

GLOBAL ALLIANCE INSURANCE,S.A.

ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(Amounts expressed in (USD) and Mozambican Meticals (MZN))



Global Alliance Insurance,S.A.

Annual Financial Statements
for the year ended 31 December 2014



(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

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1. MANAGEMENT REPORT

The summary will focus on two separate periods of operation as follows:

1 January 2014 – 31 December 2014

1 January 2015 – 31 January 2015

1 January 2014 – 31 December 2014

GA Mozambique exceeded the projected budgets in terms of gross premium income by USD 25,101,080 in 2014. Net premium income unfortunately did not perform well and we closed off with USD 3,678,900 under budget for 2014. Claims exceeded budget by USD 900,000 but costs were well managed and we ended the year within budget.

The budget figures for 2014 were:

GPI – USD 62,083,086

NPI – USD 28,784,876

Profit – USD 7,682,461

The actual figures for the period are:

GPI – USD 87,034,610

NPI – USD 25,105,976

Profit – USD 7,523,892

We experienced various renewals from the larger projects which accounted for the positive growth on our gross income. Unfortunately these projects, which are mostly related to natural resources, did not go into operation and hence the slow growth in our net premium income. The major contributing classes of insurance for net premium are motor and workman's compensation which did not materialise as expected. Furthermore, we did not see the growth in the SME market as expected. Commissions received from reinsures were positive mainly due to the overriding commissions earned on FAC placements. Commissions payable to brokers were also less, which is positive, also due to these larger accounts not attracting brokerage. We also earned greater admin fees due to the larger accounts.

Although budget was not met by the Bancassurance Division it still showed a very positive growth of 50.88% from 2013 to 2014. Costs were well managed and claims were well below budget. We also experienced a much more settled environment within BBM with the EXCO team settled and fully operational.

The Life Division also experienced a positive year and budget was met in terms of profitability. We have experienced an increase in enquiries pertaining to our employment benefits products which include Pension Fund management and Group Life covers.

Although the market is still not fully aware or supportive of these covers we feel very positive that this is a focus area for future growth.

Strategic Focus Areas going forward

The contribution from the broker market is still 85%. Our focus is on service delivery. We need to ensure that we provide a better service than our competitors to ensure continued support.

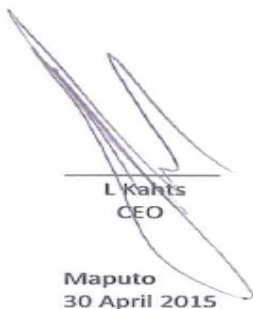
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BBM have showed a positive increase in their market share as well as on their insurance sales. Stand-alone products are however still not meeting budget expectations but this should be improved with the launch of the other kiosks. The aim is to have 10 kiosks by the end of March which will cover the major branches of BBM.

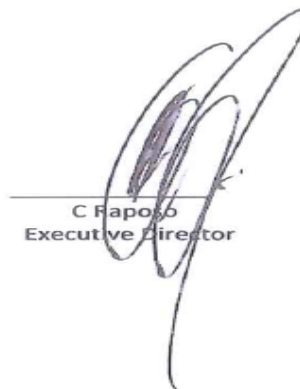
The debit order model is also being finalized which will assist with a more free-flowing process. Currently the model is reliant on manual input which is susceptible to errors. It is also a very labour intensive model and the development of the electronic system will both assist with headcount growth as well as eliminating errors.

Classic Life and the Retrenchment benefit is also being finalized which are products requested by BBM to enhance their offering.

A decision must be reached on the Life Division with regards to individual life. The core focus of the division is the Pension Fund administrations as well as the offering of Group Life covers through our broker channel as well as BBM. Individual Life may pose a concentration risk as the sum insured are high and the premiums are low. The optimum situation might be to only sell this product through the BBM network (Classic Life) and then to also refer clients to BBM should they request this product. This will stimulate sales through our kiosks and we can then reverse the bank assurance model to refer client to BBM for the opening of accounts to obtain an insurance product.



L Kahts
CEO
Maputo
30 April 2015



C Raposo
Executive Director

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

2. Directors' report

The directors have pleasure in presenting their report for the year ended 31 DECEMBER 2014.

General information and nature of activities

The Company transacts short and long term insurance business as well as life and retirement fund business.

Company registration number

12801/102-C/29

Holding, ultimate holding company and shareholders

Holding Company	Absa Financial Services Africa Holdings Pty Ltd - 98%
Ultimate Holding Company	Barclays Bank PLC (55.62%)
Shareholders	Absa Financial Services Africa Holdings Pty Ltd - 98% Absa Short Term Insurance Ltd - 1% Absa Life Ltd - 1%

Country of incorporation

Mozambique

Results of operations

The results of operations for the year are set out on page 11 of the financial statements.

Authorised and issued share capital

The authorised and issued share capital are disclosed in note 29 of the financial statements. During 2014 the Group injected USD 3 million as a way to strengthen the financial position of the insurer.

Events after the reporting date

No events, which are likely to have a material effect on the entity's results in the current year, have occurred between the year-end date and the date of this report.

Going Concern

The annual financial statements presented on pages 11 to 16 have been prepared on the going concern basis and the directors have every reason to believe that the entity will continue operations for the foreseeable future.

Dividends

No dividends were declared during 2014.

Directors

The directors of the Company during the year and to the date of this report are as follows:

L Zulu	(Chairman)
E Wasserman	(Non-Executive)
B Meiller	(Non-Executive)
A van Staden	(Non-Executive)
L Kahts	(CEO)
C Raposo	(Executive Director)

At the end of the year the following directors resigned:

E Wasserman	(Non-Executive)
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Auditors

PricewaterhouseCoopers, Lda.

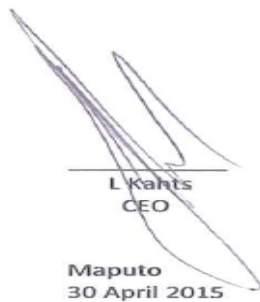
(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Registered Office and Business Address

Avenida da Marginal, Parcela 141


Maputo

Mozambique



L Kahts
CEO

Maputo
30 April 2015



C Raposo
Executive Director

3. DIRECTORS' APPROVAL

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the fiscal committee report and auditor's opinion set out in the report on pages 5 to 7, is made with a view to distinguish for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements of Global Alliance Seguros, S.A. ("the Company").

The directors are responsible for the preparation, integrity and objectivity of the financial statements that fairly present the state of the affairs of Global Alliance Seguros, S.A. at the end of the financial year and the net income and cash flows for the year, and other information contained in this report.

In 2013, the company consolidated its position as subsidiary of the ABSA Group and, therefore, all internal controls designed, implemented and maintained at ABSA Group Level now affect Global Alliance. These include controls over the completeness and accuracy of financial information produced by the entity, as well as controls relating to operations and compliance with laws and regulations to which the entity is subject.

To enable the directors to meet these responsibilities:

- All directors and employees will endeavour to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.
- The board set standards and management implements systems of internal control and accounting and information systems aimed at providing reasonable assurance that both on- and off-statement of financial position assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- The board and management identify all key areas of risk across the company and endeavour to minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints.
- The Actuarial Review Committee assists the directors with regard to actuarial and related matters of a technical nature including the identification and analysis of actuarial risks, the review of any actuarial reports, the consideration of reserving and capital methodology and assumptions, the review of any external financial condition or risk management disclosure, the consideration of regulatory and economic capital requirements, and the actuarial soundness of new products as well as revisions of existing products.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

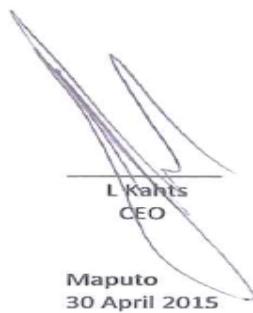
These financial statements have been prepared in accordance with the Mozambican Diploma number 222/2010 which sets out Mozambican Accounting Principles for Insurance Companies. Diploma 222/2010 is based on IFRS issued until 2010.

The directors have no reason to believe that the company will not be a going concern in the year ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the fiscal committee and the independent auditors to report on the financial statements. Their reports to the member of the company are set out on page 5 and 7 of this report.

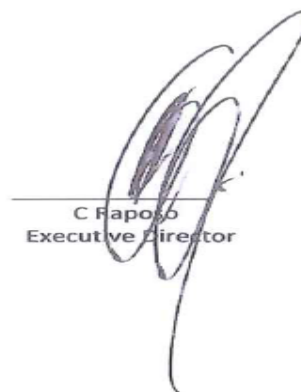
(Amounts expressed in (USD) and Mozambican Meticals (MZN))

The directors' report on page 4 and the annual financial statements of the company, which appear on pages 8 to 64, were approved by the board of directors and are signed by:



L Kahts
CEO

Maputo
30 April 2015



C Raposo
Executive Director

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

4. REPORT OF THE SUPERVISORY BOARD

According to the legal and statutory provisions, the Supervisory Board examined the report and accounts presented by Global Alliance Seguros SA for the financial year 2014 and introduces Dear Shareholders the opinion on the Balance Sheet, the Income Statement and the Council report of Directors for the year ended on 31 December of that year.

In carrying out its activities, the Supervisory Board monitored the company's business, enjoyed the annual accounts, accompanied the result of the work of the external auditor and maintained regular contact with the administration, having had access to all information that was requested to the company's management.

Based on our analysis of the annual report, the information provided and the external auditors report (PwC), the opinion of the supervisory board is that the balance sheet and the Global Income Statement Alliance Seguros SA meet the legal and statutory provisions, comply with the accounting policies normally adopted and that its financial statements prepared in accordance with International Financial Reporting Standards (IFRS), adequately reflect the financial situation of the company on December 31, 2014, and the results of its activity in the year.

Taking into account the above, the Supervisory Board recommends that the General Meeting approve the Board of Directors' Report, the Global Financial Statements Alliance Seguros SA for the year ended December 31, 2014, as well as the Council's proposal for Administration investing profit ascertained in the amount of 156 251 234 meticals as follows: 20% equivalent to 31,250,247 meticals in legal reserves and the remainder, amounting to 125 000 987 meticais, to carry over to the following year by Account Transited results.

"BDO (Moçambique), Lda represented by

Abdul Satar Hamid"

Maputo, 30 April 2015

5. REPORT OF AUDITORS



Free translation to English of the Original signed version in Portuguese

To the Shareholders of
Global Alliance Seguros, S.A.

Audit Report

We have audited the accompanying financial statements of Global Alliance Seguros, S.A., which comprise the statement of financial position as at 31 December 2014 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Director's responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the generally accepted accounting principles of the Mozambican insurance sector, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 Company'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 Company'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 opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Global Alliance Seguros, S.A., as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles of the Mozambican insurance sector.

PRICEWATERHOUSECOOPERS

Maputo, 11 May 2015

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PricewaterhouseCoopers Lda.
Número de matrícula: 11875 · NUIT: 400005516 · Capital Social: 58.000,00 MZN.

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

6. Financial statement**6.1 Statement of income**

Notes	Profit and Loss account	2014 - MZN				Previous Year MZN	2014 - USD				Previous Year USD
		Technical account Life	Technical account Non Life	Non technical account	Total		Technical account Life	Technical account Non Life	Non technical account	Total	
3 i); 6	Earned premium income (net of reinsurance)	113,855,302	1,184,533,544	0	1,298,388,845	863,990,833	3,711,922	38,618,280	0	42,330,202	29,508,238
	Gross written premium	162,976,826	2,506,624,615	0	2,669,601,441	1,982,812,483	5,313,387	81,721,224	0	87,034,610	67,719,820
	Reinsurance premiums ceded	-49,121,524	-1,278,800,598	0	-1,327,922,122	-1,037,485,243	-1,601,465	-41,691,584	0	-43,293,048	-35,433,665
	Changes in provision for unearned premiums	0	-2,375,275	0	-2,375,275	-261,068,093	0	-77,439	0	-77,439	-8,916,367
	Provision for unearned premiums, reinsurers' share (Variation)	0	-40,915,198	0	-40,915,198	179,731,686	0	-1,333,921	0	-1,333,921	6,138,451
7	Net claims cost	-10,355,067	-469,367,688	0	-479,722,755	-398,455,005	-337,597	-15,302,372	0	-15,639,969	-13,608,600
	Claims paid	-10,021,366	-455,162,419	0	-465,183,786	-405,286,884	-326,718	-14,839,250	0	-15,165,968	-13,841,932
	Gross amounts	-12,374,006	-534,019,591	0	-546,393,597	-617,794,126	-403,419	-17,410,160	0	-17,813,578	-21,099,780
	Reinsurers' share	2,352,639	78,857,171	0	81,209,811	212,507,242	76,701	2,570,909	0	2,647,610	7,257,848
	Claims provision Variation	-333,700	-14,205,269	0	-14,538,969	6,831,878	-10,879	-463,122	0	-474,001	233,332
	Gross amounts	-169,894	112,176,321	0	112,006,427	-78,948,841	-5,539	3,657,184	0	3,651,645	-2,696,373
	Reinsurers' share	-163,807	-126,381,590	0	-126,545,397	85,780,720	-5,340	-4,120,305	0	-4,125,646	2,929,705
8	Life mathematical provision net of reinsurance	-16,509,806	0	0	-16,509,806	-22,023,244	-538,254	0	0	-538,254	-752,169
	Gross amounts	-16,956,720	0	0	-16,956,720	-22,207,588	-552,825	0	0	-552,825	-758,465
	Reinsurers' share	446,913	0	0	446,913	184,345	14,570	0	0	14,570	6,296
3 i); 9	Net operational costs	-30,804,338	-245,974,271	0	-276,778,609	-250,016,283	-1,004,286	-8,019,278	0	-9,023,564	-8,538,910
	Acquisition costs	-29,802,489	-210,141,727	0	-239,944,216	-199,863,321	-971,624	-6,851,061	0	-7,822,685	-6,826,015
	Changes in deferred acquisition cost	0	8,099,775	0	8,099,775	2,086,256	0	264,070	0	264,070	71,253
	Administrative Fees	-9,574,301	-103,249,969	0	-112,824,269	-98,251,189	-312,142	-3,366,166	0	-3,678,308	-3,355,614
	Commissions and profit sharing	8,572,451	59,317,650	0	67,890,101	46,011,972	279,480	1,933,880	0	2,213,360	1,571,466
3 e); 10	Income	1,217,954	13,134,505	0	14,352,459	10,377,432	39,708	428,212	0	467,920	354,425
	Interest from financial assets not carried at fair value through profit and loss	714,748	7,707,894	0	8,422,642	4,619,835	23,302	251,294	0	274,596	157,783
	Others	503,206	5,426,611	0	5,929,816	5,757,597	16,406	176,919	0	193,324	196,642
11	Financial expenses	-28,105	-303,082	0	-331,187	-288,409	-916	-9,881	0	-10,797	-9,850
	Others	-28,105	-303,082	0	-331,187	-288,409	-916	-9,881	0	-10,797	-9,850
	Net gain of financial assets and liabilities carried at fair value through profit and loss	70,496	760,238	0	830,734	1,958,731	2,298	24,785	0	27,084	66,897
	Net gain of financial assets and liabilities initially recognized at fair value through profit and loss	70,496	760,238	0	830,734	1,958,731	2,298	24,785	0	27,084	66,897
13	Exchange differences	0	0	60,195,398	60,195,398	-7,339,422	0	0	1,962,496	1,962,496	-250,666
	Net gain of non-financial assets not classified as non-current assets held for sale and discontinued operations	1,559,731	16,820,249	0	18,379,980	13,175,842	50,850	548,375	0	599,226	450,000
3 f); 14	Other technical income / expense, net of reinsurance	427,024	-365,326,022	0	-364,898,998	-22,259,354	13,922	-11,910,395	0	-11,896,473	-760,233
16	Changes in other provisions	-1,726,415	-18,617,784	0	-20,344,199	-12,423,811	-56,285	-606,979	0	-663,264	-424,316
16	Other income / expense	0	0	-2,782,493	-2,782,493	-3,229,835	0	0	-90,715	-90,715	-110,310
	Profit before tax	57,706,775	115,659,688	57,412,905	230,779,369	173,467,476	1,881,362	3,770,749	1,871,781	7,523,892	5,924,507
3 m); 26	Corporate tax for the year - Current taxes	-17,152,960	-34,379,083	-17,065,609	-68,597,652	-54,387,765	-559,223	-1,120,830	-556,375	-2,236,427	-1,857,528
3 m); 26	Corporate tax for the year - deferred	-1,482,927	-2,972,180	-1,475,376	-5,930,483	-2,695,709	-48,347	-96,899	-48,100	-193,346	-92,068
29	Net income for year	39,070,888	78,308,426	38,871,920	156,251,234	116,384,003	1,273,793	2,553,019	1,267,306	5,094,118	3,974,911

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

6.2 Statement of comprehensive income

Notes	Statement of comprehensive income	2014 - MZN				Previous Year MZN			
		Technical life	Technical non life	Non technical	Total	Technical life	Technical non life	Non technical	Total
29	Net income for the year	39,070,888	78,308,426	38,871,920	156,251,234	23,254,988	100,220,214	-7,091,199	116,384,003
	Other comprehensive income for the year	0	0	0	0	691,744	2,981,155	-210,935	3,461,964
	Translation differences for presentation currency MZN	0	0	0	0	691,744	2,981,155	-210,935	3,461,964
	Total comprehensive income net of tax	39,070,888	78,308,426	38,871,920	156,251,234	23,946,732	103,201,369	-7,302,134	119,845,966

Notes	Statement of comprehensive income	2014 - USD				Previous Year USD			
		Technical life	Technical non life	Non technical	Total	Technical life	Technical non life	Non technical	Total
29	Net income for the year	1,273,793	2,553,019	1,267,306	5,094,118	794,237	3,422,863	-242,189	3,974,911
	Other comprehensive income for the year	-450,091	-902,102	-447,799	-1,799,992	0	0	0	0
29	Translation differences for presentation currency USD	-450,091	-902,102	-447,799	-1,799,992	0	0	0	0
	Total comprehensive income net of tax	823,702	1,650,917	819,507	3,294,126	794,237	3,422,863	-242,189	3,974,911

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

6.3 Statement of Financial Position

Notes	Assets	2014 - MZN			2013 Net assets MZN	2014 - USD			2013 Net assets USD
		Gross assets	Impairment, depreciation / amortization and adjustments	Net assets		Gross assets	Impairment, depreciation / amortization and adjustments	Net assets	
3 a); 18	Cash and cash equivalents	322,969,633	0	322,969,633	249,583,155	9,992,872	0	9,992,872	8,565,408
3 c); 19	Available for sale financial assets	234,640,000	0	234,640,000	151,037,596	7,259,901	0	7,259,901	5,183,438
3 c); 20	Loans and receivables	248,065,360	0	248,065,360	83,351,408	7,675,290	0	7,675,290	2,860,525
	Deposits with ceding companies								
	Other deposits	248,065,360	0	248,065,360	83,351,408	7,675,290	0	7,675,290	2,860,525
3 g); 21	Buildings	242,785,950	13,220,873	229,565,076	214,554,876	7,511,942	409,062	7,102,880	7,363,278
	Buildings for own use	124,752,300	13,220,873	111,531,426	114,901,206	3,859,910	409,062	3,450,849	3,943,278
	Investment property	118,033,650	0	118,033,650	99,653,670	3,652,031	0	3,652,031	3,420,000
3 h); 22	Other tangible assets	19,980,247	10,082,605	9,897,642	10,383,732	618,201	311,962	306,239	356,358
	Inventories								
	Goodwill								
3 i); 23	Other intangible assets	5,373,290	3,659,947	1,713,343	2,242,118	166,253	113,241	53,012	76,947
3 j); 24	Technical provision for reinsurance ceded	438,918,246	0	438,918,246	605,931,927	13,580,391	0	13,580,391	20,794,891
	Provision for unearned premiums	310,228,844	0	310,228,844	351,144,042	9,598,665	0	9,598,665	12,050,862
	Mathematical provisions	7,340,034	0	7,340,034	6,893,120	227,105	0	227,105	236,564
	Provision for claims	121,349,369	0	121,349,369	247,894,765	3,754,622	0	3,754,622	8,507,465
3 c); 25	Other receivables from insurance and other operations	524,684,076	51,456,179	473,227,897	470,413,951	16,234,037	1,592,085	14,641,952	16,144,089
	Accounts receivable for direct insurance operations	459,345,185	39,092,260	420,252,925	407,325,606	14,212,413	1,209,538	13,002,875	13,978,949
	Accounts receivable for reinsurance operations	58,889,249	12,363,919	46,525,329	51,860,080	1,822,068	382,547	1,439,521	1,779,779
	Accounts receivable for other operations	6,449,642	0	6,449,642	11,228,265	199,556	0	199,556	385,341
3 n); 26	Tax assets	8,940,084	0	8,940,084	3,205,966	276,612	0	276,612	110,025
	Current tax assets	0	0	0	0	0	0	0	0
	Deferred tax assets	8,940,084	0	8,940,084	3,205,966	276,612	0	276,612	110,025
27	Accruals and deferrals	78,584,135	0	78,584,135	68,978,983	2,431,440	0	2,431,440	2,368,323
	TOTAL ASSETS	2,124,941,019	78,419,604	2,046,521,416	1,859,683,712	65,746,937	2,426,349	63,320,588	63,823,261

