

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is important and should be read carefully. If you are in any doubt about its contents or the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

For Information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" commencing on page 21.



CUSTODIAN AND ALLIED INSURANCE PLC
(RC 171209)

**INITIAL PUBLIC OFFERING
OF**

350,000,000

ORDINARY SHARES OF 50 KOBO EACH

**at ~~₦~~5.20
per share**

PAYABLE IN FULL ON APPLICATION

APPLICATION OPENS: MARCH 20, 2008

APPLICATION CLOSES: MARCH 31, 2008

ISSUING HOUSE / FINANCIAL ADVISER

CHAPEL HILL
Advisory Partners Limited

RC 622258

This Prospectus and the Securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act 2007 to issue a Prospectus which contains false or misleading information. Clearance and Registration of this Prospectus and the Securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.

This Prospectus is dated March 17, 2008

INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 KOBO EACH AT AN OFFER PRICE OF ₦5.20, PAYABLE IN FULL ON APPLICATION. APPLICATION LIST OPENS MARCH 20, 2008 AND CLOSES MARCH 31, 2008.

This Prospectus relates to an Offer for shares by Custodian and Allied Insurance Plc (“Custodian” or “the Company”), of 350,000,000 Ordinary Shares of 50 kobo each (“the Shares”) in the capital of Custodian at an Offer price of ₦5.20 per share (“the Offer”).

The Shares have been cleared and registered with the Securities & Exchange Commission (“the SEC” or “the Commission”). It is expected that admission of the Shares will become effective on June 30, 2008 and that unconditional dealings in the Shares on the Nigerian Stock Exchange (“NSE” or “the Exchange”) will commence immediately thereafter. This date is subject to change. The Shares will only be tradable on the NSE upon listing on the Exchange (see Summary of Offer).

The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and contains no material omission likely to affect its import. Chapel Hill Advisory Partners Limited, (“the Issuing House/Financial Adviser”), registered with the SEC in Nigeria, is acting exclusively for the Company, and no-one else, in connection with the Initial Public Offering. It will not be responsible to any other person for providing the protections afforded to its client or for providing advice in relation to the Offer.

This document comprises a Prospectus relating to the Company in respect of the Initial Public Offering prepared in accordance with the Rules and Regulations of the SEC.

The Issuing House/Financial Adviser and any of its affiliates, acting as investors for their own accounts, may take up shares in the Offer and in that capacity may retain, purchase, sell, offer to sell or otherwise deal in for their own account such securities and any other securities of the Company or related investments and may offer or sell such securities or other investments other than in connection with the Offer. Accordingly, references in this Prospectus to the Offer being issued, offered subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Issuing House/Financial Adviser and any of its affiliates acting as investors for their own account. The Issuing House/Financial Adviser does not intend to disclose the extent of any such investments or transactions other than in accordance with any legal or regulatory obligation to do so.

The Shares shall rank pari passu in all respects with all other existing shares issued by the Company, including the right to receive dividends or other distributions declared, made or paid on the Shares after admission. Investors should rely only on the information in this Prospectus and then only to the extent applicable. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and if given or made, such information or representations must not be relied on as having been authorised by the Company and/or the Issuing House/Financial Adviser or any affiliate of any thereof.

The Issuing House/Financial Adviser is not making any representation to any offeree or purchaser of the Shares regarding the legality of an investment by such offeree or purchaser. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Each potential investor in the Offer should read this Prospectus in its entirety and determine for itself the relevance of the information contained herein and its subscription of the Offer should be based upon such investigation as it deems necessary. In making an investment decision, prospective investors must rely upon their own examination of terms of this Prospectus, including the risks involved.

The distribution of this Prospectus and the Offer of the Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Issuing House/Financial Adviser that would permit a Public Offer of shares or possession, publication or distribution of this Prospectus (or any other offer or publicity material or application form relating to the Offer) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Prospectus comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.

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1. KEY TERMS AND DEFINITIONS

The following definitions apply throughout this document except where otherwise stated:

“Allotment Date”	- The date after the Offer Closing Date when the securities are allotted to investors
“ASI”	- All Share Index of the Nigerian Stock Exchange
“Brokerage Commission”	- Fees payable to Receiving Agents in respect of returns bearing their stamps and duly allotted
“Business Day”	- Any day other than a Saturday, Sunday or Official Public Holiday as specified by the FGN
“CAC”	- The Corporate Affairs Commission
“Custodian” or “the Company”	- Custodian and Allied Insurance Plc
“CBN”	- The Central Bank of Nigeria
“Chapel Hill”	- Chapel Hill Advisory Partners Limited
“CSCS”	- Central Security Clearing System
“DPS”	- Dividend Per Share
“EPS”	- Earnings Per Share
“Exchange Rate”	- The applicable USD/NGN currency exchange rate shall be the applicable Central Bank of Nigeria exchange rate on the Allotment date
“FGN”	- The Federal Government of Nigeria
“ISA”	- Investment and Securities Act 2007
“LFN”	- Laws of the Federation of Nigeria
“Issuing House/Financial Adviser”	- Chapel Hill Advisory Partners Limited
“The NSE” or “The Exchange”	- The Nigerian Stock Exchange
“The Offer” or “Initial Public Offer”	- Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each in Custodian at ₦5.20 per share
“NAICOM”	- The National Insurance Commission
“NGN”	- Nigerian Naira
“PAT”	- Profit After Taxation
“PBT”	- Profit Before Taxation
“Prospectus”	- This legal document offering the securities to the public.
“Receiving Agents”	- Market Operators authorised to receive applications and monies from investors as listed on 45
“Receiving Banks” or “Receiving Banker”	- Access Bank Plc, First City Monument Bank Plc
“Registrars”	- Meristem Registrars Limited
“The SEC” or “The Commission”	- The Securities & Exchange Commission.
“The Securities”	- The 350,000,000 ordinary shares of 50 kobo each being offered to the general public under this Initial Public Offering
“Stockbrokers”	- Interstate Securities Limited, Enterprise Stockbrokers Limited, Denham Management Limited
“USD”	- United States Dollars

2. INDICATIVE ABRIDGED TIMETABLE

DATE	ACTIVITY	RESPONSIBILITY
March 20, 2008	Acceptance List opens	Chapel Hill
March 31, 2008	Acceptance List closes	Chapel Hill
April 14, 2008	Receiving Agents make returns	Chapel Hill/Registrars
May 12, 2008	Forward allotment proposal and draft newspaper advertisement to SEC	Chapel Hill
June 2, 2008	Receive SEC authorization of allotment	Chapel Hill
June 3, 2008	Pay net proceeds of the Offer to Custodian	Chapel Hill / Registrars / Receiving Banks
June 5, 2008	Allotment announcement	Chapel Hill
June 9, 2008	Return rejected application monies	Chapel Hill/Registrar
June 17, 2008	Despatch Share Certificates	Registrars
June 23, 2008	Forward Declaration of compliance to the NSE	Stockbrokers
June 23, 2008	Forward summary of Post Completion report to SEC	Chapel Hill
June 30, 2008	Listing of the newly issued Custodian Shares /Trading on the floor of the NSE commences	Chapel Hill/Stockbrokers

Please note that all dates are indicative only and are subject to change without prior notice

3. THE OFFER

A copy of this Prospectus and the documents specified herein, have been delivered to the SEC for clearance and registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act 2007 and the Rules and Regulations of the Commission and the Listing Requirements of the Nigerian Stock Exchange ("NSE" or "the Exchange") and contains particulars in compliance with the requirements of the SEC and the NSE, for the purpose of giving information to the public with regard to the Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each of Custodian and Allied Insurance Plc now being offered by Chapel Hill Advisory Partners Limited. An application has been made to the Council of the Exchange for the admission to its Daily Official List of the 350,000,000 Ordinary Shares of 50 kobo each being offered through this Initial Public Offering.

The Directors of Custodian and Allied Insurance Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading or untrue.

ISSUING HOUSE / FINANCIAL ADVISER



on behalf of



Custodian and Allied Insurance Plc
(RC 171209)

Initial Public Offering
and is authorised to receive applications for
350,000,000 Ordinary Shares of 50 kobo each
At **₦5.20** per share
Payable in full on Application

The Application List for the Ordinary Shares now being offered will open on March 20, 2008 and close on March 31, 2008

Share Capital and Reserves as at June 30, 2007

₦'M

Authorised Share Capital:	3,500.00
Issued and Fully Paid Share Capital:	2,000.00
Bonus Issue Reserve:	-
Share Premium:	1,163.98
Contingency Reserve:	520.28
General Reserve:	825.11
Other Reserve:	99.18
Shareholders' Funds:	4,608.55

As at the date of this Prospectus, the authorised share capital of Custodian was ₦3,500,000,000.00 made up of 7,000,000,000 Ordinary Shares of 50 kobo each and the issued and fully paid up capital of the Company was ₦2,000,000,000.00 made up of 4,000,000,000 Ordinary Shares of 50 kobo each. Custodian and Allied Insurance Plc had no outstanding debentures, mortgages, loan capital, overdrafts, charges and similar indebtedness or material contingent liabilities other than those arising in the ordinary course of business.

4. CORPORATE DIRECTORY

The Corporate Head Office and the branch Office of Custodian with their respective addresses and telephone numbers are listed below:

Head Office Stillwaterhouse 14B Keffi Street, South-West Ikoyi Lagos Tel: (+234) 1 2707204-8, 2694972, 2694720, 2694226 Fax: (+234) 1 2707203 E-mail: enquiries@custodianinsurance.com Website: www.custodianinsurance.com	Ikoyi Office 12 Keffi Street, South-West Ikoyi Lagos
Ikeja Office Pentagon House 23 Opebi Road Ikeja Tel: (+234) 1 7911434	Abuja Office Block 1, Plot 516, Sultan Abubakar Way, Zone 2, Wuse, Abuja. Tel: (+234) 9 5237209 Fax: (+234) 9 5237209 E-mail: abjbranch@custodianinsurance.com
Port Harcourt 180, Aba Road, Port Harcourt, River State. Tel: (+234) 84 565434 Fax: (+234) 84 565434 E-mail: phbranch@custodianinsurance.com	

5. SUMMARY OF THE OFFER

The Summary of the Offer is not intended as a substitute to the Prospectus; it should be read in conjunction with the full text of this Prospectus, from which it is derived:

1. **The Offer:** Initial Public Offering of 350,000,000 Ordinary Shares of 50 Kobo each in Custodian at ₦5.20 per share.
2. **Issuer:** Custodian and Allied Insurance Plc, an Insurance service provider registered in Nigeria and quoted on the NSE.
3. **Issuing House:** Chapel Hill Advisory Partners Limited
4. **Share Capital:**
 Authorised: ₦3, 500,000,000 in 7,000,000,000 Ordinary shares of 50 kobo each.
 Issued and fully paid: ₦2, 000,000,000 in 4,000,000,000 Ordinary shares of 50 kobo each.
 Now being Offered: Initial Public Offering of 350,000,000 Ordinary Shares of 50 Kobo each at ₦5.20 per share
5. **Purpose:** To provide funding to improve Custodian’s underwriting capacity and facilitate the expansion of the Company’s business.
6. **Use of Proceeds** The estimated net proceeds of ₦3,733,097,800 from this Public Offer and the ongoing Rights Issue, after deducting the total costs of both Offers estimated at ₦166,902,200 (representing 4.28% of gross issue proceeds), will be applied as follows:

Use Of Proceeds	N'Ms	%
Branch Expansion (Note 1)	671.9	18%
Regional Expansion (Acquisitions)	1,269.2	34%
Information, Communication Technology & E-Channel Development	298.6	8%
Risk Retention Capacity / Working Capital	1,493.2	40%
	3,733.0	100%

Source: Custodian & Allied Insurance Plc

Note 1 – Lagos (Victoria Island), Kano, Kaduna, Abuja (1), Cross River, East (Enugu)

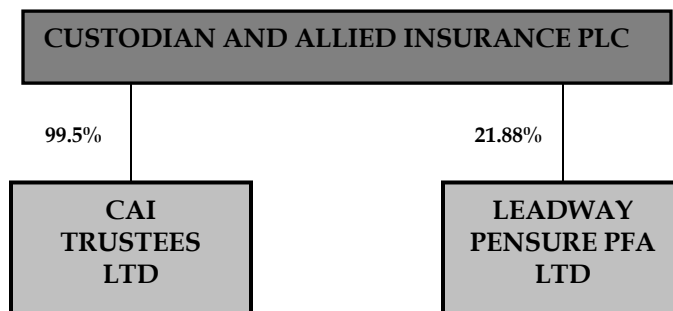
7. **Method of Offer:** By way of an Initial Public Offering
8. **Offer Price** ₦5.20 per share
9. **Offer size:** ₦1,820,000,000
10. **Subscription Amounts:** Minimum of 1,000 ordinary shares and in multiples of 100 Ordinary shares thereafter.
11. **Target Investors:** The Offer is open to both Nigerian and International investors.
12. **Payment Terms:** In full on application.
13. **Currency:** Nigerian Naira (₦)
14. **Foreign Investors:** Foreign Investors can participate in the Offer in accordance with Section 15 of the Foreign Exchange (Monitoring and Miscellaneous Provision) Act Cap F34 LFN 2004 and Section 17 of the Nigerian Investment Promotion Commission Act, Cap N.117 LFN 2004, relevant sections of Part F of the Rules and Regulations of the SEC and in compliance with the guidelines on foreign investment in the Nigerian stock market. Payment which must be made by bank transfers or by the issuance of cheques and will be domiciled

5. SUMMARY OF THE OFFER

with the Receiving Bank. The applicable Exchange Rate will be the ruling autonomous rate at the time of subscription. The Receiving Bank and Custodian shall arrange for Certificates of Capital Importation for valid subscribers at the conclusion of the Offer.

