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Results at a Glance

	2008 =N='000	2007 =N='000	Variance Increase (Decrease) =N='000	% Growth
Gross Premium Income	4,143,899	2,061,655	2,082,244	101%
Net Premium	2,559,926	1,380,267	1,179,659	85%
Investment and Other Income	2,095,708	1,345,905	749,803	56%
Profit Before Tax	2,001,342	1,100,456	900,886	82%
Investment	12,115,194	5,550,443	6,564,751	118%
Statutory Contingency Reserves	561,068	236,312	324,756	137%
Insurance Fund	794,546	555,245	239,301	43%
Deposit Administration	586,386	336,514	249,872	74%
Shareholders' Fund	12,526,162	6,298,657	6,227,505	99%
Dividend Proposed	1,312,500	300,000	1,012,500	338%

Corporate Information



Registered Office

Heritage Plaza
Plot 928 Bishop Aboyade Cole Street
Victoria Island, Lagos
Lagos.
Phone: 01 - 2701560 - 5, 4613284
Email: info@gtapl.com
Website: www.gtapl.com

Auditors

Messers. KPMG Professional Services

Reinsurers

African Reinsurance Corporation
Munich Reinsurance Company Ltd
Continental Reinsurance Plc.
General Insurance Corporation Of India

Actuaries

HR Nigeria Ltd

Bankers

Guaranty Trust Bank Plc.
First Bank Plc.

Registrar & Transfer Office

GTB Registrar Limited
7, Anthony Village Road,
Anthony Village, Lagos.

Regional Offices

ABUJA

Plot 1072 J.S. Tarka/Faskari Street,
Garki Area 3, Abuja
09-2346248-54, 2346301

IBADAN

11B Jimoh Odutola Road
Ibadan, Oyo State
02-2413779, 2413795, 2413677, 2413876

KADUNA

7/10 Murtala Muhammed Square, Kaduna State
062-240103-9

KANO

145 Murtala Muhammed Way, Kano State
064-6388551-5

PORT HARCOURT

47 Trans Amadi Industrial Layout, Port Harcourt
Rivers State
084-462195

ENUGU

Plot 1, Ogui Road, Enugu, Enugu State
042-253061, 254085, 254072, 254073

Agency Offices

Lagos Island

3/5 Boyle Street, Onikan
01-8548089, 8548139, 9500771

Lagos Mainland

DN Meyer Building
Plot 34, Monbolaji Johnson Street
Alawusa, Ikeja
01-9500774, 9500811

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the seventeenth Annual General Meeting of GUARANTY TRUST ASSURANCE PLC will hold at the Coral Hall, Oceanview Restaurant Victoria Island, Lagos, on Thursday, June 11, 2009, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended December 31, 2008 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend
3. To elect / re-elect Directors
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To elect Members of the Audit Committee

SPECIAL BUSINESS

- A. To consider, and if thought fit, to pass the following resolution as an ordinary resolution;
 6. "That the Directors Fees for the year ending December 31, 2009 and for the succeeding years until reviewed by the Company in Annual General Meeting be and is hereby fixed at ₦1,650,000
- B. To consider and if thought fit pass the following resolution as special resolutions:
 7. That the shares of the Company be listed on the floor of the Nigerian Stock Exchange ("NSE").
 8. "That all the Company's shareholders hereby agree to cede up to 10% of their respective shareholdings for a consideration that will be paid in cash at the listing per quantity of shares so ceded in order to satisfy the requirement of the NSE for the listing of the Company's shares.
 9. "That the Directors of the Company be and are hereby authorized to take all necessary steps and do all things required to list the shares of the Company on the NSE".

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, GTB Registrars Limited, No 7, Anthony Village Road, Anthony Village, Lagos, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

BY THE ORDER OF THE BOARD



Erhi Obebeduo

Company Secretary
Plot 928 Bishop Aboyade Cole Street,
Victoria Island,
Lagos.
May 8, 2009



NOTES:

1. **Dividend**

If approved, dividend will be payable on June 11, 2009, to shareholders whose names are registered in the Register of Members as at 29th May 2009. Dividends will be credited directly to the bank accounts of shareholders; Please contact the Registrars and advise on your bank account details. Registrars can be reached at GTB Registrars, Guaranty Trust Bank, 7 Anthony Village Road, Anthony, Lagos.
The dividend payable is on the total number of shares exclusive of the Rights issue concluded in February, 2009

2. **Closure of Register**

The Register of Members was closed on May 29th, 2009 to enable the Registrar prepare for payment of dividends.

3. **Audit Committee**

In accordance with section 359(5) of the Companies and Allied Matters Act, 1990, any shareholder may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

Chairman's Statement

I warmly welcome you to the 17th Annual General Meeting of Guaranty Trust Assurance plc, and present to you a review of our operating environment and a summary of the Company's performance for the financial year ended December 31, 2008.

Operating Environment

The global market encountered great difficulties in the area of financial distress, collapse of hitherto great financial institutions and general economic downturn unseen since the great depression of 1929.

Locally, the operating environment was characterized by a record dipping of the capital market, banking liquidity squeeze, falling oil prices, deteriorating exchange rate as well as the attendant consequences of the global economic crises.

The Capital market activities took a nose dive as the All Share Index (ASI) declined by 52.61% from its peak of 66,371.20 in March 2008 to 31,450.75 by the end of the year; the slide has been adduced to various reasons including the misunderstanding over the limitations on margin lending for stock trading, the 100,000 minimum trade to move stock prices, the plan to recapitalize stock broking firms, the earlier aborted plan to harmonize the financial year end of banks, increase in MPR from 9.50% to 10.5% and capital flight by foreign portfolio investors suffering from the pangs of the subprime crises.

The growth in the Nigerian economy slowed down in the year under review while developed economies slipped into a recession. The economy achieved a GDP growth rate of 6.4% in 2008 as against a 2007 growth rate of 6.5%. Agriculture, trade, financial services, manufacturing and telecoms sectors especially were the largest contributors to growth in the non-oil sector as the sector enjoyed a growth of almost 10%. The oil sector's share of total economic output continued to shrink albeit at a slower pace with adverse effect on the aggregate growth of the economy, partially because production was below quota for 2008.

Oil production was affected by the prevailing unrest in the Niger Delta and OPEC production quota cuts designed to stimulate the falling oil prices which fell from

a peak of \$147.27 in July to below \$40 by the end of the year. Inflation increased to 15.1% as compared to 6.6% in the corresponding period of 2007 despite CBN's increase in MPR and other contractionary Monetary Policy measures designed to stem it. CBN interest rate was lowered from 10.25% to 9.75% by the MPC but the average 30-day NIBOR over the period was 13.99%. This increase was largely driven as much by these external factors as by continued domestic political inertia, stalled macroeconomic reforms and seemingly inadequate regulatory responses to an emerging domestic liquidity crisis.

The Insurance subsector has continued to witness some growth following the recapitalization exercise as a lot of emphasis is now placed on delivering much needed insurance products to the retail end of the market most especially the growing middle class.

Financial Results

I am glad to announce to you that in spite of the extremely harsh operating and investment environment encountered in 2008, we still delivered superior financial returns to our stakeholders. More importantly, our latest financials confirm our Company's huge stride in attaining leadership position in the insurance industry. The Company made a gross premium income of ₦4.14 billion for the financial year under review as against ₦2.06 billion recorded for the corresponding period in 2007. This represents an increase of 101% over the figure achieved for the previous year, whilst profit before tax stood at ₦2.0 billion as against ₦1.10 billion for the previous period. This represents a growth rate of 82%. Underwriting result for 2008 was N1.2 billion against N659 million in 2007, a remarkable growth rate of 82% which further confirms our consistent improvement in the quality of the core business of risk underwriting.

The growth in our total investment income of 54% from N1.3 billion in 2007 to N2.02 billion is largely attributable to the early diversification of our investment portfolio.

Share Capital

In order to shore up our capital base and increase our underwriting capacity, we commenced a Rights issue



The growth in our total investment income of 54% from N1.3 billion in 2007 to N2.02 billion is largely attributable to the early diversification of our investment portfolio.

Victor Gbolade Osibodu
Chairman

exercise and special placement in the year. We completed the special placement and successfully raised N4.7 billion whilst the Rights issue was concluded but we did not receive SEC approval for the money raised as at 31st December 2008.

Board of Directors

On the 3rd of July, 2008, Mrs. Yetunde Ilori was nominated to the Board of our company. I hereby welcome her to the Board and use this opportunity to thank my other colleagues on the Board for their support and devotion to the affairs of our company.

Subsidiary

During the year under review we established a non insurance subsidiary **Assur Asset Management Limited (AAML)** to complement our Insurance business and further maximize returns through long-term capital growth using research driven methods whilst ensuring and retaining the safety of the funds.

Dividend

Our commitment to deliver exceptional value for our stakeholders is further highlighted by our Board's approval for the payment of 15 kobo per share amounting to N 1.3 Billion based on the results for 2008 financial year. In setting this level of dividend, the Board has taken into account the company's strategic growth plans and long term financial stability.

Staff

Our staff remained among the brightest in the industry; the impressive result achieved this year was as a result of their tenacity and determination. They have truly displayed their continued loyalty, dedication and commitment. I wish to place on record the commitment of the board to the personal development and continued well being of every staff of the Guaranty Trust Assurance plc.

Future Outlook

There is no doubt that the current economic climate is severe but opportunities still exist as insurance penetration remains low and increasing Insurance awareness amidst the populace will open up huge retail business potentials.

We will continue with the development of more distribution channels in order to boost retail sales. To this end, we shall reinforce our bancassurance channels nationwide and commence the creation of an extensive agency network. We shall also seek to be a dominant underwriter of energy risks through enhanced capacity of our financial and human capital resources.

In conclusion, I would like to appreciate our esteemed customers and shareholders for their continued support and belief in the company

May the Lord in his infinite mercies continue to guide and reward our efforts with success.

Thank you

Mr. Victor Gbolade Osibodu

Chairman

From the Executive Suite

...our dream of building a great institution providing first class services to our customers and assuring their financial security with great financial strength and capacity, remains on track.



Great adversity births hope, strength and character

2008 was a year of unprecedented turmoil in the global financial services industry and economic downturn in the world's major economies. Giants in the financial services industry failed and collapsed whilst Central Banks across Europe and America scrambled to bail out many institutions thereby preventing systemic distress in their respective countries. The real sector didn't fare much better as companies sustained high losses and laid off staff in millions across developed economies leading to record levels of unemployment.

In Nigeria, we didn't escape the contagion. Oil price plummeted from a height of about \$150 per barrel in July 2008 to less than \$40 by year-end. The effect on our mono-product economy was instantaneous and dramatic. Our hitherto stable currency took a dip of 18.38% from \$1/₦117.8625 to \$1/₦139.5250 within a space of 4 weeks! Foreign investors who had besieged our capital market in the previous 2-3 years pulled out in droves with the resultant record drop of 47% in the Nigerian Stock Exchange All Share Index (ASI). This led to significant portfolio losses amongst institutional and individual investors alike across the country.

At Guaranty Trust Assurance, we however run a diversified investment portfolio that gives us flexibility in dynamic and rapidly changing market conditions. Our portfolio consists of investments in fixed income, equity and real estate markets with a fluid but conservative asset allocation policy. Therefore, in spite of the great difficulty encountered in the markets, our total investment and other income grew to ₦2.1 billion from ₦1.3 billion in 2007, a growth of 56%.

During the year, we also spent considerable resources in building our operational and service delivery platforms.

