

The Heritage Insurance Company Tanzania Limited

Tanzania Insurance Analysis

June 2007

Security class	Rating scale	Currency	Rating	Rating watch	Expiry date
Claims paying ability	National	Tshs	AA-	No	07/2008

Financial data:

(US\$'m Comparative)

	31/12/05	31/12/06
TShs/US\$ (avg)	1,150.3	1,286.3
TShs/US\$ (close)	1,167.0	1,303.9
Total assets	11.1	14.6
Total capital	3.8	4.4
GPI	14.5	17.6
U/w result	0.4	0.6
NPAT	0.7	1.1
Market cap.	n.a.	
Market share*	25%	

* Estimated share of 2006 privately owned insurance market.

Rating rationale

The rating is based on the following key factors:

- Heritage Tz's leading position in the Tanzanian non-life insurance industry, displaying entrenched relationships with key brokers and underlying clientele. Cognisance is also taken of its associate stakes in fellow Tanzanian insurers, Strategis and Alliance, whilst synergistic benefits are gained from its parent, Heritage Kenya.
- Notwithstanding the growth achieved over recent years, the insurer continues to display strong solvency and liquidity characteristics, demonstrated by an international solvency margin of 56% and claims cash coverage of 12.6 months. In addition, the insurer possesses a sizeable and high quality investment portfolio, which has served to augment the robust underwriting profits attained over the review period.
- Although the improvement in the earned loss ratio in F06 was noted, increased competitive forces in the market are expected to translate into higher relative claims experience, which will in turn place pressure on insurers to control delivery costs in order to maintain profitability. In this regard, the improvement in Heritage Tz's delivery cost ratio in F06 was noted, with cognisance taken of the further anticipated improvement.
- Although the Tanzanian insurance industry is relatively stable, certain elements will present challenges to Heritage Tz going forward. These include the issuance of new licences, the rising policy cession to Tan Re and the proposed new Insurance Act.

Solvency and liquidity

Heritage Tz's international solvency margin has displayed a declining trend since the high in F04, in accordance with the strong growth attained by the insurer. In F06, with 28% higher shareholders funds of TShs5.7bn and 40% higher NPI of TShs10.2bn, international solvency declined further to 56% (F05: 61%). Statutory solvency, indicated by excess assets of TShs5.7bn, registered at 2.8x the required margin of 20% of NPI (F05: 3.1x). Notably, excluding debtors of 180 days and older, Heritage Tz would display international solvency of 26% and statutory solvency cover of 1.3x. With the improved claims experience and a 67% rise in net cash holdings to TShs4.8bn, claims cash coverage rose to 12.6 months in F06 (F05: 8.5 months). Furthermore, the insurer's capital base is protected by substantial reinsurance cover, with maximum net retention of TShs50m equating to a low 0.9% of shareholders interest.

Fundamentals:

The Heritage Insurance Company Tanzania Limited ("Heritage Tz") has operated since the inception of the Tanzanian private short term insurance market in 1998. On a gross basis, the insurer writes business predominantly from the private motor (11%), industrial fire (44%) and miscellaneous (16%) classes. The company is 60% owned by the The Heritage All Insurance Company Limited ("Heritage Kenya"), which is in turn 65% owned by the Nairobi Stock Exchange listed CFC Bank. The acquisition of CFC Bank by Stanbic Bank was recently announced.

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Industry overview

The Tanzanian private insurance market is a relatively immature industry, having been liberalised in 1996 following the change in the country's ruling regime. This was accompanied by the advent of Insurance Act No 18 and establishment of an Insurance Supervisory Department ("ISD"), which together govern and regulate the industry. The Act sets clear requirements for insurers in terms of capital & solvency, liquidity measures and investment mandates; summarised as follows:

- Paid-up capital requirement of TShs500m for non-life businesses and TShs1bn for composite insurers. This is extended to a solvency requirement whereby the assets of a general insurer must exceed its liabilities by the higher of TShs250m or 20% of NPI (TShs500m for composite insurers).
- General insurers are required to place at least 20% of total assets in government securities, at least 30% in bank deposits (with a maximum exposure of 10% to any one institution) and a maximum of 25% of assets in real estate.
- Restrictions on reinsurance. In this regard, 5% and 10% of all *treaties* must be placed with Africa-Re and ZEP-Re respectively, while each insurer must reinsure a portion of all *policies* with Tan-Re.

