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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF G A ANGOLA SEGUROS S.A.

We have audited the company's annual financial statements set out on pages 2 to 6 for the year ended 31 December 2007. 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 2007, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting standards and rules of Instituto de Supervisão de Seguros de Angola.

Luanda
21 January 2008

G A ANGOLA SEGUROS S.A.

INCOME STATEMENT
for the year ended 31 December 2007

Description	Notes	2007	2007	2006	2006
		KZ	USD	KZ	USD
Gross premiums	10	959.344.950	12.622.960	716.750.912	8.959.386
Less: reinsurance premiums	9	357.103.538	4.698.731	366.141.752	4.576.772
Net premiums		602.241.412	7.924.229	350.609.160	4.382.614
Less: Funding Contribution/(release)		18.357.439	241.545	78.313.843	978.923
Gross amount		583.883.973	7.682.684	272.295.317	3.403.691
Reinsurers' share		-	-	-	-
Earned premium income		583.883.973	7.682.684	272.295.317	3.403.691
Expenses					
Claims incurred		479.392.804	6.307.800	169.167.285	2.114.591
Claims paid		98.291.106	1.293.304	-	-
Gross Amount		119.910.140	1.577.765	-	-
Reinsurers' share		12.998.052	171.027	-	-
Reinsurers' excess of loss		8.620.982	113.434	-	-
Change in provision for outstanding claims		38.283.100	503.725	169.167.285	2.114.591
Gross Amount		359.482.660	4.730.035	169.167.285	2.114.591
Reinsurers' share		321.199.560	4.226.310	-	-
Net earned premium income		447.309.763	5.885.655	103.128.032	1.289.100
Net commission earned / (paid)		-23.761	-313	-17.278.470	-215.981
Commission paid		63.943.054	841.356	50.998.356	637.479
Reinsurance commission received		63.919.293	841.043	33.719.886	421.499
Net operating expenses		186.772.871	2.457.538	197.126.505	2.464.081
Underwriting surplus before investment income		260.513.131	3.427.804	-111.276.943	-1.390.962
Investment income		20.414.866	268.617	1.344.785	16.810
Income before taxation		280.927.997	3.696.421	-109.932.158	-1.374.152
Taxation		14.343.491	188.730	-	-
Income after taxation		266.584.506	3.507.691	-109.932.158	-1.374.152
Retained income beginning of the year		-248.990.592	-3.276.192	-	-
Retained income end of the year		17.593.914	231.499	-109.932.158	-1.374.152

G A ANGOLA SEGUROS S.A.

**BALANCE SHEET
at 31 December 2007**

ASSETS

BALANCE SHEET	Notes	2007 KZ	2007 USD	2006 KZ	2006 USD
Tangible Fixed Assets		21.357.703	281.022	44.336.909	535.631
Accumulated Depreciation		10.298.910	135.512	7.027.853	81.729
	3	11.058.793	145.510	37.309.056	453.902
Intangible Fixed Assets		187.911.715	2.079.445	187.911.715	2.079.445
Accumulated Depreciation		77.731.128	924.683	46.872.898	518.654
	3	110.180.587	1.154.762	141.038.817	1.560.791
Financial Investment		0	0	154.674.160	1.933.427
Reins/Share of Technical Provisions					
Provision for Claims	5	354.267.890	4.661.420	143.009.338	1.787.617
Current Assets					
Premiums Receivable	6	234.529.792	3.085.918	62.548.593	781.857
Provisions for Doubtful Debtors		0	0	0	0
Bank and Cash Balances	4	399.184.961	5.252.434	180.512.704	2.256.409
Company Tax Advance		5.381.778	70.813	0	0
Other Debtors	7	315.953.669	4.157.285	17.947.330	224.341
Prepayments		2.947.726	38.786	6.131.085	76.638
Total of Current Assets		1.312.265.816	17.266.656	267.139.712	3.339.245
TOTAL ASSETS		1.433.505.197	18.566.929	743.171.083	9.074.982

G A ANGOLA SEGUROS S.A.

