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## FINANCIAL STATEMENTS

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## BACKGROUND

National Insurance Company Berhad was incorporated in 1969 and is the market leader in general insurance in Brunei Darussalam. The Allianz Insurance Company of Singapore Pte Ltd, Mitsui Sumitomo Insurance (S) Pte Ltd, and the Baiduri Holdings Berhad acquired interests in National Insurance in January 1998. These investments were a display of confidence in National Insurance and the Brunei economy and are aimed to strengthen the company's competitive position in Brunei Darussalam and regionally. These strategic relationships facilitate the transfer of international insurance expertise to Brunei Darussalam and enable the company to explore new areas of opportunity in insurance. The company plays an active role in the Brunei business community and is a member of the General Insurance Association of Brunei Darussalam, the Brunei Darussalam International Chamber of Commerce and Industry and the East Asia Insurance Congress.

## MISSION AND PHILOSOPHY

Our mission is to be the preferred insurer in Brunei Darussalam. We are committed to provide a range of insurance services which continuously meets the requirements of our customers. In doing so, we seek to excel in the following key areas:

**Market Leadership.** We seek market leadership in our preferred niche market. We will define market leadership in terms of our market share and the quality of the services we provide in these market segments. Although we will aggressively seek market share we will not do so at the expense of quality and profitability.

**Outstanding Services.** We seek to provide outstanding services to our clients. We will measure service in terms of the extent to which we anticipate and meet the needs of our customers in the critical areas of security, coverage, cost and claims settlement and we will constantly compare ourselves with the best companies within the region.

**Outstanding People.** We seek to employ the most suitable people in the local insurance industry. We seek people who are honest, team players, willing to learn, committed to high work standards and to achieve results.

**Excellent Results.** We seek to produce excellent financial results for our shareholders. We will define the financial results in terms of a return on investment which is above average and which is the product of aggressive marketing, prudent underwriting and investment management.

**First Class Management.** We seek distinction as an insurance company with first class management not just relative to the local industry but also in regional terms. Our management will be evaluated in terms of how successful they are in directing and organising the Company towards continual improvement in the management system.

**Training and Development.** We believe that training and development is a key to NIC's continued success. The company's focus is on providing professional insurance training to bring the skills level of staff and agents to international standards and on continued improvement to quality service. In undertaking our mission we will adopt the following approach:

- We believe excellence comes from focusing our energies and our resources. Our business is insurance underwriting and we will seek to grow and develop as an insurance company. Our interest in other areas will only be to the extent that they directly strengthen our competitive advantage in our core business.
- We believe that without customers, we would have no business. We must therefore ensure that the customer comes first in every aspect of our work and organization.
- We believe that our people are our key resources. We must therefore seek to recruit the most suitable people available and to provide them with opportunities for development, worthwhile careers and a satisfying work environment. We want people we can be proud of and we want them to view this Company as a challenging yet an enjoyable place to work in.
- We believe that our continued growth depends on our ability to anticipate and adapt to change in a disciplined manner. We must therefore always seek to be proactive and to innovate but within the context of thorough planning.
- We believe that we have social responsibilities to the local industry and the community of which we are a part. We must therefore seek to contribute to the good standing of the local industry and to be good corporate citizens of Brunei Darussalam.

## ISO 9001

National Insurance achieved ISO 9002 certification on 15th April 1996, and was recertified to the new ISO 9001 : 2000 standard on 7th July 2008. It is currently the only insurance company in Brunei Darussalam and amongst the few in the region to have achieved this prestigious certification. The Management Review Team (MRT) meets at least once a month to set specific objectives, arrange for implementation and monitor progress. Internal audits are carried out on a regular basis by members of the Audit Team, while an external audit by certified ISO external auditors is carried out once a year to determine the fitness of our quality management system.



Certificate Number **230825**



YAM Pengiran Muda Abdul Qawi



Datin Hjh Edah binti Hj Mohd Noor



YAM Pengiran Kerma Raja Pengiran Hj Kamarulzaman bin Pengiran Pekerma Setia DiRaja Sahibul Bandar Pengiran Hj Ali



Dato Paduka Timothy Ong Teck Mong



Kiyomi Udagawa



Karl-Heinz Jung



Stephen Ong Teck Soon

## DIRECTORS

YAM Pengiran Muda Abdul Qawi (*Chairman*)

YAM Pengiran Kerma Raja Pengiran Hj Kamarulzaman bin Pengiran Pekerma Setia DiRaja Sahibul Bandar Pengiran Hj Ali

Dato Paduka Timothy Ong Teck Mong (*Deputy Chairman*)

Datin Hjh Edah binti Hj Mohd Noor

Karl-Heinz Jung

Kiyomi Udagawa

Stephen Ong Teck Soon (*alternate Director to Dato Paduka Timothy Ong Teck Mong*)

## MANAGEMENT TEAM

The day to day management of the company is supervised by a management review team led by the General Manager, Mr Kolja Klawunn. The Management Review Team meets at least once a month to discuss operational and marketing issues, setting and monitoring specific objectives as well as monitoring our Quality Management System.

The Management Review Team comprise the following :

### General Manager

Kolja Klawunn (joined 1 June 2009)

Nicholas Cheng (resigned 31 May 2009)

### Chief Financial Officer

Eliza Abdullah (resigned 31 October 2009)

### Senior Managers

Denis Buyok (*Underwriting & Claims*)

Wu Mao Suin (*Business Development*) (resigned 3 June 2009)

### Managers

Christine Ho (*Accounts & Finance*) (joined 19 October 2009)

Emily Chong (*Banks & Reinsurance*)

Ignatius Lau (*Business Development*)

Aminuddin Nasuha (*Underwriting*)

Dk Kemariah Pg Duraman (*Human Resources & Administration*)

Catherine Tan (*Underwriting*) (resigned 31 May 2009)

Betty Chang (*Underwriting*) (resigned 24 July 2009)

### Assistant Managers

Katherine Teo (*Underwriting*)

Chen Choon Foong (*Business Development*)

Wilfred Lungga (*Claims*)

(joined 3 August 2009)

Alexander Akaw (*Underwriting*)