This has served to create relatively high financial strength across the industry, with insurers generally being adequately capitalised to comfortably capture the growth of the underlying market. In this regard, organic growth has been witnessed in the corporate/commercial insurance segments, in line with the strong real growth evidenced by the Tanzanian economy (GDP growth of 5.9% in 2006). However, and notwithstanding the mandatory third party motor insurance requirement, market penetration across individual lines remains low, whilst marketing/education efforts have been met with limited success.

The ISD has also limited the number of new licences issued, with a total of 17 insurers operating across both the life and non-life industries, 2 of which entered the market in 2006 (Golden Crescent and MGen Tanzania). Of these, 11 are exclusively non-life businesses and 4 are composite insurers (including the government owned Zanzibar Insurance Corporation and National Insurance Corporation). With the market experiencing GPI growth averaging 30% over the past 5 years, this has seen the emergence of a number of dominant players, whilst the former monopoly holders (NIC and ZIC) have witnessed waning market shares. Excluding NIC and ZIC, non-life participants are essentially tiered into 2 segments, with 4 insurers (Heritage Tz, Alliance, Jubilee and Phoenix) holding around 70% of market GPI. Heritage Tz is the largest of the three, with its premiums of TShs22.7bn being 73% larger than its closest rival, Alliance (in which it owns a 45% stake).

As such, Heritage Tz holds an estimated market share of 25% of the non-life insurance market in Tanzania.

As reflected below, the insurer reported the highest GPI growth of its peer grouping in 2006, whilst its solvency of 56% lags that of its peers, albeit still at a comfortable level. In terms of underwriting, Heritage Tz's overall nominal result is also the highest displayed in the industry, whilst as a proportion of earned premiums it is second only to Phoenix. It is salient to note that, whilst Heritage displays earned loss ratios well above those of Jubilee and Phoenix, its management expenses (as a proportion of earned premiums) are considerably lower.

Peer Comparative (%)	International solvency		Claims cash cover		GPI growth	
	2005	2006	2005	2006	2005	2006
Heritage	61.1	55.9	8.5	12.6	23.1	36.3
Alliance	62.8	56.1	13.8	11.2	46.8	10.1
Phoenix	52.8	89.3	8.5	15.4	12.5	3.4
Jubilee	74.9	69.5	24.8	24.5	25.4	10.4

Peer Comparative (%)	Mng. Exp/ EP		Claims\ EP		UW result/ EP	
	2005	2006	2005	2006	2005	2006
Heritage	28.4	32.7	63.0	61.6	7.3	10.7
Alliance	24.8	25.1	53.7	62.8	7.5	4.6
Phoenix	29.6	39.7	60.9	49.0	16.1	12.3
Jubilee	36.4	40.4	49.1	54.4	12.8	4.1

Fundamentals

Heritage Tz is a subsidiary of the well-established Kenyan insurer, The Heritage AII Insurance Company Limited ("Heritage Kenya"). Although relations between parent and subsidiary are largely at arms length, synergistic benefits are attained through the flow of expertise, staff and training between the 2 organisations. Additionally, Heritage Kenya's ultimate parent is CFC Bank, which has been acquired by Stanbic Bank. Benefits for Heritage Tz will include access to insurance expertise and gateways to broader reinsurance markets.

Given the relative infancy of the Tanzanian insurance market, typified by especially low penetration of insurance products across personal lines, Heritage Tanzania's customer base consists almost entirely of commercial/corporate entities. As such, the insurer sources the majority (57%) of its premiums from 3 brokers, being AON Tanzania, Alexander Forbes and MIC Global Risks (T) Limited. Other significant brokers are multinationals, which place business for international companies. As most domestic corporate entities are domiciled in Dar es Salaam, the majority of premiums emanate from the capital city.

Operations and risk diversification

Heritage Tz's gross premiums predominantly relate to industrial property (44.5%), the 2 motor books (17% cumulatively) and miscellaneous business (16%), which consists of medical, aviation and fidelity guarantee ("FG") business. However,

retention has been particularly low for the fire classes and especially high on the motor books. Accordingly, the motor classes and miscellaneous business contributed 34% and 22% of NPI in F06 respectively (F05: 39% and 21%), while industrial fire accounted for 22.5% (F05: 12%). Overall, Heritage Tz increased its retention slightly to 44.9%, albeit that adjusted for movements in the unexpired premium reserve (“UPR”) retention in fact decreased.