We added *AssurPay*, a payment module that enables our clients to pay their premium due at any GTBank branch across the country in a way that will ensure their account is updated within the same day. We also expanded our Bancassurance sites in GTBank to 80 branches across the six geo-political zones of the country. In addition, we commenced a pilot scheme of Bancassurance sales with First City Monument Bank. We are optimistic this new relationship will be beneficial to both parties.

We also deepened our relationships with existing corporate customers and developed new relationships especially in the public sector. We are grateful to these institutional customers and our key Brokers for their unwavering faith in us. Because of their kind patronage, we recorded another year of significant growth. Our Gross Premium Income rose by 101% from ₦2.06 billion to ₦4.14 billion whilst Premium Earned grew by 110% from ₦1.17 billion to ₦2.45 billion. Profit before tax grew from ₦1.1 billion to ₦2 billion, a growth of 82%.

Lastly, our Company retained the **A+** rating first received from Agosto & Co. in 2007. This rating remains the highest given to any insurance company in Nigeria.

With these, our dream of building a great institution providing first class services to our customers and assuring their financial security with great financial strength and capacity, remains on track. Indeed, we remain in the present but represent the future.

Tosin Runsewe
Chief Client Officer

Board of Directors

Mr. Victor Gbolade Osibodu	-	Chairman
Mrs. Yetunde Ilori	-	Director (Appointed on 03/07/08)
Mr. Tosin Runsewe	-	Director
Mr. Tayo Aderinokun	-	"
Mr. Segun Agbaje	-	"
Mr. Kolapo Omidire	-	"
Mr. Demola Odeyemi	-	"
Mr. Victor Akinbayo	-	"
Mr. Hakim Khelifa	-	"

Directors' Report

Directors' Report

For the year ended 31 December 2008

The directors are pleased to present their annual report on the affairs of Guaranty Trust Assurance Plc ("the Company") and subsidiary companies ("the Group"), together with the audited financial statements and the auditor's report for the year ended 31 December 2008.

Legal form and principal activity

The Company was incorporated on 23rd June 1989 as a private limited liability company called "Heritage Assurance Limited" and issued with a composite insurance license by the National Insurance Commission in March 2004. The Company's name was changed to Guaranty Trust Assurance Limited in September 2004 following the acquisition of a majority share holding by Guaranty Trust Bank Plc, and changed again to Guaranty Trust Assurance Plc in March 2006 following the increase in number of members beyond the maximum required for a private company.

The Company's principal activity continues to be provision of risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services for both corporate and individual customers.

The Company has two wholly owned subsidiaries, Assur Asset Management Limited and Barista Property Development Company Limited (a special purpose entity). Assur Asset Management Limited was incorporated as a private limited liability company on 9 January, 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients. Barista Property Development Company Limited was incorporated on 7 July, 2008 to provide property development and investment services to both individual and corporate clients.

During the year, the Company incorporated a special purpose entity, GTA Real Estate Limited whose principal activity was to provide property development and investment services to both individual and corporate clients. This entity was disposed of prior to the end of the year.

Operating results:

The following is a summary of the Group's and Company's operating results:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Profit before taxation	2,001,342	1,987,413	1,100,456
Taxation	(125,312)	(122,193)	(279,214)
Profit after taxation	1,876,030	1,865,220	821,242
Transfer to contingency reserve	(324,756)	(324,756)	(166,513)
Retained earnings for the year	1,551,274	1,540,464	654,729
General reserve, beginning of year	765,667	765,667	110,938
Dividend paid	(300,000)	(300,000)	-
General reserve, end of year	2,016,941	2,006,131	765,667
Earnings per share – basic	33k	33k	9k

Statement of Directors' Responsibilities in relation to the Financial Statements for the year ended 31 December 2008

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act 1990, the directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Company and the profit or loss for the financial year.

The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- (b) the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 1990 and Insurance Act 2003;
- (c) the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- (d) the financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

Directors and their interests:

The directors of the Company who held office during the year together with their direct and indirect interest in the share capital of the Company were as follows:

	Number of Ordinary Shares	
	<u>31/12/08</u>	<u>31/12/07</u>
Mr. Victor Gbolade Osibodu - <i>Chairman</i>	133,750,000	123,750,000
Mrs. Yetunde Ilori	1,000,000	1,250,000
Mr. Tosin Runsewe	29,962,500	25,863,636
Mr. Tayo Aderinokun	158,750,000	158,750,000
Mr. Segun Agbaje	15,000,000	15,000,000
Mr. Kolapo Omidire	5,022,727	5,022,727
Mr. Demola Odeyemi	8,400,000	8,400,000
Mr. Victor Akinbayo	19,550,000	19,550,000
Mr. Hakim Khelifa	Nil	Nil

Retirement of Directors

None of the directors retired from the Board of the Company during the year.

Appointment of Directors

Mrs. Yetunde Ilori was appointed to the Board on 3 July, 2008.

Major Shareholding

The Company made a special placement of 3,750,000,000 ordinary shares of 50k each at N1.25 per share during the year. According to the Register of Members, no shareholder other than the under-mentioned held more than 5% of the issued share capital of the Company as at 31 December 2008:

	<u>No. of Shares</u>	<u>% Holding</u>
Guaranty Trust Bank Plc	6,449,026,789	73.70%
AfricInvest Limited	452,773,620	5.17%

Analysis of Shareholding

The analysis of the distribution of the shares of the Company at the end of the financial year is as follows:

Share Range	No. of Shareholders	% of Shareholders	No of Holdings	% of Holdings
1 - 1,000	2	0.2463	2	0.0000
5,001 - 10,000	4	0.4926	36,250	0.0004
10,001 - 50,000	44	5.4187	1,690,000	0.0193
50,001 - 100,000	51	6.2808	4,958,750	0.0567
100,001 - 500,000	175	21.5517	64,634,310	0.7387
500,001 - 1,000,000	297	36.5764	291,517,493	3.3316
1,000,001 - 8,000,000,000	239	29.4335	<u>8,387,163,195</u>	<u>95.8533</u>
Total			<u>8,750,000,000</u>	<u>100.0000</u>

Fixed Assets

Information relating to changes in fixed assets during the year under review is given in Note 9 to the financial statements.

Donations and Charitable Gifts

The Company identifies with the aspirations of the community as well as the environment within which it operates and made charitable donations to the under-listed organizations amounting to ₦189,500 (2007: ₦1,200,000) during the year as follows:

Organizations:

	<u>N</u>
Victoria Island Primary School	139,500
Kuramo Senior College, Victoria Island	<u>50,000</u>
	<u><u>189,500</u></u>

Employment of Disabled Persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2008, the Company had no disabled persons in its employment.

Health, Safety and Welfare of Employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Health, safety and fire drills are regularly organized to keep employees alert at all times. Employees are adequately insured against occupational hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense.

Employee Involvement and Training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Company provides opportunities for employees to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. Consequently, the Company sponsored its employees for various training courses both in Nigeria and abroad in the year under review.

Contracts

In accordance with Section 277 of the Companies and Allied Matters Act, 1990, none of the Directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

Acquisition of Own Shares

The Company did not purchase any of its own shares during the year under review.

Post Balance Sheet Events

The board of directors has proposed a dividend of 15 kobo per share (2007: 6 kobo per share) from the retained earnings as at 31 December 2008 on the issued share capital of 8,750,000,000 (2007: 5,000,000,000) ordinary shares of 50 kobo each subject to the approval of the shareholders at the next annual general meeting.

Auditors:

Messrs KPMG Professional Services have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act 1990.

BY ORDER OF THE BOARD



ERHI OBEDEDUO

Company Secretary
Plot 928 Bishop Aboyade Cole Street
Victoria Island,
Lagos

23 January 2009

Report of the Audit Committee

For the year ended 31 December 2008

To the members of **Guaranty Trust Assurance Plc**

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act 1990, the members of the Audit Committee of Guaranty Trust Assurance Plc hereby report as follows:

- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, 1990 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2008 were satisfactory and reinforce the Company's internal control systems.
- We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Company's system of accounting and internal control.



Mr. Tofarati Augusto
Chairman, Audit Committee

22 January 2009

Members of the Audit Committee are:

- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Tofarati Augusto | - | Chairman |
| 2. | Mr. Demola Odeyemi | | |
| 3. | Mr. Kolapo Omidire | | |
| 4. | Mr. Gbola Akinola | | |

In attendance:

- | | | |
|---------------------|---|-----------|
| Mr. Najeem Adekunle | - | Secretary |
|---------------------|---|-----------|



KPMG Professional Services
22a Gerrad Road, Ikoyi
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Lagos, Nigeria

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Fax 234 (1) 462 0704
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Independent Auditor's Report

To the Members of **Guaranty Trust Assurance Plc:**

Report on the Financial Statements

We have audited the group and separate financial statements of **Guaranty Trust Assurance Plc** ("the Company") which comprise the balance sheets as at 31 December 2008, the profit and loss accounts, statements of cash flows, value added statements for the year then ended, the statement of accounting policies, notes to the financial statements and the five year financial summary, set out on pages 21 to 63.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, and relevant National Insurance Commission (NAICOM) guidelines and circulars. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the group and separate financial statements give a true and fair view of the group and separate state of affairs of the Company as at 31 December 2008, and of its group and separate profit and cash flows for the year then ended in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, Insurance Act of Nigeria and relevant NAICOM guidelines and circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. Additionally, the Company's balance sheet and profit and loss account are in agreement with the books of accounts.

KPMG

6 February 2009
Lagos, Nigeria



Statement of Accounting Policies

Statement of Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company and its subsidiaries (together referred to as "the Group") in the preparation of its financial statements. These accounting policies have been consistently applied for all years presented.

1. Basis of accounting

Life Business: The financial statements for life business have been prepared using the fund method.

General Business: The financial statements for general insurance business have been prepared using the annual basis of accounting and under the historical cost convention.

2. Basis of consolidation

i. Subsidiaries

The Group financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiary companies are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The consolidated subsidiaries are Assur Asset Management Limited and Barista Property Development Company Limited.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized gains or losses arising from intra-group transactions are eliminated in preparing the group financial statements.

iii. Investment in subsidiaries

Investment in the subsidiaries is stated in the Company's separate financial statements at cost. Allowance is made for any permanent diminution in the value of investments in subsidiaries.

iv. Special purpose entities

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial statements of special purpose entities are included in the Group's consolidated financial statements, where the substance of the relationship is that the Group controls the special purpose entity.

3. Cash and bank balances

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

4. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis at rates calculated to write-off the cost of each asset over its estimated useful life, at the following annual rates:

Motor vehicles	25%
Furniture & fittings	20%
Office equipment	20%
Leasehold improvements	10%
Land & buildings	2%
Computer equipment	33.33%
Computers software	20%

Gains or losses arising from the disposal of fixed assets are included in the profit and loss account.

5 Gross premium

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

6 Net premium

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

7 Claims expenses

All claims paid and incurred are charged against revenue as expense when incurred. Reinsurance recoveries are recognized when the re-insurer accepts liability for the claims and netted off claims expense.

8. Underwriting expenses

Underwriting expenses for insurance contracts are recognized as expenses when incurred, with the exception of acquisition costs, which are recognized on a time apportionment basis in respect of risks.

9. Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during a financial period and are deferred to the extent that they are recoverable out of future revenue margins.

10. Management expenses

Management expenses are expenses other than claims, investment and underwriting expenses. They include salaries and wages, depreciation expenses and other non-operating expenses. They are accounted for on an accrual basis.