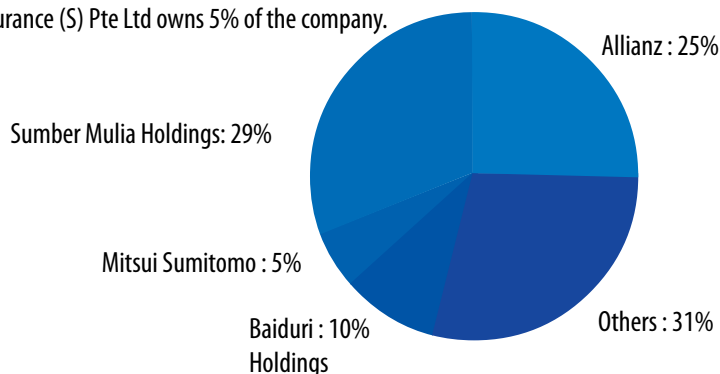
(joined 1 October 2009)

Sarah Abdullah (*Claims*)

(resigned 31 October 2009)

## SHAREHOLDERS

Amongst Brunei companies, National Insurance is unique in its ownership structure. It has approximately 164 shareholders of which 115 comprise of Bruneian investors. Of its B\$8 million share capital, 70% is held by Brunei citizens or companies owned by Brunei nationals. The two largest local shareholders are Sumber Mulia Holdings Sdn Bhd (29%) and Baiduri Holdings Sdn Bhd (10%). The Allianz Insurance Company of Singapore Pte Ltd owns 25% while Mitsui Sumitomo Insurance (S) Pte Ltd owns 5% of the company.



## CORPORATE INFORMATION

*Name*

NATIONAL INSURANCE COMPANY BERHAD

*Email*

insurance@national.com.bn

*Place and Date of Incorporation*

Brunei Darussalam  
24th December 1969

*Website*

www.national.com.bn

*Paid-up Capital*

B\$8 million

*24-hour Hotline*

1-800-0999

*Head Office*

Units 12 & 13, Block A, Regent Square,  
Spg 150, Kg Kiarong, BE 1318  
Brunei Darussalam

*Tow-truck Service*

2234567, 877 4033, 871 8977, 817 7777 (KB)

*Correspondence Address*

P O Box 1251, Bandar Seri Begawan BS8672,  
Brunei Darussalam

*Telephone*

222 6222, 2233999

P O Box 1336, Kuala Belait KA1131,

Brunei Darussalam

*Facsimile*

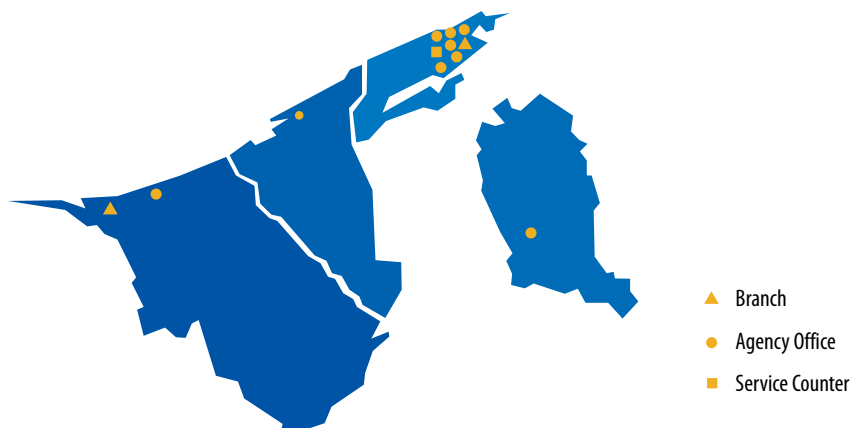
242 9888 - Administration  
245 4277 - Underwriting & Claims  
245 4303 - Accounts

*Auditors*

Ernst & Young  
Room 309A, 3rd Floor, Wisma Jaya,  
Jalan Pemancha, Bandar Seri Begawan BS8811,  
Brunei Darussalam  
Telephone 223 9139, 223 9140  
Facsimile 223 9142

## NATIONAL INSURANCE NETWORK

National Insurance is served throughout Brunei Darussalam by a network of branches and agency offices.



## CORPORATE INFORMATION

### BRANCH

#### KUALA BELAIT

Unit 20, Block C, Lot 8989

Jalan Pandan Tujuh, Kuala Belait

Tel: 333 6468, 333 6469, 333 1222

Fax: 333 2038

Email: kb@national.com.bn

### INSURANCE SERVICES COUNTER

Land Transport Dept, Gadong

Tel: 245 2238

Fax: 245 2239

### ON-LINE AGENCY OFFICES

#### AEROJAYA SDN BHD

No.5, Ground Floor,  
Scout's Headquarters Building  
Jalan Gadong BE1118

Tel: 245 1974

Fax: 245 2079

#### BRIGHT FUTURE MARKETING SERVICES

Unit B10, Mezzanine Floor,  
Shakirin Complex, Simpang 88,  
Kg Kiulap BE1518

Tel: 223 7016, 223 7018

Fax: 223 7015

#### CANTUMAN BAHAGIA MARKETING COMPANY

No 16, 1st Floor, Block A,  
Simpang 628,  
Jalan Tutong, Kg Bunut,  
Bandar Seri Begawan BF1120

Tel: 265 4366, 265 4370

Fax: 265 0628

#### DELTRA MARKETING SERVICES

Block A, Unit 10, First Floor,  
Bangunan Pengkalan Gadong,  
Batu Bersurat,  
Bandar Seri Begawan BE4119

Tel: 242 3657, 242 3658

Fax: 242 3659

#### DAVID HIEW SWEE KUAN

Kompleks Delima Jaya  
Lot 53068 Block A, No.9,  
2nd Floor, Simpang 62,  
Jalan Muara, Brunei Darussalam

Tel: 223 5129

Fax: 233 5128

#### DAVID LIAW YUN KONG

Lot 47076, No.5,  
Simpang 502-56-18  
Jalan Gadong, Kampong Beribi  
Brunei Darussalam BE1118

Tel: 226 0078

Fax: 226 0078

#### GALORE ENTERPRISE

No 5, Block B,  
Urairah Complex, Kg Kiulap,  
Bandar Seri Begawan BE1518

Tel: 222 8619, 222 8621

Fax: 222 8715

#### INSOBRU SDN BHD

Suite 02, 3rd Floor,  
Badiyah Complex,  
Km 1, Jalan Tutong,  
Bandar Seri Begawan BA1712

Tel: 222 1423, 222 1424

Fax: 222 1419

#### MIRAGE ENTERPRISE

No 10, 2nd Floor, Block B,  
PAP Hjh Norain Building,  
Km 1, Jalan Tutong,  
Bandar Seri Begawan BA1712