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

6.3 Statement of Financial Position

Notes	Equity and Liabilities	2014 MZN	2013 MZN	2014 USD	2013 USD
	Liabilities				
3 j); 24	Technical provisions	793,217,429	893,991,636	24,542,618	30,680,771
	Provision for unearned premiums	520,213,783	525,938,283	16,095,723	18,049,600
	Mathematical provision	81,397,532	64,440,813	2,518,488	2,211,535
	Provision for claims:	191,606,114	303,612,541	5,928,407	10,419,635
	Life	494,795	324,901	15,309	11,150
	Workman compensations and personal accidents	12,789,751	7,106,537	395,723	243,888
	Other segments	178,321,567	296,181,103	5,517,375	10,164,597
28	Other creditors from direct insurance and other operations	420,484,757	423,568,527	13,010,048	14,536,388
	Accounts payable for direct insurance operations	31,934,084	26,894,627	988,060	922,993
	Accounts payable for other reinsurance operations	370,972,066	277,810,127	11,478,096	9,534,126
	Accounts payable for other operations	17,578,608	118,863,773	543,893	4,079,269
3 n); 26	Tax liabilities	96,272,311	69,939,111	2,978,722	2,400,230
	Current tax liabilities	54,700,162	40,031,572	1,692,456	1,373,838
	Deferred tax liabilities	41,572,148	29,907,539	1,286,267	1,026,393
27	Accruals and deferrals	30,823,721	22,276,472	953,704	764,503
	Total Liabilities	1,340,798,218	1,409,775,747	41,485,093	48,381,892
	Equity				
3 p); 29	Share capital	242,089,000	142,525,000	8,906,770	5,806,770
29	Other reserves	81,901,877	58,625,076	2,920,900	2,125,918
29	Retained earnings	194,828,932	101,721,731	6,713,699	3,533,770
29	Income for the year	156,251,234	116,384,003	5,094,118	3,974,911
29	Translation reserve	30,652,156	30,652,156	-1,799,992	0
	Total Equity Capital	705,723,198	449,907,965	21,835,495	15,441,369
	Total Liabilities and Equity	2,046,521,416	1,859,683,712	63,320,588	63,823,261

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

6.4 Statement of changes in equity

Notes	Statement of changes in equity (Amounts in MZN)	Share capital	Other reserves		Retained earnings	Net income for the year	Revaluation reserve	TOTAL
			Legal reserve	Share premium				
	Balance as at 31 December 2012	142,525,000	40,801,132	1,970,879	38,309,472	79,265,322	27,190,192	330,061,996
	Errors corrections (IAS 8)							0
	Changes in accounting policies (IAS 8)							0
	Revised opening balance	142,525,000	40,801,132	1,970,879	38,309,472	79,265,322	27,190,192	330,061,996
29	Increase in reserves (1)		15,853,065		63,412,259	-79,265,323		0
29	Net profit for the period (2)					116,384,003		116,384,003
	Other comprehensive income for the period (3)	0	0	0	0	0	3,461,964	3,461,964
	Net gains from fair value adjustments of available for sale financial assets							0
29	Exchange difference for change in functional currency - MZN						3,461,964	3,461,964
	Other gains/losses directly recognized in capital							0
	Total comprehensive income for the period (4) = (2) + (3)	0	0	0	0	116,384,003	3,461,964	119,845,966
	Transactions with capital holders (5)	0	0	0	0	0	0	0
	Distribution of reserves							0
	Dividends distribution							0
	Capital increase/(reduction)							0
	Capital transfers not included in other lines (6)							0
	Net changes in equity (1) + (4) + (5) + (6)	0	15,853,065	0	63,412,259	37,118,679	3,461,964	119,845,966
	Balance as at 31 December 2013	142,525,000	56,654,197	1,970,879	101,721,730	116,384,003	30,652,156	449,907,965
	Errors corrections (IAS 8)							0
	Changes in accounting policies (IAS 8)							0
	Revised opening balance	142,525,000	56,654,197	1,970,879	101,721,730	116,384,003	30,652,156	449,907,965
29	Increase in reserves (1)		23,276,801		93,107,202	-116,384,003		0
29	Net profit for the period (2)					156,251,234		156,251,234
	Other comprehensive income for the period (3)	0	0	0	0	0	0	0
	Net gains from fair value adjustments of available for sale financial assets							0
	Exchange difference for change in functional currency - MZN							0
	Other gains/losses directly recognized in capital							0
	Total comprehensive income for the period (4) = (2) + (3)	0	0	0	0	156,251,234	0	156,251,234
	Transactions with capital holders (5)	99,565,000	0	0	0	0	0	99,565,000
	Distribution of reserves							0
	Dividends distribution							0
29	Capital increase/(reduction)	99,565,000						99,565,000
	Capital transfers not included in other lines (6)							0
	Net changes in equity (1) + (4) + (5) + (6)	99,565,000	23,276,801	0	93,107,202	39,867,231	0	255,816,233
	Balance as at 31 December 2014	242,090,000	79,930,997	1,970,879	194,828,932	156,251,236	30,652,156	705,724,200

Notes	Statement of changes in equity (Amounts in USD)	Share capital	Other reserves		Retained earnings	Net income for the year	Revaluation reserve	TOTAL
			Legal reserve	Share premium				
	Balance as at 31 December 2012	5,806,770	1,479,215	73,770	1,242,037	2,864,666	0	11,466,458
	Errors corrections (IAS 8)	0	0	0	0	0	0	0
	Changes in accounting policies (IAS 8)							0
	Revised opening balance	5,806,770	1,479,215	73,770	1,242,037	2,864,666	0	11,466,458
29	Increase in reserves (1)		572,933		2,291,733	-2,864,666		0
29	Net profit for the period (2)					3,974,911		3,974,911
	Other comprehensive income for the period (3)	0	0	0	0	0	0	0
	Net gains from fair value adjustments of available for sale financial assets							0
	Exchange difference for change in functional currency - USD							0
	Other gains/losses directly recognized in capital							0
	Total comprehensive income for the period (4) = (2) + (3)	0	0	0	0	3,974,911	0	3,974,911
	Transactions with capital holders (5)	0	0	0	0	0	0	0
	Distribution of reserves							0
	Dividends distribution							0
	Capital increase/(reduction)							0
	Capital transfers not included in other lines (6)							0
	Net changes in equity (1) + (4) + (5) + (6)	0	572,933	0	2,291,733	1,110,245	0	3,974,911
	Balance as at 31 December 2013	5,806,770	2,052,148	73,770	3,533,770	3,974,911	0	15,441,369
	Errors corrections (IAS 8)	0	0	0	0	0	0	0
	Changes in accounting policies (IAS 8)							0
	Revised opening balance	5,806,770	2,052,148	73,770	3,533,770	3,974,911	0	15,441,369
29	Increase in reserves (1)		794,982		3,179,929	-3,974,911		0
29	Net profit for the period (2)					5,094,118		5,094,118
	Other comprehensive income for the period (3)	0	0	0	0	0	-1,799,992	-1,799,992
	Net gains from fair value adjustments of available for sale financial assets							0
29	Exchange difference for change in functional currency - USD						-1,799,992	-1,799,992
	Other gains/losses directly recognized in capital							0
	Total comprehensive income for the period (4) = (2) + (3)	0	0	0	0	5,094,118	-1,799,992	3,294,126
	Transactions with capital holders (5)	3,100,000	0	0	0	0	0	3,100,000
	Distribution of reserves							0
	Dividends distribution							0
29	Capital increase/(reduction)	3,100,000						3,100,000
	Capital transfers not included in other lines (6)							0
	Net changes in equity (1) + (4) + (5) + (6)	3,100,000	794,982	0	3,179,929	1,119,207	-1,799,992	6,394,126
	Balance as at 31 December 2014	8,906,770	2,847,130	73,770	6,713,699	5,094,118	-1,799,992	21,835,495

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

6.5 Statement of cash flows

Statement of cash flows	2014 MZN	2013 MZN	2014 USD	2013 USD
Cash flow from operating activities				
Net income for the year	156,251,234	116,384,003	5,094,118	3,974,911
Adjustments for:				
Depreciation and amortisation charges for the year	7,307,408	7,099,271	238,237	242,464
Changes in provision for claims	14,538,969	-6,040,522	261,615	-233,333
Changes in other technical provisions	51,700,505	102,381,197	814,732	3,458,850
Changes in bad debtors provision	20,344,199	12,423,811	663,264	424,316
(Increase) / decrease in debtors	-15,177,866	-336,762,248	1,119,570	-11,495,755
Increase / (decrease) in creditors	17,515,311	302,263,730	-1,114,434	10,294,095
Changes in other asset	-9,605,152	-61,685,699	-63,117	-2,142,855
Changes in other liabilities	1,441,370	2,896,593	-1,072,239	91,240
(Increase) / decrease in fair value of financial assets at fair value through profit	-830,734	-1,958,731	-27,084	-66,897
Unrealised gains on investment properties	-18,379,980	-13,175,842	-599,226	-450,000
Exchange difference effects	-80,680,510	1,122,307	-2,630,354	38,331
Interest and similar income	-12,653,955	-11,970,395	-168,351	-408,830
Total	131,770,800	112,977,474	2,516,732	3,726,537
Cash flows from investing activities				
Acquisition of investments (including fixed deposits)	-482,705,360	-234,388,992	-14,935,191	-8,043,963
Refunds / divestitures (including reimbursement of fixed deposits)	234,389,004	143,622,056	8,043,963	4,989,476
Acquisitions of tangible and intangible assets	-2,967,431	-1,241,431	-96,744	-42,399
Interest and similar income	12,653,955	11,970,395	168,351	408,830
Total	-238,629,832	-80,037,972	-6,819,622	-2,688,056
Cash flow from financing activities				
Capital increase	99,565,000	0	3,100,000	0
Total	99,565,000	0	3,100,000	0
Net change in cash and cash equivalents	-7,294,032	32,939,503	-1,202,890	1,038,481
Effect of exchange differences	80,680,510	-1,122,307	2,630,354	-38,331
Cash and cash equivalents at the beginning of the period	249,583,155	217,765,960	8,565,408	7,565,258
Cash and cash equivalents at end of period	322,969,633	249,583,155	9,992,872	8,565,408

7. NOTES TO THE FINANCIAL STATEMENTS

Amounts stated in U.S. Dollars (USD) and Mozambican Meticals (MZN)

Note 1 - Corporate Information

Global Alliance Seguros SA is a limited liability company incorporated in 1993. The head office of the company is in Maputo and the principal objective of the company is to develop its activities in insurance area. The company is licensed to operate in long and short-term insurances (life and non-life) and pension fund management.

Note 2 - Basis of preparation and significant accounting policies

- Basis of preparation**

These financial statements, which refer to the year ended 31 December 2014 were prepared in accordance with the "Plan accounts for entities authorized to carry on insurance business", approved by Ministerial Decree. 222 / 2010 of 17 December, the Ministry of Finance, which came into force on 1 January 2012, and is based on the International Accounting Standards (IAS or IFRS), effective 1 January 2014, except IFRS 4 - Insurance Contracts, they only adopted the principles of classification of the type of contracts by insurance companies, and also considered the provisions issued by the Institute of Insurance Supervision of Mozambique (ISSM) for the accounting operations of insurance companies in Mozambique.

IFRSs comprise accounting standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor body.

As described below, under the accounting standards and interpretations that became effective implementation of the 1 January 2014, the Insurer also adopted in preparing these financial statements, the accounting standards issued by the International Accounting Standards Board (IASB) and interpretations the International Financial Reporting Interpretation Committee (IFRIC) effective since 1 January 2014.

Accordingly, the financial statements were prepared based on the principles of continuity and historical cost, except for situations specifically identified, arising from the application of Accounting Standards and Financial Reporting Standards (IFRS), including financial assets and properties of income.

In preparing the financial statements, the insurer made judgments and estimates using assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Changes in such assumptions or differences between these and the reality may impact on the current estimates and judgments. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant in preparing the financial statements are disclosed in Note 4.

The financial statements are expressed in the functional currency of the Insurer, which is the U.S. dollar, as well as the presentation currency metical.

These financial statements were approved by the Board of Directors on 30 April 2015.

- Summary of significant accounting policies**

The principal accounting policies used in preparing the financial statements are described below and have been applied consistently to all periods presented in the financial statements:

a) Cash and cash equivalents

In preparing the statement of cash flows considered as the Insurer Cash and cash equivalents balances with less than three months maturity instruments, readily convertible into cash and with reduced risk of changes in value, where include cash and deposits with credit institutions.

b) Investments in subsidiaries, associates and joint ventures

Are classified as subsidiaries (subsidiaries) companies over which the Insurer exercises control. Control is presumed to exist when the insurer has the power to exercise the majority of the voting rights. Control may also exist when the insurance company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, even if the percentage holding of the shareholding is less than 50% .

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Are classified as associated companies over which the Insurer has significant influence. Significant influence is presumed when the Insurer has the power to participate in decisions relating to financial and operating policies of the company, not having control of those policies.

Are classified as joint ventures (jointly controlled entities), all entities over which the Insurer has the ability to control jointly with other venturers (shareholders) financial and operational policy of the enterprise.

The Insurer does not hold any investments in subsidiaries, associates and joint ventures.

c) Financial assets

(i) Classification

GA classifies its financial assets at the time of purchase considering the intention behind them, according to the following categories:

- Financial assets held for trading
Those purchased with the main objective to generate capital gains in the short term.
- Financial assets at fair value through profit and loss
This category includes equity instruments designated upon initial recognition at fair value with subsequent changes recognized in profit and loss.
- Financial assets available for sale
Includes non-derivative financial assets which (i) the insurer intends to hold to maturity, (ii) are designated as available-for-sale at initial recognition or (iii) do not fit in categories referred above
- Investments held-to-maturity
Are financial assets for which there is an intention and ability to hold until maturity, presenting a maturity and determinable fixed cash flows. In the event of sales, the class is considered contaminated and all assets of the class must be reclassified as available for sale.
- Loans and receivables

Includes financial assets, excluding derivatives, with fixed or determinable payments that are not quoted in an active market and whose purpose is not to negotiate. Additionally includes receivables related to direct insurance, reinsurance and other transactions related to insurance contracts.

(ii) Recognition, measurement and derecognition

Acquisitions and disposals: Financial assets are initially recognized at fair value plus transaction costs, except for financial assets held at fair value through profit or loss, in which case these transaction costs are directly recognized as income.

Financial assets are derecognised when (i) the contractual rights of the GA to receive their cash flows, (ii) the insurer has transferred substantially all risks and rewards of ownership or (iii) although retaining some but not substantially all the risks and rewards of ownership, the Insurer has transferred control over the assets.

(iii) Subsequent measurement

After initial recognition, financial assets held at fair value through P&L are fair valued with changes therein recognized in profit and loss.

Investments available for sale are carried at fair value with the corresponding changes recognized in equity via other comprehensive income (OCI) in the part that belongs to the shareholder, until the investments are derecognised, i.e., the time at which the cumulative gains and potential losses recorded in equity is transferred to profit. For products with profit sharing, changes in the fair value are initially recognized in reserves (equity) and subsequently transferred to the account of profit sharing to assign ("shadow-accounting").

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Still in relation to financial assets available for sale, the adjustment to book value comprises the separation of (i) depreciation at the rate effective, (ii) the foreign exchange (in the case of designated foreign currency monetary assets) - both by the income and (iii) changes in fair value (excluding risk) - as described above

Investments held-to-maturity are measured at amortized cost in the balance sheet in accordance with the effective interest rate method with amortization (interest, values and incremental premiums and discounts) to be recorded in the profit and loss.

The fair value of listed financial assets is your current purchase price ("bid-price"). For unlisted securities, the GA establishes fair value by using (i) valuation techniques such as the use of prices of recent transactions, and conducted in similar market conditions, techniques of discounted cash flow models and option valuation parameterized to reflect the particularities and circumstances of the instrument, and (ii) valuation assumptions based on market information.

Financial instruments for which it is not possible to measure reliably the fair value are recorded at cost.

(iv) Transfers between categories of financial assets

In October 2008 the IASB issued a revised IAS 39 - Reclassification of financial instruments (IAS 39 Amendments to Financial Instruments: Recognition and Measurement and IFRS 7: Financial Instruments Disclosures). This change allowed an entity to transfer financial assets held for trading portfolios to financial assets available for sale, loans and receivables or financial assets held to maturity, as these financial assets match the characteristics of each category .

A transfer of financial assets available for sale to the categories of loans and receivables and financial assets held to maturity is also allowed.

(v) Impairment

Impairment of securities:

GA assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

· Assets Carried at amortised cost

If there is objective evidence that supported an impairment loss on loans and receivables or held-to-maturity at amortized cost, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of the flows estimated future cash discounted at the original effective interest rate of the financial asset. The amount of the asset should be reduced through the use of a reduced active account. The amount of the loss shall be recognized in profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed by adjusting the bill to reduce the asset. The reversal shall not result in a carrying amount of the financial asset that exceeds the amount that would have been determined by amortized cost, the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit.

· Assets carried at cost

If there is objective evidence that an impairment loss has supported an instrument of unquoted equity that is not recognized at fair value because its fair value can not be reliably measured, or on a derivative asset that is linked, and should be settled by delivery of an instrument of such unquoted equity, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market return for similar financial asset. These impairment losses shall not be reversed.

· Available for sale financial assets

When there is evidence of impairment of available for sale, the cumulative loss equity, corresponding to the difference between the acquisition cost and the current fair value, less any financial assets impairment loss on that financial asset previously recognized in the income statement, is transferred to results.

Adjustments receipts premiums receivable and doubtful debts:

The adjustments of premiums receivable receipts are aimed at reducing the amount of premiums to collect their estimated realizable value. The calculation of these adjustments are made on an economic basis on which we assess the recoverability of all receipts that are collecting for over 30 days and then applied to the bank receipt receipt. This adjustment is presented in the balance sheet as a deduction from debtors for direct insurance operations.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

This adjustment is intended to recognize the results of the impact of potential insurer failure to collect receipts for premiums written

d) Other financial assets - Embedded Derivatives

Financial instruments with embedded derivatives are initially recognized at fair value. Subsequently, the fair value of derivative financial instruments are revalued on a regular basis, and gains or losses resulting from this revaluation are recorded directly in the income statement, where the derivative is not closely related to the asset base, and in the revaluation reserve in other cases.

e) Recognition of interest and dividends

The results relating to interest on financial instruments are recognized under interest and similar income using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

To calculate the effective interest rate are estimated future cash flows considering all contractual terms of the financial instrument, excluding, however, any future credit losses. The calculation includes all fees that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts directly related to the transaction.

To Income from equity instruments (dividends) is recognized when earned.

f) Investment property and building for own use

- *Investment property*

The company classifies as Investment properties all properties whose recoverability is by obtaining rents rather than continuing use, using the measurement criteria of IAS 40.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit and loss in the year in which they arise.

The fair value of Investment property is based on a valuation made by an independent assessor. The independent assessor has recognized professional qualification relevant to the issue of evaluation reports.

The fair value of investment properties is considered as the most likely value that they may have on free market transaction between two entities prudent, assuming a reasonable period of market exposure.

- *Buildings for own use*

The Insurer classifies as properties for own use, the property whose primary aim is the continued use by applying measurement criteria set out in IAS 16.

They are initially recognized at cost, including transaction costs directly related, and subsequently the valuation model is the revaluation model, less accumulated depreciation and accumulated impairment, with changes in value recognized in equity via other comprehensive income (OCI).

Depreciation is calculated based on the method of twelfths, taking into account the number of years of useful life of the property..

