

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, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY
PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 34



Offer for Subscription

of

4,750,000,000

Ordinary Shares of 50 Kobo each

at

₦3.95 per share

Payable in full on Application

APPLICATION LIST OPENS: Friday, 14 March 2008
APPLICATION LIST CLOSES: Monday, 31 March 2008

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



This Prospectus 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, 2007 to issue a Prospectus which contains false or misleading information. Clearance and registration of this Prospectus 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.

This Prospectus is dated Tuesday, 11 March 2008

CONTENTS

DEFINITIONS	3
CORPORATE DIRECTORY	4
ABRIDGED TIMETABLE	5
THE OFFER	6
SUMMARY OF THE OFFER	7
DIRECTORS AND OTHER PARTIES TO THE OFFER	11
THE CHAIRMAN'S LETTER.....	14
HISTORY	14
THE COMPANY'S BUSINESSES	15
OUR ENVIRONMENT	19
THE NIGERIAN ECONOMY	19
THE POLITICAL LANDSCAPE	20
THE INSURANCE INDUSTRY	20
STRUCTURAL REFORMS	20
STRATEGIC PARTNERS	22
CORPORATE STRATEGY	22
BUSINESS STRATEGY	23
CONSOLIDATION PLANS	25
BOARD OF DIRECTORS.....	26
MANAGEMENT TEAM.....	29
PREMISES.....	32
PURPOSE OF THE OFFER	33
WORKING CAPITAL, PROFIT AND DIVIDEND FORECASTS	33
RISK AND MITIGATING FACTORS.....	34
CORPORATE GOVERNANCE	35
RESEARCH AND DEVELOPMENT	36
CONCLUSION.....	36
LETTER ON GOING CONCERN STATUS	37
LETTER FROM THE ISSUING HOUSES	38
LETTER FROM THE REPORTING ACCOUNTANTS	39
BASES AND ASSUMPTIONS FOR THE PROFIT FORECAST	40
PROFIT FORECAST	43
REPORTING ACCOUNTANTS' REPORT	44
FIVE YEAR FINANCIAL SUMMARY.....	48
PROFIT AND LOSS ACCOUNTS	48
BALANCE SHEETS.....	53
CASH FLOW STATEMENTS	55
NOTES TO THE FINANCIAL STATEMENTS	56
STATUTORY AND GENERAL INFORMATION.....	66
INCORPORATION AND SHARE CAPITAL HISTORY	66
SHAREHOLDING STRUCTURE.....	66
DIRECTORS' BENEFICIAL INTERESTS	67
INDEBTEDNESS	67
STATUS OF UNCLAIMED/UNPAID DIVIDENDS	67
MERGERS AND ACQUISITION	67
SUBSIDIARIES AND ASSOCIATED COMPANIES.....	67
EXTRACTS FROM THE MEMORANDUM & ARTICLES OF ASSOCIATION	68
CLAIMS AND LITIGATION	75
COSTS AND EXPENSES.....	75
DECLARATIONS	75
MATERIAL CONTRACTS	76
RELATED PARTY TRANSACTIONS	76
OFF BALANCE SHEET ITEMS	76
RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSE/OTHER ADVISERS	76
CONSENTS.....	77
DOCUMENTS AVAILABLE FOR INSPECTION	79
RECEIVING AGENTS	81
APPLICATION FORM.....	82
INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM.....	83

DEFINITIONS

Name	Abbreviation	Explanation
Compound Annual Growth Rate	CAGR	Year-on-year growth of an investment over a specified period, if it grows steadily on a compounding basis
Corporate Affairs Commission	CAC	The FGN agency that administers the Companies and Allied Matters Act Cap C20, LFN 2004 with regards to the formation, incorporation, registration, management and winding up of companies
Dividend per Share	DPS	Amount of dividend allocated to each outstanding 50 Kobo share
Dividend Yield	DY	A component of total return on a stock that shows how much a company pays out in dividends each year relative to its share price. Typically a barometer of return for non-quoted stocks
Earnings Per Share	EPS	Amount of profit allocated to each 50 Kobo of share outstanding
Federal Government of Nigeria	FGN	
The Joint Issuing Houses		Vetiva Capital Management Limited, Diamond Bank Plc, First Inland Bank Plc, Greenwich Trust Limited, Lead Capital Limited, Skye Bank Plc and Spring Capital Markets Limited
Gross Premium	GP	Total premium received for the financial reporting period/year
National Insurance Commission	NAICOM	Insurance Industry Regulator
The Nigerian Stock Exchange	The NSE	Self Regulatory Organisation
Price Earnings Ratio	P/E Ratio	Amount investors are willing to pay for 1 Kobo of earnings
Profit After Tax	PAT	Net Income after paying corporate tax before paying out dividends
Profit Before Tax	PBT	Net income (after deducting operating expenses and non-cash expenses such as amortisation and depreciation) before paying any corporate tax
Securities & Exchange Commission	SEC	Apex regulatory institution of the Nigerian capital market
Standard Alliance Insurance Plc	"Standard Alliance" or "the Company"	The Issuer

CORPORATE DIRECTORY

Corporate Office

Plot 324A, Akin Ogunlewe Street
Victoria Island
Lagos
Telephone: 01 - 4616202

Victoria Island Annex

Plot 280, Ajose Adeogun Street
Victoria Island, Lagos
01 – 4616201-3, Fax: 01 - 4619199

Abuja (North Regional Office)

Plot 142 Adetokunbo Ademola Crescent
Wuse II
FCT, Abuja
Telephone: 09 – 4130221-2, 080 3349 9582

Ikeja (West Regional Office)

16, Opebi Road
By Lagoon Homes Savings & Loans
Opposite Olajuwon House
Opebi, Ikeja
Lagos
Telephone: 01 – 7939437, 01-4768548

Port Harcourt (East Regional Office)

11B, Circular Road
Presidential Estate
Port Harcourt
Rivers State
Telephone: 084 – 232791, 080 5555 5922

Aba

177, Nnamdi Azikiwe Road
Aba
Abia State
Telephone: 082 – 224219, 080 5655 9661

Abeokuta

9, Olusegun Obasanjo Way
Ita – Eko, Abeokuta
Ogun State
Telephone: 039 – 701552

Akure

NACRDB Building, Alagbaka Road
Telephone: 080 3472 6447

Apapa

28, Kofo Abayomi Street
Via Flour Mill
Apapa, Lagos
Telephone: 080 3444 2152

Calabar

New State's Secretariat Complex
Murtala Mohammed Way
Calabar
Cross River State
Telephone: 087 – 238237, 087 – 235236

Ibadan

20, Bolumole Street
Off Ring Road
NEPA Bus Stop
Ibadan, Oyo State
Telephone: 02 – 2312680, 080 3331 2910

Ikeja

16, Opebi Road
By Lagoon Homes Savings & Loans
Opposite Olajuwon House
Opebi, Ikeja
Lagos

Ilorin

119A, Ibrahim Taiwo Road
Rabelat House
Ilorin,
Kwara State
Telephone: 031 – 229679, 080 3300 2834

Jos

193 Bukuru Bye-pass way
British American Junction
Beside Kings Bite
By Unical Investment, Plateau State

Kaduna

18, Major General Muhammadu Buhari Way
NIDB Building (3rd Floor)
Former Waff Road, Kaduna
Kaduna State
Telephone: 062 – 371572, 080 3755 2910

Kano

73, Ibrahim Taiwo Road, Kano
Kano State
Telephone: 064 – 316874,
080 3452 6772

Maiduguri

Shehu Laminu Way (3rd Floor)
Maiduguri
Telephone: 076 – 976096

Onitsha

44, New Market Road, Onitsha
Anambra State
Telephone: 046 – 414131, 080 2352 6500

Oshogbo

CAN Complex, Atere
0802 2342 6538

Warri

52, Airport Road, Effurun
Warri
Delta State
Telephone: 053 – 321083-4, 080 3333 0278, 080
3544 4599

Yenagoa

First Atlantic House
76 Mbiama – Yenagoa Road
Yenagoa
Bayelsa State
Telephone: 089 – 490767, 080 5555 5499

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 dates surrounding key events in the timetable may be subject to adjustments.

DATE	ACTIVITY	RESPONSIBILITY
14/03/2008	Application List Opens	JOINT ISSUING HOUSES
31/03/2008	Application List Closes	JOINT ISSUING HOUSES
14/04/2008	Receiving Agents Make Returns	JOINT ISSUING HOUSES
12/05/2008	Forward Allotment Proposal and Draft Newspaper Advertisement to SEC	JOINT ISSUING HOUSES
26/05/2008	Receive SEC Authorisation of Allotment	JOINT ISSUING HOUSES
27/05/2008	Pay Net Proceeds of the Offer to Standard Alliance Insurance Plc	JOINT ISSUING HOUSES
30/05/2008	Allotment Announcement	JOINT ISSUING HOUSES
30/05/2008	Return Excess/Rejected Application Monies	JOINT ISSUING HOUSES/ REGISTRARS
07/06/2008	Distribute Share Certificates	REGISTRARS
12/06/2008	Forward Declaration of Compliance to The Exchange	JOINT ISSUING HOUSES / STOCKBROKERS
13/06/2008	Listing of the newly issued shares/Trading commences	JOINT ISSUING HOUSES / STOCKBROKERS
16/06/2008	Forward Post Completion Report to SEC	JOINT ISSUING HOUSES

THE OFFER

A copy of this Prospectus, and the documents specified herein have been delivered to the Securities and Exchange Commission ("the Commission") for clearance and registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act 2007, the Rules and Regulations of the Commission and the Listing Requirements of The Nigerian Stock Exchange ("The Exchange") and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to the public with regard to the Offer for Subscription of 4,750,000,000 Ordinary Shares of 50 kobo each of Standard Alliance Insurance Plc by Vetiva Capital Management Limited, Diamond Bank Plc, First Inland Bank Plc, Greenwich Trust Limited, Lead Capital Limited, Skye Bank Plc and Spring Capital Markets Limited. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 4,750,000,000 Ordinary Shares now being offered for subscription.

The Directors of Standard Alliance Insurance Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. 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, which to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.



On behalf of



Offer for Subscription

and are authorised to receive applications for

4,750,000,000 Ordinary Shares of 50 Kobo each

at

₦3.95 per Share

Payable in full on Application

The Application List for the shares now being offered will open on Day, Month 2008 and close on Day, Month 2008

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 30 JUNE 2007 (EXTRACTED FROM THE REPORTING ACCOUNTANTS' REPORT)

		₦'000
AUTHORISED¹:	3,500,000,000 Ordinary Shares of 50 Kobo each	1,750,000
	17,500,000 Preference shares of ₦100 each	1,750,000
ISSUED AND FULLY PAID²:	3,469,689,000 Ordinary Shares of 50 Kobo each and 17,500,000 Floating Rate, Cumulative, Irredeemable, Convertible Preference Shares of ₦100 each	3,484,844
RESERVES:	Share Premium	654,777
	Profit and Loss Account	334,052
	Contingency Reserve	270,900
	Bonus Reserve	86,742
	Revaluation Reserve	14,299
	Investment Reserve	1,027,656
SHAREHOLDERS' FUNDS:		5,873,270

INDEBTEDNESS: As at June 30, 2007, the Company had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business. However, the Company had contingent liabilities in the ordinary course of business amounting to ₦89,000,000.00 being potential liability from cases pending against the Company

¹ At the Annual General Meeting held on Wednesday, 25 July 2007, the shareholders of the Company approved an increase in the Authorised Share Capital from ₦3,500,000,000.00 to ₦6,000,000,000.00 by the creation of 5,000,000,000 new Ordinary shares of 50 Kobo each.

² At the Annual General Meeting held on Wednesday, 25 July 2007, the shareholders of the company approved a bonus issue to distribute 173,484,450 Ordinary shares of 50 kobo each to existing shareholders in the ratio of ONE Ordinary share for every TWENTY Ordinary shares held. Hence, as at the date of this Prospectus, 3,643,173,450 Ordinary Shares of 50 Kobo each are in issue

SUMMARY OF THE OFFER

This summary draws attention to information contained elsewhere in the Prospectus; it does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including the financial statements and related notes elsewhere in this Prospectus.

- 1. ISSUER:** Standard Alliance Insurance Plc ("Standard Alliance" or "the Company")
- 2. JOINT ISSUING HOUSES:** Vetiva Capital Management Limited ("Vetiva")
Diamond Bank Plc ("Diamond Bank")
First Inland Bank Plc ("First Inland")
Greenwich Trust Limited ("Greenwich")
Lead Capital Limited ("Lead Capital")
Skye Bank Plc ("Skye Bank")
Spring Capital Markets Limited ("Spring Capital")
- 3. SHARE CAPITAL:**
 Authorised: ₦6,000,000,000.00 comprising 8,500,000,000 Ordinary Shares of 50 Kobo each and 17,500,000 Preference Shares of ₦100.00 each
 Issued and fully paid: ₦3,571,586,725.00 comprising 3,643,173,450 Ordinary Shares of 50 Kobo each and 17,500,000 Floating Rate, Cumulative, Irredeemable, Convertible Preference Shares of ₦100.00 each
 Now being offered: 4,750,000,000 Ordinary Shares of 50 Kobo each at ₦3.95 per share
- 4. PURPOSE:** The Offer is a further step in the Company's drive towards achieving its strategic objective of becoming a one stop non-bank financial services provider. The finance raised will be directed towards underpinning its growth and development objectives via branch network expansion, upgrade of Information Technology infrastructure, strengthening its capital base as well as exploiting and profiting from emerging opportunities within the Nigerian Financial Services industry.
- 5. USE OF PROCEEDS:** The net proceeds of the Offer shall be used for the implementation of the Company's strategic plan of expansion and diversification through the provision of the full complement of financial services with the exception of commercial banking activities. The net proceeds of ₦18,015,097,187.50 after deducting the estimated cost of Offer of ₦747,402,812.50 (representing 3.98% of gross proceeds) would be utilised as set out below:

Activities	N'000	%	Estimated Completion Period
Strategic Investment			
-Asset Management	3,792,652	21.05%	Continuous
-Mortgages	1,896,326	10.53%	Continuous
-Properties	2,844,489	15.79%	Continuous
-Pension Funds Administration	948,163	5.26%	Continuous
-Life Assurance	2,844,489	15.79%	Continuous
Information Technology/ E-Business Project	474,082	2.63%	24months
Strategic Retail Business Initiative/ Sales Outlet Expansion ¹	189,633	1.05%	24months
Working Capital	5,025,264	27.89%	Continuous
Total	18,015,097	100%	

¹ Bauchi, Benin, Enugu, Ikoji, Marina, Minna, Sokoto, Uyo, Yola

- 6. METHOD OF OFFER:** Offer for Subscription
- 7. UNITS OF SALE:** Minimum of 1,000 (₦3,950.00) Ordinary Shares and multiples of 100 (₦395.00) thereafter
- 8. OFFER PRICE:** ₦3.95 per share
- 9. MARKET CAPITALISATION AT OFFER PRICE (PRE-OFFER):** ₦14,390,535,127.50
- 10. MARKET CAPITALISATION AT OFFER PRICE (POST-OFFER):** ₦33,153,035,127.50
- 11. PAYMENT:** In full on application
- 12. OPENING DATE:** dd-mm-2008
- 13. CLOSING DATE:** dd-mm-2008

- 14. STATUS:** The new shares to be issued shall rank *pari passu* in all respects with the issued Ordinary shares of the Company. They will rank for dividends payable for the year ending 31 December 2008.
- 15. QUALIFICATION:** The shares qualify as securities in which Trustees may invest under the Trustee Investment Act Cap T22 LFN 2004.
- 16. QUOTATION:** 3,643,173,450 Ordinary Shares in the Company's issued share capital and 1,750,000 Preference Shares are quoted on the Daily Official List of The Exchange. An application has been made to the Council of The Exchange for the admission to its Daily Official List of the 4,750,000,000 Ordinary Shares now being offered for subscription.
- 17. UNDERWRITING:** In accordance with the Rules and Regulations of the SEC, 3,800,000,000 Ordinary Shares representing 80% of the Offer is underwritten on a firm basis as follows:
- | S/No. | Underwriters | Underwriting Exposure (₦) | Units |
|-------|---|---------------------------|----------------------|
| 1 | Diamond Bank Plc | 2,747,157,850.00 | 695,483,000 |
| 2 | First Inland Bank Plc | 1,858,573,750.00 | 470,525,000 |
| 3 | Greenwich Trust Limited | 1,999,983,750.00 | 506,325,000 |
| 4 | Intercontinental Bank Plc | 1,858,573,750.00 | 470,525,000 |
| 5 | International Standard Securities Limited | 499,991,000.00 | 126,580,000 |
| 6 | Lead Capital Limited | 1,858,573,750.00 | 470,525,000 |
| 7 | Skye Bank Plc | 1,858,573,750.00 | 470,525,000 |
| 8 | Spring Capital Markets Limited | 469,998,650.00 | 118,987,000 |
| 9 | Vetiva Capital Management Limited | 1,858,573,750.00 | 470,525,000 |
| | Total | 15,010,000,000.00 | 3,800,000,000 |
- 18. OVERSUBSCRIPTION/ SUPPLEMENTARY ALLOTMENT** In the event of an over subscription, additional shares not exceeding 25% of the oversubscribed portion may be issued subject to approval of the Board of Standard Alliance and the subsequent approval of the SEC. The supplementary proceeds would be utilised for the same purpose and in the same proportion as stated in the Prospectus.
- 19. SHARE CERTIFICATES:** Share certificates in respect of the shares allotted will be sent by Electronic-Transfer to the CSCS account of all allottees not later than 15 working days from the date of allotment. Investors are hereby advised to state the name of their stockbrokers as well as their CSCS account number and Clearing House Number (CHN) in the space provided on the Application Form. However, for investors that do not provide CSCS account numbers and CHN, their share certificates will be sent by Registered post not later than 15 working days from the date of allotment.
- 20. FOREIGN INVESTORS:** Foreign investors can participate in the Offer in accordance with Section 15 of the Foreign Exchange (Monitoring and Miscellaneous Provision) Act Cap F34 LFN 2004 and Section 17 of the Nigerian Investment Promotion Commission Act, Cap N.117 LFN 2004, relevant sections of Part F of the rules and regulations of the SEC and in compliance with the guidelines on foreign investment in the Nigerian stock market. Payment which must be made by bank transfers or by the issuance cheques will be domiciled with the Receiving Bank. The applicable Exchange Rate will be the ruling autonomous rate at the time of subscription. The Receiving Banks and Standard Alliance shall arrange for Certificates of Capital Importation for valid subscribers at the conclusion of the Offer.
- 21. RATING:** Rated "A" on claims paying ability by Global Credit Rating Co. Valid up to July 2008
- 22. INDEBTEDNESS:** As at June 30, 2007, the Company had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business. However, the Company had contingent liabilities in the ordinary course of business amounting to ₦89,000,000.00 being potential liability from cases pending against the Company

23. CLAIMS AND LITIGATION:

Standard Alliance Insurance Plc is involved in 17 (seventeen) suits, pending in various courts. These cases are largely made up of claims brought against the Company by way of third party contingent liabilities in the ordinary course of business as an insurance company. 12 (twelve) of these cases were instituted against the Company and the sums claimed therein total approximately ₦359,537,401.35 (Three hundred and fifty nine million, five hundred and thirty seven thousand, four hundred and one naira and thirty five kobo only); 5 (five) of these cases were filed by the Company against third parties amounting to ₦253,798,885.09 (Two hundred and fifty-three million, seven hundred and ninety-eight thousand, eight hundred and eighty-five Naira, nine kobo only) in claims.

In respect of most classes of insurance, Standard Alliance has average reinsurance of 75% of its risk; in such cases therefore much of the potential liability of Standard Alliance is likely to be borne by the re-insurers. Hence, the Company's contingent liability arising from these cases is ₦89,000,000.00 (Eighty nine million naira only).

The Directors of Standard Alliance are not aware of any threatened and /or pending claims or litigation other than those contained in the list of the Company's claims and litigations and are of the opinion that none of these cases is likely to have a material adverse effect on the Company or the Offer.

The Solicitors are also of the opinion that none of the 12 suits instituted against the Company or in respect of which it may incur some financial liability are likely to have material adverse effect on the Company or proposed public Offer.

24. FINANCIAL SUMMARY:
(Extracted from the Reporting Accountant's Report)

	(6 months) ended 30/06/2007	For the Year Ended 31 December				
		2006	2005	2004	2003	2002
N' Millions (except otherwise stated)						
Gross Income	1,311	1,750	1,316	1,157	1,092	765
Profit Before Tax	294	300	234	148	111	96
Taxation	(96)	(48)	(36)	(31)	(5)	(11)
Transfer to Reserves	(50)	(73)	(34)	(30)	(27)	(19)
Profit After Tax	184	179	164	87	79	66
Share Capital	3,484	735	490	350	350	200
Shareholders' Funds	5,732	1,641	1,669	1,432	633	303
Total Assets	8,204	3,271	2,376	2,114	1,277	764
Earnings Per Share (actual - kobo)	5	17	20	17	15	22
earnings Per Share (adjusted - kobo)	5	6	5	3	3	3
Dividend Per Share (kobo)	-	-	-	-	10	8

Calculations of Adjusted Earnings and Dividend Per Share are based on the number of shares outstanding as at the respective Balance Sheet Date=

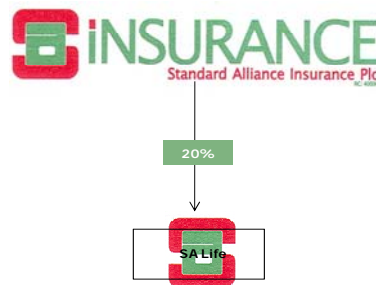
25. FORECAST OFFER STATISTICS:
(Extracted from the Reporting Accountants' Report)

Years ending 31 December	N' Millions (except otherwise stated)		
	2008	2009	2010
Gross Earnings	8,619.43	13,318.41	20,374.18
Profit Before Tax	2,977.23	4,277.12	6,333.89
Taxation	(724.98)	(1,035.74)	(1,510.21)
Profit After Tax	2,252.25	3,241.38	4,823.68
Preference Dividend	(280.00)	(280.00)	(280.00)
Ordinary Dividend	(850.00)	(1,275.00)	(1,700.00)
Earnings Per Share (Fully Diluted - Kobo)	23	35	53
Earnings Per Share (Weighted - Kobo)	32	35	53
Earnings Yield at Offer Price (Fully Diluted)	5.82%	8.86%	13.42%
Earnings Yield at Offer Price (Weighted)	8.10%	8.86%	13.42%
Dividend Per Share (Kobo)	10	15	20
Dividend Yield at Offer Price	2.53%	3.80%	5.06%
Forecast P/E at Offer Price (Fully Diluted)	17.17	11.29	7.45
Forecast P/E at Offer Price (Weighted)	12.34	11.29	7.45

Earnings Per share (Fully Diluted) are based on 8,500,000,000 Ordinary Shares of 50 Kobo each in issue for year ending December 31 2008, 2009, and 2010. Earnings Per Share (weighted) are based on 6,071,586,725 weighted ordinary shares of 50 kobo each for December 31, 2008, while 2009 and 2010, are based on 8,500,000,000 Ordinary Shares of 50 kobo each that will be in issue upon completion of the public offer. Dividend per share is based on 8,500,000,000 ordinary shares for 2008, 2009 and 2010

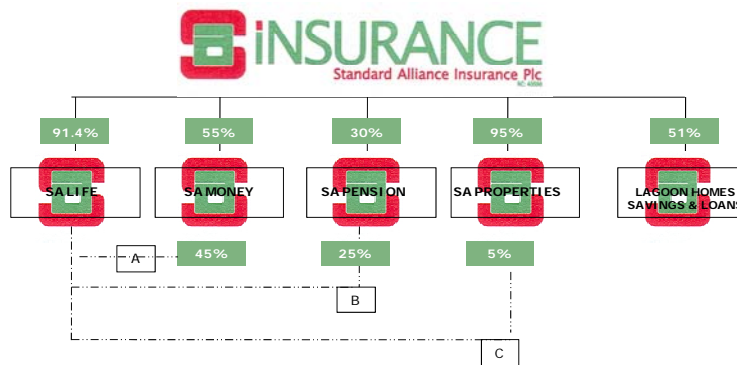
**26. GROUP STRUCTURE:
AS AT 30 JUNE 2007**

Standard Alliance Insurance Plc has only one associated company, Standard Life Assurance Company Limited. The Company's Group is illustrated below:



27. CURRENT GROUP STRUCTURE:

In pursuit of its strategic objective of being a one-stop financial institution, Standard Alliance has evolved into a group structure illustrated below:



NOTE: SA Life has the following shareholdings;

- A** - 45% of SA Money
- B** - 25% of SA Pension
- C** - 5% of SA Properties

DIRECTORS:

Alhaji Aliyu Yahaya Sa'ad (CHAIRMAN)

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

**Olorogun O'tega Emerhor, OON
(VICE CHAIRMAN)**

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Mr. Bode Akinboye (GROUP MANAGING)

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Alhaji Mohammed Hassan (Ciroman Keffi)

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Joshua Ayodele Ajayi

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Brig. Gen. Dominic Oneya (Rtd)

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Lt. Col. Paul Efor Obi (Rtd)

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Dr. Mowoe Ramsey Oubromoro CON

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Dr. Ausbeth N. Ajagu

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Nwosu Okey Kelvin

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

COMPANY SECRETARY

Agnes Okiemute Umukoro

Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

ISSUING HOUSES:

Vetiva Capital Management Limited

Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

Diamond Bank Plc

Plot 1261, Adeola Hopewell Street,
Victoria Island,
Lagos State

First Inland Bank Plc

Plot 532, IBB Way
Wuse, Zone 4, Abuja

Greenwich Trust Limited

Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

Lead Capital Limited

Plot 281, Ajose Adeogun Street
Victoria Island
Lagos State

Skye Bank Plc

3, Akin Adesola Street
Victoria Island
Lagos State

Spring Capital Markets Limited

Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos State

JOINT UNDERWRITERS

Diamond Bank Plc

Plot 1261, Adeola Hopewell Street,
Victoria Island, Lagos

First Inland Bank Plc

Plot 532, IBB Way
Wuse, Zone 4, Abuja

Greenwich Trust Limited

Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

Intercontinental Bank Plc

Plot 999C Danmole Street
Victoria Island
Lagos

JOINT UNDERWRITERS (CONT'D)

International Standard Securities Limited
144A, Association Road,
Dolphin Estate
Ikoyi
Lagos

Lead Capital Limited
Plot 281, Ajose Adeogun Street
Victoria Island
Lagos State

Skye Bank Plc
3, Akin Adesola Street
Victoria Island
Lagos State

Spring Capital Markets Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos State

Vetiva Capital Management Limited
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

STOCKBROKERS TO THE OFFER

Spring Stockbrokers Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos State

Alliance Capital Management Co. Limited.
14th Floor, New Africa House
Royal Exchange Building
31, Marina
Lagos

AMYN Investments Limited
19th Floor, Stock Exchange House
P.O. Box 2911 2/4 Customs Street, Marina
Lagos

Clearview Investments Co. Limited
6th Floor, NCR Building
6 Broad Street
Marina, Lagos

Cowry Asset Management Limited
Plot 1319 Karimu Kotun Street
Victoria Island,
Lagos

Denham Management Limited
New Africa House
31 Marina
Lagos

STOCKBROKERS TO THE OFFER (CONT'D)

Enterprise Stockbrokers Plc
84 Ogunlana Drive
Surulere
Lagos

Equity Capital Solutions Limited
2, Davies Street
Marina
Lagos

Fidelity Union Securities Limited.
No. 36, Adeola Hopewell Street
Victoria Island
Lagos

Greenwich Trust Limited
Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

ICON Stockbrokers Limited
3rd Floor, Medife House
58/60 Broad Street
Lagos State

Maclaize Trust and Securities Limited
1st Floor
26, Igboere Road
Victoria Island
Lagos

Mega Equities Limited
Suite 8, 5th floor, Investment House Annex
23/25 Broad Street, Marina
Lagos State

Standard Alliance Money Limited
9 Yunis Bashorun Street
Off Ajose adeogun Street
Victoria Island, Lagos

Strategy & Arbitrage Limited.
15th Floor, Bull Plaza,
38/39 Marina,
Lagos

The Bridge Securities Limited
31, Akin Adesola Street
Victoria Island
Lagos

Unex Capital Limited
3, Biadou Street, Off Keffi Street
Ikoyi
Lagos

Vetiva Capital Management Limited
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

SOLICITORS TO THE COMPANY

Jackson, Etti & Edu

5th Floor, AIB Plaza
Akin Adesola Street
Victoria Island, Lagos

RECEIVING BANKS

Diamond Bank Plc

Plot 1261, Adeola Hopewell Street,
Victoria Island,
Lagos State

First Inland Bank Plc

Plot 532, IBB Way
Wuse, Zone 4, Abuja

SOLICITORS TO THE OFFER

The Law Union

10, Balarabe Musa Crescent
P.O. Box 74266
Victoria Island

Intercontinental Bank Plc

Plot 999C Danmole Street
Victoria Island
Lagos

Skye Bank Plc

3, Akin Adesola Street
Victoria Island
Lagos State

AUDITORS

Muhtari Dangana & Co.