11. Trade debtors

Debtors are stated after deducting allowance made for specific debts considered doubtful of recovery. In accordance with the National Insurance Commission (NAICOM) guidelines, allowance is made for bad debts as follows:

<u>Period outstanding</u>	<u>% Allowance required</u>
Up to 3 months	Nil
3 - 6 months	25%
6 - 9 months	50%
9 - 12 months	75%
Above one (1) year	100%

12. Other debtors and prepayments

Other debtors are stated after deduction of amounts considered bad or doubtful of recovery. Subsequent recoveries are credited to the profit and loss account.

Prepayments are carried at cost less amortised amounts.

13. Foreign currency transactions

Transactions in foreign currencies are recorded in Naira at the rate ruling on the date of the transaction. Assets and liabilities in foreign currencies are translated to Naira at the rate ruling at the balance sheet date. All differences arising from the conversion of balances in foreign currencies to the Naira are taken to profit and loss account.

14. Technical reserves

These are computed in accordance with the provisions of Section 20, 21, and 22 of the Insurance Act 2003

as follows:

(a) **General insurance business**

Reserve for unexpired risks

In accordance with Section 20 (1) (a) of Insurance Act 2003, the reserve for unexpired risks is calculated on a time apportionment basis in respect of the risks accepted during the year.

Reserves for outstanding claims

In accordance with Section 20 (1) (b) of Insurance Act 2003, the reserve for outstanding claims is maintained at the total amount of outstanding claims plus 10% thereof to cover claims incurred but not reported at the balance sheet date.

Contingency reserve

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

(b) **Life business**

General reserve fund

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

Contingency reserves

In accordance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

15. Long-term investments

Quoted investments

Quoted investments are stated at their revalued amounts. Differences between cost and revalued amounts are transferred to a revaluation reserve account. However, where the revalued amounts fall below the cost at the balance sheet date, allowance is made in the profit and loss account for such deficit.

Unquoted investments

These are stated at cost. Where in the opinion of the Directors the value of any unquoted investment falls below its cost, an appropriate allowance for diminution in value thereof is charged against the profit and loss account.

16. Trading properties

Trading properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The costs of trading properties are determined on the basis of specific identification of their individual cost.

17. Short-term investments

Short-term investments are stated at the lower of cost or market value. The carrying cost is determined on an item by item basis. The amount by which cost exceeds market value (unrealised loss) is charged to the profit and loss account. Realised gains or losses on disposal of short-term investments are taken to the profit and loss account. Interest receivable on investments is accrued and credited to the profit and loss account.

18. Investment income

Investment income comprises income earned on short term deposits and income earned on trading of securities. It is accounted for on an accrual basis.

19. Investment expense

Investment expenses are expenses incurred in buying, holding and selling all types of investments. They are accounted for on accrual basis.

20. Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders.

21. Taxation

Income tax expenses/credits are recognised in the profit and loss account. Current income tax is the expected tax payable on the tax income for the year using the statutory tax rate at the balance sheet date.

22. Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

23. Pension

The Company operates a defined contributory pension scheme for eligible employees. Employees and the Company contribute 7.5% each of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2004.

24. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

25. Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's formats for segment reporting are based on business segments.

26. Contingent liabilities

The Company provides financial guarantees and bonds to third parties at the request of customers in the form of bid and performance bonds or advance payments guarantees. The amounts reflected in the financial statements represent the maximum loss that would be recognised if counter parties failed completely to perform as contracted. Commission and fees charged to customers for services rendered are recognised at the time the services or transactions are effected.

27. Deposit administration



Receipts for deposit administration and other business of a savings nature are recognised as liabilities. Interest accruing to the life assurer from investment of the savings is recognised in the profit and loss account in the period it is earned while interest paid and due to depositors is recognised as an expense.

Balance Sheets

As at 31 December 2008

	Note	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
ASSETS:				
Cash and bank balances	1	350,267	350,224	188,320
Short-term investments	2	10,465,401	11,404,514	5,338,525
Trade debtors	4(a)	562,687	562,687	471,639
Other debtors and prepayments	4(d)	2,055,696	2,118,624	516,385
Deferred acquisition cost	5	74,731	74,731	69,365
Trading properties	6.3	1,611,293	-	-
Long term investments	6	38,500	638,500	211,918
Deferred tax asset	7(a)	36,846	36,846	15,523
Statutory deposit	8	500,000	500,000	500,000
Fixed assets	9	794,939	788,010	664,268
TOTAL ASSETS		16,490,360	16,474,136	7,975,943
LIABILITIES:				
Creditors and accruals	10	2,195,566	2,193,271	424,678
Outstanding claims	11	188,588	188,588	69,827
Taxation payable	14	169,073	166,836	240,843
Deposit administration	13	586,386	586,386	336,514
Insurance fund	12	794,546	794,546	555,245
Deferred tax liability	7(b)	30,039	29,157	50,179
TOTAL LIABILITIES		3,964,198	3,958,784	1,677,286
NET ASSETS		12,526,162	12,515,352	6,298,657
CAPITAL AND RESERVES:				
Share capital	15	4,375,000	4,375,000	2,500,000
Share premium	16	3,073,153	3,073,153	296,678
Statutory contingency reserve	17	561,068	561,068	236,312
Capital reserve		2,500,000	2,500,000	2,500,000
Retained earnings	18	2,016,941	2,006,131	765,667
SHAREHOLDERS' FUNDS		12,526,162	12,515,352	6,298,657
Contingent liabilities	19a	32,267	32,267	382,186

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Gbolade Osibodu )
 _____) Directors
 Mrs. Yetunde Ilori )
 _____)

Approved by Board of Directors on 23 January 2009.

The statement of accounting policies and accompanying notes form an integral part of these financial statements.

Profit and Loss Accounts

For the year ended 31 December 2008

	<u>Notes</u>	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Income				
Gross premiums	20	4,143,899	4,143,899	2,061,655
Outward insurance premium		(1,583,973)	(1,583,973)	(681,388)
Net premiums		<u>2,559,926</u>	<u>2,559,926</u>	<u>1,380,267</u>
Unexpired premium reserve	12.1	(106,787)	(106,787)	(210,215)
Premium earned		<u>2,453,139</u>	<u>2,453,139</u>	<u>1,170,052</u>
Commission received		134,846	134,846	85,181
Total income		<u>2,587,985</u>	<u>2,587,985</u>	<u>1,255,233</u>
Expenses				
Claims incurred		(797,725)	(797,725)	(362,742)
Underwriting expenses		(457,631)	(457,631)	(210,662)
Increase in life funds		(132,514)	(132,514)	(22,527)
Underwriting profit		<u>1,200,115</u>	<u>1,200,115</u>	<u>659,302</u>
Investment income	21	177,152	131,025	1,345,905
Gain on disposal of real estate investment	22	1,918,556	1,918,556	-
		<u>3,295,823</u>	<u>3,249,696</u>	<u>2,005,207</u>
Management expenses	23	(1,197,973)	(1,165,775)	(886,966)
Allowance for bad debts	4(b)	(96,508)	(96,508)	(17,785)
Profit before taxation	24(a)	<u>2,001,342</u>	<u>1,987,413</u>	<u>1,100,456</u>
Taxation	14(b)	(125,312)	(122,193)	(279,214)
Profit after taxation		<u>1,876,030</u>	<u>1,865,220</u>	<u>821,242</u>
Appropriation				
Transfer to contingency reserve	17	324,756	324,756	166,513
Transfer to retained earnings	18	1,551,274	1,540,464	654,729
		<u>1,876,030</u>	<u>1,865,220</u>	<u>821,242</u>
Earnings per share – basic	25	33k	33k	9k
Dividend per share – basic	25	6k	6k	-

The board of directors has proposed a dividend of 15 kobo per share on the issued share capital of 8,750,000,000 ordinary shares of 50 kobo each, subject to the approval of shareholders at the next annual general meeting.

Statements of Cash Flow

For the year ended 31 December 2008

	<u>Notes</u>	<u>Group 2008 N'000</u>	<u>Company 2008 N'000</u>	<u>Company 2007 N'000</u>
Cash flow from operating activities:				
Operating profit before changes in working capital	26	261,815	246,696	1,385,171
Changes in working capital				
Trade debtors		(187,556)	(187,556)	(195,392)
Other debtors and prepayments		(1,539,311)	(1,602,239)	(130,519)
Deferred acquisition costs		(5,366)	(5,366)	(42,138)
Statutory deposit		-	-	(465,000)
Outstanding claims		118,761	118,761	39,017
Creditors and accruals		1,760,270	1,757,975	225,628
Deposit administration		249,872	249,872	137,964
Net changes in working capital		396,670	331,447	(430,440)
Tax paid	14(a)	(227,927)	(227,927)	(83,578)
Net cash flow from operating activities		<u>430,558</u>	<u>350,216</u>	<u>871,153</u>
Cash flow from investing activities:				
Proceeds from sale of fixed assets		6,827	6,827	1,873
Purchase of fixed assets	9	(229,484)	(221,365)	(608,630)
Purchase of investments		(2,892,737)	(3,492,737)	(118,074)
Proceeds on disposal of investments		3,373,418	3,373,418	43,690
Dividend received		248,766	248,766	31,376
Purchase of trading securities		(839,295)	(830,705)	(1,597,756)
Net cash flow from investing activities		<u>(332,505)</u>	<u>(915,796)</u>	<u>(2,247,521)</u>
Cash flow from financing activities:				
Share issue expenses	16	(36,025)	(36,025)	(47,265)
Dividend paid		(300,000)	(300,000)	-
Proceeds from share capital increase	15(c)	4,687,500	4,687,500	188,888
Net cash flow from financing activities		<u>4,351,475</u>	<u>4,351,475</u>	<u>141,623</u>
Net increase/(decrease) in cash and bank balances		<u>4,449,528</u>	<u>3,785,895</u>	<u>(1,234,745)</u>
Cash and cash equivalents, beginning of the year 3(b)		3,211,847	3,211,847	4,446,592
Cash and cash equivalents, end of year	3(a)	<u>7,661,375</u>	<u>6,997,742</u>	<u>3,211,847</u>

General Business Balance Sheet

As at 31 December 2008

	<u>Notes</u>	2008 N'000	2007 N'000
Assets:			
Cash and bank balances	1.1	67,031	138,995
Short-term investments	2.1	8,639,546	4,932,362
Trade debtors	4.1(a)	517,064	405,338
Other debtors and prepayments	4.1(c)	2,042,488	505,603
Deferred acquisition cost		74,731	69,365
Long-term investments	6.1	638,500	189,074
Statutory deposit	8.1	300,000	300,000
Fixed assets	9.2	777,668	656,283
Total assets		13,057,028	7,197,020
Liabilities:			
Creditors and accruals	10.1	2,158,970	2,105,487
Outstanding claims	11.1	140,963	69,827
Taxation payable	14.1(a)	132,590	216,782
Insurance fund	12.1	571,774	464,987
Deferred tax liability	7.1	29,157	50,179
Total liabilities		3,033,454	2,907,262
Net Assets		10,023,574	4,289,758
Capital and Reserves:			
Share capital	15.1	3,375,000	1,500,000
Share premium	16.1	3,073,153	296,678
Statutory contingency reserve	17.1	504,040	227,572
Capital reserve		1,500,000	1,500,000
Retained earnings	18.1	1,571,381	765,508
Shareholders' funds		10,023,574	4,289,758
Contingent liabilities	19(a)	32,267	382,186

