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Namibia National Reinsurance Corporation Limited

Namibia Reinsurance Analysis **September 2011**

Security class	Rating scale	Currency	Rating	Rating outlook	Expiry date
Claims paying ability	National	N$	AA-	Stable	
Claims paying ability	Regional	Rand	A-	Positive	09/2012
Claims paying ability	International	US$	BB	Positive	

Financial data:
(US$'m Comparative)

	31/03/10	31/03/11
N$/US$ (avg)	8.06	7.40
N$/US$ (close)	7.74	6.89
Total assets	14.9	18.9
Total capital	11.1	14.5
Cash & equiv.	11.9	14.5
GWP	12.0	16.2
U/w result	0.7	1.0
NPAT	1.7	2.0
Op. cash flow	2.2	2.3
Market cap.	n.a.	
Market share	n.a.	

Fundamentals:

Namibia National Reinsurance Corporation Limited ("Namib Re") commenced operations in 2001, following the enactment of the Namibia National Reinsurance Corporation Act (of 1998). The main purpose of the Act was to stem the outflow of funds through offshore reinsurance placements. As at FYE11, 89% of the corporation's business was derived locally, with the remainder garnered from various African countries. The corporation is 100% owned by the Namibian government and is exempt from taxation.

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Rating rationale

The ratings are based on the following key factors:

- Namib Re is a wholly owned subsidiary of the Namibian Government. Furthermore, the corporation is the only locally registered reinsurer operating in Namibia, and benefits from mandatory cessions in this market.
- In this regard, the international and regional scale ratings were favourably influenced by the positive outlook accorded to sovereign rating of the Namibian government (BBB-; Fitch).
- The reinsurer's demonstrated ability to consistently record underwriting profits. This, together with fairly predictable investment income, and a high level of reinvested profits has seen capital increase at an average annual compound growth rate of 18% from F07 to F11. Furthermore, international solvency has, and is expected to remain above 100% over the medium term.
- The reinsurer adopts a conservative investment stance, supportive of sound liquidity metrics.
- The bulk of retrocession placements are with international investment grade rated entities.
- Namib Re's very low and stable cost base affords it with a level of financial flexibility. The corporation is, however, highly exposed to key man risk.
- The reinsurer continues to exhibit a very high level of dependence on the Namibian market. In addition, and notwithstanding reasonable progress made with respect to expansion in other key markets, Namib Re's ability to penetrate foreign markets is restricted by its capital.

Solvency & liquidity

On the back of solid retained earnings, shareholders interest advanced 16% to N$100m in F11. Following a slightly higher rise in NWP, international solvency was reported at 108% (F10: 112%). All reinsurance debtors were outstanding for less than 180 days at FYE11. XOL buys down the maximum net retention per risk and event for F12 to N$0.5m, or 0.5% of FYE11 capital. Cash and cash equivalents amounted to N$100m in F11, representing a 9% increase over the previous year. Claims cash coverage was reported at 21 months (F10: 26 months), while cash holdings covered technical liabilities a robust 4.6x (F10: 5.5x).

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Operating environment

Economic overview
Namibia's fortunes are very closely linked to the South African economy, with the Namibian Dollar pegged to the South African Rand. Around 90% of Namibia's imports originate from South Africa, while many Namibian exports are destined for the South African market. Namibia is also part of the Common Monetary Area comprising Lesotho, Swaziland and South Africa.

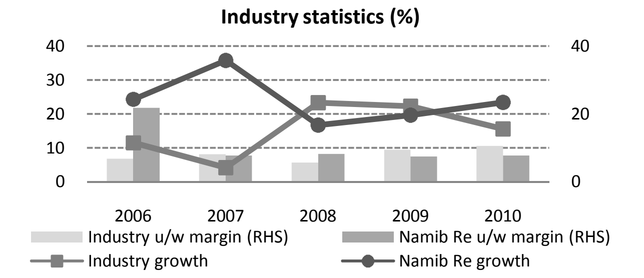
The lingering effects of the recent global financial and economic crisis took a heavy toll on economic activity in sub-Saharan Africa, from which the Namibian economy was not immune. In this regard, having achieved a 6.1% average GDP growth rate in the previous 5 years, economic growth contracted by 0.7% in 2009. During 2010, in line with the global economic recovery, the Namibian economy expanded 4.6%, driven by a 32% jump in the mining industry, specifically diamond and uranium prices (Namibia is the world's largest miner of offshore diamonds and the fourth-largest uranium producer). Economic growth is expected to ease to 4.1% in 2011, albeit remaining favourable.

