

**NIGER INSURANCE PLC**  
**REPORT OF THE DIRECTORS**

1. **Accounts**

The directors are pleased to submit their report together with the group audited financial statements for the year ended 31 December, 2006.

<b>2. Result for the year</b>		<b>x'000</b>
Company profit after taxation		575,821
<i>Less:</i>		
Contingency reserve		<u>99,261</u>
<b>Retained profit for the year transferred to general reserve</b>		<u>476,560</u> =====

3. **Principal activities**

The principal activities of the company are the underwriting of life and general insurance business.

4. **The Directors**

The current composition of the Board of Directors is as set out on page 2 of these financial statements.

5. **Directors' interests**

The interests of the directors in the issued share capital of the company are as follows:-

	<b>Number of shares held as at</b>	
	<b>31/12/2006</b>	<b>31/12/2005</b>
Bala Zakariya'u	71,111,748	45,033,257
Justus Clinton Uranta	34,365,893	14,728,241
Dauda Kolapo Adedeji	10,106,929	5,883,153
Andrew Onyenweuwa Nwaujo	3,191,857	327,343
Osa Osunde	2,479,347	4,211,019
Idris Onaolapo Sulaimon	123,302,816	68,102,112
Frederick Nnamdi Udechukwu -		
Indirect (Chrome Oil Services Ltd)	397,692,732	122,485,418
Amina Abubakar - Indirect (Goldust Investment Ltd.)	116,627,998	74,973,213
	=====	=====

## 6. Shareholdings

### (a) Summary of the shareholding position:

Shareholders	As at 31/12/06		As at 31/12/05	
	Number of shares held	%	Number of shares held	%
Management Alliance Company Limited	642,342,190	20	390,175,164	26
Fidelity Finance Company Limited	383,768,113	12	227,226,382	15
Chrome Oil Services	397,692,732	13	106,154,028	7
Other Nigerian Individuals and Associations	<u>1,736,866,279</u>	<u>55</u>	<u>776,444,426</u>	<u>52</u>
	3,160,669,314	100	1,500,000,000	100
	=====	===	=====	===

### (b) Substantial interest in shares:

No individual shareholder other than Management Alliance Company Limited, Fidelity Finance Company Limited and Chrome Oil Services Limited held more than 10% of the issued share capital of the company as at 31 December, 2006.

### (c) Analysis of shareholding:

Holding between				Total holders	Units	%
Nigerian Shareholders	1	and	1,000	424	230,509	0.01
	1,001	and	5,000	1,675	5,183,091	0.16
	5,001	and	10,000	1,219	9,011,550	0.29
	10,001	and	50,000	2,069	49,125,552	1.55
	50,001	and	100,000	612	44,367,654	1.40
	100,001	and	500,000	636	133,576,526	4.23
	500,001	and	1,000,000	80	53,526,677	1.69
	Above		1,000,000	<u>81</u>	<u>2,865,647,755</u>	<u>90.67</u>
				6,806	3,160,669,314	100
				=====	=====	=====

## 7. Dividend

The directors recommend the payment of a dividend of ₦474,100,397 which is equivalent to 15k per share of 50k held by members whose names appear in the register of members as at the close of business on ..... The dividend is subject to the deduction of appropriate withholding tax at the time of payment..

## 8. Unclaimed Share Certificates and Dividend Warrants

The Company is aware that some share certificates belonging to shareholders have been returned marked 'Unclaimed'. Similarly, some dividend warrants sent to shareholders have been returned marked 'Unclaimed' while some are yet to be presented for payment.

Shareholders with unclaimed share certificates and/or dividend warrants are advised to write to the Registrars, NIC Securities and Trust Limited or the company Secretary or call at the office of the Registrars during normal working hours.

Furthermore, members are urged to advise the Registrars or the Company Secretary of any change of address or situation particularly as it relates to share certificates and dividend warrants.

## 9. Fixed assets

Movements in fixed assets during the year are shown in Notes 8 and 9 to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the financial statements.