	Useful life
Property on Av. Marginal	37 years

Subsequent expenditure relating, are capitalized when it is probable that the insurer will obtain future economic benefits in excess of the performance level originally estimated.

g) Tangible Assets

Tangible assets used by the GA in the course of their business are recognized at cost, less accumulated depreciation and accumulated impairment losses.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

On initial recognition of the values of other assets, the Insurer capitalizes the acquisition value added of all charges necessary for the proper operation of a particular asset, in accordance with the provisions of IAS 16. Subsequent measurement, the Insurer chooses the establishment of a life that is able to reflect the estimated time of obtaining economic benefits, depreciating good for that period.

The GA carries out regular analysis of adequacy of the estimated useful life of its tangible assets. Changes in the expected useful life of assets are recorded by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are recognized as a separate asset or increase to current asset only when it is probable that future economic benefits to the insurance company.

Expenditures for maintenance and repairs and other expenses associated with their use are recognized in profit and loss in the period which they are incurred.

Depreciation is calculated by applying the straight-line basis, at the following annual rates, which reflect in a reasonable way, the estimated useful lives of the assets:

	Finite useful life	Annual rates
Administrative Equipment	Yes	20%
Computer equipment	Yes	25%
Buildings	Yes	33%
Motor vehicles	Yes	25%

An item of tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the cancellation of the recognition of the asset (calculated as the difference between the income from the sale and the carrying amount of the asset) is recognized in profit and loss in the period of derecognition.

When there is an indication that an asset may be impaired the recoverable amount is estimated and an impairment loss is recognized whenever the net value of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss.

The recoverable amount is determined as the higher of its net selling price and value in use, which is calculated based on the present value of estimated future cash flows that are expected to be obtained from use of the asset and its disposal at the end of its useful life.

h) Intangible Assets

Intangible assets mainly comprise software's and other licenses

Global Alliance's intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

	Internally generated Intangible assets	Finite useful life	Annual rates
Software and other licences	No	Yes	25%

GA carries out impairment tests whenever events or circumstances indicate that the carrying value exceeds the recoverable amount, with the difference recognised is profit and loss. The recoverable amount is determined as the higher of its net selling price and value in use, which is calculated based on the present value of estimated future cash flows expected to be obtained from continued use of the asset and its disposal at the end of its useful life.

Costs incurred in the acquisition of software are capitalized as intangible assets, as well as additional expenses necessary for its implementation.

Costs directly related to the development of computer applications, on which it is expected that they will generate future economic benefits beyond one year, are recognized as intangible assets.

Costs for maintaining computer software programs are recognized as an expense when incurred.

i) Insurance contracts

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

The Company issues contracts that include insured risk. There is an insurance contract when one of the parties accepts significant risk from the other (policyholder) and agrees to compensate it if a specific, uncertain future event affects it adversely.

Costs and income are recorded during the year to which they refer, irrespective of the moment of their payment or receipt, in accordance with the accrual accounting principle.

The insurance contracts are measured according to the following principles:

(i) Premiums

Gross direct insurance, accepted reinsurance and ceded reinsurance premiums written are recorded respectively as income and costs during the year to which they refer, regardless of the moment of their receipt or payment.

(ii) Aquisition costs

Acquisition costs mainly correspond to the remuneration contractually assigned to mediators by raising insurance contracts and investment. The commission contracted are recorded as expenses at the time of issuance or renewal of their premiums from their policyholders.

(iii) Provision for unearned premiums

The unearned premium reserve is based on the determination of premiums written before the end of the year that are in force after that date. This provision is designed to cover risks assumed and the resultant charges during the period between the end of the year and the maturity date of each insurance contract. The provision carried in the Balance Sheet has been reduced by the deferred acquisition costs in the proportion of the premiums, up to a limit of 20% of the amount of the deferred premiums, for each business line. The determination is done by applying the method "pro-rata temporis" for each contract in force.

Direct acquisition costs incurred during the financial period arising from the writing or renewing of insurance contracts, are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred.

(iv) Mathematical provision

The mathematical provisions established for all contracts traded by the Insurer correspond to the estimated actuarial value of the commitment made to the beneficiaries, including bonuses already declared and after deducting the actuarial value of future premiums.

(v) Provision for claims

The provision for claims corresponds to the estimated total cost that insurer expects to bear with the settlement (or amounts already settled but not yet paid) of all claims which have occurred up to the end of the year, whether reported or not, less amounts paid relating to such claims

This provision was determined as follows:

- From the analysis of claims outstanding at the year end and the resulting estimate of the liability existing at that date, and
- The provision computed by applying 5% (1% for life insurance) on the amount of claims costs for the year, in order to cope with the responsibility for claims reported after the balance sheet date (IBNR).

The insurance mathematical reserves accidents is calculated for the pensions already approved by the Labour Court and the resulting estimates of processes in the approval process.

(vi) Provision for profit sharing

• *Provision for profit sharing to assign (shadow accounting):*

In accordance with the provisions of IFRS 4, gains and unrealized losses on assets covering the liabilities of insurance contracts and investment with discretionary participation features are attributed to policyholders, the estimated part of their participation, based on the expectation that they will participate in such gains and unrealized losses when realized, through the recognition of a liability.

The estimate of the amounts to be allocated to policyholders in the form of profit sharing in each modality or set of modalities, is calculated based on a proper plan applied consistently, taking into account the profit sharing plan, the maturity of commitments, assets assigned and still other variables specific modality or modalities in question.

• *Provision for profit sharing assigned:*

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Corresponds to the amounts attributed to policyholders or contract beneficiaries by way of profit sharing, and who have not yet been distributed, including through inclusion in mathematical provision contracts.

(vii) Provision for claims variances

The provision for claims variances aims cope with exceptionally high claims in lines of business that, by their nature, are likely to have more oscillations and that should be recorded for credit insurance, surety insurance, crop insurance and the risk of earthquakes. The method of calculation of the provision for claims variances follows the applicable law - Decree n.º 30/2012, issued by the Institute of Insurance Supervision of Mozambique (ISSM).

(viii) Provision for unexpired risks

The provision for unexpired risks corresponds to the amount required to cover probable compensation and other charges after the end of the year and exceeding the value of the sum of the premiums and the premiums due and not yet processed at the close of the year relating to contracts in force. The method of calculation of the provision for unexpired risks is in accordance with the applicable legislation - Decree n.º 30/2012, issued by the ISSM

(ix) Technical provisions of ceded reinsurance

Technical provisions for reinsurance are determined by applying the above described criteria for direct insurance, taking into account the ceding rates, as well as other existing clauses in treaties in force.

j) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation to be settled by delivering cash or another financial asset, independently from its legal form.

l) Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

- *Complement reform (post-employment benefits)*

The GA does not give its employees pension supplement.

- *Other long-term benefits*

The GA does not give their employees any long-term benefit

- *Performance bonus (short-term benefits)*

A liability is recognized for the amount expected bonus if the GA have a legal or contractual obligation to pay this amount as a result of a past event of a service by an employee and the obligation can be measured reliably.

The performance bonuses awarded to employees of the insurer, specializing in each period is calculated according to a performance evaluation.

m) Tax on income

The company is subject to the tax regime enshrined in the Code of Income Tax, being profits attributable to each financial year subject to corporate tax. (IRPC - current rate: 32%).

Taxes on income comprise current tax and deferred tax.

Income taxes are recognized in the income statement, except when it relates to items that are recognized directly in equity, in which case it is also recognized in equity. Deferred taxes recognized in equity arising from the revaluation of available for sale investments are subsequently recognized in income when it accrues in profit gains and losses that gave rise to them.

- *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Current income tax relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

- *Deferred income tax*

Deferred taxes are calculated on the difference between the carrying amounts of assets and liabilities and their tax base, using tax rates enacted or substantively enacted at the balance sheet date in any jurisdiction and that are expected to apply when these differences are reversed.

Deferred tax liabilities are recognized for all taxable tax adjustments.

Deferred tax assets are recognized for all deductible tax adjustments, to the extent that it is probable that future taxable profits against which they can be deducted deferred tax assets.

Deferred taxes are calculated using the enacted tax rates for the period are expected to be realized in the related asset or liability.

In adopting the "Plan accounts for entities qualified to carry on insurance business", approved by Ministerial Decree. ° 220/2010, of 17 December, the Ministry of Finance, the GA proceeded to determine the equity in accordance with IFRS by reference to January 1, 2010 (transition date) and recognized deferred tax adjustments arising nevertheless have not yet been defined tax rules relating to transition.

n) Provisions

Provisions are recognized when (i) the Insurer has a present obligation (legal or constructive) arising from past events, respect, (ii) probable future outflow of funds and (iii) it can be determined reliably.

The amount of the provision is the best estimate of the amount to be paid to settle the liability at the balance sheet date.

o) Capital and equity instruments

Shares are classified as equity where there is no obligation to transfer cash or other assets.

An instrument is classified as an equity instrument when there is a contractual obligation to be settled by delivering cash or another financial asset, independently from its legal form evidences a residual interest in the assets of an entity after deducting all its liabilities.

p) Leases

The Insurance Company classifies leases as finance leases or operating leases, depending on their substance and not its legal form the criteria defined in IAS 17 - Leases. Finance leases are leases where the risks and benefits incidental to ownership of an asset are transferred to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

In financial leases, which substantially transfer all risks and rewards to GA, the asset is recorded as a property, plant and equipment and the corresponding responsibility is recorded as a liability. Depreciation of assets is calculated as described in note 2 (h) and recorded as expense in the income statement of the respective period.

Rents are composed of interest and amortization of capital (as originally recognised as a liability). Financial charges are reported in the years to which they relate.

In operating leases, rents are recognised as expense on a straight line basis over the lease term.

q) Non – current assets held for sale

Non-current assets are classified as held for sale when their carrying amounts will be recovered mainly through a sale transaction (including those acquired exclusively with the purpose of sale) and the sale transaction is highly probable.

Immediately before the initial classification of assets as held for sale, the subsequent measurement of non-current assets is carried out in accordance with the applicable IFRS. These assets are measured at the lower of the value at initial recognition and fair value less costs to sell.

r) Segment reporting

A business segment is a set of assets and operations that are subject to risks and returns different from other business segments.

A geographic segment is a group of assets and services within a particular economic environment, which is subject to risks and returns that are different from those of segments operating in other economic environments.

s) Foreign currency transation

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

The GA has the U.S. dollar (USD) as its functional currency. The financial statements were prepared in their functional currency and converted to the metical, which is the presentation currency of the Insurer.

Transactions in foreign currencies are translated at the exchange rate in effect at the transaction date.

Assets and liabilities denominated in foreign currencies are translated into USD at the exchange rate in effect at the balance sheet date. The exchange differences arising on translation are recognized in earnings.

The non-monetary assets and liabilities at historical cost denominated in a foreign currency are translated into the functional currency at the exchange rate of the transaction date. The non-monetary assets and liabilities at fair value denominated in foreign currencies are translated into USD at the exchange rate of the date when the fair value is determined. The resulting exchange differences are recognized in the income statement, except as regards differences relating to shares classified as financial assets available for sale, which are recorded in reserves (equity).

The conversion of financial statements into the presentation currency was based on the exchange rate in effect at the balance sheet date for the items of assets and liabilities and based on the average exchange rate for the year to the lines of the income statement. The differences arising from the translation of financial statements into the presentation currency are reflected in Shareholders' funds - foreign exchange reserve.

Note 3 - Change in the nature, impact and justification of changes in accounting policies

During the year ended 31 December 2014 and 2013 there have been no changes in accounting policies that may have an effect on the comparability of these periods.

Note 4 - Major accounting estimates and relevant judgments used in preparing the financial statements

Preparation of the financial statements requires management to make judgments, estimates and assumptions in the context of decision making on certain accounting treatments that impact the amounts reported.

The key accounting estimates and judgments in applying accounting principles by the Insurer are disclosed below in order to improve understanding of how their application affects the reported results of the Insurer. A broader description of the accounting policies used by the Insurer is presented in Note 2.

It should be borne in mind that in some situations, there may be alternatives to the treatment of the accounting policies adopted by the Insurer, which would lead to different results. However, the insurer believes that the judgments and estimates applied are appropriate to present fairly the financial position of the insurer and its operations in all material respects.

The recitals made then are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

a) Fair value of investment properties and revalued amount of property for own use

The fair value of investment properties and the value of the revalued properties for own use is based on appraisals by independent appraisers, which is considered as the most likely value that they would in a free market transaction between two entities prudent, assuming one reasonable period of market exposure.

For its determination are used models of future cash flows, or when possible criterion is applied market comparison, which compares with other similar property which is the subject transaction time recent enough to consider the valid values reached in market terms.

Different methods, different results could determine.

See further note 21.

b) Technical provisions for insurance contracts

Regarding the technical reserves of non-life, the cost of claims incurred and reported to the Insurer, and the cost to those who have not already occurred but were reported, estimates are whose evolution is monitored and examined by the Insurer.

There are some sources of uncertainty that the GA needs to consider in determining the estimate of total liabilities to pay for claims.

The sources of uncertainty arising from insurance contracts can be characterized as follows:

- (I) uncertainty about the possibility of occurrence of an event giving rise to an insured loss;
- (II) uncertainty regarding the amount of loss reported to the Insurer as a result of an insured event unfavorable;
- (III) uncertainty regarding the amount of liability for claims reported to the insurer;
- (IV) uncertainty regarding the future exposure to liability assumed by the insurer and not yet reported.

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

The uncertainty will be different between the various lines of business, according to the characteristics of the insured risks. The cost of each claim is determined by considering the present value of the expected loss by the policyholder.

The establishment of liabilities for insurance contracts is a process of uncertainty inherent in the activity of GA, as such, the total cost of settlement of a claim may vary from the initial estimate of the cost of the accident. The Insurer prepares estimates and assumptions that allow you to tailor the responsibilities to possible losses by insurance. Estimates and judgments are subject to quarterly reviews, allowing to adjust any new facts identified.

Initial estimates are determined based on best estimate in respect of claims outstanding and the pattern of accident that occurs in the Insurer. The GA proceeds further to the determination of estimates for claims incurred but not reported (IBNR) and estimates for claims incurred but not reported adequately (IBNER).

As regards technical provisions concerning product life, they were determined based on various assumptions including mortality, longevity and interest rate applicable to each cover. These assumptions may be revised if it is determined that future experience confirms their inadequacy.

See further note 24.

c)) Fair value of financial instruments

The fair value is based on quoted market prices, where available, and unlisted securities is determined based on the use of prices of recent transactions for, and conducted in similar market conditions or based on valuation methodologies, based on flow techniques discounted future cash considering market conditions, time value, yield curve and volatility factors. These pricing models may require assumptions or judgments in estimating fair value.

Consequently, the use of different methodologies or different assumptions or judgments in applying a particular model could produce different financial results.

d) Impairment of financial assets

The Insurer determines that there is impairment in its financial assets when there is a prolonged decline or significant value in its fair value. The determination of a significant or prolonged decline in value requires significant judgment.

e) Taxes on profits

The income tax (current and deferred) are determined by the GA based on the rules established by the tax. However, in some situations, the tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the values recorded are the result of better understanding of the insurer on the appropriate framework for its operations, which is likely to be able to come to be questioned by the tax authorities

According to the tax legislation, the tax authorities have the possibility to revise the calculation of the base made by the insurer for a period of five years. Thus, there may be corrections to the tax base, resulting from differences in the interpretation of tax legislation.

Additionally see Note 26.

f) Provisions

The provisions recorded to cover probable losses that GA is an interested party are made taking into account the expected loss of the Administration, supported the information provided by its legal counsel and are subject annual review.

Note 5 - Segment reporting and allocation of investments and other assets

The Insurer considers primary segment business segment. Within the segment still have the division between life insurance and non-life, and within each of these will be further detailed information by product type (in the case of life insurance) and sub-branch (in the case of Non-Life). In life insurance data submitted will be divided by segments Credit Life, Life Risk Group Life and Individual Risk. In Non-Life, is detailed information by sub-branches of Accidents, fire and Elements of Nature, Automotive, Marine, and Air Transport, Liability and Other Ramos (sub-branches includes personal accident and illness, and many).

Regarding the geographical segment, all contracts awarded in Mozambique, so there is only one segment

- **Segment reporting**

Reporting by business segments – Technical results on 31 December 2014 and 2013:

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

2014 Amounts MZN	Life insurance	Non-Life insurance	Total
Earned premium income, direct insurance	162.976.826	2.504.249.340	2.667.226.166
Net claims , direct insurance	-12.543.900	-421.843.270	-434.387.169
Other technical costs	-16.956.720	0	-16.956.720
Technical margin, direct insurance	133.476.207	2.082.406.070	2.215.882.277
Income on reinsurance Ceded	-37.913.327	-1.307.922.565	-1.345.835.892
Net Technical margin	95.562.880	774.483.506	870.046.385
Operational expenses	-39.376.789	-305.291.921	-344.668.710
Net operational income	56.186.090	469.191.585	525.377.675
Investment income	2.820.076	30.411.910	33.231.986
Others	-1.299.391	-383.943.807	-385.243.197
Technical results	57.706.775	115.659.688	173.366.464
2013 Amounts MZN	Life insurance	Non-Life insurance	Total
Earned premium income, direct insurance	131.809.003	1.589.935.387	1.721.744.390
Net claims , direct insurance	-20.375.204	-676.367.764	-696.742.968
Other technical costs	-22.207.588	0	-22.207.588
Technical margin, direct insurance	89.226.211	913.567.623	1.002.793.834
Income on reinsurance Ceded	-27.527.150	-485.742.128	-513.269.278
Net Technical margin	61.699.061	427.825.495	489.524.556
Operational expenses	-30.858.487	-265.169.768	-296.028.255
Net operational income	30.840.574	162.655.727	193.496.301
Investment income	2.517.630	22.705.956	25.223.586
Others	1.302.779	-35.985.944	-34.683.165
Technical results	34.660.983	149.375.740	184.036.722

2014 Amounts USD	Life insurance	Non-Life insurance	Total
Earned premium income, direct insurance	5.313.387	81.643.785	86.957.171
Net claims , direct insurance	-408.957	-13.752.976	-14.161.933
Other technical costs	-552.825	0	-552.825
Technical margin, direct insurance	4.351.604	67.890.809	72.242.413
Income on reinsurance Ceded	-1.236.054	-42.641.021	-43.877.075
Net Technical margin	3.115.550	25.249.788	28.365.338
Operational expenses	-1.283.766	-9.953.157	-11.236.923
Net operational income	1.831.784	15.296.630	17.128.415
Investment income	91.940	991.492	1.083.433
Others	-42.363	-12.517.374	-12.559.737
Technical results	1.881.362	3.770.749	5.652.111

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

2013 Amounts USD			
	Life insurance	Non-Life Insurance	Total
Earned premium income, direct insurance	4,501,728	54,301,725	58,803,452
Net claims , direct insurance	-695,883	-23,100,270	-23,796,152
Other technical costs	-758,465	0	-758,465
Technical margin, direct insurance	3,047,380	31,201,455	34,248,835
Income on reinsurance Ceded	-940,146	-16,589,753	-17,529,899
Net Technical margin	2,107,234	14,611,702	16,718,936
Operational expenses	-1,053,923	-9,056,453	-10,110,376
Net operational income	1,053,311	5,555,249	6,608,560
Investment income	85,986	775,486	861,472
Others	44,494	-1,229,043	-1,184,549
Technical results	1,183,791	5,101,692	6,285,483

Segment reporting Business Life insurance - technical result on 31 December 2014 and 2013:

2014 Amounts MZN	Life Insurance			
	Credit Life	Group life	Individual life	Total
Earned premium income, direct insurance	112,665,626	27,993,612	22,317,588	162,976,826
Net claims , direct insurance	-3,274,772	-5,749,875	-3,519,252	-12,543,900
Other technical costs	-23,762,353	5,351,885	1,453,748	-16,956,720
Technical margin, direct insurance	85,628,501	27,595,622	20,252,084	133,476,207
Income on reinsurance Ceded	-27,678,070	-8,831,300	-1,403,956	-37,913,327
Net Technical margin	57,950,431	18,764,322	18,848,127	95,562,880
Operational expenses	-27,187,939	-4,221,485	-7,967,366	-39,376,789
Net operational income	30,762,492	14,542,837	10,880,761	56,186,090
Investment income	1,870,262	435,768	514,046	2,820,076
Others	-861,750	-200,787	-236,854	-1,299,391
Technical results	31,771,004	14,777,819	11,157,953	57,706,775