15. **Market Capitalization at Offer Price (Pre Offer, incl. Rights Issue):** ₦20,800,000,000
16. **Market Capitalization at Offer Price (Post Offer, incl. Rights Issue):** ₦24,700,000,000
17. **Quotation:** An application has been made to the Council of the Nigerian Stock Exchange for the admission of 350,000,000 Ordinary Shares of 50 Kobo each (representing the total number of shares offered) of Custodian to its Official daily list.
18. **Status:** All the Shares to be issued shall rank pari passu in all respects with the issued ordinary shares of the Company.
19. **Opening Date:** March 20, 2008
20. **Closing Date:** March 31, 2008.
21. **Underwriting:** ₦1,456,000,000.00 representing 80% of the Initial Public Offer will be underwritten on a firm basis by Chapel Hill Advisory Partners Limited, in accordance with the SEC's requirements.

22. **Company Structure:**



Source: Custodian & Allied Insurance Plc

Note: CAI Trustees Limited commenced operations in 2007 and will produce its first full year accounts for the period ending December 31, 2007.

23. **Share Certificates:** Share certificates in respect of the shares allotted will be sent by registered post not later than 15 working days from the date of allotment. Any investor who does not want to receive a physical share certificate should state the name of his/her stockbroker and his/her CSCS account number (CHN number) in the space provided on the Application Form.

5. SUMMARY OF THE OFFER

24. **Over-Subscription/ Supplementary Allotment:** The Directors of the Company have been mandated subject to the SEC's approval to absorb additional shares in an amount not exceeding 25% of any oversubscription, to the extent of its authorised and un-issued share capital.
25. **Additional Disclosures:** The Company is simultaneously undergoing a Rights Issue to offer 400,000,000 ordinary shares of 50 kobo each at ₦5.20 per share.

The Company is in the process of issuing a zero-coupon redeemable convertible loan stock of US\$10,000,000 through a Placing to a strategic Private Equity investor. The convertible loan stock to be issued will be converted into ordinary shares of Custodian at the option of the holder within the conversion period of 12 months. This application has not been filed with the Commission as at the date of this Rights Circular.

26. **Financial Summary:**
(Extract from the Reporting Accountant's Report)

(N'Million) Year ended	Jun-07**	2006	2005	2004	2003
Gross Premium					
Written	1,311.25	1,608.72	1,039.49	742.82	620.17
Profit Before Taxation	506.42	641.41	331.08	207.00	122.37
Taxation	(69.96)	(65.26)	(48.13)	(24.95)	(13.78)
Profit after taxation	436.46	576.15	282.95	182.05	108.59
Dividend	-	(339.17)	-	(38.00)	(25.00)
Share capital	2,000.00	1,695.83	600.00	230.00	230.00
Shareholders' Funds	4,170.98	3,034.94	1,078.11	511.23	445.40
Earnings Per Share	11k	17k	47k	79k	47k

Source: Extracts from the Reporting Accountant's Report

*Half Year Audited

27. **Forecast Offer Statistics:**
(Custodian and Allied Insurance Plc.)

Forecast - Assuming Full Subscription

(N'Million) Year ended Dec	2008	2009	2010
Gross Premium Written	4,073.83	5,907.05	8,269.88
Profit Before Taxation	1,789.36	2,435.98	3,256.95
Taxation	(268.41)	(365.40)	(488.54)
Profit After Taxation	1,520.95	2,070.58	2,768.41
Transfer to Contingency Reserve	357.87	487.20	651.39
Dividend	790.90	1,076.70	1,439.57
Retained Profit	372.18	506.68	677.45
Forecast Earnings per share (Adjusted)	32k	41k	55k
Forecast Dividend per share (Adjusted)	17k	21k	29k
Forecast Net asset per share (Adjusted)	218k	225k	251k
Forecast Earnings Yield at Offer Price	6%	8%	11%
Forecast Dividend Yield at Offer Price	3%	4%	6%
Forecast Price/ Earnings at Offer Price	16x	13x	9x

Source: Extracts from the Reporting Accountant's Report

NOTE

The forecast is based on the total number of shares in issue at the end of the forecast period, arising from this Initial Public Offering, Rights Issue and conversion of debt in issue to equity as follows: 2008 (4.75 billion); 2009 (5.02 billion); 2010 (5.02 billion).

5. SUMMARY OF THE OFFER

28. Claims and Litigation

The Company in its ordinary course of business is not presently involved in any cases. The Solicitors to the Offer are therefore of the opinion that there are no possible liabilities that may accrue to the Company.

The Directors of the Company are not aware of any pending and or threatened claims or litigation involving the Company and are of the opinion that there are no potential liabilities that may accrue to, or have any material adverse effect on the Company and or the Offer.

6. DIRECTORS & OTHER PARTIES TO THE OFFER

<u>DIRECTORS:</u>	<u>COMPANY SECRETARY & REGISTERED OFFICE:</u>
Chief Michael Ade Ojo (OON) - Chairman 322a, Ikorodu Road Anthony Village Lagos	Messrs Sofunde, Osakwe, Ogundipe & Belgore (Legal Practitioners) St. Nicholas House Catholic Mission Street Lagos
Mr. Oluwole Oshin - Managing Director/CEO 14b Keffi street South-West Ikoyi Lagos	<u>REGISTERED ADDRESS:</u> 14b Keffi street South-west Ikoyi Lagos
Mr. Olatoye Odunsi - Deputy Managing Director 14b Keffi Street South-West Ikoyi Lagos	<u>ISSUING HOUSE & FINANCIAL ADVISER:</u> Chapel Hill Advisory Partners Limited 1 st Floor Saka Tinubu Street Victoria Island Lagos
Mr. Anthony E. Ogunbor Plot 116 Ogudu G.R.A Ogudu Lagos	<u>AUDITORS:</u> Bababode Osunkoya & Co. Chartered Accountants 90, Norman Williams Street Ikoyi Lagos
Chief (Mrs.) M. Giwa Plot 53 Eremosele Street Park View Estate Ikoyi Lagos	<u>REPORTING ACCOUNTANTS:</u> SIAO 18b Temple Road Ikoyi Lagos
Mr. Akintunde Owolabi Odunsi 14a Keffi Street South-West Ikoyi Lagos	<u>SOLICITORS TO THE OFFER:</u> Banwo & Ighodalo 98 Awolowo Road South-West Ikoyi Lagos
<u>STOCKBROKERS:</u> Interstate Securities Limited 14a Keffi Street South-West Ikoyi Lagos	<u>SOLICITORS TO THE COMPANY:</u> S.P.A. Ajibade & Co. SPAACO House (Suite 301) 27A Macarthy Street Lagos
Enterprise Stockbrokers Limited 85, Ogunlana Drive Surulere Lagos	<u>REGISTRARS:</u> Meristem Registrars Limited 305 Herbert Macaulay Way Yaba
Denham Management Limited NECOM House (20 th Floor) 15 Marina Lagos	

6. DIRECTORS & OTHER PARTIES TO THE OFFER

RECEIVING BANKS

Access Bank Plc
Plot 1665 Oyin Jolayemi
Victoria Island
Lagos

First City Monument Bank Plc
Primrose Towers
17a Tinubu Street
Lagos

7. CHAIRMAN'S LETTER

The following is a text of the letter received by Chapel Hill Advisory Partners Limited from Chief Michael Ade Ojo, OON, the Chairman of the Board of Directors of Custodian and Allied Insurance Plc:

February 05, 2008

The Managing Partner
Chapel Hill Advisory Partners Limited
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

Dear Sir,

INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.20 PER SHARE IN CUSTODIAN AND ALLIED INSURANCE PLC

I write you today on behalf of the Directors of Custodian and Allied Insurance Plc ("Custodian"), to provide you with further information on the next phase of our company's growth strategy - an Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each at ₦5.20 per share.

Custodian is a wholly owned Nigerian Company whose sole purpose is to develop, package and deliver innovative insurance products that best satisfy customer needs. Custodian is an efficient, resourceful and ethical organisation and has set itself clear objectives of ranking amongst the top 3 insurance companies in Nigeria by 2010 with a strong regional presence.

Building on the benefits of the recently concluded consolidation exercise in the insurance sector in Nigeria, Custodian has continued to implement key strategies and form strong partnerships with a number of domestic and international players. These moves are in line with the commitment of the Board of Directors and Management of Custodian towards making the company one of the top insurance companies in Nigeria.

Following the November 2004 National Insurance Commission ("NAICOM") announcement for insurance companies to scale up their share capital, Custodian was one of the first companies to comply. This was achieved through its strategic mergers with Signal Insurance Company Limited in May 2006 and also with Fire, Equity & General Insurance Company Limited in February 2007 (the company has since fully integrated its business with those of both companies). Custodian also raised significant capital (over ₦1 billion) through its private placements in 2006, bringing its Shareholders' Funds to over ₦3 Billion, surpassing the minimum capital requirement of ₦3 Billion to operate as a General Insurance business. Custodian then transferred its life business to Leadway Life Assurance Company Limited.

Following from its mergers and capital raising strategies, on June 12, 2007 Custodian joined the echelon of corporations listed on the Nigerian Stock Exchange after successfully completing a Listing by Introduction of 4,000,000,000 ordinary shares of 50 kobo each at ₦1.75 per share. Custodian's audited half year accounts to June 30, 2007 showed earnings growth of 46% (year on year¹) to ₦1.3 billion. In that period, profits also grew by 92% (year on year³) to ₦506 million.

This Initial Public Offering of shares in Custodian is an opportunity for members of the investing public to be part-owners in one of the fastest growing insurance companies in Nigeria².

Custodian has also received recognition for its achievements in the insurance industry. These include:

- Assignment of an A Rating from Global Credit Rating Company, South Africa in November 2007.

¹ Year on year growth is measured as the percentage change from June 30, 2006 to June 30, 2007

² Measured by earnings growth year on year

7. CHAIRMAN'S LETTER

- Assignment of an A+ Rating from Agosto & Co., Nigeria in July 2007.
- One of few Nigerian insurance companies to secure an Oil & Gas treaty.

Going by the various policy initiatives of the Federal Government of Nigeria, it is quite clear that the insurance sector is poised for growth given the opportunities that currently ensure. It was therefore imperative that Custodian positioned itself strategically for the opportunities that lie ahead. The purpose of this public offering therefore is to raise additional capital to support the company's growth and expansion objectives through regional expansion which will be fuelled by acquisitions and branch expansion to establish a presence in the commercial corners of Nigeria, being Kano, Kaduna, Abuja, Cross Rivers, Enugu and Lagos. Custodian also recognises the need to embrace technology in order to enhance its performance by streamlining its operations, making its products and services more accessible to customers, and driving efficiencies and cost savings. As such, Custodian is looking to create a robust technology platform from which it will drive its business. Furthermore, Custodian has identified the immense opportunities in oil and gas insurance and recognises the need to increase its underwriting capabilities in this area in order to tap into the opportunities. As such, a significant percentage of capital raised will be utilised in building additional capacity in risk retention.

The estimated proceeds from the Offers (including this Initial Public Offering and the ongoing Rights Issue) is ₦3,733,097,800 after deducting the estimated offer costs of ₦166,902,200 (representing 4.28% of gross proceeds) and will be applied as follows:

Use Of Proceeds	N'Ms	%
Branch Expansion (Note 1)	671.9	18%
Regional Expansion (Acquisitions)	1,269.2	34%
Information, Communication Technology & E-Channel Development	298.6	8%
Risk Retention Capacity / Working Capital	1,493.2	40%
	3,733.0	100%

Source: Custodian & Allied Insurance Plc

Note 1 - Lagos (Victoria Island), Kano, Kaduna, Abuja (1), Cross River, East (Enugu)

Custodian has been able to distinguish itself as the insurance provider of choice in Nigeria. Its product ranges have been developed to meet and address the needs of its customers, buoyed by the company's commitment to delivering exemplary service to its customers and outperforming its peers. Custodian sees opportunities to take its outstanding performance to underserved markets such as the Energy and Telecommunications sectors. Historically, the Nigerian Oil & Gas sector has insured its assets with offshore companies as few local players have had the financial capacity to underwrite such levels of risk. With the new policy initiatives and anticipated reforms in the sector, it is expected that significant opportunities will arise in the Oil and Gas sector for well-placed insurance companies to take embrace.

Custodian's strategic plans and performance till date are very strong indicators of the company's mission as well as long-term growth objectives. This Initial Public Offering represents a unique opportunity for prospective investors to become shareholders of one of the most profitable insurance companies in Nigeria. I therefore encourage prospective investors to take full advantage of this opportunity and subscribe to our commitment towards making Custodian the insurance company of choice in Nigeria and indeed Africa.

Yours faithfully,

Chief Michael Ade Ojo, OON
Chairman

8. CUSTODIAN AND ALLIED INSURANCE PLC

8.1 HISTORY AND BUSINESS OF THE COMPANY

Custodian was incorporated on the 22nd of August 1991, licensed and registered under the name Accident and General Insurance Company. Custodian commenced operations in July 1995 as a General Insurance Business and obtained a license to operate a Life Insurance Business in 2001. It has however, transferred its life business to Leadway Life Assurance Company Limited.