## 10. Donations

The analysis of donations made during the year is as follows:

### (a) *To charitable organisations:*

	x	x
2006 Remembrance emblem		50,000
NYSC		50,000
Brazilian Quarters Community Dev. Association		100,000
Central Primary School		50,000
Lagos Lions Club		100,000
Atunda Olu School for the physically challenged		<u>50,000</u>
		400,000

### (b) *Other donations:*

Chartered Insurance Institute of Nigeria	50,000	
Professional Insurance Ladies Association	250,000	
Nigerian Council of Registered Insurance Brokers	400,000	
Institute of Directors	700,000	
Nigeria Insurers Association (NIA)	110,000	
Actuarial Science & Insurance Students	<u>54,000</u>	
		<u>1,564,000</u>
		1,964,000
		=====

## 11. Personnel

### (a) *Employment of disabled persons:*

The company continues its general policy of extending employment opportunities to disabled persons as and when there are openings for such employees. One such employee is at present engaged by the company.

### (b) *Health, safety and welfare:*

In addition to medical retainership in private clinics and hospitals, all essential safety regulations are being observed to guaranty maximum protection of personnel and also protect the company's assets.

### (c) *Employees' involvement and training:*

Employees are kept fully informed of the company's performance and the company continues with its open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.

The company attaches importance to the training of its staff through regular in-house, on-the-job training sessions and outside courses which have broadened employees' opportunities for career development within the company.

## 12. Audit Committee

In accordance with Section 359(3) of the Companies and Allied Matters Act Cap C20 LFN 2004, the Audit Committee members of the company elected at the last Annual General Meeting were as follows:-

D. K. Adedeji	-	(Director)
O. Osunde	-	(Director)
S. E. Bediare	-	(Shareholders' representative)
M. O. Sodipe	-	(Shareholders' representative)

The functions of the audit committee are as stated in Section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN 2004.

## 13. Compliance with the code of Corporate Governance

The Directors confirm that they manage the affairs of the company in accordance with the provisions of the code of best practices on Corporate Governance in Nigeria with regards to matters stated concerning the Board of Directors, the Shareholders and the Audit Committee.

Board meetings are scheduled well in advance. Also the agenda of Board meetings and reports on full business review, full report from the various Board Committees and reports from the Audit Committee are circularised to all Directors.

The Board meets four times a year. Stated below is the record of attendance at Board

meetings conveyed and held in year 2006:

	<b>No. of meetings attended</b>
Bala Zakariya'u	4
Justus Clinton Uranta	4
Dauda Kolapo Adedeji	4
Andrew Onyenweuwa Nwaujo	4
Osa Osunde	3
Idris Onaolapo Sulaimon	4
Frederick Nnamdi Udechukwu	3
Amina Abubakar	2

The following are the various committees of the board and their composition:

#### **Finance and General Purpose Committee**

1. Osa Osunde	Chairman
2. Justus Clinton Uranta	Member
3. Dauda Kolapo Adedeji	Member
4. Frederick Nnamdi Udechukwu	Member
Taiwo A. Otuneye, Esq.,	Secretary

#### **Establishment and staff matters committee**

1. Alhaji Idris Onaolapo Sulaimon	Chairman
2. Justus Clinton Uranta	Member
3. Andrew Onyenweuwa Nwaujo	Member
4. Amina Abubakar	Member
Taiwo A. Otuneye, Esq.,	Secretary

#### **Executive management committee**

1. Justus Clinton Uranta	Chairman
2. Dauda Kolapo Adedeji	Member
3. Andrew Onyenweuwa Nwaujo	Member
Taiwo A. Otuneye, Esq.,	Secretary

#### **14. Auditors**

Messrs Oyelami Soetan Adeleke & Company (Chartered Accountants) have indicated their willingness to continue as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act Cap C20 LFN 2004. A resolution will be proposed to authorise the directors to fix their remuneration.

**By Order of the Board**  
**Taiwo A. Otuneye, Esq.,**  
**Secretary**