



Audited Report Financial Report Year Ended December 2005

Auditors Report

We have audited the financial statements of Equity Indemnity Insurance Company Limited as at December 31, 2005 set out on pages 2 to 16 which have been prepared on the basis of the accounting policies set out on pages 6 to 7.

Respective Responsibilities of Directors and Auditor

In accordance with the Companies and Allied Matters Act 1990, the company's directors are responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion based on our audit, on the financial statements and to report our opinion to the members of the Company.

Basis of Opinion

We conducted our audit in accordance with international standards on auditing issued by the International Federation of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also include an assessment of the significant estimates and judgements made, by the directors in the preparation of the financial statements, and of whether the accounting policies are, appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and assessed whether the company's accounting records have been properly kept. We have obtained all the information and explanations required for the purpose of our audit.

Opinion

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records. The financial statements, drawn up in conformity with the generally accepted accounting standards in Nigeria, give a true and fair view of the state of the Company's affairs as at December 31, 2005 and of the profit and cash flows for the year ended on that date, and have been properly prepared in accordance with the Companies and Allied Matters Act 1990, the Insurance Act, 2003 and other relevant circulars issued by the National Insurance Commission.

LAGOS, NIGERIA
February 20, 2006.

Balance Sheet

Equity Indemnity Insurance Co. Ltd.
Year Ended December 31, 2005

ASSETS	Notes	2005 ₦	2004 ₦
Cash and bank balances		23,816,794	20,715,358
Short term investments	2	306,876,256	242,007,393
Debtors and prepayments	3	589,004,976	319,690,237
Long Term Investments	4	161,019,288	153,661,600
Statutory deposit	5	20,000,000	20,000,000
Fixed assets	6	459,756,150	223,286,411
TOTAL ASSETS		1,560,473,464	979,360,999
Less:			
LIABILITIES			
Creditors and accruals	7	253,214,783	102,445,907
Insurance funds	8	361,726,030	362,677,647
Taxation	9	33,866,316	26,366,316
Deferred Tax	10	4,000,000	2,000,000
TOTAL LIABILITIES		652,807,129	493,489,870
NET ASSETS		907,666,335	485,871,129
FINANCED BY:			
Called -up share capital	11	442,656,384	278,316,736
Reserve for bonus issue	12	147,552,128	110,000,000
Capital reserve	13	188,956,972	8,431,931
Profit and loss account	14	9,713,493	1,405,902
Contingency reserve	15	118,787,358	87,716,560
SHAREHOLDER'S FUNDS		907,666,335	485,871,129

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(Directors)
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The statement of accounting policies on pages 2 and 3 and the notes on pages 9 to 14 form an integral part of these financial statements.

Profit and Loss Account

Equity Indemnity Insurance Co. Ltd.

Year ended December 31, 2005

	Note	2005 ₦	2004 ₦
Gross written premium		1,212,987,076	865,211,434
Outward reinsurance premium		<u>(230,259,518)</u>	<u>(133,664,295)</u>
Earned premium		982,727,558	731,547,139
Commission received		66,606,916	34,966,205
Commission expenses		(204,397,607)	(134,044,637)
Business acquisition expenses		(62,351,002)	(40,895,232)
Net claims paid		(160,223,430)	(156,614,491)
Management expenses		(393,303,062)	(256,881,750)
Provision for bad debts		(20,000,000)	(23,420,000)
Accretion to unexpired risk		(10,948,293)	(18,719,921)
Accretion to outstanding claims		<u>11,899,911</u>	<u>(15,811,953)</u>
Underwriting Profit		210,010,991	120,125,360
Net Investment Income		26,952,837	38,277,736
Other Income		1,864,396	1,316,216
Profit before taxation		238,828,224	159,719,312
Taxation		<u>(18,500,000)</u>	<u>(17,000,000)</u>
Profit after taxation		220,328,224	142,719,312
Appropriations:			
Accretion to contingency reserve		(31,070,797)	(21,945,403)
Proposed Dividend		(44,265,638)	(27,831,674)
Reserve for bonus shares		<u>(136,684,198)</u>	<u>(92,724,510)</u>
Retained profit for the year	14	<u>8,307,591</u>	<u>217,725</u>
Earnings per share		25K	26K
Earnings per share (adjusted)		40K	35K
Dividend per share		5K	5K

The statement of accounting policies on pages 2 and 3 and the notes on pages 9 to 14 form an integral part of these financial statements.