26, Rasak Okoya Street,
Lagos Island
Lagos State

REPORTING ACCOUNTANTS

SIAO Partners

Lisa Court
18b Temple road, Ikoyi
Lagos State

REGISTRARS TO THE OFFER

Afribank Registrars Limited

2A, Gbagada Expressway
Anthony Village
Lagos

REGISTRARS TO THE COMPANY

First Registrars Nigeria Limited

Plot 2, Abebe Village Road
Iganmu
Lagos State

THE CHAIRMAN'S LETTER

The following is the text of a letter received by Vetiva, Diamond Bank, First Inland, Greenwich, Lead Capital, Skye Bank, and Spring Capital from Alhaji Aliyu Yahaya Sa'ad, Chairman, Board of Directors of Standard Alliance Insurance Plc:



Standard Alliance Insurance Plc

Plot 324A, Akin Ogunlewe Street
Victoria Island
Lagos State

17 January, 2008

The Directors

Vetiva Capital Management Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos State

The Directors

Diamond Bank Plc
Plot 1261, Adeola Hopewell Street
Victoria Island
Lagos

The Directors

Greenwich Trust Limited
Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

The Directors

Skye Bank Bank Plc
3 Akin Adesola Street
Victoria Island
Lagos

The Directors

First Inland Bank Plc
Plot 532, IBB Way
Wuse, Zone 4
Abuja

The Directors

Lead Capital Limited
Plot 281, Ajose Adeogun Street
Victoria Island
Lagos

The Directors

Spring Capital Markets Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Dear Sirs,

OFFER FOR SUBSCRIPTION OF 4,750,000,000 ORDINARY SHARES OF 50 KOBO EACH IN STANDARD ALLIANCE INSURANCE PLC ("THE COMPANY") AT ₦3.95 PER SHARE ("THE OFFER")

On behalf of the Directors of the Company, I am pleased to provide the following information in connection with the Offer for Subscription which you are making on our behalf.

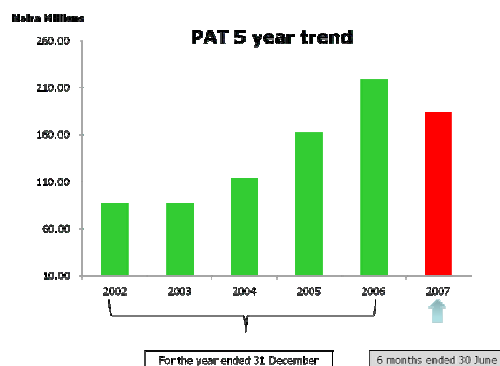
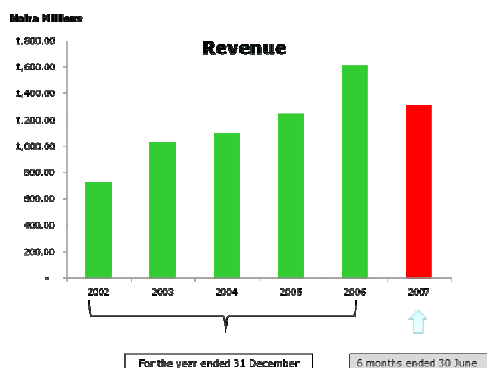
HISTORY

Standard Alliance Insurance Plc was incorporated in Nigeria under the name Jubilee Insurance Company Limited in July 1981 to carry out insurance business.

The Company formally commenced full operations in 1982. In August 1996, it was renamed Standard Alliance after a major transformation of the Company's ownership and management. Initially, the Company transacted all classes of insurance business except life, which was reserved for its Associate Company, Standard Life Assurance Company Limited. Standard Alliance became a public limited company on the 24th day of October 2002 and its shares were subsequently listed on the floor of The Nigerian Stock Exchange in December 2003. Also in 2003 the Company was re-registered by NAICOM and was granted license to transact life business.

In 1994, the Company's authorised share capital was ₦6,000,000.00 divided into 6,000,000 Ordinary shares of ₦1.00 each and has over time been increased to ₦6,000,000,000.00 divided into 8,500,000,000 Ordinary shares of 50 Kobo each and 17,500,000 Preference shares of ₦100.00 each, of which ₦3,571,586,725.00 comprising of 3,643,173,450 Ordinary shares of 50 Kobo each and 17,500,000 Floating Rate, Cumulative, Irredeemable and Convertible Preference shares of ₦100.00 each are fully paid up.

The Company has established a strong focus on its clients' needs and competence in creating services that meet those needs. The Company's commitment to service delivery has translated into a continuous improvement in its financial performance. For the years ended 2002, 2003, 2004, 2005 and 2006 the Company reported gross earnings of ₦725.7 million, ₦1,029.0 million, ₦1,099.0 million, ₦1,249.2 million and ₦1,612.5 million respectively. The profits after tax for the years ended 2002, 2003, 2004, 2005 and 2006 are ₦87.1 million, ₦87.8 million, ₦114.8 million, ₦162.6 million and ₦218.9 million respectively. For the period ended June 30 2007, its performance is even more impressive with gross earnings of ₦1,308.4 million and Profits after Tax of ₦184.3 million.



THE COMPANY'S BUSINESSES

The Company commenced business in 1982 under the name Jubilee Insurance Limited. It was renamed Standard Alliance in 1996. It currently transacts all classes of insurance and has broadened its focus to provide all other financial services with the exception of commercial banking services. Its current services are grouped around the following organisational headings outlined below.

SA INSURANCE

This is the current mainline business of SA Insurance Plc. It entails the provision of all insurance coverage except Life Assurance to its clientele. General Insurance accounts for over 90% of the company's current financial performance. The products on offer are as outlined in the Products and Services section of this letter. Post consolidation, the General Insurance businesses in Nigeria witnessed significant growth prospects for the following reasons:

- Increased market share for Standard Alliance due to the discontinuation of the monopoly status of the Nigerian Insurance Corporation of Nigeria ("NICON");
- Government reforms and directives both in the lucrative oil and gas sector (requirements for increased local content insurance) and in public sector insurance (imposing compulsory insurance) are impacting positively thereby expanding the existing market size; and
- Increased General Insurance awareness in the Nigerian populace.

SA LIFE

Subsequent to the acquisition of Standard Life, the Company transferred all its life business into SA Life. Life business is a strong growth area and SA Insurance is positioning to play a leading role. Growth in this area is driven by the following factors:

THE CHAIRMAN'S LETTER

Current government reforms in life and pension insurance have made group life insurance mandatory for employers in both private and public sector.

- Increased life insurance awareness in the populace
- Increasing sophistication in lending products offered by banks as well as growth in mortgage lending activities.
- Anticipated general economic improvements following the successes in government reforms & recent country rating.

SA MONEY

This is the asset management and brokerage arm of the group. SA Money has obtained SEC licence to carry out business as a Broker/Dealer and Portfolio/Fund Manager. The firm is equally a Dealing Member of the NSE. Group funds generated through general and life insurance as well as pension funds shall benefit from the expertise of this vehicle in order to optimize yield and risk. The following are the broad roles/functions of SA Money:

- Act as investment advisors/managers to group companies and external clientele.
- Act as broker/dealer to tradeable securities in the Nigerian stock market.
- Act as private fund managers.
- Provide corporate finance services including project financing and management.
- Engage in lease financing to corporate institutions with emphasis on the oil and gas sector.

SA PENSION

This business line is driven mainly by recent government reforms in private and public sector pension regime. The Federal Government has created a robust pension law and established a Pension Commission ("PENCOM"), to administer the law. Provisions in the law allow for the licensing of Pension Fund Administrators ("PFAs") and Pension Funds Custodians ("PFCs"). SA Pension has been fully licensed by PENCOM to act as a PFA and has commenced operation. Estimated size of the Pensions industry is ₦600 billion, while average monthly contribution is estimated at about ₦6 billion². SA Pension aims to target a minimum of 5% share of the market.

SA MORTGAGE

In pursuit of being a one-stop financial institution, the group acquired Lagoon Homes Savings and Loans, a mortgage bank. This strategy is informed by the following:

- Banking is a substantial driving force/engine in the one-stop financial services programme the group plans to offer.
- High entry barriers in the post consolidation banking industry with the minimum capital requirement of ₦25 billion. Currently there are only 24 banks in the country and a big demand gap exists for medium size, slim, fit and nimble banks which can serve niche markets. Mortgage banks require only ₦2 billion (US\$15 million) in capitalization and can provide all banking services except foreign exchange trading. The Group will use the mortgage banking vehicle to provide the following services:
 - ✓ Provide a medium tier bank option to numerous clientele offering more personalized services;
 - ✓ Provide banking services to group members;
 - ✓ Provide mortgage banking services to support the group real estate businesses;
 - ✓ Create leadership in the Nigerian mortgage market that have high growth potentials but still largely untapped; and
 - ✓ Provide micro lending products and in particular employer guaranteed loans, all currently largely untapped.

² Source: Seminar Paper presented by the National Pension Commission; August 2006

SA PROPERTIES

SA Properties is the real estate development and property trading arm of the group. This is to enable the group to tap into the growing real estate industry in Nigeria as well as diversify its revenue streams. SA Properties have commenced operations

Standard Alliance is a technology-driven and customer-oriented company conceived to be among the best insurance companies in Nigeria. The Company's mission is compelled by its vision to be profitable and of high standard in service delivery on a continual basis, thereby retaining the full confidence of its shareholders, the general public and all stakeholders. Accordingly, the Company is structured to guarantee efficiency in the service delivered through the following service centres:

The Customer Service Group

This group's primary orientation is to ensure prompt and efficient service for all our clients. They are adequately empowered to attend to on-the-spot issues and complaints and resolve same, or to secure for the client a competent officer who can handle the issue at stake. This group is also empowered to monitor and police quality service delivery to our clients.

The Marketing and Business Development Group

This group has the responsibility to sell full protection to our clients at minimal cost. Their duty is to educate and put in plain words the various products we sell and adapt these products to specific clients' needs. In addition, they are continuously on the lookout for innovative ways of giving increased value to our clients. Their watchword is quality service delivery.

The Technical Service Group

This group provides the service backbone to the Company. They have the duty of delivering the final product to the customers and implementing the commitments secured by the marketing group. Their primary focus is to ensure that the Company delivers promptly on every promise made to a client. Thus, our clients can count on us.

Special Products and Risk Management Group

This group's pre-occupation is to deploy highly efficient personnel, technology and processes to enhance innovation and service quality. Accordingly, their energy is focused on new products development and the provision of consultancy service to our clients.

PRODUCTS AND SERVICES

The Company's operations are fully automated reflecting a commitment to use technology to drive excellence in service delivery. Furthermore, the Company operates under the concept of Total Quality Management (TQM); the Company has developed several specialised products and services geared towards meeting the peculiar needs of its customers.

- **Enhanced Motor Comprehensive Insurance Scheme**



This product is packaged purposefully to enhance motor security and comfort, covering the present and future eventualities. Under the Enhanced Motor Comprehensive Insurance Scheme, any vehicle with the value of ₦5 Million and above will qualify and in the event of a claim resulting from an accident or theft, the Company will provide a Free Chauffeur Driven Car for a period of up to 4 weeks after loss while claim is being processed.

▪ Legacy (Personal Education Scheme)



This is a product specially packaged and channelled to take care and guarantee continuity in the education of one's child/children. Bearing in mind the huge cost of living and coping with our everyday life, it beholds parents to cultivate the culture of planning investments so as to provide for their children now and in the future.

▪ Edusecure



The Group Education / School Fees Protection Plan is designed to guarantee completion of the education of benefiting children or wards. The scheme is a highly flexible and affordable policy that exists as a contract between Standard Alliance and the participating school. Premiums are billed the pupils alongside their school fees and are paid annually or per term as agreed in the contract.

▪ The Standard Investment Plan



Standard Investment Plan is an investment linked life assurance policy. It is a plan that is designed exclusively for busy executives and high net worth individuals who due to the nature of their business may not be able to keep faith with policies that are paid in installment.

▪ The Flexible Assurance Scheme



The Flexible Assurance Scheme is an investment linked assurance scheme designed for your immediate, future financial and life insurance needs. It is a scheme developed to encourage people to save and plan towards future projects they would like to embark on. Planning for trips abroad for holiday or accumulated funds to purchase landed property, pay house rent at ease next year by saving now are all provided in the scheme including saving for the children's school fees, etc.

OUR ENVIRONMENT

THE NIGERIAN ECONOMY

The economy of the country has been performing strongly. Aggregate output growth measured by the gross domestic product (GDP) was estimated at 7.64 per cent during the fourth quarter of 2007, compared with 6.05 per cent in the preceding quarter. The growth was driven by the non-oil sector which was estimated at 10.99 per cent. Non-oil export earnings by Nigeria's top 100 exporters amounted to US\$274.37 million, indicating an increase of 2.9 per cent over the level in the preceding quarter. The development was attributed largely to the rise in the prices of the commodities traded at the international commodities market during the period. The country's GDP at the end of December 2007 was estimated at \$127 billion. (source: CBN Economic Report for the Fourth Quarter of 2007)

The healthy level of foreign reserves (over \$50 billion), positive credit rating and high oil prices in international markets are indicative of continued positive economic gains for the country. The slide of the dollar against major world currencies, coupled with rising Oil Prices has also helped to stabilize the Foreign Exchange regime. The naira has recently witnessed modest gains against the US dollar and current economic dynamics point to a stable Dollar-Naira Exchange regime in the near future. The government has also continued to focus its energies on meeting the main macroeconomic targets outlined in the NEEDS program.

To further enhance macro-economic management, the CBN introduced a new monetary policy framework with a new benchmark interest rate, the Monetary Policy Rate (MPR) in 2007. Under the framework the CBN hopes that the MPR will be more influential than the old Minimum Rediscount Rate Monetary policy (MRR) in acting as the nominal anchor for setting all other interest rates in the economy, as a result of this policy initiative, interest rate volatility has dampened considerably. Lending rates will however remain a key issue in 2008 due to the introduction of the Monetary Policy Rate (MPR). Government's resolve to ensure low cost of funds for the real sector may precipitate further reduction of the MPR from the current 10% to a lower rate and boost the real sector. With the rising oil prices, gross external reserves may rise further thus enabling government to boost spending in infrastructure while continuing to save part of the windfall. The naira should further stabilize on account of the high oil prices and weakness of the US dollar against major international currencies.

Furthermore, Goldman Sachs (a leading international investment bank) released a report predicting that Nigeria will be one of the 20 biggest economies in the world by 2020 provided current economic reforms are maintained. This report along with the BB rating by Fitch and Standard & Poors (global rating agencies) has increased international interest and confidence in Nigeria.

THE POLITICAL LANDSCAPE

The successful change of government and the pledge of the current administration to continue with the policies of its predecessor indicate that the progress made in the last 8 years will be maintained.

The new administration has maintained that it will make the "rule of law" the basis of all its actions. Since justice is a necessary requirement for business confidence, the government's stance is encouraging and should boost business confidence in the country.

THE INSURANCE INDUSTRY

After the recapitalisation exercise, NAICOM licensed 48 Insurance companies (23 General, 18 Composite and 7 Life) and 1 Reinsurance company. Prior to the recapitalisation and consolidation exercise, the Nigerian insurance industry was capitalized to the tune of about ₦30 billion – a figure considered by many analysts as abysmally low. However, post consolidation, the insurance sector capitalisation was in excess of ₦400 billion by the end of January 2008.³

STRUCTURAL REFORMS

Over the last two years, the FGN has commenced a restructuring of the financial services sector, towards strengthening the sector by improving the capital base and enthroning ethical standards, thus building a virile financial services sector capable of competing with its foreign counterparts. Some of the key policy drivers that will have a positive impact on the Insurance Industry are:

Recapitalisation

The recapitalization exercise which ended in February 2007 is expected to improve the solvency within the industry as well as force consolidation in the industry resulting in smaller and weaker insurance companies being acquired, thereby freeing up market share for the better players.

Pension Reforms

The Pension Reform Act of 2004 provides for a mandatory life insurance policy for all employees for a minimum of three times the total emolument of the employee. It also provides for the use of the retirement savings to purchase annuities for life from insurance companies. This will boost the demand for life

³ Vetiva Research, Industry estimate

assurance

products.

STRATEGIC PARTNERS

To achieve the objective of providing relevant insurance cover, we have put in place reinsurance treaty arrangements with first class reinsurance companies both locally and internationally. We have a technical partnership with General Insurance Company Re ("GIC Re, an Indian company") and also plan to offer travel insurance in concert with Mapfre Assistencia (a Spanish company). The capacity of our treaties is top class and calculated to achieve our "Customer Full Protection Drive".

Outlook

The gradual upswing in economic activity and the attendant structural reforms are expected to lead to the following phenomena highlighted below:

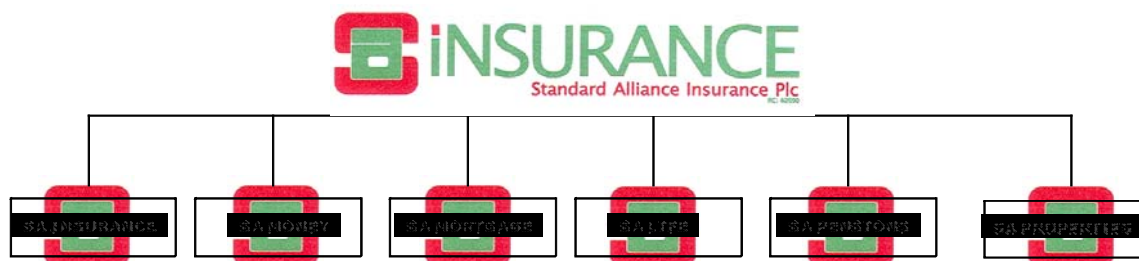
Element	Reason
Growth	The robust pace of economic activity resulting from the economic restructuring such as pension reforms especially as the Insurance Industry is currently at the beginning of the insurance growth curve.
Demand	The demand for products and services in the Insurance Industry will increase as consolidation will lead to more awareness/penetration of insurance products and services. In addition, demand in life assurance products will significantly increase in line with the Pension Reform Act of 2004 regarding mandatory Life Assurance for all employees.
Revenues	The increase in the capital base of insurance companies will enable them benefit from the FGN's policy of a 45% local content in the lucrative oil and gas sector as currently ₦50 billion per year is lost to foreign counterparts. Revenues will also increase as the increase in capital base has led to the exit of fringe players.

CORPORATE STRATEGY

The Company has undertaken a critical review of its current structure and has developed a new and vibrant group structure for implementation post capitalization. This structure is aimed at dominating the insurance led segment of the financial services sector based on the following:

- The imperative of becoming a one-stop financial services group
- The imperative of optimal utilization of the enhanced capital funds and returning above average earnings to shareholders
- The emerging middle tier cum micro level banking services gap consequent on the merger/consolidation exercise in the banking sector that eliminated all small banks and produced 25 mega banks
- The emerging/deepening of the group life/pension funds segment of insurance business in Nigeria resulting mainly from new legislation and government reforms.
- The very strong growth outlook in the real estate sector of the economy and the obvious mortgage-banking gap that exists.

Accordingly, the Company intends to evolve into a strong financial services group directly involved in the following businesses:



BUSINESS STRATEGY

The overall business strategies of Standard Alliance Insurance Plc are deliberate long, medium and short term plans aimed at maximizing returns on investment and significantly increasing returns to shareholders. The Company will continue to pursue strategies that will increase its market share in its target business segments. These strategies would broadly involve:

- Aggressive pursuit of a dominant market share and expertise in the financial services sector through the new group structure outlined above.
 - Continuous introduction of highly innovative and tailor-made insurance products to meet the insurance needs of the different sectors of the Nigerian economy.
 - Deployment of state of the art information technology both at our branches and the Head Office. This is with a view to tapping the potentials therein through the use of internet, intranet-commerce, commerce and e-business. It is expected that policies shall be underwritten and delivered through these IT facilities as well as confirmation of the status of claims.
 - Continuous investments in staff training and development as well as providing an environment in which our staff are well motivated. Maintain our ability to identify and recruit technically sound and progressively competent workforce.
 - Efficient service delivery both in terms of policy documentations and claims payment.
- In order to execute our corporate and business strategies, we shall emphasise two key areas which we envisage will make us competitive in the emerging robust insurance industry. These key areas are:

a. Cost controlling and Increasing Revenue

The Company is also putting in place strategies towards cost control and increased revenue generation.

- The Company intends to save expenditure on office rents once the Head Office Building project is completed.
- Taking full advantage of IT to reduce the cost of telephone, faxes as well as printing of stationeries and maintaining competitive workforce.
- Other costs to be controlled are direct cost of underwriting business. It is expected that sharp practices and rate cutting shall be a thing of the past at the end of the recapitalization exercise. We shall continue to exhibit the highest level of professional ethics in the business of insurance to reduce cost.
- We also intend to increase revenue by deployment of required tools to our marketing team.
- We intend to acquire competitors with very strong brokers support while at the same time continue to pursue even more aggressively our retail marketing expansion leveraging on Information Technology to drive service delivery.
- New products development is expected to receive greater attention with the establishment of Research and customer care department.
- Strengthening of budget monitoring and control unit.
- Bulk printing of stationeries.
- Efforts at reducing financial cost in terms of better cost of asset leasing and negotiations with bankers on bank charges.
- Outsourcing of certain non-core services.

b. Strategic Investments

The Company has significant equity investment in First Inland Bank Plc. The market value of this investment is put at about ₦864.5 million as at June 30, 2007. The Company intends to continue leveraging on its strong relationship with First Inland Bank

THE CHAIRMAN'S LETTER

Plc to generate premium income from the bank's transactions as well as a vehicle for its

Banc assurance scheme. The Head Office project under construction is considered strategic as substantial income is expected to be generated from rents as well as savings from office rent, apart from the expected appreciation in value of the property over time.

GROWTH STRATEGY

There are strategies in place to grow the Company both organically and inorganically with the aim of controlling not less than 10% of the market in terms of gross premium within 3 years.

The organic growth involves growing our revenue from the existing products lines. Some of the strategies put in place to achieve this are as follows:

- Prompt service delivery in terms of policy document delivery.
- Prompt response to and payment of genuine claims settlement.
- Branch network expansion. Currently we have 18 branches evenly spread throughout the country as well as 130 retail outlets. We intend to increase the branch network to 25 and the retail outlets to 250 within the next two years to be able to reach our customers and grow our business.
- In addition to the above, the Company will increase its participation in the brokers market. We have two brokers marketing groups in place to drive this initiative. They will be reinforced with the acquisition of broker friendly competitors.
- Sound underwriting to eliminate fraudulent businesses as well as adequate reinsurance arrangement to ensure that we always meet our obligations to customers.

The inorganic growth involves the acquisition of Standard Life Assurance Limited to complement our life business and other broker friendly insurance companies.

The value added shall increase revenue in terms of:

- More coverage of the market and the synergy effect of combined marketing.
- Penetration of the brokers market.
- There shall be more conscious efforts at growing group life business as well as growth in oil and gas business in view of the emerging opportunities in these sectors.
- The strategic investments of the capitalization proceeds will ensure that insurance premium shall be derived from them thereby growing the core business of Standard Alliance Insurance Plc.

CONSOLIDATION PLANS

Having obtained National Insurance approval in principle, Standard Alliance Insurance Plc has taken over Perpetual Assurance Company Limited. All necessary steps are being taken to comply with all regulatory requirements to enable timely and seamless integration of the company.

The following reasons account for the choice of Perpetual Assurance Company Limited.

- There is the advantage of Technical competency since the Company has been in operation for some years now.
- Their experience shall complement that of Standard Alliance Insurance Plc to grow the company.
- There is a marketing team in place especially the team that is the driving force of our retail businesses in both companies.
- Good foreign technical partners especially in terms of reinsurance arrangements.

The merger and acquisition is expected to create the following synergies in terms of:

- Reduction in administrative expenses.

