

Result in Brief

	2006	2005
	=N=(000)	=N=(000)
Non-life premium income	2,301,355	1,744,704
Life premium income	310,244	179,269
Increase in insurance fund (non-life)	245,345	150,418
Increase in assurance fund (life)	121,603	83,294
Non-life underwriting profit/(loss)	95,899	319,759
Life underwriting profit	12,500	4,000
Investment income	147,338	119,091
Profit before taxation	214,782	369,033
Provision for taxation	78,991	114,900
Profit after taxation	135,791	254,133
Transfer to contingency reserve (Non-life)	19,180	54,711
Transfer to contingency reserve (Life)	16,828	9,699
Proposed dividend	-	85,691
Reserve for bonus issue	-	108,745

BALANCE SHEET AS AT 31 DECEMBER, 2006

	Note	Life N'000	Non-Life N'000	2006 N'000	2005 N'000
ASSETS					
Cash and bank balances	2	-	41,844	41,844	140,584
Short term investments	3	33,463	720,821	754,284	627,569
Reinsurance debtors	4	296,981	1,085,352	1,382,333	1,039,233
Prepayments and other debit balances	5	-	545,591	545,591	282,959
Long term investments	6	372,838	836,861	1,209,699	814,864
Statutory deposits	7	-	35,000	35,000	35,000
Fixed assets	8	-	39,100	39,100	32,501
Total assets		703,282	3,304,569	4,007,851	2,972,710
LIABILITIES					
Bank Overdrafts		-	77,956	77,956	14,694
Creditors and accruals	9	212,874	352,280	565,154	433,241
Insurance Funds	10	-	744,961	744,961	579,612
Oustanding Claims	10	186,477	246,593	433,070	325,900
Taxation	11	-	156,671	156,671	120,667
Deferred taxation	12	-	8,168	8,168	8,168
Dividend	13	-	20,581	20,581	87,598
		<u>399,351</u>	<u>1,607,210</u>	<u>2,006,561</u>	<u>1,569,880</u>
CAPITAL AND RESERVE					
Share capital	14	-	1,240,591	1,240,591	856,907
Reserve for bonus issues	15	-	-	-	190,424
Share premium	16	-	76,956	76,956	-
Revenue reserve	17	-	123,881	123,881	7,270
General reserve fund	18	178,448	-	178,448	84,019
Exchange equalisation reserve	19	-	(10,661)	(10,661)	(36,955)
Contingency reserve	20	30,183	266,592	296,775	260,767
Revaluation reserve	6.1	95,301	-	95,301	40,398
Shareholders' funds		<u>303,931</u>	<u>1,697,359</u>	<u>2,001,290</u>	<u>1,402,830</u>
		703,282	3,304,569	4,007,851	2,972,710

The financial statements on pages 2 to 24 were approved by the Board of Directors on 31 July, 2007 and signed on its behalf by:

_____	}
A. Adejumo	}
	} Directors
_____	}
Engr. S. A. Laguda	}

The accounting policies on pages 2 to 4 and the notes on pages 11 to 22 form part of these financial statements.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
Non-life revenue account	95,899	319,759
Life revenue account	12,500	4,000
Investment and other income	173,086	125,392
Administrative expenses	(60,742)	(80,118)
Profit on ordinary activities before interest and taxation	<u>220,743</u>	<u>369,033</u>
Interest expense	(5,961)	-
Profit on ordinary activities before taxation	<u>214,782</u>	<u>369,033</u>
Taxation	(78,991)	(114,900)
Profit on ordinary activities after taxation	<u>135,791</u>	<u>254,133</u>
Transfer to contingency reserve	(19,180)	(54,711)
Transfer to revenue reserve	<u>116,611</u>	<u>199,422</u>
Revenue reserve brought forward	7,270	2,284
Proposed dividend	-	(85,691)
Transfer to reserve for bonus issue	-	(108,745)
Revenue reserve carried forward	123,881	7,270
Basic Earnings per share (kobo)	<u>5</u>	<u>30</u>
Dividend per share (kobo)	-	10
Net assets per share (kobo)	<u>81</u>	<u>159</u>

NON-LIFE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 2006

	Fire N'000	Accident N'000	Marine N'000	Liability N'000	2006 Total N'000	2005 Total N'000
Income						
Gross premium income	1,184,242	441,270	353,115	322,728	2,301,355	1,744,704
Retrocessions	<u>(50,381)</u>	<u>(5,034)</u>	<u>(10,423)</u>	<u>(1,465)</u>	<u>(67,303)</u>	<u>(72,215)</u>
Net premium income	1,133,861	436,236	342,692	321,263	2,234,052	1,672,489
Reserve for unearned premium at the beginning of the year	339,357	108,285	65,492	66,478	579,612	436,757
Reserve for unearned premium at the end of the year	<u>(402,964)</u>	<u>(143,685)</u>	<u>(62,248)</u>	<u>(136,064)</u>	<u>(744,961)</u>	<u>(579,612)</u>
Earned premium income	<u>1,070,254</u>	<u>400,836</u>	<u>345,936</u>	<u>251,677</u>	<u>2,068,703</u>	<u>1,529,634</u>
Expenses						
Underwriting expenses:						
- Acquisition cost	380,639	142,683	104,805	60,097	688,224	505,852
- Maintenance cost	319,108	214,159	125,570	81,141	739,978	549,181
Retrocession recoveries	(35,426)	-	-	-	(35,426)	(73,190)
Reserve for outstanding claims at the end of the year	99,289	74,956	43,950	28,399	246,593	166,597
Reserve for outstanding claims at the beginning of the year	<u>(88,161)</u>	<u>(40,773)</u>	<u>(13,649)</u>	<u>(24,014)</u>	<u>(166,597)</u>	<u>(159,034)</u>
		-				
Claims incurred	675,449	391,025	260,676	145,623	1,472,772	989,406
Commissions on Retrocession	(513)	-	-	-	(513)	(467)
Management expenses	<u>257,573</u>	<u>95,976</u>	<u>76,803</u>	<u>70,193</u>	<u>500,545</u>	<u>220,937</u>
	<u>932,509</u>	<u>487,001</u>	<u>337,478</u>	<u>215,817</u>	<u>1,972,804</u>	<u>1,209,876</u>
Transfer to profit and loss account	<u>137,746</u>	<u>(86,165)</u>	<u>8,458</u>	<u>35,860</u>	<u>95,899</u>	<u>319,758</u>