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

2013 Amounts MZN	Life Insurance			
	Credit Life	Group life	Individual life	Total
Earned premium income, direct ins	66,492,006	39,544,413	25,772,584	131,809,003
Net claims , direct insurance	-5,601,317	-13,835,916	-937,971	-20,375,204
Other technical costs	-8,766,346	-8,481,289	-4,959,953	-22,207,588
Technical margin, direct insurance	52,124,343	17,227,208	19,874,660	89,226,211
Income on reinsurance Ceded	-19,127,362	-8,104,640	-295,147	-27,527,150
Net Technical margin	32,996,981	9,122,567	19,579,513	61,699,061
Operational expenses	-15,797,292	-10,784,075	-4,277,120	-30,858,487
Net operational income	17,199,689	-1,661,508	15,302,392	30,840,574
Investment income	1,097,831	739,968	679,831	2,517,630
Others	568,086	382,906	351,787	1,302,779
Technical results	18,865,606	-538,634	16,334,010	34,660,983

2014 Amounts USD	Life Insurance			
	Credit Life	Group life	Individual life	Total
Earned premium income, direct ins	3,673,136	912,651	727,600	5,313,387
Net claims , direct insurance	-106,764	-187,458	-114,735	-408,957
Other technical costs	-774,703	174,483	47,395	-552,825
Technical margin, direct insurance	2,791,669	899,675	660,260	4,351,604
Income on reinsurance Ceded	-902,363	-287,919	-45,772	-1,236,054
Net Technical margin	1,889,306	611,756	614,489	3,115,550
Operational expenses	-886,384	-137,629	-259,753	-1,283,766
Net operational income	1,002,922	474,127	354,736	1,831,784
Investment income	60,974	14,207	16,759	91,940
Others	-28,095	-6,546	-7,722	-42,363
Technical results	1,035,801	481,788	363,773	1,881,362

2013 Amounts USD	Life Insurance			
	Credit Life	Group life	Individual life	Total
Earned premium income, direct ins	2,270,929	1,350,577	880,222	4,501,728
Net claims , direct insurance	-191,304	-472,544	-32,035	-695,883
Other technical costs	-299,401	-289,665	-169,399	-758,465
Technical margin, direct insurance	1,780,224	588,368	678,788	3,047,380
Income on reinsurance Ceded	-653,265	-276,801	-10,080	-940,146
Net Technical margin	1,126,960	311,567	668,707	2,107,234
Operational expenses	-539,531	-368,313	-146,078	-1,053,923
Net operational income	587,428	-56,746	522,629	1,053,311
Investment income	37,495	25,272	23,219	85,986
Others	19,402	13,078	12,015	44,494
Technical results	644,325	-18,396	557,862	1,183,791

Segmental Reporting Non-Life business - technical result on 31 December 2014 and 2013:

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

2014 Amounts MZN	Non life insurance						
	Workman Compensation	Fire	Motor	Marine, Aviation and Goods in transit	Civil Responsibility	Other	Total
Earned premium income, direct insurance	132.122.280	1476.846.750	450.627.327	64.911.478	265.121.323	114.620.181	2.504.249.340
Net claims , direct insurance	-138.122.177	16.648.122	-259.159.874	-12.833.611	-2.197.418	-26.178.311	-421.843.270
Technical margin, direct insurance	-5.999.897	1493.494.872	191.467.453	52.077.867	262.923.905	88.441.870	2.082.406.070
Income on reinsurance Ceded	24.912	-1.045.833.784	-4.312.850	-31.884.499	-175.841.568	-50.074.775	-1.307.922.565
Net Technical margin	-5.974.985	447.661.088	187.154.603	20.193.368	87.082.337	38.367.095	774.483.506
Operational expenses	-39.124.013	-125.086.375	-106.613.094	-9.183.025	-6.802.716	-18.482.699	-305.291.921
Net operational income	-45.098.998	322.574.713	80.541.509	11.010.343	80.279.621	19.884.396	469.191.585
Investment income	3.411.908	12.909.813	11.222.640	556.496	469.899	1.841.154	30.411.910
Others	-1.572.086	-5.948.383	-5.170.993	-256.413	-370.147.592	-848.338	-383.943.807
Technical results	-43.259.176	329.536.143	86.593.155	11.310.425	-289.398.072	20.877.212	115.659.688

2013 Amounts MZN	Non life insurance						
	Workman Compensation	Fire	Motor	Marine, Aviation and Goods in transit	Civil Responsibility	Other	Total
Earned premium income, direct insurance	106.630.588	807.595.537	381.850.932	85.778.760	126.834.378	81.245.192	1.589.935.387
Net claims , direct insurance	-59.880.931	-327.498.910	-260.737.832	-5.897.421	-12.054.288	-10.298.381	-676.367.764
Technical margin, direct insurance	46.749.657	480.096.627	121.113.100	79.881.339	114.780.089	70.946.810	913.567.623
Income on reinsurance Ceded	0	-357.494.202	-14.847.398	-56.724.935	-49.337.781	-7.337.812	-485.742.128
Net Technical margin	46.749.657	122.602.425	106.265.702	23.156.404	65.442.308	63.608.999	427.825.495
Operational expenses	-34.917.799	-61.897.690	-116.779.439	-8.683.127	-24.326.561	-18.565.153	-265.169.768
Net operational income	11.831.859	60.704.735	-10.513.737	14.473.277	41.115.748	45.043.846	162.655.727
Investment income	2.939.796	3.590.138	10.278.239	670.195	3.616.943	16.10.646	22.705.956
Others	1.521.234	1.857.762	5.318.604	346.801	-45.863.794	833.449	-35.985.944
Technical results	16.292.889	66.152.636	5.083.105	15.490.272	-1.131.104	47.487.941	149.375.740

2014 Amounts USD	Non life insurance						
	Workman Compensation	Fire	Motor	Marine, Aviation and Goods in transit	Civil Responsibility	Other	Total
Earned premium income, direct insurance	4.307.464	48.148.304	14.691.397	2.116.250	8.643.512	3.736.858	81.643.785
Net claims , direct insurance	-4.503.073	542.764	-8.449.156	-418.403	-71.640	-853.468	-13.752.976
Technical margin, direct insurance	-195.609	48.691.068	6.242.241	1.697.848	8.571.871	2.883.391	67.890.809
Income on reinsurance Ceded	812	-34.096.376	-140.608	-1.039.502	-5.732.804	-1.632.543	-42.641.021
Net Technical margin	-194.797	14.594.691	6.101.633	658.346	2.839.067	1.250.848	25.249.788
Operational expenses	-12.755.525	-4.078.078	-3.475.811	-299.386	-221.783	-602.575	-9.953.157
Net operational income	-14.703.322	10.516.613	2.625.822	358.960	2.617.284	648.273	15.296.630
Investment income	111.235	420.887	365.882	18.143	15.320	60.025	991.492
Others	-51.253	-193.930	-168.585	-8.360	-12.067.588	-27.658	-12.517.374
Technical results	-1.410.340	10.743.570	2.823.119	368.744	-9.434.985	680.641	3.770.749

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

2013 Amounts USD	Non life insurance						
	Workman Compensation	Fire	Motor	Marine, Aviation and Goods in transit	Civil Responsibility	Other	Total
Earned premium income, direct insurance	3,641,799	27,582,146	13,041,514	2,929,638	4,331,827	2,774,801	54,301,725
Net claims , direct insurance	-2,045,138	-11,185,207	-8,905,088	-201,417	-411,695	-351,725	-23,100,270
Technical margin, direct insurance	1,596,660	16,396,940	4,136,426	2,728,221	3,920,132	2,423,076	31,201,455
Income on reinsurance Ceded	0	-12,209,648	-507,089	-1,937,350	-1,685,054	-250,611	-16,589,753
Net Technical margin	1,596,660	4,187,292	3,629,337	790,870	2,235,078	2,172,465	14,611,702
Operational expenses	-1,192,562	-2,114,018	-3,988,417	-296,558	-830,835	-634,063	-9,056,453
Net operational income	404,098	2,073,274	-359,080	494,312	1,404,243	1,538,401	5,555,249
Investment income	100,404	122,615	351,037	22,889	123,531	55,009	775,486
Others	51,955	63,449	181,648	11,844	-1,566,405	28,465	-1,229,043
Technical results	556,458	2,259,338	173,605	529,046	-38,631	1,621,875	5,101,692

Reporting by business segment – Balance at 31 December 2014 and 2013:

Amount in MZN	Life insurance	Non life insurance	Total 2014
Cash and cash equivalents	33.343.613	289.626.020	322.969.633
Available for sale financial assets	24.224.399	210.415.601	234.640.000
Loans and receivables	25.610.443	222.454.917	248.065.360
Buildings	23.700.461	205.864.616	229.565.076
Other tangible and intangible assets	1.198.726	10.412.259	11.610.985
Technical provision for reinsurance ceded	45.314.230	393.604.016	438.918.246
Others debtors and tax assets	49.779.363	432.388.618	482.167.981
Accruals and deferrals	8.113.082	70.471.053	78.584.135
Total Assets	211.284.315	1.835.237.100	2.046.521.416
Technical provisions	81.892.327	711.325.102	793.217.429
Others creditors and tax liabilities	53.350.364	463.406.703	516.757.068
Accruals and deferrals	3.182.263	27.641.458	30.823.721
Total Liabilities	138.424.954	1.202.373.263	1.340.798.218

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amount in MZN	Life insurance	Non life insurance	Total 2013
Cash and cash equivalents	18.081.188	231.501.967	249.583.155
Available for sale financial assets	10.942.001	140.095.595	151.037.596
Loans and receivables	6.038.438	77.312.969	83.351.408
Buildings	15.543.546	199.011.330	214.554.876
Other tangible and intangible assets	914.687	11.711.163	12.625.850
Technical provision for reinsurance ceded	7.076.177	598.855.751	605.931.927
Others debtors and tax assets	34.311.654	439.277.870	473.589.525
Accruals and deferrals	4.999.422	64.009.953	69.009.375
Total Assets	97.907.113	1.761.776.598	1.859.683.712
Technical provisions	64.765.714	829.225.922	893.991.636
Others creditors and tax liabilities	35.752.431	457.755.208	493.507.639
Accruals and deferrals	1.613.831	20.662.640	22.276.472
Total Liabilities	102.131.976	1.307.643.770	1.409.775.747

Amount in USD	Life insurance	Non life insurance	Total 2014
Cash and cash equivalents	1.031.671	8.961.201	9.992.872
Available for sale financial assets	749.517	6.510.384	7.259.901
Loans and receivables	792.402	6.882.887	7.675.290
Buildings	733.306	6.369.574	7.102.880
Other tangible and intangible assets	37.089	322.161	359.251
Technical provision for reinsurance ceded	227.701	13.352.691	13.580.391
Others debtors and tax assets	1.540.203	13.378.361	14.918.564
Accruals and deferrals	251.024	2.180.416	2.431.440
Total Assets	5.362.914	57.957.675	63.320.588
Technical provisions	2.533.797	22.008.821	24.542.618
Others creditors and tax liabilities	1.650.692	14.338.079	15.988.771
Accruals and deferrals	98.461	855.243	953.704
Total Liabilities	4.282.950	37.202.143	41.485.093

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amount in USD	Life insurance	Non life insurance	Total 2013
Cash and cash equivalents	620.526	7.944.883	8.565.408
Available for sale financial assets	375.517	4.807.921	5.183.438
Loans and receivables	207.232	2.653.293	2.860.525
Buildings	533.437	6.829.841	7.363.278
Other tangible and intangible assets	31.391	401.914	433.305
Technical provision for reinsurance ceded	242.846	20.552.045	20.794.891
Others debtors and tax assets	1.177.537	15.076.557	16.254.094
Accruals and deferrals	171.574	2.196.748	2.368.323
Total Assets	3.360.060	60.463.201	63.823.261
Technical provisions	2.222.685	28.458.085	30.680.771
Others creditors and tax liabilities	1.226.983	15.709.635	16.936.618
Accruals and deferrals	55.385	709.118	764.503
Total Liabilities	3.505.053	44.876.839	48.381.892

Allocation of investments and other assets

Allocations of investments and other assets on 31,2014 December and 2013:

Nature of investments and other assets	Life insurance without profit sharing	Non life insurance	Unallocated	Total 2014 MZN
Cash and cash equivalents	165.482.400	157.487.233	0	322.969.633
Available for sale financial assets	0	234.640.000	0	234.640.000
Loans and receivables	0	248.065.360	0	248.065.360
Buildings	0	71.132.510	158.432.566	229.565.076
Other tangible and intangible assets and inventories	0	0	11.610.985	11.610.985
Technical provisions for reinsurance ceded	0	0	438.918.246	438.918.246
Other debtors and tax assets	0	0	482.167.981	482.167.981
Accruals and deferrals	0	0	78.584.135	78.584.135
Total	165.482.400	711.325.102	1.169.713.913	2.046.521.416

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Nature of investments and other assets	Life insurance without profit sharing	Non life insurance	Unallocated	Total 2013 MZN
Cash and cash equivalents	815.379	248.767.777	0	249.583.155
Available for sale financial assets	0	151.037.596	0	151.037.596
Loans and receivables	0	83.351.408	0	83.351.408
Buildings	0	214.554.876	0	214.554.876
Other tangible and intangible assets and inventories	0	0	12.625.850	12.625.850
Technical provisions for reinsurance ceded	0	0	605.931.927	605.931.927
Other debtors and tax assets	0	0	473.619.917	473.619.917
Accruals and deferrals	0	0	68.978.983	68.978.983
Total	815.379	697.711.656	1.161.156.677	1.859.683.712

Nature of investments and other assets	Life insurance without profit sharing	Non life insurance	Unallocated	Total 2014 USD
Cash and cash equivalents	5.120.124	4.872.749	0	9.992.872
Available for sale financial assets	0	7.259.901	0	7.259.901
Loans and receivables	0	7.675.290	0	7.675.290
Buildings	0	2.200.882	4.901.998	7.102.880
Other tangible and intangible assets and inventories	0	0	359.251	359.251
Technical provisions for reinsurance ceded	0	0	13.580.391	13.580.391
Other debtors and tax assets	0	0	14.918.564	14.918.564
Accruals and deferrals	0	0	2.431.440	2.431.440
Total	5.120.124	22.008.821	36.191.643	63.320.588

Nature of investments and other assets	Life insurance without profit sharing	Non life insurance	Unallocated	Total 2013 USD
Cash and cash equivalents	27.983	8.537.426	0	8.565.408
Available for sale financial assets	0	5.183.438	0	5.183.438
Loans and receivables	0	2.860.525	0	2.860.525
Buildings	0	7.363.278	0	7.363.278
Other tangible and intangible assets and inventories	0	0	433.305	433.305
Technical provisions for reinsurance ceded	0	0	20.794.891	20.794.891
Other debtors and tax assets	0	0	16.254.094	16.254.094
Accruals and deferrals	0	0	2.368.323	2.368.323
Total	27.983	23.944.666	39.850.612	63.823.261

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 6 - Earned premiums (net of reinsurance)

Earned premium (net of reinsurance) in 2014 and 2013, are as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Gross premiums written	2,669,601,441	1,982,812,483	87,034,610	67,719,820
Reinsurance premiums ceded	-1,327,922,122	-1,037,485,243	-43,293,048	-35,433,665
Net written premium	1,341,679,318	945,327,240	43,741,562	32,286,154
Changes in unearned premiums	-2,375,275	-261,068,093	-77,439	-8,916,367
Changes unearned premiums (reinsurance portion)	-40,915,198	179,731,686	-1,333,921	6,138,451
Net change in unearned premiums	-43,290,473	-81,336,407	-1,411,360	-2,777,916
Earned premiums income, net of reinsurance	1,298,388,845	863,990,833	42,330,202	29,508,238

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

The decompositions of the headings are as follows:

Amounts in MZN	2014			2013		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written:	2,669,601,441	-1,327,922,122	1,341,679,318	1,982,812,483	-1,037,485,243	945,327,240
<i>Life</i>	<i>162,976,826</i>	<i>-49,121,524</i>	<i>113,855,302</i>	<i>131,809,003</i>	<i>-37,453,511</i>	<i>94,355,491</i>
Credit Life	112,665,626	-37,157,300	75,508,326	66,492,006	-25,347,607	41,144,399
Group life	27,993,612	-10,400,277	17,593,335	39,544,413	-11,811,956	27,732,457
Individual life	22,317,588	-1,563,947	20,753,641	25,772,584	-293,949	25,478,635
<i>Non life</i>	<i>2,506,624,615</i>	<i>-1,278,800,598</i>	<i>1,227,824,017</i>	<i>1,851,003,480</i>	<i>-1,000,031,732</i>	<i>850,971,748</i>
Workman compensation	137,724,509	24,912	137,749,422	110,177,404	0	110,177,404
Personal accident	95,871,884	-47,347,624	48,524,260	46,602,794	-7,773,219	38,829,575
Fire	1,578,399,060	-1,057,189,482	521,209,578	880,934,459	-746,383,580	134,550,879
Motor	459,186,882	-6,093,785	453,093,097	404,041,158	-18,834,268	385,206,891
Marine	38,969,092	-29,642,389	9,326,704	57,981,826	-44,006,721	13,975,105
Aviation	21,946,342	-19,915,497	2,030,845	16,029,693	-14,870,913	1,158,780
Transport	12,313,254	-1,203,330	11,109,924	10,679,048	-695,440	9,983,608
Civil responsibility	130,348,364	-111,377,079	18,971,284	300,866,785	-165,311,341	135,555,443
Miscellaneous	31,865,227	-6,056,325	25,808,902	23,690,313	-2,156,250	21,534,064
Changes in provision for unearned premiums:	-2,375,275	-40,915,198	-43,290,473	-261,068,093	179,731,686	-81,336,407
<i>Life insurance</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Non life insurance</i>	<i>-2,375,275</i>	<i>-40,915,198</i>	<i>-43,290,473</i>	<i>-261,068,093</i>	<i>179,731,686</i>	<i>-81,336,407</i>
Workman compensation	-5,602,229	0	-5,602,229	-3,546,815	0	-3,546,815
Personal accident	-11,218,895	420,913	-10,797,982	11,613,434	512,188	12,125,622
Fire	-101,552,310	21,330,906	-80,221,403	-73,338,922	72,840,280	-498,642
Motor	-8,559,555	113,234	-8,446,320	-22,190,226	31,726	-22,158,499
Marine	-6,697,623	6,843,869	146,246	1,804,304	-2,102,166	-297,863
Aviation	-1,284,645	1,129,141	-155,504	-1,012,300	904,609	-107,691
Transport	-334,943	-10,021	-344,964	296,188	-29,028	267,161
Civil responsibility	134,772,959	-71,571,733	63,201,226	-174,032,407	107,035,254	-66,997,153
Miscellaneous	-1,898,035	828,491	-1,069,543	-661,350	538,823	-122,527
Earned premiums:	2,667,226,166	-1,368,837,321	1,298,388,845	1,721,744,390	-857,753,557	863,990,833

