GCR GLOBAL CREDIT RATING CO.
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Global Alliance Seguros

Mozambique Insurance Analysis **May 2013**

Security class	Rating scale	Rating	Rating outlook	Expiry date
Claims paying ability	National	AA-$_{(MZ)}$	Stable	05/2014

Financial data:
(US$'m Comparative)

	31/12/11	31/12/12
Mt/US$ (avg)	29.04	28.25
Mt/US$ (close)	26.80	29.75
Total assets	20.5	25.3
Total capital	7.1	11.5
Cash & equiv.	6.8	12.4
GWP	36.7	50.9
U/w result	1.2	2.6
NPAT	2.9	2.9
Op. cash flow	1.2	4.2
Market cap.	n.a.	
Market share*	±25%	

*Based on estimated GWP at 31 December 2012.

Related methodologies/research:

GCR's criteria for rating short term insurance companies

Global Alliance Seguros ("GA") rating reports, 2002-2012

Rating history:

Initial Rating (11/2002)
National scale: BBB+$_{(MZ)}$
Rating outlook: Stable

Last Rating (03/2012)
National scale: AA-$_{(MZ)}$
Rating outlook: Stable

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Rating rationale

The rating is based on the following key factors:

- GA is a wholly owned subsidiary of the Absa Group, one of the largest banking groups in Africa, who is in turn a subsidiary of Barclays Bank Plc (UK), one of the world's largest banks. Key benefits of this relationship for the insurer include operational and technical support, penetration into the banking group's vast client base, and more recently financial backing in the form of a US$1.5m capital injection (in 2H F12).
- This underpinned an increase in shareholders interest and key solvency measures to adequate levels. This, together with robust profits is expected to see the international solvency margin advance to 59% in F13 (from 50% in F12).
- On the back of sound operating cash flows and the capital injection, cash holdings doubled in F12 to represent 80% of invested assets. This translated to a notable strengthening of key liquidity measures.
- The rating also recognises GA's favourable strategic position as one of the leading insurance companies in Mozambique, underpinned by strong branding, and a high level of client support and broker acceptance.
- The comprehensive reinsurance programme is negotiated at group level, and is led by highly rated counterparties. Maximum net retention per risk and event on 2013 XOL is unchanged at US$250,000 per risk and event (2.3% of FYE12 capital).
- Motor represents 51% of NWP, which serves to increase operational risk.

What could trigger a rating action

Positive movement factors: The rating recognises the ABSA shareholding and previously demonstrated capital support. In the absence of a holding company guarantee, a further upgrade is considered unlikely.

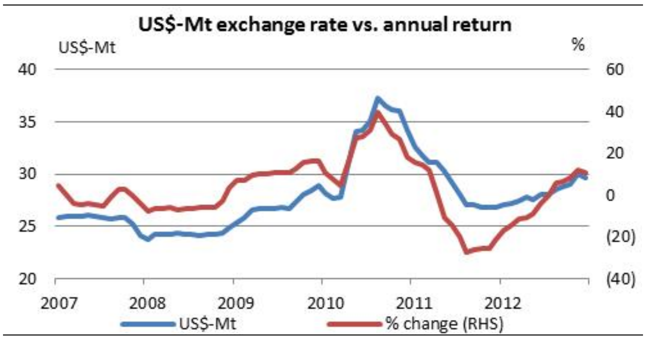
Negative movement factors: A significant and protracted loss in market share, accompanied by a deterioration in underwriting performance, impinging on key credit protection measures.

Industry overview

Economic overview

Following the commencement of coal production in 2011, real GDP growth registered at 7.3%. Robust growth was maintained in 2012, sustaining a level in excess of 7%, buoyed by the resources sector, and complemented by the financial, transport and communications sectors. The IMF expects growth to expand further to 8.4% in 2013, on the back of a continued strong performance from resources, and robust investment and social sector spending.

Inflation rose significantly in 2010, reaching a high of 17.4%, due to rising food and fuel prices. This led the Bank of Mozambique ("BoM") to tighten monetary policy to curb rising prices. This saw inflation decline significantly in 2011, to end the year at 6.1%, as money supply and credit extension to the economy were reined in, while a stronger exchange rate helped constrain imported inflation. The decline in inflation saw the BoM start to loosen monetary policy from late 2011. Inflation receded further in 2012, reaching a low 1.4% in August, thereafter ending the year at 2%. The IMF expects inflation to average 7% in 2013, although volatile international food and oil prices pose a risk to the inflation outlook.