Revenue Account

Equity Indemnity Insurance Co. Ltd.
Year ended December 31, 2005

	Motor	Marine	Fire	General Accident	Total 2005	Total 2004
	N	N	N	N	N	N
Direct premium	283,273,042	108,889,717	153,237,331	598,415,271	1,143,815,361	857,476,056
Inward reinsurance Premium	2,664,536	1,885,288	36,036,656	28,585,235	69,171,715	7,735,378
Gross written premium	285,937,578	110,775,005	189,273,987	627,000,506	1,212,987,076	865,211,434
Outward reinsurance Premium	(55,383,288)	(32,150,677)	(60,073,409)	(82,652,144)	(230,259,518)	(133,664,295)
Net written premium	230,554,290	78,624,328	129,200,578	544,348,362	982,727,558	731,547,139
(Increase)/Decrease in unexpired risk provision	(10,263,706)	(2,343,540)	(1,736,185)	3,395,137	(10,948,294)	(18,719,921)
Net earned premium	220,290,584	76,280,788	127,464,393	547,743,499	971,779,264	712,827,218
Commission received	10,517,286	10,587,632	18,640,051	26,861,947	66,606,916	34,966,205
Net insurance premium	230,807,870	86,868,420	146,104,444	574,605,446	1,038,386,180	747,793,423
Direct claims paid	(89,186,989)	(30,242,239)	(37,865,931)	(110,294,784)	(267,589,943)	(216,934,430)
Inward reinsurance recoveries	-	(277,809)	-	-	(277,809)	(1,669,005)
Increase/(Decrease) in Outstanding claims	(3,759,494)	3,961,733	6,220,312	5,477,360	11,899,911	(15,811,953)
	137,861,387	60,310,105	114,458,825	469,788,022	782,418,339	513,378,035
Outward reinsurance recoveries	24,749,812	15,042,678	15,048,411	52,803,421	107,644,322	61,988,944
Commission expenses	(37,889,853)	(21,217,256)	(37,740,233)	(107,550,265)	(204,397,607)	(134,044,637)
Business acquisition expenses	(14,698,009)	(5,694,152)	(9,729,224)	(32,229,617)	(62,351,002)	(40,895,232)
Management expenses	(92,713,374)	(35,918,065)	(61,370,842)	(203,300,780)	(393,303,062)	(256,881,750)
Provision for bad debts	(4,714,602)	(1,826,483)	(3,120,791)	(10,338,123)	(20,000,000)	(23,420,000)
UNDERWRITING PROFIT	12,595,361	10,696,827	17,546,146	169,172,657	210,010,991	120,125,360

The statement of accounting policies on pages 2 and 3 and the notes on pages 9 to 14 form an integral part of these financial statements.