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts USD	2014			2013		
	Direct insurance and reinsurance accepted	Reinsurance ceded	Net	Direct insurance and reinsurance accepted	Reinsurance ceded	Net
Gross premiums written:	87,034,610	-43,293,048	43,741,562	67,719,820	-35,433,665	32,286,154
<i>Life</i>	5,313,387	-1,601,465	3,711,922	4,501,728	-1,279,165	3,222,562
Credit Life	3,673,136	-1,211,406	2,461,730	2,270,929	-865,707	1,405,222
Group life	912,651	-339,071	573,580	1,350,577	-403,419	947,158
Individual life	727,600	-50,988	676,612	880,222	-10,039	870,182
<i>Non life</i>	81,721,224	-41,691,584	40,029,640	63,218,092	-34,154,500	29,063,592
Workman compensation	4,490,108	812	4,490,920	3,762,935	0	3,762,935
Personal accident	3,125,625	-1,543,632	1,581,993	1,591,645	-265,482	1,326,163
Fire	51,459,122	-34,466,596	16,992,526	30,086,921	-25,491,549	4,595,372
Motor	14,970,456	-198,670	14,771,786	13,799,386	-643,255	13,156,131
Marine	1,270,474	-966,404	304,070	1,980,277	-1,502,980	477,298
Aviation	715,497	-649,287	66,210	547,469	-507,892	39,576
Transport	401,438	-39,231	362,207	364,726	-23,752	340,974
Civil responsibility	4,249,630	-3,631,127	618,504	10,275,628	-5,645,947	4,629,681
Miscellaneous	1,038,873	-197,449	841,424	809,105	-73,643	735,462
Changes in provision for unearned premiums:	-77,439	-1,333,921	-1,411,360	-8,916,367	6,138,451	-2,777,916
<i>Life insurance</i>	0	0	0	0	0	0
<i>Non life insurance</i>	-77,439	-1,333,921	-1,411,360	-8,916,367	6,138,451	-2,777,916
Workman compensation	-182,644	0	-182,644	-121,136	0	-121,136
Personal accident	-365,760	13,723	-352,037	396,638	17,493	414,131
Fire	-3,310,818	695,432	-2,615,386	-2,504,775	2,487,744	-17,030
Motor	-279,059	3,692	-275,368	-757,872	1,084	-756,788
Marine	-218,357	223,124	4,768	61,623	-71,796	-10,173
Aviation	-41,882	36,812	-5,070	-34,573	30,895	-3,678
Transport	-10,920	-327	-11,247	10,116	-991	9,124
Civil responsibility	4,393,881	-2,333,389	2,060,493	-5,943,801	3,655,620	-2,288,182
Miscellaneous	-61,880	27,011	-34,869	-22,587	18,403	-4,185
Earned premiums:	86,957,171	-44,626,970	42,330,202	58,803,452	-29,295,214	29,508,238

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 7 – Net Claims costs (net of reinsurance)

In the years 2014 and 2013, this caption is made up as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Net claims paid				
Gross claims paid	-506,430,401	-582,992,824	-16,510,694	-19,911,196
Reinsurance portion	81,209,811	212,507,242	2,647,610	7,257,848
Changes in provision for claims				
Gross change	112,006,427	-78,948,841	3,651,645	-2,696,373
Reinsurance portion	-126,545,397	85,780,720	-4,125,646	2,929,705
Net change in provision for claims	-439,759,560	-363,653,703	-14,337,085	-12,420,016
Inputed claims costs	-39,963,195	-34,801,302	-1,302,884	-1,188,583
Net claims cost	-479,722,755	-398,455,005	-15,639,969	-13,608,600

In financial year 2014 and 2013, the Claims Costs and Changes in technical provisions of life insurance and non-life, were as follows:

Amounts in MZN	2014					
	Claims paid		Changes in provision for claims		Inputed claims cost	Total
	Gross claims paid	Reinsurance portion	Gross change	Reinsurance portion		
Life	-8,982,717	2,352,639	-169,894	-163,807	-3,391,288	-10,355,067
Credit Life	-916,739	0	-108,946	0	-2,249,087	-3,274,772
Group life	-5,482,009	2,352,639	256,169	-163,807	-524,034	-3,561,042
Individual life	-2,583,969	0	-317,117	0	-618,167	-3,519,252
Non life	-497,447,684	78,857,171	112,176,321	-126,381,590	-36,571,907	-469,367,688
Workman compensation	-128,335,965	0	-5,683,215	0	-4,102,998	-138,122,177
Personal accident	-11,545,681	88,708	-1,256,367	6,020	-1,445,341	-14,152,662
Fire	-90,869,936	67,986,222	123,042,781	-123,937,688	-15,524,723	-39,303,344
Motor	-240,202,553	1,004,373	-5,461,512	-971	-13,495,809	-258,156,472
Marine	-3,147,845	2,559,193	-3,738,427	2,380,263	-277,805	-2,224,621
Aviation	0	0	935,523	-932,769	-60,491	-57,738
Transport	-7,137,141	4,325,396	923,494	-1,023,616	-330,920	-3,242,786
Civil responsibility	-4,121,169	1,835,242	2,488,829	-2,421,895	-565,078	-2,784,072
Miscellaneous	-12,087,393	1,058,038	925,215	-450,934	-768,743	-11,323,817
Total	-506,430,401	81,209,811	112,006,427	-126,545,397	-39,963,195	-479,722,755

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in MZN	2013					
	Claims paid		Fire		Inputed claims cost	Total
	Gross claims paid	Workman compensation	Motor	Marine		
<i>Life</i>	-16,883,567	3,506,570	-18,031	130,437	-3,473,606	-16,738,197
Credit Life	-4,044,864	-139,078	-41,761	0	-1,514,691	-5,740,395
Group life	-12,716,459	3,645,649	-98,514	130,437	-1,020,943	-10,059,831
Individual life	-122,244	0	122,244	0	-937,971	-937,971
<i>Non life</i>	-566,109,257	209,000,672	-78,930,810	85,650,283	-31,327,696	-381,716,808
Workman compensation	-64,010,787	0	8,185,930	0	-4,056,074	-59,880,931
Personal accident	-2,323,327	301,621	1,034,150	-9,606	-1,429,473	-2,426,634
Fire	-243,998,981	207,902,527	-78,546,569	80,762,836	-4,953,360	-38,833,546
Motor	-240,512,749	167,663	-6,044,067	-5,421	-14,181,017	-260,575,590
Marine	-1,493,954	176,760	-33,806	117,414	-514,480	-1,748,067
Aviation	2,814	458	138,784	-139,537	-42,659	-40,140
Transport	-2,943,981	329,582	-642,601	783,010	-367,537	-2,841,527
Civil responsibility	-4,077,162	61,233	-2,986,785	3,882,518	-4,990,342	-8,110,537
Miscellaneous	-6,751,129	60,827	-35,847	259,068	-792,756	-7,259,836
Total	-582,992,824	212,507,242	-78,948,841	85,780,720	-34,801,302	-398,455,005

Amounts in USD	2014					
	Claims paid		Changes in provision for claims		Inputed claims cost	Total
	Gross claims paid	Reinsurance portion	Gross change	Reinsurance portion		
<i>Life</i>	-292,855	76,701	-5,539	-5,340	-110,563	-337,597
Credit Life	-29,888	0	-3,552	0	-73,325	-106,764
Group life	-178,725	76,701	8,352	-5,340	-17,085	-116,097
Individual life	-84,243	0	-10,339	0	-20,154	-114,735
<i>Non life</i>	-16,217,839	2,570,909	3,657,184	-4,120,305	-1,192,321	-15,302,372
Workman compensation	-4,184,022	0	-185,285	0	-133,766	-4,503,073
Personal accident	-376,413	2,892	-40,960	196	-47,121	-461,406
Fire	-2,962,551	2,216,494	4,011,453	-4,040,629	-506,139	-1,281,372
Motor	-7,831,107	32,745	-178,057	-32	-439,992	-8,416,443
Marine	-102,626	83,435	-121,881	77,602	-9,057	-72,527
Aviation	0	0	30,500	-30,410	-1,972	-1,882
Transport	-232,686	141,017	30,108	-33,372	-10,789	-105,722
Civil responsibility	-134,359	59,833	81,141	-78,959	-18,423	-90,767
Miscellaneous	-394,074	34,494	30,164	-14,701	-25,063	-369,180
Total	-16,510,694	2,647,610	3,651,645	-4,125,646	-1,302,884	-15,639,969

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD	2013					
	Claims paid		Changes in provision for claims		Inputed claims cost	Total
	Gross claims paid	Reinsurance portion	Gross change	Reinsurance portion		
<i>Life</i>	-576,631	119,761	-616	4,455	-118,635	-571,667
Credit Life	-138,146	-4,750	-1,426	0	-51,732	-196,054
Group life	-434,311	124,511	-3,365	4,455	-34,869	-343,578
Individual life	-4,175	0	4,175	0	-32,035	-32,035
<i>Non life</i>	-19,334,565	7,138,087	-2,695,757	2,925,250	-1,069,948	-13,036,933
Workman compensation	-2,186,187	0	279,577	0	-138,529	-2,045,138
Personal accident	-79,350	10,301	35,320	-328	-48,821	-82,878
Fire	-8,333,399	7,100,582	-2,682,634	2,758,327	-169,174	-1,326,298
Motor	-8,214,332	5,726	-206,426	-185	-484,330	-8,899,547
Marine	-51,024	6,037	-1,155	4,010	-17,571	-59,702
Aviation	96	16	4,740	-4,766	-1,457	-1,371
Transport	-100,547	11,256	-21,947	26,742	-12,553	-97,048
Civil responsibility	-139,249	2,091	-102,009	132,601	-170,437	-277,003
Miscellaneous	-230,574	2,077	-1,224	8,848	-27,075	-247,948
Total	-19,911,196	7,257,848	-2,696,373	2,929,705	-1,188,583	-13,608,600

Note 8 – Life Mathematical provision, net of reinsurance

The caption life mathematical provision , net of reinsurance, accommodates the variation of the responsibilities of the Insurer for insurance contracts without profit sharing life insurance.

	2014 MZN		2013 MZN		2014 USD		2013 USD	
	Gross	Reinsurer	Gross	Reinsurer	Gross	Reinsurer	Gross	Reinsurer
<i>Life</i>								
Credit Life	-23,762,353	-10,217,360	-8,766,346	257,026	-774,703	-333,107	-299,401	8,778
Group life	5,351,885	-3,728,000	-8,481,289	-68,770	174,483	-121,541	-289,665	-2,349
Individual life	1,453,748	-287,794	-4,959,953	-3,912	47,395	-9,383	-169,399	-134
Total	-16,956,720	-14,233,154	-22,207,588	184,345	-552,825	-464,031	-758,465	6,296

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 9 – Net operating cost

In the years 2014 and 2013, net operating cost are analyzed as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Aquisition costs	-239,944,216	-199,863,321	-7,822,685	-6,826,015
Deferred Acquisition costs	8,099,775	2,086,256	264,070	71,253
Administrative costs	-112,824,269	-98,251,189	-3,678,308	-3,355,614
Reinsurance commission	67,890,101	46,011,972	2,213,360	1,571,466
Total	-276,778,609	-250,016,283	-9,023,564	-8,538,910

Net operating costs	2014 MZN				
	Acquisition cost		Deferred Acquisition cost (variance)	Administrative costs	Reinsurance commission
	(see Note17)	Broker commissions		(see Note17)	
<i>Life</i>	-5.742.707	-24.059.782	0	-9.574.301	8.572.451
Credit Life	-3.808.537	-17.029.768	0	-6.349.633	8.592.055
Group life	-887.384	-1.854.645	0	-1.479.456	0
Individual life	-1.046.785	-5.175.369	0	-1.745.212	-19.604
<i>Non life</i>	-61.929.776	-148.211.951	8.099.775	-103.249.969	59.317.650
Workman compensation	-6.947.894	-21.709.497	1.116.979	-11.583.601	0
Personal accident	-2.447.498	-5.484.338	1.553.093	-4.080.494	428.478
Fire	-26.289.103	-58.252.807	3.285.003	-43.829.467	45.976.257
Motor	-22.853.400	-46.550.840	892.574	-38.101.428	664.299
Marine	-470.426	-3.549.216	-78.450	-784.300	2.916.405
Aviation	-102.433	-579.858	3.258	-170.778	431.226
Transport	-560.369	-2.001.865	45.666	-934.254	257.630
Civil responsibility	-956.886	-5.291.280	1.040.780	-1.595.330	7.693.898
Miscellaneous	-1.301.766	-4.792.250	240.872	-2.170.318	949.458
Total	-67.672.482	-172.271.733	8.099.775	-112.824.269	67.890.101
Total as summary map	-239.944.216		8.099.775	-112.824.269	67.890.101

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Net operating costs	2013 MZN				
	Acquisition cost		Deferred Acquisition cost (variance)	Administrative costs	Reinsurance commission
	(see Note17)	Broker commissions		(see Note17)	
<i>Life</i>	-5.882.100	-15.169.688	0	-9.806.699	6.105.010
Credit Life	-2.564.933	-8.956.077	0	-4.276.282	6.102.296
Group life	-1.728.835	-6.172.908	0	-2.882.332	0
Individual life	-1.588.332	-40.704	0	-2.648.084	2.714
<i>Non life</i>	-53.049.386	-125.762.147	2.086.256	-88.444.491	39.906.962
Workman compensation	-6.868.434	-17.165.186	566.947	-11.451.126	0
Personal accident	-2.420.627	-688.951	-1.604.871	-4.035.694	775.213
Fire	-8.387.871	-40.589.631	1.064.159	-13.984.347	27.383.734
Motor	-24.013.710	-55.157.127	2.427.307	-40.035.909	3.792.901
Marine	-871.205	-4.045.879	49.945	-1.452.482	2.385.192
Aviation	-72.238	-20.049	5.068	-120.436	271.859
Transport	-622.376	-447.506	-48.338	-1.037.632	149.987
Civil responsibility	-8.450.496	-1.344.527	-442.784	-14.088.755	4.994.555
Miscellaneous	-1.342.429	-6.303.290	68.821	-2.238.111	153.522
Total	-58.931.486	-140.931.835	2.086.256	-98.251.189	46.011.972
Total as summary map	-199.863.321		2.086.256	-98.251.189	46.011.972

Net operating costs	2014 USD				
	Acquisition cost		Deferred Acquisition cost (variance)	Administrative costs	Reinsurance commission
	(see Note17)	Broker commissions		Cost imputed (see Note17)	
<i>Life</i>	-187.224	-784.399	0	-312.142	279.480
Credit Life	-124.166	-555.206	0	-207.011	280.119
Group life	-28.931	-60.465	0	-48.233	0
Individual life	-34.127	-168.728	0	-56.898	-639
<i>Non life</i>	-2.019.041	-4.832.021	264.070	-3.366.166	1.933.880
Workman compensation	-226.516	-707.775	36.416	-377.650	0
Personal accident	-79.794	-178.801	50.634	-133.033	13.969
Fire	-857.080	-1.899.164	107.098	-1.428.933	1.498.922
Motor	-745.069	-1.517.655	29.100	-1.242.187	21.658
Marine	-15.337	-115.712	-2.558	-25.570	95.081
Aviation	-3.340	-18.905	106	-5.568	14.059
Transport	-18.269	-65.265	1.489	-30.459	8.399
Civil responsibility	-31.196	-172.507	33.932	-52.011	250.837
Miscellaneous	-42.440	-156.237	7.853	-70.757	30.954
Total	-2.206.265	-5.616.420	264.070	-3.678.308	2.213.360
Total as summary map	-7.822.685		264.070	-3.678.308	2.213.360

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Net operating costs	2013 USD				
	Acquisition cost		Deferred Acquisition cost (variance)	Administrative costs	Reinsurance commission
	Cost inputed (see Note17)	Broker commissions		Cost inputed (see Note17)	
<i>Life</i>	-200.894	-518.097	0	-334.932	208.507
Credit Life	-87.601	-305.881	0	-146.050	208.414
Group life	-59.046	-210.826	0	-98.441	0
Individual life	-54.247	-1.390	0	-90.441	93
<i>Non life</i>	-1.811.818	-4.295.207	71.253	-3.020.681	1.362.959
Workman compensation	-234.580	-586.250	19.363	-391.095	0
Personal accident	-82.673	-23.530	-54.812	-137.833	26.476
Fire	-286.474	-1.386.275	36.345	-477.613	935.248
Motor	-820.150	-1.883.804	82.901	-1.367.363	129.541
Marine	-29.755	-138.181	1.706	-49.607	81.462
Aviation	-2.467	-685	173	-4.113	9.285
Transport	-21.256	-15.284	-1.651	-35.439	5.123
Civil responsibility	-288.613	-45.920	-15.123	-481.179	170.581
Miscellaneous	-45.849	-215.279	2.350	-76.439	5.243
Total	-2.012.712	-4.813.304	71.253	-3.355.614	1.571.466
Total as summary map	-6.826.015		71.253	-3.355.614	1.571.466

Nota 10 – Income

In the years 2014 and 2013, income by category of financial assets are analyzed as follows:

Amounts in MZN	2014		2013	
	Inputed	Total	Inputed	Total
Income	14,352,459	14,352,459	10,377,432	10,377,432
<i>Interest income on financial assets non recognized at fair value through profit and loss</i>	8,422,642	8,422,642	4,619,835	4,619,835
Held to maturity investments	0	0	79,898	79,898
Available for sale investments				
Others	1,327,282	1,327,282	0	0
Loans and other receivables - Fixed deposits	7,095,360	7,095,360	4,539,937	4,539,937
Investment property (rents and fair value)	5,929,816	5,929,816	5,589,514	5,589,514
Available for sale financial assets - shares	0	0	168,082	168,082

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amounts in USD	2014		2013	
	Inputed	Total	Inputed	Total
Income	467,920	467,920	354,425	354,425
<i>Interest income on financial assets non recognized at fair value through profit and loss</i>	274,596	274,596	157,783	157,783
Others	0	0	2,729	2,729
Available for sale investments				
Others	43,272	43,272	0	0
Loans and other receivables - Fixed deposits	231,324	231,324	155,054	155,054
<i>Others</i>	193,324	193,324	196,642	196,642
Investment property (rents and fair value)	193,324	193,324	190,901	190,901
Available for sale financial assets - shares	0	0	5,741	5,741

Nota 11 – Financial Expense

In the years 2014 and 2013, the financial costs are analyzed as follows:

	Inputed Investment cost (See Note 17)			
	2014	2013	2014	2013
	MZN	MZN	USD	USD
<i>Life</i>	-28,105	-28,787	-916	-983
Credit Life	-18,639	-12,553	-608	-429
Group life	-4,343	-8,461	-142	-289
Individual life	-5,123	-7,773	-167	-265
<i>Non life</i>	-303,082	-259,622	-9,881	-8,867
Workman compensation	-34,003	-33,614	-1,109	-1,148
Personal accident	-11,978	-11,846	-391	-405
Fire	-128,658	-41,050	-4,195	-1,402
Motor	-111,844	-117,522	-3,646	-4,014
Marine	-2,302	-4,264	-75	-146
Aviation	-501	-354	-16	-12
Transport	-2,742	-3,046	-89	-104
Civil responsibility	-4,683	-41,356	-153	-1,412
Miscellaneous	-6,371	-6,570	-208	-224
Total	-331,187	-288,409	-10,797	-9,850

Note 12 – Net gains on financial assets and liabilities valued at fair value through profit and loss

This represents changes in the fair value of securities classified as financial assets at fair value through profit and loss, saying only respect to changes in the fair value of recoverable income securities (share) Beers of Mozambique.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 13 – Exchange differences

The values for the year 2014 and 2013 listed in heading Exchange differences on gains and losses are related to exchange differences arising on:

Currency fluctuations	2014 MZN	2013 MZN	2014 USD	2013 USD
Receipts / payments from reinsurers and brokers	-23,961,578	-4,384,506	-781,198	-149,746
Tax payable	-1,811,323	0	-59,053	0
Technical Provisions	6,214,938	0	202,620	0
Cash and cash equivalents	80,680,510	-1,122,307	2,630,354	-38,331
Miscellaneous	-927,148	-1,832,617	-30,227	-62,590
Total	60,195,398	-7,339,422	1,962,496	-250,666

Note 14 – Net gains on non-financial assets that are not classified as non-current assets held for sale and discontinued operations

The amount of MZN 18 379 980 (USD 599 226), registered on 31 December 2013, relates to the change in fair value of the property allocated to technical provisions - Property A9 Golden Sands. See further note 21.

The amount of MZN 13 175 842 (USD 450 000), registered on 31 December 2013, relates to the change in fair value of the property allocated to technical provisions - Property A9 Golden Sands. See further note 21.

