

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
GLOBAL ALLIANCE COMPANHIA GERAL DE SEGUROS DE
MOÇAMBIQUE**

We have audited the company's annual financial statements set out on pages 2 to 6 for the year ended 31 December 2005. These financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Audit opinion

In our opinion the financial statements fairly present, in all material respects, the financial position of the company at the 31st of December 2005, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting standards and rules of Inspeção Geral de Seguros de Moçambique.

MAPUTO
27 February 2006

INCOME STATEMENTS

Income Statement	Notes	2005 MZM	2005 USD	2004 MZM	2004 USD
Gross premiums	19	269,118,109,500	11,343,229	214,890,000,728	11,450,492
Less: reinsurance premiums	14	166,740,684,038	7,028,058	122,131,335,713	6,507,812
Net premiums		102,377,425,462	4,315,171	92,758,665,015	4,942,680
Less: change in unearned premiums	15	7,743,666,062	154,255	904,036,506	48,172
Contribution		7,743,666,062	154,255	904,036,506	48,172
Earned premium income		94,633,759,400	4,160,916	91,854,628,509	4,894,508
Expenses					
Claims incurred		38,204,966,209	1,610,326	33,845,991,932	1,803,496
Claims paid		36,663,958,980	1,545,373	32,673,575,280	1,741,023
Gross Amount	12	57,458,572,397	2,421,858	45,821,578,533	2,441,619
Reinsurers' share	17	-20,794,613,417	-876,485	-13,148,003,253	-700,596
Change in provision for outstanding claims		1,541,007,229	64,953	1,172,416,652	62,473
Gross Amount	18	1,541,007,229	64,953	1,172,416,652	62,473
Net earned premium income		56,428,793,191	2,550,590	58,008,636,577	3,091,012
Net commission paid		-5,892,730,064	-248,376	-2,208,845,979	-117,699
Commission paid	13	35,985,114,367	1,516,759	25,995,431,112	1,385,176
Reinsurance commission received	16	30,092,384,303	1,268,383	23,786,585,133	1,267,477
Net operating expenses		45,495,352,427	2,089,750	53,211,491,143	2,835,394
Underwriting surplus before investment income		5,040,710,700	212,464	2,588,299,455	137,919
Investment income		1,517,093,305	63,945	3,880,504,026	206,774
Income before taxation		6,557,804,005	276,409	6,468,803,481	344,693
Taxation		2,098,497,282	88,451	0	0
Income after taxation		4,459,306,723	187,958	6,468,803,481	344,693
Retained income beginning of the year		47,675,171,589	2,218,274	41,206,368,108	1,873,581
Retained income end of the year		52,134,478,312	2,406,232	47,675,171,589	2,218,274

BALANCE SHEET ASSETS

BALANCE SHEET ASSETS	Notes	2005 MZM	2005 USD	2004 MZM	2004 USD
Tangible Fixed Assets		3,545,764,954	196,888	3,327,573,752	187,691
Accumulated Depreciation		<u>-2,369,413,282</u>	<u>-123,785</u>	<u>-1,709,745,531</u>	<u>-95,980</u>
	4	<u>1,176,351,672</u>	<u>73,103</u>	<u>1,617,828,221</u>	<u>91,711</u>
Intangible Fixed Assets		1,891,422,273	122,514	1,891,422,273	122,514
Accumulated Depreciation		<u>-1,891,410,830</u>	<u>-122,508</u>	<u>-1,891,222,273</u>	<u>-122,500</u>
	4	<u>11,443</u>	<u>6</u>	<u>200,000</u>	<u>14</u>
Investments	5	<u>7,477,983,541</u>	<u>320,969</u>	<u>3,377,263,960</u>	<u>148,125</u>
Reins/Share of Technical Provisions					
Provision for Claims	6	<u>19,496,325,252</u>	<u>1,386,799</u>	<u>50,740,816,017</u>	<u>2,703,743</u>
Current Assets					
Premiums Receivable	7	31,611,444,185	1,332,411	39,550,014,603	2,122,313
Bank and Cash Balances	8	51,511,519,359	2,171,192	80,365,616,347	4,282,311
Other Debtors		109,911,849,143	4,632,744	5,979,298,819	318,609
Prepayments		<u>45,790,199</u>	<u>1,930</u>	<u>50,215,210</u>	<u>2,676</u>
Total of Current Assets		<u>193,080,602,886</u>	<u>8,138,277</u>	<u>125,945,144,979</u>	<u>6,725,909</u>
TOTAL ASSETS		<u>221,231,274,794</u>	<u>9,919,154</u>	<u>181,681,253,177</u>	<u>9,669,502</u>