In response to the economic crisis, the Bank of Namibia responded by reducing the repo rate 450 basis points between December 2008 and December 2010, to 6%. The slowdown in domestic demand, low imported inflation, primarily from South Africa, and a strong currency (averaging N$7.34/US$ in 2010, from N$8.44/US$ in 2009) led to a decline in inflation from 8.7% in 2009 to 4.5% in 2010. Inflation is expected to increase to around 6% in 2011.

Industry overview
Namib Re is the only locally registered reinsurer in Namibia, and derives the majority of its gross premiums (89%) from this market. Brief commentary on the Namibian insurance industry follows.

The Namibian insurance industry is governed by the Financial Institutions Supervisory Authority Act, 2001 and regulated by the Namibia Financial Institutions Supervisory Authority ("NAMFISA"). NAMFISA, in turn, operates under the auspices of the Ministry of Finance. The minimum capital requirement is currently set at N$4m for non-life insurance business, and N$10m for reinsurance companies (US$1.3m), which is considered low.

A total of 13 companies are licensed to transact short term insurance operations in Namibia. In recent years, premium growth has been supported by ongoing uranium mining activity, as well as the construction sector (corporate, hotel and residential buildings). In this regard, and against a 5-year compound annual growth rate of 15%, gross written premiums for the short term segment advanced a further 16% to N$2bn in 2010 (around US$275m). Notwithstanding this, market penetration is estimated to have increased from 1.8% of GDP in 2006 to only 2% in 2010. The short term segment evidences a 2 tier structure, with the three largest participants (all South African subsidiaries) collectively accounting for more than 75% of gross premiums.



Note: Namib Re has a March year-end.

In terms of revenue composition, the market is dominated by motor, which amounted to 37% of GWP in 2010. Personal accident and miscellaneous (largely liability) each represent a further 20% of gross premiums, with fire accounting for the bulk of the balance (18%). While rates pressure continues to stem from high levels of competition, the average earned loss ratio has trended within a relatively narrow band of 60% and 67% over the past few years, and totalled 63% in 2010 (2009: 66%). From an underwriting perspective, the short term insurance segment has evidenced sustained healthy profitability, which has averaged roughly 8% over the past 5 years. This is supported by a relatively well contained cost structure. All business lines were profitable on an underwriting level in 2010, in particular fire (22%), marine (26%) and motor (11%). Miscellaneous and personal lines fared less favourably (6% and 8%).

Combined share capital of the 13 short term insurers amounted to N$783m in 2010 (2009: N$616m). Against NWP of N$1.5bn (2009: N$1.3bn), this translates to an industry international solvency margin of 53% (2009: 46%). Interestingly, both the underwriting margin and international solvency ratio closely approximated the performance of the South African short term insurance industry in 2010.

A number of brokers operate in the Namibian insurance market, although premiums are dominated by a handful of multinationals. All intermediaries are required to register with, and are overseen by the Namibian Insurance Brokers Association ("NIBA"). In order to protect the interest of insurers, the Namibian Insurance Association ("NIA") was established. It is a legal voluntary entity, consisting of a legislative body made up of representatives from primary firms in the sector.

Competitive position
The following table compares key statistics of Namib Re with some regional reinsurers. In view of the dominance of key international players (including

Africa Re) and Namib Re's relatively small capital base, the corporation operates in the follow market, displaying a comparatively small book (notwithstanding sustained high premium growth in recent years). While international solvency generally compares favourably, capacity is limited. In addition, on an operating level, Namib Re's earned loss ratio measured slightly above the peer group average. This notwithstanding, the corporation displays a comparatively favourable cost structure, supportive of a competitive underwriting margin relative to the peer group. Consistent with most other reinsurer's, Namib Re reports a comfortable liquidity position.