The Company's sole objective is to provide products that are responsive to the needs of its clients and as such strives for its brand to be synonymous with trust, innovation, speed in service delivery, professionalism and sound technical expertise.

Custodian was extremely proactive in its response to the Federal Government of Nigeria's ("FGN") directive to increase the minimum share capital requirements for insurance operators. It was one of the first insurance companies to raise capital after the announcement and it completed the first merger in the sector when it successfully merged with Signal Insurance Company Limited ("Signal") in May 2006. Custodian however continued to look at opportunities to enhance its business further by merging with insurance companies still looking to merge, in order to meet the new regulatory requirements and ones that have a complementary business and culture. To this end and in line with other benefits to be accrued, Custodian successfully merged with Fire, Equity & General Insurance Company Limited in February 2007. Custodian is now considered to be one of the top 10 insurance companies in Nigeria with Shareholders' Funds in excess of ₦4 Billion, surpassing the minimum capital requirement to operate as a General Insurance Business.

On June 12, 2007, the shares of Custodian were listed on the Nigerian Stock Exchange. The Company successfully completed a Listing by Introduction of 4,000,000,000 ordinary shares of 50 kobo each at ₦1.75 per share.

8.2 PRODUCTS AND SERVICES

The Company is a General Insurance Business and has a wholly-owned subsidiary, CAI Trustees Limited, which provides leasing services. The principal activities of Custodian are the provision and marketing of general insurance and special risk services and products. Custodian's products and services are essentially market-driven with emphasis on providing a wide menu of options on policies, having paid due regard to production processes employed in various industries.

Custodian enjoys technical and advisory correspondence relationship with reputable international companies. This has enhanced Custodian's capacity to handle special risks (including oil and gas) in the international market. Custodian's status as one of the very few insurance companies in Nigeria to secure an Oil and Gas treaty bear witness to this fact. In addition to special risk insurance, Custodian also provides insurance products and services for:

- Fire Insurance
- Marine Hull Transit Insurance (All risk)
- Contractor's All Risk Insurance
- Private/Commercial Vehicle Insurance
- Performance/Custom/Bid/Advance Payment Bonds
- Professional Indemnity Insurance
- Oil & Energy Insurance
- Engineering Insurance
- Aviation Insurance
- Plant All Risk/Machinery Breakdown Insurance

In today's rapidly evolving Nigerian financial services market, Custodian provides timely, flexible and expert advice to help its clients meet their strategic objectives of maintaining maximum cover at an attractive cost.

8. CUSTODIAN AND ALLIED INSURANCE PLC

8.3 PREMISES

Custodian currently operates from its Corporate Head Office at 14b Keffi Street, South-West Ikoyi, Lagos. In addition to the Corporate Head Office, Custodian currently has six branch offices. Below is a list of the Company's offices:

Branches	Address	Type of Lease	Tenor
Ikoyi	Stillwater House, 14b Keffi Street, South West Ikoyi, Lagos	Freehold	
Ikoyi	12 Keffi Street, South West Ikoyi, Lagos	Leasehold	5 years
Proposed Branch, VI	72a Adetokunbo Ademola Street, Victoria Island, Lagos	Freehold	
Ikeja	Pentagon House, 23 Opebi Road, Ikeja, Lagos	Leasehold	1 year
Abuja	Block 1, Plot 516, Sultan Abubakar Way, Zone 2, Wuse, Abuja	Leasehold	1 year
Port Harcourt	180 Aba Road, Port Harcourt, Rivers State	Leasehold	2 years

Source: Custodian & Allied Insurance Plc

8.4 DIRECTORS OF THE COMPANY

Chief Michael Ade Ojo (OON) - Chairman

Chief Ade Ojo has been Chairman of the Board since inception of the Company. He is the founder and Executive Chairman of a number of companies such as Elizade (Nig.) Limited, Crown Motors (Nig) Limited, Classic Motors Ltd and Odua Creations Ltd. He is the current Chairman of Toyota Nigeria Ltd and serves on the Board of several other companies, including First City Monument Bank Plc and Ecobank Nigeria Plc. He graduated From the University of Nigeria, NSUKKA in 1965 with a Bachelor of Science degree in Business Administration.

Mr. Oluwole Oshin - Managing Director/Chief Executive Officer

Mr. Oshin's insurance career began in 1984 when he worked for three (3) years in the Actuarial Sciences Department of the National Insurance Corporation (NICON), Nigeria's largest Insurance Company. In 1987, he became Assistant Manager in the Executive Support Services Division of Femi Johnson & Co., where he was responsible for the entire insurance needs of big conglomerates with assets running into billions of Naira. In 1991, Mr. Oshin joined the Marketing Department of Crusader Insurance (Nigeria) Plc as Head of Corporate Marketing, responsible for the marketing of the company's corporate clients. As a result of his performance and versatile background, he was transferred to head Crusader's Investment Department where he was responsible for the management of the company's diversified portfolios. He later resigned to establish Custodian and Allied Insurance Plc in 1994 and has since been the Managing Director. Mr. Oshin has a first degree in Actuarial Science from the University of Lagos (1984) and a Masters degree in Business Administration from the University of Ibadan (1990). He is an Associate Member of the Chartered Insurance Institute, U.K, as well as a Fellow of the Chartered Insurance Institute of Nigeria. He is an Alumnus of Lagos Business School (LBS CEP-9). In addition, he is the Nigerian Ambassador to the prestigious International Insurance Society, New York and the Deputy Chairman of the Nigerian Insurers Association.

Mr. Olatoye Odunsi - Deputy Managing Director

Mr. Odunsi is a 1987 insurance graduate of the University of Lagos. He is also a graduate of the Senior Management Programme of the Lagos Business School. He is a member of the Chartered Insurance Institute of Nigeria (CIIN) and has been an insurance professional for over 20 years. He began his profession in the pensions department of the Nigerian National Petroleum Corporation (NNPC), where he left to join Financial Assurance Company Limited as a pioneer staff. Mr. Odunsi was part of the management team that built Cornerstone Insurance Plc from scratch to its current elevated position. He rose to the position of Deputy General Manager before leaving Cornerstone. Mr. Odunsi was appointed the Managing Director of Signal Insurance Company limited in October 2002, a newly re-capitalised and re-structured company. He held this

8. CUSTODIAN AND ALLIED INSURANCE PLC

position until the merger of Signal Insurance Company with Custodian and Allied Insurance Company Limited in 2006.

Mr. Anthony E. Ogunbor - Director

Mr. Ogunbor is the Chairman of Grand Union Limited, an investment holding company. He is also the Chairman/Chief Executive of NOSAK Agencies Nigeria Limited, a trading concern. Before venturing into private business in 1985, he had a fulfilling sales career with Lever Brothers Nig. Ltd, where he rose to the post of Sales Manager. He later became National Sales/Marketing Manager of Union Carbide Nigeria Limited. He holds a First Class Bachelor of Science Degree in Agricultural Economics from University of Ibadan (1975) and a Masters in Business Administration from Ahmadu Bello University (1980). He represents Grand Union Limited on the Board of Custodian.

Chief (Mrs.) M. Giwa - Director

Chief (Mrs.) M. Giwa joined the Board at the inception of the Company. She is a business woman with experience in various sectors of the economy such as Oil & Gas and Real Estate to name a few. She also sits on the Board of several companies. She has a Bachelor of Arts degree in English from the University of Lagos 1992.

Mr. Akintunde O. Odunsi - Director

Mr. Odunsi is the Managing Director of Interstate Securities Limited (ISL). He is a fellow of the Chartered Association of Certified Accountants (FCCA) and a Stockbroker by profession. He attended City of Birmingham Polytechnic University, England (1979). He worked as an Accountant for Christian Aid in England, before joining Interstates Securities Limited in 1985. He has also benefited from extensive local and overseas training and currently serves on the Board of Mercantile House Limited. He represents Interstate Securities Limited on the Board of Custodian.

8.5 KEY MANAGEMENT STAFF

The senior management team, led by the Managing Director / Chief Executive Officer and the Deputy Managing Director, oversees the day-to-day activities of the Company and are responsible to the Board of Directors. The following members of staff occupy key management positions:

Mr. Babatunde Ige HND (Accounting), MBA, ACA, ACIT

Mr. Ige started his career in 1989 with DHL International Nigeria Limited as Senior Accounts Officer (Credit Control). In 1990 he joined Nigerian Bottling Company where he served meritoriously in the Accounts Department for four years before joining Vitamalt Plc as an Assistant Financial Controller. In 1998 he joined the services of Olly Consults as Business and Financial Manager from where he moved to GS Telecom Group where he rose to the position of Chief Accountant. Until his appointment with Custodian, he was a Management Consultant at Amalgamated Capital Fund Limited. Tunde has vast experience spanning consulting, manufacturing, telecommunication and insurance industry with over fifteen years practical experience. He is responsible for the finance/accounts operations of Custodian. He studied Accounting at Federal Polytechnic, Ilaro (1988) and has an MBA (Financial Management) from Lagos State University (1997). He is an Associate of the Institute of Chartered Accountants of Nigeria as well as an Associate of the Chartered Institute of Taxation, Nigeria. He is an alumnus of the Lagos Business School Advanced Management Programme.

Mr. Rotimi Adetimehin, ACII, ACIIN, MBA

Mr. Adetimehin attended Lagos State Polytechnic, for his Insurance education (1983) and obtained a Masters in Business Administration from Ambrose Alli University (1992). He has over twenty years cognate experience in both life and non-life aspects of Insurance with Nigerian Life and Pensions Consultants, Ultimate Insurance Brokers and New Line Insurance Company prior to his joining Custodian. He is an Associate of the Chartered Insurance Institute, of London and Nigeria. He is an Alumnus of Lagos Business School Advanced Management Programme.

8. CUSTODIAN AND ALLIED INSURANCE PLC

Mrs. Olubunmi Aderemi, B.Sc (Hons) MBA

Mrs. Aderemi started her career with SCOA Nigeria Plc, where she worked in different departments and in various capacities for eleven years before joining the management team of Custodian in October 1999 as the pioneer head of Human Resources and Administration Division. She holds a Bachelor of Science degree in Economics (1983) and a Masters in Business Administration from the University of Lagos. She is an associate of the Institute of Personnel Management and a member of Nigeria Institute of Management. She is an Alumnus of Lagos Business School Advanced Management Programme.

Mr. Edeki Femi Isujeh, B.Sc (Hons)

Mr. Isujeh started his career in insurance with Security Assurance Plc in 1991, where he worked for two years before joining Perpetual Assurance Company Limited (“Perpetual”) in 1993. Whilst at Perpetual he worked in all the core departments in various capacities for eight years before joining Custodian in December 2001. He is presently responsible for the business development and branch operations of the Company. He has a Bachelor of Science degree in Insurance (1990) from the University of Lagos. He is a member of the Chartered Insurance Institute, London. He has attended several local and international courses in technical, marketing and management. He is an alumnus of the Lagos Business School.

Mrs. Oluwatoyin Eunice Ogunseye, HND, MBA, ACIIN

Mrs. Ogunseye started her insurance career with Femi Johnson & Co. Insurance Brokers Limited in 1989 where she worked in different capacities for ten years before joining Custodian in 2000. She heads the technical group for the financial institutions/public sector clientele. She holds an HND in Insurance from Lagos State Polytechnic (1995) and an MBA from the Federal University of Technology, Akure (2001). She is an Associate of the Chartered Insurance Institute of Nigeria and an alumnus of the Lagos Business School.

8.6 COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

- Custodian strives to maintain full compliance with the Code of Corporate Governance. The company has separated the roles of the Managing Director and Chairman to avoid the Board being dominated by any one individual. The Board has as a mix of executive and non-executive Directors who meet a minimum of 4 times a year or as any situation arise that calls for a Board meeting.
- Custodian has an Audit Committee, charged with the responsibility of ensuring that the company is not in violation of any government regulations, the accounting standards adopted by the Company and internal company policies. An internal audit department within the Company reports directly to this Audit Committee. Custodian is committed to transparency and the full disclosure of financial and non-financial reporting and believes in the Code of Corporate Governance.
- Custodian has a General Purpose Committee charged with the responsibility of reviewing remuneration of all staff above a certain threshold.
- Custodian also has an Investment Management Committee charged with the responsibility of reviewing the Company’s investment decisions, who meet on a weekly basis.
- NAICOM is currently implementing its Code of Corporate Governance, specific to operators in the insurance industry. Custodian is currently working towards full compliance with the NAICOM Code of Corporate Governance, once it is implemented.

9. THE REGULATORY ENVIRONMENT

The Nigerian Insurance Industry operates in a closely regulated environment in order to maintain a sound industry as well as adequate protection for subscribers. Effective regulatory institutions are crucial to fostering a financial system with sound financial condition. The major regulators of Nigeria's financial sector are:

The Federal Ministry of Finance

The Federal Ministry of Finance advises the Federal Government on its fiscal operation and co-operates with CBN on monetary matters.

Financial Services Coordinating Committee

This is a committee established to coordinate the activities of all regulatory institutions in the financial system. The Committee is chaired by the Federal Minister of Finance.

The Nigerian Investment Promotion Commission (NIPC)

The NIPC Act Cap. N17 LFN 2004 set up the Nigerian Investment Promotion Commission, which is charged with responsibility for promoting investment in Nigeria, as well as registering all businesses with foreign investment in Nigeria. The Commission also plays a part in facilitating the procurement of all basic regulatory approvals for new foreign investors in Nigeria. The NIPC Act repealed the Nigerian Enterprises Promotion Act (which restricted the level of foreign participation in Nigerian companies/businesses) and thereby eliminated all quantitative and qualitative barriers to free investment in the country for foreign investors. The NIPC Act permits foreigners to buy unlimited shares in any quoted companies other than those on the negative list.