Note 15 – Other provisions (variations)

The item Other provisions (range) concerning the variation of the adjustment of receipts outstanding. See further note 25.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 16 – Other income / expense technical and nontechnical, net of reinsurance

In the years 2014 and 2013, other income / expense technical and nontechnical, net of reinsurance, are analyzed as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Adjustments in brokers balance	0	18,328,749	0	625,989
Pension fund management fee	5,032,081	7,147,323	164,056	244,106
Risk Transfer	-369,931,080	-47,735,426	-12,060,530	-1,630,328
<i>Other technical income /loss net of reinsurance</i>	<i>-364,898,998</i>	<i>-22,259,354</i>	<i>-11,896,473</i>	<i>-760,233</i>
Bank charges	-4,395,910	-2,453,123	-143,316	-83,783
Losses in disposals of fixed assets	0	-30,343	0	-1,036
Others	1,613,417	-746,369	52,601	-25,491
<i>Other non technical income /loss</i>	<i>-2,782,493</i>	<i>-3,229,835</i>	<i>-90,715</i>	<i>-110,310</i>

Note 17 – Expenses by nature

The analysis of expenses using a classification based on the function, namely, the acquisition of insurance contracts (acquisition costs and administrative costs), claims costs and investment costs, is decomposed as follows:

Amounts in MZN	2014		2013	
	Technical account	Total	Technical account	Total
Net claims (see Note 7)	-39.963.195	-39.963.195	-34.801.302	-34.801.302
Aquisition costs (see Note 9)	-67.672.482	-67.672.482	-58.931.486	-58.931.486
Administrative costs (see Note 9)	-112.824.269	-112.824.269	-98.251.189	-98.251.189
Investment management fees (see Note 11)	-331.187	-331.187	-288.409	-288.409
Total	-220.791.134	-220.791.134	-192.272.386	-192.272.386

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD	2014		2013	
	Technical account	Total	Technical account	Total
Net claims (see Note 7)	-1,302,884	-1,302,884	-1,188,583	-1,188,583
Aquisition costs (see Note 9)	-2,206,265	-2,206,265	-2,012,712	-2,012,712
Administrative costs (see Note 9)	-3,678,308	-3,678,308	-3,355,614	-3,355,614
Investment management fees (see Note 11)	-10,797	-10,797	-9,850	-9,850
Total	-7,198,254	-7,198,254	-6,566,759	-6,566,759

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Details of costs chargeable by nature is presented as follows:

Inputables administrative costs	2014 MZN	2013 MZN	2014 USD	2013 USD
<i>personnal Expenses</i>	105.466.906	98.594.249	3.438.443	3.367.330
Corporate body remuneration		15.240.324		520.509
Personnel Salaries	98.582.603	76.128.827	3.214.000	2.600.060
Charges on remuneration		1.665.900		56.896
Post-employment benefits	0	0	0	0
compulsory insurance	963.701	499.612	31.419	17.063
Social welfare costs	3.134.155	2.499.687	102.180	85.373
Other staff costs	2.786.447	2.559.899	90.844	87.429
<i>Operating expenses</i>	99.199.948	81.345.576	3.234.127	2.778.229
Specialized works				
Kindle Technologies - KIT	44.506.123	31.947.032	1.450.993	1.091.100
Audit, consulting, litigation and other	23.148.970	13.849.888	754.705	473.021
Advertising and marketing	10.067.333	10.743.510	328.216	366.928
communications	5.454.220	5.680.035	177.819	193.993
Books and technical documentation	3.231.480	4.733.176	105.353	161.654
Rent and Rentals	1.554.950	1.596.097	50.695	54.512
Conservation and Repair	2.513.443	2.604.873	81.944	88.965
Office Equipment	1.094.073	996.597	35.669	34.037
Travel and accommodation	1.381.771	1.821.835	45.049	62.222
Entertainment expenses	1.310.981	1.733.627	42.741	59.209
Electricidade, Fuel and Water	769.521	1.052.925	25.088	35.961
Other	4.167.084	4.585.981	135.856	156.627
<i>Tax</i>	8.816.871	5.233.291	287.449	178.735
<i>Depreciation</i>	7.307.408	7.099.271	238.237	242.464
Buildings (see Note 22)	3.369.779	3.173.803	109.862	108.396
Intangible assets (see Note 24)	980.571	1.180.472	31.969	40.317
Tangible assets (see Note 23)	2.957.058	2.744.996	96.406	93.751
<i>Other provisions</i>	0	0	0	0
<i>Interest expense</i>	0	0	0	0
<i>Commissions</i>	0	0	0	0
Total costs by nature to be attributed	220.791.134	192.272.387	7.198.254	6.566.759

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

During 2014, the Global Alliance had, on average, 93 employees at your service (2013: 93), distributed by occupational categories listed in the following table:

Average number of employees by occupational categories	2014	2013
Executive officers	5	5
Senior	9	8
Middle management	5	7
Qualified professionals	58	56
Other	16	17
Total	93	93

Note 18 – Cash and cash equivalents

The description of the components of cash and cash equivalents and deposits, reconciling the amounts included in the statement of cash flows with the corresponding amounts reported in the balance sheet is analyzed as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Cash	13,344	2,304	413	79
Bank deposits	322,956,289	249,580,851	9,992,459	8,565,329
Total	322,969,633	249,583,155	9,992,872	8,565,408

Note 19 – Available for sale financial assets

Available for sale financial assets includes Mozambican short term treasury bills. The fair value is equiparete to level 1.

- Level 1 - fair value determined directly by reference to an active market official.
- Level 2 - Fair value determined using valuation techniques supported by observable market prices for the same current tradable financial instrument.
- Level 3 - Fair value determined using valuation techniques that are not supported by observable market prices for the same current tradable financial instrument.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 20 – Loans and receivables

In the years 2014 and 2013, loans and accounts receivable were as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Term deposits in MZN	30.000.000	45.267.388	928.218	1.553.525
Term deposits in USD	218.065.360	38.084.008	6.747.072	1.307.000
Total	248.065.360	83.351.396	7.675.290	2.860.525

In the years 2014 and 2013, Term deposits have the following detail:

Bank	Currency	Initial date	Maturity date	Interest rate	Amount MZN	Amount USD
BCI	USD	14-11-2014	14-11-2015	2,80%	129.185.360	3.997.072
FNB	MZN	19-08-2014	15-02-2015	12,50%	30.000.000	928.218
MCB	USD	28-11-2014	28-11-2015	2,00%	24.240.000	750.000
ABC	USD	29-09-2014	30-03-2015	8,25%	24.240.000	750.000
Moza Banco	USD	24-09-2014	24-09-2015	12,00%	24.240.000	750.000
MCB	USD	12-07-2013	12-07-2015	2,00%	16.160.000	500.000
Total					248.065.360	7.675.290

Bank	Currency	Initial date	Maturity date	Interest rate	Amount MZN	Amount USD
MCB	USD	28-11-2013	28-11-2014	2,09%	21.853.863	750.000
ABC	MZN	02-09-2013	01-03-2014	4,60%	22.239.866	763.247
Moza Banco	MZN	24-09-2013	24-09-2014	4,60%	23.027.522	790.278
MCB	USD	12-07-2013	12-07-2014	2,00%	14.569.250	500.000
Procredit	USD	19-09-2013	19-09-2014	1,00%	1.660.895	57.000
Total					83.351.396	2.860.525

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Note 21 – Buildings

- Investment proprieties

The properties held by the insurer were evaluated in 2014 by a reputable entity, hired for that purpose, Zambujo & Associates Ltd., which prepared an assessment for each property based on the market model, in which the fair value was determined.

Movements in investment proprieties during the year 2014 and 2013 are as follows:

Amounts in MZM	Balance as at	Revaluation	Balance as at
Investment property	31.12.2013		31.12.2014
Propriedade marginal	93.243.200	17.242.720	110.485.920
Propriedade A9 Golden Sands	6.410.470	1.137.260	7.547.730
Total	99.653.670	18.379.980	118.033.650

Amounts in MZM	Balance as at	Revaluation	Translation Reserve	Balance as at
Investment property	31.12.2012			31.12.2013
Propriedade marginal	79.446.600	12.883.045	913.555	93.243.200
Propriedade A9 Golden Sands	6.044.850	292.796	72.824	6.410.470
Total	85.491.450	13.175.842	986.378	99.653.670

Amounts in USD	Balance as at	Revaluation	Translation Reserve	Balance as at
Investment property	31.12.2013			31.12.2014
Propriedade marginal	3.200.000	562.149	-343.649	3.418.500
Propriedade A9 Golden Sands	220.000	37.077	-23.546	233.531
Total	3.420.000	599.226	-367.195	3.652.031

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD	Balance as at 31.12.2012	Revaluation	Balance as at 31.12.2013
Investment property			
Propriedade marginal	2.760.000	440.000	3.200.000
Propriedade A9 Golden Sands	210.000	10.000	220.000
Total	2.970.000	450.000	3.420.000

Income from rentals for buildings:

Amounts in MZM	2014			2013		
	Life	Non life	Total	Life	Non life	Total
Rental income (see note 10)	503.206	5.426.611	5.929.816	557.904	5.031.611	5.589.514

Amounts in USD	2014			2013		
	Life	Non life	Total	Life	Non life	Total
Rental income (see note 10)	16.406	176.919	193.324	19.054	171.847	190.901

- Buildings for own use**

Movements in buildings for own use during the year 2014 and 2013 are as follows:

Amounts in MZM	Balance as at 31.12.2013			Depreciations	Balance as at 31.12.2014		
	Gross	Depreciations	Net value		Gross	Depreciations	Net value
Buildings	124,752,300	9,851,093	114,901,206	3,369,779	124,752,300	13,220,873	111,531,427
Total	124,752,300	9,851,093	114,901,206	3,369,779	124,752,300	13,220,873	111,531,427

Amounts in MZM	Balance as at 31.12.2012			Depreciations	Revaluations reserves	Balance as at 31.12.2013		
	Gross	Depreciations	Net value			Gross	Depreciations	Net value
Buildings	123,238,861	6,611,399	116,627,463	3,173,799	1,447,542	124,752,300	9,851,093	114,901,205
Total	123,238,861	6,611,399	116,627,463	3,173,799	1,447,542	124,752,300	9,851,093	114,901,205

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD	Balance as at 31.12.2013			Depreciations	Revaluations reserves	Balance as at 31.12.2014		
	Gross	Depreciations	Net value			Gross	Depreciations	Net value
Buildings	4,281,355	338,078	3,943,277	109,862	-382,566	3,859,910	409,062	3,450,848
Total	4,281,355	338,078	3,943,277	109,862	-382,566	3,859,910	409,062	3,450,848

Amounts in USD	Balance as at 31.12.2012			Depreciations	Balance as at 31.12.2013		
	Gross	Depreciations	Net value		Gross	Depreciations	Net value
Buildings	4,281,356	229,682	4,051,674	108,396	4,281,356	338,078	3,943,278
Total	4,281,356	229,682	4,051,674	108,396	4,281,356	338,078	3,943,278

The direct operating expenses and income buildings for own use are the following:

Amounts in MZM	2014			2013		
	Life	Non life	Total	Life	Non life	Total
Maintenance	213,292	2,300,151	2,513,443	259,999	2,344,874	2,604,873

Amounts in USD	2014			2013		
	Life	Non Life	Total	Life	Non Life	Total
Maintenance	6,954	74,990	81,944	8,880	80,085	88,965

Note 22 – Other tangible assets

Tangible assets of the insurer are stated at cost less accumulated depreciation and accumulated impairment losses.

The evolution in 2014 and 2013 was as follows:

Amounts in MZM	Balance as at 31.12.2013			Increases	Amortisation		Balance as at 31.12.2014		
	Cost	Depreciation	Net book value	Aquisition	Adjustments	Additions	Cost	Depreciation	Net book value
Equipment	16,821,973	6,658,893	10,163,080	2,424,635	44,668	2,855,052	19,246,608	9,558,613	9,687,995
Vehicles	642,639	421,986	220,653	91,000	0	102,006	733,639	523,992	209,647
Total	17,464,612	7,080,879	10,383,733	2,515,635	44,668	2,957,058	19,980,247	10,082,605	9,897,641

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amounts in MZM	Balance as at 31.12.2012			Increases Aquisition	Decreases Disposals	Depreciation		Translation Reserve	Balance as at 31.12.2013		
	Cost	Depreciation	Net book value			Adjustments	Additions		Cost	Depreciation	Net book value
Equipment	15,756,878	4,772,725	10,984,153	1,717,190	841,379	-737,741	2,574,150	-701,855	16,821,973	6,658,893	10,163,080
Vehicles	827,986	418,352	409,633	41,296	237,751	-172,369	170,845	-231,801	642,639	421,986	220,653
Total	16,584,864	5,191,077	11,393,786	1,758,486	1,079,129	-910,110	2,744,994	-933,655	17,464,612	7,080,879	10,383,732

Amounts in USD	Balance as at 31.12.2013			Increases Aquisition	Depreciation		Translation Reserve	Balance as at 31.12.2014		
	Cost	Depreciation	Net book value		Adjustments	Additions		Cost	Depreciation	Net book value
Equipment	577,311	228,526	348,785	79,048	1,456	93,081	-33,544	593,179	294,155	299,025
Vehicles	22,054	14,482	7,573	2,967		3,326	-727	25,021	17,807	7,214
Total	599,366	243,007	356,359	82,015	1,456	96,406	-34,272	618,201	311,962	306,239

Amounts in USD	Balance as at 31.12.2012			Increases Aquisition	Decreases		Depreciation		Balance as at 31.12.2013		
	Cost	Depreciation	Net book value		Transfers	Disposals	Adjustments	Additions	Cost	Depreciation	Net book value
Equipment	547,399	165,806	381,593	58,648	0	28,736	-25,196	87,916	577,311	228,526	348,785
Vehicles	28,764	14,534	14,230	1410	0	8,120	-5,887	5,835	22,054	14,482	7,573
Total	576,163	180,340	395,824	60,058	0	36,856	-31,083	93,751	599,366	243,007	356,359

It is considered that the carrying amount does not differ significantly from the recoverable amount of the tangible assets accumulated.

Note 23 – Intangible assets

Intangible assets of the Global Alliance are stated at cost less accumulated depreciation and impairment losses.

The evolution in 2014 and 2013 was as follows:

Amounts in MZN	Balance as at 31.12.2013			Increases Aquisition	Amortisation		Balance as at 31.12.2014		
	Cost	Amortisation	Net book value		Additions		Cost	Amortisation	Net book value
Softwares	4,921,494	2,679,376	2,242,118	451,796	980,571		5,373,290	3,659,946	1,713,343
Total	4,921,494	2,679,376	2,242,118	451,796	980,571		5,373,290	3,659,946	1,713,343

Amounts in MZN	Balance as at 31.12.2012			Increases Aquisition	Amortisation		Translation Reserve	Balance as at 31.12.2013		
	Cost	Amortisation	Net book value		Additions			Cost	Amortisation	Net book value
Softwares	4,309,209	1,486,352	2,822,857	562,074	1,180,472		37,659	4,921,494	2,679,376	2,242,118
Total	4,309,209	1,486,352	2,822,857	562,074	1,180,472		37,659	4,921,494	2,679,376	2,242,118

Amounts in USD	Balance as at 31.12.2013			Increases Aquisition	Amortisation		Translation Reserve	Balance as at 31.12.2014		
	Cost	Amortisation	Net book value		Additions			Cost	Amortisation	Net book value
Softwares	168,900	91,953	76,947	14,729	31,969		-6,696	166,253	113,241	53,011
Total	168,900	91,953	76,947	14,729	31,969		-6,696	166,253	113,241	53,011

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amounts in USD	Balance as at 31.12.2012			Increases	Amortisation	Balance as at 31.12.2013		
	Cost	Amortisation	Net book value	Aquisition	Additions	Cost	Amortisation	Net book value
Softwares	149,703	51,636	98,067	19,197	40,317	168,900	91,953	76,947
Total	149,703	51,636	98,067	19,197	40,317	168,900	91,953	76,947

Note 24 – Technical provisions, net of reinsurance ceded

In the years 2014 and 2013, this caption is made up as follows:

Technical provisions (net of reinsurance)	2014 MZN			2013 MZN		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
Provision for unearned premium	520,213,783	-310,228,844	830,442,627	525,938,283	351,144,042	174,794,241
Life mathematical provision	81,397,532	-7,340,034	88,737,566	64,440,813	6,893,120	57,547,692
Provision for claims	191,606,114	-121,349,369	312,955,482	303,612,541	247,894,765	55,717,776
Life Insurance	494,795	-19,250	514,045	324,901	183,057	141,845
Non Life	191,111,318	-121,330,119	312,441,437	303,287,640	247,711,709	55,575,931
Total	793,217,429	-438,918,246	1,545,091,157	893,991,636	605,931,927	288,059,709

Technical provisions (net of reinsurance)	2014 USD			2013 USD		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
Provision for unearned premium	16,095,723	-9,598,665	25,694,388	18,049,600	-12,050,862	5,998,738
Life mathematical provision	2,518,488	-227,105	2,745,593	2,211,535	-236,564	1,974,971
Provision for claims	5,928,407	-3,754,622	9,683,029	10,419,635	-8,507,465	1,912,170
Life Insurance	15,309	-596	15,905	11,150	-6,282	4,868
Non Life	5,913,098	-3,754,026	9,667,124	10,408,485	-8,501,183	1,907,302
Total	24,542,618	-13,580,391	38,123,010	30,680,771	-20,794,891	9,885,880

Provisions for unearned premiums, are as follows:

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Provision for unearned premium	2014 MZN			2013 MZN		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
<i>Non life</i>						
Workman compensation	19,167,292	0	19,167,292	14,682,041	0	14,682,041
Personal accident	13,965,280	2,947,813	11,017,466	4,299,477	2,526,900	1,772,577
Fire	317,223,352	227,599,934	89,623,417	218,956,045	206,269,028	12,687,017
Motor	79,721,369	144,808	79,576,561	72,054,388	31,573	72,022,815
Marine	20,344,996	19,622,645	722,351	13,568,922	12,778,776	790,147
Aviation	7,959,869	7,696,649	263,220	6,678,482	6,567,508	110,975
Transport	1,035,469	92,123	943,346	746,193	102,144	644,049
Civil responsibility	55,590,623	50,637,788	4,952,835	191,404,363	122,209,521	69,194,841
Miscellaneous	5,205,534	1,487,083	3,718,450	3,548,371	658,592	2,889,779
Total	520,213,783	310,228,844	209,984,939	525,938,283	351,144,042	174,794,241

Provision for unearned premium	2014 USD			2013 USD		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
<i>Non life</i>						
Workman compensation	593,047	0	593,047	503,871	0	503,871
Personal accident	432,094	91,207	340,887	147,553	86,720	60,833
Fire	9,815,079	7,042,077	2,773,002	7,514,321	7,078,917	435,404
Motor	2,466,627	4,480	2,462,146	2,472,824	1,084	2,471,741
Marine	629,486	607,136	22,350	465,670	438,553	27,117
Aviation	246,283	238,139	8,144	229,198	225,389	3,809
Transport	32,038	2,850	29,188	25,608	3,505	22,103
Civil responsibility	1,720,007	1,566,763	153,244	6,568,779	4,194,091	2,374,688
Miscellaneous	161,062	46,011	115,051	121,776	22,602	99,174
Total	16,095,723	9,598,665	6,497,059	18,049,600	12,050,862	5,998,738

The mathematical reserves of life insurance are as follows:

Life mathematical provision	2014 MZN			2013 MZN		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
<i>Life</i>						
Credit Life	56,269,987	5,552,267	50,717,720	32,507,635	4,665,093	27,842,542
Group life	13,981,196	1,554,072	12,427,124	19,333,081	2,173,928	17,159,153
Individual life	11,146,349	233,694	10,912,655	12,600,097	54,100	12,545,997
Total	81,397,532	7,340,034	74,057,499	64,440,813	6,893,120	57,547,692

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Life mathematical provision	2014 USD			2013 USD		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
<i>Life</i>						
Credit Life	1,741,027	171,790	1,569,236	1,115,625	160,101	955,524
Group life	432,587	48,084	384,503	663,489	74,607	588,883
Individual life	344,875	7,231	337,644	432,421	1,857	430,564
Total	2,518,488	227,105	2,291,383	2,211,535	236,564	1,974,971

Provisions for claims are analyzed as follows:

Provisions Claims	2014 MZN			2013 MZN		
	Seguro Directo e Resseguro Aceite	Resseguro cedido	Líquido	Seguro Directo e Resseguro Aceite	Resseguro cedido	Líquido
<i>Life</i>						
Credit Life	150.506	0	150.506	41.560	0	41.560
Group life	27.173	19.250	7.923	283.341	183.057	100.285
Individual life	317.117	0	317.117	0	0	0
<i>Non life</i>						
Workman compensation	12.789.751	0	12.789.751	7.106.537	0	7.106.537
Personal accident	1.416.585	52.757	1.363.828	160.218	46.736	113.482
Fire	124.911.328	116.819.585	8.091.743	247.954.109	240.757.273	7.196.836
Motor	44.390.117	0	44.390.117	38.928.605	971	38.927.634
Marine	3.911.277	2.531.655	1.379.622	172.850	151.392	21.458
Aviation	310.441	312.445	-2.004	1.245.964	1.245.215	749
Transport	526.675	0	526.675	1.450.169	1.023.616	426.553
Civil responsibility	1.595.322	1.600.272	-4.951	4.084.151	4.022.168	61.983
Miscellaneous	1.259.824	13.405	1.246.419	2.185.038	464.338	1.720.700
Total	191.606.114	121.349.369	70.256.745	303.612.541	247.894.765	55.717.776

