

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 PROFIT AND LOSS ACCOUNT FOR NON- LIFE BUSINESS  
 FOR THE YEAR ENDED DECEMBER 31,2005

	NOTES	2005 N	2004 N
GROSS WRITTEN PREMIUMS		<u>1,403,230,292</u>	<u>1,267,123,893</u>
EARNED PREMIUMS		646,799,173	987,480,094
COMMISSION RECEIVED		<u>268,629,522</u>	<u>18,527,011</u>
		<u>915,428,695</u>	<u>1,006,007,105</u>
Less:			
Claims incurred		-110,631,471	-125,806,403
Underwriting expenses		<u>-116,956,344</u>	<u>-80,646,973</u>
		<u>-227,587,815</u>	<u>-206,453,376</u>
UNDERWRITING PROFITS		687,840,880	799,553,729
Add:			
Investment Income		146,621,069	9,716,743
Other Income		<u>30,098,372</u>	<u>9,039,409</u>
		<u>864,560,321</u>	<u>818,309,881</u>
Less:			
Management expenses		212,508,631	129,069,283
Provision for doubtful debts		<u>75,124,923</u>	<u>66,614,422</u>
		<u>287,633,554</u>	<u>195,683,705</u>
Profit before Taxation		576,926,767	622,626,176
Taxation:			
Companies Income Tax	10	-30,057,646	-22,489,008
Profit after Taxation		546,869,121	600,137,168
Less Appropriations:			
Transfer to Contingency reserve	20	<u>-106,888,702</u>	<u>-129,023,036</u>
Retained Profit for the year		439,980,419	471,114,132
Retained Profit brought forw:		<u>483,843,455</u>	<u>762,729,323</u>
		923,823,874	1,233,843,455
Transfer to Bonus Issue Reserves	17	-522,082,117	- 750,000,000
Retained Profit carried forward		<u>401,741,757</u>	<u>483,843,455</u>
		=====	=====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31,2005

1 STRUCTURE AND BUSINESS

Alliance and General Insurance Company limited, is a private limited liability Company, incorporated on April 2,1987 as Corporate Alliance and General Insurance Company Limited.The name of the company was changed in April 1998.  
 The company engages in the business of Insurance, by underwriting different classes of insurance including life.  
 The company is owned 50% by Nigerian shareholders, 40% by foreign shareholders and 10% by employees.

2 SHORT TERM INVESTMENTS-QUOTED SHARES

COMPANY

	2005		2004	
	N Cost	N Market Value	N Cost	N Market value
Treasury Bills	0	0	5,000,000	5,000,000
Redeemable Debenture stocks	175,000	175,000	175,000	175,000
Ordinary shares	<u>8,448,823</u>	<u>8,448,823</u>	<u>8,448,823</u>	<u>53,938,103</u>
	8,623,823	8,623,823	13,623,823	59,113,103
Less:Provision for diminution in Value.	-438,996		-438,996	0
	<u>8,184,827</u>	<u>8,623,823</u>	<u>13,184,827</u>	<u>59,113,103</u>

2.1 NON-LIFE

Treasury Bills	0	0	5,000,000	5,000,000
Redeemable Debenture stocks	175,000	175,000	175,000	175,000
Ordinary shares	<u>8,448,823</u>	<u>8,448,823</u>	<u>8,448,823</u>	<u>53,938,103</u>
	8,623,823	8,623,823	13,623,823	59,113,103
Less:Provision for diminution in value.	-438,996	0	-438,996	0
	<u>8,184,827</u>	<u>8,623,823</u>	<u>13,184,827</u>	<u>59,113,103</u>

