
Report of the Independent Auditors to the Shareholders of Global Alliance Angola Seguros SA

To the shareholders of GA Angola Seguros, SA Luanda

Introduction

1. We have examined the Financial Statements of Global Alliance Seguros SA, also referred to as GA Angola or the Company, which comprise the Balance Sheet and the Income Statement as at the 31st of December 2008. The Balance Sheet reflects Net Assets to the amount of USD 27 158 960 (mAKZ 2 052 375) and Equity of USD 7 149 345 (mAKZ 540 269), including a Net Profit result for 2008 of USD 917 846 (mAKZ 69 361).

Responsibilities

2. The Company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with generally accepted accounting practice and in the manner required by the Companies Act. This responsibility includes, designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the annual financial statements that are free from material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

3. We conducted our audit in accordance with generally accepted rules which require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatements and significant omissions. Evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Reserve

4. During 2008, GA Angola was inspected by the IRT (Work Income Tax) and Corporate Income Tax (according to "7/97 Industrial Tax Law"), in respect of the 2006 and 2007 financial years. GA Angola was notified to pay USD 30 581 (mAKZ 2 294) Company tax on profits, interest and fines included.

Based on the assessment and opinion from the ISS (Supervision Institute Insurance) GA Angola made a payment of USD 18 067 (mAKZ 1 355) and therefore, based on the ISS opinion, the Company opposed to the calculation obtained from the IRT.

Opinion

5. In our opinion, except when there is a need for adjustments due to the situation mentioned in paragraph nº 4, the annual financial statements present fairly, in all material aspects, the financial position of the company as at 31st December 2008 and of its financial performance for the year then ended in accordance and in agreement with accounting principles generally accepted in Angola.

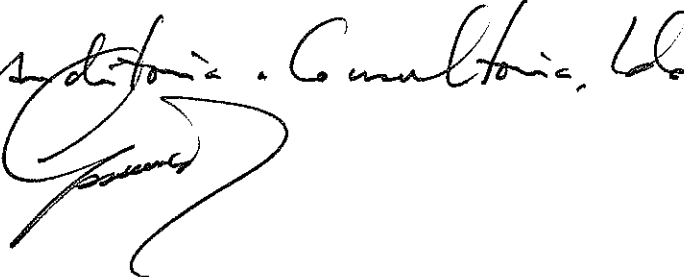
Emphasis

6. Without affecting the opinion stated in previous paragraph we would like to mention the following:
- 6.1 The specific characteristics of insurance and reinsurance activities require that a significant part of the insurance accounts, namely the portion related to the technical transactions of claims and respective provisions be based on estimates backed up by historical details and estimates in agreement with actuary criteria.
- 6.2 As a consideration of company tax on profits to be paid in respect of 2008, the Company have included the incorrect payment from the previous year of USD 188 730 (mAKZ 14 155) into the calculations.

Luanda, 27 of March 2009

BDC

Auditoria,
e Formação, Lda.
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G A ANGOLA SEGUROS S.A.

INCOME STATEMENT
for the year ended 31 December 2008

Description	Notes	2008	2008	2007	2007
		KZ	USD	KZ	USD
Gross premiums	10	1.745.309.450	23.095.574	959.344.950	12.622.960
Less: reinsurance premiums	9	761.122.182	10.071.884	357.103.538	4.698.731
Net premiums		984.187.268	13.023.691	602.241.412	7.924.229
Less: Funding Contribution/(release)		100.022.466	1.323.591	18.357.439	241.545
Gross amount		884.164.802	11.700.099	583.883.973	7.682.684
Reinsurers' share		-	-	-	-
Earned premium income		884.164.802	11.700.099	583.883.973	7.682.684
Expenses					
Claims incurred		907.236.778	12.005.409	479.392.804	6.307.800
Claims paid		477.353.871	6.316.795	98.291.106	1.293.304
Gross Amount		611.689.794	8.094.454	119.910.140	1.577.765
Reinsurers' share		21.408.336	283.295	12.998.052	171.027
Reinsurers' excess of loss		112.927.587	1.494.364	8.620.982	113.434
Change in provision for outstanding claims		-47.471.004	-628.181	38.283.100	503.725
Gross Amount		295.546.983	3.910.955	359.482.660	4.730.035
Reinsurers' share		343.017.987	4.539.136	321.199.560	4.226.310
Net earned premium income		454.281.936	6.011.485	447.309.763	5.885.655
Net commission earned / (paid)		13.001.274	172.045	-23.761	-313
Commission paid		127.606.528	1.688.609	63.943.054	841.356
Reinsurance commission received		140.607.802	1.860.655	63.919.293	841.043
Net operating expenses		408.229.990	5.402.083	186.772.871	2.457.538
Underwriting surplus before investment income		59.053.220	781.448	260.513.131	3.427.804
Investment income		25.834.807	341.870	20.414.866	268.617
Income before taxation		84.888.026	1.123.318	280.927.997	3.696.421
Taxation		15.527.314	205.472	14.343.491	188.730
Income after taxation		69.360.713	917.846	266.584.506	3.507.691
Retained income beginning of the year		-9.175.132	231.499	-248.990.592	-3.276.192
Retained income end of the year		60.185.581	1.149.345	17.593.914	231.499