THE CHAIRMAN'S LETTER

- Joint marketing with the acquired company will reduce marketing and advertising cost.
- Economic, efficient and effective utilization of resources will be enhanced.
- Cost incurred on rent of office in different locations will be eliminated since the new Head Office can contain the new company.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises ten (10) members. The Board formulates the broad policies of the Company and takes decisions for the management and operations of the Company with a view to attaining the Company's objectives.

Alhaji Aliyu Yahaya Sa'ad

I am the **Chairman** of the Board of Directors. I hold a HND in Business Studies from Kaduna Polytechnic (1973) and am also a graduate of the Business Studies Department of Huddersfield's Polytechnic, United Kingdom (1977).

I worked with the former Northern States Marketing Board as a Marketing Officer and served as Special Adviser on Special Duties to the Executive Governor of Kaduna State. I was later appointed Managing Director/Chief Executive Officer of Zaria Pharmaceuticals Limited.

I also worked with SCOA Nigeria Limited for thirteen years where I rose to the position of Deputy General Manager and with Crystal Bank of Africa later rebranded Standard Trust Bank Plc (now UBA Plc) as General Manager.

I am currently the Chairman, Ayita Investment Limited and Nusab Nigeria Limited. I am an alumnus of ISSEC Paris.

Olorogun O'tega Emerhor, OON

Olorogun Emerhor is the Vice-Chairman of the Company and Chief Executive Officer of SA Insurance Group. He is a 1983 graduate of University of Nigeria, Nsukka holding a first class Bachelors of Science degree in Accountancy. He is a fellow of the Institute of Chartered Accountants of Nigeria. He trained and worked with the renowned international accounting firm Price Waterhouse, now Price Waterhouse Cooper.

Mr. Emerhor has held various executive positions in a number of banks and later rose to the position of Managing Director of Crystal Bank (1992-1995), which was later re-branded as Standard Trust Bank Plc. and now merged with United Bank of Africa Plc.

Mr. Emerhor is also the Chairman of Vitalmalt Plc (1994 to date) and Heroes Group of Companies (1996 to date) amongst others. He is also Vice Chairman First Inland Bank Plc. He has interests in a number of other companies both in the manufacturing and general enterprise sectors.

Mr. Emerhor has attended various courses both locally and internationally, and is an alumnus of the Institute for Management Development, IMD, Lausanne, Switzerland.

Mr. Bode Akinboye

Mr. Akinboye is the **Group Managing Director** of SA Insurance Plc. Prior to his appointment; he was the Managing Director of the company. Other top Management positions he has occupied in Standard Alliance Group include: Deputy Managing Director/Chief Operating Officer, Financial Controller (Standard Alliance), Assistant General Manager/Head of Oil/Energy and Financial Institutions (Standard Alliance), and Founding General Manager (Standard Life Assurance Company) where he successfully positioned the company as an innovative Life & Pension outfit. Prior to joining Standard Alliance Group, Mr. Akinboye worked with Industrial and General Insurance Company as the Management Accountant (1994-1997).

Mr. Akinboye graduated from the Accountancy Department of the Ibadan Polytechnic in 1990. He is a member of the Chartered Insurance Institute, London, a Fellow of the Institute of Chartered Accountants of Nigeria (**FCA**), Associate, Chartered Insurance Institute of Nigeria (**ACIIN**), Nigerian Institute of Management (**MNIM**) and Institute of Directors (**M.Inst.D**). In 2002, he obtained his Master of Business Administration (**MBA**) at the Lagos Business School (LBS) specialising in Banking and Finance. Mr. Akinboye attended various courses both locally and internationally and has gained considerable experience in strategic marketing, product packaging and corporate management.

Alhaji Mohammed Hassan (Ciroman Keffi)

Mohammed Hassan is a seasoned administrator with vast experience in both public and private sectors. He was interpreter and translator with the Northern Nigeria House of Assembly (1964-1966), Kaduna Broadcaster with the BBC African Service in London (1966-1968) and Information officer in the Benue Plateau State Government between 1968 and 1975.

He was Public Relations Officer of the Nigeria Air Force in Lagos (1969-1972) and Private Secretary to the Former Head of State, Late Gen. Murtala Mohammed (1975-1976). He was also Deputy Commissioner, Nigeria High Commission in Hong Kong (1979); Chairman, Associated Ores Mining Company, Itakpe (1979-1983); Chairman, Lower Benue River Basin Development Authority (1977-1979); Minister of State, Foreign Affairs Office (1983) and Chairman National Agricultural Land Development Authority, Abuja (1994-1996). He was also Chairman of the Pipeline and Products Marketing Company (PPMC) between 2001-2004. He graduated from the Higher Teachers College Ilorin in 1963 with a Teachers' Grade II certificate and has attended several courses both locally and internationally.

Brigadier General Dominic Oneya (Rtd.)

General Dominic O. Oneya (Rtd.) is a Director of the Company. Born in 1948, he obtained his Bachelor of Science degree in Physical Education from the prestigious University of Ife (now Obafemi Awolowo University) in 1980. General Oneya also attended several Military Institutions amongst which are: Nigerian Defence Academy, Kaduna; Nigerian Military Training College, Jaji-Kaduna; Ghana Armed Forces Staff College, Teshi-Accra; Command and Staff College, Jaji-Kaduna and Canadian Land Forces Staff College, Ontario.

General Oneya has held several Military/Political appointments amongst which are: Military Administrator, Kano State (1996-1998); Military Administrator, Benue State (1998-1999) and Chairman, Nigerian Football Association (2000-2002). He was also a member of FIFA Youth Committee (2001-2002) and is a Member, CAF Nations Cup Organising Committee from 2002 till date.

General Oneya who holds the traditional title of Olorogun of Agbarho, Delta State, is the Chairman/CEO of Kaddara Group of Companies, Kaduna and Warri.

Joshua Ayodele Ajayi

Mr. Ajayi obtained his Bachelor of Science degree in Economics from the University of Ibadan in 1971 and joined UAC of Nigeria. Plc as a Management Trainee in July 1972. He joined the Board of the company in September 1993 and was appointed Managing Director/CEO in January 2000 before he retired in December 2006. Before his retirement, he was the Chairman of Warm Spring Water Nigeria Limited (2002-2007), Chairman, Board of Trustees, Unico Pension Fund (2000-2007), Member, Board of Tractor and Equipment Nig. Limited (2000-2008), Chairman Board of General Motors Nig. Limited (2000-2007). He was recently appointed as the Chairman, Ekiti State Economic Advisory Council (2006-2008).

Mr. Ajayi is a fellow of the Nigeria Institute of Management, Fellow of the Nigerian Institute of Personnel Management, Council member of the Nigeria Employers and Industry and Vice President and Council Member of Manufacturers Association of Nigeria. He has attended many development programmes including the Executive Programmes at the University of Michigan Business School, Ann Arbor, USA and Advance Management Programme (AMP) of Harvard Business School, Harvard, Boston, USA.

Lieutenant Colonel Paul Efor Obi (Rtd)

Lt. Col Obi had a career in the military that spanned over 23 years. He graduated from the Nigerian Defence Academy in 1979. He holds a pilot licence from the US Army Aviation School, Fort Rucker, Alabama.

He is a graduate of the Command and Staff College, Jaji and bagged the Force Service Star (FSS) for meritorious service. During his service, he was Platoon Commander under the United Nations Interim Force in Lebanon (UNIFIL) between 1982 and 1983.

Lt. Col. Obi was the Military Administrator of Bayelsa State (1998-1999) and was a member of the Niger Delta Development Option Committee that prepared the initial

blueprint for the development of Niger Delta. Since his retirement in June 1999, he has been involved in Oil and Gas activities and has attended various Workshops and seminars both local and internationally.

He is currently the Chairman/Chief Executive Officer of Pauliza Limited. He is also on the Board of Concert Alliance Limited, Next Generation Wireless Limited. United Mortgage Bank Limited. and Rode & Roke Limited. He is an alumnus of Lagos Business School.

Ramsey Oubromoro. Mowoe, CON

Mr. Ramsey Mowoe holds a BSc. Economics (1966) and MSc Economics (1969) both from the University of London. He also has a Doctorate in International Relations from the University of Surrey (1972).

Before joining SA Insurance, Mr. Mowoe was at various times Directors of many Federal Government establishments including Peugeot Automobile of Nigeria (2000-2001), Securities and Exchange Commission (2001) and Nigeria Investment Promotion Council (2000-2001). Before he retired in November 2001, he was a Permanent Secretary in the Federal Civil Service (1973-1999).

He is currently the Chairman of Sages Consult, Golden Astoria Hotels, Abuja International Law Institutes and Vice Chairman, Bifex Consultants Limited. He is a member of International Panel of Experts, Group of Twenty-Four Countries.

Dr. Ausbeth N. Ajagu

Dr. Ajagu is a renowned educationist, administrator and businessman. He is a Fellow of several bodies including Institute of Directors Nigeria (2004) and UK (2007). He holds a Bachelors degree in Political Science from Bendel State University (1987), a Masters degree in Administrative Law from the Lagos State University (1996) and a Honorary Doctorate Degree in Business Administration (DBA) from Stanton University, Tampa, Florida (2004). He was the Director of Socials and Culture, Federal School of Arts and Science, Sokoto (1982-1983); Social Co-ordinator, National Youth Service Corp (1987-1988), Board Chairman of the Anambra State Oil Palm Development Agency (2000-2002) and a member of the Presidential Committee on Road Maintenance in 2002. He is currently the Group Executive Chairman, Betsy Group of Companies, Betsy Industries Limited, Oak Hotels, Oxford Hotels, Abuja and President, Academy for Entrepreneurial Studies.

Okey Kelvin Nwosu

Mr. Nwosu graduated from the University of Benin in 1985 with a First Class Honours Bachelors of Engineering Degree in Petroleum Engineering and proceeded to the University of Port Harcourt where he obtained a Masters Degree in Natural Gas Engineering (1987). To consolidate his managerial skills, he obtained a Masters Degree in Business Administration from the University of Lagos.

He has worked in Schlumberger Nigeria Limited as an Engineer (1985-1987). He also gathered extensive experience at Arthur Andersen, where he trained and qualified as a Chartered Accountant between 1987 and 1990. He joined Diamond Bank Limited in 1991 as the Pioneer Financial Controller and Head of Systems. While there, he spear-headed the setting up of the bank's accounting and information systems. He rose to the position of a General Manager and Head of Regional Businesses, Up-Country of Diamond Bank Limited.

He was appointed Deputy Managing Director of First Atlantic Bank Plc in 2002 and Managing Director/Chief Executive Officer of the bank in 2003. He is a Fellow of the Institute of Chartered Accountants of Nigeria.

Agnes Umukoro

Miss Umukoro is the Company Secretary. She holds a Bachelor of Law degree from the Ahmadu Bello University, Zaria (1998). She was called to the Nigerian Bar in the year 2000. Prior to joining Standard Alliance Insurance plc, Miss Umukoro worked with F. Nabena & Co. (2001 - 2002), Pelumi & Partners (2002 - 2004) before moving to Edewor & Co (2004 - 2005), all as a legal practitioner.

MANAGEMENT TEAM

Thomas A. O. Imokhai

He is the **General Manager, Marketing and Business Development**, Lagos. He is a 1989 graduate of Insurance from Anambra State University of Science and Technology and holds a Masters Degree in Business Administration (2000) from Edo State University, Ekpoma. He is an Associate of Chartered Insurance Institute of Nigeria, member of Nigeria Institute of Management (MNIM) and a member of Risk and Insurance Management Society of Nigeria (RIMSON).

He worked at NEM Insurance Plc as Senior Manager (Reinsurance and Marine Underwriting, Head of Underwriting Department, Deputy Controller Marketing, AGM/Head of Marketing and left as DGM operations. He worked with British America Insurance Company, (BAICO Plc) where he rose to the position of Manager, Motor, Marine, Underwriting and Reinsurance. Besides working at National Insurance Corporation of Nigeria and Econ Ceramics Nigeria Limited, Thomas Imokhai has attended many seminars and courses to sharpen the skill that has seen him thus far as a force to reckon with in the Nigerian Insurance Industry.

Mr. Tayo Awodiya

Mr. Awodiya is the **General Manager, Business Development (North)**, He is a 1988 graduate of University of Lagos, holding a B.Sc. degree in Insurance and also a Masters Degree in Business Administration from the University of Benin (1994). He has worked as both an underwriter and a broker before joining IGI as the Personal assistant to the Marketing Director. He joined SA Insurance in 1998 as the pioneer head of one of the brokers units.

He has participated in several insurance seminars and he is an Associate member of the Chartered Insurance Institute of Nigeria (ACIIN).

Bimbo Ogundokun

Mr. Bimbo Ogundokun is the **General Manager, Products Promotion and Retail Marketing**. He graduated from the University of Benin in 1986 with a BSc. in History. He holds a Masters in Education (M.Ed) from the University of Lagos in Educational Administration (1988). He commenced his career in Finance in 1992 with a brief stint as a Business Systems Consultant with R1H Edge Limited. After R1H Edge, he joined Financial Services Consultants Limited in 1993 as an Associate. This opportunity exposed him to professional consulting engagements in investment management/corporate restructuring, risk asset trading/financial strategy; tax consulting, business process reengineering, feasibility studies and preparation of business plans for different industries and firms. Mr. Ogundokun moved to Fidelity Union Merchant Bank later renamed Fidelity Bank Plc in 1998 and occupied various positions first in Human Resources and more extensively in Credit and Marketing. In the later part of the year 2000, he was part of the restructuring team that revived National Bank of Nigeria Limited where he eventually attained the position of Chief Financial Officer and Special Assistant to the Managing Director before banking consolidation in December 2005. After consolidation, he spent some time advising emerging businesses (SMEs) on Structure and Growth before joining the SA Insurance Group.

Dr. Fure Oduaran

Dr. Oduaran joined Standard Alliance Insurance in May 2007 as a **General Manager, Group Marketing**. He has considerable work-related experience in several fields of endeavor since graduating from the University of Benin in 1979. He earned a PhD in English from University of New Brunswick, Fredericton, Canada in 1984 and has worked as a University Lecturer in University of Port Harcourt in 1985-1990, rising to the position of Senior Lecturer, before becoming the GM/Executive editor of the Mail Newspapers in 1990-1992. He then moved on into banking where he put in fourteen years in several banks including Oceanic International Bank Plc and First Atlantic Bank (now First Inland Bank Plc) where he rose to the position of Deputy General Manager in 2004. Dr. Oduaran was trained in Nigeria and Canada and he is an alumnus of the Lagos Business School.

Mayowa Adeduro

Mr. Mayowa Adeduro is the **Assistant General Manager, Operations/Group Head, Energy & Telecoms**. He is a graduate of Insurance of the University of Lagos (1994) a Chartered Accountant and an Associate of Chartered Insurance Institute of Nigeria. He started his professional career with African General Insurance Brokers Limited as Executive Officer from where he joined Continental Reinsurance Plc and was at various times Head of South/North Africa operations and Head of Marketing. He crossed to Liberty Bank Plc in 2001 to pioneer the insurance desk and was elevated to Head of Administration in 2002. Prior to joining SA Insurance Plc in October 2003, he had a brief stint with Great Nigeria Insurance Co. Limited as Business Development Manager. He has attended various courses and seminars in insurance, banking and general management in high brow training institutions including the prestigious Lagos Business School (LBS).

Anietie Lawrence Udo

Miss Udo who is the **Regional Head, East** holds a Bachelor of Science degree in Banking & Finance from the University of Uyo, Akwa Ibom State (1993) and Masters Degree in Business Administration (Marketing) from University of Calabar. She is a member of Chartered Insurance Institute of Nigeria (CIIN).

Miss Udo began her career in insurance with Industrial and General Insurance Company Limited (IGI) in 1997 as a field officer and was promoted to a field analyst in 1998. While with IGI, she won the leadership/best marketer's award in 1999 and 2000.

In 2001, Miss Udo joined Standard Life Assurance Company Limited as the Head, Oil & Energy Unit and then had a brief stint with African Development Insurance Company Limited (ADIC) before joining Standard Alliance Insurance Plc.

Miss Anietie Udo has attended several courses, seminars and workshops.

Nkeiruka Uzoechi

Miss. Uzoechi is the **Head, Human Capital Department**. She holds a Bachelors of Law Degree (1989) from the Nnamdi Azikiwe University, Awka. She was called to the Nigerian Bar in 1991. She also holds a Masters in Business Administration (Management) from the Lagos State University (1991). Prior to joining Standard Alliance Insurance Plc, Miss Uzoechi worked with Trust Bank of Africa as Head, Human Resources before moving to Sub Urban Trust (Mortgage Bankers) as Head Human Resources. Miss Uzoechi has attended several courses/training in Human Resource Management and Industrial Relations.

Adetoyan Sunday Philip

Mr. Adetoyan the **Senior Manager (Finance and Investment)** of SA Insurance. Prior to his appointment, he was the Manager Projects of SA Insurance Group. Prior to joining SA Insurance Group, Mr. Adetoyan worked with Industrial and General Insurance Company as the Accountant, Life Operations. He has also gotten considerable experience in Mortgage Banking spanning over seven years having worked with Countrywide Savings and Mortgage Limited between 1991 and 1994 and Hope Building Society Limited from 1994 to 1998. He is an Accounting graduate of Ahmadu Bello University Zaria (1990) and an Associate member Institute of Chartered Accountants of Nigeria (ICAN). Mr. Philip has gained considerable experience in Financial Reporting and corporate management. He has attended various courses.

Dayo Okemakinde

Dayo Okemakinde is **Group Head, Risk Management** and anchors the strategic functions of underwriting, survey, re-insurance and claims. He graduated from Ibadan Polytechnic in 1995 with a HND in Insurance. He holds a Masters of Business Administration Degree of Obafemi Awolowo University (2002). He is an Associate of the Chartered Insurance Institute Nigeria with robust knowledge in risk underwriting garnered from vast work experience and insurance practice

Biodun Jegede

Mr. Olubukola Biodun Jegede is the **Head, Brokers Marketing II**. He has Higher National Diploma (HND) in Banking and Finance from Owerri Polytechnic (1991) and a Master's Degree in Banking and Finance (MBA) obtained from the University of Ibadan in 2003. Associate of the Institute of Bankers of Nigeria, Jegede who once worked for Afribank Nigeria Plc also had joined Equity Indemnity Insurance as Head of Marketing Unit. Biodun Jegede, a prolific brokers marketer has attended many courses and training in many corporate specializations including Management Planning, Strategy and Development as well as other areas in insurance. He is a member of Insurance Institute of London.

Ebose Augustine Osegha

Mr. Austin Ebose Osegha is the **Head, Public Sector Group**. He graduated from Delta State University Abraka (1996) with a degree in Economics. He graduated from University of Ado-Ekiti in 2001 with an MBA. Austin's career started with Nigerian Bottling Company Mokola, Ibadan where he began as a management trainee (Sales & Marketing) in 1998. He later joined Erikana Nigeria Limited. as Marketing Officer. In 2000, he was a Branch Manager in Alliance and General Insurance Company. In 2002, he rose to the position of a Branch/Business Development Manager from where he joined Capital Express General Insurance Limited in November 2004.

Mr. Ekundayo Mobayo

Mr. Mobayo is **Head, Financial Institution Group**. He holds a BSc in Agricultural sciences from University of Ibadan in 1995. He is an Associate of the Chartered Insurance Institute of Nigeria (ACIIN) and a student member of Institute of Chartered Accountants of Nigeria.

He started his Insurance career at Perpetual Assurance Company Limited in 1996 as an Underwriting Assistant where he occupied several positions till he left in August 2000, when he joined Standard Alliance Insurance Plc. He was later appointed Regional Manager, West before his current position.

Mr. Ndubisi Gospel Ifeanyi

Mr. Ndubisi is **Head, Industrial and Commercial Group**. He holds a Masters of Business Administration (MBA) Degree from Obafemi Awolowo University, Ile-Ife in 2003.

He is an Associate of the Chartered Insurance Institute of Nigeria (ACII) and an Associate Member of the Corporation of Insurance Brokers (ACIB).

He started his Insurance career at Fire Equity Insurance Co. Ltd. in 1988, where he occupied several positions till he left as an Assistant Manager. In 1998, Mr. Ifeanyi joined Standard Alliance Insurance Plc. as Head Technical Department (Unit 2) and moved on to Fortune Assurance to Head the Motor department and later elevated to the position of Group Head, Business development. Ifeanyi later joined Trustville Insurance Brokers as General Manager and most recently First-Call Options Marketing as CEO.

Mr. Ifeanyi has attended several courses, seminars and Workshop both locally and outside Nigeria.

PREMISES

SA Insurance Group Office is situated at 324A, Akin Ogunlewe Street, Victoria Island, Lagos State. In addition, SA Insurance operates from 19 branches across the country. Details of the Company's premises are below:

	State	Address	Nature of Holding	Date of Expiration
1	Lagos	Plot 324A, Akin Ogunlewe Street Victoria Island, Lagos	Leasehold	November 2008
2		Plot 280, Ajose Adeogun Street Victoria Island, Lagos	Leasehold	Back wing – November 2008 Front Wing- March 2009
3		Plot 281, Ajose Adeogun Street P. O. Box 73659, Victoria Island, Lagos	Leasehold	November 2008
4		16, Opebi Road By Lagoon Homes Savings & Loans Opposite Olajuwon House Opebi, Ikeja Lagos	Leasehold	August 2008
5		28, Kofo Abayomi Street Via Flour Mills Apapa, Lagos	Leasehold	September 2008
6	New Corporate Head quarters	Along Lekki/Epe Expressway Lekki Phase One	Assignment (still under construction)	N/A
7	Abia	5, Nnamdi Azikwe Road Aba, Abia State	Leasehold	October 2008
8	Anambra	44, New Market Road, Onitsha Anambra State	Leasehold	May 2008
9	Bayelsa	First Inland House 76, Mbiama – Yenagoa Road Yenagoa	Leasehold	August 2009
10	Borno	Shehu Laminu Way (3 rd Floor) Maiduguri	Leasehold	June 2008
11	Cross-River	New State's Secretariat Complex Murtala Mohammed Way Calabar	Leasehold	June 2009
12	Delta	52, Airport Road, Effurun Warri	Leasehold	September 2008
13	FCT	Plot 142 Adetokunbo Ademola Crescent Wuse II Abuja	Freehold	N/A
14	Kaduna	18 Major General Muhammed Buhari Way, NDIB Building (3 rd Floor) Former Waff Road, Kaduna	Leasehold	May 2008
15	Kano	73, Ibrahim Taiwo Road, Kano Kano State	Leasehold	September 2008
16	Kwara	119A, Ibrahim Taiwo Road Rabelat House Ilorin	Leasehold	August 2008
17	Ogun	9, Olusegun Obasanjo Way Ita – Eko, Abeokuta Ogun State	Leasehold	January 2008
18	Oyo	20, Bolumole Street, Off Ring Road NEPA Bus Stop Ibadan, Oyo State	Assignment	Term Absolute
19	Plateau	193 Bukuru Bye-pass way British American Junction Beside Kings Bite By Unical Investment, Plateau	Leasehold	December 2007
20	Rivers	11B, Circular Road, Presidential Estate, Port-Harcourt, Rivers State	Leasehold	July 2008

PURPOSE OF THE OFFER

The proceeds of the Offer will be used in implementing the company's strategic plan of expansion and diversification through the provision of the full complement of financial services with the exception of commercial banking activities. In furtherance of this, it has set up companies to provide life assurance, assets and wealth management, property investment and real estate services, mortgage banking and pension funds administration.

The estimated net proceeds of ₦18,015,097,187.50 after deducting the cost of the Offer, estimated at ₦747,402,812.50 (representing 3.98% of the gross proceeds) would be applied as follows:

Activities	₦'000	%	Estimated Completion Period
Strategic Investment			
-Asset Management	3,792,652	21.05%	Continuous
-Mortgages	1,896,326	10.53%	Continuous
-Properties	2,844,489	15.79%	Continuous
-Pension Funds Administration	948,163	5.26%	Continuous
-Life Assurance	2,844,489	15.79%	Continuous
Information Technology/ E-Business Project	474,082	2.63%	24months
Strategic Retail Business Initiative/ Sales Outlet Expansion ¹	189,633	1.05%	24months
Working Capital	5,025,264	27.89%	Continuous
Total	18,015,097	100%	

¹ Bauchi, Benin, Enugu, Ikoyi, Marina, Minna, Sokoto, Uyo, Yola

WORKING CAPITAL, PROFIT AND DIVIDEND FORECASTS

The Directors of Standard Alliance, having considered the Company's present financial position and the anticipated proceeds from the Offer, are of the opinion that the Company will have adequate working capital and sufficient liquidity to meet its immediate and foreseeable obligations and funding requirements.

The Directors are of the opinion that subject to unforeseen circumstances and based on the forecast assumptions, the profit before taxation for the years ending 31 December 2008, 2009 and 2010 will be in the order of ₦2,977,230,433 ₦4,277,120,567 and ₦6,333,886,049 respectively. If these estimates are achieved, the appropriation thereof will be approximately as follows:

Years ending 31 December	₦' Millions (except otherwise stated)		
	2008	2009	2010
Gross Earnings	8,619.43	13,318.41	20,374.18
Profit Before Tax	2,977.23	4,277.12	6,333.89
Taxation	(724.98)	(1,035.74)	(1,510.21)
Profit After Tax	2,252.25	3,241.38	4,823.68
Preference Dividend	(280.00)	(280.00)	(280.00)
Ordinary Dividend	(850.00)	(1,275.00)	(1,700.00)
Earnings Per Share (Fully Diluted - Kobo)	23	35	53
Earnings Per Share (Weighted - Kobo)	32	35	53
Earnings Yield at Offer Price (Fully Diluted)	5.82%	8.86%	13.42%
Earnings Yield at Offer Price (Weighted)	8.10%	8.86%	13.42%
Dividend Per Share (Kobo)	10	15	20
Dividend Yield at Offer Price	2.53%	3.80%	5.06%
Forecast P/E at Offer Price (Fully Diluted)	17.17	11.29	7.45
Forecast P/E at Offer Price (Weighted)	12.34	11.29	7.45

Earnings Per share (Fully Diluted) are based on 8,500,000,000 Ordinary Shares of 50 Kobo each in issue for year ending December 31 2008, 2009, and 2010. Earnings Per Share (weighted) are based on 6,071,586,725 weighted ordinary shares of 50 kobo each for December 31, 2008, while 2009 and 2010, are based on 8,500,000,000 Ordinary Shares of 50 kobo each that will be in issue upon completion of the public offer. Dividend per share is based on 8,500,000,000 ordinary shares for 2008, 2009 and 2010.