2.2 LIFE

Ordinary shares	0	0	0	0
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ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (contd.)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	2005 N	2004 N
3 UNQUOTED INVESTMENTS COMPANY		
Deposits with banks / financial institutions	176,000,000	831,207
Deposits with Investment companies	280,211,906	270,211,906
	<u>456,211,906</u>	<u>271,043,113</u>
3.1 NON-LIFE		
Deposits with banks / financial institutions	176,000,000	831,207
Deposits with Investment companies	100,211,906	100,211,906
	<u>276,211,906</u>	<u>101,043,113</u>
3.2 LIFE		
Deposits with Investment companies	<u>180,000,000</u>	<u>170,000,000</u>
4 RECEIVABLES AND PREPAYMENTS COMPANY		
Due from associated companies	0	0
Due from agents and reinsurance companies	350,535,109	66,520,118
Non-Life business current account	0	160,867,368
Sundry debtors Prepayments	2,773,247	340,646,753
Prepayments		0
Accrued Investment Income	976,059	616,060
Loans to Policy Holders		
	<u>354,284,415</u>	<u>568,650,299</u>
4.1 NON-LIFE		
Due from associated companies	0	0
Due from agents and reinsurance companies	324,375,760	66,520,118
Sundry debtors Prepayments		303,376,105
Prepayments	<u>2,121,563</u>	<u>0</u>
	<u>326,497,323</u>	<u>369,896,223</u>
4.2 LIFE		
Amounts due from Agents	26,159,349	0
Non-life business current account	0	160,867,368
Sundry Debtors	66,684	37270648
Prepayments	585,000	0
Accrued Investment Income	976,059	616,060
	<u>27,787,092</u>	<u>198,754,076</u>
5 DEFERRED ACQUISITION EXPENSES COMPANY	78,811,524	99,306,237
5.1 NON-LIFE	78,811,524	99,306,237
6 LOAN TO POLICY HOLDERS COMPANY	3,432,973	2,896,932
6.1 LIFE	3,432,973	2,896,932

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005 N	2004 N
7 STATUTORY DEPOSITS		
Non-Life	30,000,000	35,000,000
Life	<u>15,000,000</u>	<u>10,000,000</u>
	<u>45,000,000</u>	<u>45,000,000</u>
<p>These represent deposits made with the Cental Bank of Nigeria in accordance with section 10(1) of the Insurance Act, 2003.                      A reclassification of the statutory deposit was done during the year to comply with the minimum required, for each line of business.</p>		
8 LONG TERM INVESTMENTS COMPANY		
Quoted		
Shareholding in blue chip companies	<u>395,270,429</u>	<u>375,692,237</u>
Unquoted		
Shareholding in private companies at cost	1,755,962,738	1,687,188,818
Real Property	<u>1,104,200,000</u>	<u>699,200,000</u>
	<u>2,860,162,738</u>	<u>2,386,388,818</u>
8.1 NON-LIFE		
Quoted		
Shareholding in BAICO plc at cost	<u>249,926,447</u>	<u>237,226,447</u>
Unquoted		
Shareholding in private companies at cost	1,620,225,868	1,687,188,818
Real Property	<u>699,200,000</u>	<u>632,237,050</u>
	<u>2,319,425,868</u>	<u>2,319,425,868</u>
8.2 LIFE		
Quoted		
Shareholding in blue chip companies	145,343,982	138,465,790
Unquoted		
Shareholding in private companies at cost	135,736,870	0
Real Property	<u>405,000,000</u>	<u>66,962,950</u>
	540,736,870	66,962,950
Less:Provision for dimunition in value	<u>0</u>	<u>0</u>
	<u>540,736,870</u>	<u>66,962,950</u>

8(a) The shareholding in BAICO plc has been stated at cost, no provision has been made for dimunition in value, due to the frequent fluctuation in market prices.

8(b) The shareholding in private companies, represent the 100% holding in Suburban Trust Savings and Loans.

8(c) The Directors are of the opinion, that the net realisable value and the valuation of the Investments in Suburban Trust Savings and Loans Ltd. and Real Property respectively are not less than cost.