G A ANGOLA SEGUROS S.A.

BALANCE SHEET
at 31 December 2008

ASSETS

<u>BALANCE SHEET</u>	Notes	2008 KZ	2008 USD	2007 KZ	2007 USD
Tangible Fixed Assets		35.899.758	475.059	21.357.703	281.022
Accumulated Depreciation		12.324.056	163.083	10.298.910	135.512
	3	<u>23.575.701</u>	<u>311.976</u>	<u>11.058.793</u>	<u>145.510</u>
Intangible Fixed Assets		160.324.239	2.121.561	187.911.715	2.079.445
Accumulated Depreciation		101.450.725	1.342.491	77.731.128	924.683
	3	<u>58.873.514</u>	<u>779.070</u>	<u>110.180.587</u>	<u>1.154.762</u>
Financial Investment	4	<u>566.767.500</u>	<u>7.500.000</u>	<u>0</u>	<u>0</u>
Reins/Share of Technical Provisions					
Provision for Claims	5	<u>592.567.590</u>	<u>7.841.411</u>	<u>354.267.890</u>	<u>4.661.420</u>
Current Assets					
Premiums Receivable		389.901.073	5.159.537	234.529.792	3.085.918
Bank and Cash Balances		146.610.147	1.940.083	399.184.961	5.252.434
Company Tax Advance	4	4.678.141	61.906	5.381.778	70.813
Other Debtors		248.142.319	3.283.652	315.953.669	4.157.285
Prepayments	7	21.259.448	281.325	2.947.726	38.786
		<u>810.591.129</u>	<u>10.726.503</u>	<u>1.312.265.816</u>	<u>17.266.656</u>
Total of Current Assets		<u>2.052.375.435</u>	<u>27.158.960</u>	<u>1.433.505.196</u>	<u>18.566.928</u>

G A ANGOLA SEGUROS S.A.

BALANCE SHEET
at 31 December 2008

EQUITY AND LIABILITIES

BALANCE SHEET	Notes	2008	2008	2007	2007
		KZ	USD	KZ	USD
Equity					
Ordinary share capital	8	543.000.000	6.000.000	543.000.000	6.000.000
Currency Translation difference		-62.916.701	0	-37.812.327	0
Retained Income/Loss		-9.175.132	231.499	-275.759.638	-3.276.192
Net profit for the year		69.360.704	917.846	266.584.506	3.507.691
Total Equity		540.268.871	7.149.345	496.012.541	6.231.499
Liabilities					
Technical Provisions					
Provision for unearned premium		194.057.998	2.567.958	92.755.585	1.220.468
Outstanding claims		674.720.545	8.928.536	461.640.196	6.074.213
Provision for IBNR		49.771.737	658.626	28.749.746	378.286
Provision for commissions		35.561.231	470.580	0	0
Total of Technical Provisions		954.111.510	12.625.700	583.145.528	7.672.967
Other Provisions					
Provision for bed debtors		22.672.488	300.024	9.044.000	119.000
Total of Other Provisions		22.672.488	300.024	9.044.000	119.000
Current Liabilities					
Due to Reinsurers	5	412.114.352	5.453.484	291.718.311	3.838.399
Tax and Duties		98.006.428	1.296.913	25.132.031	330.685
Others creditors		890.120	11.779	3.463.250	45.569
Accruals		24.311.666	321.715	24.989.536	328.810
Total of Current Liabilities		535.322.566	7.083.891	345.303.128	4.543.463
Total Liabilities		1.512.106.563	20.009.615	937.492.656	12.335.430
Total Equity and Liabilities		2.052.375.435	27.158.960	1.433.505.197	18.566.929

G A ANGOLA SEGUROS S.A.