BALANCE SHEET LIABILITIES

BALANCE SHEET EQUITY AND LIABILITIES	Notes	2005 MZM	2005 USD	2004 MZM	2004 USD
Equity					
Ordinary share capital	9	13,981,250,000	701,250	13,981,250,000	701,250
Share premium account	9	813,170,321	73,770	813,170,321	73,770
Retained Income at beginning of year	10	47,675,171,589	2,218,274	41,206,368,108	1,873,581
Provision for unearned premium		23,201,855,827	977,950	15,458,189,765	823,695
Currency Translation difference		0	234,114	0	323,972
Net profit for the year	10	4,459,306,723	187,958	6,468,803,481	344,693
Total Equity		<u>90,130,754,460</u>	<u>4,393,316</u>	<u>77,927,781,675</u>	<u>4,140,961</u>
Liabilities					
Technical Provisions					
Outstanding claims		41,755,175,794	1,759,965	33,022,201,428	1,759,600
Provision for IBNR		7,578,929,574	319,449	4,811,313,370	256,373
Provision for commissions		5,628,854,828	237,254	6,164,632,467	328,485
Total of Technical Provisions		<u>54,962,960,196</u>	<u>2,316,668</u>	<u>43,998,147,265</u>	<u>2,344,458</u>
Current Liabilities					
Due to Reinsurers	11	44,820,417,775	1,889,164	55,295,499,591	2,946,441
Tax and Duties		2,023,049,395	85,271	886,025,519	47,212
Creditors		18,940,485,456	798,334	2,389,233,914	127,311
Accruals		10,353,607,512	436,401	1,184,565,213	63,119
Total of Current Liabilities		<u>76,137,560,138</u>	<u>3,209,170</u>	<u>59,755,324,237</u>	<u>3,184,083</u>
Total Liabilities		<u>131,100,520,334</u>	<u>5,525,838</u>	<u>103,753,471,502</u>	<u>5,528,541</u>
EQUITY AND LIABILITIES		<u>221,231,274,794</u>	<u>9,919,154</u>	<u>181,681,253,177</u>	<u>9,669,502</u>

CASH FLOW STATEMENTS

CASH FLOW STATEMENTS	2005	2005	2004	2004
	MZM	USD	MZM	USD
Cash flows from operations				
Net operational income	4,459,306,723	187,958	6,468,803,481	344,693
Depreciation of fixed assets	659,856,309	27,813	892,412,233	75,192
Provisions	7,743,666,062	154,255	-2,489,529,708	64,742
Increase in other current assets				
Receivables Premium	3,294,432,748	594,339	43,022,193,525	1,369,408
Reinsurance Claims	31,244,490,765	1,316,944	14,340,858,735	1,164,502
Other current assets	-99,283,987,642	-4,117,825	-1,175,150,128	-116,009
Foreign Currency Translation difference	0	-89,858	0	553,956
Total funds provided from operating activities	<u>-51,882,235,035</u>	<u>-1,926,374</u>	<u>32,377,870,668</u>	<u>1,127,480</u>
Cash flows from investment activities				
Increase in financial investments	-4,100,719,581	-172,844	-482,928,151	-25,733
Purchase of fixed assets	-218,191,203	-9,197	-931,058,049	-49,612
Total cash used in investments	<u>-4,318,910,784</u>	<u>-182,041</u>	<u>-1,413,986,200</u>	<u>-75,345</u>
Cash flows from financing activities				
Increase in short-term debt	29,089,156,282	1,054,208	-9,453,614,640	-229,994
Reinsurers	-10,475,081,816	-1,057,277	-7,292,848,051	299,775
Outstanding Claims	8,732,974,365	365	9,021,424,469	744,682
Net cash flows from financing activities	<u>27,347,048,831</u>	<u>-2,704</u>	<u>-7,725,038,222</u>	<u>814,463</u>
Net increase in cash	-28,854,096,988	-2,111,119	23,238,846,246	1,866,598
Cash and cash equivalents at the beginning of the year	<u>80,365,616,347</u>	<u>4,282,311</u>	<u>57,126,770,101</u>	<u>2,415,713</u>
Cash and cash equivalents at the end of the year	<u>51,511,519,359</u>	<u>2,171,192</u>	<u>80,365,616,347</u>	<u>4,282,311</u>