General Business Revenue Account

For the year ended 31 December, 2008

	Notes	Motor N'000	Fire N'000	General Accident N'000	Marine N'000	Bond N'000	Engineering N'000	Oil & Energy N'000	Aviation N'000	2008 Total N'000	2007 Total N'000
Income											
Direct premium		863,435	362,528	416,141	419,660	33,660	154,594	848,387	7,665	3,106,070	1,756,200
Inward premium		3,339	503	186	4,389	-	972	2,332	-	11,721	22,227
Gross premium	20.1	866,774	363,031	416,327	424,049	33,660	155,566	850,719	7,665	3,117,791	1,778,427
Outward premium		(41,550)	(181,114)	(50,666)	(153,463)	(4,063)	(89,139)	(805,949)	(2,412)	(1,328,356)	(608,216)
Net premium		825,224	181,917	365,661	270,586	29,597	66,427	44,770	5,253	1,789,435	1,170,211
Provision for unexpired risks		(57,199)	(30,238)	(10,127)	(6,653)	5,428	3,384	(9,817)	(1,565)	(106,787)	(210,214)
Premium earned		768,025	151,679	355,534	263,933	35,025	69,811	34,953	3,688	1,682,648	959,997
Commission received		539	40,183	8,581	38,974	1,094	27,419	3,253	59	120,102	72,518
Total income		768,564	191,862	364,115	302,907	36,119	97,230	38,206	3,747	1,802,750	1,032,515
Expenses											
Claims paid		379,818	40,552	121,561	55,118	-	37,181	53	-	634,283	309,642
Gross claims paid		379,818	40,552	121,561	55,118	-	37,181	53	-	634,283	309,642
Claims recoveries		(29,754)	(15,556)	(38,328)	(30,216)	-	(6,306)	-	-	(120,160)	(50,309)
Net claims paid		350,064	24,996	83,233	24,902	-	30,875	53	-	514,123	259,333
Outstanding claims provision		19,680	10,579	12,554	1,503	-	24,676	2,144	-	71,136	39,017
Claims incurred		369,744	35,575	95,787	26,405	-	55,551	2,197	-	585,259	298,350
Commission paid		67,129	43,171	73,398	62,093	3,022	25,282	2,036	201	276,332	162,835
Technical expenses		23,601	7,673	9,031	23,755	677	1,569	7,845	9	74,160	16,603
Underwriting expenses		90,730	50,844	82,429	85,848	3,699	26,851	9,881	210	350,492	179,438
Total Expenses		460,474	86,419	178,216	112,253	3,699	82,402	12,078	210	935,751	477,788
Underwriting profit		308,090	105,443	185,899	190,654	32,420	14,828	26,128	3,537	866,999	554,727

General Business Profit & Loss Account

For the year ended 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Income			
Gross premium	20.1	3,117,791	1,778,427
Outward insurance premium		(1,328,356)	(608,216)
Net premium			
Provision for unexpired risks	12.1	1,789,435	1,170,211
		(106,787)	(210,215)
Premium earned			
Commission received		1,682,648	959,996
		120,102	72,518
Total income			
		1,802,750	1,032,514
Expenses			
Claims incurred		(585,259)	(298,350)
Underwriting expenses		(350,492)	(179,438)
Underwriting profit			
		866,999	554,726
Investment (loss)/ income	21.1	(163,958)	1,221,958
Gain on disposal of real estate investment	22	1,918,556	-
		2,621,597	1,776,684
Allowance for bad debts		(83,247)	(17,785)
Management expenses	23.1	(1,031,076)	(686,516)
Profit before taxation			
Taxation	14.1(b)	1,507,274	1,072,383
		(124,933)	(253,972)
Profit after taxation			
		1,382,341	818,411
Appropriation			
Transfer to contingency reserve	17.1	276,468	163,682
Transfer to retained earnings	18.1	1,105,873	654,729
		1,382,341	818,411

Life Business Balance Sheet

As at 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Assets:			
Cash and bank balances	1.2	283,193	49,325
Short-term investments	2.2	2,764,968	406,163
Trade debtors	4.2(a)	45,623	66,301
Other debtors and prepayments	4.2(c)	244,406	1,710,017
Long-term investments	6.2	-	22,844
Deferred tax asset	7.2	36,846	15,523
Statutory deposit	8.2	200,000	200,000
Fixed assets	9.3	10,342	7,985
Total assets		3,585,378	2,478,158
Liabilities:			
Creditors and accruals	10.2	202,571	18,426
Outstanding claims	11.2	47,625	-
Taxation payable	14.2(a)	34,246	24,061
Deposit administration	13	586,386	336,514
Life fund	12.2	222,772	90,258
Total liabilities		1,093,600	469,259
Net Assets		2,491,778	2,008,899
Capital and Reserves:			
Share capital	15.2	1,000,000	1,000,000
Statutory contingency reserve	17.2	57,028	8,740
Capital reserve		1,000,000	1,000,000
Retained earnings	18.2	434,750	159
Shareholders' funds		2,491,778	2,008,899

Life Business Revenue Account

For the year ended 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Income			
Direct premium	20.2	1,026,108	283,228
Outward insurance premium		(255,617)	(73,172)
Premium earned			
Commission received		770,491	210,056
		14,744	12,663
Net premium			
		785,235	222,719
Expenses			
Claims incurred		212,465	64,392
Acquisition cost		24,484	-
Commission paid		82,656	31,224
Increase in life fund		132,514	22,527
Total expenses			
		452,119	118,143
Underwriting profit			
		333,116	104,576

Life Business Profit and Loss Account

For the Year ended 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Income			
Gross premium	20.2	1,026,108	283,228
Outward insurance premium		(255,617)	(73,172)
		770,491	210,056
Premium earned			
Commission received		14,744	12,663
		785,235	222,719
Total income			
Expenses			
Claims incurred		(212,466)	(64,392)
Underwriting expenses		(107,139)	(31,224)
Increase in life funds		(132,514)	(22,527)
		333,116	104,576
Underwriting profit			
Investment income	21.2	294,983	123,947
		628,099	228,523
Allowance for bad debt		(13,261)	-
Interest on deposit administration		(19,800)	(19,371)
Management expenses	23.2	(114,899)	(181,079)
		480,139	28,073
Profit before taxation			
Taxation	14.2(b)	2,740	(25,242)
		482,879	2,831
Profit after taxation			
Appropriation			
Transfer to contingency reserve	17.2	48,288	2,831
Transfer to retained earnings	18.2	434,591	-
		482,879	2,831

Notes to the Financial Statements

For the year ended 31 December 2008

1. Cash and bank balances

Cash and bank balances comprise:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Cash in hand	66	66	53
Balances held with banks in Nigeria	350,201	350,158	188,267
	350,267	350,224	188,320

1.1 General Business

	2008 N'000	2007 N'000
Cash in hand	66	53
Balances held with banks in Nigeria	66,965	138,942
	67,031	138,995

1.2 Life Business

	2008 N'000	2007 N'000
Balances held with banks in Nigeria	283,193	49,325
	283,193	49,325

2. Short-term Investments

(a) Short-term investments comprise:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Short term deposit (see Note 3)	7,311,108	6,647,518	3,023,527
Investment in trading securities (see Note (b) below)	3,154,293	3,145,703	2,314,998
Investment in subsidiary held for sale (see Note (c) below)	-	1,611,293	-
	10,465,401	11,404,514	5,338,525

(b) Included in investment in trading securities is an amount of N1,788,656,781 representing the Group's investment in quoted stocks. The aggregate cost of the Group's investment in quoted stocks is N2,348,144,112.

(c) This represents the Company's investment in Barista Property Development Company Limited, a special purpose entity during the year. The company was incorporated to invest in real estate and the Company's intention is to dispose of this investment in the near future.

2.1 General Business

Short-term investments comprise:

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Short-term deposits	4,086,391	2,881,567
Investment in trading securities	2,941,862	2,050,795
Investment in subsidiary held for sale	1,611,293	-
	<u>8,639,546</u>	<u>4,932,362</u>

2.2 Life Business

Short term investments comprise:

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Short-term deposits	2,561,127	141,960
Investment in trading securities	203,841	264,203
	<u>2,764,968</u>	<u>406,163</u>

3. Cash and Cash Equivalents

(a) For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition:

	<u>Group</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2007</u> <u>N'000</u>
Cash and bank balances (see Note 1)	350,267	350,224	188,320
Short-term investments (see Note 2)	7,311,108	6,647,518	3,023,527
	<u>7,661,375</u>	<u>6,997,742</u>	<u>3,211,847</u>

(b) The movement in cash and cash equivalents is as follows:

	<u>Group</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2007</u> <u>N'000</u>
Balance, beginning of year	3,211,847	3,211,847	4,446,592
Net cash inflow/(outflow)	4,449,528	3,785,895	(1,234,745)
Balance, end of year	<u>7,661,375</u>	<u>6,997,742</u>	<u>3,211,847</u>

4. Debtors and Prepayments

Trade debtors

(a) Trade debtors comprise:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Premium debtors	686,745	686,745	499,189
Less: Allowance for bad debt	<u>(124,058)</u>	<u>(124,058)</u>	<u>(27,550)</u>
	<u>562,687</u>	<u>562,687</u>	<u>471,639</u>

(b) The movements in allowance for bad debts is analysed below:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	27,550	27,550	9,765
Allowance made during the year	96,508	96,508	17,785
Balance, end of year	<u>124,058</u>	<u>124,058</u>	<u>27,550</u>

(c) The age analysis of trade debtors and related provisions as at the end of the year are as follows:

	Gross Premium N'000	Unexpired Risk/ Reinsurances N'000	Net Premium N'000	Provisions N'000
0 – 90 days	342,517	-	342,517	-
91 – 180 days	180,327	(64,732)	115,595	29,872
181 – 270 days	87,436	(19,698)	67,738	33,869
271 – 365 days	33,748	(8,990)	24,758	18,569
Over 365 days	42,717	(969)	41,748	41,748
	<u>686,745</u>	<u>(94,389)</u>	<u>592,356</u>	<u>124,058</u>

Other debtors and prepayments

(d) Other debtors and prepayments comprise:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Intercompany receivable	-	63,887	-
Prepayments	27,131	27,099	6,066
Accrued interest	43,580	42,653	33,555
Amount due from sale of securities	-	-	328,732
Other receivables	13,225	13,225	9,437
Deposit for shares	96,700	96,700	-
Other debtors	197,465	197,465	52,811
Subscription receivable (see Note 10(b))	1,562,500	1,562,500	-
Staff investment trust scheme	115,095	115,095	85,784
	<u>2,055,696</u>	<u>2,118,624</u>	<u>516,385</u>

4.1 General Business

Trade debtors

(a) Trade debtors comprise:

	2008 N'000	2007 N'000
Premium debtors	627,861	432,888
Less: allowance for bad debts	<u>(110,797)</u>	<u>(27,550)</u>
	<u>517,064</u>	<u>405,338</u>

	<u>Gross Premium</u> N'000	<u>Unexpired Risk/ Reinsurances</u> N'000	<u>Net Premium</u> N'000	<u>Provisions</u> N'000
0 – 90 days	324,612	-	324,612	-
91 – 180 days	150,855	(63,171)	87,684	22,894
181 – 270 days	80,374	(18,957)	61,417	30,709
271 – 365 days	31,028	(8,709)	22,319	16,739
Over 365 days	40,992	(537)	40,455	40,455
	<u>627,861</u>	<u>(91,374)</u>	<u>536,487</u>	<u>110,797</u>