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005 N	2004 N
22 RELATED PARTY TRANSACTIONS	0	0
23 DIRECTORS EMOLUMENTS		
Fees	530,000	450,000
Remuneration, including pension contributions	-	-
	-----	-----
	530,000	450,000
	-----	-----

24 RECLASSIFICATIONS

Specific reclassifications have been made to the previous year's figures, in order to conform with current year's presentation.

25 CONTINGENT LIABILITIES

No material contingent liabilities were noted after the balance sheet date.

26 EMPLOYEES SALARY DISTRIBUTION

The company's employees who wholly and mainly discharged their duties in Nigeria, (excluding Directors) received the following remunerations:

	2005(No.s)	2004(No.s)
Up to N200,000	-	20
N200,001 - N220,000	23	3
N240,001 - N260,000	16	19
N340,001 - N360,000	22	41
N550,001 - N560,000	9	6
N600,001 - N800,000	8	10
N800,001 and over	10	16
	-----	-----
	88	115
	-----	-----
The average number of persons employed (excluding Directors) in the Company during the year was	88	115
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ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

9 FIXED ASSETS  
 COMPANY

	LAND & BUILDING		OFFICE FURNITURE & FITTINGS	RES FURNITURE	MOTOR VEHICLES	PLANT & EQUIPT.	TOTAL
	N	N	N	N	N	N	N
COST/VALUATION							
As at Jan1 2005	#####	#####	2,294,821	#####		47,035,863	502,248,394
Additions	600,000	3,432,500	0	0	0	0	4,032,500
Reversal for disp	0	-250,000	0	0	0	0	-250,000
at Dec 31,2005	#####	#####	2,294,821	#####		47,035,863	506,030,894
DEPRECIATION							
As at Jan 1, 2005	0	#####	1,098,553	#####		26,770,850	111,187,755
Reversal for disp	0	-250,000	0	0	0	0	-250,000
Charge for year	0	5,201,459	229,482	7,653,323		14,772,884	26,713,354
As at Dec. 31,20	0	#####	1,328,035	#####		41,543,734	137,651,109
NET BOOK VALUE							
As at Dec.31,20	#####	#####	966,786	107		5,492,129	368,379,785
As at Dec.31,20	#####	#####	1,196,268	7,653,430		17,807,766	405,520,374

Land and building are stated at valuation at June 20,2001, the valuation was done by Ademola Awodele and company, a firm of Chartered Estate Surveyors & Valuers, based on an open market value.

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005  
 9.1 FIXED ASSETS

NON-LIFE

	LAND & BUILDING	OFFICE FURNITUR & EQUIPT.	RES FURN & FITTINGS	MOTOR VEHICLES	PLANT & EQUIPT.	TOTAL
	N	N	N	N	N	N
<b>COST/VALUATION</b>						
As at Jan1 2005	#####	#####	2,229,021	#####	38,577,372	502,248,394
Additions	600,000	3,432,500	0	0	0	4,032,500
Disposals	0	-250,000	0	0	0	-250,000
at Dec 31,2005	#####	#####	2,229,021	#####	38,577,372	506,030,894
<b>DEPRECIATION</b>						
As at Jan 1, 200!	0	#####	1,053,073	#####	20,769,606	99,185,267
Reversal for disp	0	-250,000	0		0	-250,000
Charge for year	0	4,636,142	222,902	7,653,323	14,200,987	26,713,354
As at Dec. 31,20	0	#####	1,275,975	#####	34,970,593	125,648,621
<b>NET BOOK VALUE</b>						
As at Dec.31.20(	#####	#####	953,046	100	3,606,779	380,382,273
As at Dec.31.20(	#####	#####	1,175,948	7,653,423	17,807,766	403,063,127