Table 1: Peer analysis 2010 (US$'m)	Namib Re*	Africa Re	EA Re	TAN Re	Kenya Re
GWP	16.2	616.9	18.4	30.1	60.5
NPAT	2.0	64.9	1.5	2.3	5.1
Capital	14.5	343.7	14.9	12.4	114.5
Solvency (%)	107.8	61.0	111.2	47.4	232.1
Retention (%)	77.3	91.4	77.0	89.7	95.8
Earned loss ratio (%)	61.0	61.6	58.8	50.1	46.8
Delivery cost ratio (%)	31.3	31.8	39.5	36.5	51.2
U/W margin (%)	7.7	6.6	1.7	13.4	2.1
Cash coverage (mnth)	20.7	20.2	32.2	14.5	24.4

**31 March 2011 year end.*

Risk diversification

As previously mentioned, the Namibian market represents the bulk of Namib Re's gross premiums. Overall, total premiums ceded by Namibian companies to reinsurers amounted to N$537m in 2010 (2009: N$427m), suggesting around 22% is placed with Namib Re and the balance externally. This implies significant growth potential in the domestic market for the reinsurer. With respect to the Namibian insurance market, business is sourced through two distinct avenues. Mandatory cessions from insurers with stand alone Namibian reinsurance treaties, and insurers with group reinsurance treaties, detailed as follows:

- Local reinsurance treaties - Namib Re receives 20% of the treaties. It retains the pre-emptive right towards all facultative business.
- Group reinsurance treaties – 7.5% of their net account (strictly Namibian business written) and pre-emptive rights toward all facultative business.

Namib Re derives the bulk of its premiums through proportional treaties, which accounted for an unchanged 89% of GWP in F11 (and 87% of NWP). FAC business is mainly written outside of Namibia, generally under the same terms as Namib Re's treaty business. Off a zero base in F08, the corporation has grown its cedent participation on portfolios outside the country to 11% of GWP in F11, or around N$13m. This follows Namib Re's expansionary programme across east and central Africa, particularly Zambia (3.3% of foreign GWP) and Zimbabwe (2.6%), and to a lesser degree Malawi and Kenya. Namib Re also underwrites small risks in Angola, Mozambique, Ethiopia and Swaziland. All risks are underwritten from Namibia, with pricing determined by lead reinsurers, complemented by technical assistance from international reinsurance brokerages operating in these markets.

Table 2: Premium composition (%)	F10	F11
Proportional	89.2	89.3
Non-proportional	2.7	2.3
Facultative	8.1	8.4
Total	**100.0**	**100.0**

In view of the relatively small insurance market in Namibia, which is dominated by 3 South African subsidiaries (Santam, Hollard, and Mutual & Federal), cedent concentration is significant (the top 3 companies represented a combined 63% of gross premiums in F11). This notwithstanding, the risk to volumes emanating from this concentration is largely offset by mandatory cessions, which are expected to remain in force over the medium term (management has advised at least until 2015). Intermediary participation remains high, with the top 5 brokers responsible for 51% of the book as at FYE11, of which the 2 largest international brokers accounted for 40% of GWP.

Namib Re has consistently reported robust top line growth over the review period. This trend was sustained in F11, with the reinsurer registering GWP growth of 23% (F10: 20%). A key driver of growth was property, with gross fire premiums advancing 68% to N$38m, to comprise 31% of the total (F10: 23%). Management has attributed this to sustained strong growth in property development in Namibia, particularly commercial property. Furthermore, mining property risks continue to provide impetus for domestic growth, drawing on increased uranium mining activity.

Table 3: Premium by class (%)	GWP	
	F10	F11
Fire	23.1	31.1
Marine	1.5	1.0
Motor	41.7	35.5
Guarantee	8.5	5.9
Miscellaneous*	17.9	17.6
Personal lines	0.9	2.7
Medical	6.3	6.2
Total	**100.0**	**100.0**

* Includes liability, 3rd party liability.

Gross premiums for personal lines increased more than three fold in F11, albeit off a low base. Management has attributed this to an increased awareness and uptake of insurance products by individuals in Namibia, and expect this positive trend to continue. Having doubled in F10, GWP for guarantee business receded 14% to N$7.1m in F11. Motor registered positive growth for the year, albeit below the overall average. As such, this class accounted for a lower 36% of GWP, from 42% in F10. Overall retention levels have remained relatively stable in recent years, averaging around 78%. According to management, individual lines exhibit similar retention levels, resulting in the risk premium spread reflecting a comparable pattern of movement to the gross premium mix. As the reinsurer continues to expand operations outside Namibia, overall retention is expected to gradually decline.

On a gross basis, claims advanced 28% to N$64m in F11. This was slightly ahead of GWP growth, and accordingly, the gross loss ratio increased to 53% (F10: 51%). A key driver of the higher relative gross claims was the medical book, which evidenced a sharp deterioration in F11 (to 90% from 60%). The dominant motor and fire lines reported fairly stable loss performance, and remained the key contributors to gross technical profits (combined 64% of the total from 66%). Following a significant claims incidence in F10 (emanating from foreign treaties), gross claims for personal lines normalised in F11. As such, this class returned to profitability on a gross technical basis.