Statement of Cash flows

Equity Indemnity Insurance Co. Ltd.
Year ended December 31, 2005

	2005 ₦	2004 ₦
Cash Flows from Operating Activities		
Premium received from policy holders	1,212,987,076	865,211,434
Re-insurance Recoveries	107,644,322	61,988,944
Re-insurance receipts in respect of claims	66,606,916	34,966,205
Cash paid to and on behalf of employees	(204,397,607)	(134,044,637)
Re-insurance premiums paid	(230,259,518)	(133,664,295)
Other Operating cash payments	(588,226,110)	(328,569,312)
Direct claims paid	(267,589,943)	(216,934,430)
Re-insurance claims paid	(277,809)	(1,669,005)
Company Income tax paid	(9,000,000)	(4,868,789)
Net cash provided by Operating Activities	87,487,327	142,416,115
Cash Flows from Investing Activities		
Purchase of fixed assets	(87,234,133)	(90,069,209)
Proceed from sale of fixed assets	110,000	180,335
Dividend and Interest received	28,707,233	39,413,617
(Purchase)/ Redemption of investment	(72,226,551)	(108,563,544)
Cash utilized in Investing Activities	(130,643,451)	(159,038,801)
Cash Flows from Financing Activities		
Dividend paid	(29,166,565)	(5,861,142)
Interest paid	(7,851,202)	(8,356,068)
Issue of ordinary shares	65,207,578	13,406,715
Net cash provided by Financing Activities	28,189,811	(810,495)
Net (decrease)/increase in cash & cash equivalents	(14,966,313)	(17,433,181)
Cash & Cash Equivalents at the beginning of the year	<u>(4,222,612)</u>	<u>13,210,569</u>
Cash & Cash Equivalents at the end of year	<u>(19,188,925)</u>	<u>(4,222,612)</u>
The cash and cash equivalents are made up as follows:		
Cash in hand and at bank	23,816,794	20,715,358
Bank overdraft	<u>(43,005,719)</u>	<u>(24,937,970)</u>
	(19,188,925)	(4,222,612)

Certain reclassifications were done on previous years balances in order to be consistent with current year classifications.

The reconciliation of operating profit to cash and analysis of cash and cash equivalent are stated on page 8.

Statement of Cash flows (contd.)

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

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

	₦
Operating profit after tax	220,328,224
Depreciation	31,079,434
Increase in unearned premiums	(234,585,604)
Increase in creditors	117,602,054
Increase in claim provisions	951,617
Increase in debtors	(47,888,398)
Cash provided by operating activities	<u><u>87,487,327</u></u>

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

	Cash & Cash equivalents	Other liquid investments	Total
Balance as at 1 Jan. 2005	(4,222,612)	48,563,544	44,340,932
Net cash inflow	(14,966,313)	-	(14,966,313)
Purchase of liquid investment	-	72,226,551	72,226,551
	<u>(19,188,925)</u>	<u>120,790,095</u>	<u>101,601,170</u>

3. Analysis of the Balance of Cash and Cash Equivalents and Other Liquid Investments

	2005 ₦	2004 ₦	Changes during the year ₦
Cash at bank and in hand	23,816,794	20,715,358	3,101,436
Bank Overdrafts	<u>(43,005,719)</u>	<u>(24,937,970)</u>	<u>(18,067,749)</u>
Total cash and cash equivalents	<u>(19,188,925)</u>	<u>(4,222,612)</u>	<u>(14,966,313)</u>
Other liquid investments	120,790,095	48,563,544	72,226,551
	<u><u>101,601,170</u></u>	<u><u>44,340,932</u></u>	<u><u>57,260,238</u></u>

The statement of accounting policies on pages 2 and 3 and the notes on pages 9 to 14 form an integral part of these financial statements.

Significant Accounting Policies

Year ended December 31, 2005

Equity Indemnity Insurance Co. Ltd.

1. Accounting Convention

The accounts are prepared under the historical cost convention.

2. Accounting Basis

The annual basis of accounting method, has been adopted, in the preparation of the financial statements.

3. Premium Written

This is made up of insurance premium on direct and indirect businesses and is stated after taking into consideration premiums not likely to be collected.

4. Fixed Assets

Fixed Assets are stated at cost/valuation less accumulated depreciation.

5. Depreciation

Depreciation of fixed assets is calculated to write off the cost or revalued amount on a straight-line basis over their estimated useful lives, based on the following annual rates.

Leasehold Building	2.5%
Office Equipment	10%
Furniture and Fittings	10%
Motor Vehicles	25%
Leasehold Improvements	20%

No depreciation is provided on fixed assets until they are brought into use.

6. Debtors

Debtors are stated after deduction of specific debts considered bad or doubtful of recovery.