The Central Bank of Nigeria (CBN)

The CBN is the apex regulatory authority of the financial system. The CBN is an independent organisation, established by the Central Bank of Nigeria Act of 1958 and commenced operations on 1st July 1959. Among its primary functions, the CBN promotes monetary stability and a sound financial system, and acts as banker and financial adviser to the Federal Government, as well as banker of last resort to the banks. The CBN also encourages the growth and development of financial institutions. The CBN Act of 2007, gave the CBN more flexibility in regulating and overseeing the banking sector and licensing finance companies which hitherto operated outside any regulatory framework.

The National Insurance Commission (NAICOM)

NAICOM is the apex regulatory body for the Insurance Industry in Nigeria, created by the National Insurance Commission Decree 1 of 1997. The scope of its regulatory functions has been further defined under The Insurance Act 2003. The supervisory and regulatory environment of Nigerian Insurance Industry is closely monitored and streamlined by the Commission in order to set a healthy standard in the insurance industry.

The Securities & Exchange Commission (SEC)

Formerly called the Capital Issues Commission, the SEC was established by the SEC Act and has been further strengthened by the Investment and Securities Act of 1999. Its objective is the promotion of an orderly, efficient and active capital market. Its primary function is ensuring adequate protection of investors, the registration and review of securities offered to the public and the manner/ disclosures surrounding these offers. The SEC also acts as the regulator for all capital market operators.

The supervisory roles performed by these various regulators have been very strict, as the Government has tried to ensure that they maintain stability in the sector, particularly when consideration is given to the systemic impact a collapse of the insurance system would have on the economy. The regulations come with stiff penalties for offending insurance companies, including instituting criminal proceedings against any offending staff, lifting the veil of incorporation and directly pursuing the directors of the companies etc. The Insurance Act, 2003, was passed to provide a legal framework for these regulatory functions.

10. RISK MANAGEMENT

10.1 POTENTIAL RISKS & MITIGATING FACTORS

Below are certain risks associated with the Nigerian Insurance industry which each investor should be aware of. These risks encompass sectoral, political, currency and environmental risks and risks associated with the business activities of the entity. The material implication of the risks envisaged by management has been quantified as far as possible. Where such quantification has not been made, it may be construed that the implication cannot be quantified.

I. Operational Risk

Custodian is exposed to inherent risks specific to its operations including key man risk, risks associated with non adequate monitoring of operations, lack of proper accounting records to monitor and manage the business proactively and lack of suitable controls.

Mitigating Factors: Custodian has built a strong business framework in which it operates, including internal controls which are constantly reviewed and revised and a robust management team to monitor these controls. Custodian is committed to deepening and strengthening its management team and currently has depth in its management team.

II. Exposure to high rates of inflation.

The high rate of inflation reduces disposable income of existing and potential customers and the value of any income earned, thereby affecting client's ability to meet up with their premium payments and take on new policies. This also affects potential customers as it limits spending power.

Mitigating Factor: Nigeria's inflation rates are currently declining. The Company continues to seek out customers in the sectors of the economy that record the most growth, i.e. the oil sector. The planned expansion of the Company's branch network will help it access new customer bases and build a larger and more diverse clientele. The Company is looking to grow the business faster than the rate of inflation.

III. Material changes in the BOFI Act or the Insurance Act could impact the Company's business.

The Company's business may be directly affected by any changes in policies for Insurers in respect of restrictions on investments and reserve requirements. Custodian could also be subject to other changes in laws and regulations such as those affecting the extent to which the Company can engage in specific businesses, as well as changes in other governmental policies.

It is expected that the next few years will see a significant amount of insurance sector reform. The first of which has already been concluded, involving the forced recapitalisation of the insurance industry and the separation between the Life and Non-Life areas of The Insurance Business.

Mitigating Factor: The Company has already taken steps to secure its position in the insurance industry by surpassing the minimum capital requirement directive. The company continues to maintain a pro-active stance in anticipating changes in the regulatory environment.

IV. Fluctuations in Currency Exchange Rates

The Company's business is predominantly Naira denominated and the Company is therefore vulnerable to fluctuations in exchange rates.

Mitigating Factor: The Company continues to try to make investments with returns that will surpass the effects of fluctuating exchange rates. Furthermore, Custodian transacts most of its business in the local currency.

10. RISK MANAGEMENT

V. Political Risk

The operations of the firm could be affected by the uncertainties that characterise the political climate in Nigeria, particularly around changes to the policies that have created an enabling environment for insurance operators.

Mitigating Factor: The Nigerian government has instituted the reforms which should be sustained through the present regime and beyond. The Company continues to maintain a pro-active stance to anticipate any changes in the political environment.

VI. Competition

Many insurance companies in Nigeria are re-capitalising their businesses to increase their capacity, leading to increased competition in the sector.

Mitigating Factor: The market opportunities in Nigeria far exceed the combined capacity of the existing insurance companies. Custodian has positioned itself to be a leading player in the industry with its growth strategy.

VII. Environmental Risk

The Company is exposed to environmental risks from natural disasters such as earthquakes, flooding and other unpredictable natural events.

Mitigating Factor: Custodian has developed and continues to monitor a disaster recovery plan such that the effects of any natural disasters or occurrences will have minimal effect on the Company's operations.

11. FINANCIAL FORECASTS

11.1 LETTER FROM THE REPORTING ACCOUNTANTS

The following is a copy of the letter on the Profit Forecast by SIAO (Chartered Accountants), the Reporting Accountants:



February 5, 2008

The Directors
Custodian and Allied Insurance Plc
14B Keffi Street,
Sout-West Ikoyi,
Lagos

And

The Managing Partner
Chapel Hill Advisory Partners Ltd
1st Floor, 45 Saka Tinubu Street
Victoria Island

Gentlemen,

RE: INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.20 PER SHARE BY CUSTODIAN AND ALLIED INSURANCE PLC

We have reviewed the accounting bases and assumptions for the profit forecast of Custodian and Allied Insurance Plc (for which the directors are solely responsible) for the years ending 31 December 2008, 2009, and 2010.

In our opinion, the profit forecast so far as the accounting bases and calculations are concerned have been properly compiled on the footing of the assumptions made by the directors and are presented on the bases consistent with the significant accounting policies normally adopted by the company.

However, there will usually be differences between forecasts and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Yours Faithfully,

A handwritten signature in black ink that reads 'SIAO' in a stylized, cursive font.

SIAO

11. FINANCIAL FORECASTS

11.2 LETTER FROM THE REPORTING ACCOUNTANTS IN RESPECT OF THE GOING CONCERN STATUS



February 5, 2008

The Directors

Custodian and Allied Insurance Plc
14B Keffi Street
South-West Ikoyi
Lagos

And

The Managing Partner
Chapel Hill Advisory Partners Ltd
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

Gentlemen,

CONFIRMATION OF GOING CONCERN STATUS: INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.20 PER SHARE BY CUSTODIAN AND ALLIED INSURANCE PLC

Based on our review of past results of Custodian and Allied Insurance Plc (“the Company”) as well as existing operations in our role as Reporting Accountants to the Offer, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,

A handwritten signature in black ink that reads 'SIAO'.

SIAO

11. FINANCIAL FORECASTS

11.3 FORECAST PROFIT AND LOSS ACCOUNT

Assuming the Offer is fully subscribed

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions laid out on pages 26 and 27, the profit after taxation for the years ended December 31, 2008, 2009 and 2010 will be in the order of ₦1.5 billion, ₦2.1 billion and ₦2.8 billion respectively as detailed below:

(N'000)			
Year ended Dec	2008	2009	2010
Gross Premium Written	4,073,831	5,907,054	8,269,876
Less:			
Outward reinsurance	325,906	472,564	661,590
Net premium	3,747,925	5,434,490	7,608,286
Movement in reserve for unexpired risks	(187,396)	(271,724)	(380,414)
Premium Earned	3,560,529	5,162,766	7,227,872
Commission earned	68,440	99,239	138,934
Investment Income (net)	1,096,694	1,432,866	1,853,495
Other Income	5,000	6,000	7,500
Total Income	4,730,663	6,700,871	9,227,800
Less:			
Underwriting Expenses	733,289	1,063,270	1,488,578
Claims Incurred	814,766	1,181,411	1,653,975
Management Expenses	1,018,458	1,476,764	2,067,469
Provision for doubtful debt	374,792	543,449	760,829
Profit Before Taxation	1,789,358	2,435,977	3,256,950
Taxation	(268,406)	(365,396)	(488,542)
Profit After Taxation	1,520,952	2,070,581	2,768,407
Appropriations:			
Transfer to Contingency Reserve	357,871	487,195	651,390
Dividend	790,895	1,076,702	1,439,572
Retained profit transfer to Revenue Reserve	372,186	506,684	677,446
Balance brought forward - Jan 01	825,112	1,197,298	1,703,982
Revenue Reserve - Dec 31	1,197,298	1,703,982	2,381,427
Forecast Earnings per share (Adjusted)	32k	41k	55k
Forecast Dividend per share (Adjusted)	17k	21k	29k
Forecast Net asset per share (Adjusted)	218k	225k	251k
Forecast Earnings Yield (at Offer Price)	6%	8%	11%
Forecast Dividend Yield (at Offer Price)	3%	4%	6%
Forecast Price/Earnings (at Offer Price)	16x	13x	9x

Source: Extract from the Reporting Accountant's Report

NOTE: The forecast is based on the total number of shares in issue at the end of the forecast period, arising from this Initial Public Offering, Rights Issue and conversion of debt in issue to equity as follows: 2008 (4.75 billion); 2009 (5.02 billion); 2010 (5.02 billion).

11. FINANCIAL FORECASTS

11.4 ASSUMPTIONS UNDERLYING THE FINANCIAL FORECASTS

The bases and principal assumptions used by the Directors in the preparation of the financial forecast are set out below:

Bases:

- a. The projected financial statements have been prepared under the historical cost convention and on a basis consistent with the accounting policies normally adopted by the company as a going concern.
- b. The company's Management financial statements as at 31st December, 2007 form the basis of ensuring the reasonableness of the forecast for the years ending 31st December 2008, 2009 and 2010.

Assumptions:

1. There shall be no material change in the accounting policies currently used by the company.
2. There shall be no significant changes in Federal Government's monetary and fiscal policies that will affect the company.
3. There shall be no drastic changes in the political and economic environment, both local and international, that will adversely affect the operations of the company.
4. There shall be no litigation with adverse and material consequences to the company.
5. The quality of management will be sustained during the forecast period and beyond.
6. There will be more direct business which will significantly improve the collection of receivables [i.e. premiums].
7. Gross premium income - It is assumed that gross premium income will rise by 50%, 45% and 40% year on year in 2008, 2009 and 2010 respectively.
8. Outward reinsurance is assumed at an average rate of 8% throughout the forecast period.
9. Unexpired risk reserve is maintained at an average rate of 5% of net premium for the period.
10. Commission earned is assumed at 21% of outward reinsurance.
11. Underwriting expenses are to be maintained at an average rate of 18% of gross premium.
12. Claims incurred are put at an average rate of 20% of gross premium.
13. Management expenses are targeted at 25% of gross premium for the forecasted periods.
14. In accordance with the relevant accounting standards, provision for bad and doubtful debt is put at 10% of net premium for 2008 to 2011.
15. Taxation is provided for at the effective rate of 15% of profit before taxation.

11. FINANCIAL FORECASTS

16. The company is going to raise additional capital in 2008 as follows:
 - a) Convertible Loan Stock of ₦1,180,000,000
 - b) Initial Public Offering of 350 million shares of 50 kobo each at ₦5.20, ₦1,820,000,000
 - c) Rights Issue of 400 million shares of 50 kobo each at ₦5.20, ₦2,080,000,000
This capital is expected to come in by Q2, 2008.
17. The Earnings, Dividend and Asset per share have taken into consideration the convertibility of the loan stock.
18. Distribution of share premium is not considered in this projection.
19. Investment income is assumed at 13% of total the investible funds for 2008 to 2010.

11. FINANCIAL FORECASTS

11.6 LETTER FROM THE ISSUING HOUSE

The following is a copy of the letter from the Issuing House / Financial Advisers on the Profit Forecast:



February 5, 2008

The Directors

Custodian and Allied Insurance Plc
14B Keffi Street,
South-West Ikoyi,
Lagos.

Dear Sir,

INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦5.20 PER SHARE BY CUSTODIAN AND ALLIED INSURANCE PLC ("THE OFFER")

We are writing with reference to the Prospectus and Rights Circular issued in respect of the Custodian and Allied Insurance Plc Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each at ₦5.20 per share. The Prospectus and Rights Circular contain forecasts of the profits of the Company for each of the three years ending December 31, 2008, 2009 and 2010, respectively.