Table 4: Performance by class	Gross claims paid (N$'m)		Gross loss ratio (%)		Gross technical result (N$'m)	
	F10	F11	F10	F11	F10	F11
Fire	8.2	17.8	36.3	47.9	7.5	9.1
Marine	0.2	0.2	16.4	19.9	0.8	0.6
Motor	24.8	25.1	60.5	59.3	9.3	6.9
Guarantee	1.1	1.4	13.5	19.5	4.4	3.1
Miscellaneous	10.1	11.0	58.0	52.6	3.4	4.6
Personal lines	1.5	1.6	166.3	48.6	(1.5)	0.6
Medical	3.6	6.5	59.7	89.7	1.6	0.2
Total	**49.5**	**63.6**	**51.0**	**53.4**	**25.4**	**25.1**

On a net basis, claims were reported 34% higher at N$58m, translating to an earned loss ratio of 61% (F10: 59%). This was, however, offset by a decline in relative delivery costs, to 31% from 34% in F10. The expense ratio of 6% (F10: 8%) is reflective of its follow position in the market, and is expected to be maintained over the medium term. Excluding management costs, the technical margin decreased to 14% from 15% (review period average: 19%). Overall, the underwriting margin was reported at a steady 8%, approximating the 4 year average.

Solvency and reserving

Driven by retained earnings (net of an unchanged dividend payment of N$1.3m), shareholders interest advanced 16% to N$100m in F11. This amount is comprised of share capital of N$20m, retained earnings of N$46m and a general reserve totalling N$34m. International solvency has trended downward over the last two years, and totalled 108% in F11 (F10: 112%). This compares to a budgeted level of 120%, impacted by higher than anticipated NWP for the year. Consistent with prior years, reinsurance receivables of N8.8m (F10: N$11.3m) were all outstanding for less than 180 days as at FYE11.

Forecasts suggest that solvency will be maintained above 100% over the medium term, which comfortably exceeds the stipulated minimum regulatory requirement of 15%. Note is taken of the fact that the regulator continues to assess the possibility of introducing Solvency II into the Namibian insurance framework, although no concrete plans have been presented thus far.

UPR reserving is conducted on a 1/365th basis. Following a N$2.4m transfer from unearned premium reserves, against a 20% rise in net premiums, insurance funds amounted to a reduced 5.9% of NWP (F10: 10.1%). In contrast, net outstanding claims accounted for a higher 18% of NWP (F10: 12%). Outstanding claims provisioning is determined based on amounts calculated by cedents, while the IBNR is calculated at 7.5% of NWP. At present, the outstanding claims reserve is verified on an annual basis by the corporation's auditors and Aon Benfield. Going forward, regulatory amendments currently being enacted will require that reserving be independently verified by an actuary every 2 years.

Retrocession

Namib Re's retrocession programme is unchanged compared to the previous year, and runs between 1 January 2011 and 31 December 2011. In addition to the non-proportional programme, an XOL bouquet of treaties reduces the reinsurer's largest net retention to N$500,000 (0.5% of FYE11 shareholders interest). The treaty is structured into five layers providing capacity up to N$20m. The XoL treaty covers losses on a per risk and event basis, protecting Namib Re in the event of a catastrophe.

Table 5: Retrocession 2011	Namibian business (N$)		Other territories (US$)	
	Retention	Limits	Retention	Limits
Healthcare				
Quota share	60/40	5.7m	n.a.	n.a.
Aggregate stop loss	See below*		n.a.	n.a.
Surplus (lines)				
Fire (6)	3m	18m	200,000	1.2m
Motor (6)	500,000	3m	25,000	150,000
Misc. acc. (6)	1m	6m	50,000	300,000
Marine, hull & cargo (3)	1m	3m	50,000	150,000
FAC obligatory	250,000	5m	10,000	200,000

*To pay 130% of NPE subject to a maximum indemnity of N$2.45m; in excess of 120% of NPE subject to a minimum of N$1.34m.