Class (%)	GPI		NPI		Retention	
	F05	F06	F05	F06	F05	F06
Engineering	9.1	6.2	4.7	1.3	22.7	9.5
Fire - domestic	0.7	0.9	1.6	1.7	93.8	85.2
Fire - industrial	38.2	44.5	12.1	22.5	13.8	22.7
Liability	4.6	4.3	5.2	5.1	49.7	54.2
Marine	3.2	2.7	1.5	(0.2)	20.0	(3.3)
Motor- commercial	5.9	6.2	13.0	13.0	96.9	93.6
Motor - private	12.8	11.1	25.6	21.3	87.8	86.3
Personal accident	5.5	4.9	8.9	7.6	70.5	70.5
Theft	0.8	0.8	1.2	1.1	66.5	60.2
Workmen's comp.	2.4	2.5	5.2	4.9	95.3	90.2
Miscellaneous	16.8	15.9	21.1	21.6	54.8	61.1
Total	100.0	100.0	100.0	100.0	43.7	44.9

In contrast to two of its peers, Jubilee and Alliance, the insurer achieved a 1.4 percentage point improvement in its overall earned loss ratio to 61.6% in F06. This can be attributed to the improved claims experience in the private motor and miscellaneous classes, which outweighed the significant deterioration evidenced in the fire, commercial motor and marine classes.

Class (%)	Earned loss ratio		Weighted contribution to Δ earned loss ratio
	F05	F06	F06
Engineering	68.9	76.6	0.3
Fire - domestic	32.8	64.7	0.6
Fire - industrial	19.5	47.0	1.0
Liability	56.5	49.0	(0.5)
Marine	5.1	99.4	1.3
Motor- commercial	50.0	66.6	2.1
Motor - private	82.5	76.0	(2.5)
Personal accident	39.3	44.6	0.6
Theft	95.8	69.1	(0.1)
Workmen's comp.	36.6	33.7	0.0
Miscellaneous	89.7	57.6	(4.2)
Total	63.0	61.6	(1.4)

Key features of the F06 claims experience were:

- Decreased retention on the domestic fire class, which served to temper adverse claims experience. Conversely, higher retention on the industrial fire class exacerbated its poor claims levels (associated with certain significant insurable events and increased crime-related losses).
- Rising motor claims, across the industry. Increased motor claims have been attributed to “explosive growth of vehicles on the woefully small and strained road infrastructure...”, compounded by a

degree of fraudulent claims. An improved claims ratio in private motor counterbalanced the rise in the commercial motor claims ratio. For private motor, Heritage Tz charges around 50% higher rates than its competitors, ensuring profitable underwriting.

- The improved claims experienced by the miscellaneous class, with its earned loss ratio declining from 90% in F05 to 58%, compounded by the increased retention on this segment.

Heritage Tz experienced a net decrease in its delivery costs in F06, reporting net commission receipts amounting to 5% of earned premiums, as compared to a net expense of 1.3% of earned premium in F05. This outweighed the increase in the management expense ratio, which leapt by 4.3 percentage points to 33% in F06. Significantly, industrial fire recorded a commission receipt in F06, which outweighed the rise in delivery costs in other classes.

Class (%)	Delivery cost ratio*		Underwriting result/EP*	
	F05	F06	F05	F06
Engineering	10.7	62.6	20.4	(32.0)
Fire - domestic	29.5	44.1	37.7	10.4
Fire - industrial	(0.6)	(88.5)	81.1	201.5
Liability	46.4	71.0	(2.9)	33.0
Marine	10.9	33.4	83.9	(32.8)
Motor- commercial	26.6	42.0	23.4	8.1
Motor - private	32.2	31.0	(14.7)	0.7
Personal accident	27.9	74.3	32.8	50.1
Theft	28.1	48.3	(23.9)	(3.6)
Workmen's comp.	28.2	88.8	35.1	107.5
Miscellaneous	37.7	60.0	(27.5)	13.7
Total	29.2	27.1	7.8	11.3

* Excludes bad debt provisions and directors fees.

Overall, the insurer reported an improved underwriting result of TShs827m in F06, equating to a higher 11.3% of earned premiums (F05: 7.8%). This followed the 202% underwriting ratio attained by the industrial fire class and supported by strong results in the miscellaneous & private motor classes.

