of preparation

These are the separate and consolidated financial statements of Wapic Insurance Plc ("formerly Intercontinental WAPIC Insurance Plc" or the "Company") and its subsidiaries (together "the Group"). The financial statements are presented in Nigerian Naira rounded to the nearest thousand (unless otherwise stated). The Nigerian Naira is the Company's reporting currency.

The financial statements have been prepared in accordance with Statements of Accounting Standards issued by the Financial Reporting Council (formerly Nigerian Accounting Standards Board) the requirements of the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and its interpretations issued by the National Insurance Commission in its Insurance Industry policy guidelines.

The preparation of financial statements in conformity with accounting principles generally accepted in Nigeria requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain investment securities and investment properties.

#### Life Business

The financial statements of Life Business have been prepared using the fund method of accounting.

#### General Business

The financial statements of general business have been prepared using the annual basis of accounting and under the historical cost convention, modified by the revaluation of certain investment securities and properties.

#### b. Consolidation

Subsidiaries are those entities in which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of its voting rights. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. The accounting policies of the subsidiaries are consistent with those of the Company. A separate disclosure is made for minority interest.

The consolidated financial statements combine the financial statements of Wapic Insurance Plc ('the Company') and its subsidiaries (together 'the Group') wherein there is majority shareholding and/or control of the board of directors or management. The consolidated subsidiaries are: WAPIC Life Assurance Limited and Wapic (Ghana) Limited.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of

### Statement of significant accounting policies - continued

#### b. Consolidation – continued

acquisition is less than the fair value of the net assets acquired, the difference is recognised directly as non-distributable reserve as part of owner's equity. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

#### c. Underwriting results

##### General business

The underwriting results for general business are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

Gross premium is recognised at the point of attachment of risk to a policy before deducting cost of reinsurance cover.

Premiums written relate to risks assumed during the period, and include estimates of premiums due but not yet received, less an allowance for cancellations.

Gross premium earned represents gross premium written adjusted for the unearned provisions at the beginning and at the end of the accounting period.

Unearned premium represents the proportion of the premium written in the period up to the accounting date which relate to the unexpired terms of policies in force at the balance sheet date, and are calculated on the basis of time apportionment.

Claims incurred comprise claims paid in the period and changes in the provision for outstanding claims. Claims paid represent all payments made during the period, whether arising from events during the current reporting or earlier periods. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the balance sheet date, but not settled on that date. Outstanding claims are computed on the basis of the best information available at the time the records for the period are closed and include provisions for claims incurred but not reported (IBNR).

Expenses are allocated to the relevant revenue accounts as incurred in the management of each class of business.

##### Life business

Premium written relates to risks assumed during the period.

Claims arising on maturity are recognised when the claims become due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

Expenses and commissions are allocated to the life fund as incurred in the management of the life business.

The life insurance fund is assessed at least every three years by the Company's consulting actuaries in accordance with Section 29 of the Insurance Act. Any resulting actuarial loss is made up by provision from the profit and loss

**Statement of significant accounting policies - continued****c. Underwriting results - continued**

account. Surpluses arising are allocated by the directors on the advice of the actuaries to the policy holders and the shareholders. A maximum of 40% of surpluses arising on actuarial valuation is credited to the profit and loss account.

General reserve fund is made up of net liabilities on force as computed by the actuaries at the time of the actuarial valuation and an additional 25% premium for every year between valuation dates.

**d. 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 amortised in proportion to the amount of premium determined separately for each class of business recognised, to the extent that they are recoverable out of future revenue margins, 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 relevant segment of the revenue account in the accounting period in which they are incurred in the management of each class of business.

**e. Deferred acquisition expenses**

Deferred acquisition expenses are incurred as a result of direct business earned from brokers. The deferred portion is calculated based on the percentage of unexpired risk to premium income for general business.

**f. Management expenses**

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

**g. Investment securities**

The Company categorises its investment securities into the following categories: short-term investments and long-term investments.

**Short-term investments**

Short-term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. In addition, Management intends to hold such investments for not more than one year. Short-term investments are carried at the lower of cost and net realisable value. The carrying amount of quoted securities is calculated by reference to the stock exchange quoted bid prices at the close of business on the balance sheet date. The value of any impairment in investment is charged to the profit and loss accounts for the period.

Term deposits and treasury bills are stated at cost plus accrued interest.

**Long-term investments**

Long-term investments are held by the Group over a long time to earn income and may include debt and equity securities. Long-term investments are carried at cost. When there has been a permanent decline in the value of an investment, the carrying amount of the investment is written down to recognise the loss. Such a reduction is

### Statement of significant accounting policies - continued

#### g. Investment securities - continued

charged to the profit and loss account. Reductions in the carrying amount are reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

An increase in the carrying amount arising from the revaluation of long-term investments is credited to owner's equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same investment that has been credited to revaluation surplus and not subsequently reversed or utilised, it is charged against the revaluation surplus rather than income.

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

A decline in value of long term investments is not taken into account unless it is considered to be permanent.

Quoted securities are classified as short term investments while unquoted securities are classified as long-term investments for the Company. However, quoted securities for the life business are classified as long term investments.

#### h. Investment in subsidiaries

Investments in subsidiaries are carried in the Company's balance sheet at cost less provision for impairment losses. When in the opinion of the Directors, there has been impairment in the value of the investment; the loss is recognised as an expense in the period in which the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

#### i. Investment properties

Investment properties represent the Group's interest in land and building held primarily to generate income and/or capital appreciation, or both. The value of such properties is stated at market value. The properties are revalued at least once in every three years. Any decrease in value is charge to the profit and loss account while an increase in value is credited to revaluation reserve.

#### j. Investment income

Investment income is stated net of investment expenses. Interest and rental income are recognised as income in the period in which they are earned. Interest income on term deposits and treasury bills are recognised on a time apportioned basis in the profit and loss account. Dividends are recognized as income in the period in which they are declared and the Group has established the right to receive payment.

Income arising on investments held by the life business is taken up in the life insurance revenue account whilst income derived from investments held by the general business is credited to the profit and loss account.

#### k. Outstanding claims and provisions

Full provision is made for the estimated cost of all claims notified but not settled at the date of the balance sheet less reinsurance recoveries, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the balance sheet date on the basis of 10% of claims notified but not settled in compliance with the provisions of Section 20(1)(b) of the Insurance Act.

**Statement of significant accounting policies - continued****k. Outstanding claims and provisions - continued**

Similarly, provisions are made for unallocated claims expenses being the estimated administrative expenses that will be incurred after the balance sheet date in settling all claims outstanding as at that date; including IBNR.

Difference between the provisions for outstanding claims as at balance sheet date and subsequent settlement are included in the revenue accounts in the following year.

**l. Property and equipment**

## i). Cost / Valuation

All items of property and equipment are initially recorded at cost. Land and buildings are subsequently shown at revalued amount. All other property and equipment are stated at historical cost less depreciation. Increases in the carrying amount of land and buildings arising on revaluation are credited to a revaluation reserve.

Decreases that offset previous increases of the same asset are charged against the revaluation reserve, all other decreases are charged to the profit and loss account.

## ii). Depreciation

Depreciation is calculated on the straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Leasehold land and building	over the term of the lease
Motor vehicles	25%
Office equipment and furniture	20%

Assets that are subject to depreciation are reviewed for impairment whether events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less the cost to sell and the value in use.

Gains and losses on disposal are included in the profit and loss accounts.

**m. Intangible assets**

This is a new policy in line with the Statement of Accounting Standard number 31: On Intangible assets issued by the Financial Reporting Council of Nigeria (formerly Nigerian Accounting Standards Board), which is effective for annual periods beginning on or after 1 January 2011. There was no effect on either the profit and loss account or retained earnings.

## i). Computer Software

Purchased software that is not integral to the related hardware is recognised at cost. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;

**Statement of significant accounting policies - continued****m. Intangible assets continued**

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

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets have finite useful lives; are amortised on the straight-line basis over 4 years and are carried at cost less accumulated amortization and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

**ii). Other Intangible assets**

The Company expenses the costs incurred on internally generated intangible assets such as brands, customer lists, customer contracts and similar rights and assets, in the income statement in the period in which the costs are incurred. Prepayments assets are recognised for advertising or promotional expenditure up to the point at which the Company has the right to access the goods purchased or up to the point of receipt of services.

**n. Debtors and prepayments**

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

In accordance with the National Insurance Commission (NAICOM) guidelines allowance is made for each potential premium debt as follows:

Period outstanding	% allowance required
0 - 90 days	Nil
91 - 180 days	50%
Above 181 days	100%

Other debtors are stated after deductions of amount considered doubtful of recovery.

When a debt is deemed not collectible, it is written off against the related provision or directly to profit and loss account to the extent not previously provided for. Any subsequent recovery of written - off debt is credited to profit and loss account.

Prepayments are carried at cost less amortised amount.

**o. Cash and cash equivalents**

Cash and bank balances represent the Group's balances held with banks and cash in hand.

For the purpose of cash flow, cash and cash equivalent includes cash, current accounts with banks, term deposits, operating accounts with banks, bank deposits and short-term government securities.

**Statement of significant accounting policies - continued****p. Translation of foreign currencies**

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, income and expenses are translated to Nigerian Naira at exchange rates at the reporting date.

Transactions in foreign currency are converted into Nigerian Naira at the exchange rates ruling on the dates of the transactions. Any gain or loss arising from fluctuation subsequent to transaction date is included in profit and loss account.

Monetary assets and liabilities in foreign currency are converted into Nigerian Naira at the rates of exchange ruling on the balance sheet date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the period in which they arise.

The resultant translation of the net investment in foreign operations in the reporting currency is recognised directly in reserves.

**q. Taxation****Income tax**

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax, technology tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with the Companies Income Tax Act (CITA). Education tax is assessed at 2% of chargeable profits and technology tax at 1% of the profit before tax.

**r. Deferred taxation.**

Deferred taxation is provided in full, using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**s. Retirement benefits****i. Pension Cost**

The Company operates a defined contribution scheme for its employees. The assets of the scheme are funded from contributions from both the company and employees. The contribution of the employer and employee to the scheme is 12.5% and 7.5% respectively of the employee basic salary, housing and transport allowance.

The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the period to which they relate. An employee's contribution is made by deducting from his/her monthly salary.

**Statement of significant accounting policies - continued****s. Retirement benefits continued****ii. Gratuity**

The Company operates a non-contributory defined benefits scheme which is managed by First Trustees Limited. This fund is responsible for the settlement of the Company's staff gratuity. Lump sum benefits payable upon retirement or resignation are accrued over the service period of the employees. Employees are entitled to join the scheme after completing three full years of service. Employees' final benefits are calculated based on the number of service years.

**t. Provisions**

A provision is made when the Group has a present obligation whether legal or constructive as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimates of the amount of the obligation can be made.

**u. Dividend**

Proposed dividend for the year is recognised as a liability only when declared and approved by shareholders at the annual general meeting.

**v. Research and development expenditures**

Expenditure incurred on research and developments are written off to the income statement in the year in which they are incurred.

**w. Earnings per share**

Basic earnings per share (EPS) are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the year.

Adjusted earnings per share are determined by dividing the profit or loss after taxation by the weighted number of ordinary shares adjusted for new shares issued.

**x. Deposit administration**

Receipts from deposit administration and other business of a savings nature are treated as liabilities and are not recognised in the profit and loss account. Interest accruing to investments of such deposit is recognised in the profit and loss in the year it is earned, while interest paid and due to depositors is recognised as an expense.

**y. Technical reserves****Reserve for unexpired premiums**

In accordance with Section 20(i)(a) of the Insurance Act 2003, the reserve for unexpired risk is calculated on a time apportionment basis in respect of the risk accepted during the year.

**Reserve for outstanding claims**

In accordance with Section 20(i)(b) of the Insurance Act 2003, the reserve for outstanding claims is maintained as the total amount of outstanding claims plus 10% thereof to cover claims Incurred But Not Reported (IBNR) at the balance sheet date.

### Statement of significant accounting policies - continued

#### y. Technical reserves continued

Contingency reserves – general

In accordance with section 21 (1) of the Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums or 20% of the profit. This shall accumulate until it reaches the amount of greater of minimum paid up capital or 50% of net premium.

Contingency reserve – Life

In accordance with Section 21 (i) (b) of the Insurance Act 2003, the contingency reserve is credited with higher of 1% of gross premium or 10% of net profit.

#### z. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resource will be required to settle the obligation; or the amount cannot be reliably estimated.

The Group provides financial guarantees and bonds to third parties at the request of customers in the form of bid and performance bonds or advances payment guarantees. These amounts are disclosed in the notes to the financial statements and represent the maximum loss that would be recognised if counter parties failed completely to perform as contracted.

Commissions and fees charged to customers for services rendered are recognised at the time the services or transactions are effected.

#### aa. Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or service (business segment), or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's presentation for segment reporting is based on business segments.

The Group's underwriting activities are carried out in the main segments of: Motor, Fire, General, Accident, Marine, Special Risks and Aviation, Engineering as reported in the revenue account.

