



# Short term insurers



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## SHORT-TERM INSURANCE INDUSTRY UPDATE

A look back at 2017 indicates that South Africa's gross domestic product (GDP) growth amounted to 1.3% beating the forecasted 1% growth. This is an improvement on 2016 where GDP growth only reached 0.3%. Much of the 2017 growth can be attributed to its fourth quarter, which saw strong growth after the decision by the Monetary Policy Committee to cut the repo rate by 25 basis points. This provided much-needed stimulus to the economy.

As expected, the low GDP growth and tough trading conditions are reflected in the 2017 financial results reported by the short-term insurance industry. Growth in the short-term insurance industry is hard to come by and it is being hindered by these unfavourable macroeconomic factors, political instability and increasing unemployment rates.

### Pressure points

- The first year of the Trump presidency has resulted in substantial global economic and political uncertainty with issues ranging from nuclear warfare threats from North Korea and significant tax reforms and threats of tariffs on certain imports from the European Union and China. In addition to this, Brexit is still a dark cloud of uncertainty hanging over the European Union and indeed the rest of the world. This and the continued unrest in

the Middle East resulted in global GDP growth for 2017 of 3%, which represents a slight increase from 2016. The increase can be contributed to Central Bank's maintenance of lenient monetary policies to spur growth and a rebound in global trade.

- The Rand is a volatile emerging market currency and 2017 was no exception with the Rand beginning the year at R13.74 against the dollar, reaching a high of R14.47 in October 2017 and ending off the year at R12.26 after a rally against the dollar on the back of the positive outcome in the ANC Elective Conference. The year also saw South Africa's sovereign credit rating being downgraded after yet another cabinet reshuffle, this time removing the finance minister and his deputy. In the context of these developments, the 10-year benchmark government bond yields reached new heights.
- Cape Town faced a drought and the threat of "Day Zero" loomed ever closer. The cost to the economy as a result of the drought is estimated at R5.9bn with estimated job losses of 30 000.
- The unemployment rate at December 2017 was 26.7%, which was a slight increase from 26.5% in the previous period. The high unemployment rate coupled with low growth, resulted in disposable household incomes shrinking and insurance increasingly being seen as a luxury product.

## Growth

Growth in the industry is highly sought after due to these tough economic conditions. The price elasticity of demand relating to insurance products means that any proposed premium rate increases are met with resistance by consumers as disposable incomes are shrinking. Further to that, with the availability of digital aggregators, consumers can instantly compare quotes with other insurers and change their insurance provider in a few easy steps.

As a result, the insurance company is forced to be innovative through partnerships, new products and the use of technology to stimulate real growth. The African market is underdeveloped and under-insured. Given the growing middle class and changing demographics, expansion into other African territories was seen to be a key driver for growth. However, because of the tough economic conditions that insurers faced in their domestic markets, there has been a marked slowdown in partnerships within other African territories when compared to previous years (with the exception of Santam) as expected returns and growth expansion have not lived up to expectations. Various other factors contribute to this including an underestimation of cultural and religious differences as well as the slowdown in the global economy as a whole.

## Unpacking the results<sup>1</sup> Intermediated Insurers

In terms of the intermediated insurers, Santam has been the biggest winner with premium growth of over 15% at a group level. This growth is as a result of Santam's successful expansion into other African territories as well as the purchase of a commercial book of business from Absa Insurance. Santam's underwriting margin has however decreased slightly from 2016 as the group was significantly affected by catastrophe claims and large commercial fire claims.

Hollard has successfully integrated Regent Insurance into its operations and its premium growth is a result of this combination.

The newly rebranded Old Mutual Insure (previously Mutual & Federal), saw a slight rise in premiums and has achieved a significant growth in net underwriting profit up from R80m in 2016 to R310m in 2017 in part due to the restructuring of its reinsurance agreements as can be seen in the net cost of catastrophe events of R196m for 2017.

Bryte Insurance successfully rebranded from Zurich Insurance after it was acquired by Canadian-based Fairfax Financial Holdings. Bryte has sought growth through expansion and partnerships and have done so by partnering with Carmague Underwriting Managers and OnPoint as well as acquiring Holmes Underwriting Agency. This has driven growth for Bryte post its rebranding.

On the whole, management expense ratios remained consistent year-on-year and gross claims incurred ratios increased slightly due to the catastrophe events during the year, despite South Africa's status of a benign catastrophe event territory.

## Direct Insurers

Direct insurers such as Outsurance and Telesure (consisting of Auto and General, Dial Direct, Budget and First for Women) also saw slight increases in premium. The muted growth is further indicative of the tough trading conditions. However, both firms managed to turn an underwriting profit due to the decreased claims ratios attributed to positive prior year claims development, generous accident claims environment and improved underwriting practices, some as a result of new forms of Insuretech. Gross claims incurred ratios and management expense ratios for the other direct insurers have remained fairly consistent from 2016.

Gross underwriting margins remained healthy within the direct insurer's space, with Outsurance the best performer in this regard.

<sup>1</sup> Our analysis of results is based upon June 2017 and December 2017 financial results. Where the March 2018 results were available, these were considered otherwise we relied on March 2017 and updated discussions with management of the largest insurers.

### Specialist insurers

Specialist insurers, Sasria and Export Credit Insurance Company (“ECIC”), did not have a good 2017. Sasria experienced significant claims as a result of the #FeesMustFall protests which took place on campuses across the country in 2016 and affected their 2017 performance.

ECIC saw a slowdown in premiums as firms slowed their expansion plans into African territories. ECIC also took on liabilities from the Department of Trade and Industry which had an adverse effect on their results. Notably, the specialist insurer also received its first claim in 2017, reducing its margins.

### Bancassurance

Growth in premiums is largely off the back of the growth in each bank's client base and more so each bank's home loan book. Absa Insurance, which has the widest product offering of all the bancassurers, was the top performer.

Standard Insurance saw a slight increase in premiums but with a deteriorating gross claims incurred ratio, its gross underwriting margin decreased from 2016.

Nedgroup Insurance's premium growth was muted and the gross claims incurred ratio deteriorated due to exposure to catastrophe events of 2017 which led the insurer to record an underwriting loss.

### Key themes in the industry

The ever-increasing use of Artificial Intelligence, machine learning and “chatbots” is forcing insurers to rethink their products, distribution channels and their end-user / customer experience. A recent survey by KPMG suggests that service and mobile app accessibility are some of the key factors consumers take into account when selecting an insurer. Given that the industry is well developed and highly competitive in South Africa, it is critical that insurers take steps to ensure their service to consumers is quick and efficient. The use of apps can only serve to enhance the service offered. The

American insurer, Lemonade, has made significant strides in this space resulting in an average claims processing time of just three seconds. Whilst this is extreme, many South African insurers are starting to see success with the use of Insuretech, mainly to reduce the costs of back office processing. On the other hand, consumers are increasingly concerned about privacy. Recent data breaches in the industry and indeed most industries, have meant that increased attention needs to be given to cyber security to protect consumer data. Furthermore, with the implementation of the General Data Protection Regulation (“GDPR”) by the European Union, South African insurers that serve this market will need to adhere to the policies set by this regulation, in addition to complying with South Africa's Protection of Personal Information (POPI) Act.