Other debtors and prepayments

(c) Other debtors and prepayments comprise:

	<u>2008</u> N'000	<u>2007</u> N'000
Intercompany receivable	63,887	-
Prepayments	27,099	6,066
Accrued interest	29,742	32,210
Deposit for shares	46,700	-
Other debtors	197,465	381,543
Subscription receivable (see Note 10(b))	1,562,500	-
Staff investment trust scheme	115,095	85,784
	<u>2,042,488</u>	<u>505,603</u>

4.2 Life Business

Trade debtors

(a) Trade debtors comprise:

	<u>2008</u> N'000	<u>2007</u> N'000
Premium debtors	58,884	66,301
Less: allowance for bad debts	(13,261)	-
	<u>45,623</u>	<u>66,301</u>

(b) The age analysis of trade debtors and related provisions as at the end of the year are as follows:

	<u>Gross Premium</u> N'000	<u>Reinsurances</u> N'000	<u>Net Premium</u> N'000	<u>Provisions</u> N'000
0 – 90 days	17,905	-	17,905	-
91 – 180 days	29,472	(1,561)	27,911	6,978
181 – 270 days	7,062	(741)	6,321	3,160
271 – 365 days	2,720	(281)	2,439	1,830
Over 365 days	1,725	(432)	1,293	1,293
	<u>58,884</u>	<u>(3,015)</u>	<u>55,869</u>	<u>13,261</u>

Other debtors and prepayments

(c) Other debtors and prepayments comprise:

	2008 N'000	2007 N'000
Accrued interest	12,911	1,345
Due from General Business	168,270	1,699,235
Other receivables	13,225	9,437
Deposit for shares	50,000	-
	<hr/> 244,406 <hr/>	<hr/> 1,710,017 <hr/>

5. Deferred acquisition cost

This represents commissions on unearned premiums relating to the unexpired period of risks.

6. Long Term Investments

(a) Long-term investments comprise:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Investment in diversified portfolio	1,000	1,000	1,000
12% FGN Bonds 2009 series	-	-	50,000
9.23% FGN Bonds 2012 series	-	-	100,574
Investment in Hygeia HMO	-	-	22,844
Investment in Assur Asset Management Ltd	-	600,000	-
Investment in ARM Pension Managers Ltd	37,500	37,500	37,500
	<hr/> 38,500 <hr/>	<hr/> 638,500 <hr/>	<hr/> 211,918 <hr/>

(b) The movement in long-term investments during the year is shown below:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	211,918	211,918	137,534
Additions during the year	1,281,444	1,881,444	118,074
Disposals during the year	(1,454,862)	(1,454,862)	(43,690)
	<hr/> 38,500 <hr/>	<hr/> 638,500 <hr/>	<hr/> 211,918 <hr/>

6.1 General Business

Long-term investments comprise:

	2008 N'000	2007 N'000
Investment in stocks/diversified portfolio	1,000	1,000
12% FGN Bonds 2009 series	-	50,000
9.23% FGN Bonds 2012 series	-	100,574
Investment in ARM Pension Manager	37,500	37,500
Investment in Assur Asset Management Co. Ltd	600,000	-
	<hr/> 638,500 <hr/>	<hr/> 189,074 <hr/>

6.2 Life Business

Long-term investments comprise:

	2008 N'000	2007 N'000
Investment in Hygeia HMO	-	22,844
	-	22,844

6.3 Trading properties

Trading properties comprise investments made by the Group in landed properties which are held for trading purposes.

7. Deferred tax account

(a) Assets

The movement on this account during the year was as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	15,523	15,523	15,074
Credit during the year (see Note 14(b))	21,323	21,323	449
Balance, end of year	36,846	36,846	15,523

(b) Liabilities

The movement on this account during the year was as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	50,179	50,179	15,295
Reversal during the year	(20,140)	(21,022)	-
Charge during the year (see Note 14(b))	-	-	34,884
Balance, end of year	30,039	29,157	50,179

(c) Net deferred tax liabilities/(assets) are attributable to the following:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Assets			
Fixed assets	(1,424)	(1,424)	(1,521)
Unrelieved losses	31,634	31,634	17,044
General allowances	6,636	6,636	-
Balance, end of year	36,846	36,846	15,523
Liabilities			
Fixed assets	84,908	84,026	58,444
General allowances	(54,869)	(54,869)	(8,265)
Balance, end of year	30,039	29,157	50,179

7.1 General Business

(a) Liabilities

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

	2008 N'000	2007 N'000
Balance, beginning of the year	50,179	15,295
(Reversal)/charge for the year (see Note 14(b))	(21,022)	34,884
	<hr/>	<hr/>
Balance, end of year	29,157	50,179
	<hr/> <hr/>	<hr/> <hr/>
(b) Net deferred tax liabilities are attributable to the following:		
	2008 N'000	2007 N'000
Fixed assets	84,026	58,444
General allowances	(54,869)	(8,265)
	<hr/>	<hr/>
	29,157	50,179
	<hr/> <hr/>	<hr/> <hr/>

7.2 Life Business

(a) Assets

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

	2008 N'000	2007 N'000
Balance beginning of the year	15,523	15,074
Credit for the year (see Note 13(b))	21,323	449
	<hr/>	<hr/>
Balance end of year	36,846	15,523
	<hr/> <hr/>	<hr/> <hr/>
(b) Net deferred tax assets are attributable to the following		
	2008 N'000	2007 N'000
Fixed assets	(1,424)	(1,521)
Unrelieved losses	31,634	17,044
General allowances	6,636	-
	<hr/>	<hr/>
	36,846	15,523
	<hr/> <hr/>	<hr/> <hr/>

8. Statutory Deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003. The movement in this account during the year was as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	500,000	500,000	35,000
Addition during the year	-	-	465,000
	<hr/>	<hr/>	<hr/>
Balance, end of year	500,000	500,000	500,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8.1 General Business

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

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Balance, beginning of the year	300,000	20,000
Addition during the year	-	280,000
	<hr/>	<hr/>
Balance, end of year	300,000	300,000
	<hr/> <hr/>	<hr/> <hr/>

8.2 Life Business

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

	2008 N'000	2007 N'000
Balance, beginning of the year	200,000	15,000
Addition during the year	-	185,000
	<hr/>	<hr/>
Balance, end of year	200,000	200,000
	<hr/> <hr/>	<hr/> <hr/>

9. Fixed assets - Group

	Land & buildings	Leasehold impro.	Motor vehicles	Computer equip.	Computer software	Office equip.	Furniture & fittings	Total
Cost	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>	<u>N' 000</u>
Beginning of year	515,552	31,965	100,177	60,553	75,967	25,163	29,180	838,557
Additions	30,910	12,642	112,116	33,346	19,487	13,117	7,866	229,484
Disposals	-	-	(22,919)	-	-	-	-	(22,919)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of year	546,462	44,607	189,374	93,899	95,454	38,280	37,046	1,045,122
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation								
Beginning of year	4,807	7,919	72,936	31,417	31,859	12,208	13,143	174,289
Charge for the year	10,798	3,668	30,878	20,136	17,381	5,530	6,324	94,715
Disposal	-	-	(18,821)	-	-	-	-	(18,821)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of year	15,605	11,587	84,993	51,553	49,240	17,738	19,467	250,183
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value								
At 31 Dec., 2008	<u>530,857</u>	<u>33,020</u>	<u>104,381</u>	<u>42,346</u>	<u>46,214</u>	<u>20,542</u>	<u>17,579</u>	<u>794,939</u>
At 31 Dec., 2007	<u>510,745</u>	<u>24,046</u>	<u>27,241</u>	<u>29,136</u>	<u>44,108</u>	<u>12,955</u>	<u>16,037</u>	<u>664,268</u>

- No leased assets are included in the above fixed assets account (2007: Nil)
- The Group had no capital commitments as at the balance sheet date (2007: Nil)

9.1 Fixed asset - Company

	Land & buildings	Leasehold impro.	Motor vehicles	Computer equipment	Computer software	Office equi.	Furniture & fittings	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Beginning of year	515,552	31,965	100,177	60,553	75,967	25,163	29,180	838,557
Additions	30,910	11,046	106,316	33,155	19,487	12,921	7,530	221,365
Disposals	-	-	(22,919)	-	-	-	-	(22,919)
End of year	<u>546,462</u>	<u>43,011</u>	<u>183,574</u>	<u>93,708</u>	<u>95,454</u>	<u>38,084</u>	<u>36,710</u>	<u>1,037,003</u>
Accumulated Depreciation								
Beginning of year	4,807	7,919	72,936	31,417	31,859	12,208	13,143	174,289
Charge for the year	10,798	3,655	29,791	20,109	17,381	5,506	6,285	93,525
Disposal	-	-	(18,821)	-	-	-	-	(18,821)
End of year	<u>15,605</u>	<u>11,574</u>	<u>83,906</u>	<u>51,526</u>	<u>49,240</u>	<u>17,714</u>	<u>19,428</u>	<u>248,993</u>
Net book value								
At 31 Dec. 2008	<u>530,857</u>	<u>31,437</u>	<u>99,668</u>	<u>42,182</u>	<u>46,214</u>	<u>20,370</u>	<u>17,282</u>	<u>788,010</u>
At 31 Dec. 2007	<u>510,745</u>	<u>24,046</u>	<u>27,241</u>	<u>29,136</u>	<u>44,108</u>	<u>12,955</u>	<u>16,037</u>	<u>664,268</u>

i. No leased assets are included in the above fixed assets account (2007: Nil)

ii. The Company had no capital commitments as at the balance sheet date (2007: Nil)

9.2 Fixed asset – General business

	Land & buildings	Leasehold impro.	Motor vehicles	Computer equipment	Computer software	Office equi.	Furniture & fittings	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Beginning of year	515,552	31,965	87,827	59,871	74,782	25,060	28,385	823,442
Additions	30,910	11,046	100,416	33,155	18,259	12,921	7,465	214,172
Disposals	-	-	(19,619)	-	-	-	-	(19,619)
End of year	<u>546,462</u>	<u>43,011</u>	<u>168,624</u>	<u>93,026</u>	<u>93,041</u>	<u>37,981</u>	<u>35,850</u>	<u>1,017,995</u>
Accumulated Depreciation								
Beginning of year	4,807	7,919	67,348	30,730	31,484	12,146	12,725	167,159
Charge for the year	10,798	3,655	26,147	20,113	16,920	5,485	6,121	89,239
Disposal	-	-	(16,071)	-	-	-	-	(16,071)
End of year	<u>15,605</u>	<u>11,574</u>	<u>77,424</u>	<u>50,843</u>	<u>48,404</u>	<u>17,631</u>	<u>18,846</u>	<u>240,327</u>
Net book value								
At 31 Dec. 2008	<u>530,857</u>	<u>31,437</u>	<u>91,200</u>	<u>42,183</u>	<u>44,637</u>	<u>20,350</u>	<u>17,004</u>	<u>777,668</u>
At 31 Dec. 2007	<u>510,745</u>	<u>24,046</u>	<u>20,479</u>	<u>29,141</u>	<u>43,298</u>	<u>12,914</u>	<u>15,660</u>	<u>656,283</u>

9.3 Fixed asset – Life business

	Land & buildings	Leasehold impro.	Motor vehicles	Computer equipment	Computer software	Office equip.	Furniture & fittings	Total
Cost	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Beginning of year	-	-	12,350	682	1,185	103	795	15,115
Additions	-	-	5,900	-	1,228	-	65	7,193
Disposals	-	-	(3,300)	-	-	-	-	(3,300)
End of year	-	-	14,950	682	2,413	103	860	19,008
Accumulated Depreciation								
Beginning of year	-	-	5,588	687	375	62	418	7,130
Charge for the year	-	-	3,644	(4)	461	21	164	4,286
Disposal	-	-	(2,750)	-	-	-	-	(2,750)
End of year	-	-	6,482	683	836	83	582	8,666
Net book value								
At 31 Dec. 2008	-	-	8,468	(1)	1,577	20	278	10,342
At 31 Dec. 2007	-	-	6,762	(5)	810	41	377	7,985

10. Creditors and Accruals

Amounts falling due within one year:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Trade creditors	362,768	362,768	77,979
Other creditors	82,686	80,391	105,124
Accrued expenses	112,131	112,131	140,324
Deposit against guarantees (see Note (a) below)	64,863	64,863	101,251
Deposit for shares (see Note (b) below)	1,562,500	1,562,500	-
Provision for NITDA levy (see Note 14)	10,618	10,618	-
Total	2,195,566	2,193,271	424,678

(a) This represents amounts deposited by the customers as collateral for the bid and performance bonds or advance payments guarantees provided by the Company (see Note 19).