## FIVE YEAR FINANCIAL INFORMATION

### 2. Consolidated Profit and Loss Account

For the five periods ended 31 December 2011

Note	GROUP					COMPANY					
	12 months to					10 months to					
	31-Dec			31-Dec		2011			2010		2009
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
<b>Gross premium written</b>	5,208,339	3,655,497	4,724,976	6,141,861	3,440,725	3,160,853	3,269,207	4,522,653	6,141,861		
Gross premium earned	2	3,939,513	3,833,301	5,719,867	5,203,766	3,208,479	3,223,136	3,578,816	5,590,414	5,203,766	
Reinsurance cost	3	-773,495	-925,995	-1,033,629	-676,056	-276,723	-682,154	-904,856	-1,009,368	-676,056	
Net premium earned		3,166,018	2,907,306	4,686,238	4,527,710	2,931,756	2,540,982	2,673,960	4,581,046	4,527,710	
Commission earned	4	116,553	203,886	219,118	127,022	81,284	85,839	201,295	217,404	127,022	
		3,282,571	3,111,192	4,905,356	4,654,732	3,013,040	2,626,821	2,875,255	4,798,450	4,654,732	
<b>Expenses</b>											
Direct claims paid	5	-980,280	-1,089,565	-1,361,145	-1,700,752	-626,656	-830,968	-1,051,567	-1,359,601	-1,700,752	
Changes in outstanding claims	5	15,610	-88,589	6,064	48,112	-131,785	54,388	-88,589	6,599	48,112	
Gross claims incurred		-964,670	-1,178,154	-1,355,081	-1,652,640	-758,441	-776,580	-1,140,156	-952,691	-1,136,497	
Reinsurance recoveries	5	305,739	252,930	400,311	516,143	126,934	214,028	252,930	400,311	516,143	
Net claims incurred		-658,931	-925,224	-954,770	-1,136,497	-631,507	-562,552	-887,226	-552,380	-620,354	
Underwriting expenses	6	-847,229	-858,980	-1,330,716	-1,282,183	-1,133,794	-753,246	858,980	1,292,785	-1,282,183	
		-1,506,160	-1,784,204	-2,285,486	-2,418,680	-1,765,301	-1,315,798	-1,746,206	740,405	-1,902,537	
<b>Underwriting profit</b>		<b>1,776,411</b>	<b>1,326,988</b>	<b>2,619,870</b>	<b>2,236,052</b>	<b>1,247,739</b>	<b>1,311,023</b>	<b>1,129,049</b>	<b>2,552,974</b>	<b>2,236,052</b>	
Share of valuation surplus/transfer from life revenue account		112,694	57,298	130,281	-	198,330	-	-	-	-	
Investment income	7b	619,300	507,309	1,062,586	731,880	326,190	491,159	341,884	764,238	529,360	
Other income	8	263,033	124,133	48,001	65,886	94,402	145,446	84,317	41,056	64,757	
Profit from deposit administration	9	839	271	5,710	7,617	-	-	-	-	-	
<b>Total income</b>		<b>2,772,277</b>	<b>2,015,999</b>	<b>3,866,448</b>	<b>3,041,435</b>	<b>1,866,661</b>	<b>1,947,628</b>	<b>1,555,250</b>	<b>3,358,268</b>	<b>2,830,169</b>	
Management expenses	10b	-1,251,332	-1,084,280	-1,490,495	-1,196,645	-761,630	-991,420	-868,799	-1,327,595	-1,088,858	
Provision for receivables and others	11	-998,329	-662,429	-1,771,145	-2,070,828	-229,514	-729,138	-479,733	-1,595,306	-1,851,158	
<b>Profit/(loss) before exceptional item</b>		<b>522,616</b>	<b>269,290</b>	<b>604,808</b>	<b>-226,038</b>	<b>875,517</b>	<b>227,070</b>	<b>206,718</b>	<b>435,367</b>	<b>-109,847</b>	
Exceptional item	36	-	-	-1,180,863	-	-	-	-	-831,191	-	
<b>Profit/(loss) before taxation</b>		<b>522,616</b>	<b>269,290</b>	<b>-576,055</b>	<b>-226,038</b>	<b>875,517</b>	<b>227,070</b>	<b>206,718</b>	<b>-395,824</b>	<b>793,993</b>	
Taxation	12a	-232,090	-856,947	188,513	196,721	-273,704	-123,635	-812,109	211,070	212,324	
<b>Profit/(Loss) after taxation</b>		<b>290,526</b>	<b>-587,657</b>	<b>-387,542</b>	<b>-29,317</b>	<b>601,813</b>	<b>103,435</b>	<b>-605,391</b>	<b>-184,754</b>	<b>525,138</b>	
<b>Appropriations:</b>											
Transfer to contingency reserve	33	132,185	138,753	149,662	193,713	112,696	94,826	107,364	135,680		
Transfer to revenue reserve	35	158,341	-726,410	-537,204	-223,030	489,117	8,609	-712,755			
		290,526	-587,657	-387,542	-29,317	601,813	103,435	-605,391			
Basic earnings/(loss) per share(kobo)		6	-12	-8	-1	14	2	-12			
Adjusted earnings/(loss) per share(kobo)		6	-12	-8	-1	12					

3. Consolidated Balance Sheet

As at 31 December 2011

		GROUP					COMPANY					
		31 December →										
Note		2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000	
<b>Assets</b>												
	Cash and bank balances	14	499,821	431,835	287,511	190,220	623,626	302,440	270,222	166,846	170,087	543,567
	Short-term investments	16	6,079,001	6,195,985	6,110,947	7,458,926	6,947,208	3,990,250	4,409,270	4,258,818	5,355,457	5,087,510
	Premium debtors	17	766,385	1,051,382	1,216,799	2,274,836	2,022,750	310,428	773,510	855,613	1,831,662	1,766,551
	Other receivables and prepayments	18	836,462	580,733	1,295,735	820,285	1,614,897	542,959	622,115	789,956	623,144	1,245,000
	Loan to policy holders	19	20,325	25,286	16,580	16,961	12,935	-	-	-	-	-
	Deferred acquisition costs	20	200,473	199,639	187,061	365,603	52,951	138,489	158,212	187,061	365,603	52,951
	Long-term investments	21	1,253,389	578,141	208,974	2,994	2,994	687,480	3,684	-	-	2,994
	Investment in subsidiary	22	-	-	-	127,850	-	2,455,576	2,405,576	2,405,576	2,327,850	2,200,000
	Investment properties	23	1,067,072	1,153,846	634,560	200,000	-	446,000	528,699	474,560	200,000	-
	Statutory deposit	24	605,207	590,170	562,782	500,000	500,000	300,000	300,000	300,000	300,000	300,000
	Property and equipment	25	597,161	581,577	523,241	435,322	350,509	333,649	306,148	412,183	390,700	331,841
	Intangible assets	26	56,819	68,378	-	-	-	37,687	41,364	-	-	-
	Deferred tax asset	31	26,101	10,592	1,333,265	544,766	-	-	-	1,333,265	544,766	-
	<b>Total assets</b>		<b>12,008,216</b>	<b>11,467,564</b>	<b>12,377,455</b>	<b>12,937,763</b>	<b>12,127,870</b>	<b>9,544,958</b>	<b>9,818,800</b>	<b>11,186,872</b>	<b>12,112,263</b>	<b>11,530,414</b>
<b>Liabilities</b>												
	Due to reinsurers and brokers	27	158,673	320,851	158,004	41,174	288,274	117,770	320,851	127,592	41,174	288,274
	Other payables	28	580,883	539,845	496,784	515,766	524,761	335,258	397,397	376,820	486,409	462,805
	Taxation payable	12	387,069	321,919	1,133,748	754,986	454,551	230,931	265,060	1,090,739	734,534	449,702
	Insurance fund	29	2,882,357	2,638,108	2,436,316	3,065,465	1,728,218	941,427	1,058,101	1,097,691	2,165,451	1,462,792
	Deposit administration fund	30	63,432	79,136	109,909	105,361	175,776	-	-	-	-	-
	Deferred tax liability	31	90,182	86,587	-	-	50,145	63,554	59,036	-	-	50,145
	<b>Total liabilities</b>		<b>4,162,596</b>	<b>3,986,446</b>	<b>4,334,761</b>	<b>4,482,752</b>	<b>3,221,725</b>	<b>1,688,940</b>	<b>2,100,445</b>	<b>2,874,271</b>	<b>3,614,907</b>	<b>2,713,718</b>
	<b>Net assets</b>		<b>7,845,620</b>	<b>7,481,118</b>	<b>8,042,694</b>	<b>8,455,011</b>	<b>8,906,145</b>	<b>7,856,018</b>	<b>7,718,355</b>	<b>8,312,601</b>	<b>8,497,356</b>	<b>8,816,696</b>
<b>Capital and reserves</b>												
	Share capital	32	2,530,902	2,530,902	2,530,902	2,530,902	2,109,085	2,530,902	2,530,902	2,530,902	2,530,902	2,019
	Share premium		5,240,627	5,240,627	5,240,627	5,240,627	5,662,444	5,240,627	5,240,627	5,240,627	5,240,627	5,662,444
	Contingency reserve	33	1,076,849	944,664	805,911	656,249	462,536	-	869,394	762,030	442,094	442,094
	Other reserves	34	181,688	107,712	81,631	106,406	106,406	151,778	117,550	106,406	106,406	106,406
	Revenue reserve	35	-1,184,446	-1,342,787	-616,377	-79,173	565,674	-1,031,509	-1,040,118	-327,363	177,327	496,667
	<b>Shareholders' funds</b>		<b>7,845,620</b>	<b>7,481,118</b>	<b>8,042,694</b>	<b>8,455,011</b>	<b>8,906,145</b>	<b>7,856,018</b>	<b>7,718,355</b>	<b>8,312,601</b>	<b>8,497,356</b>	<b>8,816,696</b>

## FIVE YEAR FINANCIAL INFORMATION

### 4. Consolidated Statement of Cash Flows

For the five periods ended 31 December 2011

Note	GROUP					COMPANY				
	12 months to					10 months to				
	31-Dec		31-Dec			31-Dec		31-Dec		
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cash flow from operating activities</b>										
	522,616	269,290	-576,055	-226,038	875,517	227,070	206,718	-395,824	-109,847	793,993
<b>Adjustment for:</b>										
Depreciation	10a	113,013	114,232	110,698	85,258	57,393	69,683	82,843	87,085	76,231
Amortization of intangible assets	10a	17,400	19,112	-	-	-	11,399	11,002	-	-
Intangible assets written off		1,881	-	-	-	-	-	-	-	-
Exchange difference		-19,251	-16,103	-	-	-	-	-	-	-
Shareholder's share of valuation surplus		-112,694	-57,298	-130,281	-	-	-	-	-	-
Provision for receivables and investments		1,044,823	662,429	1,598,253	1,449,050	229,514	729,138	479,733	1,595,306	1,851,158
Write back for diminution in value of Investments		-	-	-	593,778	-	-	-	-	-
Exceptional item		-	-	1,180,863	-	-	-	-	831,191	-
Profit on disposal of property and equipment	8	-5,380	-29,360	-4,394	-1,234	-1,940	-5,360	-1,565	-3,295	-1,234
Loss/(profit) on disposal of quoted equities	7a	26,156	-30,500	13,710	52,638	-201,991	-4,453	-20,061	10,919	64,058
Profit on disposal of investment properties		-76,838	-	-	-	-	-35,770	-	-	-
Unrealised gain on quoted equities	8	-	-60,517	-	-	-	-	-60,517	-	-
Write-off of loans to policy holders		-	-	5,507	-	-	-	-	-	-
Dividend income	7a	-84,772	-2,952	-9,714	-9,175	-1,138	-404,904	-319,011	5,820	7,144
Interest receivable	7a	-612,227	-544,759	-1,147,150	-815,958	-123,061	-81,802	-2,812	-769,337	-586,274
<b>Changes in working capital</b>										
Decrease in short term quoted equities		-	12,734	-	-	-	-	-	-	-
Increase in premium debtors		-332,633	-341,984	-126,979	-1,701,136	-840,662	33,280	-308,302	-161,449	1,506,963
(Increase)/decrease in other receivables		-421,972	590,684	-1,673,777	801,361	-721,480	-62,496	78,513	-1,014,177	593,856
Decrease/(increase) in loan to policy holders		4,961	-8,706	-5,126	-4,026	-	-	-	-	-
(Increase)/ decrease in deferred acquisition Costs		-834	-12,578	178,542	-312,652	41,229	19,723	28,849	178,542	-312,652
Increase in statutory deposits		-11,835	-13,625	-62,782	-	-	-	-	-	-
(Decrease)/increase in amounts due to reinsurers		-162,178	162,847	116,830	-247,100	288,274	-203,081	193,259	86,418	-247,100
Increase/(decrease) in other payables		41,038	43,061	-18,982	-8,995	-108,096	-16,834	75,681	-109,589	23,604
Increase/(decrease) in outstanding claims		3,660	122,899	4,217	-35,206	131,786	-54,391	88,591	-5,911	-35,206
Increase/(decrease) in insurance funds		353,283	136,191	-503,085	1,385,343	328,563	-62,283	-309,610	-1,067,760	938,095
(Decrease)/increase in deposit administration funds		-15,704	-30,773	4,548	-70,415	-97,850	-	-	-	-
Cash provided by/(used in) operating activities		272,513	984,324	-1,045,157	935,493	-143,942	158,919	223,311	-109,430	1,334,001
Tax paid during the period	12b	-185,431	-260,557	-221,224	-97,755	-68,985	-157,049	-246,725	-221,224	-97,755
<b>Net cash provided by/(used in) operating activities</b>		<b>87,082</b>	<b>723,767</b>	<b>-1,266,381</b>	<b>837,738</b>	<b>-212,927</b>	<b>-43,435</b>	<b>-78,517</b>	<b>-330,654</b>	<b>1,236,246</b>
<b>Net cash provided by/(used in) operating activities brought forward</b>		<b>87,082</b>	<b>723,767</b>	<b>-1,266,381</b>	<b>837,738</b>	<b>-212,927</b>	<b>-43,435</b>			