Tel: 222 4080, 222 4081

Fax: 222 4078

## CORPORATE INFORMATION

### ON-LINE AGENCY OFFICES

#### PROINSURE ENTERPRISE

No 2, 1st Floor  
Sumbangsih Bahagia Complex  
Perindustrian II  
Gadong BE 1118  
Tel: 242 2211  
Fax: 242 2209

#### RICHLAND INSURANCE SERVICES SDN BHD

Unit 11, 1st Floor, Block J,  
Abdul Razak Complex,  
Jalan Gadong, BE4119  
Tel: 242 7112  
Fax: 242 7114

#### VINCENT & ASSOCIATES

Unit 10, 1st Floor, Block A,  
Q-Lap Complex,  
Simpang 88, Kampong Kiulap  
Tel: 223 6196, 223 6197  
Fax: 223 6195

#### TANG ENG HONG

No.2, 1st Floor, Simpang 5,  
Bangunan Badiah,  
Jalan Gadong, BE 4119  
Tel: 245 2955  
Fax: 245 2953

#### JASRA HARRISONS SHIPPING AGENCY SDN BHD

No.65, Jalan McKerron,  
Kuala Belait, KA1189  
Tel: 333 6613  
Fax: 333 6102

#### ADAMAS ENTERPRISE

02-E, Lot nos. 39 & 40,  
Jalan Sultan Omar, Seria KB2733  
Tel: 322 4828  
Fax: 322 5828

#### ROBE & HING ENTERPRISE

45, Jalan Tengah,  
Kuala Belait, KA2331  
Tel: 333 0429  
Fax: 333 0430

#### U.M.S. ENTERPRISE

Lot 846, Jalan Bunga Simpur,  
Kuala Belait  
Tel: 334 2679

## CHAIRMAN'S STATEMENT



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*Bismillahir Rahmanir Rahim  
Assalamu Alaikum Warahmatullahi Wabarakatuh*

On behalf of the Board of Directors, I am pleased to present the Annual Report and Accounts of National Insurance Company Berhad for the financial year ended 31 December 2009.

### Overview

2009 was a challenging year for our company.

Our company sailed through rough waters and celebrated its 40th anniversary on 24 December 2009.

Gross written premium in 2009 decreased from B\$ 35.3 million to B\$ 20.1 million, representing a decrease of 43% from 2008 largely due to adherence to more stringent underwriting guidelines.

In January and February 2009, Brunei Darussalam experienced a mini catastrophe flash flood, which resulted in property losses amounting to B\$ 2.4 million and B\$ 0.9 million on a gross and net basis respectively.

As a result of the ongoing global financial crisis, investment income continued to be negatively affected by low fixed deposit interest rates. Interest income fell from B\$ 0.34 million to B\$ 0.29 million in 2009.

Nonetheless, our company recorded a 350% increase of net profit after tax of B\$ 0.9 million compared to B\$ 0.2 million from 2008.

Shareholders funds as at 31st December 2009 was B\$ 9.7 million, which was well above the minimum capital requirement of B\$ 8 million under the Insurance Order and Regulations, 2006.

### **Market Share**

National Insurance continues to be the market leader in the conventional insurance market, with a market share of 40% in 2009.

### **Financial Strength**

Financially, our company remains strong.

Surplus of assets over liabilities of B\$ 9.7 million was 37% above the minimum margin of solvency requirements as required by the Insurance Order and Regulations, 2006.

### **Dividend**

The directors propose a final dividend of 3 cents per share amounting to a total payout of B\$240,000 for the year ended 31 December 2009.

### **Corporate Social Responsibility**

As part of the company's commitment to the local community, the company supported a number of charitable causes.

Initiatives undertaken by the company in 2009 included a blood donation campaign and a charity car-boot sale to help the visually impaired in the fields of education and employment.

### **Appreciation**

On behalf of the Board of Directors, I would like to extend my sincere thanks to the management and staff of the company for their dedication and commitment, as well as our valued clients, agents and brokers for their continued support in making the company a success.

I would also like to express my appreciation to the Ministry of Finance of Brunei Darussalam and the General Insurance Association of Brunei Darussalam for their guidance and contribution to the development of the local insurance industry.

*Wabillahit taufit wal-Hidayah Wassalamualaikum Warahmatullahi Wabarakatuh.*

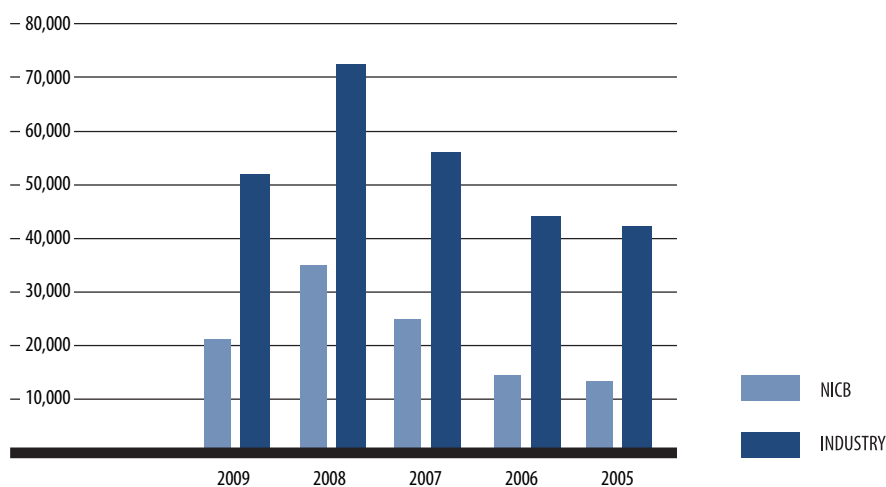


PENGIRAN MUDA ABDUL QAWI  
Chairman

## SUMMARY OF OPERATIONS FOR FIVE YEARS

|                            | 2009    | 2008    | 2007    | 2006    | 2005    |
|----------------------------|---------|---------|---------|---------|---------|
|                            | B\$'000 | B\$'000 | B\$'000 | B\$'000 | B\$'000 |
| Gross written premium      | 20,969  | 36,305  | 25,329  | 15,541  | 13,793  |
| Net written premium        | 12,020  | 12,170  | 10,717  | 8,398   | 6,656   |
| Underwriting profit/[loss] | 984     | 1,530   | 868     | 790     | 584     |
| Investment & other income  | 278     | (1,004) | 1,730   | 624     | 609     |
| Profit/[loss] before tax   | 1,262   | 526     | 2,598   | 1,414   | 1,192   |
| Profit/[loss] after tax    | 925     | 164     | 2,598   | 1,414   | 1,192   |
| Shareholders' funds        | 9,731   | 9,061   | 9,315   | 7,065   | 6,013   |
| Net technical reserve      | 12,328  | 12,697  | 9,441   | 8,098   | 6,857   |
| Total assets               | 26,779  | 27,714  | 23,611  | 19,246  | 16,102  |
| Dividend per share [cents] | 3       | 3       | 5       | 0       | 7.5     |