People and Systems

Standard Alliance will continue to invest in Human Capital and Information Technology in order to ensure that superior products and services are provided to our valued customers efficiently. The aim is to have a professional, committed and passionate workforce as well as an effective technology infrastructure.

Customer Service

Standard Alliance is structured to guarantee efficiency in the service delivery to our clients and as such, we run a near-flat organisation system that empowers middle level officers to take prompt operational decisions. To further enhance the Company's efficiency in delivering personalised service to its clients the Company is structured into the following service centre groups.

- The Customer Service Group
- The Marketing and Business Development Group
- The Technical Service Group; and
- Special Products and Risk Management Group

RISK AND MITIGATING FACTORS

The Management adopts a risk-based approach in formulating the long-term strategies and objectives of the Company by identifying, assessing and evaluating the potential risks that might affect our business as well as devising plans to mitigate the impact of those risks in the event that they crystallise. Stated below are the identified risks associated with our company and mitigating factors that would minimise their impact.

(A) Business/Company Specific Risks

These are risks that are unique to Standard Alliance which may hamper the company's achievement of its business objectives. These risks include failure in the accounting and internal control processes, lack of adequate supervision, poor management, human resource crisis, inadequate cash flow, poor customer service etc.

Mitigating Factors: *Standard Alliance periodically reviews and updates its strategies, policies and procedures in line with the ever changing and dynamic environment. Furthermore, steps are being taken to deploy cutting edge technologies, recruit and retain relevant manpower, enhance its brand and diversify its income streams by being a one-stop financial institution.*

(B) Industry/Sectoral Risks

Subsequent to the completion of the re-capitalisation/consolidation exercise in the Insurance industry, NAICOM licensed 48 (Forty Eight) Insurance Companies and One (1) Re-insurance Company to conduct insurance and re-insurance businesses in Nigeria respectively. The industry is currently characterised with immense competition amongst the Insurance Companies in a bid to gain market share. Also, recent trends have shown that Insurance Companies are now venturing into other businesses via the establishment of subsidiaries and associated companies so as to boost and diversify the revenues towards meeting the expectations of key stakeholders. The risk exists that Standard Alliance might be unable to cope with these dynamic changes/advancements in the industry

Mitigating Factors: *As part of its effort to demonstrate its dominance in the insurance industry, Standard Alliance has further taken a bold step to strengthen its capital base in order to fund the new businesses that would transform the Company into a one-stop financial institution. This growth strategy would ensure that the Company continues to remain relevant in the industry as well as consolidate its position as a clear industry leader. Furthermore, the Company has entered into strategic alliances with both foreign & local financial institutions in order to augment its skills and resources for effective participation in the industry.*

(C) Political Risks

The prolonged political instability in Nigeria arising from a long period of military rule is gradually subsiding after 8 years of uninterrupted democratic governance and a successful transition to a new administration. There is however, a tradition of discontinuing predecessor policies by incoming administrations. The effect of this has been a lack of focus due to unwarranted policy changes.

THE CHAIRMAN'S LETTER

Mitigating Factors: *The administration of President Yar'adua has stated that it will continue with the policies of the previous administration. Consequently, a recent re-appraisal of the country by Standard & Poors has reconfirmed the BB rating that was awarded in 2006. Furthermore, the Company intends to expand to other countries as a strategic imperative, thus it will have diversified its income streams to offset some of the negative effects of any unfavourable policy changes.*

(D) Currency and Exchange Rate Risks

This is the risk of an adverse change in the enterprise values as a result of movement in the rate of exchange between currencies; in this case the Naira versus other currencies. Nigeria's exports are principally denominated in US dollars and thus the country's foreign earnings are susceptible to exchange rate volatility

Mitigating Factors: *In recent times, the exchange rate of the Naira has been relatively stable and has even appreciated slightly against the United States Dollar. This is due to the increasing foreign reserves of Nigeria, debt relief from the Paris Club of Creditors, the introduction of the Wholesale Dutch Auction Systems (WDAS) and other positive fundamental measures being constantly introduced by the CBN and the Nigerian Government. It is expected that these external stabilising factors would be sustained however; the Company intends to make strategic investments that should generate high yield returns to hedge its exposure to the event that the Naira depreciates.*

(E) Environmental Risks

These are losses that arise due to natural occurrences in the environment. Such events include earthquakes, tsunamis, volcanic eruptions, floods and other natural hazards Non-compliance with established environmental rules and regulations is also a threat to the company.

Mitigating Factors: *We have formulated disaster recovery and business continuity plans in order to address these risks and also policies to ensure compliance with all environmental rules and regulations.*

CORPORATE GOVERNANCE

Standard Alliance recognises the importance of effective Corporate Governance to corporate and economic performance. Accordingly, the Company is in compliance with the Code of Corporate Governance of Nigeria. We provide below the extent of compliance by Standard Alliance Insurance Plc with the Code of Best Practices on Corporate Governance:

Responsibility of the Board of Directors

The Company is fully compliant with all the duties and responsibilities stated under Part (A) (B) and (C) of the Code.

In its role as our primary governing body, our Board of Directors provides oversight of the Company's affairs and constantly strives to improve and build on the Company's strong corporate governance practices. The Board meets regularly (at least 4 times in each financial year) to discuss broad policies for the Company's business and operations, assess management reports and proposals and perform oversight functions.

Composition of the Board

The Board is composed of 10 members made up of 2 Executives and 8 non-Executive Directors. Board members are professionals and entrepreneurs with vast experience and credible track records. The Board Establishment Committee fixes the remuneration of Executive Directors for ratification by the full Board.

Chairman and CEO Positions

Responsibilities at the top of the Company are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from the Chief Executive. The Chairman is not involved in the day-to-day operations of the Company.

THE CHAIRMAN'S LETTER

Proceedings and frequency of meetings

The Board meets regularly at least once in a quarter. Sufficient notices with clear agenda/report are given ahead of such meetings. All Directors have access to the Company Secretary who can only be appointed or removed by the Board and is also responsible to the Board.

Non-Executive Directors

We confirm that non-executive Directors are of strong calibre and contribute actively to Boards deliberation and decision-making. However, non-executive Directors are not appointed for a fixed period. There is however, a requirement in the Company's Article 83 (2) whereby one-third (1/3) of non-executive Directors retire by rotation at every annual general meeting.

Executive Directors

The remuneration of CEO is fixed by the Board. The Board Establishment Committee is chaired by a non-executive Director and is composed of other non-executive Directors and Executive Directors. Full Disclosure is provided for Directors remuneration i.e. Highest Paid Director, Remuneration of Chairman.

Reporting and Control

The Board is responsible for and ensures proper finance reporting as well as establishment of strong internal control procedures. There is in place Board Audit Committee comprising of Executive and non-executive Directors and representatives of Shareholders. The Audit Committee is chaired by a shareholder.

Shareholders Rights and Privileges

The Directors ensure that shareholder statutory and general rights are protected at all times. Shareholders are responsible for electing the Directors at Annual General Meetings for which at least notice of 21 working days have been given before the meeting. At least shareholders holding more than 10% of the equity are represented in the Board.

RESEARCH AND DEVELOPMENT

In the last 4 years, Standard Alliance has spent a total sum of ₦31 million on Research and Product Development. This sum was expended on the training and professional development of its staff

CONCLUSION

Finally, the Board and Management of Standard Alliance are confident that in the absence of unforeseen circumstances, the Company would continue to exist as a going concern and record significant growth and improvements in its operations.

Consequently, I strongly believe that the Company will achieve its strategic objectives and hereby encourage all prospective and discerning investors as well as existing shareholders to participate fully in this Offer as Standard Alliance moves into next phase of exploiting the opportunities in the Insurance and financial services industry. Consequently,

Yours faithfully,

Alhaji Aliyu Yahaya Sa'ad
Chairman

LETTER ON GOING CONCERN STATUS

Letter from the Directors, Reporting Accountants and Auditors in respect of the Going Concern Status

17 January, 2008

The Directors

Vetiva Capital Management Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos State

The Directors

Diamond Bank Plc
Plot 1261, Adeola Hopewell Street
Victoria Island
Lagos

The Directors

Greenwich Trust Limited
Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

The Directors

Skye Bank Bank Plc
3 Akin Adesola Street
Victoria Island
Lagos

The Directors

First Inland Bank Plc
Plot 532, IBB Way
Wuse, Zone 4
Abuja

The Directors

Lead Capital Limited
Plot 281, Ajose Adeogun Street
Victoria Island
Lagos

The Directors

Spring Capital Markets Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Gentlemen,

CONFIRMATION OF THE GOING CONCERN STATUS

Standard Alliance Insurance Plc is Offering to the public 4,750,000,000 Ordinary shares of 50 Kobo each at ₦3.95 per share as part of its strategic initiatives to strengthen its capital base.

Based on our review of the financial information of the Company as well as the profit forecasts for Standard Alliance, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,

**Standard Alliance
Insurance Plc**

SIAO Partners

Muhtari Dangana & Co

LETTER FROM THE ISSUING HOUSES

The following is a copy of the letter on the Profit Forecast from Vetiva Capital Management Limited, Diamond Bank Plc, First Inland Bank Plc, Greenwich Trust Limited, Lead Capital Limited, Skye Bank Plc and Spring Capital Markets Limited:



25 January 2008

THE DIRECTORS

Standard Alliance Insurance Plc
Plot 324A Akin Ogunlewe Street
Victoria Island
Lagos State

Dear Sirs,

OFFER FOR SUBSCRIPTION OF 4,750,000,000 ORDINARY SHARES OF 50 Kobo EACH OFFERING BY STANDARD ALLIANCE INSURANCE PLC AT ₦3.95 PER SHARE

We write further to the Prospectus issued in respect of the offering of 4,750,000,000 Ordinary shares of 50 Kobo by Standard Alliance Insurance Plc, the draft of which we have had the privilege of reviewing. The Prospectus contains forecasts of the profits of the Company for the years ending 31 December 2008, 2009 and 2010.

We have discussed the bases and assumptions upon which the forecasts were made with you and with SIAO, the Reporting Accountants to the Offer. We have also considered the letter dated Tuesday, 27 November 2007 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by SIAO, we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

CHUKA ESEKA

Managing Director/CEO
Vetiva Capital Management Limited

EMEKA ONWUKA

Managing Director/CEO
Diamond Bank Plc

OKEY NWOSU

Managing Director/CEO
First Inland Bank Plc

KAYODE FALOWO

Managing Director/CEO
Greenwich Trust Limited

ABIMBOLA OLASHORE

Managing Director/CEO
Lead Capital Limited

AKINSOLA AKINFEMIWA

Managing Director/CEO
Skye Bank Plc

CHRIS OSHIAFI

Managing Director/CEO
Spring Capital Markets Limited

November 27, 2007

The Directors

Standard Alliance Insurance Plc
Plot 281 Ajoye Adeogun Street
Victoria Island
Lagos

The Directors

Vetiva Capital Management Limited
Plot 266B Kofo Abayomi Street
Victoria Island
Lagos

The Directors

Diamond Bank Plc
Plot 1261, Adeola Hopewell Street
Victoria Island
Lagos

The Directors

Greenwich Trust Limited
Plot 1698A Oyin Jolayemi Street
Victoria Island,
Lagos

The Directors

Skye Bank Plc
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The Directors

First Inland Bank Plc
4/6 Adetokunboh Ademola Street
Victoria Island
Lagos

The Directors

Lead Capital Limited
Plot 281, Ajoye Adeogun Street
Victoria Island
Lagos

The Directors

Spring Capital Markets Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Gentlemen,

MEMORANDUM ON PROFIT FORECAST

We have reviewed the accounting bases and assumptions for the profit forecast of Standard Alliance Insurance Plc (for which the Directors are solely responsible) for the years ending December 31, 2008, 2009 and 2010.

In our opinion, the profit forecast so far as the accounting bases and calculations are concerned have been properly compiled on the footing of the assumptions made by the Directors and are presented on the bases consistent with the significant accounting policies normally adopted by the company.

However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

SIAO Partners

(Chartered Accountants)

BASES AND ASSUMPTIONS FOR THE PROFIT FORECAST

This Memorandum has been prepared to summarize and outline the information available to the Directors and their basic assumptions at the time of their forecasts of the pre-tax profits for the years ending 31 December 2008, 2009 and 2010.

The Directors are of the opinion that subject to unforeseen circumstances, profit before taxation for the years ending 31 December 2008, 2009 and 2010 will be approximately ₦2,977,230,433.00, ₦4,277,120,567.00 and ₦6,333,885,049.00 respectively

BASES AND ASSUMPTIONS

The forecasts have been arrived at on the following bases and assumptions:

BASES

1. The profit forecast has been prepared based on the insurance industry market trends, regulations and best practices and these were reviewed for measuring the reasonableness of the forecast for the years ending December 31, 2008, 2009, and 2010.
2. The profit forecast for the years ending December 31, 2008, 2009 and 2010 have been prepared on the assumption that the Company will continue to operate on a basis consistent with the accounting policies and standards.
3. Offer for subscription of Standard Alliance Insurance Plc shall be fully subscribed and offer proceeds are expected to be received by 2nd quarter in 2008.
4. The Company will continue to enjoy the goodwill and patronage of both present and potential customers.

ASSUMPTIONS

A. Gross Premium – Direct

YEAR		2007(6 Months)	2006	2005
	3 - Year Average %			
Classes of General Insurance		Contribution to Gross Premium %	Contribution to Gross Premium %	Contribution to Gross Premium %
Motor Vehicle	40	39	37	44
Fire	7	8	8	6
General Accident	23	21	26	21
Engineering	12	16	9	11
Marine	18	16	20	18
Total (%)	100	100	100	100

B. Gross Premium

As a result of the current reform in the insurance industry and the growth strategies being put in place by management, it is expected that the company will record a growth rate of 80% in 2008, 65% in 2009 and 60% in 2010

C. Rei-nsurance Ceded

The proportion of reinsurance outwards to gross premium for the past three years shows an average of 12%. Due to the signing into law the Insurance Act 2003 and the privatization of Nigeria Reinsurance Corporation, the mandatory 20% legal cession seems to have come to an end. Hence, underwriting companies are at liberty with respect to reinsurance outwards. However, in line with the company creation capacity, we do not intend to reinsure not less than 15% of our premium. The company has also put into place the creation capacity to retain the premium expected to be generated from the growth planned above.

D. Provision for Unexpired Risks Reserve

In line with Insurance Act of 2003, Unexpired Risk Reserve has been on time apportionment basis. However, we have assumed that 10%, 13% and 15% of gross premium in 2008, 2009 and 2010 respectively will be unexpired.

E. Commission Received

Actual current rate varies between 25% and 35% depending on negotiation of reinsurance outwards. The historical average for the past three years was computed as 20% of reinsurance outwards. Commission received rate of 20% is projected for year 2008, 2009 and 2010.

F. Claims and Investigation

The rate of claims expenses to gross premium ranged between 18% and 26%. This gives an average of 21%. Claim and investigation cost is projected at 20% of gross premium.

G. Claim Recovery

As stated in Reinsurance Ceded, it is projected that not less than 15% of gross premium will be reinsured outwards. It is therefore expected that at least 15% of claims expenses will be recovered from reinsurers. However, making allowance for other possible recovery from sale of salvage etc. Claims recoverable have been projected at 25% (maximum) of claims and investigation expenses. This is considered feasible because the average recovery for the past three years was 31% of claims and investigation expenses.

H. Provision for Outstanding Claims

This was based on historical trend of the percentage of average outstanding claims for the past three years to total claims and investigation expenses. This was computed as 2% - 4% of total claims paid and is therefore used in the projections because of the expected increase in gross premium to be underwritten.

I. Commission Paid

This is a percentage of the gross premium. By the insurance tariffs, it varies thus:

- Motor vehicle insurance 10% to 12.5%
- Other classes of insurance 15% to 20%

The computed average for the past three years was 23.3%. This is considered adequate and falls within the range of the actual rates for the various policies (10%-20%) plus overriding commission element. However, 23% is used for the projection.

J. Deferred Commission

21% of commission payable is regarded as deferred since 21% of gross premium is regarded as unexpired risk.

K. Investment Income

As a result of the recapitalization, investible funds have increased tremendously. Furthermore other members of the group shall contribute substantially to the income of the company as follows:

Company	Expected PBT 2008	Holdings	Amount Consolidated
	₦'000	%	₦'000
Lagoon Homes Savings and Loans	400,000	51	204,000
Standard Alliance Money Limited	400,000	100	400,000
Standard Alliance Properties Limited	300,000	100	300,000
Standard Alliance Life Assurance Co. Limited	349,000	94	349,000
Standard Alliance Insurance Plc	554,000	100	554,000
Total			1,807,000

L. Management Expenses

Management expense is expected to grow in line with inflationary rate which is about 17% in 2006. However, historical trend shows that management expense had grown at three years average rate of 19.7%. Hence, growth rate is assumed 20% (maximum).

M. Bad and Doubtful Debts

The computed average rate for the immediate past three years is 8%. However, management has resolved to accept more business on cash and carry basis or with a payment plan where need be. Projection is based on an average of 5% of gross Premium income.

N. Cost of Funds

Cost of funds will be 13% in 2008 and 12% in 2009 and 2010.

O. Taxation

Tax provision shall remain at the existing rate of 30% for corporate tax and 2% for education tax. However, the effective tax rate adopted for the forecast is 23%.

P. Others

- There will be no material changes in the accounting policies currently adopted by the insurance company.
- There will be no significant changes in the federal government monetary and fiscal policies that will adversely affect the operations of the company.
- There will be no material changes in Government regulations affecting labour cost operating expenses besides the one already in force presently.
- There will be no drastic change in political and economic climate that will adversely affect the operations of the insurance company.
- There will be no litigation with adverse material consequences to the insurance company.
- There will be no new legislation materially affecting the insurance industry.
- The company will not suffer any major uninsurable catastrophe.

PROFIT FORECAST

PROFIT FORECAST FOR THE YEARS ENDING DECEMBER 31, 2008, 2009 and 2010.

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions, the profit before taxation for the year's ending December 31, 2008, 2009, 2010 will ₦2,977,230,433, ₦4,277,120,567, ₦6,333,886,049 respectively as stated below

	2008 ₦	2009 ₦	2010 ₦
PREMIUM INCOME			
Premium Written Direct	5,449,706,352	8,992,015,481	14,387,224,769
Reinsurance Inward	1,362,426,588	2,248,003,870	3,596,806,192
Gross Premium	6,812,132,940	11,240,019,351	17,984,030,962
Re-Insurance Outward	(1,025,000,000)	(1,647,750,000)	(2,510,696,609)
Net Premium	5,787,132,940	9,592,269,351	15,473,334,353
Change in Unexpired Risk Reserve	(681,213,294)	(1,461,202,516)	(2,697,604,644)
Premium Earned	5,105,919,646	8,131,066,835	12,775,729,709
Commission Received	205,000,000	329,550,000	502,139,322
Claims Recovery	340,606,647	562,000,968	899,201,548
	5,651,526,293	9,022,617,803	14,177,070,578
Less Expenses			
Claims & Investigation	1,362,426,588	2,248,003,870	3,596,806,192
Change in provision for Outst.claims	272,485,318	449,600,774	719,361,238
Commission Less deferred costs	1,237,764,555	2,042,311,516	3,267,698,426
	2,872,676,461	4,739,916,160	7,583,865,857
Underwriting Profit	2,778,849,832	4,282,701,643	6,593,204,722
Investment & other income	1,807,296,125	2,078,390,544	2,390,149,125
	4,586,145,957	6,361,092,186	8,983,353,847
Management expenses	1,268,308,877	1,521,970,652	1,750,266,250
Provision for bad and doubtful debts	340,606,647	562,000,968	899,201,548
	1,608,915,524	2,083,971,620	2,649,467,798
Profit before taxation	2,977,230,433	4,277,120,567	6,333,886,049
Taxation	(684,763,000)	(983,737,730)	(1,456,793,791)
Deferred taxation	(40,213,451)	(51,999,648)	(53,416,247)
Profit after taxation	2,252,253,983	3,241,383,188	4,823,676,011
Transfer to contingency reserve	(450,450,797)	(648,276,638)	(964,735,202)
Profit/(Loss) for the year transferred to reserves	1,801,803,186	2,593,106,551	3,858,940,809
Retained profit before forward	265,535,617	937,338,804	1,975,445,354
	2,067,338,804	3,530,445,354	5,834,386,163
Preference dividend	(280,000,000)	(280,000,000)	(280,000,000)
Proposed dividend	(850,000,000)	(1,275,000,000)	(1,700,000,000)
Retained profit carried forward	937,338,804	1,975,445,354	3,854,386,163
Forecast earnings per share (Fully Diluted) (kobo)	23	35	53
Forecast earnings per share (Weighted) (kobo)	32	35	53
Forecast dividend per share (kobo)	10	15	20

Earnings per share (Fully Diluted) are based on 8,500,000,000 ordinary shares of 50kobo each expected to be in issue for 2008, 2009, and 2010. Earnings per share (weighted) are based on 6,071,586,725 weighted ordinary shares of 50 kobo each for December 31, 2008, while 2009 and 2010, are based on 8,500,000,000 ordinary shares of 50 kobo each that will be in issue upon completion of the public offer. Dividend per share is based on 8,500,000,000 ordinary shares expected to be in issue for 2008, 2009 and 2010.

REPORTING ACCOUNTANTS' REPORT

The following is a copy of the report of SIAO (Chartered Accountants), the Reporting Accountants to the Offer:

November 27, 2007

The Directors

Standard Alliance Insurance Plc
Plot 281 Ajoye Adeogun Street
Victoria Island
Lagos

and

The Directors

Vetiva Capital Management Limited
Plot 266B Kofo Abayomi Street
Victoria Island
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The Directors

Lead Capital Limited
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Lagos

The Directors

Spring Capital Markets Limited
Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Gentlemen,

RE: OFFER FOR SUBSCRIPTION OF 4,750,000,000 ORDINARY SHARES OF 50 Kobo EACH OFFERING BY STANDARD ALLIANCE INSURANCE PLC AT ₦ 3.95 PER SHARE

We have examined the Audited Financial Statements of Standard Alliance Insurance Plc ("the Company") for the five years ended 31 December 2006 and half year ended June 30, 2007. The Financial Statements were prepared under the Historical Cost convention as modified by the revaluation of certain property, plant and equipment. The Accounts were audited by Messrs Muhtari Dangana & Co. (Chartered Accountants) and expressed an unqualified opinion on the Financial Statements for the five years ended December 31, 2006 and half year ended June 30, 2007.

The Directors are responsible for the preparation of the Financial Statements.

Our review of the Financial Statements has been limited primarily to the review of the working papers of the External Auditors of the Company and enquiries of the Company's personnel and analytical procedures applied to the financial data. We have not performed an audit and accordingly we do not express an audit opinion.

The summarized Profit and Loss accounts, Balance Sheets and Cash Flow Statements are based on the Audited Financial statements of the Company after making appropriate adjustments. The principal adjustments are disclosed in Note 6.31 of the financial information.

Our review was conducted in accordance with International Auditing Standards applicable to review engagements. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

As stated earlier, we have not performed an audit and, accordingly, we do not express an audit opinion.

In our opinion, the Financial Statements together with the notes thereon set out below, give a true and fair view of the state of affairs of the Company and of the Profit and Cash Flows for each of the years ended December 31, 2002, 2003, 2004, 2005, 2006 and half year ended June 30, 2007 and the state of affairs of the company at the Balance Sheet dates, and have been prepared on the same accounting basis normally adopted by the Company.

SIAO Partners
(Chartered Accountants)

The following summarize the significant accounting policies applied by the company in arriving at the accompanying accounts.

2.1 Basis of Accounting

The financial statements are prepared under the historical cost convention. The company uses the annual basis of accounting for its general business and fund accounting basis for the life assurance business.

2.2 Revenue Accounts

Basis of accounting

The Company uses the annual basis of accounting for its general business and fund accounting basis for the life assurance business.

Premium

Net premium represents the total amount invoiced to policy holders less reinsurance and is recognized as income from the date of attachment of risks.

Premiums, commissions and claims are shown net of re-insurance.

2.3 Investments

Investments are stated at cost less an appropriate provision for the diminution in the value thereof, which is made by a charge against the profit and loss account of the year. Quoted Investments are however stated at market values in compliance with NAICOM requirements and any surplus over cost is credited to investment reserve account. The Company's investments in the equity shares of other companies are held as long term strategic investments.

2.4 Income from investments

Interest and rental incomes are shown gross and are included on accrual basis. Dividends are accounted for on actual receipts.

2.5 Foreign Currency Transactions

Transactions in foreign currencies are converted into Naira at the official rates ruling on the date of the transactions. Assets and liabilities in foreign currencies are converted into Naira at the rates of exchange ruling at the balance sheet date. All gains and losses arising from the conversion are taken to the profit and loss account.

2.6 Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on straight-line basis to write off fixed assets over their expected useful lives at the following rate:

<u>Assets-by-classification</u>	<u>Rates</u>
Land and Building	2%
Office Furniture	10%
Office Equipment	20%
Motor Vehicle	25%
Renovation- Office Building	25%
Construction work-in-progress	Nil

Assets acquired under finance leases are recorded at cost in the books of the company along with the corresponding liability and are depreciated in conformity with the company's depreciated policy. Interest on lease is charged against the profit of the year in which it is incurred.

Fixed assets under construction are disclosed as project-in-progress and are not depreciated until they are completely ready for use.

2.7 Management expenses

Management expenses are charged to profit and loss account.

2.8 Unexpired Risks

Provisions for unexpired risks are made on time apportionment basis of risks accepted in the year in accordance with section 20(1) (a) of the Insurance Act 2003.

2.9 Deferred Commission Cost

Commission cost incurred on premium is deferred and charged in the period the premium is credited to income.

a. Claims

Claims paid are stated alongside amounts recoverable from re-insurers.

b. Contingency Reserve

Contingency reserve is provided at the rate of 3% of total premium or 20% of net profit (whichever is greater) for general business and at the rate of 1% of total premium or 10% of net profit (whichever is greater) for life business in accordance with section 21(2) of the Insurance Act 2003.

c. Provision for Doubtful Debts

Specific provision is made for debts considered to be of doubtful recovery.

2.10 Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on material differences between the net book value of assets qualifying for capital allowances and their corresponding tax written down values.