We have discussed with you and with SIAO, the Reporting Accountants, the basis and assumptions upon which the forecasts were made. We have also considered the letter dated February 05, 2008 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by the Reporting Accountants, we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

Bolaji Balogun
Managing Partner
Chapel Hill Advisory Partners Limited

12. FIVE YEAR FINANCIAL SUMMARY

12.1 REPORTING ACCOUNTANTS' REPORT



February 05, 2008

The Directors

Custodian and Allied Insurance Plc
14B Keffi Street
South-West Ikoyi
Lagos

And

The Managing Partner
Chapel Hill Advisory Partners Ltd
1st Floor, 45 Saka Tinubu Street
Victoria Island
Lagos

INITIAL PUBLIC OFFERING OF 350,000,000 ORDINARY SHARES OF 50 Kobo EACH AT ₦5.20 PER SHARE BY CUSTODIAN AND ALLIED INSURANCE PLC ("THE OFFER")

We have examined the Audited Financial Statements of Custodian and Allied Insurance Plc ("the Company") for the five years ended 31 December 2006 and Management account for the year ended 31st December 2007. The Financial Statements were prepared under the Historical Cost convention as modified by the revaluation of certain property, plant and equipment. The Accounts were audited by Messrs Bababode Osunkoya & Co. (Chartered Accountants) and expressed an unqualified opinion on the Financial Statement for the years ended December 31, 2003, 2004, 2005, 2006 and Management account for the year ended 31st December, 2007.

The Directors are responsible for the preparation of the Financial Statements.

Our review of the Financial Statements has been limited primarily to the review of the working papers of the External Auditors of the Company and enquiries of the Company's personnel and analytical procedures applied to the financial data. We have not performed an audit and accordingly we do not express an audit opinion.

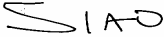
The summarised Profit and Loss accounts, Balance Sheets and Cash Flow Statements are based on the Audited Financial statements of the Company after making appropriate adjustments.

Our review was conducted in accordance with International Auditing Standards applicable to review engagements. The Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

As stated earlier, we have not performed an audit and, accordingly, we do not express an audit opinion.

In our opinion, the Financial Statements together with the notes thereon set out below, give a true and fair view of the state of affairs of the Company and of the Profit and Cash Flows for each of the years ended December 31, 2003, 2004, 2005, 2006 and 2007 and the state of affairs of the company at the Balance Sheet dates, and have been prepared on the same accounting basis normally adopted by the Company.

Yours Faithfully,


SIAO

12. FIVE YEAR FINANCIAL SUMMARY

12.2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention adopting the annual basis of accounting.

2. Fixed Assets

Fixed Assets are stated at their original cost less accumulated depreciation.

3. Depreciation

Depreciation charged on Fixed Assets is calculated on the straight-line basis at the following annual rates to write off the cost over their estimated useful lives:

Motor Vehicles	-	25%
Furniture & Fittings	-	20%
Office Equipment	-	20%
Computer Equipment & Software	-	20%
Plant & Machinery	-	20%
Leasehold Improvement	-	10%
Leasehold Premises	-	10%
Land & Buildings	-	3%

4. Investments

Investments comprise of acquisitions of shares in quoted and unquoted companies, Federal Government securities and money market instruments. These investments are stated at the lower of cost and market value. Any permanent diminution in the book value of an investment is charged to the profit and loss account in the year recorded.

5. Provision for Unexpired Risks

Provision for unexpired risks is calculated in compliance with the requirements of section 20(1) (a) of the Insurance Act, 2003.

6. Deferred Acquisition Cost

The corresponding acquisition costs in respect of (Non-Life) Unexpired Risks ((5) above) are transferred to the balance sheet.

7. Outstanding Claims Reserve

In order to provide for claims incurred but not reported, the outstanding claims reserve is set at the total amount of estimated outstanding claims plus 10% thereof.

8. Contingency Reserve

Amounts transferred to the contingency reserve are calculated on the basis of 3% of total premium or 20% of net profit, whichever is greater, for each class of insurance, in compliance with Section 21(2) of the Insurance Act, 2003.

9. Deferred Taxation

Deferred taxation on the timing differences between the treatment of certain items for accounting purposes, and their treatment for taxation purposes, is provided for in the accounts only in respect of liabilities which are expected to become payable in the foreseeable future

12. FIVE YEAR FINANCIAL SUMMARY

12.3 BALANCE SHEET

N'000						
Balance Sheet as at	Note	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Cash & Bank Balances	1	156,381	50,185	24,579	22,824	14,427
Short-term Deposit	2	1,796,023	1,347,339	1,128,992	238,469	103,651
Short-term Investments	4	1,129,389	873,964	198,501	99,331	185,054
Insurance Companies-Agents & Brokers	3	698,684	647,851	398,292	274,707	252,309
Other Debtors, Prepayments and Receivables	3	186,528	111,050	53,862	32,992	16,332
Insurance Pool Deposit	5	-	-	14,200	14,200	14,500
Deferred Acquisition Expenses	6	98,237	51,556	54,429	-	-
Long-term Investment	4	419,300	560,200	123,308	22,306	1,800
Statutory Deposit	7	320,000	40,000	20,000	32,000	10,500
Fixed Assets	8	399,801	284,798	164,456	159,438	163,955
TOTAL ASSETS		5,204,343	3,966,943	2,180,619	896,267	762,528
Less:						
Current Liabilities	9	317,935	494,738	157,622	98,255	76,432
Deferred Taxation	10.iii	32,032	22,973	14,681	-	-
Insurance Funds	11	683,388	414,291	329,574	286,786	240,691
Deposit for Shares		-	-	600,623	-	-
TOTAL LIABILITIES		1,033,355	932,002	1,102,500	385,041	317,123
NET ASSETS		4,170,988	3,034,941	1,078,119	511,226	445,405
Authorised Share Capital	12	3,500,000	3,000,000	1,000,000	400,000	400,000
Paid-Up Share Capital	12	2,000,000	1,695,834	600,000	230,000	230,000
Statutory Contingency Reserve	13	425,316	324,032	172,971	105,404	82,881
Share Premium		1,163,977	768,562	-	123	4,353
Bonus Issue Reserve	14	-	-	291,667	115,167	62,500
Revaluation Reserve	17	87,188	87,188	-	54,081	54,081
General Reserve		482,504	147,322	13,481	6,451	11,590
Equity Equalization Reserve	27	12,003	12,003	-	-	-
SHAREHOLDERS' FUNDS		4,170,988	3,034,941	1,078,119	511,226	445,404

Source: Extracts from the Reporting Accountant's Report
*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

12.4 PROFIT & LOSS ACCOUNT

N'000						
Profit & Loss	Notes	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Gross Premium written/Premiums written		1,311,253	1,608,719	1,039,490	742,821	620,170
Less:						
Outward Reinsurance Premium		303,572	227,136	150,719	75,774	64,619
Net Premium Income	15	1,007,681	1,381,583	888,771	667,047	555,551
Less:						
(Decrease)/Increase in Unexpired Risks Reserve		110,192	32,082	24,786	52,947	80,836
Premium Earned		897,489	1,349,501	863,985	614,100	474,715
Commission Earned		64,811	44,846	24,282	23,098	19,221
Investment Income		307,682	265,966	43,590	61,562	45,454
Other Income	16	2,568	376	517	3,731	4,231
Total Income		1,272,550	1,660,689	932,374	702,491	543,621
Less:						
Underwriting Expenses		223,445	332,663	142,970	153,429	127,008
Claims Incurred		284,127	300,523	210,309	150,448	141,901
Management Expenses	18	229,920	329,727	231,618	187,547	149,162
Finance Charges - Interest		420	4,662	3,000	4,070	3,176
Bad debt written off/Provision for bad debt		28,217	51,705	13,395		
Net Profit before Taxation		506,421	641,409	331,082	206,997	122,374
Taxation	10(i)	(69,955)	(65,261)	(48,130)	(24,945)	(13,783)
Net Profit after Taxation		436,466	576,148	282,952	182,052	108,591
Less:						
Appropriations						
Contingency Reserve		(101,284)	(128,282)	(67,567)	(22,523)	(28,308)
Bonus Issue Reserve	14	-	-	(207,971)	(126,667)	(62,500)
Proposed Dividend		-	(339,167)	-	(38,000)	(25,000)
Transfer to Revenue Reserve		335,182	108,699	7,414	(5,138)	(7,217)
Prior year Adjustment		-	7,200	(384)	-	-
Bal. brought forward- Jan 01		147,322	31,423	6,451	11,589	18,806
Revenue Reserve-Dec. 31		482,504	147,322	13,481	6,451	11,589
Earnings Per Share		11k	17k	47k	79k	47k

Source: Extracts from the Reporting Accountant's Report

* Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

12.5 STATEMENT OF CASH FLOWS

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Cash Flows From Operating Activities:					
Premiums	1,117,086	1,331,160	915,905	767,567	510,811
Reinsurance premiums paid	(303,573)	(227,135)	(150,719)	(75,774)	(64,619)
Reinsurance received – Claims	2,073	13,173	4,616	2,901	5,594
Commissions received	64,811	44,846	24,282	23,098	19,221
Commissions paid	(195,221)	(279,022)	(133,151)	(146,961)	(120,754)
Cash paid to employees	(44,287)	(64,789)	(53,117)	(46,937)	(26,391)
Other operating cash payments	(165,024)	(233,811)	(154,071)	(112,401)	(94,232)
Claims Paid	(229,314)	(382,940)	(254,821)	(188,002)	(145,149)
Companies Income Tax paid	(17,411)	(28,266)	(22,409)	(14,843)	(19,892)
Net Cash Provided by Operating Activities [A]	229,142	173,215	176,516	208,648	64,589
Cash Flows From Investing Activities:					
Purchase of Fixed assets	(136,741)	(59,764)	(20,925)	(29,056)	(30,841)
Other Accruals	84,193	2,867	82,933	(48,839)	(27,445)
Purchase of liquid investments	(74,925)	(1,112,355)	(200,172)	(69,736)	(57,126)
Interest received	307,682	265,831	43,590	61,562	45,454
Sale of Fixed assets	9,357	376	476	1,945	3,645
Insurance Pool Deposit	-	14,200	-	(300)	(700)
Statutory Deposit	(280,000)	(20,000)	-	(21,500)	-
Other Income	81	135	333	3,731	4,231
Deposit Admin Fund	-	-	-	19,192	3,217
Net Cash Utilized by Investing Activities [B]	(90,352)	(908,710)	(93,765)	(83,001)	(59,565)
Cash Flows From Financing Activities:					
Interest paid	(420)	(4,662)	(3,000)	(4,070)	(3,176)
Bonus Issue	-	(291,667)	(120,000)	(80,000)	(52,500)
Dividend paid	(283,070)	-	(38,000)	(25,000)	-
Share Premium	395,415	768,562	(123)	(4,230)	4,000
Share Capital Issued	304,166	1,095,834	370,000	130,000	92,500
Deposit for Shares	-	(600,623)	600,623	-	-
Equity Price Equalization Reserve	-	12,003	-	-	-
Share Increase/Merger Expenses	-	-	-	-	-
Net Cash Provided by Financing Activities [C]	416,091	979,448	809,500	16,700	40,824
Net Increase in Cash and Cash Equivalents [A+B+C]	554,880	243,953	892,251	142,347	45,848
Cash and Cash Equivalent as at Jan 01	1,397,497	1,153,544	261,293	118,946	73,098
Cash and Cash Equivalent at Dec 31	1,952,377	1,397,497	1,153,544	261,293	118,946

Source: Extracts from the Reporting Accountant's Report
*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

12.6 NOTES TO THE FINANCIAL STATEMENTS

1. CASH AND BANK BALANCES

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Cash in hand	35	14	26	8	26
Bank Balances - Current Accounts	156,346	50,171	24,553	22,816	14,401
	156,381	50,185	24,579	22,824	14,427

2. SHORT TERM DEPOSITS

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Call Deposits	26,601	72,373	30,461	137,313	33,942
Term Deposits	1,769,421	1,274,966	1,098,531	101,156	69,709
	1,796,022	1,347,339	1,128,992	238,469	103,651

3. DEBTORS, PREPAYMENTS AND OTHER RECEIVABLES

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Insurance Companies, Brokers and Agents	698,684	647,851	398,292	274,707	252,309
Claims Receivables	4,713	6,703	26,219	23,643	5,986
Other Debtors and Prepayments	157,910	92,868	16,424	3,364	7,211
Interest Receivable on Statutory Deposit	17,531	903	1,050	2,100	810
Interest Receivable on Deposits	6,373	10,576	10,169	3,885	2,325
	885,211	758,901	452,154	307,699	268,641

4. INVESTMENTS

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Short Term Investments [4.1]	1,129,389	873,964	198,502	99,331	201,616
Long Term Investments [4.2]	419,300	560,200	123,307	22,306	1,800
	1,548,689	1,434,164	321,809	121,637	203,416
4.1 Short Term Investments					
Real Estate - Land	39,600	39,600	-		
Quoted Investments	1,069,789	814,364	178,502	66,490	36,116
Government Securities	20,000	20,000	20,000	32,841	148,938
	1,129,389	873,964	198,502	99,331	185,054
4.2 Long Term Investments					
Investment in Unquoted Companies	419,300	560,200	123,307	22,306	1,800
	419,300	560,200	123,307	22,306	1,800

In year 2007, there is a surplus of ₦1,186,949,408 on our quoted investment arising from the current market value which stood at ₦2,579,925,898 as at December 31, 2007.

Source: Custodian and Allied Insurance Plc.
*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

5. INSURANCE POOL DEPOSIT

The deposit represents the Company's obligatory contribution to the Nigerian Oil and Energy Insurance Pool.