## INDUSTRY GROSS WRITTEN PREMIUM OVER FIVE YEARS [B\$]



Source: General Insurance Association of Brunei Darussalam

(excluding Takaful Companies)

## MARKET SHARE BY PORTFOLIO MIX FOR 2009

| CLASS                  | MOTOR         | BOND         | FIRE         | WCI          | PL            | CAR          | OTHERS        |
|------------------------|---------------|--------------|--------------|--------------|---------------|--------------|---------------|
| <b>Market Share</b>    | <b>33 %</b>   | <b>49 %</b>  | <b>57 %</b>  | <b>60 %</b>  | <b>18 %</b>   | <b>70 %</b>  | <b>28 %</b>   |
| <b>Market Position</b> | <b>Second</b> | <b>First</b> | <b>First</b> | <b>First</b> | <b>Second</b> | <b>First</b> | <b>Second</b> |

Source: General Insurance Association of Brunei Darussalam

(excluding Takaful Companies)

## CORPORATE SOCIAL RESPONSIBILITY



An annual blood donation campaign was organized at the company's multi – purpose room on 3 May 2009. Approximately 32 staff, agents, friends and family members came together to bleed for this good cause. It was headed by Senior Manager, Claims and Underwriting, Denis Buyok and organized by Hj Fatimah Hj Sirat, Executive in the Underwriting Department.



In August 2009, a donation was presented to the Brunei Darussalam National Association of the Blind (BDNAB).

Half of the funds donated were contributed by the company's agents Cantuman Bahagia Marketing Company, Mirage Enterprise, IMG Development and Tang Eng Hong. The cheque to the President of BDNAB, Awang Jamary Bin Danggat was presented by Kolja Klawunn, General Manager of National Insurance.



In October 2009, NICB co - sponsored 9th Rotary Charity Golf Tournament on 4 Oct 2009. The Rotary Club of Bandar Seri Begawan dedicates most of its activities to support those in needs. Money collected through this golf charity was given to needy students who could not afford to pay their school fees and might be forced to discontinue their education.



On 8th November 2009, a charity car-boot sale was organized with 22 participants from the staff and the public. It started at 8 am and ended at 12 noon at the car park in front of NICB office. A minimum of 50% of sales from each individual participant was donated to the Brunei Darussalam National Association of the Blind (BDNAB).



The donation cheque was presented on 26th November 2009 to the President of BDNAB, Awang Jamary Bin Danggat by Kolja Klawunn, General Manager of National Insurance.

## DIRECTORS' REPORT

The directors have the pleasure in submitting their report together with the audited financial statements of the Company for the year ended 31st December 2009.

### Principal Activity

The principal activity of the Company is to underwrite fire, marine, motor and general insurances. There has been no significant change in the nature of this activity during the year.

### Results

|                                     |                    |
|-------------------------------------|--------------------|
| Profit for the year after taxation  | B\$ 924,568        |
| Share of loss in subsidiary company | (13,964)           |
|                                     | <b>B\$ 910,604</b> |

In the opinion of the directors, the results of the operations of the Company during the financial year have not been affected by any item, transaction or event of a material and unusual nature.

### Dividend

The directors propose a final dividend of 3 cents per share amounting to B\$240,000 for the year ended 31st December 2009.

### Directors

The directors in office at the date of this report are:-

YAM Pengiran Muda Abdul Qawi (Chairman)

YAM Pengiran Kerma Raja Pengiran Hj Kamarulzaman bin Pengiran Pekerma Setia DiRaja Sahibul Bandar  
Pengiran Hj Ali

Dato Paduka Timothy Ong Teck Mong (Deputy Chairman)

Datin Hjh Edah binti Hj Mohd Noor

Karl-Heinz Jung

Kiyomi Udagawa

Stephen Ong Teck Soon (alternate director to Dato Paduka Timothy Ong Teck Mong)

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 95, of the Companies Act, an interest in shares of the Company, as stated below:-

| Name of director                  | Shares of \$1 each           |                        |
|-----------------------------------|------------------------------|------------------------|
|                                   | At the beginning of the year | At the end of the year |
| YAM Pengiran Muda Abdul Qawi      | 64,000                       | 64,000                 |
| Dato Paduka Timothy Ong Teck Mong | 28,000                       | 28,000                 |
| Datin Hjh Edah Bte Hj Mohd Noor   | 160,000                      | 160,000                |

### Auditors

The auditors, Ernst & Young, have expressed their willingness to accept re-appointment.

On behalf of the Board,



YAM PENGIRAN MUDA ABDUL QAWI  
Director



DATO PADUKA TIMOTHY ONG TECK MONG  
Director

10 March 2010

## AUDITORS' REPORT

To The Members of NATIONAL INSURANCE COMPANY BERHAD

We have audited the accompanying financial statement of National Insurance Company Berhad, which comprise the balance sheet as at 31st December 2009 and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, Cap. 39 and generally accepted accounting principles in Brunei Darussalam. 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 generally accepted auditing standards in Brunei Darussalam. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of 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 management, 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 financial statements give a true and fair view of the financial position of National Insurance Company Berhad as of 31st December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the provisions of the Companies Act, Cap. 39 and the accounting policies set out in the notes to the financial statements, according to the best of our information and the explanation given to us and as shown by the books of the Company.

In carrying out the audit of these financial statements, we have obtained all the information and explanations we required.