Significant Accounting Policies (contd.)

Year ended December 31, 2005

Equity Indemnity Insurance Co. Ltd .

7. Technical Reserves

These are computed in accordance with the provisions of sections 20(a)&21 of the Insurance Act 2003 as follows:

a) Insurance Funds

i) Reserve for un-expired risk

Provisions for unexpired risks are made on basis of percentages of net premiums written on time apportionment.

ii) Reserve for outstanding claims

This is maintained at the amount of estimated outstanding claim plus 10% thereof to cover claims incurred but not reported at the balance sheet date.

b) Contingency Reserve

This is credited with the higher of 3% of total premiums receivable during the year and 20% of net profits every year, until it reaches the higher of the minimum paid up capital or 50% of net premiums.

8. Investments

Investments are stated at cost less provision for diminution in value. Dividends and interest there from, are accounted for when received.

9. Revenue Account

Management expenses are apportioned to the various classes of insurance in the proportion of gross written premiums during the year.

10. Deferred Tax

Deferred taxation is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred taxes resulting from ordinary activities are shown as part of the tax liability on the profit and loss account.

11. Employee Retirement Benefits

The company operates a contributory retirement benefit scheme. Contributions to the scheme are funded through payroll deductions and company contributions.

Notes to the Financial Statements

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

1. CORPORATE STRUCTURE AND BUSINESS

Equity Indemnity Insurance Company Limited, which is wholly owned by Nigerian citizens, was incorporated on October 3, 1991 and obtained its certificate of registration as an insurer on 24 December 1991. The Company commenced operation in March 1992 and is involved in the non-life business. It has its head office in Lagos and branch offices in major cities in the country.

	2005 ₦	2004 ₦
2. Short Term Investments		
Treasury bills	250,000,000	200,000,000
Bank deposits and commercial papers	56,876,256	42,007,393
	<u>306,876,256</u>	<u>242,007,393</u>
3. Debtors and prepayments		
Insurance premium receivables	513,463,677	282,298,073
Provision for doubtful debts	(20,000,000)	(23,420,000)
	493,463,677	258,878,073
Prepayments	80,937,653	44,281,924
Prepaid purchase option- Leased assets		
Due from Associated Companies	4,893,801	5,197,437
Other Debtors	9,709,845	11,332,803
	<u>589,004,976</u>	<u>319,690,237</u>
4. Long Term Investments		
Quoted shares	44,651,973	48,794,285
Unquoted shares	116,367,315	104,867,315
	<u>161,019,288</u>	<u>153,661,600</u>

The market value of the quoted shares at December 31, 2005 was N57,313,550 (2004: N52,927,242)

Notes to the Financial Statements (cont'd)

Year ended December 31, 2005.

Equity Indemnity Insurance Co. Ltd.

5. Statutory Deposit

This represents deposit with the Central Bank of Nigeria in accordance with section 10(b) of the Insurance Act, 2003.

6. FIXED ASSETS

	Leasehold Building ₦	Office Equipment ₦	Motor Vehicles ₦	Furniture & Fittings ₦	Leasehold Improvements ₦	Total ₦
COST/VALUATION						
At January 1, 2005	150,113,724	39,198,844	135,409,874	11,260,435	1,354,100	337,336,977
Additions	41,521,656	11,208,395	32,087,740	2,416,342	-	87,234,133
Revaluation surplus*	188,956,971	-	-	-	-	188,956,971
Reversal of surplus b/f	(8,431,931)	-	-	-	-	(8,431,931)
Disposals	-	-	(4,520,000)	-	-	(4,520,000)
At Dec. 31, 2005	372,160,420	50,407,239	162,977,614	13,676,777	1,354,100	600,576,150
DEPRECIATION						
At January 1, 2005	7,570,199	18,828,400	80,379,082	5,918,785	1,354,100	114,050,566
Charge for the year	-	4,412,648	25,591,216	1,075,570	-	31,079,434
Disposals	-	-	(4,310,000)	-	-	(4,310,000)
At Dec 31, 2004	7,570,199	23,241,048	101,660,298	6,994,355	1,354,100	140,820,000
NET BOOK VALUE						
At December 31, 2005	364,590,221	27,166,191	61,317,316	6,682,422	-	459,756,150
At December 31, 2004	142,543,525	20,370,444	55,030,792	5,341,650	-	223,286,411

- The Company's property situated at Plot 1196 Bishop Oluwole street Victoria Island was revalued during the year by Knight Frank.
- The revaluation surplus is based on the report of the valuers dated May 5, 2005.