6. DEFERRED ACQUISITION COSTS

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Class of Insurance					
Motor	26,394	18,568	25,175	-	-
Accident	24,816	7,351	8,767	-	-
Marine	8,973	13,533	7,796	-	-
Fire	27,632	7,570	3,404	-	-
Engineering	10,422	4,533	9,287	-	-
	98,237	51,556	54,429	-	-

7. STATUTORY DEPOSIT

The statutory deposit is held with the Central Bank of Nigeria in compliance with Section 10 of the Insurance Act, 2003.

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Non- Life	320,000	40,000	20,000	20,000	10,500
	320,000	40,000	20,000	20,000	10,500

8. FIXED ASSETS

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
COST					
Motor Vehicles					
At 1 January	101,063	68,704	63,824	56,701	36,170
Additions	21,068	31,370	16,940	23,478	25,937
Additions - FEGIC****	-	-	-	-	-
Disposals	(15,122)	(7,163)	(7,495)	(16,355)	(5,405)
Revaluation	-	-	-	-	-
At December 31	107,009	93,271	73,269	63,824	56,701
Furniture & Fittings					
At 1 January	19,137	10,396	8,920	7,989	6,331
Additions	315	6,661	2,420	1,070	1,658
Additions - FEGIC****	-	-	-	-	-
Disposals	-	-	(88)	(267)	-
Revaluation	-	-	-	-	-
At December 31	19,452	17,057	11,252	8,792	7,989

Source: Custodian and Allied Insurance Plc.

*Unaudited, **Audited Half Year

**** Custodian & Allied Insurance Plc merged with Fire Equity & General Insurance Company Limited ("FEGIC") in February 2007.

12. FIVE YEAR FINANCIAL SUMMARY

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Office Equipment					
At 1 January	19,911	9,494	9,483	7,690	6,930
Additions	9	5,955	915	1,182	760
Additions – FEGIC****	-	-	-	-	-
Disposals	(1,320)	-	(56)	-	-
Revaluation	-	-	-	-	-
At December 31	18,600	15,449	10,341	8,872	7,690
Computer Equipment					
At 1 January	21,146	11,033	9,719	8,663	7,712
Additions	378	5,614	2,113	1,057	951
Additions – FEGIC****	-	-	-	-	-
Disposals	-	-	(287)	-	-
Revaluation	-	-	-	-	-
At December 31	21,524	16,647	11,546	9,719	8,663
Plant & Machinery					
At 1 January	8,474	6,204	4,090	3,780	3,780
Additions	-	1,417	4,549	1,720	-
Additions – FEGIC****	-	-	-	-	-
Disposals	-	-	(2,240)	(1,410)	-
Revaluation	-	-	-	-	-
At December 31	8,474	7,621	6,399	4,090	3,780
Leasehold Improvement					
At 1 January	10,239	1,852	1,626	1,626	1,626
Additions	-	8,387	226	-	-
Additions – FEGIC****	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
At December 31	10,239	10,239	1,852	1,626	1,626
Leasehold Premises					
At 1 January	7,209	7,209	7,209	7,000	7,000
Additions	-	-	-	209	-
Additions – FEGIC****	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
At December 31	7,209	7,209	7,209	7,209	7,000

Source: Custodian and Allied Insurance Plc.

*Unaudited, **Audited Half Year

**** Custodian & Allied Insurance Plc merged with Fire Equity & General Insurance Company Limited ("FEGIC") in February 2007.

12. FIVE YEAR FINANCIAL SUMMARY

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Land & Building					
At 1 January	207,188	120,000	120,000	120,000	72,349
Additions	114,971	-	-	-	1,535
Additions - FEGIC****	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	-	87,188	-	-	46,115
At December 31	322,159	207,188	120,000	120,000	120,000
ACCUMULATED DEPRECIATION					
Motor Vehicle					
As at January 1	58,021	34,484	27,778	28,646	18,264
Provision for the Period	10,467	19,375	15,229	13,768	12,142
Disposals	(9,478)	(4,482)	(5,360)	14,636	(1,760)
Revaluation Adjustment	-	-	-	-	-
As at December 31	59,010	49,378	37,647	27,778	28,646
Furniture & Fittings					
As at January 1	10,490	6,567	5,252	3,835	2,504
Provision for the Period	1,554	2,206	1,559	1,430	1,331
Disposals	-	-	(87)	(53)	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	12,044	8,773	6,723	5,212	3,835
Office Equipment					
As at January 1	11,416	7,338	6,601	5,452	4,236
Provision for the Period	1,185	1,533	1,027	976	1,216
Disposals	(22)	-	(56)	-	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	12,578	8,871	7,572	6,428	5,452
Computer Equipment					
As at January 1	9,317	7,536	6,393	4,993	3,800
Provision for the Period	1,442	1,780	1,575	1,399	1,194
Disposals	-	-	(286)	-	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	10,759	9,317	7,681	6,393	4,993
Leasehold Improvement					
As at January 1	1,475	1,010	839	677	514
Provision for the Period	510	465	171	163	163
Disposals	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	1,985	1,475	1,010	839	677

Source: Custodian and Allied Insurance Plc.

*Unaudited, **Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Plant & Machinery					
As at January 1	3,767	1,377	1,840	2,391	1,635
Provision for the Period	834	1,400	1,202	847	756
Disposals	-	-	(1,643)	(1,398)	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	4,601	2,777	1,400	1,840	2,391
Leasehold Premises					
As at January 1	5,645	4,924	4,203	3,500	2,800
Provision for the Period	361	721	721	703	700
Disposals	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-
As at December 31	6,006	5,645	4,924	4,203	3,500
Land & Building					
As at January 1	3,626	7,200	12,000	-	603
Provision for the Period	4,257	3,626	3,600	12,000	7,363
Prior Year Adjustment	-	-	8,400	-	-
Disposals	-	-	-	-	-
Revaluation Adjustment	-	(7,200)	-	-	(7,966)
At December 31	7,883	3,626	7,200	12,000	-
Total	114,866	89,862	74,158	64,694	49,494
Net Book Value as at December 31	399,800	284,819	167,711	159,438	163,955

9. CURRENT LIABILITIES

N'000					
For the Period ended	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Insurance Companies, brokers and agents	11,503	11,503	27,195	23,600	22,713
Reinsurance balances	34,383	37,137	34,837	4,457	4,077
Taxation [Note 10 ii]	130,994	78,450	44,782	24,959	14,856
Lease rentals payable	728	3,697	4,060	4,139	7,245
Staff Pension Fund [Note 19]	2,049	1,660	6,503	-	-
Other creditors and accruals	82,181	23,124	40,244	2,897	541
Dividend proposed	56,097	339,167	-	38,000	25,000
Life	-	-	-	-	-
FSDH - Facility A/c	-	-	-	203	2,000
	317,935	494,738	157,622	98,255	76,432

Source: Custodian and Allied Insurance Plc.

*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

10. TAXATION

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Payable within 12 months	728	3,697	4,060	4,139	7,245
	728	3,697	4,060	4,139	7,245
i) Taxation per Profit & Loss					
Income Tax	65,583	58,281	38,676	22,677	12,404
Education Tax	4,372	3,286	3,556	2,268	1,379
Deferred Tax	-	3,694	5,897	-	-
	69,955	65,261	48,130	24,945	13,783
ii) Tax Liability (Per Balance Sheet)					
Companies Income Tax	65,583	58,281	38,676	22,677	12,404
Education Tax	4,372	3,286	3,556	2,268	1,379
	69,955	61,568	42,233	24,945	13,783
Brought forward from previous period	78,450	44,782	24,959	14,856	20,964
Brought forward – SIL**	-	366	-	-	-
	148,405	106,716	67,192	39,801	34,748
Less:					
Payments during the year	(17,411)		(22,409)	(14,843)	(19,892)
	130,994	78,450	44,782	24,959	14,856
(iii) Provision for Deferred Taxation					
Balance - 01/01	22,973	14,680	8,784	-	-
Balance - 01/01 – SIL**	9,059	4,599	-	-	-
Charge to Profit and Loss Account	-	3,694	5,897	-	-
	32,032	22,973	14,681	-	-

**Custodian & Allied Insurance Plc merged with Signal Insurance Company Limited ("SIL") in May 2006.

11. INSURANCE FUNDS

N'000					
	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Balance as at 01/01	371,506	301,625	276,839	223,892	143,056
Balance as at Jan 1 –SIL**	-	36,658	-	-	-
Fire	58,196	19,380	(3,179)	11,678	28,754
Accident	53,525	(13,548)	3,434	5,869	7,416
Motor	(43,553)	15,092	29,712	21,692	11,227
Marine	(10,509)	39,179	(39,587)	3,282	43,415
Engineering	52,533	(28,021)	34,406	10,425	(9,975)
Add: Outstanding Claims Reserve	201,690	43,927	27,949	9,948	16,799
FEGIC Insurance ***	-	-	-	-	-
	683,388	414,291	329,574	286,786	240,691

**Custodian & Allied Insurance Plc merged with Signal Insurance Company Limited ("SIL") in May 2006.

*** Custodian & Allied Insurance Plc merged with Fire Equity & General Insurance Company Limited ("FEGIC") in February 2007.

Source: Custodian and Allied Insurance Plc.

*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

12. SHARE CAPITAL

N' 000	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Authorised:					
7,000,000,000 ordinary shares of 50 kobo	3,500,000	3,000,000	1,000,000	400,000	400,000
Issued & Fully Paid:					
4,000,000,000 ordinary shares of 50 kobo	2,000,000	1,695,834	600,000	230,000	230,000

13. CONTINGENCY RESERVE

N' 000	Jun-07*	Dec-06	Dec-05	Dec-04	Dec-03
Non-Life					
Balance as at 1 January	324,032	172,971	105,404	82,881	54,573
Balance as at 1 January, SIL**	-	22,779	-	-	-
	324,032	195,750	105,404	82,881	54,573
Transfer from Profit to Loss account	101,284	128,282	67,567	22,524	28,308
	425,316	324,032	172,971	105,404	82,881

**Custodian & Allied Insurance Plc merged with Signal Insurance Company Limited ("SIL") in May 2006.

14. BONUS ISSUE RESERVE

N'000	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
For the Period ended					
Balance as at 01/01	-	291,667	115,167	62,500	52,500
Bonus Issue	-	-	4,833	17,500	-
	-	291,667	120,000	80,000	52,500
Transferred to Share Capital	-	(291,667)	(120,000)	(80,000)	(52,500)
Transfer from Profit and Loss Accounts	-	-	203,138	115,167	62,500
Transfer from Revaluation Reserve	-	-	54,081	-	-
Transfer from Share Premium Account	-	-	34,448	-	-
	-	-	291,667	115,167	62,500

15. NET PREMIUM

N'000	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
For the Period ended					
Gross Premium Written	1,311,254	1,608,719	1,039,490	742,821	620,170
Less:					
Outward Reinsurance Premium	(303,573)	(227,135)	(150,719)	(75,774)	(64,619)
	1,007,681	1,381,583	888,772	667,047	555,551

Source: Custodian and Allied Insurance Plc.

*Audited Half Year

12. FIVE YEAR FINANCIAL SUMMARY

16. OTHER INCOMES

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Profit on Disposal of Assets	1,593	376	517	1,945	3,645
Interest on Staff loan	38	-	-	-	-
Others	936	-	-	1,787	586
	2,567	376	517	3,731	4,231

17. REVALUATION RESERVE

At the end of June 2006, the Company's land and building were valued by a firm of estate surveyor, Darin Epega & Co. and valued the building at ₦207,187,500 using the current open market value of the property. The net book value of the property prior to the revaluation was ₦112,800,000. The surplus was transferred to the revaluation reserve. This revaluation was completed on a one-off basis and was done in line with NAICOM's provision that assets are not revalued in intervals of less than 3 years.

18. MANAGEMENT EXPENSES

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Net Profit before taxation is arrived at after					
Depreciation	20,609	31,127	25,083	31,435	24,930
Directors' Fees	-	906	906	906	906
Audit Salaries	600	1,050	600	600	450
Salaries & Allowances	44,287	64,789	53,117	46,937	26,391
Other Staff Costs	-	-	-	-	-
	65,496	97,871	79,706	79,878	52,676

19. PENSION AND RETIREMENT

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Employer's Contribution	897	703	3,124	-	-
Employees' Contribution	897	703	3,124	-	-
NSITF	255	254	254	-	-
	2,049	1,660	6,503	-	-

The Company has a contributory Staff pension Scheme

20. PRIOR YEAR ADJUSTMENTS

N'000					
For the Period ended	Jun-07**	Dec-06	Dec-05	Dec-04	Dec-03
Deferred Taxation up to 2005 (10iii)	-	-	8,784	-	-
Adjustment of Depreciation - Land and	-	(7,200)	(8,400)	-	-
	-	-	384	-	-

12. FIVE YEAR FINANCIAL SUMMARY

21. EARNINGS PER SHARE

Basic

Profit after taxation divided by issued and fully paid up ordinary share capital

Diluted

Profit after Taxation divided by the sum of issued and fully paid up share capital, and balance outstanding in the share premium account at the balance sheet date. The balance has accrued with effect from the date the paid up share capital was recovered. It is assumed that the premium will be converted to be paid up at par.

22. PENALTIES

In 2005, a penalty was imposed upon and paid by the Company for contravening the following Statement of Accounting Standards by the Nigerian Accounting Standards Board (NASB) in the Company's Account up to the year ended December 31, 2004.