In 2010, the Metical depreciated against the currencies of major trading partners, in particular against the US$ (by 19%) to close the year at Mt32.6/US$ (2009: Mt27.5/US$). This was largely attributed to uncertainty regarding the continuation of donor funds, after these were frozen following the 2009 elections. Given the high dependence on these funds, Mozambique experienced a shortage of foreign exchange on the local market during the freeze. While the Metical actually depreciated to a level of Mt37.2/US$ by August 2010, the currency subsequently appreciated towards the end of that year. During 2011, the Metical continued to appreciate from its August 2010 peak, closing 2011 at Mt26.8/US$ (18% appreciation). In line with most emerging market currencies, the Metical depreciated by 11% to Mt29.8/US$ by the end of 2012 (partly attributable to the loosening of monetary policy).

Insurance industry

Insurance activities in Mozambique are regulated by the Inspector General of Insurance, on behalf of the Ministry of Planning and Finance. While the insurance market in Mozambique was liberalised in 1997, legislation governing the sector is largely outdated. Minimum capitalisation levels are identical for non-life, life, composites and reinsurers, and have remained at US$1m for several years.

A total of ten insurance companies currently operate in Mozambique, of which nine are authorized to transact general business. Recent entrant Nico Seguros is only licensed to market life assurance products. It is also understood that Phoenix is expected to be licensed in the near future, raising the total number of participants to eleven. Note is taken of the fact that only five of these entities have been operating in Mozambique for more than 4 years. The recent increase in licensed insurers is attributable to the vast mega projects being undertaken across the country, which has continued to drive insurance requirements. Specifically, the market continues to evidence double digit growth, with GWP estimated at around US$170m as at 31 December 2011. This overwhelmingly pertains to the short term insurance segment (around 85%). Growth in recent years has, however, emanated off a low base, and accordingly, insurance penetration remains restrained, comprising less than 1% of Mozambique's GDP.

Table 1: Key industry data	
Regulatory authority:	**Inspector General of Insurance**
Min. capital req. (non-life; reinsurance):	**Mt33m**
Min. capital req. (life):	**Mt66m**
# of registered non-life insurers:	**9**
Combined market share of top 5 insurers:	**± 95%**
Non-life industry GWP 2011:	**± US$170m**
Insurance penetration (% of GDP):	**<1%**

The industry evidences a 2 tier structure, with the 4 largest entities comprising over 90% of market GWP. The absence of mandatory company specific disclosure requirements limits meaningful individual company comparison. Based on the limited market data available, however, Companhia de Seguros de Mocambique SARL ("IMPAR") accounts for roughly 28% of total industry gross premiums, followed by Empresa Mocambicana de Seguros ("EMOSE") with around 25%, GA (22%) and Hollard Seguros (16%). Assessing industry premiums with respect to general insurance only, GA is the market leader (with 25%), followed closely by EMOSE and IMPAR with 24% each. GA is less competitive in the life arena, accounting for 8% of market premiums, albeit off a zero base a few years prior. This segment of the market is dominated by EMOSE, with over 50% market share, and is only contested by 4 companies.

Insurance requirements for the numerous mining, oil, gas, coal and construction projects being undertaken in Mozambique are overwhelmingly placed by a handful of multinational intermediaries, thereby cementing their prominence in the insurance market.

A number of local brokers also enjoy a meaningful presence. The intermediary market is largely unregulated, with commissions negotiated directly with insurers. In addition, although reinsurance transactions are conducted relatively free of regulation, a recent regulatory amendment was enacted stipulating that insurers minimise fronting arrangements. Moz Re, the only locally based reinsurer operating in Mozambique, is expected to benefit accordingly (although increased capitalisation will be necessary). It is also understood that the Regulator has conducted audits of local insurers' fronting arrangements, thereby enforcing this rule.