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

9.2 FIXED ASSETS

LIFE

	OFFICE FURNITUP & EQUIPT. N	FIXTURES & FITTINGS N	MOTOR VEHICLE N	TOTAL N
<b>COST</b>				
As at Jan1 2005	5,626,171	65,800	2,766,520	8,458,491
at Dec 31,2005	5,626,171	65,800	2,766,520	8,458,491
<b>DEPRECIATION</b>				
As at Jan 1, 2005	3,189,251	45,480	2,766,513	6,001,244
Charge for year	565,317	6,580	0	571,897
As at Dec. 31,2005	3,754,568	52,060	2,766,513	6,573,141
<b>NET BOOK VALUE</b>				
As at Dec.31,2005	1,871,603	13,740	7	1,885,350
As at Dec.31,2004	2,436,920	20,320	7	2,457,247

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 PROFIT AND LOSS ACCOUNT FOR LIFE BUSINESS  
 FOR THE YEAR ENDED DECEMBER 31,2005

	NOTES	2005 N	2004 N
Life Assurance Fund b/f		100,418,211	131,775,218
Investment		17,409,600	2,310,843
Other Income		76,542	109,645
Transfer from Life Revenue Account		189,038,066	9,613,882
		-----	-----
Less:		<u>306,942,419</u>	<u>143,809,588</u>
Management Expenses		-12,289,659	-42,938,197
Transfer to Contingency Reserve		-2,794,765	-453,180
		-----	-----
		<u>-15,084,424</u>	<u>-43,391,377</u>
Life Assurance Fund carried forward		291,857,995 =====	100,418,211 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED

LIFE ASSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31,2005

	N	N
INCOME		
Individual Life Premium	17,103,949	20,010,298
Group Life Premium	378,470,275	25,307,677
Inward Reinsurance Premiums	0	0
	-----	-----
GROSS PREMIUM	395,574,224	45,317,975
Outward Reinsurance Premium	-6,873,455	-5,084,183
	-----	-----
Net Premium	388,700,769	40,233,792
Commission Received	14,623,455	207,000
	-----	-----
	403,324,224	40,440,792
	-----	-----
CLAIMS INCURRED:		
Direct Claims	-199,086,523	-13,122,731
Surrenders	-3,094,335	-4,946,442
Commission paid	-1,593,631	-8,119,512
Business acquisition expenses	-7,007,179	-3,092,150
Business maintenance expenses	-3,503,590	-1,546,075
	-----	-----
	-214,285,258	-30,826,910
	-----	-----
	189,038,966	9,613,882
	=====	=====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005	2004
	N	N
10 CURRENT LIABILITIES COMPANY		
Due to agents and reinsurance companies	4,804,639	468,286
Due to associated companies	1,150,145	669,124
Taxation(Note 8.3)	#####	50,780,452
Accruals	#####	242,709,099
Trade and Sundry payables	#####	7,523,425
Bank Overdraft	6,598,045	3,333,612
Premium Deposit	382,054	382,054
Due to Life		160,867,368
	-----	-----
	#####	466,733,420
	-----	-----
10 NON-LIFE		
Due to agents and reinsurance Companies	4,804,639	468,286
Due to Associated Companies	1,150,145	669,124
Taxation	#####	50,780,452
Accruals	#####	242,709,099
Bank Overdraft	6,598,045	3,333,612
Due to Life business	0	<u>160,867,368</u>
	#####	<u>458,827,941</u>
10 LIFE		
Bank Overdraft	0	0
Premium Deposit	382,054	382,054
Sundry payables	#####	<u>7,523,425</u>
	#####	<u>7,905,479</u>
10 Taxation		
Company Income Tax		
Balance brought forward	#####	29,835,067
Provision/(write back) for year	#####	<u>22,489,008</u>
	#####	52,324,075
Less: Payments during the year	0	-1,543,623
	-----	-----
	#####	<u>50,780,452</u>
11 Deposit administration	#####	<u>421,082,854</u>
12 Deferred tax:		
Balance b/f	#####	7,729,280
Charge for the year	0	4,703,029
	-----	-----
Balance c/f	#####	<u>12,432,309</u>

There is a contingent deferred tax liability on the surplus on revaluation of about N200M. This has not been provided for in the financial statements as the liability is not likely to crystallise in the foreseeable future.