ERNST & YOUNG  
Certified Public Accountants



LIM TECK GUAN  
Brunei Darussalam Authorised Auditor

10 March 2010

## PROFIT AND LOSS ACCOUNT

For The Year Ended 31st December 2009

|  | Notes | <b>2009</b><br><b>B\$</b> | <b>2008</b><br><b>B\$</b> |
|--|-------|---------------------------|---------------------------|
| Interest income  |       | 291,754                   | 344,087                   |
| Other loss   |       | (14,291)                  | (1,348,293)               |
|  |       | 277,463                   | (1,004,206)               |
| Underwriting profit transferred from Insurance Revenue Account |       | 984,105                   | 1,530,065                 |
| Profit for the year before taxation                            | 3     | 1,261,568                 | 525,859                   |
| Taxation   | 4     | (337,000)                 | (361,415)                 |
| Profit for the year after taxation                             |       | 924,568                   | 164,444                   |
| Share of loss in subsidiary company                            |       | (13,964)                  | (18,938)                  |
| Retained profit for the year                                   |       | <b>910,604</b>            | <b>145,506</b>            |

The notes on pages 23 to 30 form an integral part of the financial statements.

## REVENUE ACCOUNT

For The Year Ended 31st December 2009

| INCOME   | B\$            | Marine | B\$              | Fire | B\$              | Motor | B\$              | Liability | B\$              | Workmen's compensation | B\$              | Others | B\$               | Total 2009 | B\$               | Total 2008 |
|--|----------------|--------|------------------|------|------------------|-------|------------------|-----------|------------------|------------------------|------------------|--------|-------------------|------------|-------------------|------------|
| Gross premium written                                      | 761,335        |        | 5,342,998        |      | 4,183,637        |       | 1,134,933        |           | 1,811,786        |                        | 6,855,271        |        | 20,089,960        |            | 35,332,123        |            |
| Reinsurance premium written                                | 38,351         |        | 611,906          |      | -                |       | 22,607           |           | 86,346           |                        | 119,387          |        | 878,597           |            | 972,441           |            |
|  | <b>799,686</b> |        | <b>5,954,904</b> |      | <b>4,183,637</b> |       | <b>1,157,540</b> |           | <b>1,898,132</b> |                        | <b>6,974,658</b> |        | <b>20,968,557</b> |            | <b>36,304,564</b> |            |
| Less: Reinsurance premium outwards                         | 311,021        |        | 4,121,968        |      | 517,806          |       | 556,282          |           | 326,540          |                        | 3,115,085        |        | 8,948,702         |            | 24,134,760        |            |
| Net premium written  | 488,665        |        | 1,832,936        |      | 3,665,831        |       | 601,258          |           | 1,571,592        |                        | 3,859,573        |        | 12,019,855        |            | 12,169,804        |            |
| Movement in unearned premium reserve                       | (50,312)       |        | 96,284           |      | 671,429          |       | 23,266           |           | 26,196           |                        | 139,523          |        | 906,386           |            | (1,101,372)       |            |
| Net premium earned   | 438,353        |        | 1,929,220        |      | 4,337,260        |       | 624,524          |           | 1,597,788        |                        | 3,999,096        |        | 12,926,241        |            | 11,068,432        |            |
| Add/(Less): Administrative income / (expenses)             | -              |        | -                |      | (32,285)         |       | -                |           | -                |                        | 94,339           |        | 62,054            |            | 173,540           |            |
|  | <b>438,353</b> |        | <b>1,929,220</b> |      | <b>4,304,975</b> |       | <b>624,524</b>   |           | <b>1,597,788</b> |                        | <b>4,093,435</b> |        | <b>12,988,295</b> |            | <b>11,241,972</b> |            |
| OUTGOINGS  |                |        |                  |      |                  |       |                  |           |                  |                        |                  |        |                   |            |                   |            |
| Net acquisition costs                                      | 144,360        |        | 802,875          |      | 722,968          |       | 212,995          |           | 693,650          |                        | 1,290,876        |        | 3,867,724         |            | 3,234,426         |            |
| Net claims paid and outstanding                            | 88,034         |        | 1,296,258        |      | 1,140,877        |       | 359,961          |           | 704,629          |                        | 1,388,094        |        | 4,977,853         |            | 3,757,918         |            |
| Movement in provision for claims incurred but not reported | 12,642         |        | (13,820)         |      | 25,657           |       | 66,466           |           | 36,888           |                        | 90,059           |        | 217,892           |            | (30,758)          |            |
| Management expenses  | 99,725         |        | 438,898          |      | 986,727          |       | 142,079          |           | 363,497          |                        | 909,795          |        | 2,940,721         |            | 2,750,321         |            |
|  | <b>344,761</b> |        | <b>2,524,211</b> |      | <b>2,876,229</b> |       | <b>781,501</b>   |           | <b>1,798,664</b> |                        | <b>3,678,824</b> |        | <b>12,004,190</b> |            | <b>9,711,907</b>  |            |
| Underwriting profit transferred to profit and loss account | 93,592         |        | (594,991)        |      | 1,428,746        |       | (156,977)        |           | (200,876)        |                        | 414,611          |        | 984,105           |            | 1,530,065         |            |

The notes on pages 23 to 30 form an integral part of the financial statements.

**BALANCE SHEET**

As At 31st December 2009

|   | Notes   | 2009<br>B\$       | 2008<br>B\$       |
|---|---------|-------------------|-------------------|
| FIXED ASSETS  | 5       | 2,220,707         | 2,509,773         |
| INVESTMENT IN SUBSIDIARY COMPANY                          | 6       | 121,174           | 135,138           |
| CURRENT ASSETS  |         |                   |                   |
| Amount due from clients, agents and reinsurance companies | 7       | 4,985,082         | 5,007,399         |
| Sundry debtors and prepayments                            |         | 209,386           | 317,681           |
| Short-term deposits                                       |         | 18,436,237        | 18,339,089        |
| Cash and bank balances                                    |         | 806,278           | 1,405,314         |
|   |         | <b>24,436,983</b> | <b>25,069,483</b> |
| CURRENT LIABILITIES                                       |         |                   |                   |
| Claims incurred but not reported                          | 2(e)    | 717,620           | 499,728           |
| Claims admitted or intimated but not paid                 | 2(d), 8 | 6,195,451         | 5,876,177         |
| Unearned premium reserve                                  | 2(c), 9 | 5,414,720         | 6,321,106         |
| Amount due to agents and reinsurance companies            |         | 530,206           | 1,429,233         |
| Other creditors and accrued charges                       |         | 3,823,928         | 4,127,429         |
| Provision for taxation                                    |         | 365,524           | 399,910           |
|   |         | <b>17,047,449</b> | <b>18,653,583</b> |
| NET CURRENT ASSETS  |         | 7,389,534         | 6,415,900         |
|   |         | <b>9,731,415</b>  | <b>9,060,811</b>  |
| CAPITAL AND RESERVES                                      |         |                   |                   |
| Share capital   | 10      | 8,000,000         | 8,000,000         |
| Revenue reserve   |         | 1,731,415         | 1,060,811         |
|   |         | <b>9,731,415</b>  | <b>9,060,811</b>  |



YAM PENGIRAN MUDA ABDUL QAWI  
Director



DATO PADUKA TIMOTHY ONG TECK MONG  
Director

The notes on pages 23 to 30 form an integral part of the financial statements.