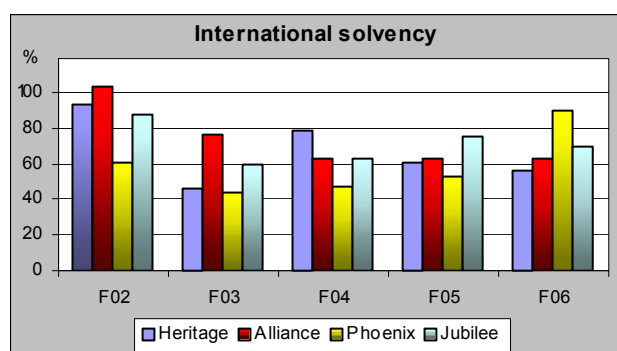
F06 underwriting matrix	Δ Retention*	Δ Earned loss	Δ Net comm./EP	Δ Mng. expenses/EP	Δ U/W result/EP
Engineering	2.9	7.7	68.9	(31.7)	(52.4)
Fire – domestic	(29.3)	31.9	(2.1)	1.2	(27.3)
Fire - industrial	(2.5)	27.5	(144.2)	103.2	120.4
Liability	(5.2)	(7.5)	(20.0)	8.4	35.9
Marine	(49.1)	94.3	(10.6)	32.8	(116.7)
Motor- commercial	(22.1)	16.6	(2.1)	3.5	(15.3)
Motor - private	(5.5)	(6.5)	(8.5)	(0.2)	15.4
Personal accident	0.2	5.2	2.9	2.4	17.3
Theft	(4.2)	(26.7)	(0.4)	5.7	20.3
Workmen's comp.	(10.3)	(2.9)	(2.2)	3.9	72.3
Miscellaneous	5.7	(32.2)	(3.3)	0.1	41.1
Total	(6.1)	(1.4)	(6.3)	4.3	3.4

Note: Δ is the arithmetic percentage point change in the applicable ratio.

* Retention in this instance is measured as the net earned premium divided by the gross premium, in order to account for movements in the UPR.

The above matrix attempts to map the causality between retention, delivery costs and the underwriting result. In Heritage Tanzania's instance, the decrease in retention undermined the benefit of the improved claims (earned loss ratio) on the underwriting margin. However, it drove a significant decrease in the net commissions cost (through increased commission receipts), which outweighed the rise in the level of management expenses. These effects combined to drive a 3.4 percentage point rise in the underwriting ratio. Where the causality between retention and delivery costs breaks, a change in commission rates paid/(received) or absolute change in management expense levels is implied.

Solvency



As reflected above, apart from the spike in F04, Heritage Tz has reported a decline in international solvency over the review period, in line with strong GPI growth and increased premium retention. In F06, total shareholders interest rose by 28% to TShs5.7bn, which was outpaced by the 40% rise in NPI. As such, the insurer's international solvency margin dipped to 56% in F06, from 61% previously. In terms of the statutory requirement, Heritage Tz remains comfortably in excess of required capital, with net assets covering the required 20% of NPI by a slightly lower 2.8x in F06 (F05: 3.1x).

Statutory Solvency (Tshs'm)	F05	F06
Assets	12,997.2	18,981.9
Admitted liabilities	8,553.2	13,285.4
Available margin	4,444.0	5,696.5
Required margin	1,455.0	2,037.5
Solvency cover (x)	3.1	2.8

It is noted that Heritage Tz's debtors book reflects 45% of debtors (value) older than 180 days, albeit that 70% relates to reinsurance. Excluding these debtors, the insurer would display international solvency of 26% and statutory solvency cover of 1.3x. In order to address the decline in solvency and give scope for further growth going forward, a further TShs700m capital will be injected into the business in F07, whilst shareholders have also agreed to forego a dividend in F07 (estimated at around TShs400m).

Reinsurance

Heritage Tz's reinsurance programme, placed by AON Re, consists of a mix of surplus treaties and excess of loss non-proportional cover. The programme is led by Munich Re, with other significant counterparties being Swiss Re and Hannover Re, in addition to the mandatory cessions. The programme has changed for 2007 to incorporate the higher reinsurance cessions to Tan Re. In this respect, required cessions to Tan Re amounted to 10% of all policies in 2006, rising to 15% for 2007.