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Provision	Currency Translation Difference	Retained Earnings	Total Equity
	MZM	MZM	MZM	MZM	MZM	MZM
Balance at 1 January 2004	13,981,250,000	813,170,321	17,947,719,473	0	41,206,368,108	73,948,507,902
Net profit for 2004	0	0	0	0	6,468,803,481	6,468,803,481
Provision	0	0	-2,489,529,708	0	0	-2,489,529,708
Balance at 31 December 2004	<u>13,981,250,000</u>	<u>813,170,321</u>	<u>15,458,189,765</u>	<u>0</u>	<u>47,675,171,589</u>	<u>77,927,781,675</u>
Net profit for 2005	0	0	0	0	4,459,306,723	4,459,306,723
Provision	0	0	7,743,666,062	0	0	7,743,666,062
Balance at 31 December 2005	<u>13,981,250,000</u>	<u>813,170,321</u>	<u>23,201,855,827</u>	<u>0</u>	<u>52,134,478,312</u>	<u>90,130,754,460</u>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Balance at 1 January 2004	701,250	73,770	758,953	-229,984	1,873,581	3,177,570
Net profit for 2004	0	0	0	0	344,693	344,693
Provision	0	0	64,742	0	0	64,742
Currency translation difference	0	0	0	553,956	0	553,956
Balance at 31 December 2004	<u>701,250</u>	<u>73,770</u>	<u>823,695</u>	<u>323,972</u>	<u>2,218,274</u>	<u>4,140,961</u>
Net profit for 2005	0	0	0	0	187,958	187,958
Provision	0	0	154,255	0	0	154,255
Currency translation difference	0	0	0	-89,858	0	-89,858
Balance at 31 December 2005	<u>701,250</u>	<u>73,770</u>	<u>977,950</u>	<u>234,114</u>	<u>2,406,232</u>	<u>4,393,316</u>

GLOBAL ALLIANCE COMPANHIA GERAL DE SEGUROS DE MOÇAMBIQUE

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005**

1. **Incorporation and Activities**

Global Alliance - Companhia Geral de Seguros de Moçambique SARL from hereon referred to, as CGSM or Company, is a private limited company constituted in 1999. The Company, with its head office in Maputo, has the main objective of carrying on the business of short-term insurance. The Company is owned by CGSM Holdings, R.W.A Lewis and other minority shareholders. These financial statements reflect the results of its operations for the year ended 31 December 2005.

2. **Principal accounting policies**

The following are the principal accounting policies used by the company, which, unless specifically stated, have been consistently applied by the company.

2.1 *Basis of preparation*

The financial statements have been prepared on the historical costs basis, in accordance with Internationally General Accepted Accounting Standards except where modified to comply with specific Mozambican legislation.

2.2 *Profit recognition*

Revenue and costs are recorded in the period to which they relate, regardless of the timing of receipt or payment.

2.3 *Basis of accounting for underwriting activities*

Underwriting results are determined on the annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

- Premiums written relate to business initiated during the year, together with any differences between booked premiums for prior years and those previously recognised, and include estimates of premiums due but not yet collected or notified to the company.
- Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time proportionate basis.
- Claims incurred comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported, and related expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.
- Claims outstanding represent the ultimate cost of settling all claims (including direct and indirect settlement costs) arising from events that have occurred up to the balance sheet date, including provision for claims incurred but not yet reported, less any amounts paid in respect of those claims. Claims outstanding are reduced by anticipated salvage and other recoveries.