## STATEMENT PURSUANT TO SECTION 125

of The Brunei Companies Act

The profit as shown in the financial statements of the Company for the year ended 31st December 2009 includes the share of profit and loss in the subsidiary company, Araco Sdn Bhd.

In the opinion of the Directors, no further provision is required to be made for any losses either in the financial statements of the subsidiary company or of the holding company.



YAM PENGIRAN MUDA ABDUL QAWI  
Director



DATO PADUKA TIMOTHY ONG TECK MONG  
Director

## STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st December 2009

|   | B\$<br>Share capital | B\$<br>Revenue reserve | B\$<br>Total |
|---|----------------------|------------------------|--------------|
| As at 31st December 2007                                  | 8,000,000            | 1,315,305              | 9,315,305    |
| Payment of dividend in respect of previous financial year | -                    | (400,000)              | (400,000)    |
| Net profit for the year                                   | -                    | 145,506                | 145,506      |
| As at 31st December 2008                                  | 8,000,000            | 1,060,811              | 9,060,811    |
| Payment of dividend in respect of previous financial year | -                    | (240,000)              | (240,000)    |
| Net profit for the year                                   | -                    | 910,604                | 910,604      |
| As at 31st December 2009                                  | 8,000,000            | 1,731,415              | 9,731,415    |

The notes on pages 23 to 30 form an integral part of the financial statements.

## STATEMENT OF CASH FLOWS

For The Year Ended 31st December 2009

|  | 2009<br>B\$       | 2008<br>B\$       |
|--|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES:   |                   |                   |
| <b>Profit for the year before taxation</b>                                       | <b>1,261,568</b>  | <b>525,859</b>    |
| Adjustment for:  |                   |                   |
| Depreciation of fixed assets   | 387,755           | 255,463           |
| (Gain)/loss on disposal of fixed assets  | (107)             | 41,566            |
| Loss on disposal of investment   | -                 | 1,344,481         |
| <b>Profit for the year before reinvestment in working capital</b>                | <b>1,649,216</b>  | <b>2,167,369</b>  |
| Decrease/(Increase) in amount due from clients, agents and reinsurance companies | 22,317            | (1,132,989)       |
| Decrease in sundry debtors and prepayments                                       | 108,295           | 69,755            |
| Increase/(Decrease) in claims incurred but not reported                          | 217,892           | (30,758)          |
| Increase in claims admitted or intimated but not paid                            | 319,274           | 2,185,186         |
| (Decrease)/Increase in unearned premium reserve                                  | (906,386)         | 1,101,372         |
| (Decrease) in amount due to agents and reinsurance companies                     | (899,027)         | (228,841)         |
| (Decrease)/Increase in other creditors and accrued charges                       | (303,501)         | 1,273,072         |
| <b>Cash provided by operating activities</b>                                     | <b>208,080</b>    | <b>5,404,166</b>  |
| Tax paid   | (371,386)         | (189,505)         |
| <b>Net cash (used in) / provided by operating activities</b>                     | <b>(163,306)</b>  | <b>5,214,661</b>  |
| CASH FLOW FROM INVESTING ACTIVITIES:   |                   |                   |
| Purchase of fixed assets   | (101,628)         | (1,260,582)       |
| Proceeds from disposal of fixed assets   | 3,046             | 6,903             |
| Proceeds from disposal of investment in subsidiary company                       | -                 | 1,073,675         |
| <b>Net cash used in by investing activities</b>                                  | <b>(98,582)</b>   | <b>(180,004)</b>  |
| CASH FLOW FROM FINANCING ACTIVITY:   |                   |                   |
| Dividend paid in respect of previous financial year                              | (240,000)         | (400,000)         |
| <b>Net cash used in financing activity</b>                                       | <b>(240,000)</b>  | <b>(400,000)</b>  |
| Net (decrease) / increase in cash and cash equivalents                           | (501,888)         | 4,634,657         |
| Cash and cash equivalents at beginning of year (note 11)                         | 19,744,403        | 15,109,746        |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 11)</b>                        | <b>19,242,515</b> | <b>19,744,403</b> |

The notes on pages 23 to 30 form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2009

### 1. CORPORATE INFORMATION

The Company is incorporated in Negara Brunei Darussalam and its registered office is located at Units 12 & 13, Block A, Regent Square, Simpang 150, Kampong Kiarong, Bandar Seri Begawan, BE1318, Negara Brunei Darussalam.

The principal activity of the Company is to underwrite fire, marine, motor and general insurances. There has been no significant change in the nature of this activity during the year.

The Company operates in one country and employed 36 employees as at 31st December 2009 (31st December 2008: 38 employees).

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements of the Company are prepared under the historical cost convention and are expressed in Brunei dollars.

#### (b) Recognition of Income

(i) Premium Income - Premium is taken up as income at the time a policy is issued, regardless of the period covered by the policy.

(ii) Interest - Interest is taken up in the profit and loss account on an accrual basis.

#### (c) Unearned Premium Reserve

Unearned premium reserve is made so as to match approximately the premium income with the period during which the risks are outstanding. The ratio used in the calculation is applied to the premium income after deducting premiums on reinsurance outwards and commission. The Company uses the 365th method of calculating unearned premium reserve.

#### (d) Claims Admitted or Intimated But Not Paid

Full provision is made for the estimated costs of all claims admitted or intimated but not paid at the date of the balance sheet using the best information available at that time.

#### (e) Claims Incurred But Not Reported

Provision is made for claims incurred but not reported based on the average of the Cumulative Accident Year Statistics computed over the past 3 years.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (f) Depreciation

Depreciation is calculated on the straight line basis to write off the cost of the fixed assets over the expected useful lives of the assets concerned. The annual rates used are as follows:-

|  |                     |
|--|---------------------|
| Leasehold improvements                   | 25%                 |
| Motor vehicles                           | 25%                 |
| Office equipment, furniture and fittings | 25%                 |
| Computerisation                          | 25%                 |
| Leasehold building                       | Over the lease term |

Fully depreciated assets are retained in the financial statements until they are no longer in use or disposed off.