The strong growth in GWP, together with higher relative retrocessions (23% from 21%) saw premiums ceded to retrocessionaires increase to N$27m (F10: N$20m). Recoveries were reported at a higher N$17m (F10: N$9.6m). In this regard, and including higher commission receipts, the net transfer to retrocessionaires was reported at a lower N$2.3m (F10: N$4.3m). This translated to 8.5% of cessions (F10: 21%) and 2% of FYE11 capital (F10: 5%).

Table 6: Retrocession result (N$'m)	F07	F08	F09	F10	F11
Premium retroceded	11.7	10.9	17.7	20.1	27.2
Claims recovered	(10.2)	(5.5)	(7.5)	(9.6)	(16.9)
Commission received	(3.3)	(2.9)	(5.2)	(6.2)	(8.0)
Net transfer	**(1.8)**	**2.5**	**5.0**	**4.3**	**2.3**

Counterparty risk

The lead retrocessionaire on the surplus and XOL treaties is international investment grade rated Munich

Re (40%; AA-), and also includes Everest Re (40%; AA-) and Africa Re (20%; A-). Africa Re is the lead on FAC obligatory, healthcare quota share and aggregate stop loss treaties (90%), followed by PTA Re (10%).

Asset management

Total investments were reported at N$105m in F11, representing a 7% increase over F10. Consistent with prior years, the composition of the portfolio evidenced a substantial weighting (95%) towards low risk cash investments, reflective of Namib Re's conservative stance and focus on capital protection. Claims cash coverage amounted to 21 months (F10: 26 months), while cash holdings covered technical liabilities 4.6x (F10: 5.5x). Non-government bonds pertain to Telecom bonds, which are also deemed highly liquid.

Table 7: Investment portfolio	F10		F11	
	N$'m	%	N$'m	%
Cash holdings	15.8	16.3	28.7	27.3
Fixed deposits	49.2	50.7	42.3	40.3
Government bonds	26.8	27.6	28.8	27.4
Cash & equivalents	**91.8**	**94.6**	**99.8**	**95.0**
Non-government bonds	5.2	5.4	5.2	5.0
Total investments	**97.0**	**100.0**	**105.0**	**100.0**

The asset base also includes fixed assets of N$16m (F10: N$7m), which overwhelmingly pertains to Namib Re's new head office. The head office will be completed in F12. Tenants have recently been secured, with rental income expected to total around N$0.5m annually.

Asset conversion & counterparty risk

As all investment assets are domiciled in Namibia, the reinsurer evidences a high degree of sovereign risk (Namibia is rated BBB internationally). An analysis of cash holdings (excluding government bonds) at FYE11 reveals that around 30% was placed with Bank Windhoek (rated AA on a national scale by GCR), with the remaining funds allocated fairly evenly across 3 South African subsidiary banks (parents are rated in the AA band by GCR on a national scale).

Currency risk

In view of the persistent gradual increase in foreign derived business, Namib Re's exposure to exchange rate risk continues to rise (albeit not deemed significant given that 89% of GWP is sourced in Namibia). The composition of GWP in F11 indicates that 87% was derived in Namibian Dollars and 13% in US Dollars. This should be viewed in the context that 91% of claims were paid in Namibian Dollars in F11, against 9% in US Dollars (indicative of a high degree of currency matching between the reinsurer's income and obligations). As at FYE11, the bulk of cash holdings were held in N$ (90%), vs 10% in US$.

Financial performance

A 5-year financial synopsis of the corporation is reflected at the back of this report and brief comment follows. Growth in GWP was sustained at a level closely aligned to the review period average, of 23% to N$120m in F11. This was well ahead of budget of N$102m. Retention levels decreased slightly, to 77% from 79% in F10, and accordingly, NWP advanced 20% to N$93m. NPE amounted to N$95m (budget: N$78m), representing growth of 29% over the previous year.

Table 8: Income statement (N$'m)	F11		% of budget
	Actual	Budget	
GWP	119.9	102.3	117.2
NWP	92.7	79.8	116.2
NPE	**95.0**	**78.2**	**121.5**
Claims	(58.0)	(49.5)	117.2
Commission	(24.0)	(19.9)	120.6
Management expenses	(5.7)	(6.9)	82.6
U/w result	**7.3**	**1.9**	**384.2**
Investment income	7.8	7.3	106.8
<u>Ratio (%)</u>			
GWP growth	23.4	5.3	
Earned loss	61.0	63.2	
Commission	25.3	25.5	
Mgt. expense	6.0	8.8	
U/w margin	7.7	2.4	
International solvency	107.8	119.4	