2.11 Life fund

Appropriation is made out of profit and loss accounts as required to allow the life fund to grow at a minimum of 25% of net premium written in the year pending actuarial valuation.

a) Employees' Retirement Benefit Scheme

The company operates a contributory pension scheme for its staff. The scheme is managed by the company's associate, Standard Life Assurance Company Limited. Under the scheme, the company contributes 10%, while each employee contributes 5% of basic salary on a monthly basis.

The company's contributions are charged the profit and loss account of the year as they fall due.

b) Deposit Administration Funds

Funds received under the scheme are accounted for as liabilities in the accounts. Interests are accrued at the agreed rates and charged against the profit of the period as they fall due.

2.12 Actuarial Valuation of Life Insurance Fund

The actuarial valuation of the life fund is carried out triennially. The surplus/deficit arising on valuation is reflected in the profit and loss account of immediate succeeding year following that in which the valuation is carried out.

FIVE YEAR FINANCIAL SUMMARY

PROFIT AND LOSS ACCOUNTS

COMPOSITE REVENUE ACCOUNTS	Notes	6 months		FOR THE YEAR ENDED 31 DECEMBER				
		2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=	
PREMIUM INCOME								
Premium Written - Direct		1,061,322,412	1,348,124,113	1,071,954,913	959,992,458	799,241,930	557,413,007	
Reinsurance Accepted		247,140,365	264,417,238	177,337,533	139,080,799	229,775,601	168,353,973	
Gross Premium		1,308,462,777	1,612,541,351	1,249,292,446	1,099,073,257	1,029,017,531	725,766,980	
Less: Reinsurance Outward		(129,074,234)	(159,773,458)	(100,826,668)	(97,468,046)	(145,230,783)	(152,580,405)	
Net Premium		1,179,388,543	1,452,767,893	1,148,465,778	1,001,605,211	883,786,748	573,186,575	
(Increase)/Decrease in Provision for Unexpired Risks		18,000,571	20,944,368	54,698,161	(15,340,779)	(121,772,947)	(48,891,272)	
Premium Earned		1,197,389,114	1,473,712,261	1,203,163,939	986,264,432	762,013,801	524,295,303	
Commission received on Reinsurance		28,299,346	29,371,501	24,061,264	16,888,712	28,120,502	31,457,350	
Claims recovered		53,189,800	101,050,503	113,190,790	40,669,175	49,299,536	37,698,114	
Underwriting Income		1,278,878,260	1,604,134,265	1,340,415,993	1,043,822,319	839,433,839	593,450,767	
LESS EXPENSES:								
Claims Paid		151,581,519	235,382,126	238,899,226	200,559,325	187,604,345	139,924,610	
Commission paid less deferred cost		324,509,844	348,453,174	255,989,912	255,947,315	190,348,825	96,048,045	
Increase/(Decrease) in Provision for outstanding claims		42,546,856	37,028,779	15,795,085	(3,679,502)	7,286,332	5,812,642	
Underwriting profit		760,240,041	983,270,186	829,731,770	590,995,181	454,194,337	351,665,470	
Investment income		82,652,158	75,866,892	40,949,120	47,548,806	63,694,890	39,058,397	
Other income		2,938,895	167,644	570,552	1,252,241	-	-	
Less:		845,831,094	1,059,304,722	871,251,442	639,796,228	517,889,227	390,723,867	
Management expenses	6.1	416,580,002	545,374,714	468,379,620	390,959,555	316,660,588	255,151,475	
Commission and guaranteed interest on deposit								
administrative fund		9,389,580	53,171,253	28,341,072	-	-	-	
Provision for bad and doubtful debts		125,182,435	160,148,899	139,114,079	63,851,705	89,926,408	39,020,562	
Bad debts		-	-	-	36,366,449	-	-	
Profit before taxation		294,679,077	300,609,856	235,416,671	148,618,519	111,302,231	96,551,830	
Taxation	6.10	(96,082,440)	(79,388,000)	(64,945,000)	(36,795,000)	(23,487,024)	(9,431,379)	
Deferred taxation		(14,253,600)	(2,223,600)	(4,797,600)	-	-	-	
Profit after taxation		184,343,037	218,998,256	162,667,252	114,830,286	87,815,207	87,120,451	
Transfer to Life Fund		-	(7,433,594)	-	-	-	-	
Transfer to contingency reserve	6.18	(50,429,076)	(66,215,484)	(34,700,487)	(30,130,487)	(26,513,602)	(19,310,352)	
Profit/ (Loss) for the year		133,913,961	145,349,178	127,966,765	84,699,799	61,301,605	67,810,099	
Retained profit brought forward		59,000,059	393,106	117,426,341	32,726,542	41,424,937	3,614,838	
APPROPRIATION		192,914,020	145,742,284	245,393,106	117,426,341	102,726,542	71,424,937	
Dividend		-	-	-	-	(70,000,000)	(30,000,000)	
Bonus share		-	(86,742,225)	(245,000,000)	-	-	-	
Retained profit carried forward		192,914,020	59,000,059	393,106	117,426,341	32,726,542	41,424,937	
Earning per 50k share(actual)(kobo)		5.31	14.90	16.60	16.40	12.55	21.78	
Earning per 50k share(adjusted)(kobo)		5.31	6.31	4.69	3.31	2.53	2.51	
Dividend per 50k share		-	-	-	-	10	8	

FIVE YEAR FINANCIAL SUMMARY

NON-LIFE		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			
	Notes			2005 =N=	2004 =N=	2003 =N=	2002 =N=
PREMIUM INCOME							
Premium Written - Direct		1,061,322,412	1,348,124,113	1,071,954,913	959,992,458	799,241,930	557,413,007
Reinsurance Inward		247,140,365	264,417,238	177,337,533	139,080,799	229,775,601	168,353,973
Gross Premium		1,308,462,777	1,612,541,351	1,249,292,446	1,099,073,257	1,029,017,531	725,766,980
Less: Reinsurance Outward		(129,074,234)	(159,773,458)	(100,826,668)	(97,468,046)	(145,230,783)	(152,580,405)
Net Premium		1,179,388,543	1,452,767,893	1,148,465,778	1,001,605,211	883,786,748	573,186,575
(Increase)/Decrease in Provision for unexpired risks		18,000,571	20,944,368	54,698,161	(15,340,779)	(121,772,947)	(48,891,272)
		1,197,389,114					
Premium Earned			1,473,712,261	1,203,163,939	986,264,432	762,013,801	524,295,303
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Underwriting Income		1,278,878,260	1,604,134,265	1,340,415,993	1,043,822,319	839,433,839	593,450,767
LESS EXPENSES:							
Claims Paid		151,581,519	235,382,126	238,899,226	200,559,325	187,604,345	139,924,610
Commission paid less deferred cost		324,509,844	348,453,174	255,989,912	255,947,315	190,348,825	96,048,045
Increase/(Decrease) in Provision for outstanding claims		42,546,856	37,028,779	15,795,085	(3,679,502)	7,286,332	5,812,642
Underwriting profit		760,240,041	983,270,186	829,731,770	590,995,181	454,194,337	351,665,470
Investment income		79,790,872	65,245,647	21,240,752	47,548,806	63,694,890	39,058,397
Other income		2,938,895	167,644	570,552	1,252,241	-	-
		842,969,808	1,048,683,477	851,543,074	639,796,228	517,889,227	390,723,867
Less:							
Management expenses	6.1.1	406,008,452	513,050,507	440,355,913	390,959,555	316,660,588	255,151,475
Provision for bad and doubtful debts		125,182,435	160,148,899	118,518,595	63,851,705	89,926,408	39,020,562
Bad debts		-	-	-	36,366,449	-	-
Profit before taxation		311,778,921	375,484,071	292,668,566	148,618,519	111,302,231	96,551,830
Taxation	6.10	(96,082,440)	(45,282,925)	(41,966,000)	(20,049,000)	(18,261,000)	(9,266,000)
Deferred taxation		(14,253,600)	(2,223,600)	(4,797,600)	-	-	-
Profit after taxation		201,442,881	327,977,546	245,904,966	128,569,519	93,041,231	87,285,830
Transfer to contingency reserve		(50,429,076)	(65,595,509)	(34,453,973)	(30,130,487)	(26,513,602)	(19,310,352)
Profit/ (Loss) for the year		151,013,805	262,382,037	211,450,993	98,439,032	66,527,629	67,975,478
Retained profit brought forward				140,150,907	41,711,875	45,184,246	7,208,838
		151,013,805	262,382,037	351,601,900	140,150,907	111,711,875	75,184,316
APPROPRIATION							
Dividend		-	-	-	-	(70,000,000)	(30,000,000)
Bonus share			-	(245,000,000)	-	-	-
		151,013,805	262,382,037	106,601,900	140,150,907	41,711,875	45,184,316
Prior year adjustment		-	-	3,006,837	-	-	-
Retained profit carried forward		151,013,805	262,382,037	109,608,737	140,150,907	41,711,875	45,184,316
LIFE							
	Notes	6 months 2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
Investment income		2,861,286	10,621,245	19,708,368	-	-	-
Less:							
Management expenses	6.1.2	(10,571,550)	(32,324,207)	(28,023,689)	-	-	-
Commission and guaranteed interest on deposit		(9,389,580)	(53,171,253)	(28,341,072)	-	-	-
administrative fund							
Provision for bad and doubtful debts		-	-	(20,595,484)	-	-	-
Bad debts		-	-	-	-	-	-
Profit before taxation		(17,099,844)	(74,874,215)	(57,251,877)	-	-	-
Taxation		-	-	-	-	-	-
Deferred taxation		-	-	-	-	-	-
Profit after taxation		(17,099,844)	(74,874,215)	(57,251,877)	-	-	-
Transfer to Life Fund		-	(7,433,594)	-	-	-	-
Transfer to contingency reserve		-	(619,975)	(246,514)	-	-	-
Profit/ (Loss) for the year		(17,099,844)	(82,927,784)	(57,498,391)	-	-	-
Retained profit brought forward		-	-	-	-	-	-
Adjusted contingency reserve		-	-	246,514	-	-	-
Retained profit carried forward		(17,099,844)	(82,927,784)	(57,251,877)	-	-	-

FIVE YEAR FINANCIAL SUMMARY

3.3.1 NON-LIFE REVENUE ACCOUNT - MOTOR		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			2002 =N=
PREMIUM INCOME				2005 =N=	2004 =N=	2003 =N=	
Premium Written - direct		409,291,382	528,908,545	391,739,779	424,535,523	418,460,246	327,659,164
Re-insurance accepted		88,598,070	105,847,206	67,021,503	63,973,558	92,222,696	70,326,107
Gross premium		497,889,452	634,755,751	458,761,282	488,509,081	510,682,942	397,985,271
Reinsurance		(47,699,606)	(78,930,656)	(39,463,154)	(46,548,847)	(90,988,879)	(83,576,907)
Net premium		450,189,846	555,825,095	419,298,128	441,960,234	419,694,063	314,408,364
(Increase)/decrease in provision for Unexpired risks		5,284,023	(21,026,156)	59,945,074	4,891,002	(83,296,537)	(53,007,445)
Premium Earned		455,473,869	534,798,939	479,243,202	446,851,236	336,397,526	261,400,919
Claims recovered		35,338,409	43,809,113	18,844,520	27,592,254	42,560,212	30,185,044
Commission received on reinsurance		8,108,933	9,763,159	7,368,958	7,980,692	14,618,109	8,120,150
Underwriting Income		498,921,211	588,371,211	505,456,680	482,424,182	393,575,847	299,706,113
LESS: EXPENSES							
Claims paid		109,662,048	140,063,815	79,411,927	97,059,026	135,570,814	108,246,774
Commission paid less deferred cost		57,182,404	108,991,147	85,835,269	93,018,999	90,214,663	47,010,701
Other Business Acquisition Cost		34,972,251	16,890,279				
Increase/(Decrease) in provision for outstanding claims		20,512,558	25,776,171	(10,499,429)	4,004,716	465,668	(1,919,056)
Claims incurred		222,329,261	291,721,412	154,747,767	194,082,741	226,251,145	153,338,419
UNDERWRITING PROFIT		276,591,950	296,649,799	350,708,913	288,341,441	167,324,702	146,367,694

3.3.2 NON-LIFE REVENUE ACCOUNT - FIRE		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			2002 =N=
PREMIUM INCOME				2005 =N=	2004 =N=	2003 =N=	
Premium Written - direct		61,959,015	109,939,048	88,782,493	56,371,098	53,533,752	25,356,935
Re-insurance accepted		13,064,185	20,372,982	17,185,769	7,906,095	13,148,280	24,683,399
Gross premium		75,023,200	130,312,030	105,968,262	64,277,193	66,682,032	50,040,334
Reinsurance		(6,509,362)	(10,123,958)	(8,194,480)	(5,461,846)	(1,611,572)	(10,308,309)
Net premium		68,513,838	120,188,072	97,773,782	58,815,347	65,070,460	39,732,025
(Increase)/decrease in provision for Unexpired risks		4,275,095	35,439,741	(17,943,430)	(6,119,652)	(10,789,325)	(11,178,979)
Premium Earned		72,788,933	155,627,813	79,830,352	52,695,695	54,281,135	28,553,046
Claims recovered		971,887	3,536,214	11,194,397	642,929	456,478	3,370,685
Commission received on reinsurance		1,745,002	2,784,089	2,477,008	1,502,481	443,182	8,922,709
Underwriting Income		75,505,822	161,948,116	93,501,757	54,841,105	55,180,795	40,846,440
LESS: EXPENSES							
Claims paid		4,718,091	5,222,966	8,124,341	11,288,878	9,713,514	15,204,431
Commission paid less deferred cost		14,018,365	32,410,874	23,671,927	18,120,571	14,984,940	9,054,631
Other Business Acquisition Cost		5,322,384	3,652,246	0	-	-	0
Increase/(Decrease) in provision for outstanding claims		1,760,444	4,637,453	2,170,065	(3,032,725)	(685,795)	(3,249,789)
		25,819,284	45,923,539	33,966,333	26,376,724	24,012,659	21,009,273
UNDERWRITING PROFIT		49,686,538	116,024,577	59,535,424	28,464,381	31,168,136	19,837,167

3.3.3 NON-LIFE REVENUE ACCOUNT - GENERAL ACCIDENT		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			2002 =N=
PREMIUM INCOME				2005 =N=	2004 =N=	2003 =N=	
Premium Written - direct		223,873,840	275,281,374	277,592,546	204,690,339	114,501,753	63,101,222
Re-insurance accepted		58,271,854	58,838,632	43,104,578	27,004,703	69,451,078	42,833,012
Gross premium		282,145,694	334,120,006	320,697,124	231,695,042	183,952,831	105,934,234
Reinsurance		(28,303,472)	(27,217,450)	(23,189,823)	(17,144,078)	(16,886,530)	(22,034,321)
Net premium		253,842,222	306,902,556	297,507,301	214,550,964	167,066,301	83,899,913
(Increase)/decrease in provision for Unexpired risks		3,735,646	1,602,416	12,474,669	3,274,183	(43,019,519)	(15,256,535)
Premium Earned		257,577,868	308,504,972	309,981,970	217,825,147	124,046,782	68,643,378
Claims recovered		6,586,391	9,194,265	5,868,867	4,304,214	2,413,833	2,805,027
Commission received on reinsurance		6,368,281	6,123,926	5,735,262	3,857,418	3,799,469	4,957,722
Underwriting Income		270,532,540	323,823,163	321,586,099	225,986,779	130,260,084	76,406,127
LESS: EXPENSES							
Claims paid		20,124,164	48,378,408	57,160,760	48,057,772	20,001,426	9,127,981
Commission paid less deferred cost		78,795,815	76,613,969	66,499,770	67,896,669	29,518,433	14,921,021
Other Business Cost		19,719,312	9,326,081				
Increase/(Decrease) in provision for outstanding claims		5,695,080	(2,936,011)	12,576,354	(2,400,184)	2,346,622	8,840,912
		124,334,371	131,382,447	136,236,884	113,554,257	51,866,481	32,889,914
UNDERWRITING PROFIT		146,198,169	192,440,716	185,349,215	112,432,522	78,393,603	43,516,213

FIVE YEAR FINANCIAL SUMMARY

NON-LIFE REVENUE ACCOUNT - ENGINEERING							
3.3.4		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			
				2005 =N=	2004 =N=	2003 =N=	2002 =N=
	PREMIUM INCOME						
	Premium Written - direct	202,644,525	221,662,538	91,856,687	106,514,869	87,262,728	32,963,775
	Re-insurance accepted	44,609,460	40,363,490	15,615,669	15,617,215	19,671,391	22,569,847
	Gross premium	247,253,985	262,026,028	107,472,356	122,132,084	106,934,119	55,533,622
	Reinsurance	(24,654,871)	(20,999,135)	(8,799,661)	(10,991,888)	(12,882,005)	(11,662,061)
	Net premium	222,599,114	241,026,893	98,672,695	111,140,196	94,052,114	43,871,561
	(Increase)/decrease in provision for Unexpired risks	3,619,976	810,738	(18,487,508)	3,586,086	7,474,303	(4,091,717)
	Premium Earned	226,219,090	241,837,631	80,185,187	114,726,282	101,526,417	39,779,841
	Claims recovered	366,992	11,568,476	72,293,716	4,814,194	2,537,405	77,564
	Commission received on reinsurance	6,600,399	5,774,762	2,659,941	3,022,770	3,544,293	3,207,067
	Underwriting Income	233,186,481	259,180,869	155,138,844	122,563,246	107,608,115	43,064,475
	LESS: EXPENSES						
	Claims paid	2,446,611	4,015,756	69,450,749	29,599,464	16,660,551	933,257
	Commission paid less deferred cost	37,331,191	32,936,698	17,949,857	28,754,897	18,398,971	6,533,601
	Other Business Acquisition Cost	17,292,243	7,324,267	-	-	-	-
	Increase/(Decrease) in provision for outstanding claims	8,484,991	5,800,720	6,321,631	(2,745,585)	4,205,821	91,303
		65,555,036	50,077,441	93,722,237	55,608,776	39,265,343	7,558,161
	UNDERWRITING PROFIT	167,631,445	209,103,428	61,416,607	66,954,470	68,342,772	35,506,314
3.3.5	NON-LIFE REVENUE ACCOUNT - MARINE	6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			
				2005 =N=	2004 =N=	2003 =N=	2002 =N=
	PREMIUM INCOME						
	Premium Written - direct	163,553,650	212,332,608	221,983,408	167,880,629	125,483,451	108,331,911
	Re-insurance accepted	42,596,796	38,994,928	34,410,014	24,579,228	35,282,156	7,941,608
	Gross premium	206,150,446	251,327,536	256,393,422	192,459,857	160,765,607	116,273,519
	Reinsurance	(21,906,923)	(22,502,259)	(21,179,550)	(17,321,387)	(22,861,797)	(24,998,807)
	Net premium	184,243,523	228,825,277	235,213,872	175,138,470	137,903,810	91,274,712
	(Increase)/decrease in provision for Unexpired risks	1,085,831	4,117,629	18,709,356	(20,972,398)	7,858,131	34,643,404
	Premium Earned	185,329,354	232,942,906	253,923,228	154,166,072	145,761,941	125,918,116
	Claims recovered	9,926,121	32,942,435	4,989,290	3,315,584	1,331,608	1,259,794
	Commission received on reinsurance	5,476,731	4,925,565	5,820,095	525,351	5,715,449	6,249,702
	Underwriting Income	200,732,206	270,810,906	264,732,613	158,007,007	152,808,998	133,427,612
	LESS: EXPENSES						
	Claims paid	14,630,605	37,701,181	24,751,449	14,554,185	6,658,040	6,412,167
	Commission paid less deferred cost	45,563,228	53,354,126	62,033,089	48,156,179	36,231,818	18,528,021
	Other Business Acquisition Cost	14,312,652	6,953,487	0	0	0	0
	Increase/(Decrease) in provision for outstanding claims	6,093,783	3,750,446	5,226,464	494,276	954,016	2,049,342
		80,600,268	101,759,240	92,011,002	63,204,640	43,843,874	26,989,530
	UNDERWRITING PROFIT	120,131,938	169,051,666	172,721,611	94,802,367	108,965,124	106,438,082
3.4		Notes	6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER		
					2005 =N=	2004 =N=	2003 =N=
	Premium Written		781,939,954	61,997,491	24,651,364	9,219,926	-
	Less Reinsurance		(608,521,319)	(9,334,861)	(1,356,366)	(246,720)	-
	Net Premium		173,418,635	52,662,630	23,294,998	8,973,206	-
	Transfer from Life Profit	3.6	-	7,433,594	-	-	-
			173,418,635	60,096,224	23,294,998	8,973,206	-
	Claims paid		43,337,445	13,091,725	2,803,641	526,475	-
	Commission paid		37,905,632	7,169,974	976,488	2,330,469	-
	Medical expenses		99,850	345,431	550,000	866,125	-
	Other business acquisition costs		-	21,411,375	1,416,900	-	-
	Management and other expenses		-	-	0	3,006,837	-
			81,342,927	42,018,505	5,747,029	6,729,906	-
	Transfers to life fund		92,075,708	18,077,719	17,547,969	2,243,300	-

FIVE YEAR FINANCIAL SUMMARY

GROUP LIFE UNDERWRITING						
3.5	ACCOUNTS					
	Premium Written	781,439,319	59,717,885	20,503,628	6,498,880	-
	Less Reinsurance	(608,521,319)	(9,314,056)	(1,166,475)	(172,933)	-
	Net Premium	172,918,000	50,403,829	19,337,153	6,325,947	-
	Claims paid	43,124,253	7,345,464	2,460,131	276,475	-
	Commission paid	37,905,632	6,834,493	948,566	1,747,852	-
	Medical expenses	99,850	297,071	473,000	72,000	-
	Other business acquisition costs	-	18,413,782	1,218,534	694,000	-
	Management and other expenses	-	-	-	2,873,806	-
		81,129,735	32,890,810	5,100,231	5,664,133	-
	Transfers to life fund	91,788,265	17,513,019	14,236,922	661,814	-
3.6	INDIVIDUAL LIFE UNDERWRITING					
	ACCOUNTS					
	Premium Written	500,635	2,279,606	4,147,736	2,721,046	-
	Less Reinsurance	-	(20,805)	(189,891)	(73,787)	-
	Transfers to Profit	-	7,433,594	-	-	-
	Net Premium	500,635	9,692,395	3,957,845	2,647,259	-
	Claims paid	213,192	5,746,261	343,510	250,000	-
	Commission paid	-	335,481	27,922	582,617	-
	Medical expenses	-	48,360	77,000	22,000	-
	Other business acquisition costs	-	2,997,593	198,366	78,125	-
	Management and other expenses	-	-	-	133,031	-
		213,192	9,127,695	646,798	1,065,773	-
	Transfers to life fund	287,443	564,700	3,311,047	1,581,486	-

FIVE YEAR FINANCIAL SUMMARY

BALANCE SHEETS

COMPOSITE BALANCE SHEET		6 months		As at 31 December			
As at 31 December		2007	2006	2005	2004	2003	2002
		=N=	=N=	=N=	=N=	=N=	=N=
ASSETS	Notes						
Cash and bank balances	6.2	1,607,007,870	35,249,975	30,367,009	31,250,404	37,385,866	32,407,134
Short - term investment		169,486,278	571,479,976	162,203,809	433,005,510	515,792,222	289,306,798
Debtors & prepayments	6.3	1,753,349,442	1,473,634,522	771,967,887	536,532,914	402,432,542	231,496,735
Deferred commission		73,097,518	96,171,233	90,480,741	55,707,564	-	-
Long - term investments	6.4	3,706,333,325	558,255,012	831,615,147	787,689,803	96,000,000	96,000,000
Statutory deposits	6.5	315,000,000	35,000,000	35,000,000	35,000,000	35,000,000	10,500,000
Fixed assets	6.6	579,974,481	501,653,945	455,303,856	241,535,098	190,426,724	105,140,804
		8,204,248,914	3,271,444,663	2,376,938,449	2,120,721,293	1,277,037,354	764,851,471
LIABILITIES:							
Amounts falling due within one (1) year							
Bank loans and overdrafts	6.7	1,088,889,708	336,538,733	25,684,706	38,196,645	81,363,624	101,424,646
Finance lease obligation	6.8	32,145,939	28,561,051	13,362,229	-	-	-
Creditors and accruals	6.9	279,702,295	395,049,121	72,387,899	163,725,797	142,305,569	68,848,485
Taxation	6.10	264,122,878	183,083,507	113,793,041	62,035,374	34,287,193	16,440,296
		1,664,860,820	943,232,412	225,227,875	263,957,816	257,956,386	186,713,427
Amount falling due after one (1) year							
Finance lease obligation		25,414,509	-	-	-	-	-
Insurance funds	6.11	549,202,070	432,580,077	398,417,953	419,773,065	402,861,651	273,802,372
Deposit administration funds	6.12	211,364,386	337,928,790	135,316,364	27,893,688	-	-
Deferred taxation	6.13	21,274,800	7,021,200	4,797,600	-	-	-
		2,472,116,585	1,720,762,479	763,759,792	711,624,569	660,818,037	460,515,799
Total Assets less liabilities		5,732,132,329	1,550,682,184	1,613,178,657	1,409,096,724	616,219,317	304,335,672
FINANCED BY:							
Issued share capital	6.15	3,484,844,500	735,000,000	490,000,000	350,000,000	350,000,000	200,000,000
Share premium	6.16	654,776,998	4,068,438	4,068,438	4,068,438	144,068,438	-
Profit and loss account	6.17	192,914,020	59,000,059	393,106	117,426,341	32,726,542	41,424,937
Contingency reserve	6.18	270,899,871	220,470,795	154,255,311	119,554,824	89,424,337	62,910,735
Bonus reserve		86,742,225	86,742,225	245,000,000	140,000,000	-	-
Revaluation Reserve		14,299,000	14,299,000	-	-	-	-
Investment reserve	6.19	1,027,655,715	431,101,667	719,461,802	678,047,121	-	-
		5,732,132,329	1,550,682,184	1,613,178,657	1,409,096,724	616,219,317	304,335,672
SHAREHOLDERS' FUND							
NON-LIFE BALANCE SHEET							
		6 months	2006	2005	As at 31 December	2003	2002
		2007	=N=	=N=	2004	=N=	=N=
		=N=			=N=		
ASSETS	Notes						
Cash and bank balances	6.2	1,597,878,829	28,375,180	21,881,643	18,991,868	37,385,866	32,407,134
Short - term investment		71,760,606	420,296,233	44,605,300	367,580,824	515,792,222	289,306,798
Debtors & prepayments	6.3	1,604,099,363	1,351,187,131	771,090,976	445,746,491	402,432,542	231,496,735
Deferred commission		73,097,518	96,171,233	90,480,741	55,707,564	-	-
Long - term investments	6.4	3,700,473,325	548,645,012	822,005,147	787,689,803	96,000,000	96,000,000
Statutory deposits	6.5	300,000,000	20,000,000	20,000,000	20,000,000	35,000,000	10,500,000
Fixed assets	6.6	473,107,314	394,244,678	350,923,356	241,535,098	190,426,724	105,140,804
		7,820,416,955	2,858,919,467	2,120,987,163	1,937,251,648	1,277,037,354	764,851,471
LIABILITIES:							
Amounts falling due within one (1) year							
Bank Loans and Overdrafts	6.7	1,058,340,943	335,443,037	24,571,297	38,196,645	81,363,624	101,424,646
Finance Lease Obligation	6.8	31,675,854	28,090,966	13,362,229	-	-	-
Creditors and Accruals	6.9	265,488,470	374,277,530	69,355,510	160,482,872	142,305,569	68,848,485
Taxation	6.10	122,984,662	92,647,760	57,462,369	38,848,634	16,851,263	17,629,366
		1,478,489,929	830,459,293	164,751,405	237,528,151	240,520,456	187,902,497
Amount falling due after one (1) year							
Finance Lease Obligation		25,414,509	-	-	-	-	-
Insurance Funds	6.11	416,250,537	391,704,252	375,619,847	414,522,928	402,861,651	273,802,372
Deferred Taxation	6.13	21,274,800	7,021,200	4,797,600	-	-	-
		462,939,846	398,725,452	380,417,447	414,522,928	402,861,651	273,802,372
		1,941,429,775	1,229,184,745	545,168,852	652,051,079	643,382,107	461,704,869
Total Assets less liabilities		5,878,987,180	1,629,734,722	1,575,818,311	1,285,200,569	633,655,247	303,146,602
FINANCE BY:							
Issued share capital	6.15	3,334,844,500	585,000,000	340,000,000	200,000,000	350,000,000	200,000,000
Share premium	6.16	654,776,998	4,068,438	4,068,438	4,068,438	144,068,438	-
Profit and loss account	6.17	494,585,092	292,868,818	117,229,006	140,613,081	50,162,472	40,235,867
Contingency reserve	6.18.1	269,943,650	219,514,574	153,919,065	119,465,092	89,424,337	62,910,735
Bonus reserve		86,742,225	86,742,225	245,000,000	140,000,000	-	-
Revaluation reserve		14,299,000	14,299,000	-	-	-	-
Investment reserve	6.19	1,023,795,715	427,241,667	715,601,802	681,053,958	-	-
		5,878,987,180	1,629,734,722	1,575,818,311	1,285,200,569	633,655,247	303,146,602
SHAREHOLDERS' FUND							