7. Payables and Accruals

	2005 ₦	2004 ₦
Re-insurance premium payable	49,045,666	12,007,643
Commission payable	5,566,274	1,690,238
Obligation under finance lease	21,866,128	12,053,973
Loans and overdraft	43,005,719	24,937,970
Dividends	44,265,638	29,166,565
Due to subsidiary	8,600,722	8,022,485
Accruals	18,775,711	5,458,222
Pension & gratuity	13,276,306	3,828,425
Other payables	48,812,619	5,280,386
	253,214,783	102,445,907

Notes to the Financial Statements (cont'd)

For the Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

8. Insurance Funds

	Motor ₦	Marine ₦	Fire ₦	General Accident ₦	2005 Total ₦	2004 Total ₦
8.1 Reserved for Unexpired Risks						
At January 1,	119,201,945	17,898,837	26,021,254	79,070,012	242,192,048	223,472,127
(Reversal)/Additions	10,263,706	2,343,540	1,736,185	(3,395,137)	10,948,294	18,719,921
At 31 December	<u>129,465,651</u>	<u>20,242,377</u>	<u>27,757,439</u>	<u>75,674,875</u>	<u>253,140,342</u>	<u>242,192,048</u>
8.2 Reserved for Outstanding Claims						
At January 1,	36,684,071	7,684,159	14,796,209	61,321,160	120,485,599	104,673,646
Additions	3,759,494	(3,961,733)	(6,220,312)	(5,477,360)	(11,899,911)	15,811,953
At 31 December	<u>40,443,565</u>	<u>3,722,426</u>	<u>8,575,897</u>	<u>55,843,800</u>	<u>108,585,688</u>	<u>120,485,599</u>
	<u>169,909,216</u>	<u>23,964,803</u>	<u>36,333,336</u>	<u>131,518,675</u>	<u>361,726,030</u>	<u>362,677,647</u>

The reserves are computed in accordance with sections 19, 20 & 21 of the Insurance Act, 2003.

	2005 ₦	2004 ₦
9. Taxation		
i) Per profit and loss account:		
Income tax based on profit for the year	14,000,000	12,000,000
Education levy	2,500,000	3,000,000
	<u>16,500,000</u>	<u>15,000,000</u>
ii) Per balance sheet		
Balance at 1 January	26,366,316	16,235,105
Charge for the year	16,500,000	15,000,000
Payments during the year	(9,000,000)	(4,868,789)
Balance at 31 December	<u>33,866,316</u>	<u>26,366,316</u>
10 Deferred Taxation		
Balance brought forward	2,000,000	-
Charge for the year	2,000,000	2,000,000
	<u>4,000,000</u>	<u>2,000,000</u>

Notes to the Financial Statements (cont'd)