The tough economic climate coupled with new stricter solvency requirements, has forced reinsurers to rethink the quality of their treaties. This has resulted in many reinsurers clearing out their books of bad business and the hardening of reinsurance rates, which has had an adverse effect on insurers.

### Outlook

According to a report by Standard & Poor's, insurers can expect slight increases in growth despite the benign economic environment but it is unlikely that high historical profits will be repeated. This is in line with the current trend given the results of 2017. It is also expected that growth through acquisitions will slow down as insurers will look to focus on their domestic markets.

The insurance industry, being one of the oldest in the world, is currently facing an inflection point with the flurry of new regulations and accounting standards, disruption through non-traditional competitors, the threat of those who successfully increase revenues and / or reduce costs through the use of Insuretech and a tough economic environment.

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16 Restated	Nov-17	Nov-16
Group/Company	Absa idirect Limited		Absa Insurance Company Limited		Absa Insurance Risk Management Services Limited		AIG South Africa Limited	
Share capital and share premium	118 510	118 510	31 000	31 000	20 000	20 000	557 500	437 500
Retained earnings/(deficit)	104 134	64 748	1 119 300	1 123 644	27 245	27 121	73 264	141 650
Reserves	-	-	6 058	2 740	-	-	-	-
<b>Total shareholders' funds</b>	<b>222 644</b>	<b>183 258</b>	<b>1 156 358</b>	<b>1 157 384</b>	<b>47 245</b>	<b>47 121</b>	<b>630 764</b>	<b>579 150</b>
Gross outstanding claims	79 472	70 211	475 154	445 931	51 088	69 543	2 008 852	1 648 063
Gross unearned premium reserve	26 962	25 012	690 462	688 959	182	559	649 690	825 147
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	-	-
Owing to cell owners	-	-	-	-	61 443	60 995	-	-
Deferred reinsurance commission revenue	-	-	5 274	5 747	-	-	184 655	237 566
Deferred tax liability	-	-	-	-	2	6	-	-
Other liabilities	48 949	39 897	179 781	222 072	13 625	-	1 342 145	951 400
<b>Total liabilities</b>	<b>155 383</b>	<b>135 120</b>	<b>1 350 671</b>	<b>1 362 709</b>	<b>126 340</b>	<b>131 103</b>	<b>4 185 342</b>	<b>3 662 176</b>
<b>Total investments including investments in subsidiaries</b>	<b>302 568</b>	<b>224 361</b>	<b>1 720 491</b>	<b>1 656 945</b>	<b>84 366</b>	<b>73 379</b>	<b>651 474</b>	<b>739 319</b>
Deferred tax asset, intangible assets and PPE	8 220	7 641	26 592	80 310	-	-	204 473	201 515
Reinsurers' share of outstanding claims	30 396	27 233	264 886	274 788	51 088	69 543	1 849 616	1 484 551
Reinsurers' share of unearned premium reserve	4 821	4 149	50 379	55 074	182	559	564 401	722 956
Gross expected salvages and recoveries	-	-	-	-	-	-	-	-
Deferred acquisition costs	-	-	123 072	121 381	-	-	102 112	123 235
Cash and cash equivalents	20 161	47 945	114 404	183 863	27 011	31 747	913 102	381 600
Other assets	11 861	7 049	207 205	147 732	10 938	2 996	530 928	588 150
<b>Total assets</b>	<b>378 027</b>	<b>318 378</b>	<b>2 507 029</b>	<b>2 520 093</b>	<b>173 585</b>	<b>178 224</b>	<b>4 816 106</b>	<b>4 241 326</b>
International solvency margin	46%	41%	53%	52%	N/A	N/A	247%	245%
Total assets/Total liabilities	243%	236%	186%	185%	137%	136%	115%	116%
Change in shareholders' funds	21%		0%		0%		9%	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Mar-17	Mar-16	Dec-17	Dec-16	Jun-17	Jun-16	Jun-17	Jun-16
Group/Company	Alexander Forbes Insurance Company Limited		Allianz Global Corporate and Specialty South Africa Limited		Auto and General Insurance Company (RF) Limited		Bidvest Insurance Limited	
Share capital and share premium	67 915	67 915	90 500	90 500	53 506	53 506	10 000	10 000
Retained earnings/(deficit)	166 525	119 558	31 612	24 553	650 754	518 076	302 865	304 036
Reserves	-	-	-	-	-	-	34 751	117 234
<b>Total shareholders' funds</b>	<b>234 440</b>	<b>187 473</b>	<b>122 112</b>	<b>115 053</b>	<b>704 260</b>	<b>571 582</b>	<b>347 616</b>	<b>431 270</b>
Gross outstanding claims	275 770	312 867	993 245	946 724	394 865	351 281	103 424	106 074
Gross unearned premium reserve	27 575	26 213	367 675	290 424	133 800	138 153	311 100	340 543
Reinsurers' share of expected salvages and recoveries	-	-	-	-	40 406	41 572	-	-
Owing to cell owners	-	-	-	-	-	-	-	-
Deferred reinsurance commission revenue	5 262	5 136	127 775	98 064	-	-	-	-
Deferred tax liability	-	-	-	-	3 098	-	19 886	32 652
Other liabilities	109 795	123 430	185 898	213 396	181 453	169 909	14 120	42 722
<b>Total liabilities</b>	<b>418 402</b>	<b>467 646</b>	<b>1 674 593</b>	<b>1 548 608</b>	<b>753 622</b>	<b>700 915</b>	<b>448 530</b>	<b>521 991</b>
<b>Total investments including investments in subsidiaries</b>	<b>331 416</b>	<b>327 220</b>	-	-	<b>960 824</b>	<b>570 695</b>	<b>538 813</b>	<b>495 556</b>
Deferred tax asset, intangible assets and PPE	10 766	10 875	4 978	4 337	-	4 044	-	-
Reinsurers' share of outstanding claims	215 486	241 726	961 830	928 932	59 643	52 374	-	-
Reinsurers' share of unearned premium reserve	20 707	19 704	367 636	290 388	-	-	-	-
Gross expected salvages and recoveries	-	-	-	-	84 363	86 700	-	-
Deferred acquisition costs	2 455	2 340	83 462	72 714	14 009	14 967	64 142	56 138
Cash and cash equivalents	33 148	19 679	161 939	176 978	29 810	301 424	115 736	258 498
Other assets	38 864	33 575	216 860	190 312	309 233	242 293	77 455	143 069
<b>Total assets</b>	<b>652 842</b>	<b>655 119</b>	<b>1 796 705</b>	<b>1 663 661</b>	<b>1 457 882</b>	<b>1 272 497</b>	<b>796 146</b>	<b>953 261</b>
International solvency margin	57%	49%	20558%	2149%	50%	43%	96%	124%
Total assets/Total liabilities	156%	140%	107%	107%	193%	182%	178%	183%
Change in shareholders' funds	25%		6%		23%		(19%)	