FIVE YEAR FINANCIAL SUMMARY

4.2 LIFE BALANCE SHEET			As at 31 December				
			2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
ASSETS							
Cash and bank balances	6.2	9,129,041	6,874,795	8,485,366	12,258,536	-	-
Short - term investment		97,725,672	151,183,743	117,598,509	65,424,689	-	-
Debtors & prepayments	6.3.1	149,250,079	122,447,391	876,911	87,779,586	-	-
Deferred Commission			-	-	-	-	-
Long - term investments	6.4.3	5,860,000	9,610,000	9,610,000	-	-	-
Statutory deposits	6.5	15,000,000	15,000,000	15,000,000	15,000,000	-	-
Fixed assets	6.6.1	106,867,167	107,409,267	104,380,500	-	-	-
		383,831,959	412,525,196	255,951,286	180,462,811	-	-
LIABILITIES:							
Amounts falling due within one (1) year							
Bank loans and Overdrafts	6.7	30,548,765	1,095,696	1,113,409	-	-	-
Finance Lease Obligation	6.8	470,085	470,085	-	-	-	-
Creditors and accruals	6.9.2	14,213,825	20,771,591	3,032,389	236,091	-	-
Taxation	6.10		-	-	-	-	-
		45,232,675	22,337,372	4,145,798	236,091	-	-
Amount falling due after one (1) year							
Insurance funds	6.11.1	132,951,533	40,875,825	22,798,106	2,243,300	-	-
Deposit administration fund	6.12	211,364,386	337,928,790	135,316,364	27,893,688	-	-
		389,548,594	401,141,987	162,260,268	30,373,079	-	-
Total Assets less liabilities		(5,716,635)	11,383,209	93,691,018	150,089,732	-	-
FINANCED BY:							
Issued share capital	6.15	150,000,000	150,000,000	150,000,000	150,000,000	-	-
Share Premium	6.16		-	-	-	-	-
Profit and loss account	6.17	(160,532,856)	(143,433,012)	(60,258,714)	-	-	-
Contingency reserve	6.18.2	956,221	956,221	89,732	89,732	-	-
Bonus reserve			-	-	-	-	-
Revaluation reserve			-	-	-	-	-
Investment reserve	6.19	3,860,000	3,860,000	3,860,000	-	-	-
SHAREHOLDERS' FUND		(5,716,635)	11,383,209	93,691,018	150,089,732	-	-

FIVE YEAR FINANCIAL SUMMARY

CASH FLOW STATEMENTS

STATEMENT OF CASH FLOWS	6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			
CASH-FLOW FROM OPERATING ACTIVITIES			2005 =N=	2004 =N=	2003 =N=	2002 =N=
Premium Received From Policy holders	1,527,438,886	1,365,794,083	822,511,205	991,768,170	772,966,605	568,561,904
Cash Received on Deposit Administration	105,156,167	604,229,171	208,146,335	27,366,950	-	-
Commission Received	28,299,346	29,371,501	24,061,264	16,888,712	28,120,502	31,457,350
Cash Recoveries From Reinsurance	53,189,800	101,050,503	113,190,790	40,669,175	49,299,536	37,698,114
Other Receipts	2,938,895	1,310,777	520,552	1,252,241	63,694,890	39,058,397
Cash Payments for Reinsurance	(737,595,553)	(169,108,319)	(69,535,043)	#####	-	-
Claims Paid	(194,918,964)	(248,473,851)	(241,702,867)	#####	(187,604,345)	#####
Commission paid	(247,722,920)	(370,338,533)	(278,628,824)	#####	(177,730,654)	(90,764,126)
Cash Payments to Employees, Suppliers and Others	(765,787,444)	(297,940,764)	(432,492,175)	#####	(406,808,554)	#####
Cash Withdrawals on Deposit Administration	(231,720,571)	(409,850,862)	(107,689,988)	(841,262)	-	-
Net cash flows from operating activities	(460,722,358)	606,043,706	38,381,249	125,819,612	141,937,980	151,914,992
Taxation paid	(15,043,038)	(10,097,534)	(13,187,333)	(9,046,889)	(4,968,773)	(3,719,807)
	(475,765,396)	595,946,172	25,193,916	116,772,723	136,969,207	148,195,185
CASH FLOWS INVESTING ACTIVITIES						
Purchase of Fixed Assets	(58,340,515)	(51,974,500)	(44,382,349)	(42,790,446)	(92,956,493)	(63,961,961)
Work-in-progress Expenditure	(44,948,054)	(26,610,000)	(215,223,833)	(48,823,160)	(25,575,002)	-
Investment in Other Companies	(502,500,000)	(15,000,000)	(5,750,000)	(9,785,845)	(7,189,633)	(2,562,210)
Investment Income	82,652,158	75,866,892	40,949,120	47,548,806	-	-
Proceeds from Sales of Fixed Assets		1,266,176	50,000	1,000,000	487,103	287,000
Investment in Subsidiaries	(2,049,024,265)					
Statutory deposits	(280,000,000)	-	-	-	(24,500,000)	-
Net cash outflows from investing activities	(2,852,160,676)	(16,451,432)	(224,357,062)	(52,850,645)	(149,734,025)	(66,237,171)
CASH FLOWS FROM FINANCING ACTIVITIES						
Preference Share Capital	1,750,000,000					
Ordinary Share Capital	999,844,500					
Share Premium	1,199,813,400					
Short Term Loan	400,000,000					
Lease Financing	41,124,000					
Dividend paid		-	-	(70,000,000)	(30,000,000)	(20,000,000)
Repayment of Loans		-	(7,000,000)	(19,666,667)	-	-
Interest Paid	(75,895,940)	(64,090,509)	(49,355,752)	(39,455,715)	-	-
Repayment of Lease Principal Obligation	(12,594,687)	(19,946,263)	(10,654,259)	-	-	-
Bank term loan		-	-	-	26,666,667	-
Recapitalization Expenses	(156,951,979)	(392,152,862)	-	-	-	-
Net proceeds of public offer		-	-	-	294,068,438	-
Net cash flows from financing activities:	4,145,339,294	(476,189,634)	(67,010,011)	#####	290,735,105	(20,000,000)
Net decrease in cash and cash equivalent	817,413,222	103,305,106	(266,173,157)	(65,200,304)	277,970,287	61,958,014
Bank and Cash Balances at January, 01	270,191,218	166,886,112	433,059,269	498,259,573	220,289,286	158,331,272
Net cash and cash equivalent at	1,087,604,440	270,191,218	166,886,112	433,059,269	498,259,573	220,289,286
Net cash and cash equivalent comprise:						
Bank and Cash Balances	1,607,007,870	35,249,975	30,367,009	31,250,404	37,385,866	32,407,134
Short term Investments	169,486,278	571,479,976	162,203,809	433,005,510	515,792,222	289,306,798
Bank Overdrafts	(688,889,708)	(336,538,733)	(25,684,706)	(31,196,645)	(54,918,515)	#####
	1,087,604,440	270,191,218	166,886,112	433,059,269	498,259,573	220,289,286

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS	6 months		FOR THE YEAR ENDED 31 DECEMBER			
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
COMPOSITE MANAGEMENT EXPENSES						
Salaries and Wages	135,423,299	198,288,320	154,665,392	127,854,488	116,686,232	85,237,591
Employees' Retirement Benefits	9,062,208	5,796,693	4,128,792	2,613,596	2,461,234	3,589,891
Executive Compensation	17,840,226	22,396,883	29,298,968	23,453,445	2,050,000	1,270,000
Directors' Fees and Allowances	8,112,220	13,735,000	8,928,000	7,190,000	6,090,000	5,150,000
Depreciation	24,968,033	44,124,102	47,292,383	36,737,534	33,011,574	26,028,000
Finance Charges	75,895,940	59,542,172	49,355,752	39,455,715	37,348,469	23,451,427
Rent and Rates	22,115,745	23,363,786	17,712,187	17,409,885	16,834,896	13,045,569
Advert and Publicity	11,440,235	9,210,979	8,103,770	9,401,657	12,199,489	8,717,673
Auditors' Remuneration	1,500,000	2,500,000	1,500,000	1,500,000	1,000,000	1,000,000
Transport and Travels	12,188,068	9,629,622	8,644,722	11,811,104	7,754,885	5,659,799
Subscription and Periodicals	3,224,483	8,107,692	2,672,416	1,364,390	1,949,322	1,240,355
Levies and Permit	17,810,522	12,888,238	18,472,380	12,108,685	8,915,742	4,646,155
Insurance	2,313,500	6,606,807	3,608,871	9,524,491	4,947,601	8,658,628
Legal and Consultancy Services	18,267,378	12,274,133	12,044,818	11,623,437	9,783,614	9,092,416
Corporate Gifts	5,557,600	10,958,211	8,990,311	9,186,023	6,221,018	8,350,930
Donations		-	800,000	1,849,542	1,485,000	750,000
Printing and Stationery	7,358,168	15,221,643	11,640,841	7,865,405	3,919,618	3,837,512
Telephone, Telex and Fax	6,312,428	12,572,665	10,324,321	12,227,987	8,064,137	3,724,994
Motor Vehicles Running Expenses	13,243,919	30,817,197	24,528,532	15,170,604	14,303,087	5,424,075
Repairs and Maintenance	3,705,746	7,311,856	4,374,356	4,879,389	4,711,156	10,960,314
Generator Fuel and Lubrication	8,708,530	10,541,989	8,785,165	3,743,329	2,713,175	3,403,026
Bonus Issue Expenses		2,450,000	-	-	-	-
Other Expenses	11,531,754	27,036,726	32,507,624	20,982,082	14,210,339	21,913,120
	416,580,002	545,374,714	468,379,601	387,952,788	316,660,588	255,151,475
	6 months		FOR THE YEAR ENDED 31 DECEMBER			
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
NON-LIFE MANAGEMENT EXPENSES						
Salaries and Wages	126,022,102	176,899,201	141,350,957	127,854,488	116,686,232	85,237,591
Employees' Retirement Benefits	8,868,300	5,478,856	3,930,831	2,613,596	2,461,234	3,589,891
Executive Compensation	17,840,226	22,396,883	29,298,968	23,453,445	2,050,000	1,270,000
Directors' Fees and Allowances	8,112,220	13,735,000	8,928,000	7,190,000	6,090,000	5,150,000
Depreciation	75,589,095	43,086,869	47,217,883	36,737,534	33,011,574	26,028,000
Finance Charges	24,425,933	54,736,757	40,425,589	39,455,715	37,348,469	23,451,427
Rent and Rates	22,099,245	22,983,513	17,712,187	17,409,885	16,834,896	13,045,569
Advert and Publicity	11,440,235	8,920,979	7,132,960	9,401,657	12,199,489	8,717,673
Auditors' Remuneration	1,500,000	2,500,000	1,500,000	1,500,000	1,000,000	1,000,000
Transport and Travels	12,077,068	8,472,422	8,304,022	11,811,104	7,754,885	5,659,799
Subscription and Periodicals	3,224,483	8,107,692	2,672,416	1,364,390	1,949,322	1,240,355
Levies and Permit	17,810,522	12,556,660	18,225,866	12,108,685	8,915,742	4,646,155
Insurance	2,313,500	6,606,807	3,608,871	9,524,491	4,947,601	8,658,628
Legal and Consultancy Services	18,267,378	12,274,133	12,044,818	11,623,437	9,783,614	9,092,416
Corporate Gifts	5,557,600	10,355,805	8,296,503	9,186,023	6,221,018	8,350,930
Donations		-	600,000	1,849,542	1,485,000	750,000
Printing and Stationery	7,358,168	14,861,266	10,796,476	7,865,405	3,919,618	3,837,512
Telephone, Telex and Fax	6,312,428	12,502,665	10,324,321	12,227,987	8,064,137	3,724,994
Motor Vehicles Running Expenses	13,243,919	29,578,431	23,403,584	18,177,371	14,303,087	5,424,075
Repairs and Maintenance	3,705,746	7,311,856	4,374,356	4,879,389	4,711,156	10,960,314
Generator Fuel and Lubrication	8,708,530	10,541,989	8,785,165	3,743,329	2,713,175	3,403,026
Bonus Issue Expenses		2,450,000	-	-	-	-
Other Expenses	11,531,754	26,692,723	31,422,139	20,982,082	14,210,339	21,913,120
	406,008,452	513,050,507	440,355,912	390,959,555	316,660,588	255,151,475

FIVE YEAR FINANCIAL SUMMARY

NOTES TO THE FINANCIAL STATEMENTS	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
LIFE MANAGEMENT EXPENSES						
Salaries and Wages	9,401,197	21,389,119	13,314,435	-	-	-
Employees' Retirement Benefits	193,908	317,837	197,961	-	-	-
Executive Compensation	-	-	-	-	-	-
Directors' Fees and Allowances	-	-	-	-	-	-
Depreciation	542,100	1,037,233	74,500	-	-	-
Finance Charges	306,845	4,805,415	8,930,163	-	-	-
Rent and Rates	16,500	380,273	-	-	-	-
Advert and Publicity	-	290,000	970,810	-	-	-
Auditors' Renumeration	-	-	-	-	-	-
Transport and Travels	111,000	1,157,200	340,700	-	-	-
Subscription and Periodicals	-	-	-	-	-	-
Levies and Permit	-	331,578	246,514	-	-	-
Insurance	-	-	-	-	-	-
Legal and Consultancy Services	-	-	-	-	-	-
Corporate Gifts	-	602,406	693,808	-	-	-
Donations	-	-	200,000	-	-	-
Printing and Stationery	-	360,377	844,365	-	-	-
Telephone, Telex and Fax	-	70,000	-	-	-	-
Motor Vehicles Running Expenses	-	1,238,766	1,124,948	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
Generator Fuel and Lubrication	-	-	-	-	-	-
Bonus Issue Expenses	-	-	-	-	-	-
Other Expenses	-	344,003	1,085,485	-	-	-
	10,571,550	32,324,207	28,023,689	-	-	-
6 months						
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
BANK AND CASH BALANCES						
Non-Life: Bank balances	112,878,829	28,375,180	21,881,643	18,032,719	37,095,601	32,407,134
Escrow Account with CBN	1,485,000,000	-	-	959,149	290,265	-
Petty - cash	-	-	-	-	-	-
	1,597,878,829	28,375,180	21,881,643	18,991,868	37,385,866	32,407,134
Life	9,129,041	6,874,795	8,485,366	12,258,536	-	-
	1,607,007,870	35,249,975	30,367,009	31,250,404	37,385,866	32,407,134
6 months						
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
NOTES TO THE FINANCIAL STATEMENTS						
DEBTORS AND PREPAYMENTS						
NON - LIFE						
Premium debtors						
Insurance companies	-	-	-	-	-	15,213
Insurance brokers	1,476,736,717	1,056,469,230	860,105,023	472,524,123	392,365,559	172,148,419
Provision for doubtful debts	(125,182,435)	(160,148,899)	(112,380,552)	(63,851,705)	(89,926,408)	(39,020,562)
	1,351,554,282	896,320,331	747,724,471	408,672,418	302,439,151	133,143,070
Other Debtors						
Staff Debtors	8,034,695	7,647,241	7,119,154	8,855,822	25,836,106	6,554,420
Prepayments and Others	244,510,386	55,066,697	15,897,351	28,218,251	18,612,090	25,076,287
Deferred Recapitalization Expenses	-	392,152,862	6,488,043	-	-	-
Balances with closed Banks	-	-	-	-	55,545,195	66,722,958
	252,545,081	454,866,800	29,504,548	37,074,073	99,993,391	98,353,665
Less: Provision for Doubtful Debts	-	-	(6,138,043)	-	-	-
	252,545,081	454,866,800	23,366,505	37,074,073	99,993,391	98,353,665
	1,604,099,363	1,351,187,131	771,090,976	445,746,491	402,432,542	231,496,735
LIFE						
Premium debtors						
Insurance brokers	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
Other Debtors						
Staff Debtors	-	-	-	-	-	-
Prepayments and Others	149,250,079	122,447,391	626,911	-	-	-
Current account	-	-	-	90,786,423	-	-
Balances with closed Banks	-	-	20,845,484	-	-	-
	149,250,079	122,447,391	21,472,395	90,786,423	-	-
Less: Provision for Doubtful Debts	-	-	(20,595,484)	-	-	-
	149,250,079	122,447,391	876,911	90,786,423	-	-
	1,753,349,442	1,473,634,522	771,967,887	536,532,914	402,432,542	231,496,735
6 months						
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
NOTES TO THE FINANCIAL STATEMENTS						
LONG-TERM INVESTMENTS						
NON -LIFE						
Quoted Shares	1,614,831,560	512,027,512	785,387,647	750,839,803	60,000,000	60,000,000
Unquoted Shares	2,085,641,765	36,617,500	36,617,500	36,850,000	36,000,000	36,000,000
	3,700,473,325	548,645,012	822,005,147	787,689,803	96,000,000	96,000,000

FIVE YEAR FINANCIAL SUMMARY

6.4.2 NON-LIFE QUOTED SHARES

Cost						
At 01 January	88,535,845	69,785,845	69,785,845	69,785,845	60,000,000	4,186,275
Purchase during the year	502,500,000	15,000,000	-	-	-	55,813,725
	591,035,845	84,785,845	69,785,845	69,785,845	60,000,000	60,000,000
Reserve surplus						
At 01 January	427,241,667	715,601,802	681,053,958	-	-	-
(Decrease)/Increase during the year	596,554,048	(288,360,135)	34,547,844	681,053,958	-	-
	1,023,795,715	427,241,667	715,601,802	681,053,958	-	-
Market value	1,614,831,560	512,027,512	785,387,647	750,839,803	60,000,000	60,000,000

6.4.3 LIFE

Quoted shares	5,860,000	5,860,000	5,860,000	-	-	-
Unquoted shares	-	3,750,000	3,750,000	-	-	-
	5,860,000	9,610,000	9,610,000	-	-	-
	3,706,333,325	558,255,012	831,615,147	787,689,803	96,000,000	96,000,000

LIFE QUOTED SHARES

Cost						
At 01 January	2,000,000	2,000,000	-	-	-	-
Purchase during the year	-	-	2,000,000	-	-	-
	2,000,000	2,000,000	2,000,000	-	-	-
Reserve surplus						
At 01 January	3,860,000	3,860,000	-	-	-	-
Increase during the year	-	-	3,860,000	-	-	-
	3,860,000	3,860,000	3,860,000	-	-	-
Market value	5,860,000	5,860,000	5,860,000	-	-	-

6.5 STATUTORY DEPOSITS

These represent the amounts deposited with the Central Bank of Nigeria in accordance with Section 9(1) of Insurance Act, 2003

	6 months 2007 =N=	2006 =N=	2005 =N=	AS AT DECEMBER 31, 2004 =N=	2003 =N=	2002 =N=
Non-life Business	300,000,000	20,000,000	20,000,000	20,000,000	35,000,000	10,500,000
Life Business	15,000,000	15,000,000	15,000,000	15,000,000	-	-
	315,000,000	35,000,000	35,000,000	35,000,000	35,000,000	10,500,000

FIVE YEAR FINANCIAL SUMMARY

NOTES TO THE FINANCIAL STATEMENTS	6 months		As at 31 December			
	2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
6.6 FIXED ASSETS:						
NON - LIFE						
COST						
Buildings	20,000,000	20,000,000	5,701,000	5,701,000	70,513,595	32,891,000
Office furniture and fittings	30,487,929	26,393,814	24,693,837	21,902,227	14,434,258	13,926,758
Office Equipments	95,632,556	88,440,956	82,313,433	46,336,020	41,005,584	34,345,367
Motor vehicles	176,766,104	211,441,104	181,813,304	148,948,141	124,911,084	87,825,564
Leased Assets	75,799,000	-	-	-	-	-
Renovation of office building	10,509,139	4,578,339	4,578,339	3,578,339	3,578,339	3,578,339
Project -in- progress	293,889,482	248,941,428	222,331,428	139,210,757	25,575,002	-
	703,084,210	599,795,641	521,431,341	365,676,484	280,017,862	172,567,028
Depreciation						
Buildings	1,130,993	856,080	456,080	342,060	228,040	114,020
Office furniture and fittings	13576467	12,264,067	9,810,350	7,349,297	5,159,070	4,070,725
Office Equipments	53663901	50,991,984	45,718,134	33,218,890	25,752,006	18,255,148
Motor vehicles	145470003	137,402,160	110,736,749	79,652,841	54,873,683	42,241,053
Leased Assets	11775125	-	-	-	-	-
Renovation of office building	4360407	4,036,672	3,786,672	3,578,339	3,578,339	2,745,278
Project -in- progress	-	-	-	-	-	-
	229,976,896	205,550,963	170,507,985	124,141,427	89,591,138	67,426,224
NET BOOK VALUE						
Buildings	18,869,007	19,143,920	5,244,920	5,358,940	70,285,555	32,776,980
Office furniture and fittings	16,911,462	14,129,747	14,883,487	14,552,971	9,275,188	9,856,033
Office Equipments	41,968,655	37,448,972	36,595,299	13,117,130	15,253,578	16,090,219
Motor vehicles	31,296,101	74,038,944	71,076,555	69,295,300	70,037,401	45,584,511
Leased Assets	64,023,875	-	-	-	-	-
Renovation of office building	6,148,732	541,667	791,667	-	-	833,061
Project -in- progress	293,889,482	248,941,428	222,331,428	139,210,757	25,575,002	-
	473,107,314	394,244,678	350,923,356	241,535,098	190,426,724	105,140,804
6.6.1 LIFE						
COST						
Buildings	-	-	-	-	-	-
Office furniture and fittings	1,350,000	1,350,000	1,350,000	-	-	-
Office Equipments	1,871,000	1,871,000	105,000	-	-	-
Motor vehicles	2,300,000	2,300,000	-	-	-	-
Renovation of office building	-	-	-	-	-	-
Project -in- progress	103,000,000	103,000,000	103,000,000	-	-	-
	108,521,000	108,521,000	104,455,000	-	-	-
Depreciation						
Buildings	-	-	-	-	-	-
Office furniture and fittings	270,000	202,500	67,500	-	-	-
Office Equipments	521,333	334,233	7,000	-	-	-
Motor vehicles	862,500	575,000	-	-	-	-
Renovation of office building	-	-	-	-	-	-
Project -in- progress	-	-	-	-	-	-
	1,653,833	1,111,733	74,500	-	-	-
NET BOOK VALUE						
Buildings	-	-	-	-	-	-
Office furniture and fittings	1,080,000	1,147,500	1,282,500	-	-	-
Office Equipments	1,349,667	1,536,767	98,000	-	-	-
Motor vehicles	1,437,500	1,725,000	-	-	-	-
Renovation of office building	-	-	-	-	-	-
Project -in- progress	103,000,000	103,000,000	103,000,000	-	-	-
	106,867,167	107,409,267	104,380,500	-	-	-
TOTAL NET BOOK VALUE	579,974,481	501,653,945	455,303,856	241,535,098	190,426,724	105,140,804
Land and building	-	-	-	-	64,812,595	-
Undeveloped land for corporate headquarters build	-	-	-	-	5,701,000	-
Ibadan office building	-	-	-	-	-	-
	-	-	-	-	70,513,595	-