## FIVE YEAR FINANCIAL INFORMATION

### Consolidated statement of cash flows - continued

For the five periods ended 31 December 2011

	Note	GROUP					COMPANY				
		12 months to		10 months to			12 months to		10 months to		
		2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Investing activities</b>											
Interest received	7a	612,227	544,759	1,147,150	815,958	123,061	404,904	319,011			
Dividend received	7a	84,772	2,952	9,714	9,175	1,138	81,802	2,812			
Purchase of property and equipment	26	-134,670	-257,777	-208,712	-173,156	-105,817	-100,833	-29,233	-117,614	-138,176	-85,038
Purchase of intangible assets	27	-7,722	-	-	-	-	-7,722	-	-	-	-
Proceeds from sale of property and Equipment		12,894	29,419	14,490	4,320	18,360	9,009	1,624	12,341	4,320	17,835
(Purchase)/Redemption of long-term investments		-989,622	310	-	-	-	670,597	310	-	-	-
Proceeds/(Purchase) of long-term Investment		259,464	-392,441	-708,051	-2,897,113	-1,442,725	-13,199	-1,000	-	-	978,975
Proceeds from sale of investment securities		84,444	37,494	134,314	2,806,213	639,536	84,444	32,795	116,245	2,017,460	536,541
Purchase of investment property		-127,192	-506,904	-434,560	-200,000	-	-	-41,757	-274,560	200,000	-
Proceeds from disposal of investment property		357,000	-	-	-	-	156,500	-	-	-	-
<b>Net cash generated from/(used in) investing activities</b>		<b>151,595</b>	<b>-542,188</b>	<b>-45,655</b>	<b>365,397</b>	<b>-766,447</b>	<b>-55,692</b>	<b>284,562</b>	<b>-941,628</b>	<b>-405,053</b>	<b>-2,559,638</b>
<b>Financing activities</b>											
Proceeds from shares issued		-	-	-	-	-228,752	-	-	-	-	-
Investments in subsidiary		-	-	-	-127,850	-465,000	-	-	-109,731	-127,850	-2,050,000
Dividend paid		-	-	-	-434,709	-300,748	-	-	-	-434,709	-300,748
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-562,559</b>	<b>-994,500</b>	<b>-</b>	<b>-</b>	<b>-109,731</b>	<b>-562,559</b>	<b>-809,500</b>
<b>Changes in cash and cash equivalents</b>		<b>238,677</b>	<b>181,579</b>	<b>-1,312,036</b>	<b>640,576</b>	<b>-1,973,874</b>	<b>-99,127</b>	<b>206,045</b>	<b>-1,382,013</b>	<b>268,634</b>	<b>-3,229,654</b>
<b>Analysis of changes in cash and cash equivalents</b>											
At start of period	15	5,768,327	5,586,748	6,898,784	6,258,208	8,232,082	3,819,999	3,613,954	4,995,967	4,727,333	8,232,082
At end of period	15	6,007,004	5,768,327	5,586,748	6,898,784	6,258,208	3,720,872	3,819,999	3,613,954	4,995,967	4,727,333
		<b>238,677</b>	<b>181,579</b>	<b>-1,312,036</b>	<b>640,576</b>	<b>-1,973,874</b>	<b>-99,127</b>	<b>206,045</b>	<b>-1,382,013</b>	<b>268,634</b>	<b>-3,504,749</b>

5. Notes to the consolidated financial statements

1 Corporate structure/principal activity

WAPIC Insurance PLC was incorporated as a limited liability company on 14 March 1958 and converted to a public limited liability company in which Intercontinental Bank PLC held 58% of the issued share capital. Access Bank PLC acquired Intercontinental Bank PLC in the last quarter of 2011.

Subsequent to year end, the shareholding of Intercontinental Bank PLC in WAPIC Insurance Plc was transferred to Access Bank PLC on 20 January 2012 pursuant to the merger between Access Bank PLC and Intercontinental Bank PLC.

The Company has 100% shareholding in its subsidiaries which comprise of WAPIC Life Assurance Limited and WAPIC Insurance (Ghana) Limited.

The principal activity of the Group is underwriting general insurance for motor, marine, general accident, engineering, oil and energy, fire and life classes of business.

2 Gross premium written	←-----12 months-----→				10 months					
	to 31				to 31 December					
(a) Gross premium	December				COMPANY					
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
General business	4,005,053	3,655,497	4,724,976	6,141,861	3,440,725	3,160,853	3,269,207	1,097,691	2,165,451	3,440,725
Life business	1,203,286	1,142,947	1,398,254	945,397	450,202	-	-	-	261,210	146,330
	5,208,339	4,798,444	6,123,230	7,087,258	3,890,927	3,160,853	3,269,207	1,097,691	2,165,451	3,587,055

Gross premium written on life business was

recognised in the Life Revenue Account.

(b) The analysis of gross premium earned was as follows:

	GROUP									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Fire	321,842	370,265	665,826	579,175	363,865	342,837	20,995	129,658	243,012	473,113
General accident	1,021,473	960,384	1,416,391	1,266,045	771,236	929,813	91,660	280,679	524,513	1,122,154
Engineering	409,873	194,831	648,715	373,250	288,840	337,053	72,820	152,435	148,806	295,476
Oil and Energy	408,183	441,214	-	-	-	522,491	114,308	-	-	-
Marine	563,440	505,931	780,931	1,065,543	675,235	559,843	3,597	109,656	434,241	917,901
Motor	1,214,702	1,360,676	2,208,004	1,919,753	1,109,303	1,313,016	98,314	425,263	814,879	1,719,066
	3,939,513	3,833,301	5,719,867	5,203,766	3,208,479	4,005,053	65,540	1,097,691	2,165,451	4,527,710

3 Reinsurance cost

Reinsurance cost was derived as follows:

General business	773,495	925,995	1,033,629	676,056	276,723	682,154	904,856	33,774	16,039
Life business	29,933	27,339	54,929	-	-	-	-	-	-
	803,428	953,334	1,088,558	676,056	276,723	682,154	904,856	33,774	16,039

Reinsurance cost on life business was recognised in the Life Revenue Account.

Notes to the consolidated financial statements – continued

4 Commission earned	← 12 months →					10 months				
	to 31					to 31 December				
	December					COMPANY				
Commission earned was derived as follows:	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
General business	116,553	203,886	219,118	127,022	81,284	85,839	201,295	217,404	127,022	81,284
Life business	6,676	7,396	15,082	-	-	-	-	15,082	-	-
	123,229	211,282	234,200	127,022	81,284	85,839	201,295	232,486	127,022	81,284

Commission earned on life business was recognised in the Life Revenue Account.

5 Claims incurred	Net claims incurred comprise:									
	General business					Life business				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct claims paid	980,280	1,089,565	1,361,145	1,700,752	626,656	830,968	1,051,567	1,359,601	1,700,752	626,656
Changes in outstanding claims	-15,610	88,589	-6,064	-48,112	131,785	-54,388	88,589	6,599	48,112	131,785
Reinsurance recoveries	-305,739	-252,930	-400,311	-516,143	-126,934	-214,028	-252,930	400,311	516,143	126,934
	658,931	925,224	954,770	1,136,497	631,507	562,552	887,226	1,766,511	2,265,007	9,129,294
Net claims incurred	563,869	530,274	448,420	233,681	70,119	-	-	-	-	-
	1,222,800	1,455,498	1,403,190	1,370,178	701,626	562,552	887,226	-	-	-

6 Underwriting expenses	Underwriting expenses comprise:									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Commission paid	716,930	710,600	996,283	1,027,896	868,160	622,947	710,600	217,404	127,022	81,284
Business maintenance cost	130,299	148,380	334,433	254,287	265,634	130,299	148,380	334,433	254,287	265,634
	847,229	858,980	1,330,716	1,282,183	1,133,794	753,246	858,980	551,837	381,309	346,918

7 Investment income	(a) Investment income comprises:									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest income	612,227	544,759	1,147,150	815,958	123,061	404,904	319,011	769,337	586,274	100,191
Dividend income	84,772	2,952	9,714	9,175	1,138	81,802	2,812	5,820	7,144	1,138
Equity trading profit	-26,156	30,500	-13,710	-52,638	201,991	4,453	20,061	-10,919	-64,058	184,697
	670,843	578,211	1,143,154	772,495	326,190	491,159	341,884	764,238	529,360	286,026

7 Investment income - continued	← 12 months →					10 months				
	to 31					to 31 December				
	December					COMPANY				
(b) Investment income was allocated as follow	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
-General Business	535,695	371,879	776,935	731,880	326,190	491,159	341,884	-	-	-
-Life Business	83,605	135,430	285,651	-	-	-	-	-	-	-
Profit and loss account	619,300	507,309	1,062,586	731,880	326,190	491,159	341,884	764,238	529,360	-
Policy holders' related - revenue account	46,768	66,311	65,919	24,434	-	-	-	-	-	-
Deposit administration	4,775	4,591	14,649	16,181	-	-	-	-	-	-
	670,843	578,211	1,143,154	772,495	326,190	491,159	341,884	764,238	529,360	-

8 Other income	Other income comprises									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Rental income	52,190	-	3,044	-	1,773	-	7,858	-	483	6,018
Profit on disposal of property	5,380	-	29,360	-	1,234	-	5,360	-	3,295	1,940
Unrealised gain on quoted investments	-	-	60,517	-	-	-	-	-	-	-
Exchange gain	17,085	-	2,786	-	-	-	11,037	-	-	-
Profit on disposal of investment property	76,838	-	-	-	-	-	35,770	-	-	86,202.00
Sundry income	111,540	-	28,426	-	62,879	-	85,421	-	37,278.00	-
	263,033	124,133	48,001	65,886	94,402	145,446	84,317	41,056	64,757	94,160

9 Profit from deposit administration	Income									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income	4,775	4,591	14,649	16,181	-	-	-	-	-	-
Interest payable	-2,775	-2,475	-7,252	-6,361	-	-	-	-	-	-
Management expenses	-1,161	-1,845	-1,687	-2,203	-	-	-	-	-	-
	839	271	5,710	7,617	-	-	-	-	-	-

Notes to the consolidated financial statements – continued

10 Management expenses	← 12 months →					10 months				
	to 31					31 December				
(a) Management expenses comprise:	December									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Depreciation	113,013	114,232	110,698	85,258	57,393	69,683	82,843	87,085	76,231	55,184
Amortization of intangible assets	17,400	19,112	-	-	-	11,399	11,002	-	-	-
Auditors' remuneration	34,087	28,291	29,700	29,700	18,000	24,000	20,000	24,700	25,200	14,000
Directors' remuneration	74,377	74,432	54,731	46,251	27,605	32,762	47,527	51,041	40,944	24,330
Staff costs	732,549	610,622	721,290	593,410	319,456	519,390	440,623	560,423	525,222	293,007
Repairs and maintenance	43,461	47,834	-	-	-	23,666	45,998	-	-	-
Professional fees	27,771	35,700	-	-	-	17,409	35,601	-	-	-
Office expense	77,138	85,469	153,886	-	-	72,139	85,469	-	-	-
Running Cost	40,643	34,714	235,395	-	-	25,516	20,972	-	-	-
Board expense	29,536	6,710	-	-	-	29,536	6,710	-	-	-
Annual dues	9,481	21,633	39,317	-	-	9,481	21,633	-	-	-
Bank charges	10,290	12,113	24,644	-	-	6,404	6,404	-	-	-
Staff Training	14,907	-	-	-	-	14,907	11,381	-	525,222	293,007
End of year activities	12,728	43,365	23,447	-	-	12,728	19,051	-	-	-
AGM expense	4,154	10,050	88,226	-	-	4,154	8,000	-	-	-
Other operating expenses	227,026	121,877	147,840	525,335	339,176	118,246	5,585	604,346	421,261	272,395
	<b>1,468,561</b>	<b>1,266,154</b>	<b>1,629,174</b>	<b>1,279,954</b>	<b>761,630</b>	<b>991,420</b>	<b>868,799</b>	<b>1,327,595</b>	<b>1,088,858</b>	
(b) Management expenses was allocated as follows:										
- General Business	1,220,757	1,064,552	1,404,097	1,196,645	761,630	991,420	868,799			
- Life Business	30,575	19,728	86,398	-	-	-	-			
Profit and loss account	1,251,332	1,084,280	1,490,495	1,196,645	761,630	991,420	868,799	1,327,595	1,088,858	
Policy holders' related	216,068	180,029	129,740	74,745	-	-	-	-	-	
Deposit administration	1,161	1,845	8,939	8,564	-	-	-	-	-	
	<b>1,468,561</b>	<b>1,266,154</b>	<b>1,629,174</b>	<b>1,279,954</b>	<b>761,630</b>	<b>991,420</b>	<b>868,799</b>	<b>1,327,595</b>	<b>1,088,858</b>	
11 Provision for receivables										
Analysis of provisions is :										
Premium debtors	545,806	507,401	1,185,016	1,449,050	229,514	429,802	390,405	1,137,498	1,441,852	
Other receivables	126,900	132,065	4,771	28,000	-	91,652	89,328	3,481	28,000	
Short-term investments	109,932	-	-	-	-	109,932	-	-	-	
Long-term investments	54,910	22,963	395,775	593,778	-	-	-	268,744	381,306	
Write-off of investments	97,752	-	185,583	-	-	97,752	-	185,583	-	
Bad debt written off	63,029	-	-	-	-	-	-	-	-	
	<b>998,329</b>	<b>662,429</b>	<b>1,771,145</b>	<b>2,070,828</b>	<b>229,514</b>	<b>729,138</b>	<b>479,733</b>	<b>1,595,306</b>	<b>1,851,158</b>	