For the Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

	2005 ₦	2004 ₦
11. Share Capital		
Authorized		
1,000,000,000 (2004:700,000,000 ordinary shares of 50K each) Ordinary shares of 50k each.	500,000,000	350,000,000
Issued and fully paid		
885,312,768 (2004:556,633,472 ordinary shares of 50K each) Ordinary shares of 50k each	442,656,384	278,316,736
12. Reserve for Bonus Issue		
Balance brought forward	110,000,000	-
Appropriation from profit for the year	136,684,198	92,724,510
Transfer from share premium account	10,867,930	7,275,490
Transfer from capital reserve	-	10,000,000
	257,552,128	110,000,000
Bonus shares Issued	(110,000,000)	-
	147,552,128	110,000,000
13. Capital Reserve		
Balance brought forward	8,431,931	8,431,931
Surplus on revaluation	188,956,972	-
Reversal of revaluation surplus b/f	(8,431,931)	-
Balance c/fwd	188,956,972	8,431,931
14. Profit and Loss Account		
Balance at January 1, brought forward	1,405,902	1,188,177
Profit and loss account	8,307,591	217,725
	9,713,493	1,405,902
15. Contingency reserve		
Balance at January 1	87,716,560	65,771,157
Add transfers during the year:		
Motor	14,866,629	11,578,503
Marine	2,358,730	2,412,804
Fire	3,876,018	1,894,588
General accident	9,969,421	6,059,508
Balance at December 31	118,787,358	87,716,560

Notes to the Financial Statements (cont'd)

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

19. Employees Remunerated at Higher Rates

The number of employees in receipt of emoluments within the following ranges:

			2005 Number	2004 Number
N150, 000	-	Below	-	10
N150, 001	-	N200, 000	2	12
N200, 001	-	N250, 000	14	18
N250, 001	-	N300, 000	10	19
N300, 001	-	N350, 000	28	16
N350, 001	-	above	102	100

20. Guarantees and other financial commitments

- a) The company did not charge any of its assets to secure the liability of any third party.
- b) There were no commitments to capital expenditure at the year-end both in respect of either contracted or authorized, but not contracted.
- c) The company had no contingent liabilities outstanding at the year-end.

21. Subsequent Events

Other than as disclosed, no events or transactions have occurred since the balance sheet date which would have a material effect upon the financial statements at that date or which need to be mentioned in order to make them not to be misleading as to the financial position of results of operations.

22. Comparative Figures

Certain comparative figures were reclassified where necessary to reflect a more meaningful comparison.

Value Added Statement

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

	2005 ₦	%	2004 ₦	%
Premium income	982,727,558		731,547,139	
Commissions received	66,606,916		34,966,205	
Investment and other income	28,817,233		39,593,952	
	<u>1,078,151,707</u>		<u>806,107,296</u>	
Less:				
Claims and commission	364,621,037		290,659,128	
Other expenses and services	149,960,472		221,014,218	
	<u>514,581,509</u>		<u>511,673,346</u>	
Value Added	<u>563,570,198</u>	<u>100</u>	<u>294,433,950</u>	<u>100</u>
Applied as follows:				
Employees:				
Wages, salaries and staff costs	96,854,365	17	93,735,279	33
Providers of capital:				
Dividend	44,265,638	8	27,831,674	9
Reserve for bonus shares	136,684,198	24	92,724,510	32
Interest and similar charges	7,851,202	1	8,356,086	3
Government:				
Taxation	18,500,000	3	17,000,000	6
Retained for future maintenance Assets and expansion of business:				
Depreciation	31,079,434	6	30,623,291	10
Capital Reserve	188,956,972	34	-	
Contingency reserve	31,070,798	6	21,945,403	7
Retained profit	<u>8,307,591</u>	<u>1</u>	<u>217,725</u>	<u>-</u>
	<u>563,570,198</u>	<u>100</u>	<u>294,433,950</u>	<u>100</u>

This statement represents the distribution of the wealth created through the use of the Company's assets amongst the stakeholders.