BALANCE SHEET
at 31 December 2007

EQUITY AND LIABILITIES

BALANCE SHEET	Notes	2007	2007	2006	2006
		KZ	USD	KZ	USD
Equity					
Ordinary share capital	8	543.000.000	6.000.000	543.000.000	6.000.000
Currency Translation difference		-37.812.327	0	-32.163.155	0
Retained Income/Loss		-275.759.638	-3.276.192	-165.827.480	-1.902.040
Net profit for the year		266.584.506	3.507.691	-109.932.158	-1.374.152
Total Equity		496.012.541	6.231.499	235.077.207	2.723.808
Liabilities					
Technical Provisions					
Provision for unearned premium		92.755.585	1.220.468	85.535.059	1.069.188
Outstanding claims		461.640.196	6.074.213	129.101.680	1.613.771
Provision for IBNR		28.749.746	378.286	0	0
Provision for commissions		0	0	0	0
Total of Technical Provisions		583.145.528	7.672.967	214.636.739	2.682.959
Other Provisions					
Provision for bad debtors		9.044.000	119.000	0	0
Total of Other Provisions		9.044.000	119.000	0	0
Current Liabilities					
Due to Reinsurers	5	291.718.311	3.838.399	241.393.418	3.017.418
Tax and Duties		25.132.031	330.685	19.171.868	239.649
Others creditors		3.463.250	45.569	26.285.039	328.563
Accruals		24.989.536	328.810	6.606.812	82.585
Total of Current Liabilities		345.303.128	4.543.463	293.457.137	3.668.215
Total Liabilities		937.492.656	12.335.430	508.093.876	6.351.174
Total Equity and Liabilities		1.433.505.197	18.566.929	743.171.083	9.074.982

G A ANGOLA SEGUROS S.A.

**CASH FLOW STATEMENT
at 31 December 2007**

CASH FLOW STATEMENT	Notes	2007 KZ	2007 USD	2006 KZ	2006 USD
Cash flows from operations					
Net operational income		266.584.506	3.507.691	-109.932.158	-1.374.152
Depreciation of fixed assets		34.129.287	459.812	41.632.795	463.395
Provisions		45.014.272	648.566	202.361.540	2.532.758
Increase in other current assets					
Receivables Premium		-171.981.199	-2.304.061	-56.345.200	-704.315
Reinsurance Claims		-211.258.552	-2.873.803	-848.560	-10.607
Other current assets		-300.204.758	-3.965.906	62.003.760	775.047
Foreign Currency Translation difference		-5.649.172	0	-18.163.155	0
Total funds provided from operating activities		-343.365.616	-4.527.700	120.709.022	1.682.126
Cash flows from investment activities					
Increase in financial investments		154.674.160	1.933.427	-154.674.160	-1.933.427
Purchase of fixed assets		22.979.206	254.609	-24.376.271	-323.284
Total cash used in investments		177.653.366	2.188.036	-179.050.431	-2.256.711
Cash flows from financing activities					
Increase in short-term debt		1.521.098	54.266	-5.370.800	-67.135
Reinsurers		50.324.893	820.981	90.426.400	1.130.330
Out Standing Claims		332.538.516	4.460.442	0	0
Net cash flows from financing activities		384.384.507	5.335.689	85.055.600	1.063.195
Net increase in cash		218.672.257	2.996.025	26.714.191	488.610
Cash and cash equivalents at the beginning of the year		180.512.704	2.256.409	153.798.513	1.767.799
Cash and cash equivalents at the end of the year		399.184.961	5.252.434	180.512.704	2.256.409

G A ANGOLA SEGUROS S.A.