While the earned loss ratio increased to 61% in F11 (F10: 59%), this was better than initial projections of 63%. Cognisance is taken of the relative stability in claims paid since F08 (and its diversification into foreign markets), with the earned loss ratio trending within a narrow range (of 59% and 63%) over this period. The delivery cost ratio decreased from 34% in F10 to 31% in F11, which was 3 percentage points better than budget. This was supported by a N$0.2m decrease in management expenses to N$5.7m, translating to a low 6% of NPE (F10: 8%). It is noted that Namib Re operates in the follow market, relying on the technical underwriting capabilities of lead reinsurers. This has allowed the reinsurer to maintain a small staff complement (and concomitant low cost base), which has in turn supported the level of underwriting profitability recorded. Overall, Namib Re registered a N$7.3m underwriting profit (F10: N$5.5m), translating to a stable 8% underwriting margin (budget: 2.4%).

Notwithstanding the enlarged investment portfolio, investment income registered at an unchanged N$7.8m in F11, owing to lower prevailing interest rates during the year. This translated to an investment yield of 7.7% (F10: 8.7%). The corporation's taxation exemption is likely to remain for the next couple of years. Overall, net profits were recorded at a solid N$15m in F11 (F10: N$13m), representing the fifth consecutive year of relatively stable profits. ROaE was reported at 16%, from 17% previously. Namib Re paid an unchanged N$1.3m dividend for F11, amounting to robust dividend cover of 12x (F10: 11x).

Future prospects

The Namibian short term insurance industry is expected to remain a key driver of Namib Re's growth, driven by an expectation of sustained market penetration, and above average growth across the mining and construction sectors. A number of growth opportunities remain in terms of the reinsurer's regional expansion, although the corporation will continue to adopt a cautious approach to these risks.

Table 9: Income statement (N$'m)	**Budget F12**	**Budget F13**
GWP	117.6	135.3
NWP	91.7	105.5
NPE	**89.9**	**103.4**
Claims	(56.9)	(65.4)
Commission	(22.9)	(26.4)
Management expenses	(8.3)	(9.4)
U/w result	**1.9**	**2.2**
Investment income	8.5	9.1
Ratios (%)		
GWP growth	(1.9)	15.0
Retention	78.0	78.0
Earned loss	63.2	63.2
Commission	25.5	25.5
Mgt. expense	9.2	9.2
U/w margin	2.1	2.1
International solvency*	118.9	112.8

*Assumes unchanged dividend payment of N$1.3m.

Note is taken of the fact that the corporation prepares 5 year forecasts, with the most recent version being for the period F09 to F13. Management review the financial plan on an annual basis, through an operational budget based on the previous periods actual result. Budgeted GWP for F12 suggests growth of 15% over the prior year budgeted level. In actual terms, this represents a small decline based on the level of N$120m attained for F11. Hence, growth forecasts are deemed conservative based on historical average annual growth of around 23%. Forecast retention of 78% over the medium term is closely aligned to F11. The reinsurer continues to budget conservatively on an operating level, with the earned loss ratio forecast at 63% and delivery costs at 35% in F12 and F13 (compared to actual levels of 61% and 31% attained respectively in F11). This translates to a relatively subdued underwriting margin (of 2%) over the next few years, well below historical norms. On the back of reinvested profits, and an assumed unchanged dividend payment of N$1.3m, international solvency is forecast at 119% in F12 (although expected to be lower given NWP growth).

Operationally, Namib Re has engaged the services of an external consultancy to assist in the enhancement of risk management practices within the context of an ERM framework. A further key focus going forward centres on the retention of existing staff, while simultaneously enhancing employee capacity to support growth of the business. In this regard, management has advised that it has recently expanded its underwriting skills. Additionally, technical assistance and training continues to be provided to Namib Re staff by some leading reinsurance and intermediary companies.