## (g) Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into Brunei dollars at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated into Brunei dollars at the rates of exchange ruling at the transaction dates. Differences in exchange are included in the profit and loss account.

## (h) Bad and Doubtful Debts

Bad debts are written off and provisions are made for those debts which are considered to be doubtful.

## (i) Investments

Investments held on a long-term basis are stated at cost, unless, in the opinion of the directors, there has been a permanent diminution in value when they are written down to a valuation determined by the directors.

## (j) Subsidiary Company

Shares in the subsidiary company is stated at cost and accounted for under the equity method of accounting.

## (k) Deferred Taxation

Deferred taxation is provided under the liability method at current rates on the difference between the net book value of assets eligible for capital allowances and the tax written down value of those assets and on any other timing differences existing at year end. Deferred tax benefits are recognised only when there is a reasonable chance of realisation in due course.

## 3. PROFIT FOR THE YEAR BEFORE TAXATION

|   | 2009 B\$  | 2008 B\$  |
|---|-----------|-----------|
| This is stated after charging/(crediting):- |           |           |
| Auditors' remuneration                      | 16,000    | 16,000    |
| Depreciation                                | 387,755   | 255,463   |
| Directors' remuneration                     | 104,000   | 103,875   |
| Doubtful debts recovered                    | (424,159) | (287,122) |
| (Gain) / loss on disposal of fixed assets   | (107)     | 41,566    |
| Interest income                             | (291,754) | (344,087) |
| Loss on disposal of investment              | -         | 1,344,481 |
| Provision for doubtful debts                | 496,483   | 287,390   |
| Rent  | 7,542     | 90,658    |

## 4. TAXATION

|  | 2009 B\$       | 2008 B\$       |
|--|----------------|----------------|
| Taxation in respect of current year's profit | 365,524        | 399,910        |
| Overprovision of income tax in previous year | (28,524)       | (38,495)       |
|  | <b>337,000</b> | <b>361,415</b> |

## Relationship between tax expense and accounting profit :-

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows :-

|   | 2009 B\$       | 2008 B\$       |
|---|----------------|----------------|
| Profit before taxation  | 1,261,568      | 525,859        |
| Tax calculated at the rate of 23.5% on the 1st B\$50,000 at one-quarter of the full rate, the 2nd B\$50,000 at one-half of the full rate and the remaining profit at the full rate (2008 : 25.5%) | 281,781        | 118,157        |
| Adjustments:  |                |                |
| Non-deductible expenses   | 120,365        | 413,012        |
| Capital allowances  | (36,622)       | (131,259)      |
| Overprovision of income tax in previous year  | (28,524)       | (38,495)       |
| Income tax expense  | <b>337,000</b> | <b>361,415</b> |

## 5. FIXED ASSETS

| COST                            | Leasehold improvements |         | Motor vehicles |         | Office equipment, furniture & fittings |     | Computerisation |     | Leasehold building |           | Total |
|---------------------------------|------------------------|---------|----------------|---------|--|-----|-----------------|-----|--------------------|-----------|-------|
|                                 | B\$                    | B\$     | B\$            | B\$     | B\$                                    | B\$ | B\$             | B\$ | B\$                |           |       |
| As at 01.01.2009                | 375,775                | 196,849 | 1,324,258      | 787,344 | 1,350,000                              |     |                 |     |                    | 4,034,226 |       |
| Additions                       | 5,850                  | 20,300  | 33,298         | 42,180  | -                                      |     |                 |     |                    | 101,628   |       |
| Disposals                       | -                      | (8,300) | (6,570)        | (300)   | -                                      |     |                 |     |                    | (15,170)  |       |
| As at 31.12.2009                | 381,625                | 208,849 | 1,350,986      | 829,224 | 1,350,000                              |     |                 |     |                    | 4,120,684 |       |
| <b>ACCUMULATED DEPRECIATION</b> |                        |         |                |         |  |     |                 |     |                    |           |       |
| As at 01.01.2009                | 75,321                 | 92,758  | 574,631        | 755,840 | 25,903                                 |     |                 |     |                    | 1,524,453 |       |
| Charge for the year             | 92,755                 | 41,458  | 212,556        | 18,486  | 22,500                                 |     |                 |     |                    | 387,755   |       |
| Reclassification                | (109,587)              | -       | 109,587        | -       | -                                      |     |                 |     |                    | -         |       |
| Disposals                       | -                      | (5,361) | (6,570)        | (300)   | -                                      |     |                 |     |                    | (12,231)  |       |
| As at 31.12.2009                | 58,489                 | 128,855 | 890,204        | 774,026 | 48,403                                 |     |                 |     |                    | 1,899,977 |       |
| <b>NET BOOK VALUE</b>           |                        |         |                |         |  |     |                 |     |                    |           |       |
| As at 31.12.2009                | 323,136                | 79,994  | 460,782        | 55,198  | 1,301,597                              |     |                 |     |                    | 2,220,707 |       |
| As at 31.12.2008                | 300,454                | 104,091 | 749,627        | 31,504  | 1,324,097                              |     |                 |     |                    | 2,509,773 |       |

## 6. INVESTMENT IN SUBSIDIARY COMPANY

|                                 | 2009 B\$       | 2008 B\$       |
|---------------------------------|----------------|----------------|
| Unquoted shares at cost         | 211,688        | 211,688        |
| Share of losses brought forward | (76,550)       | (57,612)       |
| Share of loss for the year      | (13,964)       | (18,938)       |
|                                 | <b>121,174</b> | <b>135,138</b> |

The subsidiary company is:-

|                                      |   |
|--------------------------------------|---|
| Name of company                      | Araco Sdn Bhd                             |
| Country of incorporation             | Brunei Darussalam                         |
| Principal activities                 | Repairs and maintenance of motor vehicles |
| Place of business                    | Brunei Darussalam                         |
| Cost                                 | 211,688 [2009]<br>211,688 [2008]          |
| Percentage of equity held by Company | 55% [2009]<br>55% [2008]                  |

## 7. AMOUNT DUE FROM CLIENTS, AGENTS AND REINSURANCE COMPANIES

|   | 2009 B\$         | 2008 B\$         |
|---|------------------|------------------|
| Amount due from clients, agents and reinsurance companies | 5,761,157        | 5,705,018        |
| Less: Provision for bad and doubtful debts                | (776,075)        | (697,619)        |
|   | <b>4,985,082</b> | <b>5,007,399</b> |