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005(N)	2004(N)
13 INSURANCE FUNDS		
13 NON-LIFE		
(a) Reserve for unexpired risks:		
Bonds/others	2,513,446	769,614
Fire	8,986,502	-1,027,205
Accident	6,893,174	58,927,529
Motor	9,875,511	13,809,658
Marine and aviation	#####	46,353,948
Special risk	#####	<u>1,520,288</u>
	<u>#####</u>	<u>120,353,832</u>
(b) Outstanding Claims:		
Bonds	1,153,350	757,900
Fire	4,555,463	17,410,984
Accident	5,311,185	3,883,163
Motor	#####	22,602,307
Marine	#####	24,084,232
Special risk	<u>6,132,500</u>	<u>22,263,725</u>
	<u>#####</u>	<u>91,002,311</u>
TOTAL	<u>#####</u>	<u>211,356,143</u>
14 LIFE	<u>#####</u>	<u>100,418,211</u>
15 SHARE CAPITAL		
COMPANY		
Authorised share capital		
500,000,000 Ordinary shares of N1 each	<u>#####</u>	<u>500,000,000</u>
Issued and fully paid:		
At January 1	<u>#####</u>	500,000,000
During the year	<u>#####</u>	<u>0</u>
At December 31	<u>#####</u>	<u>500,000,000</u>
15 NON-LIFE		
Issued and fully paid:		
At January 1	<u>#####</u>	347,506,521
During the year	<u>#####</u>	<u>0</u>
At December 31	<u>#####</u>	<u>347,506,521</u>
15 LIFE		
Issued and fully paid:		
At January 1	<u>#####</u>	152,493,479
During the year	<u>0</u>	<u>0</u>
At December 31	<u>#####</u>	<u>152,493,479</u>

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005	2004
	N	N
16 DEPOSIT FOR SHARES COMPANY	0	<u>299,305,340</u>
NON LIFE		
Balance brought forward	299,305,340	299,305,340
Transfer to Share Capital	-100,000,000	0
Refund to Depositors	-199,305,340	0
	-----	-----
	0	299,305,340
	-----	-----
This represents investment in the ordinary shares of the Company by Trust House Properties Limited.		
17 BONUS ISSUE RESERVES COMPANY		
Balance brought forward	1,427,917,883	0
Transfer from Capital reserve	0	677,917,883
Transfer from Contingency reserve	0	-
Appropriation from Profit for the year	<u>522,082,117</u>	<u>750,000,000</u>
	<u>1,950,000,000</u>	<u>1,427,917,883</u>
17 NON LIFE		
Balance brought forward	#####	0
Transfer from Capital Reserve	0	665,954,933
Transfer from Contingency reserve	0	-
Appropriation from Profit for the year	<u>522,082,117</u>	<u>750,000,000</u>
	<u>1,938,037,050</u>	<u>1,415,954,933</u>
17 LIFE		
Transfer from Capital Reserve	11,962,950	11,962,950