**STATEMENT OF CHANGES IN EQUITY
at 31 December 2007**

	Share Capital	Share Premium	Currency Translation Difference	Legal Reserve	Retained Earnings	Total Equity
	KZ	KZ	KZ	KZ	KZ	KZ
Balance at 31 December 2005	543.000.000	0	-14.000.000	0	-165.827.480	363.172.520
Net profit for 2006	0	0	0	0	-109.932.158	-109.932.158
Provision	0	0	0	0	0	0
Currency translation difference	0	0	-18.163.155	0		-18.163.155
Balance at 31 December 2006	543.000.000	0	-32.163.155	0	-275.759.638	235.077.207
Net profit for 2007	0	0	0	0	266.584.506	266.584.506
Provision	0	0	0	0	0	0
Currency translation difference	0	0	-5.649.172	0	0	-5.649.172
Balance at 31 December 2007	543.000.000	0	-37.812.327	0	-9.175.132	496.012.541
	USD	USD	USD	USD	USD	USD
Balance at 31 December 2005	6.000.000	0	0	0	-1.902.040	4.097.960
Net profit for 2006	0	0	0	0	-1.374.152	-1.374.152
Provision	0	0	0	0	0	0
Currency translation difference	0	0	0	0	0	0
Balance at 31 December 2006	6.000.000	0	0	0	-3.276.192	2.723.808
Net profit for 2007	0	0	0	0	3.507.691	3.507.691
Provision	0	0	0	0	0	0
Currency translation difference	0	0	0	0	0	0
Balance at 31 December 2007	6.000.000	0	0	0	231.499	6.231.499

G A ANGOLA SEGUROS S.A

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007**

1. **Incorporation and Activities**

G A Angola Seguros S.A. from hereon referred to, as GA Angola Seguros or Company, is a private limited company constituted in 2005. The Company, with its head office in Luanda, has the main objective of carrying on the business of short-term insurance. The Company is owned by five shareholders, namely, Global Alliance Holdings, Ltd., and various local Angolan investors.

These financial statements reflect the financial position and results of company operations carried on during the year ended on 31st of December 2007.

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 Angolan 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, 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° 755/72*, to write off the cost of each asset over its estimated useful life as follows:

Computer equipment	16.66%
Motor Vehicles	33.33%
Office equipment	16.66%
Office furniture and fittings	10.00%
Startup Cost	33.33%

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*

The accounting records are maintained in United States Dollars.

The financial statements are presented in both Kwanzas and United States Dollars.

Transactions in Kwanzas and other currencies are converted to United States Dollars at the rate of exchange at the date of the transaction. Balances, which reflect those currencies amounts, are revaluated to United States Dollars on a monthly basis, using the official exchange rate at the end of that month.

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*

The company is subject to the applicable fiscal regime under the scope of Imposto Industrial. Tax is determined on the basis of the accounting profit, adjusted under the terms of the referred tax, based on the rate of 35%.

3. Fixed Assets

This heading presents the following composition:

	2007	2007	2006	2006
FIXED ASSETS	KZ	USD	KZ	USD
Tangible Fixed Assets				
Cost				
Buildings	0	0	21.840.000	273.000
Computer	4.286.391	56.400	4.320.572	48.973
Furniture and Fixture	3.039.608	39.995	3.159.555	36.575
Office Equipment	5.225.468	68.756	6.249.272	72.266
Motor Vehicles	8.969.310	118.017	8.857.510	104.817
	21.520.777	283.168	44.426.909	535.631
Accumulated Depreciations				
Buildings	0	0	0	0
Computer	3.467.942	45.631	2.398.874	27.699
Furniture and Fixture	1.119.585	14.731	759.456	8.786
Office Equipment	1.984.188	26.108	1.363.893	15.761
Motor Vehicles	3.890.268	51.188	2.505.630	29.501
	10.461.984	137.658	7.027.853	81.747
Net Tangible Fixed Assets				
Buildings	0	0	21.840.000	273.000
Computer	818.449	10.769	1.921.698	21.274
Furniture and Fixture	1.920.023	25.263	2.400.099	27.789
Office Equipment	3.241.280	42.648	4.885.379	56.505
Motor Vehicles	5.079.042	66.830	6.351.880	75.316
	11.058.793	145.510	37.399.056	453.884
Intangible Fixed Assets				
Cost				
Software	180.732.585	2.000.000	181.000.000	2.000.000
Start up Cost	7.179.130	79.445	6.911.715	79.445
	187.911.715	2.079.445	187.911.715	2.079.445
Accumulated Depreciations				
Software	75.656.179	900.000	42.250.000	500.000
Start up Cost	2.074.949	24.683	1.622.898	18.654
	77.731.128	924.683	43.872.898	518.654
Net Intangible Fixed Assets				
Software	105.076.406	1.100.000	138.750.000	1.500.000
Start up Cost	5.104.181	54.761	5.288.817	60.791
	110.180.587	1.154.761	144.038.817	1.560.791
Total of Fixed Assets	121.239.381	1.300.272	181.437.873	2.014.675