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Provisions claims	2014 USD			2013 USD		
	From direct insurance operations	From reinsurance ceded	Net amounts	From direct insurance operations	From reinsurance ceded	Net amounts
<i>Life</i>						
Credit Life	4,657	0	4,657	1,426	0	1,426
Group Life	841	596	245	9,724	6,282	3,442
Individual Life	9,812	0	9,812	0	0	0
<i>Non-Life</i>						
Workman compensation	395,723	0	395,723	243,888	0	243,888
Personal Accident	43,830	1,632	42,198	5,499	1,604	3,895
Fire	3,864,831	3,614,467	250,363	8,509,501	8,262,514	246,987
Motor	1,373,457	0	1,373,457	1,335,985	33	1,335,952
Marine	121,017	78,331	42,686	5,932	5,196	736
Aviation	9,605	9,667	-62	42,760	42,734	26
Transport	16,296	0	16,296	49,768	35,129	14,639
Civil Responsibility	49,360	49,513	-153	140,163	138,036	2,127
Miscellaneous	38,980	415	38,565	74,988	15,936	59,052
Total	5,928,407	3,754,622	2,173,785	10,419,635	8,507,452	1,912,183

Note 25 – Other receivables from insurance operations and other operations

In the years 2014 and 2013, this caption is made up as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Accounts receivables for direct insurance operations				
Direct	84,527,037	287,084,842	2,615,317	9,852,424
Brokers	374,818,148	134,384,441	11,597,096	4,611,920
Co-Insurance	0	4,604,383	0	158,017
	459,345,185	426,073,666	14,212,413	14,622,361
Bad debt provision	-39,092,260	-18,748,061	-1,209,538	-643,412
	420,252,925	407,325,606	13,002,875	13,978,949
Accounts receivables for reinsurance operations				
Other reinsurances	58,889,249	64,223,999	1,822,068	2,204,094
Bad debt provision	-12,363,919	-12,363,919	-382,547	-424,316
	46,525,329	51,860,080	1,439,521	1,779,779
Accounts receivables for other operations				
Other debtors	6,449,642	11,228,265	199,556	385,341
Total	473,227,897	470,413,951	14,641,952	16,144,069

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

The unfolding of adjustment account has developed as follows:

Amounts in MZM	Balance as at 31.12.2012	Contributions	Releases	Translation Reserve	Balance as at 31.12.2013	Contributions	Releases	Balance as at 31.12.2014
Bad debts provision	18,520,614	0	0	227,446	18,748,061	20,344,199	0	39,092,260
Provision for amounts received from reinsurers	0	12,363,919	0	0	12,363,919	0	0	12,363,919
Total	18,520,614	12,363,919	0	227,446	31,111,980	20,344,199	0	51,456,179

Amounts in USD	Balance as at 31.12.2012	Contributions	Releases	Balance as at 31.12.2013	Contributions	Releases	Translation Reserve	Balance as at 31.12.2014
Bad debts provision	643,412	0	0	643,412	663,264	0	-97,138	1,209,538
Provision for amounts received from reinsurers	0	424,316	0	424,316	0	0	-41,769	382,547
Total	643,412	424,316	0	1,067,728	663,264	0	-138,906	1,592,085

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Note 26 – Current taxes and deferred taxes

Tax assets and tax liabilities recognized in the balance sheet at 31 December 2014 and 2013 can be analyzed as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Current tax asset				
Adjustment for receivables amounts of the reinsurers	3.074.024	3.074.024	95.112	105.497
Unfavorable foreign exchange gains - Potential	5.866.060	131.942	181.499	4.528
Deferred tax asset	8.940.084	3.205.966	276.612	110.025
Tax asset	8.940.084	3.205.966	276.612	110.025
Corporate tax				
Provision for corporate tax	68.597.652	54.125.578	2.122.452	1.857.528
Tax advanced	-43.140.979	-31.507.349	-1.334.808	-1.081.296
Other taxes				
Stamp duties	22.225.242	12.449.671	687.662	427.259
Sobre taxa	3.908.829	2.322.904	120.941	79.719
IRPS	2.389.716	1.896.763	73.939	65.095
VAT	429.621	229.715	13.293	7.884
Others	290.082	514.290	8.975	17.650
Current tax liability	54.700.163	40.031.572	1.692.456	1.373.838
Investment property	20.862.211	14.980.618	645.489	514.118
Fair value of sw aps	405.420	405.420	12.544	13.914
Favorable foreign exchange gains - Potential	7.070.326	1.287.310	218.760	44.179
Buildings	13.234.192	13.234.192	409.474	454.182
Deferred tax liability	41.572.149	29.907.540	1.286.267	1.026.393
Tax liabilities	96.272.311	69.939.112	2.978.722	2.400.230

The movement of deferred tax in 2014 and 2013 were recognized as follows:

Amounts in MZN	2013	Gains / losses		2014
		Gains	Losses	
Investment property	14,980,618	5,881,593	0	20,862,211
Buildings	13,234,192	0	0	13,234,192
Foreign exchange gains	1,287,310	5,783,016	0	7,070,326
Fair value of sw aps	405,420	0	0	405,420
0	29,907,540	11,664,609	0	41,572,149
Adjustment for receivables amounts of the reinsurers	3,074,024	0	0	3,074,024
Foreign exchange gains	131,942	0	5,734,118	5,866,060
0	3,205,966	0	5,734,118	8,940,084

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amounts in MZN	2012	Gains / losses		Translation Reserve	2013
		Gains	Losses		
Investment property	15,469,088	0	4,216,269	-4,704,739	14,980,618
Buildings	8,258,388	0	0	4,975,804	13,234,192
Foreign exchange gains	0	0	1,293,546	-6,236	1,287,310
Fair value of swaps	0	0	407,384	-1,964	405,420
0	23,727,476	0	5,917,198	262,865	29,907,540
Adjustment for receivables amounts of the reinsurers	0	3,074,024	0	0	3,074,024
Foreign exchange gains	0	132,581	0	-639	131,942
0	0	3,206,605	0	-639	3,205,966

Amounts in USD	2013	Gains / losses		Translation Reserve	2014
		Gains	Losses		
Investment property	514,118	191,752	0	-60,381	645,489
Buildings	454,182	0	0	-44,708	409,474
Foreign exchange gains	44,179	188,538	0	-13,957	218,760
Fair value of swaps	13,914	0	0	-1,370	12,544
0	1,026,393	380,291	0		1,286,267
Adjustment for receivables amounts of the reinsure	105,497	0	0	-10,385	95,112
Foreign exchange gains	4,528	0	186,944	-9,973	181,499
0	110,025	0	186,944		276,612

Amounts in USD	2012	Gains / losses		2013
		Gains	Losses	
Investment property	370,118	0	144,000	514,118
Buildings	454,182	0	0	454,182
Foreign exchange gains	0	0	44,179	44,179
Fair value of swaps	0	0	13,914	13,914
Deferred tax liability	824,300	0	202,093	1,026,393
Adjustment for receivables amounts of the reinsure	0	105,497	0	105,497
Foreign exchange gains	0	4,528	0	4,528
Deferred tax asset	0	110,025	0	110,025

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

The tax on income reported on the results of 2014 and 2013 is as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Current Tax	68.597.652	54.387.765	2.236.427	1.857.528
Tax	5.930.483	2.695.709	193.346	92.068
Total Income Tax	74.528.135	57.083.473	2.429.774	1.949.596

The estimated effective tax rate of the insurer for the year is about 32.29%, slightly higher than the nominal rate of 32% theoretical. A reconciliation of the tax rate is as follows:

	2014 MZN		2013 MZN	
	Value	Rate	Value	Rate
Profit before tax	230,779,369		173,467,476	
Tax payable	73,849,398	32.00%	55,509,592	32.00%
Loss/(profit) by current tax	68,597,652		54,387,765	
Loss/(profit) by deferred tax	5,930,483		2,695,709	
Income Tax	74,528,135		57,083,474	
Effective Rate		32.29%		32.91%
Reconciliations differences				
Impact of non deductible losses	678,737	0.29%	1,573,895	0.91%

	2014 USD		2013 USD	
	Value	Rate	Value	Rate
Profit before tax	7,523,892		5,924,507	
Tax payable	2,407,645	32.00%	1,895,842	32.00%
Loss/(profit) by current tax	2,236,427		1,857,528	
Loss/(profit) by deferred tax	193,346		92,068	
Income Tax	2,429,774		1,949,596	
Effective Rate		32.29%		32.91%
Reconciliations differences				
Impact of non deductible losses	22,128	0.29%	53,753	0.91%

Statements of self-liquidating insurer are subject to inspection and possible adjustment by the tax authorities during the period of five years. However, it is the opinion of the Directors of the Insurer, that there will be no significant corrections to income taxes recorded in the financial statements.

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Note 27 – Accruals and deferrals

In the years 2014 and 2013, this caption is made up as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Accruals and deferrals - assets				
Deferral of transferred amounts	73,521,965	66,200,403	2,274,813	2,271,922
Interest receivable	3,315,978	1,617,474	102,598	55,510
Other accruals and deferrals	1,746,192	1,161,106	54,028	40,891
	78,584,135	68,978,983	2,431,440	2,368,323
Accruals and deferrals - liabilities				
Staff costs and bonus	19,760,604	18,949,938	611,405	650,340
Other accruals and deferrals	11,063,117	3,326,534	342,299	114,163
	30,823,721	22,276,472	953,704	764,503

Note 28 – Other creditors for direct insurance operations and other operations

In the years 2014 and 2013, this caption is made up as follows:

	2014 MZN	2013 MZN	2014 USD	2013 USD
Accounts payables for direct insurance operations				
Direct	2,175,887	0	67,323	0
Brokers	29,758,197	16,672,023	920,736	572,165
Co-Insurance	0	10,222,604	0	350,828
	31,934,084	26,894,627	988,060	922,993
Accounts payables for reinsurance operations				
Other reinsurers	370,972,066	277,810,127	11,478,096	9,534,126
	370,972,066	277,810,127	11,478,096	9,534,126
Accounts payables for other operations				
Other creditors	17,578,608	118,863,773	543,893	4,079,269
	17,578,608	118,863,773	543,893	4,079,269
Total	420,484,757	423,568,527	13,010,048	14,536,388

Note 29 – Capital, reserves, other reserves, retained earnings and net income

The Capital of the Global Alliance on 31 December 2014, amounting to 242.090.000 MZN, represented by 242.090.000 shares with nominal value equal to 1 MZN, is fully subscribed and paid.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

	2014	2013
No. of shares as at 1 January	142.525.000	142.525.000
Issued during the period	99.565.000	-
No. of shares as at 31 de December	242.090.000	142.525.000

In 2014, remained the shareholder structure of the Global Alliance.

	Number of shares		Share percentage	Value of capital	
	2014	2013		2014 MZN	2013 MZN
Absa Financial Services Africa Holding	237.248.200	139.674.500	98,00%	237.247.220	139.674.500
Absa Short Term Insurance	2.420.900	1.425.250	1,00%	2.420.890	1.425.250
Absa Life	2.420.900	1.425.250	1,00%	2.420.890	1.425.250
Total	242.090.000	142.525.000	100,00%	242.089.000	142.525.000

	Number of shares		Share percentage	Value of capital	
	2014	2013		2014 USD	2013 USD
Absa Financial Services Africa Holding	237.248.200	139.674.500	98,00%	139.674.500	5.690.635
Absa Short Term Insurance	2.420.900	1.425.250	1,00%	1.425.250	58.068
Absa Life	2.420.900	1.425.250	1,00%	1.425.250	58.068
Total	242.090.000	142.525.000	100,00%	8.906.770	5.806.770

The application of the net result for the year 2013 was carried out as follows:

Application of Net Exercise Result	2013 MZN	2013 USD
Profit for the year	116.384.003	3.974.911
<i>Application:</i>		
Legal revaluation reserve	23.276.801	794.982
Free Reserves	0	0
Retained Earnings	93.107.202	3.179.929
dividends	0	0
Dividend per share	0	0

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

As we can see from the table above documented with the application of the 2013 results, it did not take the distribution of dividends, and the 2013 results were fully incorporated into the capital of the Insurer.

Description of the nature and purpose of each reserve in equity:

Other reserves

Includes unrestricted reserves, which result in positive outcomes, not required to provide the legal reserve to cover losses or earnings not distributed to shareholders, and in addition, the legal Reserve, which can only be used to cover accumulated losses or to increase capital. Under Mozambican legislation in force, the legal reserve is established on the basis of the following minimum percentages of net income for each year:

(i) 20% until the accumulated amount of the reserve equals one half of the minimum capital laid down under Article 15 of the Legal Insurance;

(ii) 10% from the time it has been the amount referred to in the preceding paragraph, until this reserve reaches an amount equal to the capital.

Detail under other reserves:

	2014 MZN		2013 MZN	2014 USD	2013 USD
Legal reserve	79.930.998		56.654.197	2.847.130	2.052.148
Share premium	1.970.879		1.970.879	73.770	73.770
Total	81.901.877		58.625.076	2.920.900	2.125.918

Exchange reserves

The conversion of financial statements into the presentation currency was based on the exchange rate in effect at the balance sheet date for the assets and liabilities, based on the average exchange rate for the year to the lines of the income statement. The differences arising from the translation of financial statements into the presentation currency are recognized in the exchange reserve.

At the end of each year there were the following exchange rates:

Currency fluctuations	2014 MZN	2013 MZN	2014 USD	2013 USD
Receipts / payments from reinsurers and brokers	-23.961.578	-4.384.506	-781.198	-149.746
Tax payable	-1.811.323	0	-59.053	0
Technical Provisions	6.214.938	0	202.620	0
Cash and cash equivalents	80.680.510	-1.122.307	2.630.354	-38.331
Miscellaneous	-927.148	-1.832.617	-30.227	-62.590
Total	60.195.398	-7.339.422	1.962.496	-250.666

Retained earnings

The earnings recorded in Insurer result of cumulative results for the previous year and the resulting effects of the transition adjustments to the new chart of accounts of insurance activity that occurred on 1 January 2012.

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Income for the year

Earnings per share for 2014 is 0.65 meticals, compared with 0.82 meticals 2013 (considering the number of shares at 31 December 2013), decreased by 4.4%, due to lower net income.

Note 30 – Transactions between related parties

The Group's parent company that owns the Global Alliance is Barclays. ABSA is controlled by Barclays.

On December 31, 2014 and 2013 the value of the remuneration of the Board is as follows:

	2013 USD	2013 MZN	2012 USD	2012 MZN
<i>Income statement</i>				
Director's remuneration	520,509	15,240,324	371,904	10,290,590
<i>Balance sheet</i>				
<i>Assets</i>				
Loans and receivables	0	0	21,485	618,446
<i>Liabilities</i>				
Bonus provision	130,000	3,788,005	130,000	3,742,050
Leave pay provision	3,450	100,517	8,195	235,903

* Relates to loans granted by the Insurer to existing bodies, which were named in 2014.

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

The analysis of transactions with related parties in 2014 and 2013, is as follows:

Statement of Financial Position	2014 MZN		2013 MZN	
	Barclays	ABSA	Barclays	ABSA
Cash and cash equivalents	53,524,841	13,947,778	25,330,992	7,961,523
Accounts receivables for direct insurance operations	17,825,886		2,858,312	
Total assets	71,350,727	13,947,778	28,189,304	7,961,523
Provision for unearned premium			23,466,655	
Accounts payables for direct insurance operations	3,709,201		475,074	
Total liabilities	3,709,201	0	23,941,729	0

Statement of Comprehensive Position	2014 MZN		2013 MZN
	Barclays	ABSA	Barclays
Net premium income			65,245,702
Investment income			276,258
Total income	0	0	65,521,960
Reinsurance ceded premium			
Operational costs			13,323,909
Total expense	0	0	13,323,909

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Statement of Financial Position	2014 USD		2013 USD	
	Barclays	ABSA	Barclays	ABSA
Cash and cash equivalents	1,836,911	478,672	869,331	273,230
Accounts receivables for direct insurance operations	551,544		98,094	
Total assets	2,388,455	478,672	967,425	273,230
Provision for unearned premium			805,349	
Accounts payables for direct insurance operations	114,765		16,304	
Total liabilities	114,765	0	821,653	0

Statement of Comprehensive Position	2014 USD		2014 USD	
	Barclays	ABSA	Barclays	ABSA
Net premium income			2,228,364	
Investment income			9,435	
Total income	0	0	2,237,799	0
Reinsurance ceded premium				
Operational costs			455,057	
Total expense	0	0	455,057	0

Note 31 – Risk management activity

The risks to which the GA is exposed is assumed as one of the pillars of the Insurer in supporting a strategy of profitable and sustainable growth. Thus, a major goal of GA is to ensure that its risk management framework and allows you to ensure the appropriate balance between risk and return in order to establish and preserve the trust of customers, shareholders, regulators and other stakeholders .

As part of its governance, the GA adopted an organizational structure for risk management in line with the structure in place in Absa Group Limited and Barclays PLC. The various functions related to the management of risks are reviewed quarterly by the Management Committee and Risk Management Committee and Internal Control.

Transactions of GA-related activity Insurer are subject to supervision by the regulator (ISSM) which determines, among other things, the nature and concentration of investments allocated to technical provisions.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Key risks are the following:

Specific risk insurance	Investment risk	Operational risk
Non life-specific risk	Credit risk	Risk event
Life – specific risks	Market risk	Business risk
	Liquidity risk	
	Currency risk	

1) Specific risks insurance

The main activity of GA constitutes acceptance of insurance risk to third parties, and the management of the acceptance of this risk pivotal in the outcome of the main indicators of activity, namely profit, business growth and market share. The risk associated with insurance contracts made by the Insurer is uncertain relating to accidents.

For portfolios of insurance contracts in which it is possible to apply the probability of occurrence of events, the main risk that the insurer faces is the possibility of the present value of the payment of claims exceeds the amount of liabilities determined by GA and expressed in its consolidated financial. This can occur by changes in the frequency and / or severity of payables compared to the estimated values. Thus the GA annually revises its estimates for expected liabilities arising from the insurance contracts.

Experience in the field shows that the larger the portfolio of insurance contracts with same characteristics, the lower the likelihood of significant changes affecting the liabilities estimated by the Insurer.

The insurer has developed its policy of accepting risks based on the diversification of risks insured, ensuring for each risk class large enough to allow it to reduce exposure to potential losses. The principal activities are to the insurance motor insurance, the branch and the branch Accidents at work and fire elements. The acceptance of these risks is dependent analysis by qualified personnel. In case of acceptance of more complex risks to which the insurer does not have adequate resources to carry out its assessment, the Insurer uses external experts.

Proper management of insurance risk also presupposes that the tariffs are set by the Insurer of most scientific way possible. However, the occurrence of natural disasters or other catastrophic events that occasionally occur over time, can result in significant variations in results depending of reinsurance programs agreed by the Insurer.

Among the factors that contribute to aggravating insurance risks include insufficient diversification of risk across various industries, the value of capital insurance policies and their geographic concentration. All risks accepted by the Insurer are located in Mozambique. Within Mozambique risks are concentrated in the major cities of the country, and in each of these cities there are insurance risks situated close to each other. This may reflect that the occurrence of an adverse event, to register losses in various policies insured by the Insurer. These risks are mitigated by the transfer of risk to reinsurers.

The tables below presents the sensitivity analysis of the impact on profit before tax by changing the variable operating costs and accident cost.

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in MZN	Impact on the net income before tax 31.12.2014	Impact on the net income before tax 31.12.2013
Sensitivity analysis		
Operational costs - 10%	27,677,861	25,001,628
Operational costs - 5%	13,838,930	12,500,814
Operational costs + 5%	-13,838,930	-12,500,814
Operational costs + 10%	-27,677,861	-25,001,628
Net claims - 10%	47,972,276	39,845,501
Net claims - 5%	23,986,138	19,922,750
Net claims + 5%	-23,986,138	-19,922,750
Net claims + 10%	-47,972,276	-39,845,501

Amounts in USD	Impact on the net income before tax 31.12.2014	Impact on the net income before tax 31.12.2013
Sensitivity analysis		
Operational costs - 10%	902,356	853,891
Operational costs - 5%	451,178	426,946
Operational costs + 5%	-451,178	-426,946
Operational costs + 10%	-902,356	-853,891
Net claims - 10%	1,563,997	1,360,860
Net claims - 5%	781,998	680,430
Net claims + 5%	-781,998	-680,430
Net claims + 10%	-1,563,997	-1,360,860

The table below presents the combined ratio at 31 December 2014 and 2013, which is the sum of the claims ratio and the expense ratio. The expense ratio results from the quotient of the division of operating costs and premiums earned. The ratio of claims resulting from the ratio of the cost of claims and premiums earned.