Fundamentals

GA was incorporated in 1993, and has rapidly grown to one of the leading insurance companies operating in Mozambique. The insurer's head office is situated in Maputo, employing 91 staff (12 in the life division), with 4 branch offices providing support. The company has a composite license to transact both non-life and life insurance.

GA was previously a 99.5% owned subsidiary of Global Alliance Holdings. During 2011, 100% of GA's shares were purchased by the Absa Group, with its ultimate holding company being Barclays Bank Plc (55.62% shareholding). In view of Global Alliance's strong brand in the domestic market, Absa chose to retain its name. The transaction forms part of the greater Absa group's African Bancassurance Expansion Programme into countries in which it or Barclays has a presence.

GA's risk management and governance framework has been aligned with the Absa Group and Barclays Plc risk philosophy and methodologies. The framework is managed through a quarterly Capital Investment & Underwriting Committee and Risk Governance & Control Committee. Furthermore, monthly EXCO meetings are held, while GA has access to Absa insurance and reinsurance expertise when required.

Risk diversification

GA has established long standing relationships with several large multinationals operating across a broad range of industries in Mozambique. In this regard, the corporate division dominates business derivation, representing 64% of F12 GWP. Further, the insurer is expected to continue to benefit from the vast mega-projects being undertaken across the country. The bulk of corporate risks pertain to property, engineering and motor fleet risks. GA launched its life division (Vida) in 2010, initially focusing on group and credit life. The life product offering has subsequently been expanded to include investment products, employee benefits, income replacement and funeral policies, all of which are still in their infancy stages in Mozambique (thereby offering significant growth potential).

Corporate business is mainly procured through intermediaries (F11: 72%), in particular three multinationals (combined 49% of GWP). A select panel of brokers are also responsible for marketing group life products. Direct business accounts for the remaining 28%. Premium derivation by policyholder is relatively well spread, with the five largest clients combined representing less than 20% of the gross book.

Table 2: Class analysis (%)	GWP		NWP		Retention	
	F11	F12	F11	F12	F11	F12
Aviation	0.3	3.8	0.1	0.0	8.1	0.0
Fire & engineering	49.8	52.5	15.3	6.6	14.9	4.5
GIT	1.3	0.9	2.5	2.0	92.7	92.9
Marine	2.2	1.3	1.6	1.9	34.3	60.8
Accident & health	1.6	1.1	2.0	1.4	63.4	53.7
Motor	26.9	21.5	55.4	50.6	99.5	99.4
Workmens comp.	6.7	6.0	13.7	14.3	100.0	100.0
Miscellaneous	6.0	5.0	5.0	9.8	39.8	83.3
Life	5.2	7.9	4.4	13.4	41.3	71.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**48.4**	**47.2**

Source: Management accounts.

GA has reported robust top line growth over the review period, with F12 returning a further 33% increase in gross premiums to Mt1.4bn. As previously mentioned, this has largely been achieved on the back of the vast property, road, oil, gas and coal projects being undertaken in Mozambique. In this regard, fire & engineering continued to dominate premium flows, accounting for 53% of GWP in F12 from 50% in F11. Given potentially high value claims, GA adopts a conservative approach to these risks. In particular, the bulk of new business generated in F12 related to fronting arrangements (with very little risk retained), and accordingly, fire & engineering contributed a modest 7% of NWP (F11: 15%). Motor rose by a comparatively lower 6% to Mt303m, which saw its relative contribution fall to 22% on a gross basis (F11: 27%). As GA retains the bulk of motor, however, this class represented a dominant 51% of net premiums (F11: 55%). The insurer continued to report solid inroads into life, which following a doubling in gross premiums to Mt111m saw its relative contribution climb to 8% (F11: 5%). This was mainly driven by the bancassurance/investment sub-division, which rose to represent 56% of life GWP from a relatively small base in the previous year. A key success in this regard relates to the take-on of certain large corporate pension fund schemes and investment assets (including shareholder Barclays, from which GA expects to derive increased scale and synergies over the medium term). In view of the investment orientated nature of this business, reinsurance is nominal, and accordingly, overall life retention increased to 72% from 41% in F11. Life policies represented the remaining 44% of the total life portfolio, largely encompassing group risks (life and disability), employee benefits and credit life.