2.4 *Fixed Assets*

Intangible and tangible are stated at historical cost less depreciation. Depreciation is calculated on the straight line method, at the maximum rates permitted by fiscal legislation, *Portaria n° 20.817 de Janeiro de 1968*, to write off the cost of each asset over its estimated useful life as follows:

Computer equipment and software	16.66%
Leasehold improvements	33.33%
Motor Vehicles	25.00%
Office equipment	16.66%
Office furniture and fittings	10.00%

Payments made under operating leases are charged to the income statement in equal instalments over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

Repairs and renewals are charged to the income statement when the expenditure is incurred.

2.5 *Foreign currency*

Conversion of the financial statements to United States dollars

The accounting records are maintained in Meticaïs.

The financial statements are presented in both Meticaïs and United States Dollars. The financial statements presented in *United States dollars* are only for comparative purposes and result of the conversion of the meticaïs balances of year end rates.

Transactions and balances in foreign currency

Transactions in foreign currency are converted at the rate of exchange at the date of the transaction. Balances, which reflect foreign currency amounts, are revaluated to Meticaïs on a daily basis, using the official exchange rate at the end of that day.

2.6 *Financial Instruments*

Financial Instruments carried on the balance sheet include cash and bank balances, investments, receivables and payables. The particular recognition methods adopted are disclosed in the relevant accounting policy statement.

2.7 *Income Tax*

CGSM is subject to the applicable fiscal regime under the scope of IRPC. Tax is determined on the basis of the accounting profit, adjusted under the terms of the referred tax, based on the rate of 32%.

3. Comparison of the financial statements

BALANCE SHEET

3.1 The company, during the fiscal year 2005, has had an increase of assets in 22% (MZM 39,550,021,618) compared to the period ended on December 31, 2004 due to the following situations:

- ASSETS – Investments increased by an amount of USD 150.000, as a result of acquisition of a property in *Inhaca* island, financed by own funds.
- LIABILITIES –Liabilities increased as a result of intrercompany loans compared to the previous year. The company reduced its account payable with reinsurer's by 19% (MZM 10,475,018,816) comparatively to 2004.

INCOME STATEMENT

3.2 The gross premium income in 2005 increased by 25% compared to 2004 (MZM 54,228,108,772) and the most significant classes are fire and motor, which represent 57% (MZM 152,980,903,470) of the total issued gross premiums. We experienced an abnormally low claims year in which claims were 10% below the previous year. This is largely due to increased reinsurance protection and good claims management.

4. Fixed Assets

	2005	2005	2004	2004
FIXED ASSETS	MZM	USD	MZM	USD
Tangible Fixed Assets				
Cost				
Transport Equipment	159,389,849	10,797	204,763,705	12,709
Administrative Equipment	3,386,375,105	186,091	3,122,810,047	174,982
	<u>3,545,764,954</u>	<u>196,888</u>	<u>3,327,573,752</u>	<u>187,691</u>
Accumulated Depreciations				
Transport Equipment	86,595,574	5,253	63,439,188	4,277
Administrative Equipment	2,282,817,708	118,532	1,646,306,343	91,703
	<u>2,369,413,282</u>	<u>123,785</u>	<u>1,709,745,531</u>	<u>95,980</u>
Net Tangible Fixed Assets				
Transport Equipment	72,794,275	5,544	141,324,517	8,432
Administrative Equipment	1,103,557,397	67,559	1,476,503,704	83,279
	<u>1,176,351,672</u>	<u>73,103</u>	<u>1,617,828,221</u>	<u>91,711</u>
Intangible Fixed Assets				
Cost				
Leasehold Improvements	718,902,991	46,565	718,902,991	46,565
Start up Cost	1,172,519,282	75,949	1,172,519,282	75,949
	<u>1,891,422,273</u>	<u>122,514</u>	<u>1,891,422,273</u>	<u>122,514</u>
Accumulated Depreciations				
Leasehold Improvements	718,902,991	46,559	718,702,991	46,551
Start up Cost	1,172,507,839	75,949	1,172,519,282	75,949
	<u>1,891,410,830</u>	<u>122,508</u>	<u>1,891,222,273</u>	<u>122,500</u>
Net Intangible Fixed Assets				
Leasehold Improvements	0	6	200,000	14
Start up Cost	11,443	0	0	0
	<u>11,443</u>	<u>6</u>	<u>200,000</u>	<u>14</u>
Total of Fixed Assets	<u>1,176,363,115</u>	<u>73,109</u>	<u>1,618,028,221</u>	<u>91,725</u>