Five Year Financial Summary

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

	2005	2004	2003	2002	2001
	₦	₦	₦	₦	₦
ASSETS EMPLOYED					
Cash and short term					
Investments	330,693,050	262,722,751	296,810,954	226,533,783	203,127,667
Other current assets	589,004,976	319,690,237	202,779,766	162,305,620	169,665,568
Investments	161,019,288	153,661,600	77,363,550	62,150,116	73,759,192
Statutory Deposit	20,000,000	20,000,000	20,000,000	10,500,000	10,500,000
Fixed assets	<u>459,756,150</u>	<u>223,286,411</u>	<u>163,840,493</u>	<u>139,545,880</u>	<u>99,278,491</u>
	1,560,473,464	979,360,999	760,794,763	601,035,399	556,330,918
Liabilities					
Creditors and accruals	253,214,783	102,445,907	58,837,109	66,554,996	133,632,859
Insurance funds	361,726,030	362,677,647	328,145,773	319,589,042	242,499,025
Taxation	<u>37,866,316</u>	<u>28,366,316</u>	<u>16,235,105</u>	<u>16,439,226</u>	<u>15,130,872</u>
	652,807,129	493,489,870	403,217,987	402,583,264	391,262,756
Total Assets					
Less Liabilities	<u>907,666,335</u>	<u>485,871,129</u>	<u>357,576,776</u>	<u>198,452,135</u>	<u>165,068,162</u>
Capital and Reserves					
Called-up share capital	442,656,384	278,316,736	206,096,688	128,357,688	106,630,151
Share premium account	-	-	6,088,823	3,343,499	3,298,167
Capital Reserve	188,956,972	8,431,931	18,431,931	18,431,931	20,431,931
Reserve for bonus issue	147,552,128	110,000,000	60,000,000	-	-
Contingency reserve	118,787,358	87,716,560	65,771,157	47,408,874	32,485,889
Profit and Loss account	<u>9,713,493</u>	<u>1,405,902</u>	<u>1,188,177</u>	<u>910,143</u>	<u>2,222,024</u>
Shareholders' Funds	<u>907,666,335</u>	<u>485,871,129</u>	<u>357,576,776</u>	<u>198,452,135</u>	<u>165,068,162</u>
Gross premium income	1,212,987,076	865,211,435	802,262,095	681,051,049	601,472,681
Net premium income	982,727,558	731,547,140	571,005,608	497,432,831	431,305,435
Profit before Tax	238,828,224	159,719,312	96,531,443	40,705,635	36,675,017
Taxation	(18,500,000)	(17,000,000)	(9,891,126)	(5,725,531)	(9,377,889)
Profit after taxation	<u>220,328,224</u>	<u>142,719,312</u>	<u>86,640,317</u>	<u>34,980,104</u>	<u>27,297,128</u>
Earnings per share	25k	26k	21k	14k	27k

Note: Earnings per share are based on the 885,312,768(2004: 556,633,472) shares of 50k each.

Operating Expenses

Year ended December 31, 2005
Equity Indemnity Insurance Co. Ltd.

	2005 ₦	2004 ₦
Audit fee	1,200,000	980,000
Advert and promotion	7,583,781	7,449,100
Bank charges	6,173,615	6,995,145
Car expenses	16,591,086	12,092,575
Conference and seminars	3,437,099	1,214,517
Cleaning expenses	706,020	643,325
Directors fee	1,550,000	1,550,000
Directors sitting allowance	1,575,000	1,420,000
Depreciation	31,079,434	30,623,291
Diesel expenses	2,971,164	2,351,924
Data processing expenses	3,197,929	2,685,180
Donations	1,767,500	369,742
Entertainment	4,791,364	2,943,411
Electricity	2,875,013	3,274,297
Insurance expenses	5,247,896	6,311,244
Interest expenses	7,851,202	9,012,134
Legal and professional charges	14,513,249	11,000,336
Lease rentals expenses	10,377,958	6,372,689
Medical expenses	4,140,265	4,259,496
Newspapers and magazines	448,465	587,129
Other expenses	21,204,794	4,477,134
Postages and stamps	1,426,356	2,885,246
Printing and stationery	5,299,848	5,350,826
Public relations	12,941,982	14,359,507
Rent and rates	14,119,893	11,723,649
Repairs and maintenance	3,771,293	4,431,164
Staff costs	178,639,345	95,735,279
Subscription	2,246,691	2,940,574
Travelling and accommodation	13,673,295	13,980,912
Utilities	11,901,525	12,281,923
	393,303,062	280,301,749