**SHORT TERM INSURERS | Statement of Financial Position | R'000**

Accounting year end	Dec-17	Dec-16	Jun-17	Jun-16	Dec-17	Dec-16	Dec-17	Dec-16
Group/Company	<b>Bryte Insurance Company Limited</b>		<b>Budget Insurance Company (RF) Limited</b>		<b>Centriq Insurance Company Limited</b>		<b>Chubb Insurance South Africa Limited</b>	
Share capital and share premium	4 650	4 650	80 001	80 001	55 000	55 000	115 000	115 000
Retained earnings/(deficit)	1 489 850	1 352 587	371 525	207 060	190 751	190 960	92 744	63 642
Reserves	51 891	125 946	-	-	-	-	2 417	2 581
<b>Total shareholders' funds</b>	<b>1 546 391</b>	<b>1 483 183</b>	<b>451 526</b>	<b>287 061</b>	<b>245 751</b>	<b>245 960</b>	<b>210 161</b>	<b>181 223</b>
Gross outstanding claims	2 288 759	1 607 642	206 443	198 827	716 650	676 830	673 510	467 878
Gross unearned premium reserve	622 025	618 151	41 488	16 360	2 102 927	1 704 866	214 708	221 975
Reinsurers' share of expected salvages and recoveries	-	-	26 896	26 182	-	-	-	-
Owing to cell owners	-	-	-	-	1 143 776	1 029 037	-	-
Deferred reinsurance commission revenue	35 778	17 378	-	-	36 652	22 292	46 726	48 867
Deferred tax liability	-	-	-	-	-	-	554	829
Other liabilities	992 785	705 095	84 456	63 320	956 925	754 831	119 327	101 918
<b>Total liabilities</b>	<b>3 939 347</b>	<b>2 948 266</b>	<b>359 283</b>	<b>304 689</b>	<b>4 956 930</b>	<b>4 187 856</b>	<b>1 054 825</b>	<b>841 467</b>
<b>Total investments including investments in subsidiaries</b>	<b>3 228 744</b>	<b>3 215 283</b>	<b>582 059</b>	<b>30 654</b>	<b>3 996 712</b>	<b>3 309 776</b>	<b>273 172</b>	<b>186 441</b>
Deferred tax asset, intangible assets and PPE	276 035	290 716	285	872	31 363	15 138	3 004	4 556
Reinsurers' share of outstanding claims	1 323 101	336 178	22 346	22 044	266 242	279 543	554 116	370 612
Reinsurers' share of unearned premium reserve	221 595	139 588	-	-	120 036	78 492	155 487	165 575
Gross expected salvages and recoveries	-	-	55 972	54 871	-	-	-	-
Deferred acquisition costs	82 476	78 496	1 509	-	31 305	25 321	30 767	32 470
Cash and cash equivalents	318 237	316 293	54 437	409 123	316 595	274 827	121 704	104 913
Other assets	35 550	54 895	94 201	74 186	440 428	450 719	126 736	158 123
<b>Total assets</b>	<b>5 485 738</b>	<b>4 431 449</b>	<b>810 809</b>	<b>591 750</b>	<b>5 202 681</b>	<b>4 433 816</b>	<b>1 264 986</b>	<b>1 022 690</b>
International solvency margin	58%	50%	60%	42%	33%	42%	168%	154%
Total assets/Total liabilities	139%	150%	226%	194%	105%	106%	120%	122%
Change in shareholders' funds	4%		57%		0%		16%	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Mar-17	Mar-16	Jun-17	Jun-16
Group/Company	Clientele General Insurance Limited		Compass Insurance Company Limited		Corporate Guarantee (South Africa) Limited		Dial Direct Insurance (RF) Limited	
Share capital and share premium	42 500	42 500	114 284	114 284	42 900	42 900	20 001	20 001
Retained earnings/(deficit)	144 576	110 507	100 446	81 834	25 741	23 185	223 800	170 785
Reserves	3 169	2 419	214	(234)	-	-	-	-
<b>Total shareholders' funds</b>	<b>190 245</b>	<b>155 426</b>	<b>214 944</b>	<b>195 884</b>	<b>68 641</b>	<b>66 085</b>	<b>243 801</b>	<b>190 786</b>
Gross outstanding claims	5 754	5 707	584 836	435 359	8 236	6 655	126 605	115 806
Gross unearned premium reserve	3 627	5 033	106 119	93 781	480 121	406 040	109 865	97 461
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	12 638	13 510
Owing to cell owners	-	-	-	-	-	-	-	-
Deferred reinsurance commission revenue	-	-	32 739	29 492	-	-	-	-
Deferred tax liability	4 015	5 040	-	-	-	140	310	-
Other liabilities	48 220	45 073	245 631	220 428	6 380	5 347	63 104	37 646
<b>Total liabilities</b>	<b>61 616</b>	<b>60 853</b>	<b>969 325</b>	<b>779 060</b>	<b>494 737</b>	<b>418 182</b>	<b>312 522</b>	<b>264 423</b>
<b>Total investments including investments in subsidiaries</b>	<b>201 337</b>	<b>177 087</b>	<b>463 073</b>	<b>407 094</b>	<b>443 326</b>	<b>298 276</b>	<b>416 783</b>	<b>85 832</b>
Deferred tax asset, intangible assets and PPE	16 083	14 735	8 141	5 917	932	82	-	1 120
Reinsurers' share of outstanding claims	-	-	522 648	393 042	-	-	13 296	13 463
Reinsurers' share of unearned premium reserve	-	-	109 719	93 622	-	-	-	-
Gross expected salvages and recoveries	-	-	-	-	-	-	26 178	28 100
Deferred acquisition costs	-	-	30 081	26 635	-	-	423	-
Cash and cash equivalents	31 302	22 663	19 654	20 323	56 584	116 578	36 027	278 971
Other assets	3 139	1 794	30 953	28 311	62 536	69 331	63 616	47 723
<b>Total assets</b>	<b>251 861</b>	<b>216 279</b>	<b>1 184 269</b>	<b>974 944</b>	<b>563 378</b>	<b>484 267</b>	<b>556 323</b>	<b>455 209</b>
International solvency margin	54%	51%	263%	280%	83%	240%	59%	47%
Total assets/Total liabilities	409%	355%	122%	125%	114%	116%	178%	172%
Change in shareholders' funds	22%		10%		4%		28%	



## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Dec-17	Dec-16	Mar-17	Mar-16	Mar-17	Mar-16	Jun-17	Jun-16
Group/Company	Enpet Africa Insurance Limited		Escap SOC Limited		Export Credit Insurance Corporation of South Africa SOC Limited		First for Women Insurance Company (RF) Limited	
Share capital and share premium	3 000	3 000	379 500	379 500	316 051	316 051	82 000	82 000
Retained earnings/(deficit)	90 023	91 172	4 726 121	2 584 705	656 603	1 933 635	97 931	27 735
Reserves	23 868	23 286	5 647	(3 953)	2 597 222	2 998 170	-	-
<b>Total shareholders' funds</b>	<b>116 891</b>	<b>117 458</b>	<b>5 111 268</b>	<b>2 960 252</b>	<b>3 569 876</b>	<b>5 247 856</b>	<b>179 931</b>	<b>109 735</b>
Gross outstanding claims	149 998	125 958	3 626 581	8 795 818	525 079	760 054	118 415	101 146
Gross unearned premium reserve	-	-	968 766	1 148 664	2 711 440	3 350 658	37 356	29 227
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	20 938	20 241
Owing to cell owners	-	-	-	-	-	-	-	-
Deferred reinsurance commission revenue	-	-	41 428	48 448	-	-	-	-
Deferred tax liability	1 054	593	50 382	58 929	23 044	43 357	-	-
Other liabilities	1 824	1 340	6 755	132 645	1 731 043	30 387	62 076	43 495
<b>Total liabilities</b>	<b>152 876</b>	<b>127 891</b>	<b>4 693 912</b>	<b>10 184 504</b>	<b>4 990 606</b>	<b>4 184 456</b>	<b>238 785</b>	<b>194 109</b>
<b>Total investments including investments in subsidiaries</b>	<b>113 763</b>	<b>98 711</b>	<b>8 175 557</b>	<b>8 469 632</b>	<b>6 685 902</b>	<b>7 072 663</b>	<b>271 553</b>	<b>43 096</b>
Deferred tax asset, intangible assets and PPE	-	-	-	-	11 663	14 471	150	55
Reinsurers' share of outstanding claims	27 323	32 821	938 612	3 824 648	-	-	23 022	18 902
Reinsurers' share of unearned premium reserve	-	-	414 285	484 479	-	-	-	-
Gross expected salvages and recoveries	-	-	-	-	-	-	21 986	21 274
Deferred acquisition costs	-	-	20 714	24 224	-	-	624	-
Cash and cash equivalents	122 939	106 644	23 935	90 996	284 614	439 960	32 081	161 360
Other assets	5 742	7 173	232 077	250 777	1 578 303	1 905 218	69 300	59 157
<b>Total assets</b>	<b>269 767</b>	<b>245 349</b>	<b>9 805 180</b>	<b>13 144 756</b>	<b>8 560 482</b>	<b>9 432 312</b>	<b>418 716</b>	<b>303 844</b>
International solvency margin	282%	276%	202%	105%	2475%	1274%	742%	446%
Total assets/Total liabilities	176%	192%	209%	129%	172%	225%	175%	157%
Change in shareholders' funds	0%		73%		(32%)		64%	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Jun-17	Jun-16	Sep-17	Sep-16
Group/Company	Guardrisk Insurance Company Limited		HDI Global SA Limited		The Hollard Insurance Company Limited		Indequity Specialised Insurance Limited	
Share capital and share premium	224 414	224 414	17 955	17 955	1 642 601	1 642 601	11 470	11 470
Retained earnings/(deficit)	254 890	169 151	32 985	31 642	1 581 361	2 094 497	18 139	10 987
Reserves	-	-	59	4	4 012	4 012	(510)	(206)
<b>Total shareholders' funds</b>	<b>479 304</b>	<b>393 565</b>	<b>50 998</b>	<b>49 601</b>	<b>3 227 974</b>	<b>3 741 110</b>	<b>29 099</b>	<b>22 251</b>
Gross outstanding claims	1 338 865	1 456 962	340 445	532 858	3 348 912	3 301 658	4 928	3 886
Gross unearned premium reserve	3 502 841	3 155 242	125 650	95 399	1 823 678	1 813 689	260	272
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	-	-
Owing to cell owners	4 742 411	5 152 780	-	-	-	-	-	-
Deferred reinsurance commission revenue	113 940	109 142	27 483	18 298	-	-	-	-
Deferred tax liability	16 376	10 767	-	-	166 581	129 368	154	289
Other liabilities	1 172 145	792 615	70 844	52 678	2 595 625	1 995 030	6 300	2 884
<b>Total liabilities</b>	<b>10 886 578</b>	<b>10 677 508</b>	<b>564 422</b>	<b>699 233</b>	<b>7 934 796</b>	<b>7 239 745</b>	<b>11 642</b>	<b>7 331</b>
<b>Total investments including investments in subsidiaries</b>	<b>7 343 293</b>	<b>6 826 524</b>	<b>42 053</b>	<b>33 007</b>	<b>3 614 597</b>	<b>3 671 371</b>	<b>6 569</b>	<b>3 940</b>
Deferred tax asset, intangible assets and PPE	24 543	35 587	202	224	289 656	255 340	2 883	1 602
Reinsurers' share of outstanding claims	1 186 495	2 297 643	336 038	530 094	1 688 748	1 658 556	42	53
Reinsurers' share of unearned premium reserve	589 301	521 396	123 159	93 494	1 304 701	559 899	-	-
Gross expected salvages and recoveries	-	-	-	-	-	388 443	2 095	2 263
Deferred acquisition costs	87 184	77 462	20 801	13 482	143 311	144 297	-	-
Cash and cash equivalents	1 039 080	442 424	23 733	18 328	2 080 702	2 173 264	28 884	21 378
Other assets	1 095 986	870 037	69 435	60 205	2 041 055	2 129 685	268	346
<b>Total assets</b>	<b>11 365 882</b>	<b>11 071 073</b>	<b>615 420</b>	<b>748 834</b>	<b>11 162 770</b>	<b>10 980 855</b>	<b>40 741</b>	<b>29 582</b>
International solvency margin	15%	13%	1066%	1498%	39%	46%	56%	48%
Total assets/Total liabilities	104%	104%	109%	107%	141%	152%	350%	404%
Change in shareholders' funds	22%		3%		(14%)		31%	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Dec-17	Dec-16	Feb-17	Feb-16
Group/Company	<b>Momentum Short Term Insurance Company Limited</b>		<b>Mutual &amp; Federal Risk Financing Limited</b>		<b>Nedgroup Insurance Company Limited</b>		<b>Oakhurst Insurance Company Limited</b>	
Share capital and share premium	654 050	529 302	4 550	4 550	5 000	5 000	20 000	20 000
Retained earnings/(deficit)	(323 166)	(265 121)	203 563	180 934	642 064	601 366	193 307	157 195
Reserves	-	-	-	-	-	-	4 379	5 582
<b>Total shareholders' funds</b>	<b>330 884</b>	<b>264 181</b>	<b>208 113</b>	<b>185 484</b>	<b>647 064</b>	<b>606 366</b>	<b>217 686</b>	<b>182 777</b>
Gross outstanding claims	138 542	80 263	610 976	573 818	202 876	167 714	113 802	131 813
Gross unearned premium reserve	1 820	1 446	362 981	326 796	395 508	262 405	18 497	9 706
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	7 481	2 334
Owing to cell owners	-	-	761 467	733 713	-	-	-	-
Deferred reinsurance commission revenue	-	-	74 401	75 444	25	1 340	622	1 218
Deferred tax liability	-	-	5 748	2 622	48 084	32 186	10 270	3 179
Other liabilities	56 968	37 642	595 489	406 681	97 611	134 760	43 694	43 231
<b>Total liabilities</b>	<b>197 330</b>	<b>119 351</b>	<b>2 411 062</b>	<b>2 119 074</b>	<b>744 104</b>	<b>598 405</b>	<b>194 366</b>	<b>191 481</b>
<b>Total investments including investments in subsidiaries</b>	<b>406 258</b>	<b>295 687</b>	<b>702 761</b>	<b>778 461</b>	<b>1 019 892</b>	<b>947 593</b>	<b>151 684</b>	<b>158 877</b>
Deferred tax asset, intangible assets and PPE	61 271	51 079	-	-	2 271	1 224	2 755	1 800
Reinsurers' share of outstanding claims	3 809	824	427 579	359 773	91 771	80 405	34 563	61 601
Reinsurers' share of unearned premium reserve	218	186	313 970	323 595	6 833	5 438	2 668	4 910
Gross expected salvages and recoveries	-	-	-	-	-	-	31 877	30 634
Deferred acquisition costs	182	145	74 401	75 444	201 885	90 397	1 372	1 955
Cash and cash equivalents	54 728	32 582	588 807	418 147	19 648	48 427	129 833	94 711
Other assets	1 748	3 029	511 657	349 138	48 867	31 287	57 300	19 770
<b>Total assets</b>	<b>528 214</b>	<b>383 532</b>	<b>2 619 175</b>	<b>2 304 558</b>	<b>1 391 167</b>	<b>1 204 771</b>	<b>412 052</b>	<b>374 258</b>
International solvency margin	53%	45%	210%	674%	66%	63%	39%	40%
Total assets/Total liabilities	268%	321%	109%	109%	187%	201%	212%	195%
Change in shareholders' funds	25%		12%		7%		19%	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Dec-17	Dec-16	Jun-17	Jun-16	Dec-17	Dec-16	Jun-17	Jun-16
Group/Company	Old Mutual Insure Limited		OUTsurance Insurance Company Limited		PPS Short-term Insurance Company Limited		Regent Insurance Company Limited	
Share capital and share premium	1 797 000	1 797 000	25 000	25 000	270 613	223 613	200 503	455 504
Retained earnings/(deficit)	2 480 000	2 924 000	3 573 388	3 193 954	(152 335)	(134 267)	18 359	66 065
Reserves	84 000	89 000	74 187	80 887	-	-	767 184	536 650
<b>Total shareholders' funds</b>	<b>4 361 000</b>	<b>4 810 000</b>	<b>3 672 575</b>	<b>3 299 841</b>	<b>118 278</b>	<b>89 346</b>	<b>986 046</b>	<b>1 058 219</b>
Gross outstanding claims	2 910 000	2 994 000	1 278 541	1 126 364	27 861	16 337	288 676	338 625
Gross unearned premium reserve	799 000	815 000	449 188	440 692	1 018	126	346 455	358 114
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	-	-
Owing to cell owners	-	-	-	-	-	-	-	-
Deferred reinsurance commission revenue	63 000	58 000	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-	24 815	36 188
Other liabilities	2 774 000	1 290 000	560 824	614 561	21 824	16 486	172 436	201 596
<b>Total liabilities</b>	<b>6 546 000</b>	<b>5 157 000</b>	<b>2 288 553</b>	<b>2 181 617</b>	<b>50 703</b>	<b>32 949</b>	<b>832 382</b>	<b>934 523</b>
<b>Total investments including investments in subsidiaries</b>	<b>5 313 000</b>	<b>5 611 000</b>	<b>5 002 470</b>	<b>4 727 844</b>	-	-	<b>1 089 256</b>	<b>1 522 681</b>
Deferred tax asset, intangible assets and PPE	456 000	448 000	199 158	170 632	53 587	48 493	109 475	254 685
Reinsurers' share of outstanding claims	1 027 000	964 000	110 726	14 237	1 079	2 235	35 859	51 079
Reinsurers' share of unearned premium reserve	319 000	318 000	-	-	-	-	358	694
Gross expected salvages and recoveries	287 000	292 000	-	-	-	-	-	-
Deferred acquisition costs	123 000	129 000	-	-	64	14	-	-
Cash and cash equivalents	319 000	119 000	304 366	189 827	110 363	63 708	469 096	92 592
Other assets	3 063 000	2 086 000	344 409	378 918	3 888	7 845	114 384	71 011
<b>Total assets</b>	<b>10 907 000</b>	<b>9 967 000</b>	<b>5 961 129</b>	<b>5 481 458</b>	<b>168 981</b>	<b>122 295</b>	<b>1 818 428</b>	<b>1 992 742</b>
International solvency margin	57%	63%	51%	48%	N/A	103%	75%	78%
Total assets/Total liabilities	167%	193%	260%	251%	333%	371%	218%	213%
Change in shareholders' funds	(9%)		11%		32%		(7%)	