FIVE YEAR FINANCIAL SUMMARY

NOTES TO THE FINANCIAL STATEMENTS	6 months		AS AT DECEMBER 31,			
	2007	2006	2005	2004	2003	2002
	=N=	=N=	=N=	=N=	=N=	=N=
6.6.2 PROJECT-IN-PROGRESS						
Corporate Head Office Building						
At 1 January	351,941,428	325,331,428	110,107,595	-	-	-
Additions: Non-Life	44,948,054	26,610,000	112,223,833	45,295,000	-	-
Additions: Life	-	-	103,000,000	-	-	-
Transfer	-	-	-	64,812,595	-	-
	396,889,482	351,941,428	325,331,428	110,107,595	-	-
Information Technology System						
At 1 January			29,103,162	25,575,002	-	-
Additions: Non-Life			-	3,528,160	-	-
Life			-	-	-	-
Transfer			(29,103,162)	-	-	-
			-	29,103,162	-	-
	351,941,428	325,331,428	139,210,757	-	-	-
6.7 BANK LOANS AND OVERDRAFTS						
NON-LIFE						
Overdrafts	658,340,943	335,443,037	24,571,297	31,196,645	54,696,957	101,424,646
Bank term loans	400,000,000	-	-	7,000,000	26,666,667	-
	1,058,340,943	335,443,037	24,571,297	38,196,645	81,363,624	101,424,646
LIFE						
Overdrafts	30,548,765	1,095,696	1,113,409	-	-	-
Bank term loans	-	-	-	-	-	-
	30,548,765	1,095,696	1,113,409	-	-	-
	1,088,889,708	336,538,733	25,684,706	38,196,645	81,363,624	101,424,646
6.8 FINANCE LEASE OBLIGATION						
Included in the fixed assets of the Company are motor vehicles and generator on lease at a total cost price of =N=75,999,000. The principal lease obligation outstanding as at 30 June 2007 was =N=57,560,448 and is payable within one year of the balance sheet date.						
6.9 CREDITORS						
NON- LIFE						
Insurance Companies and Brokers	32,294,947	57,889,888	36,098,310	11,310,144	19,475,039	12,455,357
Current account		-	-	90,786,423	-	-
Other Credit Balances	233,193,523	316,387,642	33,257,200	61,629,230	52,830,530	26,393,128
Proposed dividend			-	-	70,000,000	30,000,000
Adjustment						
	265,488,470	374,277,530	69,355,510	163,725,797	142,305,569	68,848,485
6.9.2 LIFE						
Insurance Companies and Brokers	8,907,829	19,210,852	-	-	-	-
Current account			-	-	-	-
Other Credit Balances	5,305,996	1,560,739	3,032,389	-	-	-
	14,213,825	20,771,591	3,032,389	-	-	-
	279,702,295	395,049,121	72,387,899	163,725,797	142,305,569	68,848,485
6.9.3 Dividend						
Balance as at January 01	-	-	-	70,000,000	30,000,000	20,000,000
Proposed during the year	-	-	-	-	70,000,000	30,000,000
			-	70,000,000	100,000,000	50,000,000
Paid during the year	-	-	-	(70,000,000)	(30,000,000)	(20,000,000)
	-	-	-	-	70,000,000	30,000,000

NOTES TO THE FINANCIAL STATEMENTS		6 months 2007 =N=	2006 =N=	2005 =N=	AS AT DECEMBER 31, 2004 =N=	2003 =N=	2002 =N=
6.10	TAXATION						
	Per Profit and Loss Account:						
	Provisions for the year	45,379,940	64,187,500	41,892,068	35,971,000	15,000,000	16,000,000
	Adjustments to the provisions	-	(18,904,575)	(10,091,000)	(4,926,740)	(10,137,976)	(5,379,621)
	Reporting Accountants' Adjustment - (Over)/Unc	50,702,500	34,105,075	33,143,932	5,750,740	18,625,000	(1,189,000)
	Net charges for the year	96,082,440	79,388,000	64,945,000	36,795,000	23,487,024	9,431,379
	Per Balance Sheet:						
	At 1 January	92,647,760	57,462,369	38,848,634	16,851,263	17,629,366	10,728,794
	Net charges for the year	45,379,940	45,282,925	31,801,068	31,044,260	4,862,024	10,620,379
		138,027,700	102,745,294	70,649,702	47,895,523	22,491,390	21,349,173
		(15,043,038)	(10,097,534)	(13,187,333)	(9,046,889)	(5,640,127)	(3,719,807)
	Payments during the year	122,984,662	92,647,760	57,462,369	38,848,634	16,851,263	17,629,366
	Company Taxation						
	Per Profit and Loss Account:						
	Provisions for the year	41,374,200	59,190,600	36,966,364	32,029,000	13,500,000	15,000,000
Adjustments to the provisions	-	(17,340,462)	(8,792,000)	(5,124,002)	(10,631,736)	(5,774,383)	
Net charges for the year	41,374,200	41,850,138	28,174,364	26,904,998	2,868,264	9,225,617	
Per Balance Sheet:							
At 1 January	84,389,269	52,436,665	34,906,634	15,351,263	15,928,354	9,993,882	
Net charges for the year	41,374,200	41,850,138	28,174,364	26,904,998	13,500,000	15,000,000	
	125,763,469	94,286,803	63,080,998	42,256,261	29,428,354	24,993,882	
Adjustment to prior year's provisions	-	-	-	-	(10,631,736)	(5,774,383)	
Payments during the year	(11,329,678)	(9,897,534)	(10,644,333)	(7,349,627)	(3,445,355)	(3,291,145)	
	114,433,791	84,389,269	52,436,665	34,906,634	15,351,263	15,928,354	
Education Tax							
Per Profit and Loss Account:							
Provisions for the year	4,005,740	4,996,900	4,925,704	3,942,000	1,500,000	1,000,000	
Adjustments to the provisions	-	(1,564,113)	(1,299,000)	197,262	493,760	394,762	
Net charges for the year	4,005,740	3,432,787	3,626,704	4,139,262	1,993,760	1,394,762	
Per Balance Sheet:							
At 1 January	8,258,491	5,025,704	3,942,000	1,500,000	1,701,012	734,912	
Net charges for the year	4,005,740	3,432,787	3,626,704	4,139,262	-	-	
Provisions for the year	-	-	-	-	1,500,000	1,000,000	
	12,264,231	8,458,491	7,568,704	5,639,262	3,201,012	1,734,912	
Adjustment to prior year's provisions	-	-	-	-	493,760	394,762	
Payments during the year	-3,713,360	(200,000)	(2,543,000)	(1,697,262)	(2,194,772)	(428,662)	
	8,550,871	8,258,491	5,025,704	3,942,000	1,500,000	1,701,012	
Reporting Accountants' Adjustment - (Over)/Unc	141,138,216	90,435,747	56,330,672	23,186,740	17,435,930	(1,189,070)	
	264,122,878	183,083,507	113,793,041	62,035,374	34,287,193	16,440,292	



FIVE YEAR FINANCIAL SUMMARY

6.11.4 LIFE INSURANCE FUNDS						
At 1 January	40,875,825	22,798,106	2,243,300	-	-	-
Adjustment	-	-	3,006,837	-	-	-
Balance at 1 January Restated		22,798,106	5,250,137	-	-	-
Transfers from Revenue	92,075,708	18,077,719	17,547,969	2,243,300	-	-
	132,951,533	40,875,825	22,798,106	2,243,300	-	-
6.11.5 Group life						
At 1 January	33,464,458	15,951,439	661,814	-	-	-
Adjustment	-	-	1,052,703	-	-	-
At 1 January Restated		15,951,439	1,714,517	-	-	-
Transfers from Revenue	91,788,265	17,513,019	14,236,922	-	-	-
	125,252,723	33,464,458	15,951,439	-	-	-
6.11.6 Individual life						
At 1 January	7,411,367	6,846,667	1,581,486	-	-	-
Adjustment	-	-	1,954,134	-	-	-
At 1 January Restated		6,846,667	3,535,620	-	-	-
Transfers from Revenue	287,443	564,700	3,311,047	-	-	-
	7,698,810	7,411,367	6,846,667	-	-	-
	132,951,533	40,875,825	22,798,106	-	-	-

25

NOTES TO THE FINANCIAL STATEMENT		6 months 2007 =N=	2006 =N=	2005 =N=	AS AT DECEMBER 31, 2004 =N=	2003 =N=	2002 =N=
6.12 DEPOSIT ADMINISTRATION FUND							
At 1 January		337,928,790	135,316,364	27,893,688	-	-	-
Amount Received in the Year		105,156,167	604,229,171	208,146,335	27,366,950	-	-
Guaranteed Interests		3,857,440	20,016,380	6,966,329	1,368,000	-	-
		446,942,397	759,561,915	243,006,352	28,734,950	-	-
Less Withdrawals		(235,578,011)	(421,633,125)	(107,689,988)	(841,262)	-	-
		211,364,386	337,928,790	135,316,364	27,893,688	-	-
At 31 December		211,364,386	337,928,790	135,316,364	27,893,688	-	-
		6 months 2007 =N=	2006 =N=	2005 =N=	AS AT DECEMBER 31, 2004 =N=	2003 =N=	2002 =N=
6.13 DEFERRED TAXATION							
At 1 January		7,021,200	4,797,600	-	-	-	-
Amount Charged to Profit in the year		14,253,600	2,223,600	4,797,600	-	-	-
At 31 December		21,274,800	7,021,200	4,797,600	-	-	-
6.14 TRANSFER TO LIFE FUND							
Transfer to Life Fund is to ensure the fund grows at minimum of 25% of Net premium pending actuarial valuation							

NOTES TO THE FINANCIAL STATEMENTS		6 months 2007 =N=	2006 =N=	2005 =N=	AS AT 31 DECEMBER 2004 =N=	2003 =N=	2002 =N=
6.15 SHARE CAPITAL							
Authorised							
NON-LIFE							
3,500,000,000 ordinary shares of 50k each		1,600,000,000	1,600,000,000	350,000,000	500,000,000	500,000,000	350,000,000
17,500,000 Floating Rate Irredeemable Convertible P		1,750,000,000	1,750,000,000				
		3,350,000,000	3,350,000,000				
LIFE							
Authorised							
300,000,000 ordinary shares of 50k each		150,000,000	150,000,000	150,000,000	-	-	-
		3,500,000,000	3,500,000,000	500,000,000	500,000,000	500,000,000	350,000,000
Issued and fully paid							
Non-Life							
At 1 January		1,584,844,500	340,000,000	200,000,000	350,000,000	350,000,000	200,000,000
Bonus issues capitalised		1,750,000,000	245,000,000	140,000,000	-	-	-
Transfer to life		-	-	-	(150,000,000)	-	-
		3,334,844,500	585,000,000	340,000,000	200,000,000	350,000,000	200,000,000
Life							
Issued and fully paid							
At 1 January		150,000,000	150,000,000	150,000,000	150,000,000	-	-
Bonus issues capitalised		-	-	-	-	-	-
Transfer to life		-	-	-	-	-	-
		150,000,000	150,000,000	150,000,000	150,000,000	-	-
		3,484,844,500	735,000,000	490,000,000	350,000,000	350,000,000	200,000,000

The Company issued 17,500,000 units of preference at N100 per share during the period. The preference shares attract interest at the rate of 1% above the monetary policy rate ruling at any time subject a floor and cap of 10% and 16% per annum. The option for conversion becomes exercisable from December 2008 at a price of 90% of the closing market price per 50k ordinary share of the Company on the 31 December of the conversion year.

FIVE YEAR FINANCIAL SUMMARY

		6 months 2007 =N=	2006 =N=	2005 =N=	AS AT DECEMBER 31, 2004 =N=	2003 =N=	2002 =N=
6.16 SHARE PREMIUM							
Non-life:							
At 01 January		4,068,438	4,068,438	4,068,438	144,068,438	-	-
Bonus issue		-	-	-	(140,000,000)	-	-
Gross premium realized		1,199,813,400	-	-	-	180,000,000	-
Share issue expenses		(549,104,840)	-	-	-	(35,931,562)	-
		654,776,998	4,068,438	4,068,438	4,068,438	144,068,438	-
Life:							
At 01 January		-	-	-	-	-	-
Bonus issue		-	-	-	-	-	-
		-	-	-	-	-	-
STANDARD ALLIANCE INSURANCE PLC							
NOTES TO THE FINANCIAL STATEMENTS							
		6 months 2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
6.17 PROFIT AND LOSS ACCOUNT							
Non-life Note 17.1							
Balance at 1 January		292,868,818	117,229,006	140,613,081	50,162,472	40,235,867	3,614,838
Adjustment		-	-	-	-	-	-
Balance at 1 January Restated		292,868,818	117,229,006	140,613,081	50,162,472	40,235,867	3,614,838
Transfer in Current Year		201,716,305	262,382,037	221,615,925	99,270,955	79,926,605	66,621,029
		494,585,123	379,611,043	362,229,006	149,433,427	120,162,472	70,235,867
Dividend		-	-	-	-	(70,000,000)	(30,000,000)
Bonus Issue		-	(86,742,225)	(245,000,000)	-	-	-
		494,585,123	292,868,818	117,229,006	149,433,427	50,162,472	40,235,867
Life:							
Balance at 1 January		(143,433,012)	(60,505,228)	-	-	-	-
Adjustment		-	-	(3,006,837)	-	-	-
Balance at 1 January Restated		(143,433,012)	(60,505,228)	(3,006,837)	-	-	-
Transfer in Current Year		(17,099,844)	(82,927,784)	(57,498,391)	(8,820,346)	-	-
		(160,532,856)	(143,433,012)	(60,505,228)	(8,820,346)	-	-
Bonus Issue		-	-	-	-	-	-
		(160,532,856)	(143,433,012)	(60,505,228)	(8,820,346)	-	-
		334,052,267	149,435,806	56,723,778	140,613,081	50,162,472	40,235,867
Reporting Accountants' Adjustments		(141,138,247)	(90,435,747)	(56,330,672)	(23,186,740)	(17,435,930)	1,189,070
		192,914,020	59,000,059	393,106	117,426,341	32,726,542	41,424,937
NOTES TO THE FINANCIAL STATEMENTS							
		6 months 2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
6.18 CONTINGENCY RESERVE							
This has been provided in accordance with Section 21(2) of the Insurance Act 2003 and further details on the accounts are provided as follow:							
6.18.1 Non-Life							
At 1 January		219,514,574	153,919,065	119,465,092	89,424,337	62,910,735	43,600,383
Provision for the Year		50,429,076	65,595,509	34,453,973	30,040,755	-	19,310,352
Transfer from profit and loss account		-	-	-	-	26,513,602	-
		269,943,650	219,514,574	153,919,065	119,465,092	89,424,337	62,910,735
6.18.2 Life:							
At 1 January		956,221	336,246	89,732	-	-	-
Provision for the Year		-	619,975	246,514	89,732	-	-
		956,221	956,221	336,246	89,732	-	-
Profit & Loss Account: Provision for the year		50,429,076	66,215,484	34,700,487	30,130,487	26,513,602	19,310,352
Balance Sheet		270,899,871	220,470,795	154,255,311	119,554,824	89,424,337	62,910,735
6.19 REVALUATION RESERVE							
The Company's office building at Ibadan was revalued at N20million by the firm of Messrs Osaro Egusa & Co. The revaluation resulted in a surplus of N14,299million, which is credited to revaluation reserve account.		14,299,000	14,299,000	-	-	-	-
6.19 INVESTMENT RESERVE							
The company carries its quoted investment at market values and any surplus over cost is credited to investment reserve account. The details of the reserve account are:							
		6 months 2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
Non-Life:							
At 1 January		431,101,667	719,461,802	678,047,121	-	-	-
Addition for the year		596,554,048	(288,360,135)	41,414,681	678,047,121	-	-
At 31 December		1,027,655,715	431,101,667	719,461,802	678,047,121	-	-
Life:							
At 1 January		3,860,000	3,860,000	-	-	-	-
Addition for the year		-	-	3,860,000	-	-	-
At 31 December		3,860,000	3,860,000	3,860,000	-	-	-
At 31 December		1,031,515,715	431,101,667	719,461,802	681,053,958	-	-

FIVE YEAR FINANCIAL SUMMARY

NOTES TO THE FINANCIAL STATEMENTS		6 months 2007 =N=	2006 =N=	FOR THE YEAR ENDED 31 DECEMBER			2003 =N=	2002 =N=
6.20	PREMIUM RECEIPTS FROM POLICY HOLDERS			2005 =N=	2004 =N=			
	Premium due from policyholders at 1 January	1,056,469,230	860,105,023	472,524,123	392,365,559	-	-	-
	Gross premium written (Non-life)	1,308,462,777	1,612,541,351	1,249,292,446	1,099,073,257	-	-	-
	Gross premium written (Life)	781,939,954	61,997,491	24,651,364	9,219,926	-	-	-
		3,146,871,961	2,534,643,865	1,746,467,933	1,500,658,742	-	-	-
	Premium due from policyholders at 31 December	(1,476,736,717)	(1,056,469,230)	(860,105,023)	(472,524,123)	-	-	-
	Debt written off against existing provisions	(142,696,358)	(112,380,552)	(63,851,705)	(36,366,449)	-	-	-
		1,527,438,886	1,365,794,083	822,511,205	991,768,170	-	-	-
6.21	RECONCILIATION OF NET PROFIT TO NET CASH GENERATION BY OPERATIONS			2005 =N=	2004 =N=	2003 =N=	2002 =N=	
	Profit Before Taxation	294,679,077	300,609,856	235,416,689	160,355,970	-	-	-
	Adjustments:							
	Depreciation	24,968,033	44,124,102	47,292,383	36,737,538	-	-	-
	Provision for Doubtful Debts	125,182,435	160,148,899	139,114,079	63,851,705	-	-	-
	(Profit)/Loss on Assets Disposed	-	1,143,133	(50,000)	125,000	-	-	-
	Profit on Exchange	-	-	232,500	-	-	-	-
	Investment Income	(82,652,158)	(75,866,892)	(40,949,120)	-	-	-	-
	Interest Paid	75,895,940	59,542,172	49,355,752	-	-	-	-
	Increase in Deferred Commission	23,073,714	(5,690,492)	(34,773,177)	(162,369)	-	-	-
	Increase in Debtors & Prepayments	(153,344,743)	(314,637,368)	(438,588,209)	(172,356,807)	-	-	-
	Increase Creditors and Accruals	(885,146,650)	420,585,891	120,233,430	25,385,740	-	-	-
	Increase/(Decrease) in Provision for Insurance Funds	116,621,993	16,084,405	(38,903,081)	11,661,277	-	-	-
	Net Cash Generated By Operations	(460,722,359)	606,043,706	38,381,246	125,598,054	-	-	-
6.22	DIRECTORS AND EMPLOYEES			2005 =N=	2004 =N=	2003 =N=	2002 =N=	
	Employees							
	The average number of persons employed by the company during the year by category:	Number	Number	Number	Number	Number	Number	
	Executive directors	3	2	2	2	3	3	
	Management staff	22	22	32	24	20	13	
	Non-management staff	146	146	124	150	149	144	
		171	170	158	176	172	160	
	Staff cost for the above persons (excluding Executive Directors) was:							
	Wages and salaries	135,423,299	198,288,320	154,665,392	127,854,488	92,711,771	67,986,634	
	Employees' retirement benefit	9,062,208	5,796,693	4,128,792	2,613,596	-	-	
	Other staff cost	-	-	-	-	4,126,696	3,460,915	
		144,485,507	204,085,013	158,794,184	130,468,084	96,838,467	71,447,549	
	The number of employees of the company other than Directors who received emoluments in the following ranges was:							
		Number	Number	Number	Number	Number	Number	
	N100,001 - N200,000	7						
	N200,001 - N300,000	4	7	5	55	60	66	
	N300,001 - N400,000	25	4	16	6	41	29	
	N400,001 - N500,000	16	25	8	34	19	4	
	N500,001 - N600,000	22	16	20	32	15	14	
	N600,001 - N700,000	17	22	27	15	7	3	
	N700,001 - N800,000	11	17	23	5	5	2	
	N800,001 - N900,000	13	11	5	5	3	2	
	N900,001 - N1,000,000	10	13	12	5	3	6	
	N1,000,001 - N1,100,000	10	10	4	2	4	3	
	N1,100,001 - N1,200,000	4	10	4	3	2	0	
	N1,200,001 - N1,300,000	3	4	6	3	1	0	
	N1,300,001 - N1,400,000	6	3	3	1	1	11	
	N1,400,001 - N1,500,000	20	6	5	2	1	9	
	Above N1,500,000	-	20	18	6	9	8	
		168	168	156	174	171	157	
6.23	NOTES TO THE FINANCIAL STATEMENTS							
		2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=	
	DIRECTORS' REMUNERATION							
	The remuneration paid to the directors of the company was:							
	Fees and other allowances	8,112,220	13,735,000	8,928,000	7,190,000	8,140,000	5,620,000	
	Executive compensation	17,840,226	22,396,883	29,298,968	23,453,445	21,454,567	13,267,116	
		25,952,446	36,131,883	38,226,968	30,643,445	29,594,567	18,887,116	
	Fees and other emoluments disclosed above include amounts paid to:							
	The Chairman	1,900,000	1,900,000	1,350,000	1,300,000	1,285,000	980,000	
	The Highest paid Director	10,075,000	14,375,917	17,010,434	13,509,061	10,609,005	7,249,999	
	The number of Directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:							
		Number	Number	Number	Number	Number	Number	
	N60,000 - N700,000	-	-	-	-	-	6	
	N700,000 - N1,000,000	-	-	5	5	9	3	
	N1,000,001 - N2,000,000	7	6	1	1	-	-	
	N2,000,001 and above	2	2	2	2	-	-	
		9	8	8	8	9	3	

FIVE YEAR FINANCIAL SUMMARY

6.24	CONTINGENT LIABILITY Contingent liability as at the balance sheet date in respect of outstanding litigations amounted to ₦89million (2006 ₦89 million). It is the opinion of the Directors that no liability would result therefrom.	6 months	FOR THE YEAR ENDED 31 DECEMBER				
		2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
	Contingent Liability		89,000,000	85,000,000	75,000,000	140,000,000	150,000,000
6.25	PENSION AND RETIREMENT BENEFIT SCHEME The company operates a contributory pension scheme for its staff. The scheme which hitherto had been managed by its associate, Standard Life Assurance Company Limited, will now be transferred to Pension Fund Administrator in accordance with the Pension Reform Act. Under the scheme, the Company contributes 10%, while the employees contribute 5% of basic salaries on a monthly basis. The Company's contributions to the scheme are charged to the profit and loss account of the period as they accrue.						
6.26	CHANGE OF ACCOUNTING POLICY The Company changed its accounting policy on management expenses during the year. Management expenses are now charged against profit instead of revenue accounts. The relevant comparative figures have been restated in the financial statement for the year.						
6.27	COMPLIANCE WITH RELEVANT ACCOUNTING STANDARDS During the year, the company's attention was drawn to non-compliance with some relevant accounting standards by the Nigerian Accounting Standard Board. The issues raised have been addressed in the year's financial statement						
6.28	COMPARATIVE FIGURES Certain comparative figures have been adjusted in the year's financial statements to enhance upon understanding and comparison.						
6.29	TRANSFER FROM NON-LIFE BUSINESS This is the appropriation out of non-life business for the year required to cover the management and other expenses of life business and allow the life fund to grow at a minimum of 25% of net premium written in the year pending actuarial valuation.						
6.30	PROFIT BEFORE TAXATION This is stated after charging the following among management expenses:	6 months	FOR THE YEAR ENDED 31 DECEMBER				
		2007 =N=	2006 =N=	2005 =N=	2004 =N=	2003 =N=	2002 =N=
	Directors' remuneration	8,112,220	36,131,883	38,226,968	30,643,445	29,594,567	18,887,116
	Auditors' remuneration	1,500,000	2,500,000	1,500,000	1,500,000	1,000,000	750,000
	Depreciation	24,968,033	44,124,102	47,292,383	36,737,534	33,011,574	26,027,965
	(Profit)/Loss on disposal of fixed assets	-	1,143,133	(50,000)	125,000	(487,013)	(239,500)
	Provision for bad and doubtful debts	125,182,435	160,148,899	139,114,079	63,851,705	-	-
	Finance charges	75,895,940	59,542,172	49,355,752	38,087,715	32,787,542	23,451,428

STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

Standard Alliance Insurance Plc was incorporated in Nigeria under the name Jubilee Insurance Company Limited on 28th July 1981 to carry out insurance business.

The Company formally commenced full operations in 1982. In August 1996, it was renamed Standard Alliance after a major transformation of the Company's ownership and management. Initially, the Company transacted all classes of insurance business except life, which was reserved for its associate, Standard Life Assurance Company Limited. In 2003 however, the Company was re-registered by NAICOM and was granted license to transact life business. Standard Alliance became a Public Limited Company on the 24th day of October 2002 and its shares were subsequently listed on the floor of The Nigerian Stock Exchange in December 2003.

In 1994, the Company's authorised share capital was ₦6,000,000.00 divided into 6,000,000 Ordinary shares of ₦1.00 each. At the Company's AGM held on 25 July 2007 shareholders approved the increase in authorised share capital to ₦6,000,000,000.00 comprising 8,500,000,000 Ordinary shares of 50 Kobo each and 17,500,000 Preference shares of ₦100.00 each, of which ₦3,571,586,725.00 divided into 3,643,173,450 Ordinary shares of 50 Kobo each and 17,500,000 Preference Shares of ₦100 each are fully paid up.

The changes in the share capital of the Company since incorporation are summarised below:

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

SHAREHOLDING STRUCTURE

As at 30 June 2007, the 3,469,689,000 Ordinary Shares of 50 Kobo each in the issues share capital of the Company were beneficially held as follows:

Shareholder's Name	Number of Shares	Amount (₦)	%
First Inland Bank Plc	400,000,000	200,000,000	11.53%
First Atlantic Asset Management Ltd	294,000,000	147,000,000	8.47%
Standard Alliance Investment Limited	217,574,883	108,787,442	6.27%
New Heroes Limited	212,934,009	106,467,005	6.14%
Olorogun O'tega Emerhor	205,001,000	102,500,500	5.91%
Synetic Technologies Limited	204,362,847	102,181,424	5.89%
Others	1,935,816,261	967,908,131	55.79%
Total	3,469,689,000	1,734,844,500	100.00%

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

DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of Standard Alliance in the issued share capital of the Company as recorded in the Register of Members as at 31 July 2006 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

Directors' Holding

S/No. Directors		Shareholding			
		Direct	Indirect	Total	% Holding
1	Alhaji Aliyu Yahaya Sa'ad	24,250,000	-	24,250,000	0.70%
2	Olorogun O'tega Emerhor OON	205,001,000	634,871,739	839,872,739	24.21%
3	Mr. Bode Akinboye	112,660,000	-	112,660,000	3.25%
4	Brig. Gen Dominic Oneva (Rtd)	2,000,000	-	2,000,000	0.06%
5	Joshua Ayodele Ajayi	1,000,630	-	1,000,630	0.03%
6	Hassan A. Mohammed	-	-	-	0.00%
7	Lt. Col. Paul Obi (Rtd)	-	-	-	0.00%
8	Dr. Ramsey O. Mowoe	-	-	-	0.00%
9	Dr. Ausbeth N. Ajagu	-	-	-	0.00%
10	Okey Nwosu	-	694,000,000	694,000,000	20.00%

The indirect shareholding are as follows: **Olorogun O'tega Emerhor**- represents the interests of Standard Alliance Investments Limited, Synetics Technologies Limited and New Heroes Limited; **Okey Nwosu** – represents the interest of First Inland Bank Plc and First Atlantic Asset Management Limited.

