

Directors' Responsibility and Approval of Annual Financial Statements

To the members of South African Eagle Insurance Company Limited

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Company and the Group. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

The Company's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures which are monitored through the Company and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach.

The Audit Committee, which has been operating for a number of years and which comprises Independent Non-Executive Directors and Zurich representation, meets periodically with management and both the internal and external auditors to review the financial statements, accounting policies and the systems and procedures in respect of the production of management information, business risk management and internal controls. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, systems and procedures has occurred during the year under review.

In the light of the current financial position, the Directors are satisfied that SA Eagle is a going concern and have continued to adopt the going concern basis in preparing the financial statements. The Group's external auditors, PricewaterhouseCoopers Inc., have audited the financial statements and their unqualified report appears on page 27. This statement concurs with the Directors statements' on internal financial controls and going concern.

The Company and Group Annual Financial Statements which are set out on page 29 to 80 were, in accordance with their responsibilities, approved by the Board of Directors on 22 February 2006 and are signed on its behalf by:

MC South
Chairman

NV Beyers
Managing Director

Bryanston, 22 February 2006