23. EXCISION OF LIFE BUSINESS

During the year ended December 31, 2007, the Life Insurance component of the Company was excised and the assets and liabilities therefore transferred to a newly formed Life Insurance Company, Custodian Assurance Life Plc, a wholly owned subsidiary. Custodian Assurance Life Plc business was transferred to Leadway Pensure PFA Limited, where Custodian currently hold a 21.88% interest in the business.

24. COMPARATIVE FIGURES

The Company's figures have been restated where necessary to reflect the excision of the life insurance of the Company during the year.

25. POST BALANCE SHEET EVENTS

Business Combination

The Company successfully merged its business with another general insurance company, Fire, Equity & general Insurance Company Limited. The merger was effected and approved by NAICOM and the High Court of Justice on February 14, 2007.

Increased Share Capital

In 2007, the Company received 157,048,604 additional proceeds from its private placement. The Board of Directors have since approved the allotment of 443,251,711 ordinary shares, enhancing the number of paid up shares to 4,000,000,000 units as at the date of these accounts.

26. CONTINGENT LIABILITY

There was no contingent liability as at December 31, 2006.

27. EQUITY EQUALISATION RESERVE

This represents the difference between the market value and the cost of Custodian's quoted investments. The Company's policy is to mark these investments to market and carry any gains as an equity equalization reserve on their balance sheet.

Source: Custodian and Allied Insurance Plc.

**Unaudited, **Audited Half Year*

13. STATUTORY & GENERAL INFORMATION

13.1 INCORPORATION AND SHARE CAPITAL HISTORY

Custodian & Allied Insurance Plc was incorporated as a private company in August 1991. The company was listed on the NSE in June 2007. The Company's initial authorised share capital at incorporation was ₦5,000,000 divided into 5,000,000 ordinary shares of ₦1.00 each. At present, the authorised share capital of the Company is ₦3,500,000,000 comprising 7,000,000,000 ordinary shares of 50 kobo each while its issued and fully paid-up share capital is ₦2,000,000,000.00 comprising 4,000,000,000 ordinary shares of 50 kobo each. The following changes have been made to the capital of the Company since its inception:

	Authorised (N)		Issued & Fully Paid - up (N)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1996	20,000,000	20,000,000	9,168,929	9,168,929	Cash
1997	70,000,000	90,000,000	9,159,033	18,327,962	Cash
1998	-	90,000,000	460,200	18,788,162	Cash
1998	-	90,000,000	1,832,797	20,620,959	Bonus
1999	10,000,000	100,000,000	13,426,783	34,047,742	Bonus
2000	100,000,000	200,000,000	60,952,258	95,000,000	Cash
2001	-	200,000,000	5,000,000	100,000,000	Bonus
2002	200,000,000	400,000,000	50,000,000	150,000,000	Cash
2003	-	400,000,000	60,000,000	210,000,000	Bonus
2004	-	400,000,000	62,500,000	272,500,000	Bonus
2004	-	400,000,000	90,000,000	362,500,000	Cash
2005	350,000,000	750,000,000	137,500,000	500,000,000	Bonus
2005	250,000,000	1,000,000,000	250,000,000	750,000,000	Cash
2006	-	1,000,000,000	291,666,666	1,041,666,666	Bonus
2006	1,000,000,000	2,000,000,000	60,804,055	1,102,470,721	Merger
2006	800,000,000	2,800,000,000	593,363,739	1,695,834,460	Cash
2007	-	2,800,000,000	82,539,682	1,778,374,142	Merger
2007	-	2,800,000,000	221,625,858	2,000,000,000	Cash
2007	700,000,000	3,500,000,000	-	2,000,000,000	-

Source: Custodian & Allied Insurance Plc

13.2 SHAREHOLDING STRUCTURE

The authorised share capital of the Company is ₦3,500,000,000 comprising 7,000,000,000 ordinary shares of 50 kobo each. The Company's issued and fully paid-up share capital is ₦2,000,000,000 comprising 4,000,000,000 ordinary shares of 50 kobo each and these are beneficially held as follows:

S/No.	Shareholder's Name	No. of Shares Held	%
1	Chief Michael Ade Ojo	652,459,608	16.31%
2	Grand Union Limited	437,653,789	10.94%
3	Rocknet Nigeria Limited	403,500,000	10.09%
4	Oluwole Oshin	200,000,000	5.00%
5	Others	2,306,386,603	57.66%
6	Total	4,000,000,000	100.00%

Source: Custodian & Allied Insurance Plc

Except as stated above, no shareholder holds more than 5% of the issued share capital of the Company.

13. STATUTORY & GENERAL INFORMATION

13.3 DIRECTORS' INTERESTS

The interests of the Directors of Custodian in the issued share capital of the Company as recorded in the Register of Members and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act, Cap C 20 LFN 2004, as at December 31, 2007 are as follows:

S/No.	Shareholders Name	Direct Shareholding	Indirect Shareholding	Total	%
1	Chief Michael Ade Ojo	652,459,608	112,284,083 ¹	764,743,691	19.12%
2	Oluwole Oshin	200,000,000	403,500,000 ²	603,500,000	15.09%
3	Olatoye Odunsi	64,678,260	3,620,430 ³	68,298,690	1.71%
4	Chief Mrs. M.O. Giwa	62,424,353	134,476,717 ⁴	196,901,070	4.92%
5	Anthony Ogunbor	-	437,653,789 ⁵	437,653,789	10.94%
6	Akintunde O. Odunsi	-	6,105,703 ⁶	6,105,703	0.15%

Source: Custodian & Allied Insurance Plc

¹Owned by Elizade Nigeria Limited; ²Owned by Rocket Nigeria Limited; ³ Owned by Toyland & Kids Limited; ⁴ Owned by RFG Nigeria Limited, Foluyemi Ventures Limited and The Estate of Chief RS Giwa; ⁵Owned by Grand Union Limited; ⁶Owned by Interstate Securities Limited and Solvent Investments Limited

13.4 SENIOR STAFF SHAREHOLDING INTERESTS

S/No.	Management Staff	Direct Shareholding	Indirect Shareholding	Total	%
1	Omorinola Olubunmi Aderemi	425,000	-	425,000	0.01%
2	Babatunde O. Joseph Ige	3,700,000	-	3,700,000	0.09%
3	Femi Edeki Isujeh	150,000	-	150,000	0.00%
4	Oluwatoyin Ogunseye	75,000	-	75,000	0.00%

Source: Custodian & Allied Insurance Plc

13.5 SUBSIDIARIES, ASSOCIATED COMPANIES & EQUITY INVESTMENTS

Custodian maintains equity investments in the following institutions:

- CAI Trustees Limited which is 99.5% owned by Custodian. CAI Trustees Limited commenced operations in 2007 and will produce its first full year accounts for the period ending December 31, 2007.
- Leadway Pensure PFA, in which Custodian has a ₦198 million strategic investments.

13.6 STATEMENT OF INDEBTEDNESS

As at the date of this Prospectus, Custodian had no outstanding debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than those incurred in the ordinary course of business.

13. STATUTORY & GENERAL INFORMATION

13.7 EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF CUSTODIAN AND ALLIED INSURANCE PLC

ARTICLES OF ASSOCIATION

GENERAL MEETINGS

- Art. 45(1) The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation (sic) or in the following year.
- Art 45(2) The annual general meetings other than annual general meetings shall be held at such time and place as the Directors shall appoint.
- Art 46 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- Art 47 The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on requisition, or, in default, may be convened by such requisitionists, as provided by section 215 (2) of the Decree.
- Art 50 All business shall be deemed special that is transacted at an extraordinary general meeting, and also that is transacted at an annual general meeting with exception of declaring a dividend, the consideration of the accounts, balance sheets, and the report of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment and the fixing of the remuneration of the auditors.
- Art 51 No business shall be transacted at any general meeting unless the holders of at least twenty five percent of the issued shares or 13 members [whichever is less] of the Company are present in person or by proxy at that meeting.
- Art 52 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

13.8 UNCLAIMED DIVIDENDS

As at December 31, 2007, there were 22 warrants (valued at ₦9,489,816.80) for Custodian shareholders who had not claimed their dividends. The dividend warrants are currently held with the Company's Registrar, Meristem Registrars Limited. A list of unclaimed dividend is published annually alongside the Notice of the Annual General Meeting and sent to every member and Shareholders who have unclaimed dividend.

13.9 MERGERS AND TAKEOVERS

The Company merged with Signal Insurance Company Limited in May 2006 and Fire, Equity and General Insurance Company Limited in February 2007.

13. STATUTORY & GENERAL INFORMATION

13.10 CLAIMS AND LITIGATION

The Company in its ordinary course of business is not presently involved in any cases. The Solicitors to the Offer are therefore of the opinion that there are no possible liabilities that may accrue to the Company.

The Directors of the Company are not aware of any pending and or threatened claims or litigation involving the Company and are of the opinion that there are no potential liabilities that may accrue to, or have any material adverse effect on the Company and or the Offer.

13.11 MATERIAL CONTRACTS

The following agreements have been entered into by Custodian and are considered material to the Offer:

- (a) A Vending Agreement dated March 17, 2008 between Custodian and Chapel Hill Advisory Partners Limited in which Chapel Hill agreed to offer a total of 750,000,000 Ordinary shares of 50 kobo each at ₦5.20 per share on behalf of the Company through a combination of an Initial Public Offering and a Rights Issue.
- (b) An Underwriting Agreement dated March 17, 2008 between Custodian and Chapel Hill Advisory Partners Limited, under which Chapel Hill Advisory Partners Limited agreed to underwrite 80% of the Company's Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each at ₦5.20 per share.

Other than as stated above, the Company has not entered into any material contracts except in the ordinary course of business.

13.12 TRAINING, RESEARCH AND DEVELOPMENT

Custodian is fully committed to the training and development of its employees by ensuring they are surrounded with the resources and facilities to aid their continual improvement and knowledge development. The Company's Employees are expected to take full advantage of available training facilities which are usually provided either on-the-job or from planned training courses.

Except for on-the job training carried out in the Company, all external courses are organized through the Human Resources Department, for all categories of eligible staff. The HR/MS/A Division in collaboration with the respective Heads of department is responsible for sourcing relevant courses for all staff. This is done after proper identification of the training needs of the staff, and consideration of the strategic requirement of the Company. As much as possible, the training of staff is limited to the amount budgeted for that purpose. Any further training beyond the amount budgeted is subject to the approval of the Managing Director/Chief Executive Officer.

The Company seeks to maintain a sound basis for creating market driven products and services through research and development.

13.13 DECLARATION

Except as otherwise disclosed herein:

- 13.13.1 No share of the Company is under option or agreed conditionally or unconditionally to be put under option;
- 13.13.2 No commissions, discounts, brokerages or other special terms have been granted to any person in connection with the issue or sale of any share of the Company;

13. STATUTORY & GENERAL INFORMATION

- 13.13.3 Save as disclosed herein, the Directors of Custodian have not been informed of any shareholding representing 5% or more of the issued share capital of the Company;
- 13.13.4 There are no founder, management or deferred shares or any options outstanding;
- 13.13.5 There are no material service agreements between Custodian and any of its Directors and employees other than in the ordinary course of business;
- 13.13.6 There are no long-term service agreements between the Company and any of its Directors and employees;
- 13.13.7 No Director of the Company has had any interest direct or indirect in any property purchased or to be purchased by the Company;
- 13.13.8 No shareholder, director or key management personnel has been involved in any of the following (in or outside Nigeria):
- A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
 - The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

13.14 COSTS AND EXPENSES

The costs and expenses of making these Offers (Initial Public Offering and Rights Issue) including fees payable to the SEC, the NSE and professional parties, filing fees, stamp duties and legal fees and other expenses, brokerage commission and the costs of printing and advertising are estimated at ₦166,902,200 representing approximately 4.28% of the total amount to be raised.

13.15 CONSENTS

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

The Directors of Custodian and Allied Insurance Plc	Issuing House / Financial Adviser
Chapel Hill Advisory Partners Limited	Solicitors to the Offer
Banwo and Ighodalo	Solicitors to the Issuer
S. P.A. Ajibade & Co.	Auditors
Bababode Osunkoya and Co.	Reporting Accountants
SIAO	Joint Stockbroker to the Offer
Interstate Securities Limited	Joint Stockbroker to the Offer
Denham Management Limited	Joint Stockbroker to the Offer
Enterprise Stockbrokers Plc	Registrars
Meristem Registrars Limited	Receiving Bank
Access Bank Plc	Receiving Bank
First City Monument Bank Plc	

13. STATUTORY & GENERAL INFORMATION

13.16 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Chapel Hill Advisory Partners Limited, at 1st Floor, 45 Saka Tinubu Street, Victoria Island, Lagos during normal business hours on any weekday (except public holidays) from 8.30am until 5.30pm:

- (a) Certificate of Incorporation of the Company;
- (b) The Memorandum and Articles of Association of the Company;
- (c) The Certified True Copy of the Board Resolution dated August 9, 2007 approving the Initial Public Offering of 350,000,000 Ordinary Shares of 50 kobo each at ₦5.20 each and Rights Issue 400,000,000 Ordinary Shares of 50 Kobo each at ₦5.20 per share;
- (d) The Certified True Copy of the Shareholders Resolution dated September 6, 2007 approving the Offer;
- (e) The certified True Copy of the Certificate of Increase in Share Capital;
- (f) The Audited Financial Statements of the Company for the five years ended June 30, 2007;
- (g) The Reporting Accountants Report on Audited Accounts of the Company for five years ended June 30, 2007;
- (h) The Reporting Accountants Report on the profit forecast of the Company for the financial years ended June 30, 2008, 2009 and 2010;
- (i) The material contracts referred to in Section 13.11 on page 46;
- (j) The written consents referred to above;
- (k) The Prospectus issued in respect of the Offer;
- (l) The letter from the Securities & Exchange Commission approving the Offer; and
- (m) The letter from the Nigerian Stock Exchange approving the Offer.