INDEBTEDNESS

As at June 2007, the Company had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business. However, the Company had contingent liabilities in the ordinary course of business amounting to ₦89 million being potential liability from cases pending against the Company.

STATUS OF UNCLAIMED/UNPAID DIVIDENDS

As at 30 June 2007, Standard Alliance had 225 shareholders in the Register of Members who had not claimed their dividend warrants. The total amount of unclaimed dividend as at that date was ₦500,562.00 and the amount is currently being kept in an account with First Bank of Nigeria Plc. The Company hereby undertakes to publish the list of unclaimed dividends in the 2007 Annual Report to be circulated to all shareholders with the notice of AGM in compliance to S382(1) of CAMA 1990. However as at 30 June 2007, the Company had no unpaid dividend.

MERGERS AND ACQUISITION

Standard Alliance Insurance Plc is in the process of acquiring Perpetual Assurance Company Limited and has obtained National Insurance approval in principle to that effect. The application is currently with the Securities and Exchange Commission for its approval.

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at 30 June 2007, the Company had no subsidiaries but had the one associated company:

	Shareholding
Associated Company:	
Standard Life Assurance Company Limited	20%

EXTRACTS FROM THE MEMORANDUM & ARTICLES OF ASSOCIATION

The following are the relevant extracts from the Company's Memorandum & Articles of Association.

CLAUSES:

4. The Company is a public company.
6. The Authorised Share Capital of the Company is ₦6,000,000,000.00 (Six billion Naira) only divided into 8,500,000,000.00 (Eight Billion, Five Hundred Million) Ordinary shares of 50 Kobo each, and 17, 500,000.00 (Seventeen Million Five Hundred Thousand) Preference shares of ₦100 each.

ARTICLES:

PUBLIC COMPANY

4. The Company is registered as a public company.

SHARE CAPITAL AND VARIATION OF RIGHTS

5.1. **Special Rights**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.

- 5.2. The Company shall have power to increase or subject to confirmation by the court reduce the share capital or divide or sub-divide same into shares of different classes.

7. **Alteration of Capital**

If at any time the share capital is divided into different classes or shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, so however that the necessary quorum shall be two members present in person and at class and that any holders of shares of the class present in person may demand a poll.

8. **Rights not Varied by issues of Additional Shares**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of the class, be denied to be varied by the creation or issue of further shares ranking pari passu therewith.

10. **Trust Affecting Shares**

Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fraction part of a share or (except only as by these regulations or by law otherwise provide) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

11. **Share Certificate**

Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or

lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of N5 for every certificate after the first of such less sum as the Directors shall from time to time determine. Every certificate shall be under the seal and shall specify the share to which it relates and the amount paid up thereon; provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

TRANSMISSION OF SHARES**28. Death of Holder**

In case of the death of a member, the survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person recognized by the company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

45. Increase of Capital

The company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall direct, or in default of such direction as the Directors shall determine.

46. Disposal of New Shares

Subject to any directive to the contrary that may be given by the resolution sanctioning the increase of capital, all new shares shall before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted will be deemed to be declined, and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the company. The Directors may likewise so dispose of any new shares, which by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares cannot, in the opinion of the Directors be conveniently offered under this Article.

47. Issue Price

Any new shares may be offered at par, or at a premium or subject to Section 121 of the Decree, or at a discount as the Directors may decide.

48. New Share Capital to be Treated like Original Share Capital

The new share shall be subject to the same provisions with reference to the payment of calls, liens, transfers, transmission, forfeiture and otherwise as the shares in the original share capital.

49. Alteration of Capital Resolution

The company may by ordinary resolution:

- (1) Consolidate and divide all or any of its share capital into shares of smaller amount than its existing shares;
- (2) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so, however that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share is retained;
- (3) Cancel any share which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and may, by special resolution;

- (4) Reduce its share capital and capital redemption fund and any share premium account in any manner and with the subject to any incident authorised and consent required by law.

CONVERSION OF SHARES INTO STOCK**50. Power to Convert**

The company may, by ordinary resolution, convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

51. The holders of stock may transfer the same of any part thereof in the same manner and subject to the same regulations as and subject which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares to which the stock arose.

57. Notice of Meeting

An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days notice in writing at the least, and a meeting of the company other than an annual general meeting, or a meeting for the passing of a special resolution, shall be called by fourteen days notice in writing at the least. The notice shall be exclusive of the day on which it is given, and shall specify the place, the day and hour of the meeting and in the case of special business, the general nature of that business, shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are under the regulations of the company, entitled to receive such notices from the company. Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

59. Special Business

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at the annual general meeting, with the exception of declaring dividend, the consideration of the accounts, balance sheets, and the reports of the Directors, Auditors, the election of the Directors in the place of those retiring and the appointment of and fixing of the remuneration of the Auditors.

60. Quorum

Save as herein otherwise provided, the quorum for the meeting of the Company shall be 25 members present in person or by proxy and no business shall be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business.

61. Adjournment for want of Quorum

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

65. Voting on Resolution

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll, the demand for which may be withdrawn, is (before or on the declaration of the results of the show of hands) demanded:

- (a) By the Chairman; or
- (b) By at least two members present in person or by proxy

- (c) By any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) By a member holding shares in company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
2. Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, the resolution.
3. Subject to the provision of the Decree, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held.

66. **Taking a Poll**

Except as provided in regulation 65 hereof, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

67. **Chairman's Casting Vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

68. **When poll is to be taken**

A poll demanded on the election of a Chairman on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of a poll.

VOTES OF MEMBERS

69. **Number of Votes**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote and on a poll every member shall have one vote for each share of which he is the holder.

70. **Joint Holders**

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

71. **Member of Unsound Mind**

A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver, or curator or other person vote by proxy.

72. **Member in Default**

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid

73. **Time for Objection**

No objections shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the votes objected to is given or tendered, and every

STATUTORY AND GENERAL INFORMATION

vote not disallowed at such meeting shall be valid for all purposes. Any such objections made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

74. **Proxy**

On a poll votes may be given either personally or by proxy

75. **Instrument of Proxy**

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or the hand of an officer or attorney duly authorised. A proxy need not be a member of the company.

76. **Deposit of Instrument of Proxy**

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within Nigeria as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

81. **Where member is corporate body**

Any corporation which is a member of the company may by resolution of its Directors or any other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

DIRECTORS

82. **Number of Directors**

Unless otherwise determined by a general meeting the number of Directors shall not be less than five.

83. **Appointment and Retirement of Directors**

1. The First Directors shall be appointed by the chief promoter of the company and shall hold office until the first annual general meeting when the provision as to the retirement of Directors shall commence after
2. At the Annual General Meeting in every subsequent year, one third of the Directors (except working Directors) or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
3. All retiring Directors shall be eligible for re-election.
4. The company at the meeting at which Director retires in the manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.
5. No person other than a Director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of Director at any General unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the company notice in writing signed by a member duly qualified to attend and vote at the meeting for

STATUTORY AND GENERAL INFORMATION

which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

PROVIDED ALWAYS and it is hereby agreed that any shareholder holding not less than ten (10) per cent of the paid up share capital for the time being of the company shall be entitled to a seat on the board of directors and nothing in the foregoing provision and in any other regulation (save for the provisions of regulation of 92 hereof) of this Articles of Association shall be interpreted or applied in such a manner as to deprive any such shareholder of the privilege herein reserved.

84. **Qualification**

A director shall not require any share qualifications but shall nevertheless be entitled to attend and speak at any general meeting of the company or at any separate meeting of the holders of any class of shares of the company.

85. **Remuneration**

The remuneration of the Directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or general meetings of the company or in connection with the business of the company.

86. **Extra Remuneration**

Any Director who, being so requested by the Directors performs special or extra-ordinary services for or on behalf of the company, or who travels or resides out of the Federal Republic of Nigeria or travels to or resides in any place within the Federal republic of Nigeria but other than where he usually resides for the purpose of discharging his duties may be paid such extra remuneration (whether by way of lump sum, salary, commission or participation in profits or otherwise) as the Directors may determine.

POWERS AND DUTIES OF DIRECTORS

89. **Power and Duties**

A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or arrangement shall come before the Board for approval provided that such Directors shall first declare the nature and extent of his interest in writing to the other Directors.

93. The Directors shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or an addition to the existing directors but also that the total number of directors shall not at any time exceed the number fixed in accordance with these regulations. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election at such meeting.

94. **Appointment in place of Director removed**

At any time and from time to time the company may by ordinary resolution appoint any person as a Director (but so that the maximum number of directors fixed in accordance with these regulations is not exceeded) and determine the period of which such person are to hold office

WORKING DIRECTORS

104. **Appointment**

The Directors may from time to time appoint one or more of their body as working Directors for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment, without prejudice to any right to treat such termination as a breach of any such agreement as aforesaid the appointment of a working Director other than

STATUTORY AND GENERAL INFORMATION

Chief Promoter/Working Director, shall automatically determine if he ceases from any cause to be a Director.

105 **Remuneration**

A working Director shall receive such remuneration (whether by way of salary commission or participation in profit or partly in one way and partly in another) as Directors determine.

106 **Designation of working Directors**

As the Directors may deem fit, the following designations may be applied to working Directors i.e. Executive Chairman, Executive Vice Chairman, Managing Director, Deputy Managing Director and Executive Directors.

107. **Powers**

Subject to the supervision control and direction of the Directors a working Director shall be designated as Chief Executive Officer of the company and shall have the management of the whole of the business of the company and of all its affairs and shall exercise all powers and perform all duties as are required by the company in general meeting or by the Directors and also subject to such conditions and restrictions imposed by the Decree or by these regulations or by the Directors.

110. **Same Person cannot act as Director and Secretary**

A provision of the Decree or these regulations requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting as Director and as, or in place of, the Secretary

DIVIDEND AND RESERVE

113. **Distribution**

Subject to the rights of person, if any, entitled to shares with special right as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of the dividend paid. No amount paid or credited as paid on a share in advance of calls shall, while carrying interest, be treated for the purpose of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid and as from a particular date such shares shall rank in dividend accordingly.

CLAIMS AND LITIGATION

Standard Alliance Insurance Plc is involved in 17 (seventeen) suits pending in various courts. These cases are largely made up of claims brought against the Company by way of third party contingent liabilities in the ordinary course of business as an insurance company. 12 (twelve) of these cases were instituted against the Company and the sums claimed therein total approximately ₦359,537,401.35 (Three hundred and fifty nine million, five hundred and thirty seven thousand, four hundred and one naira and thirty five kobo only) and 5 (five) of the cases were filed by the Company against third parties with the total claims amounting to ₦253,798,885.09 (Two hundred and fifty-three million, seven hundred and ninety-eight thousand, eight hundred and eighty-five Naira, nine kobo only). In respect of most classes of insurance, Standard Alliance has average reinsurance of 75% of its risk; in such cases therefore much of the potential liability of Standard Alliance is likely to be borne by the re-insurers. Hence, the Company's contingent liability arising from these cases is about ₦89,000,000.00 (Eighty nine million naira only).

The Directors of Standard Alliance are not aware of any threatened and /or pending claims or litigation other than those contained in the list of the Company's claims and litigations and are of the opinion that none of these cases is likely to have a material adverse effect on the Company or the Offer.

The Solicitors are also of the opinion that none of the 12 suits instituted against the Company or in respect of which it may incur some financial liability are likely to have material adverse effect on the Company or the proposed public offer.

COSTS AND EXPENSES

The costs, charges and expenses of and incidental to this Offer including fees payable to the Securities & Exchange Commission, The Nigerian Stock Exchange, Central Securities Clearing System and the professional parties, and brokerage, printing and distribution expenses, are estimated at ₦747,402,812.50, approximately 3.98% of the Offer proceeds and are payable by Standard Alliance.

DECLARATIONS

Except as otherwise disclosed in this Prospectus:

- (a) No share of Standard Alliance is under option or agreed conditionally or unconditionally to be put under option;
- (b) No commissions, discounts, brokerages or other special terms have been granted by Standard Alliance to any person in connection with the offer or sale of any share of the Company;
- (c) Save as discussed herein, the Directors of Standard Alliance have not been informed of any holding representing 10% or more of the issued share capital of the Company;
- (d) There are no founders', management or deferred shares or any options outstanding in Standard Alliance;
- (e) There are no material service agreements between Standard Alliance or any of its Directors and employees other than in the ordinary course of business;
- (f) There are no long term service agreements between Standard Alliance and any of its Directors and employees except Pension Agreements;
- (g) No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Prospectus; and
- (h) No Director or key management staff of the Company is or has been involved in any of the following (whether in or outside Nigeria):
 - 1. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;

STATUTORY AND GENERAL INFORMATION

2. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
3. The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

MATERIAL CONTRACTS

The following agreement has been entered into and is considered material to this Offer:

1. A Vending Agreement dated **(Tuesday, 11 March 2008)** by which Vetiva Capital Management Limited, Diamond Bank Plc, Greenwich Trust Limited, Lead Capital Limited, First Inland Bank Plc, Skye Bank Plc and Spring Capital Markets Limited, have agreed to Offer for Subscription 4,750,000,000 Ordinary Shares of 50k each.
2. An Underwriting Agreement **(Tuesday, 11 March 2008)** by which Diamond Bank Plc, Greenwich Trust Limited, International Standard Securities Limited, Lead Capital Limited, First Inland Bank Plc, Skye Bank Plc, Spring Capital Markets Limited and Vetiva Capital Management Limited have agreed to underwrite on a firm basis, 3,800,000,000 shares of 50k each out of the 4,750,000,000 Ordinary Shares of 50k each being offered for Subscription.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

RELATED PARTY TRANSACTIONS

As at the date of this Prospectus, there were no related party transactions.

OFF BALANCE SHEET ITEMS

As at the date of this prospectus, the Company had no Off-Balance sheet items.

RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSE/OTHER ADVISERS

First Inland Bank Plc is a shareholder of the Company and is acting as a Joint Issuing House to the Company. In the same vein Olorogun O'tega Emerhor, the Vice Chairman of Standard Alliance, is a member of the Board of First Inland Bank Plc. Standard Alliance Money Limited (a Stockbroker to the Offer) is a subsidiary of Standard Alliance Insurance Plc. As at the date of this Prospectus, there is no other relationship between Standard Alliance Insurance and its Advisers except in the ordinary course of business.

CONSENTS

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

DIRECTORS OF THE COMPANY:

Alhaji Aliyu Yahaya Sa'ad **(Chairman)**
Olorogun O'tega Emerhor OON **(Vice Chairman)**
Mr. Bode Akinboye **(Group Managing)**
Brig. Gen. Dominic Oneya (Rtd)
Joshua Ayodele Ajayi
Alhaji Mohammed Hassan (Ciroman Keffi)
Lt. Col. Paul Efor Obi (Rtd)
Dr. Ramsey Oubromoro. Mowoe CON
Dr. Ausbeth N. Ajagu
Okey Kelvin Nwosu
Agnes Umukoro **(Company Secretary)**

JOINT ISSUING HOUSES:

Vetiva Capital Management Limited
Diamond Bank Plc
First Inland Bank Plc
Greenwich Trust Limited
Lead Capital Limited
Skye Bank Plc
Spring Capital Markets Limited

JOINT UNDERWRITERS:

Diamond Bank Plc
First Inland Bank Plc
Greenwich Trust Limited
Intercontinental Bank Plc
International Standard Securities Limited
Lead Capital Limited
Skye Bank Plc
Spring Capital Markets Limited
Vetiva Capital Management Limited

STOCKBROKERS:

Spring Stock Brokers Limited
Alliance Capital Management Co. Ltd
AMYN Investments Limited
Clearview Investments Co. Limited
Cowry Asset Management Limited
Denham Management Limited
Enterprise Stockbrokers Plc
Equity Capital Solutions Limited
Fidelity Union Securities Limited
Greenwich Trust Limited
ICON Stock Brokers Limited
Maclaize Trust and Securities Limited
Mega Equities Limited
Standard Alliance Money Limited
Strategy & Arbitrage Limited

STATUTORY AND GENERAL INFORMATION

STOCKBROKERS (CONT'D):	The Bridge Securities Limited Unex Capital Limited Vetiva Capital Management Limited
SOLICITORS TO THE OFFER:	The Law Union
SOLICITORS TO THE COMPANY:	Jackson, Etti & Edu
AUDITORS:	Muhtari Dangana & Co.
REPORTING ACCOUNTANTS:	SIAO (Chartered Accountants)
REGISTRARS TO THE OFFER:	Afribank Registrars Limited
REGISTRARS TO THE COMPANY:	First Registrars Nigeria Limited
RECEIVING BANKERS:	Diamond Bank Plc First Inland Bank Plc Intercontinental Bank Plc Skye Bank Plc

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of **Standard Alliance Insurance Plc**, 324A Akin Ogunlewe Street, Victoria Island, Lagos State; the offices of the **Joint Issuing Houses** (refer to pages 3 and 11) during normal business hours on any weekday except public holidays from day, month 2008 until day, Month 2008.

- (a) Certificate of Incorporation of the Company;
- (b) Certificate of Increase in Share Capital;
- (c) Form C07 (Particulars of Directors);
- (d) Memorandum and Articles of Association of the Company;
- (e) The Prospectus issued in respect of the Offer;
- (f) The Abridged Particulars of Prospectus in respect of the Offer
- (g) Shareholders' Resolution authorising the Offer;
- (h) Board Resolution for the Offer;
- (i) The audited financial statements of the Company for each of the five years ended 31 December 2006;
- (j) The Report of SIAO; Reporting Accountants, on the audited financial statements of the Company for each of the five years ended 31 December 2006;
- (k) The Memorandum of SIAO, Reporting Accountants, on the Profit Forecast of the Company for the four years ending 31 December 2007, 2008, 2009 and 2010;
- (l) The List of Claims and Litigation referred to above;
- (m) The Material Contracts referred to above;
- (n) The Letter from SEC approving the Offer;
- (o) The Letter from The NSE approving the Listing;
- (p) The written Consents referred to above;
- (q) The Vending Agreement referred to above;
- (r) The Joint Issuing Houses Agreement referred to above; and
- (s) The Underwriting Agreement referred to above.

1. APPLICATION

- 1.1 The general investing public is hereby invited to apply for the shares through any of the Receiving Agents listed on Page 78.
- 1.2 Applications for the shares must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the shares will be open from dd-mm-2008 to dd-mm-2008. Applications must be for a minimum of 1,000 shares and in multiples of 100 thereafter. The number of shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and occupation in item "1" on the application form. Item "1B" should be used by joint applicants. A corporate applicant should affix its seal in item the space provided and state its incorporation (RC) number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.
- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page 81. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**STANDARD ALLIANCE OFFER**" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the registered post.

2. ALLOTMENT

Vetiva Capital Management Limited, Diamond Bank Plc, First Inland Bank Plc, Greenwich Trust Limited, Lead Capital Limited, Skye Bank Plc and Spring Capital Markets Limited and the Directors of the Company reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.

3. APPLICATION MONIES

All application monies will be retained in separate interest yielding bank accounts by the Receiving Banks pending allotment. If any application is not accepted, or is accepted for fewer shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (including accrued interest) will be returned by registered post within 5 working days of allotment. A share certificate will be sent by registered post not later than 15 working days from the date of allotment.

Any investor who does not want to receive a physical share certificate, should state the name of his/her stockbroker and his/her CSCS account number and Clearing House Number in the space provided on the Application Form.

Investors that do not have CSCS accounts are strongly advised to open a CSCS account with their stockbrokers.

RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by the SEC, to whom brokerage will be paid at the rate of ₦0.75 per ₦100.00 worth of shares allotted in respect of applications bearing their official stamps.

The Issuing Houses 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 Issuing House, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

BANKS

Access Bank Plc Afribank Nigeria Plc Diamond Bank Plc Ecobank Nigeria Plc Equitorial Trust Bank Plc Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc First Inland Bank (Nig) Plc	Guaranty Trust Bank Plc IBTC Chartered Bank Plc Intercontinental Bank Plc Nigerian International Bank Limited Oceanic Bank International Plc PlatinumHabib Bank Plc Skye Bank Plc Spring Bank Plc	Standard Chartered Bank Nigeria Limited 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

A.A Stockbrokers Limited Adamawa Securities Limited AIL Securities Ltd Alliance Capital Management Company Ltd Altrade Securities Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd Apel Asset & Trust Limited APT Securities & Funds Ltd Associated Asset Managers Ltd Atlas Portfolio Ltd Belfry Investment & Securities Ltd Best link Investment Ltd Best Worth Assets & Trust Ltd BFCL Assets & Securities Ltd BGL Securities Ltd BSD Securities Ltd Bytofel Trust & Securities Ltd Calyx Securities Ltd Camry Securities Ltd Capital Asset Ltd Capital Bancorp Ltd Capital Express Securities Ltd Capital Trust Brokers Limited Cash Craft Securities Ltd Centre-Point Investment Ltd Century Securities Ltd City-Code Trust & Investment Ltd Consolidated Investment Ltd Cooper Fleming Stockbrokers Ltd Cordross Capital Ltd Coretrust & Investment Ltd Counters Trust Securities Ltd Cowry Asset Management Ltd Crossworld Securities Ltd CSL Stockbrokers Ltd Davandy Finance & Securities Ltd De-Canon Investment Ltd De-Lords Securities Ltd Denham Management Ltd Dependable Securities Ltd Dynamic Portfolios Ltd EBN Securities Ltd ECL Asset Management Ltd Emerging Capital Ltd Empire Securities Ltd Enterprise Stockbroker Plc ESL Securities Ltd ESS Investment & Trust Ltd Eurocomm Securities Ltd Excel Securities Ltd Express Portfolio Services Ltd F & C Securities Ltd Falcon Securities Ltd Finmal Finance Services Ltd First Alstate Securities Ltd First Equity Securities Ltd First Stockbrokers Ltd FIS Securities Ltd Foresight Securities Investment Ltd Forte Asset Management Ltd Foresight Securities Investment Limited	Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities & Investment Ltd Future View Securities Ltd Gidauniya Investment & Securities Ltd Global Assets Management (Nig) Ltd Golden Securities Ltd Greenwich Trust Ltd GTI Capital Ltd Heartbeat Investments Limited Hedge Securities & Investment Company Ltd Horizon Stockbrokers Ltd IBTC Asset Management Ltd ICMG Securities Limited ICON Stockbrokers Ltd Ideal Securities & Investments Ltd Independent Securities Ltd Intercontinental Securities Ltd Integrated Trust & Investments Ltd International Standard Securities Ltd Interstate Securities Ltd Investment Centre Ltd Investment Masters & Trust Ltd Jenkins Investment Ltd Kapital Care Trust & Securities Ltd Kinley Securities Ltd Kundila Finance Services Ltd Lambeth Trust & Investments Company Ltd LB Securities Ltd Lead Capital Ltd Lighthouse Asset Management Ltd MacLaize Trust & Securities Ltd Mainland Trust Ltd Maninvest Asset Management Ltd Marimpex Finance & Investment Ltd Marina Securities Limited Maven Asset Management Ltd Maxifund Investment & Securities Ltd Mayfield Investment Ltd MBC Securities Ltd MBL Financial Services Ltd Mega Equities Ltd Mercov Securities Ltd Meristem Securities Ltd Metropolitan Trust Nigeria Ltd Midas Stockbrokers Limited Mission Securities Ltd Molten Trust Ltd Mountain Investment & Securities Ltd Newdevco Investment & Securities Ltd Nigerian International Securities Ltd Nigerian Stockbrokers Ltd Omas Investment & Trust Ltd OMF Securities & Finance Ltd Options Securities Ltd P.S.I Securities Ltd Partnership Investment Company Limited Perfecta Investment Trust Ltd Peninsula Asset Management Limited Pilot Securities Ltd Pine Fields Investment Services Ltd Pivot Trust & Investment Company Ltd	Premium Services Ltd Professional Stockbrokers Ltd Profund Securities Ltd PSL Securities Ltd Pyramid Securities Ltd Quantum Securities Ltd Reading Investments Ltd Regency Assets Management Ltd Resano Securities Limited Resort Securities & Trusts Ltd Reward Inv & Sec Ltd RivTrust Securities Limited Roxel Securities Ltd Rostrum Inv. & Inv Securities Limited Royal Crest Finance Ltd Santrust Securities Ltd Securities Solutions Ltd Securities Trading and Investment Ltd Securities Transaction & Trust Company Ltd Security Swaps Ltd Shelong Investment Ltd Sigma Securities Ltd Signet Investments Securities Limited SMADAC Securities Limited Solid Rock Securities & Investment Ltd Spring Stockbrokers Ltd Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic Euties Nig. Ltd Standard Alliance Money Limited Stanwal Securities Ltd Strategy & Arbitrage Ltd Summa Guaranty & Trust Co Summit Finance Company Ltd Supra Commercial Trust Ltd TFS Securities & Investment Ltd Tiddo Securities Ltd Tomil Trust Ltd Topmost Finance & Investment Ltd Tower Assets Management Ltd Tower Securities & Investment Ltd Traders Trust & Investment Company Ltd Trans Africa Financial Services Ltd Transworld Investment Ltd Tropics Securities Ltd Trust Yield Securities Ltd Trusthouse Investments Ltd TRW Stockbrokers Limited UBA Global Markets Limited UNEX Securities & Investment Ltd Union Capital Markets Ltd Valmon Securities Ltd Valueline Securities & Investment Ltd Vetiva Capital Management Ltd Vision Trust & Investment Ltd Viva Securities Ltd Wizetrade Capital Asset Management Ltd WSTC Financial Services Ltd Yobe Investment Company Ltd Zenith Securities Ltd
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INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications should be made only on the Application Form or photocopy or scanned copies of the Application Form.
2. Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed on Page 81. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**STANDARD ALLIANCE OFFER**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. Joint applicants must all sign the Application Form.
6. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
7. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorized official.
8. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
9. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the bank or stockbroker at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumbprint of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
10. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

APPLICATION FORM STANDARD ALLIANCE INSURANCE PLC