CASH FLOW STATEMENT
at 31 December 2007

CASH FLOW STATEMENT	Notes	2008 KZ	2008 USD	2007 KZ	2007 USD
Cash flows from operations					
Net operational income		69.360.713	917.846	266.584.506	3.507.691
Depreciation of fixed assets		25.744.743	445.380	34.129.287	459.812
Provisions		18.311.722	242.539	45.014.272	648.566
Increase in other current assets					
Receivables Premium		-155.371.281	-2.073.619	-171.981.199	-2.304.061
Reinsurance Claims		-238.299.700	-3.179.991	-211.258.552	-2.873.803
Other current assets		68.514.987	882.540	-300.204.758	-3.965.906
Foreign Currency Translation difference		0	0	-5.649.172	0
Total funds provided from operating activities		-211.738.816	-2.765.305	-343.365.616	-4.527.700
Cash flows from investment activities					
Increase in financial investments		0	0	154.674.160	1.933.427
Purchase of fixed assets		-18.419.934	-236.153	22.979.206	254.609
Total cash used in investments		-18.419.937	-236.153	177.653.366	2.188.036
Cash flows from financing activities					
Increase in short-term debt		212.136.522	2.719.699	1.521.098	54.266
Reinsurers		120.396.041	1.615.085	50.324.893	820.981
Out Standing Claims		211.818.874	2.854.323	332.538.516	4.460.442
Net cash flows from financing activities		544.351.436	7.189.108	384.384.507	5.335.689
Net increase in cash		314.192.686	4.187.649	218.672.257	2.996.025
Cash and cash equivalents at the beginning of the year		399.184.961	5.252.434	180.512.704	2.256.409
Cash and cash equivalents at the end of the year		713.377.647	9.440.083	399.184.961	5.252.434

G A ANGOLA SEGUROS S.A.

**STATEMENT OF CHANGES IN EQUITY
at 31 December 2008**

	Share Capital	Share Premium	Currency Translation Difference	Legal Reserve	Retained Earnings	Total Equity
	KZ	KZ	KZ	KZ	KZ	KZ
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
Net profit for 2008	0	0	0	0	69.360.704	69.360.704
Provision	0	0	0	0	0	0
Currency translation difference	0	0	-25.104.374	0	0	-25.104.374
Balance at 31 December 2008	543.000.000	0	-62.916.701	0	60.185.572	540.268.871

	USD	USD	USD	USD	USD	USD
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
Net profit for 2008	0	0	0	0	917.846	917.846
Provision	0	0	0	0	0	0
Currency translation difference	0	0	0	0	0	0
Balance at 31 December 2008	6.000.000	0	0	0	1149345	7.149.345

G A ANGOLA SEGUROS S.A

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008****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 2008.

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:

	2008	2008	2007	2007
FIXED ASSETS	KZ	USD	KZ	USD
Tangible Fixed Assets				
Cost				
Buildings	0	0	0	0
Computer	8.623.221	114.111	4.286.391	56.400
Furniture and Fixture	4.131.676	54.674	3.039.608	39.995
Office Equipment	7.693.933	101.813	5.225.468	68.756
Motor Vehicles	15.450.928	204.461	8.969.310	118.017
	35.899.758	475.059	21.520.777	283.168
Accumulated Depreciations				
Buildings	0	0	0	0
Computer	4.632.502	61.302	3.467.942	45.631
Furniture and Fixture	1.667.548	22.067	1.119.585	14.731
Office Equipment	2.720.071	35.995	1.984.188	26.108
Motor Vehicles	3.303.936	43.721	3.890.268	51.188
	12.324.056	163.083	10.461.984	137.658
Net Tangible Fixed Assets				
Buildings	0	0	0	0
Computer	3.990.719	52.809	818.449	10.769
Furniture and Fixture	2.464.128	32.608	1.920.023	25.263
Office Equipment	4.973.862	65.819	3.241.280	42.648
Motor Vehicles	12.146.992	160.740	5.079.042	66.830
	23.575.701	311.976	11.058.793	145.510
Intangible Fixed Assets				
Cost				
Software	151.138.000	2.000.000	180.732.585	2.000.000
Start up Cost	9.186.239	121.561	7.179.130	79.445
	160.324.239	2.121.561	187.911.715	2.079.445
Accumulated Depreciations				
Software	98.239.693	1.300.000	75.656.179	900.000
Start up Cost	3.211.032	42.491	2.074.949	24.683
	101.450.725	1.342.491	77.731.128	924.683
Net Intangible Fixed Assets				
Software	52.898.307	700.000	105.076.406	1.100.000
Start up Cost	5.975.208	79.070	5.104.181	54.761
	58.873.514	779.070	110.180.587	1.154.761
Total of Fixed Assets	82.449.216	1.091.045	121.239.381	1.300.272