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS(contd.)  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005 N	2004 N
18 CAPITAL RESERVE COMPANY		
Balance brought forward	0	665,954,933
Transfer from revaluation reserve	0	0
Transfer to Bonus Issue Reserves	0	-665,954,933
	----- 0	----- 0
18 NON LIFE		
Balance brought forward	0	665,954,933
Transfer from revaluation reserve	0	-665,954,933
Transfer to Bonus Issue Reserves	----- 0	----- 0
Balance carried forward	----- 0	----- 0
18 LIFE		
Balance brought forward	11,962,250	0
Transfer from revaluation reserve	----- -11,962,250	11,962,250
Transfer to Bonus Issue Reserves	0	0
	----- 0	----- 11,962,250
19 PROFIT AND LOSS ACCOUNT NON LIFE		
At January 1,	483,843,455	471,114,132
Retained profit for the year	<u>439,980,419</u>	<u>762,729,323</u>
	923,823,874	1,233,843,455
Appropriation to Bonus Issue Reserves	- 522,082,117	- 750,000,000
	<u>401,741,757</u>	<u>483,843,455</u>
20 CONTINGENCY RESERVE NON-LIFE		
Balance at January 1,	349,757,498	220,734,462
Transfer from Profit and Loss Account	<u>106,888,702</u>	<u>129,023,036</u>
	456,646,200	349,757,498
Transfer to Bonus Issue Reserve	- 256,646,200	0
Balance as at December 31,	<u>200,000,000</u>	<u>349,757,498</u>
20 LIFE		
Balance at January 1,	3,611,999	3,158,819
Transfer from revenue reserve	<u>2,794,765</u>	<u>453,180</u>
	<u>6,406,764</u>	<u>3,611,999</u>
COMPANY TOTAL	<u>206,406,764</u>	<u>353,369,497</u>
21 PROFIT BEFORE TAXATION		
This has been stated after charging:		
Depreciation of Fixed Assets	27,285,251	17,716,815
Auditors Remuneration	<u>2,000,000</u>	<u>1,750,000</u>



ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 FIVE YEAR FINANCIAL SUMMARY  
 YEAR ENDED DECEMBER 31,2005

	2005	2004	2003	2002	2001
	N 000's	N 000's	N 000's	N 000's	N 000's
<b>PROFIT AND LOSS ACCOUNT</b>					
Premium Income, less reinsurance	711,168	925,338	902,138	935,358	165,018
Underwriting results	687,840	799,554	617,401	732,148	103,395
Investment and other Income	176,719	18,756	12,770	23,652	12,435
Unallocated management expenses	-287,633	-195,683	-187,180	-259,417	-109,108
Profit before taxation	576,926	622,627	442,991	496,383	6,722
Taxation	-30,057	-22,489	10,207	-29,466	-2,592
Profit after Taxation	546,869	600,138	453,198	466,917	4,130
Transfer to Contingency reserve	-106888	-129,023	-90,639	-93,383	-4,951
Profit /(Loss) retained	439,981	471,115	362,559	373,534	-821
<b>BALANCE SHEET</b>					
Short term Investments	464,397	284,228	464,503	71,458	124,543
Current assets	471,197	779,658	1,054,162	848,992	224,777
Statutory deposits	45,000	45,000	45,000	45,000	45,000
Long term investments	3255433	#####	972,492	969,677	632,772
Fixed Assets	382,267	405,520	316,892	290,110	300,382
Current liabilities	4,618,294	4,276,486	2,853,049	2,225,237	1,327,474
Insurance funds	-659,112	-887,815	-301,657	-219,119	-153,264
Deferred tax	-531,956	-311,804	-374,429	-294,053	-273,904
	-12,432	-12,432	-12,432	-7,729	0
	3,414,794	3,064,435	2,164,531	1,704,336	900,306
Share capital	600,000	500,000	500,000	486,905	150,000
Deposit for Shares	0	299,305	0	0	0
Bonus Issue Reserves	2,206,646	1,427,918	0	0	0
Capital Reserve	0	0	677,917	677,917	677,917
General Reserves	401,742	483,843	762,722	406,887	33,354
Contingency reserve	206,406	353,369	223,892	132,715	39,035
Shareholders funds	3,414,794	3,064,435	2,164,531	1,704,424	900,306
Earnings per N1 share	91k	120k	91k	96k	27k
Net assets per N1 share	569k	608k	433k	350k	600k
Dividend per N1 share	0	0	0	0	0

NOTE: The earnings, dividend and net assets, per N1 share respectively, are calculated on the basis of the profits after taxation and proposed dividend for the year.



ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- BONDS

	2005 N	2004 N
Gross Premiums	##### =====	1,902,527 =====
Premium written, less Reinsurance	##### -----	968,246 -----
Less:		
Commission received	#####	0
Claims paid	442,638	-5,429,011
Management expenses	#####	654,613
Transfer to Profit and loss account	##### -----	7,174,423 -----
	#####	2,400,025
Net decrease/(increase) in fund	1,743,832	-1,431,779
Fund at the beginning of the year	769,614	2,201,393
Fund at end of year	2,513,446 =====	769,614 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- MARINE

	2005 N	2004 N
Gross Premiums	##### =====	455,323,356 =====
Premium written, less Reinsurance	##### -----	42,353,376 -----
Less:		
Commission received	#####	-8,306,104
Claims paid and outstanding	#####	24,149,438
Management expenses	#####	12,912,755
Transfer to Profit and loss account	##### ----- ##### -----	-26,986,222 ----- 1,769,867 -----
Net (Increase)/Decrease in fund	#####	40,583,509
Fund at beginning of year	##### -----	5,770,439 -----
Fund at end of year	##### =====	46,353,948 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- FIRE

	2005 N	2004 N
Gross Premiums	##### =====	17,924,271 =====
Premium written, less Reinsurance	##### -----	18,620,647 -----
Less:		
Commission received	-7,792,181	-
Claims paid and outstanding	-8,147,317	25,972,371
Management expenses	#####	5,883,477
Transfer to Profit and loss account	##### -----	-4,448,485 -----
	##### -----	27,407,363 -----
Net (Increase)/Decrease in fund	#####	-8,790,244
Fund at beginning of year	-1,027,205 -----	7,763,039 -----
	8,986,502 =====	-1,027,205 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- MOTOR

	2005 N	2004 N
Gross Premiums	##### =====	65,945,265 =====
Premium written, less Reinsurance	##### -----	64,983,138 -----
Less:		
Commission received	-3,792,181	
Claims paid and outstanding	#####	-1,251,103
Management expenses	6,933,659	21,850,216
Transfer to Profit and loss account	##### -----	65,895,527 -----
	##### -----	86,494,640 -----
Net (Increase)/Decrease in fund	-3,934,147	-21,511,502
Fund at beginning of year	##### -----	35,321,160 -----
	9,875,511 =====	13,809,658 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- ACCIDENT

	2005 N	2004 N
Gross Premiums	##### =====	206,091,923 =====
Premium written, less reinsurance	#####	130,398,221
Less:		
Commissions received	#####	-
Claims paid and outstanding	#####	28,882,126
Management expenses	#####	36,208,949
Transfer to profit and loss account	#####	60,486,531
	----- ##### -----	----- 125,577,606 -----
Net Increase in fund	#####	4,820,615
Fund at beginning of year	#####	54,106,913
	----- 6,893,173 =====	----- 58,927,528 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 SUPPLEMENTARY FINANCIAL INFORMATION  
 YEAR ENDED DECEMBER 31, 2005.

REVENUE ACCOUNT- SPECIAL RISK

	2005 N	2004 N
Gross premium	##### =====	523,210,232 =====
Premium written, less reinsurance	##### -----	12,702,834 -----
Less:		
Commission received	#####	0
Claims paid and outstanding	#####	10,009,725
Management expenses	#####	3,166,965
Transfer to profit and loss account	##### -----	85,588,844 -----
	##### -----	98,765,534 -----
Net increase in fund	#####	-75,841,793
Fund at beginning of year	1,520,288 -----	77,362,081 -----
Fund at end of year	##### =====	1,520,288 =====

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 STATEMENT OF VALUE ADDED  
 FOR THE YEAR ENDED DECEMBER 31,2005

	2005 N	%	2004 N	%
Premium Earned	#####		987,480,094	
Investment and Other Income	#####		18,527,011	
	----- #####		1,006,007,105	
Less:				
Claims incurred, commissions paid				
other Management expense:	#####		-317,187,568	
	----- ##### =====	100	688,819,537	100 =====
Applied as follows:				
Employees(staff costs)	#####	5	48,026,546	7
Directors	530,000		450,000	-
Government:Company Income tax	#####	6	22,489,008	3
Shareholders	0	0	129,023,036	19
Depreciation of fixed assets	#####	6	17,716,815	3
Policy holders	0		0	0
Retained Earnings	#####	83	471,114,132	68
	----- ##### =====	100	688,819,537	100 =====