## SHORT TERM INSURERS | Statement of Financial Position | R'000

Accounting year end	Jun-17	Jun-16	Mar-17	Mar-16	Dec-17	Dec-16	Mar-17	Mar-16
Group/Company	Renaissance Insurance Company Limited		Safire Insurance Company Limited		Santam Limited		Sasria SOC Limited	
Share capital and share premium	56 550	56 550	10 053	10 053	103 000	103 000	-	-
Retained earnings/(deficit)	800	(1 482)	123 416	101 404	6 980 000	6 552 000	5 284 277	4 937 786
Reserves	-	-	36 778	30 714	-	(6 000)	480 286	434 750
<b>Total shareholders' funds</b>	<b>57 350</b>	<b>55 068</b>	<b>170 247</b>	<b>142 171</b>	<b>7 083 000</b>	<b>6 649 000</b>	<b>5 764 563</b>	<b>5 372 536</b>
Gross outstanding claims	151 673	144 487	95 987	79 121	9 376 000	7 821 000	809 034	694 038
Gross unearned premium reserve	24 628	21 775	61 343	54 557	3 053 000	2 919 000	393 280	350 357
Reinsurers' share of expected salvages and recoveries	-	-	-	-	-	-	-	-
Owing to cell owners	-	-	131 305	105 281	-	-	-	-
Deferred reinsurance commission revenue	-	-	-	-	284 000	247 000	7 219	5 968
Deferred tax liability	-	-	7 412	6 095	14 000	42 000	18 159	15 361
Other liabilities	135 540	134 227	63 056	53 701	6 174 000	6 182 000	104 861	159 665
<b>Total liabilities</b>	<b>311 841</b>	<b>300 489</b>	<b>359 103</b>	<b>298 755</b>	<b>18 901 000</b>	<b>17 211 000</b>	<b>1 332 553</b>	<b>1 225 389</b>
<b>Total investments including investments in subsidiaries</b>	<b>6 111</b>	<b>6 111</b>	<b>279 726</b>	<b>190 089</b>	<b>13 208 000</b>	<b>14 046 000</b>	<b>4 031 555</b>	<b>4 591 336</b>
Deferred tax asset, intangible assets and PPE	6 921	6 749	18 043	17 539	344 000	388 000	8 946	14 624
Reinsurers' share of outstanding claims	131 313	124 949	39 343	32 431	4 015 000	2 866 000	137	823
Reinsurers' share of unearned premium reserve	22 088	19 390	9 072	9 446	1 153 000	1 043 000	24 065	19 894
Gross expected salvages and recoveries	-	-	-	-	-	-	-	-
Deferred acquisition costs	4 483	3 890	11 291	10 514	490 000	437 000	53 269	45 428
Cash and cash equivalents	134 387	114 080	25 881	45 275	2 026 000	1 610 000	2 790 334	1 767 111
Other assets	63 888	80 388	145 994	135 632	4 748 000	3 470 000	188 810	158 709
<b>Total assets</b>	<b>369 191</b>	<b>355 557</b>	<b>529 350</b>	<b>440 926</b>	<b>25 984 000</b>	<b>23 860 000</b>	<b>7 097 116</b>	<b>6 597 925</b>
International solvency margin	43%	42%	76%	75%	36%	37%	339%	348%
Total assets/Total liabilities	118%	118%	147%	148%	137%	139%	533%	538%
Change in shareholders' funds	4%		20%		7%		7%	