(b) This represents proceeds from the rights issue recently concluded by the Company. The Company made a rights issue of 1,250,000 ordinary shares of 50 kobo each at N1.25k during the year and the shares were fully subscribed. The approval of the Securities and Exchange Commission is being awaited for allotment as at 31 December 2008. The proceeds were warehoused in a collection account with the receiving bank. See Note 4(d).

10.1 General Business

Amounts falling due within one year:

	<u>2008</u> N'000	<u>2007</u> N'000
Trade creditors	168,634	62,541
Other creditors	71,954	102,136
Accrued expenses	112,131	140,324
Deposits against guarantees (see Note 10(a))	64,863	101,251
Deposits for shares (see Note 10(b))	1,562,500	-
Due to Life Business	168,270	1,699,235
Provision for NITDA levy	10,618	-
Total	<u>2,158,970</u>	<u>2,105,487</u>

10.2 Life Business

Amounts falling due within one year:

	<u>2008</u> N'000	<u>2007</u> N'000
Trade creditors	194,134	15,438
Other creditors	8,437	2,988
Total	<u>202,571</u>	<u>18,426</u>

11. Outstanding Claims

This balance is inclusive of the 10% Incurred But Not Reported (IBNR) provision as required under section 20(1)(b) of the Insurance Act, 2003.

The age analysis of the outstanding claims is as follows:

Days	<u>Group</u> <u>2008</u> N'000	<u>Company</u> <u>2008</u> N'000	<u>Company</u> <u>2007</u> N'000
0 – 90	70,953	70,953	33,875
90 – 180	31,947	31,947	7,863
181 – 270	11,863	11,863	5,011
271 – 360	31,238	31,238	6,765
361 and above	42,587	42,587	16,313
Total	<u>188,588</u>	<u>188,588</u>	<u>69,827</u>

11.1 General Business

The outstanding claims are analysed below:

	<u>2008</u> N'000	<u>2007</u> N'000
Fire	33,189	22,610
General accidents	20,424	7,317
Motor	52,990	35,061
Marine	5,822	3,122
Engineering	28,538	1,717
Total	<u>140,963</u>	<u>69,827</u>

11.2 Life Business

The outstanding claims are analysed below:

	<u>2008</u> N'000	<u>2007</u> N'000
Provision for the year	47,625	-

12. Insurance Fund

Insurance fund is analysed below:

	<u>Group</u> <u>2008</u> N'000	<u>Company</u> <u>2008</u> N'000	<u>Company</u> <u>2007</u> N'000
Reserve for unexpired risks	571,774	571,774	464,987
Life fund	222,772	222,772	90,258
	<u>794,546</u>	<u>794,546</u>	<u>555,245</u>

12.1 General Business

The movement in unexpired risks during the year was as follows:

	<u>2008</u> N'000	<u>2007</u> N'000
Balance, beginning of year	464,987	254,772
Increase in provision for unexpired risk	106,787	210,215
Balance, end of year	<u>571,774</u>	<u>464,987</u>

12.2 Life Business

The movement in life fund during the year was as follows:

	<u>2008</u> N'000	<u>2007</u> N'000
Balance, beginning of year	90,258	67,731
Life fund	132,514	22,527
Balance, end of year	<u>222,772</u>	<u>90,258</u>

13. Deposit Administration

The movement in deposit administration during the year was as follow:

	<u>Group</u> <u>2008</u> N'000	<u>Company</u> <u>2008</u> N'000	<u>Company</u> <u>2007</u> N'000
Balance, beginning of year	336,514	336,514	198,550
Deposit administration (GT life savings)	216,543	216,543	107,206
Interest payable on GT life savings	33,329	33,329	30,758
Balance, end of year	<u>586,386</u>	<u>586,386</u>	<u>336,514</u>

14. Taxation Payable

(a) The movement on this account during the year was as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	240,843	240,843	79,642
Charge for the year (see Note (b) below):			
- General	145,955	145,955	219,088
- Life	18,583	18,583	25,691
- Assur Asset Management Limited	2,237	-	-
Reclassification of prior year NITDA levy	(10,618)	(10,618)	-
Payments during the year	(227,927)	(227,927)	(83,578)
	<hr/>	<hr/>	<hr/>
Balance, end of year	169,073	166,836	240,843
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(b) The taxation charge for the year comprises:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Company income tax – General (see 14.1 (c) below)	140,300	140,300	191,705
Education levy - General (see 14.1 (c) below)	5,655	5,655	16,765
NITDA levy – General (see Note 23(a))	-	-	10,618
	145,955	145,955	219,088
Company income tax - Life	18,583	18,583	25,190
Company income tax – Assur Asset Mgt. Ltd.	2,237	-	-
NITDA levy – Life (see Note 23(a))	-	-	501
	<hr/>	<hr/>	<hr/>
	166,775	164,538	244,779
Deferred tax charge/(credit)			
General	(21,022)	(21,022)	34,884
Life	(21,323)	(21,323)	(449)
Assur Asset Management Limited	882	-	-
	<hr/>	<hr/>	<hr/>
Total tax charge for the year	125,312	122,193	279,214
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14.1 General Business

(a) The movement on this account during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	216,782	78,829
Charge for the year (see Note (b) below)	145,955	219,088
Payments during the year	(219,529)	(81,135)
Reclassification of prior year NITDA levy	(10,618)	-
	<hr/>	<hr/>
Balance, end of year	132,590	216,782
	<hr/> <hr/>	<hr/> <hr/>

(b) The tax charge for the year comprises:

	2008 N'000	2007 N'000
Corporate income tax charge	140,300	191,705
Education tax (see 14.1 (c) below)	5,655	16,765
NITDA levy (see Note 23(a))	-	<u>10,618</u>
	145,955	219,088
Deferred taxation:	-	-
- Tax credit/(charge) (see Note 7.1 (b))	(21,022)	34,884
	<u>124,933</u>	<u>253,972</u>
Total tax charge for the year	<u>124,933</u>	<u>253,972</u>

(c) Income tax has been computed based on minimum tax (2007: 30% of assessable profit) and education levy at the rate of 2% (2007:2%) on the profit for the year after adjusting for certain items of income and expenditure which are not deductible or chargeable for the tax purposes.

14.2 Life business

(a) The movement on this account during the year was as follows:

	2008 N'000	2007 N'000
Balance, beginning of year	24,061	813
Charge for the year	18,583	25,691
Payments during the year	(8,398)	(2,443)
	<u>34,246</u>	<u>24,061</u>
Balance, end of year	<u>34,246</u>	<u>24,061</u>

(b) The tax charge for the year comprises:

	2008 N'000	2007 N'000
Corporate income tax charge (see (c) below))	18,583	25,190
NITDA levy	-	501
	18,583	25,691
Deferred tax credit	(21,323)	(449)
	<u>(2,740)</u>	<u>25,242</u>
Total tax charge for the year	<u>(2,740)</u>	<u>25,242</u>

(c) The corporate tax charge has been computed based on the minimum tax and there was no education levy as the Life Business did not have assessable profit for the year.

15. Share Capital:

(a) Share capital comprises:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Authorized – 10,000,000,000 Ordinary shares of 50k each (2007: 10,000,000,000 ordinary shares of 50k each)	5,000,000	5,000,000	5,000,000
Issued and fully paid – 8,750,000,000 Ordinary shares of 50k each (2007: 5,000,000 ordinary shares of 50k each)	4,375,000	4,375,000	2,500,000

(b) The movement on the authorized share capital account during the year was as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Balance, beginning of year	2,500,000	2,500,000	4,842,593
Offer for subscription (see Note (c) below)	1,875,000	1,875,000	157,407
Transfer to capital reserve	-	-	(2,500,000)
Balance, end of year	4,375,000	4,375,000	2,500,000

(c) During the year, the Company offered 3,750,000,000 ordinary shares of 50k each via a special placement for subscription at N1.25 kobo, (2007: 314,814,537 ordinary shares of 50k each at 60k) all of which were allotted and paid for. The proceeds from the offer were accounted for as follows:

	2008 N'000	2007 N'000
Gross proceeds from offer	4,687,500	188,888
Transfer to share premium (see Note 16)	(2,812,500)	(31,481)
Net proceeds	1,875,000	157,407
Transfer to issued and fully paid share capital account (see Note (b) above)	(1,875,000)	(157,407)
Balance, end of year	-	-

15.1 General Business

(a) Issued and fully paid:

	2008 N'000	2007 N'000
6,750,000,000 Ordinary shares of 50k each (2007: 3,000,000,000 Ordinary shares of 50k each)	3,375,000	1,500,000
	3,375,000	1,500,000

(b) The movement in share capital during the year was as follows:

	<u>2008</u> N'000	<u>2007</u> N'000
Balance, beginning of year	1,500,000	4,692,593
Offer for subscription (see Note 15 (c) above)	1,875,000	157,407
Transfer to Life Business	-	(1,850,000)
Transfer to capital reserve	-	(1,500,000)
	<hr/>	<hr/>
Balance, end of year	<u>3,375,000</u>	<u>1,500,000</u>

15.2 Life Business

(a) Issued and fully paid:

	<u>2008</u> N'000	<u>2007</u> N'000
2,000,000,000 Ordinary shares of 50k each (2007: 2,000,000 Ordinary shares of 50k each)	1,000,000	1,000,000
	<hr/>	<hr/>
	<u>1,000,000</u>	<u>1,000,000</u>

(b) The movement in share capital account during the year was as follows:

	<u>2008</u> N'000	<u>2007</u> N'000
Balance, beginning of year	1,000,000	150,000
Transfer to General Business	-	1,850,000
Transfer to capital reserve	-	(1,000,000)
	<hr/>	<hr/>
Balance, end of year	<u>1,000,000</u>	<u>1,000,000</u>

16. Share Premium:

The movement in share premium during the year was as follow:

	<u>Group</u> <u>2008</u> N'000	<u>Company</u> <u>2008</u> N'000	<u>Company</u> <u>2007</u> N'000
Balance, beginning of year	296,678	296,678	312,462
Premium from share issues (see Note 15(c) above)	2,812,500	2,812,500	31,481
Share issue expenses	(36,025)	(36,025)	(47,265)
	<hr/>	<hr/>	<hr/>
Balance, end of year	<u>3,073,153</u>	<u>3,073,153</u>	<u>296,678</u>