5. Investments

The investments comprise the following:

	2005	2005	2004	2004
Financial Investment	MZM	USD	MZM	USD
CDM Shares	341,445,000	16,983	482,900,000	25,669
Financial Participation BSTM	360,800,000	17,945	100,000,000	4,229
Offshore Investment	7,802,818	393	5,728,151	305
	710,047,818	35,321	588,628,151	30,203
Lands and Buildings	MZM	USD	MZM	USD
Property Inhaca	3,979,299,914	167,726	0	0
Property Golden Sands Unit 9	2,704,168,682	114,130	2,704,168,682	114,130
Property Xai Xai	84,467,127	3,792	84,467,127	3,792
	6,767,935,723	285,648	2,788,635,809	117,922
Total	7,477,983,541	320,969	3,377,263,960	148,125

The total shares and other financial investment are valued at the actual market value at the end of the year.

The lands and Buildings are valued at the historical cost

6. Reinsurers Share of Technical Provisions for Claims

This account includes the following headings:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Co Insurance Claims	0	0	824,367,930	43,927
Facultative	9,405,733,441	669,042	7,083,830,089	377,464
Quota Share	68	0	31,981,903,287	1,704,168
Reinsurance XOL Claims	7,330,277,389	521,412	666,940,581	35,538
Surplus	<u>2,760,314,354</u>	<u>196,345</u>	<u>10,183,774,130</u>	<u>542,646</u>
	<u>19,496,325,252</u>	<u>1,386,799</u>	<u>50,740,816,017</u>	<u>2,703,743</u>

7. Premiums Receivable

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Premium Receivable	37,608,149,145	1,585,170	40,902,581,893	2,179,509
Provision for Doubtful Debtors	<u>-5,996,704,960</u>	<u>-252,759</u>	<u>-1,352,567,290</u>	<u>-57,196</u>
Net Premiums Receivable	<u>31,611,444,185</u>	<u>1,332,411</u>	<u>39,550,014,603</u>	<u>2,122,313</u>

Premiums due which are collectable by the Brokers with whom the Company operates:

CGSM's principal Brokers are:

- ❑ ALEXANDER FORBES;
- ❑ AON MOCAMBIQUE LDA;
- ❑ GLENRAND MIB;
- ❑ NATIONAL BROKERS
- ❑ HURBERTUS CLAUSIUS

8. Bank and Cash Balances

The balances are defined as follows:

	2005	2005	2004	2004
	MZM	MZM	MZM	USD
Petty Cash	7,316,821	309	60,446,775	3,221
	7,316,821	309	60,446,775	3,221
Banks Balances				
MZM	9,878,980,460	416,395	5,242,859,461	279,368
ZAR	1,853,268,383	78,115	877,745,076	46,771
USD	39,771,953,695	1,676,373	74,184,565,035	3,952,951
	51,504,202,538	2,170,883	80,305,169,572	4,279,090
	51,511,519,359	2,171,192	80,365,616,347	4,282,311

9. Ordinary Share Capital

The composition of capital in 2005 was as follows:

	%	Nr.Shares	2005	2005	2004	2004
			MZM	USD	MZM	USD
SHARES						
Authorized: Shares of ZAR 1 each		20 000 000	35,909,600,000	1,500,000	35,909,600,000	1,500,000
Issued: Shares of ZAR 1 each		9 350 000	13,981,250,000	701,250	13,981,250,000	701,250
SHARE CAPITAL						
CGSM Holdings Ltd	95.72%	8 950 000	13,581,250,000	681,187	13,581,250,000	681,187
Robert Lewis	3.75%	350 000	350,000,000	17,554	350,000,000	17,554
Various	0.53%	50 000	50,000,000	2,509	50,000,000	2,509
	100%	9 350 000	13,981,250,000	701,250	13,981,250,000	701,250

	2005	2005	2004	2004
	MZM	USD	MZM	USD
SHARE PREMIUM				
CGSM Holdings Ltd	5,615,628,556	509,444	5,615,628,556	509,444
Robert Lewis	<u>-4,802,458,235</u>	<u>-435,674</u>	<u>-4,802,458,235</u>	<u>-435,674</u>
	<u>813,170,321</u>	<u>73,770</u>	<u>813,170,321</u>	<u>73,770</u>

The Share Premium resulted mostly from the increase of capital in 1998.