4. Bank and Cash Balances

The balances are defined as follows:

	2007	2007	2006	2006
	KZ	USD	KZ	USD
Petty Cash	37.772	497	316720	3959
	37.772	497	316.720	3.959
Banks Balances				
KZ	25.753.061	338.856	3305600	41320
USD	373.115.030	4.909.409	176679184	2208490
EUR	279.098	3.672	211200	2640
	399.147.189	5.251.937	180.195.984	2.252.450
	399.184.961	5.252.434	180.512.704	2.256.409

5. Due to Reinsurers

The reinsurer's net balance presents the following composition:

	2007	2007	2006	2006
	KZ	USD	KZ	USD
Due from Reinsurers				
XOL	10.948.753	144.063	0	0
RI Commissions	52.812.707	694.904	8.035.360	100.442
Facultative	290.506.430	3.822.453	132.401.452	1.655.018
Surplus	0	0	1.685.520	21.069
Miscellaneous	0	0	887.006	11.088
	354.267.890	4.661.420	143.009.338	1.787.617
Due to Reinsurers				
XOL	0	0	15.879.600	198.495
Premium	21.477.897	282.604	0	0
Surplus	0	0	21.441.658	268.021
Facultative	270.240.414	3.555.795	204.072.160	2.550.902
	291.718.311	3.838.399	241.393.418	3.017.418

6. Premiums Receivables

We checked the debtor's age analysis schedule and noted that an amount of USD 476.947 is outstanding over 60 days. In accordance with the Law 5/03 Art. 28, provisions were provided for.

7. Other Debtors

These headings had the following composition:

	2007	2007	2006	2006
Debtors	KZ	USD	KZ	USD
Baronscourt	102.572.944	1.349.644	0	0
GA Property	49.381.966	649.763	0	0
Others	163.998.759	2.157.878	17.947.330	224.341
	315.953.669	4.157.285	17.947.330	224.341

8. Ordinary Share Capital

The composition of capital in 2007 was as follows:

Nr. Shares	%	KZ	USD
1.200.000	100	543.000.000	6.000.000

9. Reinsurance Premiums

This heading had the following composition:

	2007	2007	2006	2006
	KZ	USD	KZ	USD
Facultative	238.936.370	3.143.900	244.920.524	3.061.507
XOL	0	0	31.759.278	396.991
Surplus	118.054.103	1.553.343	46.955.754	586.947
Stop Loss	0	0	12.138.385	151.730
Quota Share	113.065	1.488	0	0
Others	0	0	30.367.811	379.598
	357.103.538	4.698.731	366.141.752	4.576.772

10. Gross Premiums

This heading had the following composition:

	2007	2007	2006	2006
	KZ	USD	KZ	USD
Fire	202.101.252	2.659.227	218.431.440	2.730.393
WCA	158.843.648	2.090.048	119.418.800	1.492.735
Motor	296.469.160	3.900.910	146.218.720	1.827.734
Engineering	130.908.860	1.722.485	63.912.880	798.911
Others	171.022.030	2.250.290	168.769.072	2.109.613
	959.344.950	12.622.960	716.750.912	8.959.386