Notes to the consolidated financial statements – continued

12 Taxation	←-----12 months-----→					10 months				
	to 31					to 31 December				
(a) Taxation expenses comprise:	December									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current income tax	235,594	130,972	561,507	560,566	240,366	114,344	106,396	538,950	545,910	235,517
Education tax	7,545	6,997	38,479	38,599	17,343	2,751	4,373	38,479	38,599	17,343.00
Capital gains tax	3,577	-	-	-	-	3,577	-	-	-	-
Technology tax	3,532	2,726	-	947	7,940	2,248	2,047	-	-	7,940
	<u>250,248</u>	<u>140,695</u>	<u>599,986</u>	<u>600,112</u>	<u>265,649</u>	<u>122,920</u>	<u>112,816</u>	<u>577,429</u>	<u>382,587</u>	<u>260,800</u>
Prior period overprovision (Note 12(b))	-	-691,770	-	-201,922	-	-	-691,770	-	-	-
Deferred tax asset (cred)	-15,133	1,322,673	-788,499	-594,911	8,055	-	1,333,265	-788,499	-594,911	-
Deferred tax liability (credit)/charge (Note 31(c))	-3,025	85,349	-	-	-	715	5,7798	-	-	8,055
Charge for the period	<u>232,090</u>	<u>856,947</u>	<u>-188,513</u>	<u>-196,721</u>	<u>273,704</u>	<u>123,635</u>	<u>812,109</u>	<u>1,090,739</u>	<u>734,534</u>	<u>268,855</u>
<b>(b) Current income tax payable:</b>	←-----31 December-----→									
The movement in this ac	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At start of period	321,919	1,133,748	754,986	454,551	257,887	265,060	1,090,739	734,534	449,702	257,887
Exchange difference	333	-197	-	-	-	-	112,816	-	-	-
Charge for the period (Note 12(a))	250,248	140,695	599,986	600,112	265,649	122,920	112,816	577,429	382,587	260,800
Prior period over provisions (Note 12(a))	-	-691,770	-	-201,922	-	-	-691,770	-	-	-
Payments during the period	-185,431	-260,557	-221,224	-97,755	-68,985	-157,049	-246,725	-221,224	-97,755	-68,985
At end of period	<u>387,069</u>	<u>321,919</u>	<u>1,133,748</u>	<u>754,986</u>	<u>454,551</u>	<u>230,931</u>	<u>265,060</u>	<u>1,090,739</u>	<u>734,534</u>	<u>449,702</u>
<b>13 Earnings/(loss) per share</b>	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Profit/(loss) attributable to the group's equity shareholders (N'000)										
Shareholders (N'000)	290,526	-587,657	-387,542	-29,317	601,813	103,435	-605,391	-184,754	102,477	525,138
Number of shares in issue (thousands)	5,061,804	5,061,804	5,061,804	5,061,804	5,061,804	5,061,804	5,061,804	5,061,804	5,061,804	428,170
Basic earnings/(loss) per share (kobo)	<u>6</u>	<u>-12</u>	<u>-8</u>	<u>-1</u>	<u>14</u>	<u>2</u>	<u>-12</u>	<u>-4</u>	<u>2</u>	<u>12</u>

Notes to the consolidated financial statements – continued

14 Cash and bank balances	←----- 31 December ----->									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Cash and bank balances comprise:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash in hand	3,832	680	610	525	525	500	500	525	525	525
Balance with local banks	449,287	381,829	286,901	189,695	623,101	301,940	269,722	166,321	169,562	543,042
Balance with banks outside Nigeria	46,702	49,326	-	-	-	-	-	-	-	-
	<u>499,821</u>	<u>431,835</u>	<u>287,511</u>	<u>190,220</u>	<u>623,626</u>	<u>302,440</u>	<u>270,222</u>	<u>166,846</u>	<u>170,087</u>	<u>543,567</u>
<b>15 Cash and cash equivalents</b>										
For the purpose of state cash and cash equivalents comprise:										
Cash and bank balances	499,821	431,835	287,511	190,220	623,626	302,440	270,222		170,087	543,567
Term deposits (Note 16 (	3,422,144	5,127,591	5,299,237	6,708,564	5,484,582	1,663,161	3,549,777	3,447,108	4,825,880	4,033,766
Treasury bills (Note 16 (	2,085,039	208,901	-	-	150,000	1,755,271	-	-	-	150,000
	<u>6,007,004</u>	<u>5,768,327</u>	<u>5,586,748</u>	<u>6,898,784</u>	<u>6,258,208</u>	<u>3,720,872</u>	<u>3,819,999</u>	<u>3,447,108</u>	<u>4,995,967</u>	<u>4,727,333</u>
<b>16 Short-term investments</b>										
(a) Short-term investments comprise:										
Term deposits	3,422,144	5,127,591	5,299,237	6,708,564	5,484,582	1,663,161	3,549,777	3,447,108	4,825,880	
Quoted equity investments (Note 16(b))	571,818	859,493	811,710	750,362	1,312,626	571,818	859,493	805,814		
	<u>3,993,962</u>	<u>5,987,084</u>	<u>6,110,947</u>	<u>7,458,926</u>	<u>6,797,208</u>	<u>2,234,979</u>	<u>4,409,270</u>	<u>4,252,922</u>		
Treasury bills	2,179,768	208,901	-	-	150,000	1,850,000	-			
Unearned Income on treasury bills	-94,729	-	-	-	-	94,729	-			
	<u>2,085,039</u>	<u>208,901</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>1,755,271</u>	<u>-</u>			
	<u>6,079,001</u>	<u>6,195,985</u>	<u>6,110,947</u>	<u>7,458,926</u>	<u>6,947,208</u>	<u>3,990,250</u>	<u>4,409,270</u>			
(b) Quoted equity investments										
- Quoted investments - Cost	1,271,283	1,449,026	1,461,760	1,344,140	1,312,626	1,271,283	1,449,026	1,461,760	910,883	903,744
- Provision for impairment (Note 16 (c))	(699,465)	-589,533	-650,050	-593,778	-	-699,465	-589,533	-650,050	-381,306	-
Net short-term investments	<u>571,818</u>	<u>859,493</u>	<u>811,710</u>	<u>750,362</u>	<u>1,312,626</u>	<u>571,818</u>	<u>859,493</u>	<u>811,710</u>	<u>529,577</u>	<u>903,744</u>

## FIVE YEAR FINANCIAL INFORMATION

### Notes to the consolidated financial statements – continued

16 Short-term investments - continued	←----- 31 December ----->									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
(c)	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
The movement on provision for impairment										
At start of period	589,533	650,050	593,778	-	-	589,533	650,050			
Write back	-	-60,517	-	-	-	-	60,517			
Additions (Note 11)	109,932	-	56,272	593,778	-	109,932	-			
At end of period	699,465	589,533	650,050	593,778	-	699,465	589,533			

### 17 Premium debtors

(a) Analysis of premium debtors was as follows:

Due from brokers, reinsurers and agents	2,073,090	2,230,795	4,498,500	4,371,521	2,670,385	1,416,581	1,802,025	4,028,100	3,866,651	2,359,688
Provision for doubtful debts (Note 17(b))	-1,306,705	-1,179,413	-3,281,701	-2,096,685	-647,635	-1,106,153	-1,028,515	-3,172,487	-2,034,898	-593,137
	766,385	1,051,382	1,216,799	2,274,836	2,022,750	310,428	773,510	855,613	1,831,662	1,766,551

(b) The movement on provision for doubtful debts account during the period was as follows:

At start of period	1,179,413	3,281,701	2,096,685	647,635	418,121	1,028,515	3,712,487			
Exchange difference	1,644	-	-	-	-	-	-			
Written off during the period	-427,309	-2,609,689	-	-26,792	-	-352,164	-253,437			
Reclassified to allowance on other assets	7,151	-	-	-	-	-	-			
Additions during the period (Note 11)	545,806	507,401	1,185,016	1,475,842	229,514	429,802	390,405			
At end of period	1,306,705	1,179,413	3,281,701	2,096,685	647,635	1,106,153	1,028,515			

### 18 Other receivables and prepayments

Other receivables and prepayments comprise:

Prepayments	31,592	17,115	27,861	24,053	252,684	16,667	7,777	17,352		
Due from related parties/ stockbrokers	1,529,493	1,472,063	2,054,122	420,033	775,083	1,047,815	1,182,436	1,237,378	259,943	496,459
Staff debtors	276,257	339,171	421,940	383,014	191,869	239,334	304,628	361,029	328,897	191,869
Sundry debtors	159,176	21,310	18,139	21,185	395,261	128,283	18,210	13,562	13,342	329,988
Due from reinsurer's Brokers	8,925	-	-	-	-	8,925	-	-	-	-
Treaty claims receivables - Ghana	69,400	-	-	-	-	-	-	-	-	-
Interest receivable	33,140	-	-	-	-	33,140	-	-	-	-
	2,107,983	1,849,659	2,522,062	848,285	1,614,897	1,474,164	1,563,051	1,665,321	623,144	1,245,000
Provision for other receivables	-1,271,521	-1,268,926	-1,226,327	-28,000	-	-931,205	-940,936	-875,365		
	836,462	580,733	1,295,735	820,285	1,614,897	542,959	622,115	789,956		

Notes to the consolidated financial statements – continued

19 Loan to policy holders	← 31 December →									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
The movement on loan to policy holders during the period										
At start of period	25,286	16,580	16,961	12,935	-	-	-	-	-	9,198
On acquisition	-	-	-	-	9,168	-	-	-	-	9,198
Additions during the period	-8,714	1,612	5,628	4,026	3,767	-	-	-	-	-
Interest earned	3,753	7,094	-	-	-	-	-	-	-	-
Repayments during the period	-	-	-502	-	-	-	-	-	-	-
Write-offs	-	-	-5,507	-	-	-	-	-	-	-
At end of period	20,325	25,286	16,580	16,961	12,935	-	-	-	-	-

20 Deferred acquisition costs	← 31 December →									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
The movement in deferred acquisition costs during the period										
At start of period	199,639	187,061	365,603	52,951	94,180	158,212	187,061	365,603	218,157	94,180
Exchange difference	1,471	-	-	-	-	-	-	-	-	-
Cost incurred during the period	622,207	833,503	779,810	1,340,551	224,404	603,121	792,076	779,810	1,175,345	224,404
Amortised during the period	-622,844	-820,925	-958,352	-1,027,899	-265,633	-622,844	-820,925	-958,352	-1,027,899	-265,633
At end of period	200,473	199,639	187,061	365,603	52,951	138,489	158,212	187,061	365,603	52,951

21 Long term investments	← 31 December →									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Long term investments c										
Quoted securities (cost)	677,460	936,924	545,483	-	-	-	-	-	1,314,877	903,744
Diminution in value	-417,377	-362,467	-339,503	-	-	-	-	-	-	-
Government bonds	260,083	574,457	205,980	-	-	-	-	-	-	-
Unquoted investments	976,570	147	457	457	457	670,744	147	-	457	457
- Equity securities	16,736	3,537	2,537	2,537	2,537	16,736	3,537	-	2,537	2,537
	1,253,389	578,141	208,974	2,994	2,994	687,480	3,684	-	-	-

22 Investment in subsidiary	← 31 December →									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
WAPIC Insurance (Ghana)	-	-	-	127,850	-	205,576	205,576	205,576	127,850	-

This represents 100% holding in the ordinary share capital of WAPIC Insurance (Ghana) Limited; a wholly owned subsidiary incorporated and conducting business operations in Ghana.

Notes to the consolidated financial statements – continued

23 Investment properties	←----- 31 December ----->									
	The movement in investment properties during the period was as follows:									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At start of period	1,153,846	634,560	200,000	-	-	528,699	474,560			
Acquisition during the period	127,192	506,904	434,560	200,000	-	-	41,757			
Disposal during the period	-280,163	-	-	-	-	120,730	-			
Revaluation surplus (Note 34)	66,197	12,382	-	-	-	38,031	12,382			
At end of period	1,067,072	1,153,846	634,560	200,000	-	446,000	528,699			

24 Statutory deposit	←----- 31 December ----->									
	The movement in the statutory deposit account during the period was as follows:									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At start of period	590,170	562,782	500,000	500,000	35,000	300,000	300,000	300,000	300,000	300,000
Exchange difference	3,202	13,763	-	-	-	-	-	-	-	-
Additions	11,835	13,625	62,782	-	465,000	-	-	-	-	-
At end of period	605,207	590,170	562,782	500,000	500,000	300,000	300,000	300,000	300,000	300,000

Statutory deposit represents the amount held with the Central Bank of Nigeria in accordance with Section 10(3) of the Insurance Act and amount held with the Central Bank of Ghana. The deposit is not available for the day to day operations of the Company.