**LIFE REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2006**

	Individual N'000	Group N'000	2006 Total N'000	2005 Total N'000
Income				
Premium Income	85,318	224,926	310,244	179,269
Investment Income	<u>731</u>	<u>1,927</u>	<u>2,658</u>	<u>6,026</u>
	<u>86,049</u>	<u>226,853</u>	<u>312,902</u>	<u>185,295</u>
Expenses				
Commission	11,501	57,014	68,515	37,310
Claims	6,098	45,533	51,631	32,442
Other charges	14	1,227	1,241	2,561
Management expenses	<u>11,161</u>	<u>29,424</u>	<u>40,585</u>	<u>15,990</u>
	<u>28,774</u>	<u>133,198</u>	<u>161,972</u>	<u>88,303</u>
Excess of income over expenditure	57,275	93,655	150,930	96,993
General Reserve	(33,853)	(60,576)	(94,429)	(57,772)
Contingency reserve	(6,205)	(10,623)	(16,828)	(9,699)
Transfer to profit and loss	<u>(3,438)</u>	<u>(9,062)</u>	<u>(12,500)</u>	<u>(4,000)</u>
Transfer to Insurance Fund	<u>13,780</u>	<u>13,393</u>	<u>27,174</u>	<u>25,522</u>

FIVE YEAR FINANCIAL SUMMARY

YEAR ENDED 31 DECEMBER	2006 N'000	2005 N'000	2004 N'000	2003 N'000	2002 N'000
Assets					
Cash and bank balances	41,844	140,584	22,077	57,038	11,226
Short term investments	754,284	627,569	579,672	861,774	541,774
Reinsurance debtors	1,382,333	1,039,233	710,145	467,276	322,908
Prepayments and other debit balances	545,591	282,957	118,785	78,036	56,493
Long term investments	1,209,699	774,466	487,319	-	-
Statutory deposits	35,000	35,000	35,000	22,500	22,500
Fixed assets	39,100	32,503	26,946	26,674	23,309
Total assets	4,007,851	2,932,312	1,979,944	1,513,298	978,210
Liabilities					
Bank overdrafts	77,956	14,694	53,155	7,096	18,363
Creditors and accruals	565,154	433,241	133,226	101,812	75,024
Deposit for shares	-	-	1,534	174,890	-
Insurance funds	744,961	579,612	436,757	253,662	168,602
Oustanding claims	433,070	325,900	292,815	214,120	160,647
Taxation	156,671	120,667	37,787	44,245	26,027
Deferred taxation	8,168	8,168	5,548	3,409	2,441
Dividend	20,581	87,598	60,084	50,369	22,894
	2,006,561	1,569,880	1,020,904	849,603	473,998
Share capital	1,240,591	856,907	658,341	403,667	300,102
Reserve for bonus issue	-	190,424	73,149	100,917	50,017
Share premium	76,956	-	5,845	-	-
Revenue reserve	123,881	7,270	2,285	2,677	3,163
General reserve fund	178,448	84,019	26,247	8,936	-
Exchange equalisation reserve	286,114	223,812	193,173	147,498	150,930
Revaluation reserve	95,301	-	-	-	-
Shareholders' funds	2,001,290	1,362,432	959,040	663,695	504,212
	4,007,851	2,932,312	1,979,944	1,513,298	978,210
Non-life underwriting profit	95,899	319,759	40,302	115,720	52,502
Profit before taxation	220,743	369,033	146,912	199,712	110,902
Taxation	(78,991)	(114,900)	(29,913)	(40,562)	(26,573)
Profit after taxation	135,791	254,133	116,999	159,151	84,329
Contingency reserve	(19,180)	(54,711)	(58,141)	(34,073)	(19,844)
Proposed dividend	-	(85,691)	(59,251)	(36,330)	(22,508)
Profit transferred to revenue reserve	116,611	113,731	(393)	88,748	41,977
Earnings per share (basic) (Kobo)	5	30	39	39	28
Dividend per share (Kobo)	-	10	9	9	7.5
Net asset per share (Kobo)	81	159	164	164	168

Note: Earnings and dividend per share were computed on the profit for the year and on the number of issued and fully paid ordinary shares at the end of the year. Net assets per share were computed on the number of issued and fully paid ordinary shares at the end of the respective years.