13.18 RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Prospectus and in compliance with SEC Rule 184(1) as amended, we hereby state that there is no shareholding relationship between Custodian and the Issuing House/Financial Advisers. There is no other relationship between Custodian, its respective directors, major shareholders and principal officers and the Parties to the Offer, except in the ordinary course of business.

14. PROCEDURE FOR APPLICATION AND ALLOTMENT

The general investing public is hereby invited to apply for the shares through any of the Receiving Agents listed on Page 50.

Applications for the Shares being offered must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications that do not comply will be rejected.

The Application List for the Shares being offered will be open from March 20, 2008 and close on March 31, 2008. Applications must be for a minimum of 1,000 units and in multiples of 100 thereafter. The number of Shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.

The Applicant should make only one application, whether in his name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.

A single applicant should sign the declaration and write his/her full name, address, daytime telephone number and occupation on the application form. Joint applicants must all sign the application form. A corporate applicant should affix its seal in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.

Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page 50. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**Custodian and Allied Insurance Plc IPO**" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post at the applicant's risk.

All returns must also include photocopies of the payment instruments as well as corresponding schedules containing particulars of applicants.

ALLOTMENT

Chapel Hill Advisory Partners Limited and the Directors of the Company reserve the right to accept or reject any application in whole or in part. All irregular or suspected multiple applications will be rejected. The allotment proposal will require the clearance of the Securities & Exchange Commission.

APPLICATION MONIES

All application monies will be retained in a separate interest bearing bank account by the Receiving Bankers pending allotment. If any application is not accepted, or is accepted for fewer Shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (as the case may be), together with accrued interest will be returned by registered post within 5 working days of allotment. A share certificate will be sent by registered post to the applicants' address or units of Custodian and Allied Plc shares will be credited to the applicants' CSCS accounts (as the case may be) not later than 15 working days from the date of allotment approval.

15. RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by SEC, to whom brokerage will be paid at the rate of ₦10 per ₦1000 worth of stock allotted in respect of applications bearing their official stamps.

The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances



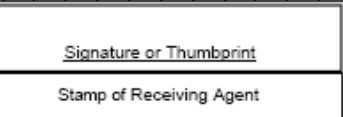

BANKS

Access Bank Plc	First Inland Bank Plc	Stanbic IBTC Bank Plc
Afribank Nigeria Plc	Guaranty Trust Bank Plc	Standard Chartered Bank Limited
Diamond Bank Ltd	Intercontinental Bank Plc	Sterling Bank Plc
Eco Bank Nigeria Plc	Oceanic Bank International Plc	United Bank for Africa Plc
Equitorial Trust Bank	Platinum Habib Bank Plc	Union Bank of Nigeria Plc
Fidelity Bank Plc	Nigeria International Bank Limited (Citigroup)	Unity Bank Plc
First Bank of Nigeria Plc	Skye Bank Plc	Wema Bank Plc
First City Monument Bank Plc	Spring Bank Plc	Zenith Bank Plc

STOCKBROKERS AND OTHERS

AAA Stockbrokers Ltd	Forte Asset Management Ltd	Professional Stockbrokers Ltd
Adamawa Securities Ltd	Forthright Securities & Investments Ltd	Pivot Trust & Investment Ltd
AIL Securities Ltd	Fountain Securities Ltd	Profund Securities Ltd
Alangrange Securities Limited	FSDH Securities Limited	PSL Securities Ltd
Alliance Capital Mgt co. Ltd	Future View Financial Services Ltd	Pyramid Securities Ltd
Altrade Securities Ltd	Gidauniya Investments & Securities Ltd	Quantum Securities Ltd
AMYN Investments Ltd	Global Assets & Management Ltd	Reading Investments Ltd
Anchoria Investment & Securities Ltd	Golden Securities Ltd	Regency Assets Management Ltd
APT Securities & Funds Ltd	Greenwich Trust Ltd	Resano Securities Ltd
Associated Asset Managers Ltd	GTI Capital Ltd	Resort Securities & Trust Ltd
Atlas Portfolio Ltd	Heartbeat Investments Ltd	Reward Investments & Securities Ltd
Belfry Investment & Sec. Ltd	Hedge Securities & Investments Ltd	Rivtrust Securities Ltd
Best Link Investment Ltd	Horizon Stockbrokers Ltd	Rolax Securities Ltd
Bestworth Assets & Trust Ltd	IBTC Asset Management Ltd	Rostrum Investments & Securities Ltd
BFCL Assets & Securities Ltd	ICMG Securities Ltd	Royal Crest Finance Ltd
BGL Securities Ltd	ICON Stockbrokers Ltd	Santrust & Securities Ltd
BSD Securities Ltd	Ideal Securities & Investments Ltd	Securities Solutions Ltd
Bytofel Trust & Securities Ltd	Independent Securities	Securities Trading & Investment Ltd
Calyx Securities Limited	Intercontinental Securities Ltd	Securities Transaction & trust Co Ltd
Cashcraft Asset Management Limited	Integrated Trust & Investments Ltd	Security Swaps Ltd
Camry Securities Limited	International Standard Securities Ltd	Shelong Investment Ltd
Capital Assets Ltd	Interstate Securities Ltd	Sigma Securities Ltd
Capital Bancorp Ltd	Investment Centre Ltd	Signet Investments Securities Ltd
Capital Express Securities Ltd	Investment Masters & Trust Ltd	SMADAC Securities Ltd
Capital Trust Brokers Ltd	Jenkins Investment Ltd	Solid Rock Securities & Investment Ltd
Calyx Securities Ltd.	Kapital Care Trust & Securities Ltd	Spring Stockbrokers Limited
Centre Point Investment Ltd	Kinley Securities Ltd	Springboard Trust & Investment Ltd
Century Securities Ltd	Kundila Finance Services Ltd	Stanbic Equities Nigeria Ltd
Chapel Hill Advisory Partners Limited	Lambeth Trust & Investment Co Ltd	Stanwal Securities Ltd
Clearview Investment Company Ltd.	LB Securities Ltd	Strategy & Arbitrage Ltd
City-Code Trust & Investment Co Ltd	Lead Capital Ltd	Summa Guaranty & Trust Co Ltd
Compass Investment & Securities Limited	Lighthouse Asset Management Ltd	Summit Finance Company Ltd
Consolidated Investment Ltd	Maclaize Trust & Securities Ltd	Supra Commercial Trust Ltd
Cooper Fleming Stockbrokers Ltd	Mainland Trust Ltd	TFS Securities Ltd
Core Trust & Investment Ltd	Maninvest Securities Ltd	Tiddo Securities Ltd
Counters Trust Securities Ltd	Marimpex Finance & Investment Ltd	Tomil Trust Ltd
Cowry Asset Management Ltd	Marina Securities Ltd	Topmost Finance & Investment Ltd
Crossworld Securities Ltd	Maven Asset Management Ltd	Tower Assets Management Ltd
CSL Stockbrokers Ltd	Maxifund Investments & Securities Ltd	Tower Securities & Investment Co Ltd
Davandy Finance & Sec. Ltd	Mayfield Investment Ltd	Traders Trust & Investment Co Ltd
De-Canon Investment Ltd	MBC Securities Ltd	Trans Africa Financial Services Ltd
De-Lords Securities Ltd	MBL Financial Services Ltd	Transglobe Investment and Finance Company Limited
Denham Management Ltd	Mega Equities Ltd	Transworld Investment Ltd
Dependable Securities Ltd	Mercov Securities Ltd	Tropics Securities Ltd
Dynamic Portfolio Ltd	Meristem Securities Ltd	Trust Yield Securities Ltd
EBN Securities Ltd	Metropolitan Trust Nigeria Ltd	Trusthouse Investment Ltd
Emerging Capital Ltd	Midas Stockbrokers Ltd	TRW Stockbrokers Ltd
Empire Securities Ltd	Mission Securities Ltd	UBA Global Markets Ltd
Enterprise Stockbroker Plc	Molten Trust Ltd	UIDC Securities limited
ESL Securities Limited	Mountain Investment & Securities Ltd	UNEX Securities & Investment Ltd
ESS Investment & Trust Ltd	Newdevco Finance Securities Ltd	Union Capital Markets Ltd
Eurocomm Securities Ltd	Nigerian International Securities Ltd	Valmon Securities Ltd
Excel Securities Ltd	Nigerian Stockbrokers Ltd	Valueline Securities & Investment Ltd
Express Portfolio Services Ltd	Omas Investments & Trust Ltd	Vetiva Capital Management Limited
F & C Securities Ltd	OMF Securities & Finance Ltd	Vision Trust & Investment Ltd
Falcon Securities Ltd	Options Securities Ltd	Viva Securities Ltd
FBN Capital Limited	P.S.I. Securities Ltd	Wizetrade Capital Asset Management Ltd
Finmal Finance Services Ltd	Partnership Investment Co Ltd	WSTC Financial Services Ltd
First Alstate Securities	Peninsula Asset Management & Inv. Co. Ltd	Yobe Investment & Securities Ltd
First Equity Securities Ltd	Perfecta Investment Trust Ltd	Zenith Securities Limited
First Stockbrokers Ltd	Pilot Securities Limited	Zuma Securities Limited
FIS Securities Ltd	Pinefields Investment Services Ltd	
Foresight Securities Investments Ltd	Premium Securities Ltd	

16. APPLICATION FORM

Application List Opens Wednesday, 19 March, 2008	 <p>Offer for Subscription 350,000,000 Ordinary Shares of 50 kobo each at ₦5.20 per share PAYABLE IN FULL ON APPLICATION Issuing House/Financial Adviser: CHAPEL HILL Advisory Partners Limited</p>	Application List Closes Monday, 31 March, 2008				
Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.						
DECLARATION						
<input type="checkbox"/> We are/are not 18 years of age or over. <input type="checkbox"/> We authorise you to send a share certificate and/or cheque for any amount overpaid by Registered post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as aforesaid. <input type="checkbox"/> We declare that we have read a copy of the Prospectus for the Offer dated 22 January, 2008 issued by the Issuing House/Financial Adviser on behalf of Custodian and Allied Insurance Plc.						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 2px;"> GUIDE TO APPLICATION Number of units applied for: 1000 minimum Subsequent multiples of 100 </td> <td style="width: 20%; padding: 2px;"> Amount payable ₦5,200.00 ₦ 500.00 </td> <td style="width: 20%; padding: 2px;"> Date (DD/MM/YYYY) / / 2008 </td> <td style="width: 30%; padding: 2px;"> CONTROL NO: (Registrar's use only) </td> </tr> </table>			GUIDE TO APPLICATION Number of units applied for: 1000 minimum Subsequent multiples of 100	Amount payable ₦5,200.00 ₦ 500.00	Date (DD/MM/YYYY) / / 2008	CONTROL NO: (Registrar's use only)
GUIDE TO APPLICATION Number of units applied for: 1000 minimum Subsequent multiples of 100	Amount payable ₦5,200.00 ₦ 500.00	Date (DD/MM/YYYY) / / 2008	CONTROL NO: (Registrar's use only)			
Number of Units Applied for: <input type="text"/> Value of units applied for / Amount Paid: N <input type="text"/>						
PLEASE COMPLETE IN BLOCK LETTERS						
1. INDIVIDUAL / CORPORATE APPLICANT Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Others						
Surname / Company's Name: <input type="text"/>						
Other Names (for individual applicant only): <input type="text"/>						
Full Postal Address: <input type="text"/>						
City: <input type="text"/> State: <input type="text"/>						
Land Phone Number: <input type="text"/> Mobile (GSM) Phone Number: <input type="text"/>						
Email Address: <input type="text"/>						
Next of Kin: <input type="text"/>						
CSCS NO (if you want shares allotted credited to your CSCS A/C): <input type="text"/> Clearing House No (CHN): <input type="text"/>						
Stockbroker's Name: <input type="text"/>						
2. JOINT APPLICANT Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss						
Surname: <input type="text"/>						
Other Names: <input type="text"/>						
2. BANK DETAILS (for E-Dividend/E-RETURN) Bank Name: <input type="text"/> Bank Name: <input type="text"/> Bank Account No: <input type="text"/>						
Signature or Thumbprint 	Signature or Thumbprint 	Company Seal & Incorporation Number (Corporate Applicant) <input type="text"/>				
Stamp of Receiving Agent 		5352064409				

17. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

- (1) Applications should be made only on the Application Form or Photocopy or scanned copies of the Application Form
- (2) Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
- (3) The Application Form when completed should be lodged with any of the Receiving Agents on Page 50. The Application Form must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted for the full amount payable on application. The cheque must be drawn on a bank in the same town or city which the Receiving Agent is located and crossed "**Custodian and Allied Insurance Plc IPO**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the post.
- (4) The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
- (5) Joint Applicants must all sign the Application Form.
- (6) An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm, which is not registered under the Companies and Allied Matters Act Cap C 20 LFN 2004, should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
- (7) An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorised official.
- (8) An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
- (9) An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Company or Receiving Agent at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumbprint of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
- (10) The applicant(s) should not print his/her signature. If he is unable to sign in the normal manner, he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

APPLICATION FORM
CUSTODIAN AND ALLIED INSURANCE PLC