**SHORT TERM INSURERS | Statement of Financial Position | R'000**

Accounting year end	Dec-17	Dec-16	Sep-17	Sep-16
Group/Company	<b>Standard Insurance Limited</b>		<b>Unitrans Insurance Limited</b>	
Share capital and share premium	30 000	30 000	15 150	15 150
Retained earnings/(deficit)	1 398 854	1 302 193	370 384	328 312
Reserves	140	140	-	-
<b>Total shareholders' funds</b>	<b>1 428 994</b>	<b>1 332 333</b>	<b>385 534</b>	<b>343 462</b>
Gross outstanding claims	572 727	388 739	135 520	72 569
Gross unearned premium reserve	44 190	49 495	148 045	135 722
Reinsurers' share of expected salvages and recoveries	-	-	-	-
Owing to cell owners	-	-	-	-
Deferred reinsurance commission revenue	97	2 819	2 606	4 829
Deferred tax liability	7 221	6 813	8 390	7 589
Other liabilities	125 191	118 847	123 571	83 846
<b>Total liabilities</b>	<b>749 426</b>	<b>566 713</b>	<b>418 132</b>	<b>304 555</b>
<b>Total investments including investments in subsidiaries</b>	<b>1 463 324</b>	<b>1 495 282</b>	<b>101 197</b>	<b>94 482</b>
Deferred tax asset, intangible assets and PPE	1 903	1 665	-	-
Reinsurers' share of outstanding claims	113 841	71 749	57 824	45 514
Reinsurers' share of unearned premium reserve	606	8 531	64 368	52 038
Gross expected salvages and recoveries	-	-	-	-
Deferred acquisition costs	2 654	5 343	33 288	35 327
Cash and cash equivalents	206 190	178 618	494 054	330 738
Other assets	389 902	137 858	52 935	89 918
<b>Total assets</b>	<b>2 178 420</b>	<b>1 899 046</b>	<b>803 666</b>	<b>648 017</b>
International solvency margin	62%	63%	220%	259%
Total assets/Total liabilities	291%	335%	192%	213%
Change in shareholders' funds	7%		12%	

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16 Restated	Nov-17	Nov-16
Group/Company	Absa idirect Limited		Absa Insurance Company Limited		Absa Insurance Risk Management Services Limited		AIG South Africa Limited	
Gross premiums written	500 244	467 279	2 350 748	2 340 964	3 648	15 900	2 014 110	2 285 294
Net premiums written	488 560	441 651	2 188 487	2 216 199	-	-	255 591	235 954
<b>Earned premiums</b>	<b>487 357</b>	<b>442 050</b>	<b>2 182 289</b>	<b>2 211 753</b>	<b>-</b>	<b>-</b>	<b>272 493</b>	<b>253 252</b>
<b>Total net investment income</b>	<b>23 018</b>	<b>19 666</b>	<b>157 700</b>	<b>153 626</b>	<b>7 129</b>	<b>(5 076)</b>	<b>84 633</b>	<b>85 695</b>
Reinsurance commission revenue	603	178	13 405	22 006	-	-	628 245	696 365
Other income	4 185	4 173	29 669	33 547	19	16	-	-
<b>Total income</b>	<b>515 163</b>	<b>466 067</b>	<b>2 383 063</b>	<b>2 420 932</b>	<b>7 148</b>	<b>(5 060)</b>	<b>985 371</b>	<b>1 035 312</b>
Net claims incurred	354 358	358 884	1 444 594	1 494 562	4 782	(8 024)	305 146	290 011
Acquisition costs	80 215	63 969	358 285	386 393	-	-	336 898	357 789
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	25 885	23 253	373 074	291 871	2 242	903	436 500	418 864
<b>Total expenses</b>	<b>460 458</b>	<b>446 106</b>	<b>2 175 953</b>	<b>2 172 826</b>	<b>7 024</b>	<b>(7 121)</b>	<b>1 078 544</b>	<b>1 066 664</b>
<b>Net profit/(loss) before taxation</b>	<b>54 705</b>	<b>19 961</b>	<b>207 110</b>	<b>248 106</b>	<b>124</b>	<b>2 061</b>	<b>(93 173)</b>	<b>(31 352)</b>
Taxation	15 319	5 589	52 454	70 739	-	595	(24 787)	(7 753)
<b>Net profit/(loss) after taxation</b>	<b>39 386</b>	<b>14 372</b>	<b>154 656</b>	<b>177 367</b>	<b>124</b>	<b>1 466</b>	<b>(68 386)</b>	<b>(23 599)</b>
Other comprehensive income/(expense)	-	-	-	8 283	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>39 386</b>	<b>14 372</b>	<b>154 656</b>	<b>185 650</b>	<b>124</b>	<b>1 466</b>	<b>(68 386)</b>	<b>(23 599)</b>
Transfer to/(from) retained earnings	-	-	-	-	-	-	-	-
Other comprehensive (income)/expense	-	-	-	-	-	-	-	-
Dividends	-	-	159 000	152 000	-	-	-	-
<b>Change in retained earnings</b>	<b>39 386</b>	<b>14 372</b>	<b>(4 344)</b>	<b>33 650</b>	<b>124</b>	<b>1 466</b>	<b>(68 386)</b>	<b>(23 599)</b>
Net premium to gross premium	98%	95%	93%	95%	0%	0%	13%	10%
Claims incurred to earned premium	73%	81%	66%	68%	N/A	N/A	112%	115%
Management and other expenses to net earned premium	5%	5%	17%	13%	N/A	N/A	160%	165%
Combined ratio	94%	101%	99%	97%	N/A	N/A	165%	146%
Operating ratio	90%	96%	92%	90%	N/A	N/A	134%	112%
Return on equity	18%	8%	13%	15%	0%	3%	(11%)	(4%)