16.1 General Business

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Balance, beginning of year	296,678	312,462
Premium from share issues (see Note 15(c) above)	2,812,500	31,481
Share issue expenses	(36,025)	(47,265)
	<hr/>	<hr/>
Balance, end of year	3,073,153	296,678
	<hr/> <hr/>	<hr/> <hr/>

17. Statutory Contingency Reserves

The movement in this account is as follows:

	<u>Group</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2007</u> <u>N'000</u>
Balance, beginning of year	236,312	236,312	69,799
Transfer from profit and loss account	324,756	324,756	166,513
	<hr/>	<hr/>	<hr/>
Balance, end of year	561,068	561,068	236,312
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17.1 General Business

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Balance, beginning of year	227,572	63,890
Transfer from profit and loss account	276,468	163,682
	<hr/>	<hr/>
Balance, end of year	504,040	227,572
	<hr/> <hr/>	<hr/> <hr/>

17.2 Life Business

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Balance, beginning of year	8,740	5,909
Transfer from profit and loss account	48,288	2,831
	<hr/>	<hr/>
Balance, end of year	57,028	8,740
	<hr/> <hr/>	<hr/> <hr/>

18. Retained earnings

The movement in this account is as follows:

	<u>Group</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2007</u> <u>N'000</u>
Balance, beginning of year	765,667	765,667	110,938
Transfer from profit and loss account	1,551,274	1,540,464	654,729
Dividend paid	(300,000)	(300,000)	-
	<hr/>	<hr/>	<hr/>
Balance, end of year	2,016,941	2,006,131	765,667
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18.1 General Business

	2008 N'000	2007 N'000
Balance, beginning of year	765,508	110,779
Transfer from profit and loss account	1,105,873	654,729
Dividend paid	(300,000)	-
Balance, end of year	<u>1,571,381</u>	<u>765,508</u>

18.2 Life Business

	2008 N'000	2007 N'000
Balance, beginning of year	159	159
Transfer from profit and loss account	434,591	-
Balance, end of year	<u>434,750</u>	<u>159</u>

19 Guarantee and Other Financial Commitments

(a) Contingent liabilities

The Company provides financial guarantees and bonds to third parties on the request of customers in form of bid and performance bonds or advance payments guarantees. The ₦32,267,394 (2007: ₦382,186,000) reflected in the financial statements as contingent liabilities represents the maximum loss that would be recognised if counter parties failed completely to perform as contracted.

20. Gross Premium

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
General business	3,117,791	3,117,791	1,778,427
Life business	1,026,108	1,026,108	283,228
Total	<u>4,143,899</u>	<u>4,143,899</u>	<u>2,061,655</u>

20.1 General Business

	2008 N'000	2007 N'000
Fire	363,031	234,018
General accidents	416,327	267,046
Motor	866,774	534,600
Marine	424,049	219,969
Bond	33,660	41,665
Engineering	155,566	105,552
Oil and Energy	850,719	374,033
Aviation	7,665	1,544
Total	<u>3,117,791</u>	<u>1,778,427</u>

20.2 Life Business

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Ordinary life	56,323	16,575
Group life	656,373	263,358
Health insurance	3,995	2,007
Education endowment	8,579	1,288
Oracle Med	300,838	-
Total	1,026,108	283,228

21 Investment income

Investment income comprises:

	<u>Group</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2008</u> <u>N'000</u>	<u>Company</u> <u>2007</u> <u>N'000</u>
Net securities trading income	(781,558)	(781,558)	1,018,813
Income on short term deposits	639,449	592,473	293,690
Dividend income	248,766	248,766	31,376
Other income	70,495	71,344	2,026
	<u>177,152</u>	<u>131,025</u>	<u>1,345,905</u>

21.1 General Business

Investment (loss)/income comprises:

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Net securities trading income	(822,497)	919,694
Income on short term deposits	350,314	272,105
Dividend income	244,859	29,180
Other income	63,366	979
	<u>(163,958)</u>	<u>1,221,958</u>

21.2 Life Business

Investment income comprises:

	<u>2008</u> <u>N'000</u>	<u>2007</u> <u>N'000</u>
Net securities trading income	40,939	99,119
Income on short term deposits	242,159	21,585
Dividend income	3,907	2,196
Other income	7,978	1,047
	<u>294,983</u>	<u>123,947</u>

22 Gain on disposal of real estate investment

This represents profit realised by the Company on disposal of its interest in a special purpose vehicle (GTA Real Estate Limited) during the year. GTA Real Estate Limited was incorporated and disposed of during the year. The realised gain on disposal is as analysed below:

	N'000
Disposal proceeds	3,200,000
Less: Cost of investment	(1,281,444)
	<hr/>
Gain on disposal	1,918,556
	<hr/> <hr/>

23. Management Expenses

Management expenses comprise:

	Group	Company	Company
	<u>2008</u>	<u>2008</u>	<u>2007</u>
	N'000	N'000	N'000
Staff expenses	465,720	441,555	289,955
Staff development expenses	37,836	37,836	72,473
Agency expenses	5,239	5,239	4,692
Promotional expenses	131,624	131,434	96,705
Administration expenses	165,448	165,448	75,637
Depreciation	94,715	93,525	66,544
Other expenses	277,591	270,938	261,589
NITDA levy (see Note (a) below))	-	-	-
	<hr/>	<hr/>	<hr/>
	1,178,173	1,145,975	867,595
Interest on deposit administration	19,800	19,800	19,371
	<hr/>	<hr/>	<hr/>
	1,197,973	1,165,775	886,966
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- (a) The Nigerian Information Technology Development Agency (NITDA) Act was signed into law on 24 April, 2007. The Law stipulates that, "specified" companies contribute 1% of their profit before tax (PBT) to the Nigerian IT Development Fund, which will be managed by the Nigerian Information Technology Development Agency (NITDA). In line with the Act, the Company has provided for NITDA Levy at the specified tax rate. The provision made last year under creditors and accruals is considered adequate.

23.1 General Business

Management expenses comprise:

	2008	2007
	<u>N'000</u>	<u>N'000</u>
Staff expenses	389,533	218,387
Staff development expenses	37,836	72,473
Agency expenses	4,931	3,735
Promotional expenses	114,092	68,529
Administration expenses	156,369	74,585
Depreciation	89,239	62,798
Other expenses	239,076	186,009
	<hr/>	<hr/>
	1,031,076	686,516
	<hr/> <hr/>	<hr/> <hr/>

23.2 Life Business

Management expenses comprise:

	2008 N'000	2007 N'000
Staff expenses	52,022	71,568
Agency expenses	308	957
Promotional expenses	17,342	28,176
Administration expenses	9,079	1,052
Depreciation expenses	4,286	3,746
Other expenses	31,862	75,580
	114,899	181,079
	114,899	181,079

24. Supplementary Profit and Loss Information:

(a) General information:

The Company's profit before taxation for the year is stated after charging/ (crediting) the following:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Depreciation	94,715	93,525	66,544
(Profit)/loss on disposal of fixed assets	(2,729)	(2,729)	(979)
Auditors' remuneration	13,000	12,500	8,400

(b) Staff and directors' costs:

i. Employee costs, including executive directors, during the year amounted to:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Wages and salaries	455,476	431,840	283,809
Other benefits	37,836	37,836	72,473
Other pension costs	10,244	9,715	6,146
	503,556	479,391	362,428
	503,556	479,391	362,428

ii. Employees earning more than ₦100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and other allowances) in the following ranges:

	Group 2008	Company 2008	Company 2007
N 100,001 - N 150,000	16	16	41
N 150,001 - N 200,000	22	22	-
N 200,001 - N 250,000	-	-	-
N 250,001 - N 300,000	19	19	-
N 300,001 - N 350,000	-	-	-
N 350,001 - N 400,000	20	20	31
N 400,001 - N 450,000	-	-	-
N 450,001 - N 500,000	-	-	-
N 500,001 - N 550,000	23	23	26

N 550,001 - N 600,000	14	14	-
N 600,001 - N 650,000	-	-	13
N 650,001 - N 700,000	-	-	-
N 700,001 - N 750,000	5	5	-
N 750,001 and above	22	19	28
	<u>141</u>	<u>138</u>	<u>139</u>

iii. The average number of full time persons employed by the Company during the year was as followed:

	Group 2008	Company 2008	Company 2007
Management staff	19	16	12
Non-management staff	122	122	127
	<u>141</u>	<u>138</u>	<u>139</u>

(c) **Directors' remuneration:**

i. Remuneration paid to directors of the Company (excluding pension contribution and certain benefits) were as follows:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Fees as directors	12,312	12,312	3,287
Other emoluments	2,255	2,255	2,425
	<u>14,567</u>	<u>14,567</u>	<u>5,712</u>

ii. The directors' remuneration shown above (excluding pension contributions and other allowances) includes:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Chairman	1,719	1,719	645
Highest paid director	<u>4,000</u>	<u>4,000</u>	<u>1,509</u>

iii. The emoluments of all other directors fell within the following range:

	Group 2008	Company 2008	Company 2007
₦300, 001 - ₦350, 000	-	-	6
₦500, 001 - ₦1,000, 000	2	2	-
₦1,000, 001 - ₦1,500, 000	-	-	-
₦1,500, 001 - ₦2,000, 000	6	6	-
	<u>8</u>	<u>8</u>	<u>6</u>

25. Earnings and Dividend per Share

Earnings per share have been computed on the profit after taxation and weighted average number of ordinary shares outstanding during the year ended 31 December 2008 of 5,625,000,000 units (2007:9,113,495,732).

Dividend per share has been computed on dividend declared during the year and the number of shares qualifying for the dividend.

26. Net cash flow from operating activities before changes in working capital.

This comprises:

	Group 2008 N'000	Company 2008 N'000	Company 2007 N'000
Profit after taxation	1,876,030	1,865,220	821,394
Taxation	125,312	122,193	279,062
	<u>2,001,342</u>	<u>1,987,413</u>	<u>1,100,456</u>
Operating profit	2,001,342	1,987,413	1,100,456
Adjustments to reconcile profit before taxation to net cash flow from operations:			
Depreciation on fixed assets	94,715	93,525	66,544
Increase in provision for unexpired risks	106,787	106,787	210,215
Increase in life funds	132,514	132,514	22,527
Profit on sale of fixed assets	(2,729)	(2,729)	(979)
Dividend income from equity investments	(248,766)	(248,766)	(31,376)
Allowance for bad debts	96,508	96,508	17,785
Gain on disposal of investments	(1,918,556)	(1,918,556)	(1)
	<u>261,815</u>	<u>246,696</u>	<u>1,385,171</u>

27. Related Party Transactions:

(a) Guaranty Trust Bank Plc

The Bank is the parent company and provides a marketing platform for some of the Company's products. It also acts as one of the Company's correspondent banks.

(b) Hygeia-HMO (formerly an affiliate)

The Company had a 10% investment in Hygeia-HMO which was disposed of during the year. Prior to disposal, the company handled the health insurance product of Guaranty Trust Assurance Plc.

(c) *Helmsman Insurance Brokers*

Helmsman Insurance Brokers is owned by Helms Limited, one of the shareholding companies of Guaranty Trust Assurance Plc. Helmsman Insurance Brokers is also one of the key insurance broking firms of the Company.

Business relationships with related parties are done at arm's length.