## 8. CLAIMS ADMITTED OR INTIMATED BUT NOT PAID

|   | 2009 B\$         | 2008 B\$         |
|---|------------------|------------------|
| Fire  | 612,914          | 575,137          |
| Marine                                      | 99,875           | 78,375           |
| Motor                                       | 2,648,635        | 3,103,567        |
| Workmen's Compensation and Public Liability | 1,610,135        | 1,323,892        |
| Others                                      | 1,223,892        | 795,206          |
|   | <b>6,195,451</b> | <b>5,876,177</b> |

## 9. UNEARNED PREMIUM RESERVE

|                        | 2009 B\$         | 2008 B\$         |
|------------------------|------------------|------------------|
| Marine                 | 71,390           | 21,078           |
| Fire                   | 670,846          | 767,130          |
| Motor                  | 1,618,770        | 2,290,199        |
| Workmen's Compensation | 624,301          | 650,497          |
| Others                 | 2,429,413        | 2,592,202        |
|                        | <b>5,414,720</b> | <b>6,321,106</b> |

## 10. SHARE CAPITAL

|   | 2009 B\$    | 2008 B\$    |
|---|-------------|-------------|
| Authorised:- 100,000,000 ordinary shares of B\$1.00 each          | 100,000,000 | 100,000,000 |
| Issued and fully paid:- 8,000,000 ordinary shares of B\$1.00 each | 8,000,000   | 8,000,000   |

## 11. CASH AND CASH EQUIVALENTS

|                        | 2009 B\$          | 2008 B\$          |
|------------------------|-------------------|-------------------|
| Short-term deposits    | 18,436,237        | 18,339,089        |
| Cash and bank balances | 806,278           | 1,405,314         |
|                        | <b>19,242,515</b> | <b>19,744,403</b> |

## 12. CONTINGENT LIABILITIES

Gross contingent liabilities not provided for in the financial statement are gross of facultative and treaty reinsurance underlining protection:-

|   | 2009 B\$          | 2008 B\$          |
|---|-------------------|-------------------|
| Performance bonds and bankers' guarantees provided on behalf of third parties   | 9,640,009         | 14,417,596        |
| Other contingent liabilities :-<br>Bankers' guarantee in respect of statutory deposit required by Section 5(1) of the Motor Vehicles Insurance (Third Party Risks) Act, Cap. 90 | 1,000,000         | 1,000,000         |
| Banker's guarantee to Commissioner of Labour provided in respect of the Company's employees' repatriation expenses  | 9,500             | 6,000             |
|   | <b>10,649,509</b> | <b>15,423,596</b> |

The performance bonds and banker's guarantees are secured by the Company's short-term deposits placed with various financial institutions amounting to B\$2,474,533 (2008: B\$2,445,303).

## 13. RELATED PARTY TRANSACTIONS

Included in the amount due to agents and reinsurance companies is a balance of B\$13,326 (2008: B\$7,526) due to the subsidiary company, Araco Sdn Bhd. Significant transactions with the subsidiary company during the year include workshop expenses on claims made of B\$182,393 (2008: B\$202,849).

## 14. DIVIDENDS PROPOSED

The directors have proposed a final dividend of 3 cents per share amounting to B\$240,000 which will be submitted for formal approval at the forthcoming Annual General Meeting. As such, the dividend has not been recognized as a liability as at 31st December 2009.

## 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management policy seeks to ensure that adequate resources are available for the development of the Company's business whilst managing its insurance, credit, liquidity, interest rate and foreign exchange risks. The Company operates within defined guidelines that are approved by the Board of Directors.

(a) Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The placements of proportional reinsurance are quota-share and surplus treaties reinsurance which are taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's current reinsurance arrangements are placed via a reinsurance broker, Guy Carpenter & Co. Private Limited (Incorporated in United States of America), Singapore Branch, with Allianz AG Reinsurance Branch Asia Pacific and Munich Reinsurance Company Singapore Branch as lead treaty reinsurers for proportional and non-proportional treaties respectively.

(b) Credit risk

Credit risk is controlled by the application of credit approval, limit and monitoring procedures. Credit risk is minimized and monitored via strictly limiting the Company's associations to business partners with high creditworthiness.

The Company does not have any significant exposure to any individual customer nor does it have any major concentration of credit risk related to any financial instrument.

(c) Liquidity risk

The Company actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.

(d) Interest rate risk

Income from short-term fixed deposits is substantially dependent on changes in market interest rates.

The Company's exposure to interest rate risk is not considered significant and is monitored on an on-going basis. The Company places its short-term fixed deposits with established financial institutions.

(e) Foreign exchange risk

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuations in foreign currency exchange rates.

Foreign exchange risk is managed through risk limits and policies approved by the Board of Directors and foreign exchange exposures are kept to an acceptable level.

#### 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial assets and liabilities at the balance sheet date approximate their fair values due to their short-term nature.

#### 17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

**DETAILED PROFIT AND LOSS ACCOUNT**

For The Year Ended 31st December 2009

|   | 2009 B\$  | 2008 B\$    |
|---|-----------|-------------|
| UNDERWRITING INCOME                     | 3,924,826 | 4,280,386   |
| LESS: MANAGEMENT EXPENSES               |           |             |
| Staff                                   | 1,814,673 | 1,718,941   |
| Premises                                | 8,120     | 124,554     |
| Advertising and public relations        | 116,831   | 106,195     |
| Computer, communication and travel      | 75,915    | 85,938      |
| Professional fees                       | 44,462    | 23,912      |
| General                                 | 420,641   | 435,050     |
| Provision for doubtful debts            | 496,483   | 287,390     |
| Doubtful debts recovered                | (424,159) | (287,122)   |
| Depreciation and amortisation           | 387,755   | 255,463     |
|   | 2,940,721 | 2,750,321   |
| UNDERWRITING PROFIT                     | 984,105   | 1,530,065   |
| Other income                            | -         | 254         |
| Interest income                         | 291,754   | 344,087     |
| (Loss)/gain on foreign exchange         | (14,398)  | 37,500      |
| Gain/(loss) on disposal of fixed assets | 107       | (41,566)    |
| (Loss) on disposal of investment        | -         | (1,344,481) |
| PROFIT FOR THE YEAR                     | 1,261,568 | 525,859     |

This detailed profit and loss account does not form part of the statutory audited financial statements.