Namibia National Reinsurance Corporation Limited

(Namibian $ in millions except as noted)

Year ended : 31 March		2007	2008	2009	2010	2011
Income Statement						
Gross written premium (GWP)		**51.3**	**69.6**	**81.2**	**97.1**	**119.9**
Retrocession premiums		(11.7)	(10.9)	(17.7)	(20.1)	(27.2)
Net written premium (NWP)		**39.5**	**58.7**	**63.5**	**77.0**	**92.7**
(Increase) / Decrease in insurance funds		(0.5)	(1.0)	0.5	(3.1)	2.4
Net premiums earned		**39.1**	**57.7**	**64.0**	**73.8**	**95.0**
Claims incurred		(17.2)	(33.9)	(40.1)	(43.2)	(58.0)
Commission		(9.2)	(14.6)	(13.7)	(19.2)	(24.0)
Management expenses		(4.2)	(4.8)	(5.0)	(5.9)	(5.7)
Underwriting profit / (loss)		**8.5**	**4.5**	**5.3**	**5.5**	**7.3**
Investment income		6.7	6.8	8.6	7.8	7.8
Other income / (expenses)		0.0	0.0	0.0	0.0	0.0
Taxation		0.0	0.0	0.0	0.0	0.0
Net income after tax		**15.2**	**11.3**	**13.9**	**13.3**	**15.1**
Unrealised gains / (losses)		n.a	n.a	n.a	n.a	n.a
Cash Flow Statement						
Cash generated by operations		8.6	4.5	5.3	5.5	7.4
Cash flow from investment income		6.7	6.8	8.6	7.8	7.8
Working capital decrease / (increase)		(7.5)	5.1	(1.9)	6.0	3.2
Tax paid		0.0	0.0	0.0	0.0	0.0
Cash available from operating activities		**7.8**	**16.4**	**12.0**	**19.4**	**18.3**
Dividends paid		(1.2)	(2.0)	(0.7)	(1.3)	(1.3)
Cash flow from operating activities		**6.7**	**14.4**	**11.3**	**18.1**	**17.0**
Purchases of investments		(6.4)	(17.1)	(6.6)	(17.1)	(4.1)
Proceeds on disposal of investments		0.0	0.0	0.0	0.0	0.0
Other investing activities		0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities		**(6.4)**	**(17.1)**	**(6.6)**	**(17.1)**	**(4.1)**
Cash flow from financing activities		**(0.0)**	**(0.0)**	**(0.0)**	**0.0**	**0.0**
Net cash inflow / (outflow)		**0.3**	**(2.7)**	**4.7**	**1.0**	**12.9**
Balance Sheet						
Shareholders interest		**51.6**	**60.8**	**74.0**	**86.0**	**99.9**
Net unearned premium reserves		4.2	5.2	4.6	7.8	5.4
Net o/s claims and IBNR provision		4.7	4.5	7.6	9.0	16.3
Other liabilities		10.2	10.7	9.2	12.8	8.8
Total capital & liabilities		**70.7**	**81.2**	**95.4**	**115.7**	**130.4**
Fixed assets		0.1	0.1	3.8	7.2	16.2
Investments		0.0	0.0	5.2	5.2	5.2
Cash and short term deposits		60.4	74.9	77.2	91.8	99.8
Other current assets		10.0	6.2	9.1	11.5	9.1
Total assets		**70.7**	**81.2**	**95.4**	**115.7**	**130.4**
Key Ratios						
Solvency / Liquidity						
Shareholders funds / NWP	%	130.4	103.6	116.6	111.8	107.8
Shareholders funds / NWP (adj for debtors>180 days)	%	n.a.	n.a.	n.a.	111.8	107.8
Cash claims cover	months	42.1	26.5	23.1	25.5	20.7
Cash & equivalents : Technical liabilities	x	6.8	7.7	6.3	5.5	4.6
Average debtors	days	45.4	42.4	34.3	38.4	30.6
Outstanding claims / NWP	%	11.9	7.7	11.9	11.8	17.6
Insurance funds / NWP	%	10.7	8.8	7.3	10.1	5.9
Profitability						
ROaE (after unrealised gains / losses)	%	34.2	20.1	20.6	16.6	16.2
Investment yield (including unrealised gains / losses)	%	11.7	10.1	10.9	8.7	7.7
Efficiency / Growth						
GWP Growth	%	24.3	35.8	16.7	19.6	23.4
Premiums reinsured / GWP	%	22.9	15.6	21.8	20.7	22.7
Earned loss ratio	%	44.1	58.6	62.6	58.6	61.0
Commissions / Earned premiums	%	23.5	25.3	21.3	26.0	25.3
Management expenses / Earned premiums	%	10.7	8.3	7.8	8.0	6.0
Underwriting result / Earned premium	%	21.8	7.7	8.3	7.5	7.7
Trade ratio	%	78.2	92.3	91.7	92.5	92.3
Operating						
Effective tax rate	%	0.0	0.0	0.0	0.0	0.0
Dividend cover	X	13.2	5.6	19.2	10.6	12.1