The premium income earned from related parties during the year is summarised below:

	Group <u>2008</u> N'000	Company <u>2008</u> N'000	Company <u>2007</u> N'000
Guaranty Trust Bank Plc	92,836	92,836	36,515
Hygeia-HMO (affiliated)	7,668	7,668	2,044
Directors' related/others	6,328	6,328	9,902
First Marina Trust Limited (affiliated)	14,105	14,105	-
	<u>120,937</u>	<u>120,937</u>	<u>48,461</u>

(d) Details of directors' remuneration are as disclosed in Note 24(c).

28. Actuarial valuation

The latest available actuarial valuation of the life business funds was as at 31 December 2008. The book value of the life funds as at that date is equal to its net actuarial liabilities. The valuation of the Company's life business funds as at 31 December 2008 was carried out by HR Nigeria Limited (Consultants and actuaries). The valuation was done based on the following principles:

- For all individual life policies, the gross premium method of valuation was used. Future expenses related to the business were allowed for by deducting 35% of the office premiums payable. The reserve for deposit based plans were taken as the amount standing to the credit of the policyholder at the valuation date plus the estimated value of the mortality risk;
- For group life policies, the net liabilities for annual premium contracts were calculated in the same way as for individual business. An unearned premium reserve was included for group life policies;
- For individual life policies, the valuation age was taken as the nearest age at the valuation date. The outstanding premium paying term has been calculated as the year of maturity minus expired duration. In all cases, an allowance has been made for premiums due between the valuation date and the next policy anniversary;
- The valuation of the liabilities was made on the assumptions that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment,
- The Mortality of Assured Lives A49/52 Ultimate Table was used in the valuation.
- The valuation assumed an interest rate of 7%.

29. Contravention of laws and regulations

The Company paid the sum of ₦20,000 each as penalties to NAICOM for late filing of returns for the fourth (4th) quarter of the year ended 31 December 2007 for general and life business respectively.

30. Litigations:

The Company had no pending litigation as at year end.

31. Post balance sheet events:

The board of directors have proposed a dividend of 15 kobo per share (2007: 6 kobo per share) from the retained earnings as at 31 December 2008 on the issued share capital of 8,750,000,000 (2007: 5,000,000,000) ordinary shares of 50 kobo each subject to the approval of the shareholders at the next annual general meeting.

32. Prior year corresponding figures:

Certain prior year corresponding figures have been amended to conform with the current year reporting format.

33. Corresponding figures

No corresponding figures are presented in the group financial statements as the subsidiary companies were acquired during the year.

34. Segment information

Segment information is presented in respect of the Company's business segments which represents the primary segment reporting format and is based on the Company's management and reporting structure. No geographical segment information has been provided in these financial statements as there is only one geographical segment. Business segments charge and earn interest among them on a transfer pricing arrangement to reflect the allocation of assets and liabilities.

Business Segments

The Group operates the following main business segments:

- | | |
|-----------------------------|-----------------------------------------------------------------------------------|
| Non-life (General) Business | - Includes general insurance transactions with individual and corporate customers |
| Life Business | - Includes life insurance policies with individual and corporate customers |
| Asset Management | - Includes portfolio management services to individual and private customers |

Business Reporting

(a)The Group's business reporting information comprises:

	Non-life N'000	Life Business N'000	Asset Management N'000	Inter-Segment Transactions N'000	Total N'000
Revenue:					
Derived from external Customers:					
- Gross premium	3,117,791	1,026,108	-	-	4,143,899
- Investment income	1,754,598	294,983	46,127	-	2,095,708
- Commission received	120,102	14,744	-	-	134,846
	<u>4,992,491</u>	<u>1,335,835</u>	<u>46,127</u>	<u>-</u>	<u>6,374,453</u>
Outward premium	(1,328,356)	(255,617)	-	-	(1,583,973)
Unexpired risks provision	(106,787)	-	-	-	(106,787)
	<u>3,557,348</u>	<u>1,080,218</u>	<u>46,127</u>	<u>-</u>	<u>4,683,693</u>
Expenses:					
Underwriting expenses	350,492	107,139	-	-	457,631
Increase in life funds	-	132,514	-	-	132,514
Management expenses	1,031,076	114,899	32,198	-	1,178,173
Interest on deposit admin.	-	19,800	-	-	19,800
Bad debt expenses	83,247	13,261	-	-	96,508
Claims incurred	585,259	212,466	-	-	797,725
	<u>2,050,074</u>	<u>600,079</u>	<u>32,198</u>	<u>-</u>	<u>2,682,351</u>
Profit on ordinary activities before taxation	<u>1,507,274</u>	<u>480,139</u>	<u>13,929</u>	<u>-</u>	<u>2,001,342</u>
Assets and Liabilities:					
Total assets	<u>13,057,028</u>	<u>3,585,378</u>	<u>680,111</u>	<u>(832,157)</u>	<u>16,490,360</u>
Total liabilities	<u>3,033,454</u>	<u>1,093,600</u>	<u>69,301</u>	<u>(232,157)</u>	<u>3,964,198</u>
Net asset	<u>10,023,574</u>	<u>2,491,778</u>	<u>610,810</u>	<u>(600,000)</u>	<u>12,526,162</u>

Statement of Value Added - Group

For the year ended 31 December 2008

	Group 2008 N'000	%
Gross premium	4,143,899	
Reinsurance, claims and commission and services	(3,680,162)	
	<u>463,737</u>	
Other income	2,230,554	
Value added	<u><u>2,694,291</u></u>	<u><u>100</u></u>
Applied to pay:		
Employee cost	465,720	17
Government as taxes	125,312	5
Retained in the business:		
Life fund	132,514	5
Contingency reserve	324,756	12
Depreciation	94,715	4
Proposed dividend	1,312,500	48
Retained profit for the year	238,774	9
Value added	<u><u>2,694,291</u></u>	<u><u>100</u></u>

Statement of Value Added - Company

For the year ended 31 December 2008

	2008 N'000	%	2007 N'000	%
Gross premium	4,143,899		2,061,655	
Reinsurance, claims and commission and services	(3,673,319)		(2,035,785)	
	470,580		25,870	
Other income	2,184,427		1,431,085	
Value added	<u>2,655,007</u>	<u>100</u>	<u>1,456,955</u>	<u>100</u>
Applied to pay:				
Employee cost	441,555	17	289,955	20
Government as taxes	122,193	5	279,214	19
Retained in the business:				
Life fund	132,514	5	-	-
Contingency reserve	324,756	12	166,513	11
Depreciation	93,525	4	66,544	5
Proposed dividend	1,312,500	48	300,000	21
Retained profit for the year	227,964	9	354,729	24
Value added	<u>2,655,007</u>	<u>100</u>	<u>1,456,955</u>	<u>100</u>

Five - Year Financial Summary - Company

For the year ended 31 December 2008

	12 months 2008 N'000	12 months 2007 N'000	12 months 2006 N'000	12 months 2005 N'000	10 months 2004 N'000
ASSETS:					
Cash and bank balance	350,224	188,320	13,533	2,402	4,460
Short-term investments	11,404,514	5,338,525	5,150,301	2,785,965	135,962
Trade debtors, other debtors and prepayments	2,681,311	988,024	679,898	298,000	93,216
Deferred acquisition cost	74,731	69,365	27,227	-	-
Long-term investment	638,500	211,918	137,534	102,843	198,746
Deferred tax asset	36,846	15,523	15,074	13,929	-
Statutory deposit	500,000	500,000	35,000	35,000	35,000
Fixed assets	788,010	664,268	123,075	123,133	144,838
Total Assets	16,474,136	7,975,943	6,181,642	3,361,272	612,222
Liabilities					
Outstanding claims	188,588	69,827	30,810	11,956	-
Creditors and accruals	2,193,271	424,678	199,050	129,029	141,430
Insurance fund	794,546	555,245	322,503	53,817	17,423
Deposit administration	586,386	336,514	198,550	60,654	194
Taxation payable	166,836	240,843	79,642	4,561	2,526
Deferred tax liability	29,157	50,179	15,295	-	-
Net Assets	12,515,352	6,298,657	5,335,792	3,101,255	450,649
Capital Reserves					
Share capital	4,375,000	2,500,000	4,842,593	500,000	500,000
Capital reserve	2,500,000	2,500,000	-	-	-
Share premium	3,073,153	296,678	312,462	24,705	24,705
Deposit for shares	-	-	-	2,638,658	-
Statutory contingency reserve	561,068	236,312	69,799	16,644	6,609
Retained earnings	2,006,131	765,667	110,938	(78,752)	(80,665)
Shareholders' fund	12,515,352	6,298,657	5,335,792	3,101,255	450,649
Contingent liabilities	32,267	382,186	432,326	57,940	-
Profit and Loss Account					
Gross premium income	4,143,899	2,061,655	1,067,486	488,228	136,285
Premium earned	2,453,139	1,170,052	611,016	383,126	91,168
Profit/(loss) before taxation	1,987,413	1,100,456	383,663	16,050	(37,029)
Taxation	(122,193)	(279,214)	(89,231)	11,329	(2,526)
Profit/(loss) after taxation	1,865,220	821,242	294,432	27,379	(39,555)
Transfer to contingency reserve	(324,756)	(166,513)	(50,757)	(10,035)	(2,860)
Earnings/(loss) per share - basic	33.16k	9.01k	6.24k	2.74k	(3.96k)
Dividend per share	6k	-	-	-	-

Proxy Form

Guaranty Trust Assurance plc. RC. 133276

17TH ANNUAL GENERAL MEETING to be held at the Coral hall, Oceanview Restaurant, Victoria Island, Lagos on Thursday, June 11, 2009, at 10.00 a.m.

I/We..... being a member/ members of Guaranty Trust Assurance plc hereby appoint

*OR failing him Mr. Gbolade Osibodu, or failing him Mr. Tosin Runsewe, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on June 11, 2009, and at any adjournment thereof.

Dated thisday of2009.

Signature of Shareholder.....

Name of Shareholder.....

Number of shares		
Resolutions	For	Against
To declare a dividend.		
To elect / re-elect Directors.		
To authorise the Directors to fix the Auditors' remuneration.		
To elect/re-elect members of the Audit Committee.		
To fix the Directors' remuneration for the year ending December 31st, 2009		
To authorise the listing of the shares on the NSE		
Shareholders agreement to cede 10% of shareholding to satisfy NSE requirement		
To authorize the Directors to take all steps necessary to list the Company's shares on the NSE		
Please indicate with an 'X' in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

ADMISSION CARD

Annual General Meeting to be held on Thursday, June 11, 2009,at 10.00 a.m.

Name of Shareholder (in BLOCK CAPITALS)

.....

Shareholder's Account No.....

Number of shares.....

IMPORTANT

1. Before posting the above form of proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Company or his proxy should produce this card to secure admission to the meeting.
2. A member of the Company is entitled to attend and vote at the Annual General Meeting of the Company. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
3. In line with the current practice, the names of two of the Directors of the Company have been entered on the form of proxy to ensure that someone will be at the meeting to act as your proxy. You may however wish to insert in the blank space on the form (marked*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of one or other of the Directors named.
4. The above form of proxy, when completed, must be deposited at the office of the Registrar, GTB Registrars Limited, 7, Anthony Village Road, Anthony, Lagos, not less than 48 hours before the time fixed for the meeting.
5. It is a requirement of the law under the Stamp Duties Act, Cap. 411, Laws of the Federation of Nigeria, 1990, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty of twenty (20) kobo.
6. If the form of proxy is executed by a Company, it should be sealed under its Common Seal or under the hand and seal of its attorney.

Signature of the person attending.....