25 Property and equipment	←----- 31 December ----->									
	The movement in property and equipment during the period was as follows:									
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost/Revaluation</b>										
Leasehold land & buildings	391,078	391,078	222,184	213,184	161,444	213,309				
Motor vehicles	392,211	366,354	334,020	284,388	245,567	281,659				
Office equipment & furniture	271,041	240,551	195,257	153,945	96,183	204,302				
Computer equipment	11,428	3,403	-	-	-	-				
Construction work in progress	-	-	-	-	8,640	-				
Computer software	-	-	87,311	16,130	-	-				
	1,065,758	1,001,386	838,772	667,647	511,834	699,270				
<b>Accumulated depreciation</b>										
Leasehold land & buildings	34,694	27,569	23,207	19,490	16,282	30,296				
Motor vehicles	268,260	264,682	197,157	145,293	93,829	196,687				
Office equipment & furniture	161,519	126,161	92,795	67,542	51,214	138,638				
Computer equipment	4,124	1,397	-	-	-	-				
Construction work in progress	-	-	-	-	-	-				
Computer software	-	-	2,372	-	-	-				
	468,597	419,809	315,531	232,325	161,325	365,621				

Notes to the consolidated financial statements – continued

25 Property and equipment - continued	←----- 31 December -----									
	2011	2010	2009	2008	2007	2011	2010	2008	2007	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Net book value</b>										
Leasehold land & buildings	356,384	363,509	198,977	193,694	145,162	183,013				
Motor vehicles	123,951	101,672	136,863	139,095	151,738	84,972				
Office equipment & furniture	109,522	114,390	102,462	86,403	44,969	65,664				
Computer equipment	7,304	2,006	-	-	-	-				
Construction work in progress	-	-	-	-	8,640	-				
Computer software	-	-	84,939	16,130	-	-				
	<u>597,161</u>	<u>581,577</u>	<u>523,241</u>	<u>435,322</u>	<u>350,509</u>	<u>333,649</u>				
<b>26 Intangible Assets</b>										
<i>Computer software:</i>										
Cost	94,346	88,505	-	-	-	62,460				
Accumulated Amortization	-37,527	-20,127	-	-	-	24,773				
Net book value	<u>56,819</u>	<u>68,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,687</u>				
<b>27 Due to reinsurers and brokers</b>										
Reinsurance brokers	44,349	33,494	111,399	41,174	288,274	3,446	33,494	41,174	288,274	
Other reinsurance companies	114,324	287,357	46,605	-	-	114,324	287,357	-	-	
	<u>158,673</u>	<u>320,851</u>	<u>158,004</u>	<u>41,174</u>	<u>288,274</u>	<u>117,770</u>	<u>320,851</u>	<u>41,174</u>	<u>288,274</u>	
<b>28 Other payables</b>										
Other payables comprise:										
Intercompany payables	25,554	-	1,001	-	-	-	-	1,282		
Accrued expenses	144,333	253,564	115,487	-	-	98,131	138,947	-		
Premium advances	-	-	82,858	95,234	104,587	-	-	89,983	77,051	
Rent received in advance	5,507	10,365	-	-	413	5507	10365	-	413	
Claims payable	72,988	106,518	1,581	-	-	72,988	106,518	-	626,656	
Dividend payable	-	-	-	265,150	278,042	-	-	265,150	278,042	
Other payables	332,501	169,398	295,857	155,382	141,719	158,632	141,567	129,994	107,299	
	<u>580,883</u>	<u>539,845</u>	<u>496,784</u>	<u>515,766</u>	<u>524,761</u>	<u>335,258</u>	<u>397,397</u>			

Notes to the consolidated financial statements – continued

	←-----31 December-----									
	2011	2010	2009	2008	2011	2010	2009	2008	2007	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
<b>31 Deferred taxation - conti</b>										
<b>(d) Deferred tax asset</b>										
The movement in deferred tax assets account during the										
At start of period	-10,592	-1,333,265	-544,766	-	-	1,333,265	-	544,766	-	-
Exchange difference	-376	-	-	-	-	-	-	-	-	-
(Credit)/Debit for the period	-15,133	1,322,673	-788,499	-544,766	-	1,333,265	-	788,499	-	544,766
At end of period	-26,101	-10,592	-1,333,265	-544,766	-	-	-	1,333,265	-	544,766
Total (credit)/debit for the period	-18,158	1,408,022	-788,499	-594,911	715	1,391,063				
<b>32 Share capital</b>										
<b>(a) Authorised share capital</b>										
7,000,000,000 units ordinary shares of 50k each	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
<b>(b) Issued and fully paid share capital</b>										
5,061,804,000 units ordinary shares of 50k each	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,109,085
<b>33 Contingency reserve</b>										
The movement in contingency reserve during the period wa										
At start of period	944,664	805,911	656,249	462,536	869,394	762,030	442,094	442,094	349,840	
On acquisition	-	-	-	-	-	-	-	-	-	12,774
Transfer from profit and l	132,185	138,753	149,662	193,713	94,826	107,364	135,680	-	-	105,028
At end of the period	1,076,849	944,664	805,911	656,249	964,220	869,394	762,030	442,094	442,094	
<b>34 Other reserves</b>										
Other reserves comprise of revaluation and translation reserves. The movement in these accounts are presented below:										
<i>a. Revaluation reserve</i>										
At start of the period	117,550	106,406	106,406	106,406	117,550	106,406	106,406	106,406	106,406	106,406
Additions - Revaluation surplus on investment properties (Note 23)	66,197	12,382	-	-	38,031	12,382	-	-	-	-
Deferred tax on revaluation (Note 31(c))	-6,620	-1,238	-	-	-3,803	-1,238	-	-	-	-
At end of the period	177,127	117,550	106,406	106,406	151,778	117,550	106,406	106,406	106,406	106,406

## FIVE YEAR FINANCIAL INFORMATION

### Notes to the consolidated financial statements – continued

#### 34 Other reserves - continued

	←----- 31 December-----									
	2011	2010	2009	2008	2011	2010	2009	2008	2007	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
<i>b. Translation reserve</i>										
At start of the period	-9,838	-24,775	-	-	-	-	-	-	-	
Addition during the period	14,399	14,937	-24,775	-	-	-	-	-	-	
At end of the period	4,561	-9,838	-24,775	-	-	-	-	-	-	
<b>Total</b>	<b>181,688</b>	<b>107,712</b>	<b>81,631</b>	<b>106,406</b>	<b>151,778</b>	<b>117,550</b>				

#### 35 Revenue reserve

The movement in this account during the period was as follows:

At start of period	-1,342,787	-616,377	-79,173	565,674	-1,040,118	-327,363	177,327	496,667	603,828
Dividend paid	-	-	-	-421,817	-	-712,755	-	-	527,271
Transfer from profit and loss account	158,341	-726,410	-537,204	-223,030	8,609	-	-184,754	102,477	525,138
At end of period	-1,184,446	-1,342,787	-616,377	-79,173	-1,031,509	-1,040,118	7,427	177,327	496,667

#### 36. Exceptional item

Exceptional item relates to provision for term deposits doubtful of recovery.

**1. Consolidated Profit and Loss Account**

The following is the full year summary of the Company's Unaudited Profit and Loss Accounts ending 31<sup>st</sup> December, 2012

	GROUP			COMPANY		
	31-Dec 2012 N'000	31-Dec 2011 N'000	1-Jan 2011 N'000	31-Dec 2012 N'000	31-Dec 2011 N'000	1-Jan 2009 N'000
<b>Gross premium written</b>		4,005,053	3,655,497	-	3,160,853	3,269,207
Insurance premium revenue	4,259,265	5,155,500	3,833,301	2,331,207	3,223,136	3,578,816
Insurance premium ceded to reinsurers	-684,873	-803,552	-925,995	-558,314	-682,154	-904,856
<b>Net insurance premium</b>	<b>3,574,392</b>	<b>4,351,948</b>	<b>2,907,306</b>	<b>1,772,893</b>	<b>2,540,982</b>	<b>2,673,960</b>
<b>Fee Income:</b>						
Insurance contracts	121,062	92,516	203,886	121,062	85,839	201,295
Investment income	1,245,336	820,253	550,755	758,606	529,590	323,514
<b>Net realised gain on financial assets</b>	<b>57,698</b>	<b>-26,155</b>	<b>30,500</b>	<b>41,535</b>	<b>4,454</b>	<b>20,061</b>
Net fair value on financial assets at fair value through profit or loss	-1,781	-98,645	-22,693	-	71,901.00	-
Changes in outstanding claims	51,499	163,418	107,756	34,249	120,754	82,626
Gross claims incurred	-1,903	396	271	-	-	-
Reinsurance recoveries	-356,961	-174,982	-	-	-	-
	<b>1,114,950</b>	<b>776,801</b>	<b>870,475</b>	<b>955,452</b>	<b>668,736</b>	<b>627,496</b>
<b>Net Income</b>	<b>4,689,342</b>	<b>5,128,749</b>	<b>3,777,781</b>	<b>2,728,345</b>	<b>3,209,718</b>	<b>3,301,456</b>
<b>Insurance benefits</b>						
Insurance claims and loss adjustment expenses	2,023,135	1,557,483	1,178,154	1,176,742	776,580	1,140,156
Insurance claims and loss adjustment expenses recovered from reinsurers	-406,777	-333,606	-252,930	-332,255	-214,028	-252,930
<b>Net Insurance benefits and claims</b>	<b>1,616,358</b>	<b>1,223,877</b>	<b>925,224</b>	<b>844,487</b>	<b>562,552</b>	<b>887,226</b>
Expenses for the acquisition of insurance and investment contracts	636,081	902,427	710,600	434,597	622,947	710,600
Expenses for marketing and administration	178,280	189,365	148,380	71,519	130,299	148,380
Employee benefit expenses	572,027	764,480	610,622	385,367	539,692	440,623
Other operating expenses	1,261,638	1,529,201	1,113,665	851,494	1,091,235	907,909
	<b>2,648,026</b>	<b>3,385,473</b>	<b>2,583,267</b>	<b>1,742,977</b>	<b>2,384,173</b>	<b>2,207,512</b>
<b>Total Expenses</b>	<b>4,264,384</b>	<b>4,609,350</b>	<b>3,508,491</b>	<b>2,587,464</b>	<b>2,946,725</b>	<b>3,094,738</b>
Results of operating activities	424,958	519,399	269,290	140,881	262,993	206,718
Profit before tax	424,958	519,399	269,290	140,881	262,993	206,718
Income tax expense	-92,379	-229,864	-857,040	-35,220	-127,438	-812,109
<b>Profit/(Loss) for the year</b>	<b>332,579</b>	<b>289,535</b>	<b>-587,750</b>	<b>105,661</b>	<b>135,555</b>	<b>-605,391</b>
<b>Appropriation:</b>						
Transfer to statutory regulatory reserve	64,435	132,238	138,753	28,176	94,826	107,364
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	<b>268,144</b>	<b>157,297</b>	<b>-726,503</b>	<b>77,485</b>	<b>40,729</b>	<b>-712,755</b>
	<b>268,144</b>	<b>157,297</b>	<b>-726,503</b>	<b>77,485</b>	<b>40,729</b>	<b>-712,755</b>
Basic Earnings per share for profit/(loss) attributable to the equity holders of the Company during the year (k)	7	6	-12	2	1	-14

**2. Consolidated Balance Sheet**

The following is the summary of the Company's Unaudited Group Balance Sheet as at 31<sup>st</sup> December, 2012

	GROUP			COMPANY		
	31-Dec-12 N'000	31-Dec-11 N'000	1-Jan-11 N'000	31-Dec-12 N'000	31-Dec-11 N'000	1-Jan-11 N'000
<b>Assets</b>						
Cash and cash equivalent	4,055,334	3,895,663	5,292,507	2,663,116	1,938,389	3,553,103
<b>Financial assets</b>						
Equity Securities						
Available for sale	16,736	16,736	3,537	16,736	16,736	3,537
At fair value through P&L	157,094	831,902	1,433,950	126,351	571,818	859,493
<b>Debt securities</b>						
Held to maturity	4,862,897	3,093,284	209,048	2,238,414	2,457,916	147
Other financial instrument held to matu	-	30,073	269,261	-	30,073	269,261
Loans and receivables including insuran	2,051,633	1,471,392	1,758,526	1,255,413	823,800	1,409,468
Reinsurance assets	181,967	78,325	19,529	92,799	8,925	-
Investment Properties	316,060	1,067,072	1,153,846	221,000	446,000	528,699
Investment in subsidiaries	-	-	-	2,705,576	2,455,576	2,405,576
Deferred acquisition cost	180,595	217,082	212,875	115,446	138,489	158,212
Deferred tax assets	100,116	25,236	10,446	-	-	-
Intangible assets	65,695	56,819	68,378	53,316	37,687	41,364
Property and equipment	599,637	597,632	581,577	341,548	333,649	306,148
Statutory Deposit	517,619	605,107	590,170	300,000	300,000	300,000
<b>TOTAL ASSETS</b>	<b>13,105,383</b>	<b>11,986,323</b>	<b>11,603,650</b>	<b>10,129,715</b>	<b>9,559,058</b>	<b>9,835,008</b>
<b>EQUITY AND LIABILITIES</b>						
Equity attributable to owners of the parent						
Share Capital	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902	2,530,902
Share premium	5,240,627	5,240,627	5,240,627	5,240,627	5,240,627	5,240,627
Statutory regulatory reserves	1,141,337	1,076,902	944,664	992,396	964,220	869,394.00
Other reserves	562	97,521	96,568	48,328	106,406	106,406.00
Retained Earnings	-944,266	-1,212,410	-1369707	-894,552	-972,037	-1,012,766.00
<b>TOTAL EQUITY</b>	<b>7,969,162</b>	<b>7,733,542</b>	<b>7,443,054</b>	<b>7,917,701</b>	<b>7,870,118</b>	<b>7,734,563</b>
<b>LIABILITIES</b>						
<b>Insurance liabilities</b>	3,351,232	3,050,284	2,839,713	1,100,210	1,014,415	1,164,619
Financial liabilities						
<b>Investment contracts</b>						
At amortised cost(deposit admin)	65,591	63,432	79,136	-	-	-
Trade and other payables	1,255,850	670,660	833,148	912,681	380,040	611,730
Deferred income tax	87,365	87,365	86,587	63,554	63,554	59,036
Current income tax liabilities	376,183	381,040	322,012	135,569	230,931	265,060
<b>TOTAL LIABILITIES</b>	<b>5,136,221</b>	<b>4,252,781</b>	<b>4,160,596</b>	<b>2,212,014</b>	<b>1,688,940</b>	<b>2,100,445</b>
<b>TOTAL LIABILITIES AND EQUITIES</b>	<b>13,105,383</b>	<b>11,986,323</b>	<b>11,603,650</b>	<b>10,129,715</b>	<b>9,559,058</b>	<b>9,835,008</b>