Under the non-proportional cover, the insurer displays a maximum net retention of TShs50m, equating to 0.9% of shareholders interest. Following a significant TShs13.5bn profit from reinsurance activities in F04, Heritage Tz reported a TShs9.1bn loss on reinsurance activities in F06 – with minimal claims recovered during the year.

Reinsurance result (Tshs'm)	F04	F05	F06
Earned premium ceded	(9,311.9)	(9,361.1)	(12,482.9)
Claims recovered	21,349.3	7,523.7	767.6
Commission recovered	1,478.5	1,803.8	2,651.3
Underwriting loss (profit)	13,515.8	(33.6)	(9,064.1)

Asset management

Investment Mix (Market value)	F05		F06	
	Tshs 'm	%	Tshs 'm	%
Net cash holdings	2,862.5	22.0	4,769.7	25.1
Ordinary shares: quoted	534.3	4.1	476.6	2.5
: unquoted	1,752.5	13.5	1,960.0	10.3
Government securities	2,437.6	18.8	3,115.4	16.4
Other securities	46.9	0.4	15.6	0.1
Total investments	7,633.8	58.7	10,337.3	54.5
Other assets	5,363.4	41.3	8,644.6	45.5
Total Assets	12,997.2	100.0	18,981.9	100.0

Heritage Tz reported substantial growth in its total asset base over the past year, with total investments increasing by 35% and other assets rising by 61% (relating to increased premium and reinsurance receivables). In terms of the investment portfolio, a shift has been witnessed over the past year, with an increased proportion of cash holdings and decreased proportions of other investments.

Strong operating cash flows for the year saw cash holdings (net of bank overdrafts) rise by almost 67% to TShs4.8bn in F06, to account for a higher 25% of the asset base. As such, with net claims rising by 12%, claims cash coverage leapt to 12.6 months in F06 (F05: 8.5 months). Government securities, the next largest investment class, rose too, albeit by a lesser 28% to TShs3.1bn in F06.

The remainder of the investment portfolio comprises a small listed equities portfolio of TShs477m and TShs2bn pertaining to 45% and 24% stakes in Alliance and Strategis respectively (fellow Tanzanian non-life insurers). It is noted that in the year-to-date Heritage Tz has acquired a 1.4% stake in Tan Re

(which it intends to increase if possible) and a further 25% stake in Strategis. In addition, management is investigating the purchase of a stand-alone property for use as premises.

Financial performance

Budgeted vs actual operating performance (Tshs'm)	F06		% Δ
	Budget	Actual	
Gross premium	19,814.9	22,670.5	14.4
Reinsurance outwards	(12,149.2)	(12,482.9)	2.7
Net premium income	7,665.7	10,187.6	32.9
Insurance funds	(1,788.6)	(2,845.3)	59.1
Net earned premium	5,877.1	7,342.3	24.9
Net claims	(2,575.1)	(4,525.9)	75.8
Net commission earned/(paid)	(459.6)	369.3	n.a.
Management expenses*	(2,053.6)	(2,403.5)	17.0
Underwriting profit/loss	788.8	782.2	(0.8)
Ratios (%)			
Retention ratio	38.7	44.9	--
Earned loss ratio	43.8	61.6	--
Delivery cost ratio	42.8	27.7	--
U/W result/ earned premiums	13.4	10.7	--

* Excluding bad debt provisions.

The insurer reported 36% higher GPI of TShs22.7bn in F06, well exceeding the estimated 22% growth rate of the market in 2006. Following a slightly lower cession of 55% of GPI (F05: 56%), NPI increased by 40% to TShs10.2bn in F06. Higher NPI retention occurred in spite of the introduction of mandatory cessions to Tan Re in 2006. This can be explained by the sizeable absorption of unearned premiums for the year totalling TShs2.8bn, which resulted in earned premiums only 15% higher at TShs7.3bn in F06.

Net claims of TShs4.5bn were recorded for the year, translating into an improved earned loss ratio of 62% (F05: 63%), although well above the 44% level predicted in the budget. It is noted, however, that the insurer's earned loss ratio had increased in each year from F01 to F05; a trend witnessed across the industry and in line with the maturation of the Tanzanian insurance market.