Table 3: Class performance (%)	Earned loss ratio		Net commission ratio		Technical margin	
	F11	F12	F11	F12	F11	F12
Aviation	0.0	(77.2)	18.5	0.0	81.5	177.2
Fire & eng.	37.5	221.4	4.8	(11.6)	57.7	(109.8)
GIT	44.6	32.4	18.1	14.9	37.3	52.7
Marine	(21.2)	23.2	14.7	12.9	106.5	63.9
Acc. & health	18.4	39.7	9.4	(2.8)	72.2	63.1
Motor	49.7	54.8	11.5	1.4	38.8	43.8
Workmens comp.	28.6	51.1	15.5	19.0	55.9	29.9
Miscellaneous	39.8	34.0	12.0	18.2	48.2	47.8
Life	9.3	15.4	(8.4)	31.8	99.1	52.8
Total	**40.7**	**58.7**	**10.3**	**14.1**	**49.0**	**27.2**

Source: Management accounts.

Gross fire & engineering claims were reported at Mt147m in F12, translating to a 50% gross loss ratio from a relatively subdued level in F11. Following reinsurance recoveries of Mt70m, net claims incurred amounted to Mt77m, or 24% of the total. However, in view of sizeable fronting arrangements and the resulting constraining impact on NPE (of Mt35m in F12), the earned loss ratio for fire & engineering climbed to 221% from 38% in F11. Notwithstanding net commission recoveries, this class reported a sizeable technical loss in F12. Relative earned losses for motor rose 5 percentage points to 55% in F12. According to management, this trend was aligned to the industry, which has encountered increasing claims pressure of late as a rapidly expanding number of vehicles congest Maputo. Corrective action in the form of a rates increase for the F13 benefit cycle is expected to see the earned loss ratio for motor trend below 50%. A similar negative claims trend was evidenced for workmens compensation, culminating in a halving of its technical margin in F12. Life continued to report a very low incidence of claims. The relative infancy and nature of this class is, however, expected to see increasing loss experience going forward. Against a significant rise in life acquisition costs in F12, this served to erode the technical margin somewhat. All other lines continued to report healthy technical results in F12. Overall, however, in view of the higher relative loss experience regarding GA's key lines, the technical margin fell sharply in F12.

Management expenses were well contained in F12, amounting to a stable Mt169m. Against a 32% rise in NPE, the expense ratio declined to 26% from 34% previously. This offset the aforementioned higher relative claims, and accordingly, GA reported a Mt94m underwriting profit (F11: Mt61m). The underwriting margin remained robust, at 14% from 12% in F11.

Solvency and reserving

On the back of a Mt43m (around US$1.5m) capital injection from Absa in 2H F12 (as expected), complemented by solid retained earnings, shareholders interest advanced 76% to Mt330m at FYE12. This is three times the level reported at FYE10. International solvency increased accordingly, to 50% from 37% in F11. Insurance receivables were well contained relative to GWP growth in F12. This saw the average turnaround of debtors reported at a stable 37 days in F12. According to management, all insurance receivables fell within 180 days.

Statutory solvency rose from 124% in F11 to 169% in F12, which is comfortably above the minimum requirement of 100%. Specifically, net admissible assets of Mt306m covered admitted liabilities of Mt181m by 1.7x. Absa has advised that coverage of 2x the statutory requirement will be targeted going forward. Further, the capital position is assessed bi-annually, while no dividend is expected to be paid over the medium term.

Net outstanding claims amounted to a stable 15% of NWP in F12. Insurance funds as a percentage of net written premiums declined to 14% in F12, from 16% previously. The adequacy of claims reserves is tested annually by Absa's actuarial team.

Reinsurance

The structure of the reinsurance programme for 2013 is unchanged from the previous year, with the exception of certain retention/capacity amendments. In addition to the general account XOL treaty, an additional three XOL treaties enable Absa Underwriting Managers to underwrite specific risks in Mozambique. These treaties are extensions of the general account XOL, providing additional capacity, albeit subject to a maximum net retention per risk or event of US$250,000 (or 2.3% of FYE12 capital). In terms of the life division, an XOL policy provides cover in the event of catastrophic losses, subject to a net retention of US$150,000.