### 3. Consolidated Statement of Changes in Equity Capital

The following is the summary of the Changes in the Company's Unaudited Equity Capital at 31<sup>st</sup> December, 2012

GROUP								
	Share Capital	Share Premium	Fair Value Reseve	Statutory Regulatory Reserve	Other Reserves	Regulatory Debtors Reserves	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2012	2,530,902	5,240,627	-	1,076,902	97,521	-	1,212,410	7,733,542
<b>Total comprehensive income for the year</b>								
Profit and loss for the year	-	-	-	64,435	-	-	268,144	332,579
Other comprehensive income								
Foreign currency translation difference			-	-	38,881		-	38,881
Net changes in fair value of AFS financial instruments			-					-
Net changes on revaluation of property and equipment	-	-	-	-	58,078		-	58,078
<b>Total other comprehensive income for the year</b>	-	-	-	-	96,959	-	-	96,959
<b>Total comprehensive income for the year</b>	-	-	-	64,435	96,959	-	268,144	235,620
Total transactions with owners	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>2,530,902</b>	<b>5,240,627</b>	<b>-</b>	<b>1,141,337</b>	<b>562</b>	<b>-</b>	<b>944,266</b>	<b>7,969,162</b>

COMPANY								
	Share Capital	Share Premium	Fair Value Reseve	Statutory Regulatory Reserve	Other Reserves	Regulatory Debtors Reserves	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2012	2,530,902	5,240,627	-	964,220	106,406	-	972,037	7,870,118
<b>Total comprehensive income for the year</b>								
Profit and loss for the year	-	-	-	28,176	-	-	77,485	105,661
Other comprehensive income								
Foreign currency translation difference			-		-			-
Net changes in fair value of AFS financial instruments			-					-
Net changes on revaluation of property and equipment	-	-	-	-	58,078		-	58,078
<b>Total other comprehensive income for the year</b>	-	-	-	-	58,078	-	-	58,078
<b>Total comprehensive income for the year</b>	-	-	-	28,176	58,078	-	77,485	47,583
Total transactions with owners	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>2,530,902</b>	<b>5,240,627</b>	<b>-</b>	<b>992,396</b>	<b>48,328</b>	<b>-</b>	<b>894,552</b>	<b>7,917,701</b>

**1. Incorporation and Share Capital History**

WAPIC Insurance was incorporated as a private limited liability company in March, 1958 and it became a publicly quoted company following the divestment of Federal Government of Nigeria's holding in 1990. In 1997, the company was acquired by Intercontinental Bank PLC and the name later became Intercontinental WAPIC Insurance PLC. The acquisition of Intercontinental Bank PLC by Access Bank led to a reversion to the name – WAPIC Insurance PLC. The company has its registered office at No 119, Awolowo Road, Ikoyi, Lagos. The shares of the company are quoted on the floor of the Nigerian Stock Exchange.

At inception the company had an authorized share capital of N200,000\* divided into 200,000 Ordinary Shares of N1 each. The following changes have taken place in WAPIC Insurance's authorized and issued capital since incorporation:

Year	Authorized (N'000)		Issued and Fully Paid (N'000)		Consideration
	Increase	Cumulative	Increase	Cummulative	
1958	-	200.00	-	80.00	
1974	-	200.00	120.00	200.00	Cash
1977	100.00	300.00	100.00	300.00	Cash
1987	700.00	1,000.00	700.00	1,000.00	Cash
1990	-	1,000.00	-	1,000.00	
1991	4,000.00	5,000.00	500.00	1,500.00	Bonus
1992	-	5,000.00	500.00	2,000.00	Bonus
1993	5,000.00	10,000.00	3,000.00	5,000.00	Bonus
1994	-	10,000.00	-	5,000.00	
1995	10,000.00	20,000.00	2,500.00	7,500.00	Bonus
1996	30,000.00	50,000.00	750.00	8,250.00	Bonus
1997	50,000.00	100,000.00	61,750.00	70,000.00	Cash
1998	-	100,000.00	14,000.00	84,000.00	Bonus
1999	-	100,000.00	6,000.00	90,000.00	Bonus
2000	-	100,000.00	10,000.00	100,000.00	Bonus
2001	-	100,000.00	-	100,000.00	
2002	400,000.00	500,000.00	150,000.00	250,000.00	Cash
2003	-	500,000.00	166,667.00	416,667.00	Bonus
2004/2005	-	500,000.00	-	416,667.00	
2005/2006	3,000,000.00	3,500,000.00	-	416,667.00	
2006/2007	-	3,500,000.00	83,333.00	500,000.00	Bonus
2007	-	3,500,000.00	1,609,085.00	2,109,085.00	Cash
2008	-	3,500,000.00	-	2,109,085.00	Bonus
2009	-	3,500,000.00	421,817.00	2,530,902.00	Cash
2010	-	3,500,000.00	-	2,530,902.00	
2011	-	3,500,000.00	-	2,530,902.00	
2012	5,000,000	8,500,000.00	-	2,530,902.00	
2013	-	8,500,000.00	1,438,172.00	3,969,074.00	Scheme shares

\*The legal tender was Pounds

## 2. Shareholding Structure

As at January 30, 2013 (effective date of merger with Intercontinental Properties Limited), the 7,938,147,979 Ordinary shares of 50 kobo each in the issued share capital of the Company were beneficially held as follows:

Shareholder	No. of Ordinary Shares Held	% Holding
Access Bank Plc	4,883,039,474	61.51
Aigboje Aig-Imoukhuede (Indirect Holdings)	652,224,792	8.22
Others	2,402,883,713	30.27
<b>Total</b>	<b>7,938,147,979</b>	<b>100.00</b>

Except as stated above, no shareholder holds more than 5% of the issued share capital of the Company.

## 3. Directors' Beneficial Interests

The interest of the Directors in the issued share capital of the Company as recorded in the Register of Members as at 01 February, 2013 and as notified by them for the purpose of Section 275 (1) of the Companies and Allied Matters Act Cap C20 LFN are as follows:

	Direct	Indirect	Total	% Holding
Mr. Aigboje Aig-Imoukhuede		652,224,792	652,224,792	8.22
Mr. Taukeme Koroye	-	-	-	-
Mr. Victor Etuokwu	3,558,500		3,558,500	0.04
Mrs. Ojini Olaghere	5,000,000		5,000,000	0.06
Mrs. Titi Osuntoki	-	-	-	-
Alhaji Adamu Atta	-	-	-	-
Mr. Bode Osunkoya	-	-	-	-
Mr. Barnabas Olise	-	-	-	-
Mr. Segun Balogun	23,647,735		23,647,735	0.30
Mr. David Aluko	500,000		500,000	0.01
Mr. Richard Adewole	5,475,138	-	5,475,138	0.07

## 4. Indebtedness

As at the date of this Rights Circular, Wapic Insurance Plc had no outstanding debentures, mortgages, loans, charges or similar indebtedness other than those incurred in the ordinary course of business.

## 5. Claims and Litigation

The Company in the ordinary course of business is presently involved in 8 cases. The total number of the cases instituted against the Company is 7, whilst 1 case has been instituted by the Company. The total amount claimed in the 7 cases instituted against the Company is estimated at N2,576,009,258.44<sup>6</sup> while the total amount claimed in the 1 case instituted by the Company is estimated at N31,711,238.21.

<sup>6</sup> The sum is inclusive of a claim of US\$1,290,871.70 which was converted to Naira using the Central Bank of Nigeria official exchange rate of N155.74 as at 5<sup>th</sup> February 2013

Based on the legal opinion received by the Company, the Directors of the Company believes that the aforementioned cases are unlikely to succeed in any material terms and that the contingent liability of the Company that may result from the cases is unlikely to exceed N209,917,946.56 and the claims and litigation may therefore have no material adverse effect on the Company or the Rights being offered.

### 6. Detailed Information on Compliance with Codes of Corporate Governance

Wapic Insurance Plc recognizes that appropriately implemented corporate governance standards and practices should balance dual objectives of protecting the interest of the shareholders whilst also enabling the Board and Management to direct and manage the affairs of the Company. The Company is therefore committed to implementing the best practice standards of corporate governance.

Wapic is mindful of its obligations under the relevant codes of corporate governance such as the Securities and Exchange Commission's Code of Corporate Governance ("the SEC Code"), the National Insurance Commission (NAICOM) Code of Corporate Governance for the Insurance Industry in Nigeria and the Post Listing Rules of the Nigeria Stock Exchange (NSE). These, in addition to the Company's Board Charter collectively provide the basis for promoting sound corporate governance in the Company. The Company's core values of excellence, leadership, innovation, empowered employees and professionalism are the bedrock upon which it continues to build its corporate behavior.

#### Performance Evaluation

As part of the Company's commitment to uphold sound Corporate Governance practices and in compliance with the requirement of the NAICOM Code of Corporate Governance, the Company, at its Annual General Meeting, appointed Accenture Limited as an external Consultant to conduct the annual Board Performance Appraisal for the financial year ending December 31, 2012. This is with a view to ensure continuous monitoring and reporting of the Company's Corporate Governance performance. The Board is comfortable that Accenture Limited will provide value-added and objective evaluation notwithstanding its provision of strategy consulting assistance to the Company.

#### Appointment, Retirement and Re-election of Directors

On December 6, 2012, the Board, pursuant to the powers vested on it by the Articles of Association appointed the following as Directors:

- Mrs. Titilayo Osuntoki – Independent Director
- Mr. Bode Osunkoya – Independent Director
- Mr. Adamu Atta – Non-Executive Director

These appointments are to be tabled before the Shareholders at the next AGM for approval. The appointments were made with a view to further strengthening the Board and ensure compliance with both the SEC and NAICOM Codes of Corporate Governance which require the presence of Independent Directors on the Board and its Committees. The appointments were effective January 1, 2013.

Following the completion of their maximum 9 year terms on the Board, as provided by the NAICOM Code of Corporate Governance, the Board accepted the resignations of Alhaji Isyaku Umar and Mr. Iheanacho Ugochukwu effective December 31, 2012. Also accepted was the resignation of Mr. Obinna Nwosu who resigned from the Board during the period.

#### Shareholders' Meeting

Shareholders meetings are duly convened and held in line with the Company's Articles of Association and existing statutory and regulatory regimes in an open manner, for the purpose of deliberating on issues affecting the Company's strategic direction. This occurs through a fair and transparent process and also serves as a medium for promoting interaction between the Board, Management and Shareholders. Attendance at the Annual General Meeting is open to Shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, National Insurance Commission and the Securities and Exchange

## STATUTORY & GENERAL INFORMATION

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Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or Shareholders holding not less than 10% of the Company's paid-up capital.

### Access to Information and Resource

There is ongoing engagement between Executive Management and the Board, and the heads of relevant strategic business units attend Board meeting to make presentations. The Company's external auditors attend the Board, the Board Audit Committee and the shareholders Audit Committee Meetings. The directors have unrestricted access to the Group Management and Company information in addition to the resources to carry out their roles and responsibilities. This includes access to external professional advice at the Company's expense.

### Shareholders Rights Protection

The Company's reports and other communication to shareholders and other stakeholders are in plain, readable and understandable format. The Board ensures that shareholders' statutory and general rights are protected at all times particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions.

### The Board:

The primary obligation of the Board of Directors is to advance the prosperity of the Company by collectively directing its affairs, whilst meeting the appropriate interests of shareholders and stakeholders. The Board is the Company's highest decision making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders which is critical to sustainable growth.

The Company has a unitary board structure. The Board is presently comprised of Eleven members made up of eight non-executive directors and three executive directors the full details of which are set out below:

S/N	Name	Designation
1.	Mr. Aigboje Aig-Imoukhuede	Chairman
2.	Mr. Taukeme Koroye	Non-Executive Director
3.	Mrs. Ojini Olaghere	Non-Executive Director
4.	Mr. Victor Etuokwu	Non-Executive Director
5.	Mr. Barnabas Olise	Non-Executive Director
6.	Mrs. Titilayo Osuntoki	Independent Director
7.	Mr. Bababode Osunkoya	Independent Director
8.	Mr. Adamu Atta	Non-Executive Director
9.	Mr. Segun Balogun	Managing Director
10.	Mr. David Aluko	Deputy Managing Director
11.	Mr. Richard Adewole	Executive Director

In line with best practice, there is separation of powers between the Chairman and the Managing Director. The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of independent and non-independent directors with no shadow or alternate Directors, which ensures that independent thought, is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills and competences of the executive and non-executive directors who have exceptional degrees of insurance, financial and broader entrepreneurial experiences.

The Board is responsible for ensuring the creation and delivery of sustainable value to the Company's stakeholders through its management of the Company's business. The Board is accountable to the shareholders and is responsible for the management of the Company's relationship with its various stakeholders. The Board ensures that the activities of Wapic are at all times executed within the relevant regulatory framework.