4. Bank and Cash Balances

The balances are defined as follows:

	2008	2008	2007	2007
	KZ	USD	KZ	USD
Petty Cash	972.211	12.865	37.772	497
	972.211	12.865	37.772	497
Banks Balances				
KZ	9.309.560	123.193	25.753.061	338.856
USD	136.019.183	1.799.934	373.115.030	4.909.409
EUR	309.193	4.092	279.098	3.672
	145.637.936	1.927.218	399.147.189	5.251.937
Financial Investments				
Investments on Call USD	566.767.500	7.500.000	0	0
	566.767.500	7.500.000	0	0
Trading Cash	146.610.14	1.940.083	399.184.961	5.252.434
Invested Cash	566.767.500	7.500.000	0	0

5. Due to Reinsurers

The reinsurer's net balance presents the following composition:

	2008	2008	2007	2007
	KZ	USD	KZ	USD
Due from Reinsurers				
XOL	0	0	10.948.753	144.063
RI Commissions	78.519.942	1.039.050	52.812.707	694.904
Facultative	514.047.648	6.802.361	290.506.430	3.822.453
Surplus	0	0	0	0
Miscellaneous	0	0	0	0
	592.567.590	7.841.411	354.267.890	4.661.420
Due to Reinsurers				
XOL	93.081.046	1.231.736	0	0
Premium	85.238.813	1.127.960	21.477.897	282.604
Surplus	0	0	0	0
Facultative	233.794.493	3.093.788	270.240.414	3.555.795
	412.114.352	5.453.484	291.718.311	3.838.399

6. Premiums Receivables

We checked the debtor's age analysis schedule and noted that an amount of USD 1 409 996 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:

	2008	2008	2007	2007
Debtors	KZ	USD	KZ	USD
Baronscourt	116.697.206	1.544.247	102.572.944	1.349.644
GA Property	100.490.857	1.329.789	49.381.966	649.763
Others	30.954.256	409.616	163.998.759	2.157.878
	248.142.319	3.283.652	315.953.669	4.157.285

8. Ordinary Share Capital

The composition of capital in 2008 was as follows:

Shareholders	Nr. Shares	%	KZ	USD
GA Holding Limited	598.800	49,9	270.957.000	2.994.000
Luzolo Adriano Neto de Carvalho	507.600	42,3	229.689.000	2.538.000
Emílio Diabanza Guerra e Neto	68.400	5,7	30.951.000	342.000
Mawete Jorge Neto de Carvalho	24.000	2,0	10.860.000	120.000
Maria manuel Adriano Paulo Van-dúnem	1.200	0,1	543.000	6.000
	1.200.000	100	543.000.000	6.000.000

9. Reinsurance Premiums

This heading had the following composition:

	2008	2008	2007	2007
	KZ	USD	KZ	USD
Facultative	326.520.417	4.320.825	238.936.370	3.143.900
XOL	0	0	0	0
Surplus	230.455.852	3.049.608	118.054.103	1.553.343
Stop Loss	0	0	0	0
Quota Share	204.145.904	2.701.450	113.065	1.488
Others	0	0	0	0
	761.122.173	10.071.884	357.103.538	4.698.731

10. Gross Premiums

This heading had the following composition:

	2008	2008	2007	2007
	KZ	USD	KZ	USD
Fire	348.299.985	4.609.033	202.101.252	2.659.227
WCA	353.451.725	4.677.205	158.843.648	2.090.048
Motor	559.052.272	7.397.905	296.469.160	3.900.910
Engineering	234.493.173	3.103.034	130.908.860	1.722.485
Others	250.012.294	3.308.398	171.022.030	2.250.290
	1.745.309.450	23.095.574	959.344.950	12.622.960