The improved claims experience was coupled with a lower overall delivery cost ratio of 28% in F06 (F05: 30%), underpinned by net commission income of TShs369m (F05: TShs86m expense). Thus, and notwithstanding the 32% rise in management expenses to TShs2.4bn, the insurer registered a 68% increase in its underwriting profit to TShs782m in F06 (F05: TShs466m). This is coincidentally in line with the budgeted level, with the budgets predicting a much lower claims experience and higher delivery costs (off a smaller earned premium base).

The robust underwriting result was further augmented by 62% higher investment income of TShs563m, as well as net other income of TShs204m (consisting of bad debt provisions and income from the investments in Strategis and Alliance). Overall, following taxation

of TShs463m, net income after tax amounted to TShs1.1bn in F06, nearly 3x the F05 level.

Future prospects

Management has indicated that it believes the market growth to be slowing and expects it to register at 12-13% in 2007, with the anticipation of heightened rates pressure. As such, in the context of a softening market, Heritage Tz will focus on large multinational clients and developing relationships with such multinational brokers as Marsh and HSBC. In addition, positive growth prospects are expected in the energy sector, with the discovery of natural gas in Tanzania. Furthermore, benefit is expected to accrue from Heritage Tz's new effective parent, Stanbic.

Nonetheless, the current operating environment will continue to pose numerous challenges to the insurer. Heritage Tz will deal with the challenge of maintaining the efficacy of its reinsurance programme in the wake of increased cessions to Tan Re (reaching a maximum of 20% of all policy values in 2008). The ISD, together with the Association of Tanzanian Insurers ("ATI") is also proposing a new Insurance Act, which will raise capital requirements and list new requirements in terms of premium collection and investments.

Budgeted vs actual operating performance (Tshs'm)	Actual		Budget
	May F07	F07	F08
Gross premium	14,106.2	24,956.2	27,705.3
Reinsurance outwards	(7,036.7)	(12,624.1)	(14,956.1)
Net premium income	7,069.5	12,332.1	12,749.2
Insurance funds	(4,115.8)	(3,959.1)	(3,556.1)
Net earned premium	2,953.7	8,373.0	9,193.1
Net claims	(1,860.2)	(5,399.4)	(5,890.4)
Net comm. earned/(paid)	617.8	633.1	907.2
Management expenses*	(1,051.3)	(2,460.0)	(2,752.2)
Underwriting profit/loss*	660.0	1,146.7	1,457.6
Total investment income	166.1	652.6	697.2
Ratios (%)			
GPI growth	49.3	10.1	11.1
Retention ratio	50.1	49.4	46.0
Earned loss ratio	63.0	64.5	64.1
Comm./ EP	(20.9)	(7.6)	(9.9)
Mng. expenses/ EP	35.6	29.4	29.9
U/W result/ EP	22.3	13.7	15.9
International solvency	n.a.	56.5	66.3

* Includes bad debt charges.

The insurer is budgeting for 10% and 11% growth of GPI in F07 and F08 respectively, translating into earned premiums of TShs8.4bn and TShs9.2bn respectively (F06: TShs7.3bn). With lower retention, net commission receipts are expected to improve in both years, whilst cost controls and economies of scale are expected to drive improved management expense ratios. Despite an anticipated moderate increase in the earned loss ratio, underwriting profits are forecast to rise by 47% to TShs1.1bn in F07 and further to TShs1.5bn in F08.

The Heritage Insurance Company Tanzania Limited

(Tshs in Millions except as noted)