The discount in Shares resulted from the emission of 4 000 000 Shares with a discount of ZAR 0,5 per share.

10. Retained Income

The retained income includes the following years:

	2005	2005	2004	2004
	MZM	USD	MZM	USD
Net profit for:				
For the years before 2004	41,206,368,108	1,873,581	41,206,368,108	1,873,581
2004	6,468,803,481	344,693	6,468,803,481	344,693
2005	<u>4,459,306,723</u>	<u>187,958</u>	<u>0</u>	<u>0</u>
	<u>52,134,478,312</u>	<u>2,406,232</u>	<u>47,675,171,589</u>	<u>2,218,274</u>

11. Due to Reinsurers

The Reinsures balance presents the following composition:

	2005	2005	2004	2004
	MZM	USD	MZM	USD
Due from Reinsurers				
Co-insurance	0	0	2,590,983,849	138,062
Q/S Control	0	0	17,771,638,079	946,968
RI – Fronting	0	0	87,877,311,612	4,682,574
Surplus Control	<u>3,111,244,872</u>	<u>131,138</u>	<u>0</u>	<u>0</u>
	<u>3,111,244,872</u>	<u>131,138</u>	<u>108,239,933,540</u>	<u>5,767,604</u>
Due to Reinsurers				
FAC Control	10,632,760,935	448,167	134,714,117,286	7,178,291
RI – XOL	28,470,000,002	1,200,000	15,745,435,541	839,001
Surplus Control	57	0	13,075,880,304	696,753
Q/S Control	<u>8,828,901,653</u>	<u>372,135</u>	<u>0</u>	<u>0</u>
	<u>47,931,662,647</u>	<u>2,020,302</u>	<u>163,535,433,131</u>	<u>8,714,045</u>
Net due to Reinsurers	<u>44,820,417,775</u>	<u>1,889,164</u>	<u>55,295,499,591</u>	<u>2,946,441</u>

12. Claims Cost

At the end of the year this account had the following composition:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accident	6,212,188,710	261,841	7,182,145,608	382,703
Engineering	1,614,682,910	68,058	-206,476,738	-11,002
Fire	19,085,974,893	804,467	10,587,677,872	564,168
Funeral	251,574,156	10,604	248,262,821	13,229
Marine	48,134,633	2,029	116,210,931	6,192
Toursure	957,212,770	40,346	641,759,471	34,196
Various	4,233,849,631	178,456	2,464,448,717	131,319
Vehicles – O/D	21,847,445,121	920,862	23,745,956,762	1,265,312
Vehicles – T/P	3,207,509,573	135,195	1,041,593,089	55,502
	<u>57,458,572,397</u>	<u>2,421,858</u>	<u>45,821,578,533</u>	<u>2,441,619</u>

13. Commissions paid to Brokers

At the end of the year this account had the following composition:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accident	5,018,051,430	211,509	3,020,993,511	160,975
Engineering	7,018,291,619	295,818	5,186,918,909	276,387
Fire	10,822,886,738	456,181	7,835,978,500	417,543
Marine	1,102,103,394	46,453	704,948,197	37,563
Toursure	940,558,510	39,644	705,409,552	37,588
Various	3,557,069,587	149,929	2,582,877,401	137,630
Vehicle - O/D, T/P	7,526,153,089	317,225	5,958,305,042	317,490
	<u>35,985,114,367</u>	<u>1,516,759</u>	<u>25,995,431,112</u>	<u>1,385,176</u>

14. Reinsurance Premiums

This account had the following composition:

	2005	2005	2004	2004
	MZM	USD	MZM	USD
Accidents Reinsurance	6,820,903,901	287,499	7,638,648,650	407,028
Engineering Reinsurance	33,100,815,042	1,395,187	24,273,563,274	1,293,426
Excess of loss Reinsurance	43,377,166,632	1,828,331	14,599,878,584	777,960
Fire Reinsurance	60,960,284,961	2,569,454	50,004,835,477	2,664,526
Marine Reinsurance	4,726,263,438	199,210	5,207,273,758	277,471
Motor Vehicle Reinsurance	1,063,713,161	44,835	903,860,355	48,163
Various Reinsurance	16,691,536,903	703,542	19,503,275,615	1,039,238
	<u>166,740,684,038</u>	<u>7,028,058</u>	<u>122,131,335,713</u>	<u>6,507,812</u>