Table 4: Reinsurance – 2013	Retention	Capacity
Excess of loss (layers)		
General account (2)*	US$250,000	US$4m
Fire & allied perils CAT (6)**	R20m	R3,000m
Motor, acc., liab, eng EML & CAT (3)**	R3m	R20m
Risk CAT**	R5m	R25m
Surplus (lines)		
Compulsory surplus (20)#	US$35m	US$140m

*Fire & allied perils, CAR/EAR, marine, motor, misc, acc, liability.
**Specific to certain Underwriting Managers.
#All property, GIT, agriculture, business interruption/material damage.

The above treaties are priced in both Rands and US Dollars. The lead reinsurer across most of the programme is Munich Re, and also includes Swiss Re, Hannover Re, Partner Re, SCOR Africa Ltd, Everest Re, Transatlantic Re (USA), Africa Re, Odyssey Re and Caisse Centrale de Reassurance (France). A number of additional reinsurers take up smaller lines.

Table 5: Reinsurance trade off (Mt'm)	F11	F12
Premium ceded	(547.1)	(744.4)
Commissions received	44.3	42.3
Claims recovered	33.4	233.1
Net transfer / (recovery)	**(469.4)**	**(469.0)**
% of capital	250.9	142.1

On the back of sound GWP growth, premiums ceded to reinsurers advanced 36% to Mt744m in F12. Against a sharp rise in claims recoveries to Mt233m (F11: Mt33m), the net transfer remained stable at Mt469m, or 63% of cessions (F11: 86%). Note is taken of the relative absence of any major incidences in recent years.

Asset management

On the back of sound operating cash flows and the aforementioned capital injection, cash holdings of Mt358m were reported at double the prior year level. The relative contribution of liquid funds to total invested assets rose accordingly, to 80% from 61% in F11. Key liquidity ratios benefitted, as evidenced by claims cash coverage climbing to 13.3 months (F11: 10 months), while coverage of technical liabilities was reported at a comfortable 2.1x (F11: 1.2x). Cash holdings are mainly placed with Barclays Bank Mozambique, Standard Bank, and unrated Banco Austral and BIM.

Table 6: Investment portfolio	F11		F12	
	Mt'm	%	Mt'm	%
Cash & cash equivalents	**180.6**	**60.5**	**357.5**	**80.0**
Listed equities	1.0	0.4	2.6	0.6
Bonds	1.2	0.4	1.2	0.3
Investment property	115.6	38.7	85.5	19.1
Other investments	**117.8**	**39.5**	**89.3**	**20.0**
Total investments	**298.4**	**100.0**	**446.8**	**100.0**
% of assets	54.5		61.3	

The bulk of non-cash investments relate to GA's head office development in Maputo. The portion rented to third parties amounted to a lower Mt86m in F12, as GA increased their occupancy of the building. The portfolio also includes a small residential property that is utilised as a guest house. Investment property as a percentage of total capital reduced to a reasonable 26% at FYE12, from 62% previously. The balance of the portfolio comprises listed equities and bonds (at a combined 1% of total invested assets).

The bulk of liquid funds have historically been held in US$, which derives nominal interest in Mozambiquan banks. This has served to constrain the investment yield, which was reported at a subdued 2% in F12. Following a recent BoM ruling, however, companies are now required to convert foreign exchange deposits to local currency upon receipt. Accordingly, while investment returns are expected to improve, GA's operating performance will become increasingly susceptible to exchange rate volatility upon conversion.

Financial performance

A 5-year financial synopsis is reflected at the back of this report and brief comment follows hereafter. The 2012 financial statements were audited by PricewaterhouseCoopers, Lda, with an unqualified opinion issued. Prior to 2011, financial statements were presented in accordance with Mozambican Generally Accepted Accounting Principles Applicable to Insurance Companies. Effective 2011, financial statements are prepared in accordance with IFRS (with 2010 results restated). Please refer to GCR's 2012 rating report for GA, which details the key adjustments to the financial results.

Gross premiums have maintained a strong growth trajectory over the review period. In F12, this trend was maintained, with GWP reported 33% higher at Mt1.4bn. This was well above initial expectations, given the presence of sizeable construction risks. In US$ terms, GWP climbed 39% to US$51m (budget: US$41m). Retention amounted to 47% (F11: 48%), which was well below budget of 58% given the higher component of heavily reinsured fronted risks. Accordingly, NWP came in 29% higher, closely aligned to initial forecasts. NPE amounted to Mt658m, representing growth of 32% over F11.