### **Duties of the Board**

These include but are not limited to:

- Defining the Company's business strategy and objectives,
- Formulating risk policies
- Approval of quarterly, half yearly and full year financial statements
- Approval of significant changes in accounting policies and practices
- Appointment or removal of directors and company secretary
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure
- Approval of Terms of reference and membership of Board Committee
- Approval of remuneration of auditors and recommendation for appointment or removal of auditors
- Approval of the corporate strategy, medium term and short term plans
- Monitoring delivery of the strategy and performance against plan
- Review and monitoring of the performance of the Managing Director and the executive team
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and senior executives
- Ensuring effective communication with shareholders
- Ensuring the integrity of financial reports

### **Delegation of Authority**

The ultimate responsibility for the Company's operations rests with the Board. The Board retains effective control through well-developed Committee governance structure that provides in-depth focus on Board responsibilities. The Board delegates authority to the Managing Director and the Executive Management to manage the affairs of the Company within the parameters established by the Board from time to time.

The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Committee meetings are approved in advance at the beginning of each financial year and all directors are expected to attend each meeting. Material decisions may be taken between meetings through written resolutions as provided for by the Company's Articles of Association. The Annual Calendar of Board activities include a Board Retreat at an offsite location, to consider strategic matters and review the opportunities and challenges facing the institution. All directors are provided with Notices, Agenda and meeting papers in advance of each meeting and where a director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such director reserves

the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. The directors are also provided with regular updates on developments in the regulatory and business environment

### **Board Committees**

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. The Board's five standing committees are the Board Investment Committee, the Board Establishment and Governance Committee, the Board Enterprise Risk Management Committee, the Board Audit and Compliance Committee, and the Board Finance and General Purpose Committee.

### **Board Investment Committee**

The Committee advises the Board on its oversight responsibilities in relation to the Company's general investments and provides strategic guidance for the development and achievement of the Company's investment objectives. It works with Management to review the quality of the Company's investment portfolio and the trends affecting the portfolio; oversee the effectiveness and administration of investment related policies including compliance with legal investment limits and the Company's in-house investment restrictions; review the process for determining provision for investment losses and the adequacy of the provisions made; and provides oversight and guidance to the Company regarding all aspects of implementing the NAICOM Guidelines and compliance with other regulatory Risk based supervision framework. The Committee is chaired by Mr. Taukeme Koroye.

### **Board Establishment and Governance Committee**

The Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the Company. Specifically, the Committee is responsible for determining and executing the processes for board appointments, recommending appropriate remuneration for directors (both executive and non-executive) and approving remuneration for all other members of staff. The Committee is responsible for reviewing and recommending the Company's organizational structure to the Board for approval. The Committee is also responsible for reviewing the performance and effectiveness of Board of the Company's subsidiaries on an annual basis. The Committee ensures that the Company's human resources are maximized to support the long term success of the enterprise and to protect the welfare of all employees. The Committee is chaired by Mr. Adamu Atta who is a non-executive director and also has an independent director as a member.

### **Board Enterprise Risk Management Committee**

The Committee assists the Board in fulfilling its oversight responsibility relating to establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic reviews of reports provided by management and ensures the appointment of qualified officers to manage the risk function. The Committee evaluates the Company's risk policies on a periodic basis to accommodate major changes in internal or external environment. The Committee is chaired by Mrs. Titilayo Osuntoki who is an independent director in line with the provisions of the NAICOM Code.

### **Board Audit and Compliance Committee**

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process; the independence and performance of the Company's internal and external auditors; and the Company's system of internal control and mechanism for receiving complaints regarding the Company's accounting and operating procedures. The Company's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The Committee is chaired by Mr. Bababode Osunkoya who is an independent director in line with the provisions of the NAICOM Code.

### **Board Finance and General Purpose Committee**

The Committee assists the Board in amongst other things, fulfilling its oversight responsibility relating to the management of the Company's exposure to financial risk; the Company's business plan, cash plan, balance sheet and capital structure; as well as the Company's capital allocation strategy, including the cost of capital. The Committee is chaired by Mrs. Ojini Olaghere.

### Executive Committee

The Executive Committee (EXCO) is made up of the Managing Director as Chairman, the Deputy Managing Director and all the Executive Directors as members. It is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Company's resources.

### Management Committees

These are standing committees made up of senior management staff of the Company. The Committees are also risk driven and are set up to identify, analyze and make recommendations on risks pertaining to the Company's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and also provide input to the various Board Committees in addition to ensuring the effective implementation of risk policies. These Committees meet as frequently as risk issues occur and take actions and decisions within the confines of their respective powers.

The management committees include: Management Investment Committee, Management Underwriting and Claims Committee, Enterprise Risk Management Committee, Criticized Assets Committee

### Statutory Audit committee

In compliance with Section 359 of the Companies and Allied Matters Act 1990, Wapic constituted a standing Shareholders Audit Committee made up of three non-executive directors and three shareholders. The composition of the Committee is as set out below

- Mr. Chinwendu Ochara (Shareholder) Chairman
- Mrs. Mary Joke Shofolahan (Shareholder) Member
- Mr. Adeniyi Adebisi (Shareholder) Member
- Mr. Taukeme Koroye (Director) Member
- Mr. Victor Etuokwu (Director) Member
- Mr. Bababode Osunkoya (Director) Member

### Code of Ethics

Wapic has in place, a Code of Conduct which specifies expected behavior of its employees and directors. The code is designed to empower employees and directors and enable effective decision making at all levels of the business according to defined ethical principles. The Code requires that each Company employee shall read the Code and sign a confirmation that he has understood the content. Wapic also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head of Human Resources is responsible for the design and implementation of the "Code of Conduct" while the Chief Compliance Officer is responsible for monitoring and ensuring compliance.

### Remuneration Statement

The Company has established clear policy guidelines for the determination and administration of compensation. In line with the policy guidelines, Wapic seeks to attract and retain the best talents. The objective of the policy is to ensure that salary structure including short and long term incentives motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Company's reward practices. Operating within the guidelines set by the principles above; staff compensation is approved by the Board of Directors through the Board Establishment and Governance Committee.

Wapic has put in place a performance bonus scheme which seeks to attract and retain high performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amount include pay level for each skill sets which may be influenced by relative dearth of skill in a particular area.

### The Company Secretary

The company secretary has the primary duty of assisting the Board and management in developing and implementing good corporate governance standard. She ensures that there is timely and appropriate information dissemination within and to the Board. She is responsible for designing and implementing the induction programme for new directors.

### Statement of Compliance

Wapic is a public limited liability and therefore subject to the relevant provisions of the SEC as well as the NAICOM Codes of Corporate Governance. In the event of any conflict between the provisions of the two codes regarding any matter, Wapic will defer to the provisions of the NAICOM Code as its primary regulator.

Regarding the minimum number of independent directors, Wapic complied with both the SEC and NAICOM Codes which require a minimum of one independent director and at least two independent directors respectively.

### 7. Relationship between the Issuer and the Issuing Houses/Other Advisers

As at the date of this Rights Circular, there is no relationship between the Company and any of its Advisers other than in the ordinary course of business. The Issuing Houses/Other Advisers may also hold the ordinary shares of the Company in their proprietary position or for investment purposes.

### 8. Cost and Expenses

The cost Issue including fees payable to the SEC, the NSE and professional parties (including advert, marketing printing and publicity expenses of ₦39,119,193.24) are estimated at ₦149,840,481.25 representing approximately 4.29% of the total amount to be raised.

### 9. Material Contracts

The following agreement has been entered into by WAPIC Insurance and is deemed material to this Rights Issue

- A. Vending Agreement dated 11<sup>th</sup> Day of February, 2013 and executed between WAPIC Insurance Plc, BGL Plc and Marina Securities Limited.

Other than as stated above, WAPIC Insurance has not entered into any contracts material to this proposed Rights Issue except in the ordinary course of business

### 10. Declarations

Except as otherwise disclosed in this Rights Circular:

1. No share of WAPIC Insurance is under option or agreed conditionally or unconditionally to be put under option;
2. No commissions, discounts, brokerages or other special terms have been granted by WAPIC Insurance to any person in connection with the Issue or sale of any share of the Company;
3. Save as disclosed herein, the Directors of WAPIC Insurance have not been informed of any holding representing 10% or more of the issued share capital of the Company;
4. There are no founders', management or deferred shares or any options outstanding in WAPIC Insurance;
5. There are no material service agreements between WAPIC Insurance or any of its Directors and employees other than in the ordinary course of business;
6. No Director of the Company has had any interest, direct or indirect, in property purchased or proposed to be purchased by the Company in the five years prior to the date of this Circular.

## STATUTORY & GENERAL INFORMATION

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7. No Director or key management staff of the Company is or has been involved in any of the following:
  - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
  - b. A conviction in a criminal proceeding or is named subject of pending criminal proceeding relating to fraud or dishonesty; and
  - c. The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
8. No existing and potential related-party transactions and conflict of interest in relation to the company and its related-parties;
9. There are no amounts or benefits paid or intended to be paid or given to any promoter within the two years preceding the date of the Circular;
10. No merger/ take-over offers by third parties in respect of WAPIC Insurance's securities or merger/takeover offers by WAPIC in respect of other company's securities during the preceding year and the current financial year.

### 11. Mergers and Acquisition

As part of its growth strategy, WAPIC Insurance continues to explore merger and acquisition opportunities. Prior to the date of this Circular, the Company successfully concluded its merger with Intercontinental Properties Limited. However, as at the date of this Circular, no binding agreements have been entered into in respect of any other merger and acquisition potential transactions and it is not known if any such agreements will be entered into or if the transactions will be consummated.

### 12. Research and Development

While WAPIC continues to adopt best practices in its operational processes, the Company did not make any research and development capital expenditure over the last three (3) years.

### 13. Consents

The following have given and have not withdrawn their written consents to the issue of this Rights Circular with the inclusion of their names and reports (where applicable) in the form and context in which they appear:

#### *Directors and Secretary of the Company:*

**Mr. Aigboje Aig-Imoukhuede**

(Chairman)

**Mr. Victor Etuokwu**

(Non-Executive Director)

**Mrs. Titilayo Osuntoki**

(Non-Executive Director)

**Mr. Bababode Osunkoya**

(Non-Executive Director)

**Mr. Segun Balogun**

(Executive Director)

**Mr. Richard Abiodun Adewole**

(Executive Director)

**Mr. Taukeme Koroye**

(Non-Executive Director)

**Mrs. Ojini Olaghere**

(Non-Executive Director)

**Mr. Adamu Mahmoud Atta**

(Non-Executive Director)

**Mr. Barnabas Olise**

(Non-Executive Director)

**Mr. David Oludare Aluko**

(Executive Director)

**Ms. Mary Agha**

(Company Secretary)

## STATUTORY & GENERAL INFORMATION

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**Lead Issuing House:**

BGL Plc

**Joint Issuing House:**

Marina Securities Limited

**Joint Stockbrokers:**

BGL Securities Limited

Marina Securities Stockbroking Services Limited

**Registrars:**

United Securities Limited

**Solicitors to the Issue:**

Aluko & Oyebode

**Company Auditors:**

KPMG Professional Services

**Receiving Bank:**

Access Bank Plc

### 14. Documents Available for Inspection

Copies of the following documents may be inspected at the offices of **WAPIC Insurance Plc**, 50, Awolowo Road, Ikoyi, Lagos, **BGL Plc**, 12A, Catholic Mission Street, Lagos Island, Lagos, **Marina Securities Limited**, 10 Amodu Ojikutu Street, Victoria Island, Lagos, and **Access Bank Plc**, Plot 999c, Danmola Street, Off Adeola Odeku Street, Victoria Island, Lagos during normal business hours on any weekday (except public holidays), throughout the duration of the Issue.

- (a) Certificate of Incorporation of the Company;
- (b) Memorandum and Articles of Association of the Company;
- (c) The Company's Form CAC 7 (Particulars of Directors)
- (d) The Company's Form CAC 2 (Statement of Share Capital and Returns of Allotment of Shares)
- (e) The Rights Circular issued in respect of the issue;
- (f) Shareholders' Resolution authorising the issue;
- (g) Board Resolution recommending the issue;
- (h) The Certificate of registration of increase in share capital obtained from the Corporate Affairs Commission;
- (i) The audited accounts of the Company for each of the five years ended, 31 December, 2011 and the Management Accounts for year ended 31 December 2012
- (j) The Letter from The Exchange approving the issue
- (k) The letter from SEC approving the issue
- (l) The Certificate of Exemption from The Exchange
- (m) The list of Claims and Litigation referred to above;
- (n) The Material Contracts referred to above;
- (o)
- (p) The written Consents referred to above.

WAPIC INSURANCE PLC  
RC 1647



January 17, 2013

Dear Sir/Madam

**WAPIC INSURANCE PLC ("THE COMPANY"): RIGHTS ISSUE OF 6,350,518,383 ORDINARY SHARES OF 50K EACH AT ₦0.55 PER SHARE ("THE ISSUE").**

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**1. Provisional Allotment**

The Securities & Exchange Commission ("SEC") and The Nigerian Stock Exchange ("NSE") has approved the offer by way of Rights Issue of **6,350,518,383** Ordinary shares of 50 kobo each to the existing Shareholders of the Company and the Directors of your Company have provisionally allotted to you the number of new Ordinary shares set out on the first page of the Acceptance/Renunciation Form. The provisional allotment is in the proportion of Eight (8) new Ordinary shares for every Ten (10) Ordinary shares that appeared against your name in the Company's Register of Members at the close of business on Friday, February 08, 2013.