15. Contribution to Provision for Unearned Premium

At the end of the year provisions had the following composition:

	2005	2005	2004	2004
	MZM	USD	MZM	USD
Accidents	1,841,956,674	77,638	107,087,538	5,706
Engineering	147,111,595	6,201	185,367,123	9,877
Fire	-342,848,928	-14,451	690,548,153	36,796
Funeral	30,629,074	1,291	27,999,332	1,492
Marine	-2,115,961	-89	115,781,207	6,169
Others	6,806,354,401	114,748	705,908,433	37,616
Vehicles – O/D	-488,667,997	-20,598	-1,078,174,457	-57,451
Vehicles – T/P	-248,752,796	-10,485	149,519,177	7,967
	<u>7,743,666,062</u>	<u>154,255</u>	<u>904,036,506</u>	<u>48,172</u>

16. Reinsurance Commissions

At the end of the year this account had the following composition:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accidents	1,685,228,825	71,032	1,109,596,874	59,125
Engineering	8,617,706,407	363,233	6,131,717,988	326,731
Fire	15,391,912,071	648,763	14,691,218,815	782,827
Marine	1,013,885,549	42,735	658,935,125	35,112
Others	3,245,138,280	136,782	1,195,116,331	63,682
Vehicles	138,513,171	5,838	0	0
	<u>30,092,384,303</u>	<u>1,268,383</u>	<u>23,786,585,133</u>	<u>1,267,477</u>

17. Reinsurer's Share of Incurred Claims

At the end of the year this heading had the following composition:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accidents	-1,736,671,995	-73,200	-3,306,126,003	-176,169
Engineering	-2,320,565,876	-97,811	425,798,829	22,689
Fire	-16,172,483,815	-681,664	-9,423,983,019	-502,160
Marine	-30,397,572	-1,281	-109,906,853	-5,856
Miscellaneous	-542,534,557	-22,868	-2,058,876,681	-109,708
Vehicles	8,040,398	339	1,325,090,474	70,608
	<u>-20,794,613,417</u>	<u>-876,485</u>	<u>-13,148,003,253</u>	<u>-700,596</u>

18. Provision for Outstanding Claims

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accident	677,561,048	28,559	246,974,231	13,160
Engineering	-302,402,669	-12,746	-437,941,341	-23,336
Fire	-1,570,664,153	-66,203	-1,017,233,158	-54,204
Funeral	50,440,499	2,126	44,869,985	2,391
Marine	-14,717,313	-620	-3,354,836	-179
Toursure	250,152,392	10,544	250,936,552	13,371
Various	63,615,901	2,681	24,390,149	1,301
Vehicles – O/D	2,213,910,053	93,315	1,915,280,501	102,056
Vehicles – T/P	173,111,471	7,297	148,494,569	7,913
	<u>1,541,007,229</u>	<u>64,953</u>	<u>1,172,416,652</u>	<u>62,473</u>

19. Gross Premiums Written

At the end of the year this heading had the following composition:

	2005	2005	2004	2004
	<u>MZM</u>	<u>USD</u>	<u>MZM</u>	<u>USD</u>
Accident	23,269,102,115	980,784	24,430,961,415	1,301,813
Engineering	41,255,051,637	1,738,885	29,547,389,149	1,574,443
Fire	73,990,320,151	3,118,665	60,095,270,636	3,202,198
Funeral	1,296,598,753	54,651	1,231,057,735	65,597
Marine	8,819,709,501	371,748	6,192,005,155	329,943
Toursure	6,958,266,236	293,288	4,803,463,170	255,954
Various	34,538,477,789	1,455,784	26,935,066,093	1,435,245
Vehicles	78,990,583,318	3,329,424	61,654,787,375	3,285,299
	<u>269,118,109,500</u>	<u>11,343,229</u>	<u>214,890,000,728</u>	<u>11,450,492</u>