Table 7: Income statement (Mt'm)	Actual F12	Budget F12	% of budget
GWP	**1,409.0**	**1,106.0**	**127.4**
NWP	664.7	641.2	103.7
NPE	**657.6**	**644.0**	**102.1**
Net claims	(323.7)	(263.2)	123.0
Net commission	(70.8)	(75.6)	93.7
Management expenses	(169.0)	(154.0)	109.7
Underwriting result	**94.2**	**151.2**	**62.3**
Ratios (%)			
Retention	47.2	58.0	
Earned loss	49.2	40.9	
Commission	10.8	11.7	
Management expense	25.7	23.9	
Underwriting	14.3	23.5	
International solvency	49.7	63.5	

Note: Budget translated using an exchange rate of Mt27/US$.

Net claims incurred climbed 50% to Mt324m in F12, driving a 6 percentage point increase in the earned loss ratio to 49%. This was well above budget of 41% and the insurer's prior 4-year average of 44%. Management expenses were well contained relative to premium growth, amounting to a steady Mt169m in F12. This underpinned an 8 percentage point decline in the expense ratio to a review period low of 26%, which was anticipated. The gradual decline in relative expenses, from a high of 41% in F08, is favourably viewed. The bulk of the cost base pertains to salaries and bonuses. Relative to GWP, management expenses receded to 12% from 16% previously. Net commission costs were reported at a stable 11% of NPE. Accordingly, the delivery cost ratio amounted to 37%, from 44% previously (budget: 36%). Overall, GA reported a Mt33m increase in underwriting profits to Mt94m, translating to a 14% margin (budget: 24%; F11: 12%). This represents the fourth consecutive double digit underwriting margin.

Investment income increased to Mt9.9m (F11: Mt8.1m), and was comprised of interest and rental income. After accounting for other income and a

Mt38m taxation charge, net after tax profits were reported at Mt71m, from Mt34m in F11. Including net unrealised forex and investments gains of a lower Mt9m (F11: Mt51m), retained income totalled Mt79m (F11: Mt84m).

Future prospects

Table 8: Income statement (Mt'm)	Actual F13 YTD*	Budget F13	% of budget
GWP	**893.6**	**1,209.4**	**73.9**
NWP	411.9	734.4	56.1
NPE	**353.9**	**713.4**	**49.6**
Net claims	(159.2)	(284.7)	55.9
Net commission	(53.9)	(102.1)	52.8
Management expenses	(80.9)	(184.8)	43.8
Underwriting result	**59.9**	**141.8**	**42.2**
Shareholders interest	**395.5**	**430.1**	**92.0**
Ratios (%)			
GWP growth	n.a.	(14.2)	
Retention	46.1	60.7	
Earned loss	45.0	39.9	
Commission	15.2	14.3	
Management expense	22.9	25.9	
Underwriting	16.9	19.9	
International solvency	n.a.	58.6	

*5 month period to 31 May 2013.

In anticipation of lower once-off fronted risks, GWP is expected to recede to Mt1.2bn in F13. Management has, however, advised that higher growth is anticipated, supported by GA's participation in a number of the megaprojects being undertaken in Mozambique, and ongoing synergies with Absa (in particular bancassurance initiatives through the life division). The year to date gross premium line supports this view. A more aggressive stance to risk is anticipated, with retention budgeted at 61% in F13 from 47% in F12. This is expected to underpin a 10% increase in NWP to Mt734m, and an 8% rise in NPE. The earned loss ratio is forecast 9 percentage points lower, at 40%. In contrast, net commission costs are projected at a higher 14% (F12: 11%), owing to notably lower commission receipts (which were previously underpinned by the large proportion of fronted risks). The delivery cost ratio is expected to rise accordingly, to 40% (F12: 37%). Overall, the underwriting margin is forecast at a robust 20% in F13 (F12: 14%). This is expected to underpin a Mt100m increase in shareholders interest to Mt430m, and international solvency to 59% from 50% in F12.