**2. Acceptance and Payment**

**a) Full Acceptance**

If you wish to accept this provisional allotment in full, please complete box **B** of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form, together with the cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed in this document not later than 5<sup>th</sup> July, 2013. The cheque or draft must be drawn on a Company in the same town or city in which the Receiving Agent is located and crossed "**WAPIC Plc Rights**" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post. If payment is not received on the due date, the provisional allotment will be deemed to have been declined and will be cancelled. **The Central Bank of Nigeria has placed a maximum limit on cheque payments of ₦10 million with effect from January 1, 2010. Any payment value exceeding N10 million should be made through an electronic payment. Kindly consult further with your Bankers/Receiving Agents in this regard**

**b) Partial Acceptance**

To accept your provisional allotment partially, please complete item (i) of box **C** and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on pages 55 to 56 of this document together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete items (ii) and (iii) of box **C** and submit your Acceptance/Renunciation Form to a stockbroker (not the Company) of your choice together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your Rights on the floor of The Exchange.

**c) Applying for Additional Stock**

This may be done through any of the following processes:

**i. By completing item (ii) of box B of the Acceptance/Renunciation Form**

Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please refer to item 4 on page 54)

**ii. Purchasing Rights**

Rights can only be purchased through any of the stockbrokers listed on pages 55 and 56 of this document. The stockbroker of your choice will guide you regarding payment and other steps to take. Shareholders/investors who purchase Rights through the trading as explained on page 54 of this document will be guaranteed the number of shares purchased i.e they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).

**3. Trading in Rights**

The approval of the SEC and The Exchange has been obtained for the trading in the Rights of the Company on the trading floor of The Exchange. The Rights will only be available for trading only during the offer period. The trading price on the first day of trading shall be determined by The Exchange. Subsequently, the Rights price is expected to be determined by forces of demand and supply. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights within the period specified above. Please complete item (iii) of box **C** of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and procedure for purchasing the Rights. Shareholders who trade their Rights can also apply for additional shares by completing item (ii) of box **B** of the Acceptance/Renunciation Form.

**4. Allotment of Additional Shares**

Ordinary shares which are not taken up by 5<sup>th</sup> July 2013 will be allotted, on a pro rata basis in line with the SEC Rules and Regulations to existing Shareholders who have applied and paid for additional Ordinary shares by completing item (ii) of box **B**.

**5. E-Allotment and Share Certificates**

At the completion of the Right Issue, the Ordinary shares will be registered and transferable in units of 50 kobo each. The CSCS accounts of Shareholders will be credited not later than 15 working days from the date basis allotment is cleared by the SEC. Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Certificates will be dispatched to Shareholders that do not provide his/her CSCS account details by registered post not later than 15 working days from the date of allotment.

**6. Surplus Monies**

If any Shareholder who had applied for additional shares in addition to his/her provisional allotment is allotted fewer shares than the number of shares applied and paid for, the excess amount paid will be returned, together with accrued interest, by registered post within 5 (five) working days of allotment.

Yours faithfully,



Ms. Mary Agha  
**Company Secretary**

## RECEIVING AGENTS

*The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Joint Issuing Houses, cannot give rise to a liability on the part of the Joint Issuing Houses under any circumstances.*

### BANKS

Access Bank Plc Diamond Bank Plc Enterprise Bank Limited Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Keystone Bank Limited Mainstreet Bank Limited	Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Plc Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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### STOCKBROKERS AND OTHERS

Adamawa Securities Limited. Adonai Stockbrokers Ltd. Afrinvest West Afrca Ltd ALL Securities Limited AIMS Asset Mgt. Ltd Alangrange Sec. Ltd Allbond Investment Limited Alliance Capital Mgt. Co. Ltd. Altrade Securities Limited AMYN Investment Limited Anchorage Securities & Finance Ltd Anchoria Inv. & Sec. Ltd. Apel Asset & Trust Ltd APT Sec. & Funds Limited Arian Capital Management Ltd ARM Securities Ltd Associated Asset Managers Ltd Atlass Portfolio Ltd Belfry Invest. & Sec. Limited Best Link Investment Limited Bestworth Assets & Trust Limited BFCL Assets & Sec. Ltd. BGL Securities Limited Bic Securities Limited Bytofel Trust & Securities Ltd Cadington Securities Ltd Calyx Securities Limited Camry Securities Ltd Capital Asset Limited Capital Bancorp Limited. Capital Express Sec. Limited Capital Trust Brokers Ltd. Cashcraft Securities Ltd Cashville Inv. & Sec. Ltd Century Securities Limited Chapel Hill Advisory Services Chapel Hill Denham Securities Ltd Chartwell Securities Ltd Citi Investment Capital Ltd City Fin. & Sec. Limited City Investment Management. Ltd City-Code Trust & Inv. Co. Clearview Inv. Co. Limited Colvia Securities Ltd Compass Investment & Securities Ltd Consolidated Inv. Limited Consortium Investments Ltd Convenant Sec. & Asset Mgt. Ltd Cordros Capital Limited Core Trust & Inv. Limited Cowry Asset Management Ltd Cradle Trust Finance & Sec. Ltd Crane Securities Limited Crossworld Securities Ltd. Crown Capital Ltd (Crown Wealth Assets Mgt Ltd.) CSL Stockbrokers Limited	Dakal Services Limited Davandy Finance & Sec. Ltd. DBSL Securities Limited De-Canon Investment Ltd. Deep Trust Investment Ltd De-Lords Securities Limited Dependable Securities Ltd. Diamond Securities Ltd Dolbic Finance Limited Dominion Trust Limited DSU Brokerage Services Ltd Dynamic Portfolio Limited ECL Asset Management Ltd EDC Securities Ltd Emerging Capital Ltd EMI Capital Resources Ltd. Empire Securities Limited Enterprise Stockbroker Plc. EPIC Investment & Trust Limited Equator Stockbrokers Ltd Equity Capital Solutions Ltd ESS Investment & Trust Ltd. Eurocomm Securities Ltd. Excel Securities Limited Express Discount Asset Management Ltd Express Portfolio Services Ltd. F&C Securities Limited Falcon Securities Limited FBC Trust & Securities Ltd FBN Securities Ltd Foresight Sec. Inv. Limited Forte Financial Ltd Forthright Sec. & Inv. Limited Fortress Capital Limited Fountain Securities Limited FSDH Securities Ltd Fund Matrix & Assets MGT. Ltd. Future View Financial Services Ltd Future View Securities Ltd Gem Assets Management Ltd Genesis Securities & Inv. Ltd. Gidauniya Inv. & Sec. Ltd. Global Assets Mgt (Nig) Ltd Global Inv. & Sec. Ltd. Global View Consult & Investment Ltd Golden Securities Ltd. Gombe Securities Ltd Gosord Securities Ltd Greenwich Securities Ltd GTB Securities Ltd GTI Capital Limited Harmony Securities Ltd. Heartbeat Investments Ltd. Hedge Sec. & Inv. Co. Ltd Heritage Capital Markets Ltd HP Securities Limited	I.T.I.S. Securities Limited ICMG Securities Limited Icon Stockbrokers Limited. Ideal Securities & Invt. Ltd Imperial Assets Managers Ltd IMTL Securities Ltd Independent Securities Ltd. Integrated Trust & Inv. Ltd. Intercontinental Securities Limited International Standard Sec. Ltd. Interstate Securities Ltd Investment Centre Ltd (ICL) Investors & Trust Co. Ltd. Jamkol Investment Ltd. Kapital Care Trust & Sec. Ltd Kinley Securities Limited Kofana Securities & Inv. Ltd Kundila Finance Services Ltd. Laksworth Inv. & Sec. Ltd. Lambeth Trust & Inv. Co. Ltd LB Securities Limited Lead Capital Ltd. Lead Securities & Investment Ltd Lighthouse Asset Mgt. Ltd Lion Stockbrokers Limited LMB Stockbrokers Limited Lynac Securities Limited Mact Securities Ltd Magnartis Finance & Inv. Ltd. Mainland Trust Limited Maninvest Asset Mgt. Plc Marimpex Fin. & Inv. Ltd. Marina Securities Limited Marriot Sec. & Inv. Co. Maven Asset Management Ltd Maxifund Invest & Sec. Ltd. Mayfield Investment Limited MBC Securities Limited MBL Financial Services Ltd Mega Equities Limited Mercov Securities Limited Mountain Inv. & Sec. Limited Mutual Alliance Inv. & Sec. Ltd. Network Securities & Finance Ltd. Newdevco Invest. & Sec. Co. Ltd Niche Securities Limited Nigerian International Sec. Ltd. Nigerian Stockbrokers Ltd. Northbridge Investment & Trust Ltd Nova Finance & Securities Ltd. OASIS Capital Omas Inv. & Trust Limited Options Securities Limited PAC Securities Limited Pilot Securities Ltd. Pinefields Inv. Serv. Limited
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## RECEIVING AGENTS

PIPC Securities Limited	Royal Crest Finance Limited	Valmon Securities Limited
Pivot Trust & Inv. Co. Ltd.	Royal Trust Securities Ltd	Valueline Sec. & Inv. Limited
Platinum Capital Limited	Santrust Securities Limited	Vetiva Capital Mgt. Limited
Plural Securities Ltd	Securities Solutions Limited	Vetiva Securities Ltd
PML Securities Company Ltd	Securities Trading & Invest. Ltd	Vision Trust & Inv. Limited
Portfolio Advisers Ltd	Security Swaps Limited	Waila Securities & Funds Ltd
Prime Wealth Capital Ltd	Shalom Inv. & Sec. Limited	Wema Securities & Fin. Plc
Professional Stockbrokers Ltd	Shelong Invest. Ltd	Wizetrade Capital Asset & Mgt. Ltd
Profund Securities Limited	Sigma Securities Limited	Woodland Capital Market Ltd
Prominent Securities Limited	Signet Investments Sec. Ltd.	WSTC Financial Services
Prudential Securities Ltd.	Sikon Securities & Inv. Co.	WT Securities Ltd
PSI Securities Limited	Resort Securities & Trust Ltd.	Zenith Securities Limited
Pyramid Securities Ltd	Trans Africa Financial Services Ltd	Transworld Investment & Securities Ltd
Quantum Securities Limited	Transglobe Inv. & Fin. Co. Ltd.	Tropics Securities Limited
Rainbow Sec. & Inv. Co. Ltd.	Royal Crest Finance Limited	Trust Yeild Securities Limited
Reading Investments Ltd	Royal Trust Securities Ltd	Trusthouse Investment Ltd.
Redasel Investment Ltd	Santrust Securities Limited	TRW Stockbrokers Limited
Regency Assets Mgt. Ltd.	Securities Solutions Limited	UBA Stockbrokers Ltd
Regency Financings Limited	Transworld Investment & Securities Ltd	UBA Stockbrokers Ltd
Rencap Securities Nigeria Ltd	Tropics Securities Limited	
Resano Securities Limited	Trust Yeild Securities Limited	
Resort Securities & Trust Ltd.	Trusthouse Investment Ltd.	
Reward Inv. & Sec. Ltd.	TRW Stockbrokers Limited	
Richmond Securities Limited	UBA Stockbrokers Ltd	
Riverside Trust Limited	UIDC Securities Limited	
Rivtrust Securities Limited	Unex Capital Ltd	
Rolex Securities Limited	Transworld Investment & Securities Ltd	
Rostrum Inv. Securities Ltd	Union Capital Markets Ltd	



**ACCEPTANCE/RENUNCIATION FORM**

Acceptance List Opens  
Monday, June 10, 2013

Acceptance List Closes  
Friday, July 05, 2013



**Acceptance/Renunciation Form**

**A. TRADING IN RIGHTS**

- i. Shareholders who renounce their rights partially or in full may trade their Rights on the floor of The Exchange only during the offer period as explained on page 54 of this Rights Circular.
- ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights, and/or apply for additional shares by completing item (ii) of box B below.
- iii. Shareholders who purchase Rights on the floor are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box B will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.
- iv. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing the Rights.

<b>Details of Shareholder's Provisional Allotment</b>		
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**PLEASE COMPLETE SECTION B OR C AS APPLICABLE**

**B. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL ORDINARY SHARES**

- i) I/We accept in full, the provisional allotment as shown above
- ii) I/We also apply for the following additional shares:

<div style="border: 1px solid black; padding: 5px; display: inline-block;">                 This section should be completed if you wish to apply for additional shares             </div>		Number of Additional Ordinary Shares applied for	Additional amount payable at ₦0.55 per share
			₦

I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.

- iii) I/We enclose my/our cheque/bank draft for ₦.....or evidence of payment of ₦ (for amounts exceeding ₦10 Million) being the amount payable as shown above, plus any additional amount as shown in item (ii) above.

Cheque details: Name of bank/branch  
Cheque number

**C. RENUNCIATION OR PARTIAL ACCEPTANCE**

1	2	3
Number of Ordinary shares accepted	Amount Payable at ₦0.55 Per share	Number of Ordinary shares Renounced
	₦	

- i) I/We accept the number of shares as shown in Column (1) above and enclose my/our cheque/bank draft for ₦..... or evidence of payment of ₦..... (for amounts exceeding N10 million ) a shown in Column 2 above.

Cheque details: Name of bank/branch: ..... Cheque number: .....

- ii) I/We hereby renounce my/our rights to the Ordinary shares shown in Column 3, being the balance of the Ordinary shares allotted to me/us.
- iii) I/We confirm that I/We wish to trade my/our rights to ..... Ordinary Shares (being my/our renounced shares as shown in Column (3) above on the floor of The Exchange. I/We shall obtain a transfer form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker for the execution of the mandate.

(for either B or C)

Signature: ..... 2<sup>nd</sup> Signature (for Joint/Corporate Allottees) .....

Date: ..... 2013 Next of Kin.....

Clearing House Number (CHN)

<b>C</b>									
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CSCS No (If you want shares allotted credited to your CSCS A/C)

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Name of your Stockbroker

Stamp of Receiving Agent