	Loss Ratio		Expense Ratio		Combined Ratio	
	2014	2013	2014	2013	2014	2013
Non-Life	40%	50%	21%	29%	60%	79%
Workman Compensation	105%	56%	30%	33%	134%	89%
Fire	9%	29%	18%	26%	27%	55%
Motor	58%	72%	24%	31%	82%	103%
Marine, Aviation and Goods in transit	25%	19%	25%	24%	50%	42%
Civil Responsibility	3%	12%	1%	28%	2%	40%
Other	41%	13%	27%	24%	68%	38%

The development of provision for claims incurred in previous years and its adjustments is as follows:

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amounts in MZN Annex 2 2014	Provision for claims as at 31/12/2013 (1)	Claims paid (*) during the year (2)	Provision for claims (*) as at 31/12/2014 (3)	Adjustments (3)+(2)-(1)
Workman compensation	7.106.537	90.615.927	4.643.962	-88.153.352
Personal accident	160.218	1.524.955	126.378	-1.491.115
Fire	247.954.109	80.454.243	84.744.657	82.755.209
Motor	38.928.605	78.969.591	2.365.278	-42.406.264
Marine	172.850	2.663.105	3.868.960	-6.359.215
Aviation	1.245.964	0	307.040	938.924
Transport	1.450.169	5.731.468	0	-4.281.299
Civil responsibility	4.084.151	3.953.952	899.968	-769.770
Miscellaneous	2.185.038	7.119.309	17.776	-4.952.047
Total Non life	303.287.640	271.032.549	96.974.019	-64.718.929

Amounts in MZN Annex 2 2013	Provision for claims as at 31/12/2012 (1)	Claims paid (*) during the year (2)	Provision for claims (*) as at 31/12/2013 (3)	Adjustments (3)+(2)-(1)
Workman compensation	15.067.960	25.319.527	2.305.401	-12.556.968
Personal accident	1.174.954	1.480.996	57.092	-363.134
Fire	167.726.391	59.015.751	82.042.614	26.668.025
Motor	32.514.375	38.186.142	1.619.458	-7.291.225
Marine	137.518	1.013.036	0	-875.517
Aviation	1.367.288	0	1.245.671	121.617
Transport	800.831	1.044.435	0	-243.604
Civil responsibility	1.098.277	3.510.652	2.330	-2.414.705
Miscellaneous	2.123.288	2.118.152	152.125	-146.989
Total Non life	222.010.881	131.688.691	87.424.691	2.897.499

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Amount in USD	Provision for claims as at 31/12/2013 (1)	Claims paid (*) during the year (2)	Provision for claims (*) as at 31/12/2014 (3)	Adjustments (3)+(2)-(1)
Annex 2				
2014				
Workman compensation	243.888	2.954.269	143.687	-2.854.068
Personal accident	5.499	49.717	3.910	-48.128
Fire	8.509.501	2.622.977	2.622.050	3.264.474
Motor	1.335.985	2.574.574	73.183	-1.311.772
Marine	5.932	86.823	119.708	-200.599
Aviation	42.760	0	9.500	33.260
Transport	49.768	186.858	0	-137.090
Civil responsibility	140.163	128.907	27.846	-16.589
Miscellaneous	74.988	232.104	550	-157.666
Total Non life	10.408.485	8.836.230	3.000.434	-1.428.179

Amount in USD	Provision for claims as at 31/12/2012 (1)	Claims paid (*) during the year (2)	Provision for claims (*) as at 31/12/2013 (3)	Adjustments (3)+(2)-(1)
Annex 2				
2013				
Workman compensation	523.466	864.748	79.119	-420.401
Personal accident	40.818	50.581	1.959	-11.722
Fire	5.826.868	2.015.590	2.815.609	995.670
Motor	1.129.560	1.304.187	55.578	-230.205
Marine	4.777	34.599	0	-29.821
Aviation	47.500	0	42.750	4.750
Transport	27.821	35.671	0	-7.850
Civil responsibility	38.154	119.901	80	-81.826
Miscellaneous	73.764	72.342	5.221	-3.799
Total Non life	7.712.728	4.497.619	3.000.315	214.794

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Claims costs per branch are as follows:

Amounts in MZN	Amounts paid - costs	Amounts paid- Inputed costs	Changes in provision for claims	Cost of claims
Annex 3	(1)	(2)	(3)	(4)=(1)+(2)+(3)
2014				
Workman compensation	128.335.965	4.102.998	5.683.215	138.122.177
Personal accident	11.545.681	1.445.341	1.256.367	14.247.389
Fire	90.869.936	15.524.723	-123.042.781	-16.648.122
Motor	240.202.553	13.495.809	5.461.512	259.159.874
Marine	3.147.845	277.805	3.738.427	7.164.077
Aviation	0	60.491	-935.523	-875.032
Transport	7.137.141	330.920	-923.494	6.544.566
Civil responsibility	4.121.169	565.078	-2.488.829	2.197.418
Miscellaneous	12.087.393	768.743	-925.215	11.930.921
Total Non life	497.447.684	36.571.907	-112.176.321	421.843.270

Amounts in MZN	Amounts paid - costs	Amounts paid- Inputed costs	Changes in provision for claims	Cost of claims
Annex 3	(1)	(2)	(3)	(4)=(1)+(2)+(3)
2013				
Workman compensation	64.010.787	4.056.074	-8.185.930	59.880.931
Personal accident	2.323.327	1.429.473	-1.034.150	2.718.649
Fire	243.998.981	4.953.360	78.546.569	327.498.910
Motor	240.512.749	14.181.017	6.044.067	260.737.832
Marine	1.493.954	514.480	33.806	2.042.240
Aviation	-2.814	42.659	-138.784	-98.938
Transport	2.943.981	367.537	642.601	3.954.119
Civil responsibility	4.077.162	4.990.342	2.986.785	12.054.288
Miscellaneous	6.751.129	792.756	35.847	7.579.732
Total Non life	566.109.257	31.327.696	78.930.810	676.367.764

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amount in USD	Amounts paid - costs	Amounts paid- Inputed costs	Changes in provision for claims	Cost of claims
Annex 3	(1)	(2)	(3)	(4)=(1)+(2)+(3)
2014				
Workman compensation	4.184.022	133.766	185.285	4.503.073
Personal accident	376.413	47.121	40.960	464.495
Fire	2.962.551	506.139	-4.011.453	-542.764
Motor	7.831.107	439.992	178.057	8.449.156
Marine	102.626	9.057	121.881	233.564
Aviation	0	1.972	-30.500	-28.528
Transport	232.686	10.789	-30.108	213.367
Civil responsibility	134.359	18.423	-81.141	71.640
Miscellaneous	394.074	25.063	-30.164	388.973
Total Non life	16.217.839	1.192.321	-3.657.184	13.752.976

Amount in USD	Amounts paid - costs	Amounts paid- Inputed costs	Changes in provision for claims	Cost of claims
Annex 3	(1)	(2)	(3)	(4)=(1)+(2)+(3)
2013				
Workman compensation	2.186.187	138.529	-279.577	2.045.138
Personal accident	79.350	48.821	-35.320	92.851
Fire	8.333.399	169.174	2.682.634	11.185.207
Motor	8.214.332	484.330	206.426	8.905.088
Marine	51.024	17.571	1.155	69.749
Aviation	-96	1.457	-4.740	-3.379
Transport	100.547	12.553	21.947	135.047
Civil responsibility	139.249	170.437	102.009	411.695
Miscellaneous	230.574	27.075	1.224	258.874
Total Non life	19.334.565	1.069.948	2.695.757	23.100.270

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

Additional information per branch is as follows:

Amounts in MZN					
Annex 4	Gross premium w ritten	Net premium w ritten	Gross claims	Operational costs	Reinsurance portion
2014					
Workman compensation	137.724.509	132.122.280	138.122.177	39.124.013	24.912
Personal accident	95.871.884	84.652.989	14.247.389	10.459.237	-46.403.505
Fire	1.578.399.060	1.476.846.750	-16.648.122	125.086.375	-1.045.833.784
Motor	459.186.882	450.627.327	259.159.874	106.613.094	-4.312.850
Marine	38.969.092	32.271.470	7.164.077	4.882.392	-14.942.659
Aviation	21.946.342	20.661.697	-875.032	849.811	-19.287.899
Transport	12.313.254	11.978.311	6.544.566	3.450.822	2.346.059
Civil responsibility	130.348.364	265.121.323	2.197.418	6.802.716	-175.841.568
Miscellaneous	31.865.227	29.967.192	11.930.921	8.023.462	-3.671.270
Total Non life	2.506.624.615	2.504.249.340	421.843.270	305.291.921	-1.307.922.565

Amounts in MZN					
Annex 4	Gross premium w ritten	Net premium w ritten	Gross claims	Operational costs	Reinsurance portion
2013					
Workman compensation	110.177.404	106.630.588	59.880.931	34.917.799	0
Personal accident	46.602.794	58.216.228	2.718.649	8.750.144	-6.193.802
Fire	880.934.459	807.595.537	327.498.910	61.897.690	-357.494.202
Motor	404.041.158	381.850.932	260.737.832	116.779.439	-14.847.398
Marine	57.981.826	59.786.130	2.042.240	6.319.620	-43.429.522
Aviation	16.029.693	15.017.394	-98.938	207.655	-13.833.524
Transport	10.679.048	10.975.236	3.954.119	2.155.851	538.111
Civil responsibility	300.866.785	126.834.378	12.054.288	24.326.561	-49.337.781
Miscellaneous	23.690.313	23.028.964	7.579.732	9.815.009	-1.144.010
Total Non life	1.851.003.480	1.589.935.387	676.367.764	265.169.768	-485.742.128

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amount in USD					
Annex 4	Gross premium w ritten	Net premium w ritten	Gross claims	Operational costs	Reinsurance portion
2014					
Workman compensation	4.490.108	4.307.464	4.503.073	1.275.525	812
Personal accident	3.125.625	2.759.865	464.495	340.993	-1.512.852
Fire	51.459.122	48.148.304	-542.764	4.078.078	-34.096.376
Motor	14.970.456	14.691.397	8.449.156	3.475.811	-140.608
Marine	1.270.474	1.052.118	233.564	159.176	-487.162
Aviation	715.497	673.615	-28.528	27.706	-628.826
Transport	401.438	390.518	213.367	112.504	76.486
Civil responsibility	4.249.630	8.643.512	71.640	221.783	-5.732.804
Miscellaneous	1.038.873	976.993	388.973	261.582	-119.691
Total Non life	81.721.224	81.643.785	13.752.976	9.953.157	-42.641.021

Amount in USD					
Annex 4	Gross premium w ritten	Net premium w ritten	Gross claims	Operational costs	Reinsurance portion
2013					
Workman compensation	3.592.015	3.476.381	1.952.244	1.138.394	0
Personal accident	1.519.349	1.897.971	88.634	285.273	-201.931
Fire	28.720.312	26.329.310	10.677.152	2.017.995	-11.655.061
Motor	13.172.590	12.449.142	8.500.601	3.807.255	-484.056
Marine	1.890.329	1.949.153	66.581	206.033	-1.415.894
Aviation	522.602	489.599	-3.226	6.770	-451.002
Transport	348.159	357.816	128.913	70.285	17.544
Civil responsibility	9.808.889	4.135.067	392.995	793.097	-1.608.515
Miscellaneous	772.354	750.793	247.115	319.990	-37.297
Total Non life	60.346.599	51.835.231	22.051.009	8.645.091	-15.836.213

2) Investment risk

The investment risk is composed of four risks: credit, market, liquidity and foreign exchange.

a) Credit risk

Credit risk is the risk of incurring a loss if counterparties fail to fulfill their obligations. The main areas in which the insurer is exposed to credit risk are:

- (i) reinsurers' share in liabilities for insurance contracts,
- (ii) the part of reinsurers in claims costs,

(Amounts expressed in (USD) and Mozambican Meticals (MZN))

- (iii) receivables from policyholders for insurance contracts,
- (iv) Receivables from insurance intermediaries, and
- (v) counterparty risk in respect of debt instruments and balances with banks.

GA mitigates the risk by exposure to more than one entity. Annually the Insurer shall review the risks to which it is exposed.

Despite the use of reinsurance represent a form of Insurer manage the risks to which it is exposed, the GA will always be primarily responsible for covering the liabilities assumed with third parties. If for any reason a reinsurer fails to pay a claim, the insurance company continues to indemnify the insured for the loss occurred. During the renewal of reinsurance treaties, is analyzed counterparty risk,

The credit risk associated with debt instruments held by the insurer is reduced since the investment policies of the company determine which investments should be directed to the largest companies in Mozambique.

The credit risk associated with loans and receivables is reduced since the deposits are contracted with entities with good credit quality.

Amounts in MZN	2014		2013	
	Valor	%	Valor	%
Assets available for sale				
Bonds and other fixed-income securities				
Public issuers	234.640.000	25%	151.037.596	26%
Loans and receivables				
Term deposits	248.065.360	27%	83.351.408	14%
Cash and cash equivalents	322.969.633	35%	249.583.155	43%
Buildings	118.033.650	13%	99.653.670	17%
Total	923.708.643	100%	583.625.829	100%

Amounts in USD	2014		2013	
	Valor	%	Valor	%
Assets available for sale				
Bonds and other fixed-income securities				
Public issuers	7.259.901	25%	5.183.438	26%
Loans and receivables				
Term deposits	7.675.290	27%	2.860.525	14%
Cash and cash equivalents	9.992.872	35%	8.565.408	43%
Buildings	3.652.031	13%	3.420.000	17%
Total	28.580.094	100%	20.029.371	100%

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

a) *Market risk*

The GA is exposed to financial risks arising from its financial assets and the assets of reinsurance operations. In particular, the key financial risk that the insurer faces is that their financial assets are not sufficient to cover the liabilities assumed by the Insurer upon acceptance of insurance risk among borrowers. The main components of financial risk are interest rate risk and credit risk.

b) *Liquidity risk*

The Insurer is exposed to liquidity risk through the daily requests of its assets, mainly to cover insured claims by GA. Liquidity risk is the risk GA does not have the financial capacity to meet its commitments. To limit this risk, management will use different sources managing the assets based on their liquidity and periodically monitors the future cash flows and liquidity.

The nature of the insurance business has implied that it is impossible to predict with certainty the funds needed to cover the liabilities of the Insurer. Thus the insurance assesses the value and maturity of their liabilities through the use of statistical methods and based on previous experience.

c) *Currency risk*

The exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. The main transactions of GA occur in USD and are still exposed to the risk of exchange rate fluctuations for the metical or South African Rand.

Exposure of GA to the risk of exchange rate is mainly related to investments held to maturity, with the financial assets at fair value through profit and time deposits denominated in MT.

On 31 December 2014 and 2013 projected cash flows (undiscounted) of financial instruments, according to their contractual maturity, are as follows:

Amounts in MZN 31.12.2014	Maturidade					Sem maturidade	Total
	<1 mês	1-3 meses	3-12 meses	1-5 anos	> 5 anos		
Bonds and other fixed-income securities		234.640.000					234.640.000
Term deposits			231.905.360	16.160.000			248.065.360
Cash and cash equivalents						322.969.633	322.969.633
Buildings						118.033.650	118.033.650
Total	0	234.640.000	231.905.360	16.160.000	0	441.003.283	923.708.643

Amounts in MZN 31.12.2013	Maturidade					Sem maturidade	Total
	<1 mês	1-3 meses	3-12 meses	1-5 anos	> 5 anos		
Bonds and other fixed-income securities		151.037.596					151.037.596
Term deposits (include interest receivable)			83.351.408				83.351.408
Cash and cash equivalents						249.583.155	249.583.155
Buildings						99.653.670	99.653.670
Total	0	151.037.596	83.351.408	0	0	349.236.825	583.625.829

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD	Maturidade					Sem maturidade	Total
	<1 mês	1-3 meses	3-12 meses	1-5 anos	> 5 anos		
31.12.2014							
Bonds and other fixed-income securities		7.259.901					7.259.901
Term deposits (include interest receivable)			7.175.290	500.000			7.675.290
Cash and cash equivalents						9.992.872	9.992.872
Buildings						3.652.031	3.652.031
Total	0	7.259.901	7.175.290	500.000	0	13.644.904	28.580.094

Amounts in USD	Maturidade					Sem maturidade	Total
	<1 mês	1-3 meses	3-12 meses	1-5 anos	> 5 anos		
31.12.2013							
Bonds and other fixed-income securities		5.183.438					5.183.438
Term deposits (include interest receivable)			2.860.525				2.860.525
Cash and cash equivalents						8.565.408	8.565.408
Buildings						3.420.000	3.420.000
Total	0	5.183.438	2.860.525	0	0	11.985.408	20.029.371

3) Operational risk

Any institution, including financial institutions, are subject to operational risk, consequence of the uncertainty of business, and the process of decision making. To effects for reporting and monitoring, operational risk can be divided into two categories, risk of event and risk of business.

Event risk includes the risk of loss resulting from the lack or failed internal processes, people and systems or from external events. This definition of event risk includes legal risk and compliance, excluding strategic and reputational risk.

Business risk is the risk of "being in business" and includes the risk of loss due to changes in the structural and / or competitive. Has a nature essentially external being able, even so, be mitigated by good management practices.

Under the operational risk the insurer has set among others, policies / procedures for business continuity, IT security, procurement, money laundering, internal control and combating fraud.

Note 32 – Cover of the solvency margin

The Insurer is subject to the solvency requirements set by Decree n.º 30/2012, issued by the Council of Ministers.

The coverage of the solvency margin in 2014 and 2013, is as follows:

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in MZN	2014	2013	2014/2013
Capital	242,089,000	142,525,000	69.9%
Reserves	81,901,877	58,625,076	39.7%
Retained earnings	194,828,932	101,721,731	91.5%
Translation Reserve	30,652,156	30,652,156	
Income for the year net of investments	156,251,234	116,384,003	34.3%
Deductable elements	-1,713,343	-2,242,118	-23.6%
Available solvency margin	704,009,855	447,665,847	57.3%
Required solvency margin Non life	578,069,362	181,742,851	218.1%
Required solvency margin Life	57,571,387	33,840,114	70.1%
Excess/(Shortage) of solvency margin	68,369,106	232,082,882	-70.5%
Coverage	110.8%	207.7%	-46.7%

Amounts in USD	2014	2013	2013/2012
Capital	8,906,770	5,806,770	53.4%
Reserves	2,920,900	2,125,918	37.4%
Retained earnings	6,713,699	3,533,770	90.0%
Translation Reserve	-1,799,992	0	
Income for the year net of investments	5,094,118	3,974,911	28.2%
Deductable elements	-53,012	-76,947	-31.1%
Available solvency margin	21,782,483	15,364,422	41.8%
Required solvency margin Non life	17,885,809	6,237,207	186.8%
Required solvency margin Life	1,781,293	1,161,354	53.4%
Excess/(Shortage) of solvency margin	2,115,381	7,965,861	-73.4%
Coverage	110.8%	207.7%	-46.7%

Note 33 – Off balance sheet items

The value of the assets of the pension funds managed by the Insurer are detailed as follows:

Amounts in MZN	Balance as at 31-12-2014	Balance as at 31-12-2013
Pension funds		
Mozal pension fund	289,266,165	209,575,227
Global Alliance open fund	55,613,405	29,890,310
Total	344,879,570	239,465,537

(Amounts expressed in (USD) and Mozambican Meticaís (MZN))

Amounts in USD		
Pension funds	Balance as at 31-12-2014	Balance as at 31-12-2013
Mozal pension fund	8,950,067	7,192,382
Global Alliance open fund	1,720,712	1,025,801
Total	10,670,779	8,218,183

Balance as at 31-12-2014: provisional information based only on the investment portfolio.

The Insurer shall not assign guaranteed returns on pension funds managed.

Note 34 – Events after the balance sheet date not described in the preceding paragraphs

Having regard to the provisions of IAS 10, to date of authorization for issue of these financial statements, were not identified subsequent events involving adjustments or additional disclosures.