Global Alliance Seguros

(Meticais in millions except as noted)

Year ended : 31 December		2008	2009	2010	2011	2012
Income Statement						
Gross written premiums		435.6	628.6	814.3	1 060.4	1 409.0
Reinsurance premiums		(242.6)	(350.3)	(432.4)	(547.1)	(744.4)
Net written premiums		**193.1**	**278.3**	**381.9**	**513.3**	**664.7**
(Increase) / Decrease in insurance Funds		(7.9)	(8.3)	(25.8)	(16.6)	(7.0)
Net earned premiums		**185.1**	**270.0**	**356.1**	**496.7**	**657.6**
Claims incurred		(82.8)	(102.8)	(182.1)	(215.9)	(323.7)
Commission		(23.6)	(31.1)	8.4	(53.1)	(70.8)
Management expenses		(76.5)	(98.7)	(102.9)	(166.8)	(169.0)
Underwriting profit / (loss)		**2.2**	**37.4**	**79.5**	**60.9**	**94.2**
Investment income		0.7	2.3	7.4	8.1	9.9
Other income / (expenses)		5.7	(1.1)	7.6	6.6	4.8
Taxation		(6.6)	(17.3)	(32.0)	(41.8)	(38.3)
Net income after tax		**2.0**	**21.2**	**62.6**	**33.8**	**70.7**
Unrealised foreign exchange gains / (losses)		13.0	14.6	0.0	47.0	11.5
Unrealised investment gains / (losses)		2.3	79.7	(0.2)	3.6	(2.8)
Retained earnings		**17.3**	**115.5**	**62.4**	**84.4**	**79.3**
Dividend in respect of financial year		0.0	0.0	0.0	0.0	0.0
Balance Sheet						
Shareholders interest		**102.0**	**217.6**	**107.8**	**187.1**	**330.1**
Insurance funds		40.0	48.1	61.4	81.0	94.8
Other liabilities		124.1	196.7	275.5	279.0	304.4
Total capital & liabilities		**266.0**	**462.4**	**444.6**	**547.2**	**729.2**
Fixed assets		4.7	6.8	87.3	73.5	116.6
Investments		25.5	200.8	114.3	117.8	89.3
Cash and short term deposits		144.2	71.4	145.4	180.6	357.5
Other current assets		91.6	183.5	97.6	175.2	165.7
Total assets		**266.0**	**462.4**	**444.6**	**547.2**	**729.2**
Key Ratios						
Solvency / Liquidity						
Shareholders funds / NWP	%	52.8	78.2	28.2	36.5	49.7
Adjusted international solvency margin*	%	n.a.	n.a.	28.2	36.5	49.7
Statutory solvency	%	n.a.	n.a.	n.a.	124.0	168.7
Financial base	%	73.5	95.5	44.3	52.2	63.9
Claims cash coverage	months	20.9	8.3	9.6	10.0	13.3
Cash & equivalents / Technical reserves	X	1.7	0.6	1.1	1.2	2.1
Net outstanding claims / NWP	%	22.6	26.8	17.2	14.8	14.6
Insurance funds / NWP	%	20.7	17.3	16.1	15.8	14.3
Debtors days	days	51.5	76.6	54.6	36.9	37.1
Profitability						
ROaE	%	4.5	63.1	38.4	25.4	26.3
Investment yield (including unrealised gains / losses)	%	1.9	37.1	2.7	4.2	1.9
Cash investment yield (average)	%	0.5	1.0	2.8	2.9	2.7
Efficiency / Growth						
GWP growth	%	18.3	44.3	29.5	30.2	32.9
Premiums reinsured / GWP	%	55.7	55.7	53.1	51.6	52.8
Earned loss ratio	%	44.7	38.1	51.1	43.5	49.2
Commissions / Earned premiums	%	12.8	11.5	(2.4)	10.7	10.8
Management expenses / Earned premiums	%	41.3	36.6	28.9	33.6	25.7
Underwriting result / Earned premiums	%	1.2	13.9	22.3	12.3	14.3
Trade ratio	%	98.8	86.1	77.7	87.7	85.7
Operating						
Effective tax rate	%	77.1	45.0	33.8	55.3	35.1

*Excludes debtors in excess of 180 days.

Note: 2010 results have been restated to align wth 2011 IFRS results.