Year ended : 31 December

	2002	2003	2004	2005	2006	
Income Statement						
Gross premium income (GPI)	6,830.1	12,750.2	13,516.5	16,636.4	22,670.5	
Reinsurance premiums	(4,418.2)	(6,910.6)	(8,640.1)	(9,361.1)	(12,482.9)	
Net Premium income (NPI)	2,411.9	5,839.6	4,876.3	7,275.2	10,187.6	
(Increase) / Decrease in insurance funds	(359.1)	(2,436.1)	(362.9)	(867.6)	(2,845.3)	
Net premiums earned	2,052.8	3,403.5	4,513.4	6,407.6	7,342.3	
Claims incurred	(1,135.1)	(1,909.7)	(2,685.6)	(4,036.8)	(4,525.9)	
Commission	163.6	409.9	558.7	(85.6)	369.3	
Management expenses	(1,011.6)	(1,274.0)	(1,494.0)	(1,818.9)	(2,403.5)	
Underwriting profit / (loss)	69.8	629.7	892.6	466.4	782.2	
Investment income (incl. realised gains)	308.8	227.6	527.4	347.8	562.9	
Other income / (expenses)	43.0	11.7	235.5	(1.7)	203.9	
Taxation	(74.8)	(225.9)	(167.7)	(424.8)	(463.4)	
Net income after tax	346.8	643.1	1,487.8	387.7	1,085.6	
Unrealised gains / (losses)	204.6	11.0	27.7	338.3	377.1	
Cash Flow Statement						
Cash generated by operations	n.a.	1,983.1	1,960.3	588.3	1,143.1	
Cash flow from investment income	n.a.	227.6	265.4	415.3	665.9	
Working capital decrease / (increase)	n.a.	(506.5)	817.1	(668.0)	1,908.0	
Cash available from operating activities	n.a.	1,704.2	3,042.8	335.6	3,716.9	
Tax paid	n.a.	(123.7)	(262.9)	(214.5)	(856.3)	
Dividends paid	n.a.	(87.0)	(160.8)	(177.4)	(177.4)	
Cash flow from operating activities	n.a.	1,493.5	2,619.1	(56.3)	2,683.2	
Purchases of investments	n.a.	(742.2)	(2,530.9)	(984.0)	(1,038.8)	
Proceeds on disposal of investments	n.a.	33.0	377.9	0.0	100.6	
Other investing activities	n.a.	0.0	0.0	0.0	0.0	
Cash flow from investing activities	n.a.	(709.2)	(2,153.0)	(984.0)	(938.2)	
Cash flow from financing activities	n.a.	0.0	0.0	0.0	0.0	
Net cash inflow / (outflow)	n.a.	784.2	466.1	(1,040.2)	1,745.0	
Balance Sheet						
Shareholders interest	2,257.2	2,673.3	3,830.8	4,444.1	5,696.5	
Insurance funds	977.3	1,312.1	1,675.0	5,892.0	8,737.2	
Other liabilities	1,848.0	3,055.3	4,333.8	2,661.2	4,548.2	
Total capital & liabilities	5,082.5	7,040.7	9,839.6	12,997.2	18,981.9	
Fixed assets	104.0	128.2	99.1	175.5	278.2	
Investments	2,099.7	2,764.6	3,997.3	4,771.3	5,567.6	
Cash and short term deposits*	1,803.6	2,233.0	3,720.1	2,862.5	4,769.7	
Other current assets	1,075.2	1,914.9	2,023.1	5,187.9	8,366.4	
Total assets	5,082.5	7,040.7	9,839.6	12,997.2	18,981.9	
Key Ratios						
Solvency / Liquidity						
Shareholders funds / NPI	%	93.6	45.8	78.6	61.1	55.9
Shareholders funds and unearned premium reserve / NPI	%	134.1	68.2	112.9	142.1	141.7
Cash flow from operating activities / Liabilities	%	n.a.	34.3	43.7	(0.6)	20.0
Claims cash coverage	mth	19.1	14.0	16.6	8.5	12.6
Profitability						
ROaE (before unrealised gains / losses)	%	17.5	26.1	45.8	9.4	21.4
ROaE (after unrealised gains / losses)	%	27.8	26.5	46.6	17.5	28.8
Investment yield (including unrealised gains / losses)	%	16.0	5.4	8.7	8.9	10.5
Cash investment yield (average)	%	9.6	5.1	8.3	4.5	6.3
Efficiency / Growth						
GPI Growth	%	n.a.	86.7	6.0	23.1	36.3
Premiums reinsured / GPI	%	64.7	54.2	63.9	56.3	55.1
Earned loss ratio	%	55.3	56.1	59.5	63.0	61.6
Commissions / Earned premiums	%	(8.0)	(12.0)	(12.4)	1.3	(5.0)
Management expenses / Earned premiums	%	49.3	37.4	33.1	28.4	32.7
Underwriting result / Earned premium	%	3.4	18.5	19.8	7.3	10.7
Trade ratio	%	96.6	81.5	80.2	92.7	89.3
Operating ratio (trade ratio - realised investment gains)	%	81.6	74.8	68.5	87.3	81.7
Operating						
Effective tax rate	%	17.7	26.0	10.1	52.3	29.9
Dividend cover	X	4.0	4.0	8.4	2.2	2.3

* Reflected net of bank overdrafts.