ALLIANCE AND GENERAL INSURANCE COMPANY LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	2005 N	2,004 N
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Premium received from policy holders	##### 1,267,123,893	
Reinsurance receipts in respect of claims	-	-
Cash paid to and on behalf of employees	##### -195,683,705	
Reinsurance premiums paid	##### -345,058,674	
Other Operating cash payments/Refunds	##### 227,956,826	
Claims paid	##### -94,932,563	
Companies Income Tax paid	-	-
Net cash provided by operating activities	<u>##### 859,405,777</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-4,032,500	-6,351,771
Purchase of liquid investments	##### -131,903,780	
Sale of liquid investments	5,000,000	
Sale of other investments	##### 384,523,566	
Purchase of other investments	##### -1,017,765,401	
Dividend received	##### 9,716,743	
Interest received	##### 9,039,409	
Net cash provided by investing activities	<u>##### -752,741,234</u>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	-
Issue of ordinary shares	-	-
Refund of Deposit for shares	##### -	
Dividend paid	-	-3,587,835
Net cash provided by financing activities	<u>##### -3,587,835</u>	
Net increase in cash and cash equivalents	##### 103,076,708	
Cash and cash equivalents at the beginning of the year	##### 5,729,567	
Cash and cash equivalents at the end of the year	<u>##### 108,806,275</u>	

ALLIANCE AND GENERAL INSURANCE COMPANY LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
STATEMENTS OF CASH FLOWS (Cont'd)  
FOR THE YEAR ENDED DECEMBER 31, 2005

1 Reconciliation of operating profit to the cash provided by operating activities

	2005	2,004
	N	N
Operating profit after tax	#####	600,137,168
Depreciaton	#####	27,285,251
Increase in unearned premiums	#####	-530,864,917
Decrease in creditors	#####	580,454,671
Decrease in claim provisions	#####	30,873,840
Decrease in debtors	#####	151,519,764
Cash provided by operating activities	#####	<u>859,405,777</u>

2. Analysis of Changes in Cash and Cash Equivalents and Other Liquid Investments

	Cash and cash equivalents	Other liquid investment:	Total
	N	N	N
Balance as at Jan 1	#####	#####	393,034,215
Net cash inflow	#####	-	-74,191,857
Purchase of liquid invest	-	#####	180,168,793
Sale of liquid investment	-	-	-
	#####	#####	<u>499,011,151</u>

3. Analysis of Change in Cash and Cash Equivalents and Other Liquid Investments

	2005	2004	Changes during the year
	N	N	N
Cash at bank and in hand	#####	#####	-74,191,857
Bank Overdraft	-6,598,045	-3,333,612	-3,264,433
Total cash and cash equivalents	#####	#####	-77,456,290
Other liquid investments	#####	#####	180,168,793
	#####	#####	<u>102,712,503</u>

ALLIANCE & GENERAL INSURANCE COMPANY LIMITED  
 LIFE- DEPOSIT ADMINISTRATION

FOR THE YEAR ENDED DECEMBER 31,2005.

NOTES	2005 N	2004 N
INCOME:		
Deposit Admin fund premium	#####	280,910,362
Investment Income	<u>#####</u> #####	<u>6,932,529</u> 287,842,891
EXPENDITURE:		
Claims	#####	-69,183,910
Commission Paid	-2,064,082	-4,588,856
Business Acquisition	#####	<u>-13,914,675</u>
Net Increase during the year	#####	200,155,450
Fund at January 1,	#####	220,927,404
Fund at December 31,	<u>#####</u>	<u>421,082,854</u>