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Mar-17	Mar-16	Dec-17	Dec-16	Jun-17	Jun-16	Jun-17	Jun-16
Group/Company	Alexander Forbes Insurance Company Limited		Allianz Global Corporate and Specialty South Africa Limited		Auto and General Insurance Company (RF) Limited		Bidvest Insurance Limited	
Gross premiums written	1 633 203	1 501 552	946 649	764 034	3 249 310	3 033 732	512 323	391 791
Net premiums written	413 054	384 102	594	5 354	1 416 319	1 344 249	360 978	346 960
<b>Earned premiums</b>	<b>412 695</b>	<b>383 645</b>	<b>(190)</b>	<b>1 324</b>	<b>1 420 672</b>	<b>1 343 257</b>	<b>390 420</b>	<b>343 950</b>
<b>Total net investment income</b>	<b>29 497</b>	<b>23 631</b>	<b>10 029</b>	<b>7 007</b>	<b>57 051</b>	<b>59 204</b>	<b>33 041</b>	<b>42 346</b>
Reinsurance commission revenue	294 267	291 293	256 292	195 494	730 628	680 688	38 653	7 768
Other income	66 091	59 960	6 000	4 552	64 632	58 821	-	-
<b>Total income</b>	<b>802 550</b>	<b>758 529</b>	<b>272 131</b>	<b>208 377</b>	<b>2 272 983</b>	<b>2 141 970</b>	<b>462 114</b>	<b>394 064</b>
Net claims incurred	278 870	272 266	13 910	(24 070)	910 032	857 290	160 888	128 614
Acquisition costs	79 744	71 079	127 658	102 042	462 933	428 760	89 146	82 881
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	379 327	370 481	120 750	123 497	720 424	679 426	142 906	103 708
<b>Total expenses</b>	<b>737 941</b>	<b>713 826</b>	<b>262 318</b>	<b>201 469</b>	<b>2 093 389</b>	<b>1 965 476</b>	<b>392 940</b>	<b>315 203</b>
<b>Net profit/(loss) before taxation</b>	<b>64 609</b>	<b>44 703</b>	<b>9 813</b>	<b>6 908</b>	<b>179 594</b>	<b>176 494</b>	<b>69 174</b>	<b>78 861</b>
Taxation	17 642	12 139	2 754	1 957	46 915	50 069	19 033	17 384
<b>Net profit/(loss) after taxation</b>	<b>46 967</b>	<b>32 564</b>	<b>7 059</b>	<b>4 951</b>	<b>132 679</b>	<b>126 425</b>	<b>50 141</b>	<b>61 477</b>
Other comprehensive income/(expense)	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>46 967</b>	<b>32 564</b>	<b>7 059</b>	<b>4 951</b>	<b>132 679</b>	<b>126 425</b>	<b>50 141</b>	<b>61 477</b>
Transfer to/(from) retained earnings	-	-	-	-	-	-	82 483	112 127
Other comprehensive (income)/expense	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	102 500	133 795	118 500
<b>Change in retained earnings</b>	<b>46 967</b>	<b>32 564</b>	<b>7 059</b>	<b>4 951</b>	<b>132 679</b>	<b>23 925</b>	<b>(1 171)</b>	<b>55 104</b>
Net premium to gross premium	25%	26%	0%	1%	44%	44%	70%	89%
Claims incurred to earned premium	68%	71%	(7321%)	(1818%)	64%	64%	41%	37%
Management and other expenses to net earned premium	92%	97%	(63553%)	9328%	51%	51%	37%	30%
Combined ratio	108%	110%	(3172%)	451%	96%	96%	91%	89%
Operating ratio	100%	104%	2107%	(78%)	92%	91%	82%	77%
Return on equity	20%	17%	6%	4%	19%	22%	14%	14%



## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Dec-17	Dec-16	Jun-17	Jun-16	Dec-17	Dec-16	Dec-17	Dec-16
Group/Company	Bryte Insurance Company Limited		Budget Insurance Company (RF) Limited		Centriq Insurance Company Limited		Chubb Insurance South Africa Limited	
Gross premiums written	4 115 205	3 736 734	1 559 479	1 368 580	2 477 174	2 144 058	550 649	555 486
Net premiums written	2 664 143	2 975 221	757 593	675 723	746 637	590 087	125 319	117 329
<b>Earned premiums</b>	<b>2 742 276</b>	<b>2 917 985</b>	<b>732 465</b>	<b>664 815</b>	<b>412 383</b>	<b>570 448</b>	<b>122 498</b>	<b>106 148</b>
<b>Total net investment income</b>	<b>428 837</b>	<b>455 697</b>	<b>38 512</b>	<b>21 718</b>	<b>228 391</b>	<b>296 358</b>	<b>21 924</b>	<b>16 357</b>
Reinsurance commission revenue	118 110	141 524	356 421	310 194	336 757	257 979	122 669	119 384
Other income	4 407	4 380	62 419	46 176	67 010	76 573	4 120	3 393
<b>Total income</b>	<b>3 293 630</b>	<b>3 519 586</b>	<b>1 189 817</b>	<b>1 042 903</b>	<b>1 044 541</b>	<b>1 201 358</b>	<b>271 211</b>	<b>245 282</b>
Net claims incurred	1 797 626	2 092 908	507 216	456 818	422 928	515 458	84 953	64 136
Acquisition costs	646 894	653 515	25 550	26 068	278 639	261 637	97 123	97 681
Cell owners' transactions	-	-	-	-	12 420	99 979	-	-
Management and other expenses	683 800	791 918	428 482	427 603	249 394	248 029	48 610	47 808
<b>Total expenses</b>	<b>3 128 320</b>	<b>3 538 341</b>	<b>961 248</b>	<b>910 489</b>	<b>963 381</b>	<b>1 125 103</b>	<b>230 686</b>	<b>209 625</b>
<b>Net profit/(loss) before taxation</b>	<b>165 310</b>	<b>(18 755)</b>	<b>228 569</b>	<b>132 414</b>	<b>81 160</b>	<b>76 255</b>	<b>40 525</b>	<b>35 657</b>
Taxation	28 047	(30 823)	64 104	37 018	21 369	21 347	11 423	8 853
<b>Net profit/(loss) after taxation</b>	<b>137 263</b>	<b>12 068</b>	<b>164 465</b>	<b>95 396</b>	<b>59 791</b>	<b>54 908</b>	<b>29 102</b>	<b>26 804</b>
Other comprehensive income/(expense)	(78 649)	(160 605)	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>58 614</b>	<b>(148 537)</b>	<b>164 465</b>	<b>95 396</b>	<b>59 791</b>	<b>54 908</b>	<b>29 102</b>	<b>26 804</b>
Transfer to/(from) retained earnings	-	-	-	-	-	1 342	-	-
Other comprehensive (income)/expense	78 649	160 605	-	-	-	-	-	-
Dividends	-	-	-	67 500	60 000	-	-	-
<b>Change in retained earnings</b>	<b>137 263</b>	<b>12 068</b>	<b>164 465</b>	<b>27 896</b>	<b>(209)</b>	<b>53 566</b>	<b>29 102</b>	<b>26 804</b>
Net premium to gross premium	65%	80%	49%	49%	30%	28%	23%	21%
Claims incurred to earned premium	66%	72%	69%	69%	103%	90%	69%	60%
Management and other expenses to net earned premium	25%	27%	58%	64%	60%	43%	40%	45%
Combined ratio	110%	116%	83%	90%	149%	134%	88%	85%
Operating ratio	94%	101%	77%	87%	94%	83%	70%	70%
Return on equity	9%	1%	36%	33%	24%	22%	14%	15%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Mar-17	Mar-16	Jun-17	Jun-16
Group/Company	Clientele General Insurance Limited		Compass Insurance Company Limited		Corporate Guarantee (South Africa) Limited		Dial Direct Insurance (RF) Limited	
Gross premiums written	351 661	302 189	1 301 779	1 099 754	83 000	27 493	907 119	884 529
Net premiums written	351 661	302 189	81 833	69 931	83 000	27 493	416 093	406 391
<b>Earned premiums</b>	<b>351 661</b>	<b>302 189</b>	<b>85 592</b>	<b>74 076</b>	<b>8 919</b>	<b>15 012</b>	<b>403 689</b>	<b>406 541</b>
<b>Total net investment income</b>	<b>10 250</b>	<b>8 355</b>	<b>39 635</b>	<b>30 085</b>	<b>42 436</b>	<b>34 824</b>	<b>30 248</b>	<b>26 059</b>
Reinsurance commission revenue	-	-	451 733	378 975	-	-	217 994	212 998
Other income	1 826	1 652	1 680	2 015	59	2 035	29 090	21 283
<b>Total income</b>	<b>363 737</b>	<b>312 196</b>	<b>578 640</b>	<b>485 151</b>	<b>51 414</b>	<b>51 871</b>	<b>681 021</b>	<b>666 881</b>
Net claims incurred	38 799	34 586	71 907	44 725	25 845	25 559	287 780	290 036
Acquisition costs	163 101	140 047	428 144	357 550	1 247	1 301	9 317	7 583
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	76 781	60 668	42 437	39 146	22 161	20 988	310 315	276 331
<b>Total expenses</b>	<b>278 681</b>	<b>235 301</b>	<b>542 488</b>	<b>441 421</b>	<b>49 253</b>	<b>47 848</b>	<b>607 412</b>	<b>573 950</b>
<b>Net profit/(loss) before taxation</b>	<b>85 056</b>	<b>76 895</b>	<b>36 152</b>	<b>43 730</b>	<b>2 161</b>	<b>4 023</b>	<b>73 609</b>	<b>92 931</b>
Taxation	23 222	21 252	7 539	10 038	(394)	274	20 594	26 223
<b>Net profit/(loss) after taxation</b>	<b>61 834</b>	<b>55 643</b>	<b>28 613</b>	<b>33 692</b>	<b>2 555</b>	<b>3 749</b>	<b>53 015</b>	<b>66 708</b>
Other comprehensive income/(expense)	-	-	449	718	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>61 834</b>	<b>55 643</b>	<b>29 062</b>	<b>34 410</b>	<b>2 555</b>	<b>3 749</b>	<b>53 015</b>	<b>66 708</b>
Transfer to/(from) retained earnings	(265)	(95)	-	-	-	-	-	-
Other comprehensive (income)/expense	-	-	-	-	-	-	-	-
Dividends	27 500	24 500	10 000	-	-	-	-	70 000
<b>Change in retained earnings</b>	<b>34 069</b>	<b>31 048</b>	<b>19 062</b>	<b>34 410</b>	<b>2 555</b>	<b>3 749</b>	<b>53 015</b>	<b>(3 292)</b>
Net premium to gross premium	100%	100%	6%	6%	100%	100%	46%	46%
Claims incurred to earned premium	11%	11%	84%	60%	290%	170%	71%	71%
Management and other expenses to net earned premium	22%	20%	50%	53%	248%	140%	77%	68%
Combined ratio	79%	78%	106%	84%	552%	319%	96%	89%
Operating ratio	76%	75%	60%	44%	76%	87%	89%	82%
Return on equity	33%	36%	13%	17%	4%	6%	22%	35%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Dec-17	Dec-16	Mar-17	Mar-16	Mar-17	Mar-16	Jun-17	Jun-16
Group/Company	Enpet Africa Insurance Limited		Escap SOC Limited		Export Credit Insurance Corporation of South Africa SOC Limited		First for Women Insurance Company (RF) Limited	
Gross premiums written	57 929	58 888	2 978 536	3 411 047	144 262	411 894	857 803	761 475
Net premiums written	41 493	42 561	2 531 657	2 820 903	144 262	411 894	24 235	24 604
<b>Earned premiums</b>	<b>41 493</b>	<b>42 818</b>	<b>2 641 361</b>	<b>2 731 242</b>	<b>475 955</b>	<b>621 103</b>	<b>16 106</b>	<b>20 057</b>
<b>Total net investment income</b>	<b>18 703</b>	<b>16 195</b>	<b>648 939</b>	<b>506 533</b>	<b>135 374</b>	<b>254 300</b>	<b>19 042</b>	<b>11 694</b>
Reinsurance commission revenue	3 127	3 160	33 991	24 601	-	-	234 183	208 166
Other income	(71)	93	3 741	992	3 458	14 051	28 811	19 849
<b>Total income</b>	<b>63 252</b>	<b>62 266</b>	<b>3 328 032</b>	<b>3 263 368</b>	<b>614 787</b>	<b>889 454</b>	<b>298 142</b>	<b>259 766</b>
Net claims incurred	35 827	13 051	260 945	1 079 355	(246 342)	(76 167)	40 959	33 140
Acquisition costs	255	280	4 181	(1 610)	622	228	12 590	8 626
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	7 186	6 128	102 113	68 314	1 964 585	619 836	147 186	151 059
<b>Total expenses</b>	<b>43 268</b>	<b>19 459</b>	<b>367 239</b>	<b>1 146 059</b>	<b>1 718 865</b>	<b>543 897</b>	<b>200 735</b>	<b>192 825</b>
<b>Net profit/(loss) before taxation</b>	<b>19 984</b>	<b>42 807</b>	<b>2 960 793</b>	<b>2 117 309</b>	<b>(1 104 078)</b>	<b>345 557</b>	<b>97 407</b>	<b>66 941</b>
Taxation	5 682	11 975	819 377	585 631	130 241	357 059	27 211	18 815
<b>Net profit/(loss) after taxation</b>	<b>14 302</b>	<b>30 832</b>	<b>2 141 416</b>	<b>1 531 678</b>	<b>(1 234 319)</b>	<b>(11 502)</b>	<b>70 196</b>	<b>48 126</b>
Other comprehensive income/(expense)	547	318	9 600	(2 939)	(443 661)	935 119	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>14 849</b>	<b>31 150</b>	<b>2 151 016</b>	<b>1 528 739</b>	<b>(1 677 980)</b>	<b>923 617</b>	<b>70 196</b>	<b>48 126</b>
Transfer to/(from) retained earnings	35	4 062	-	-	(42 713)	626 844	-	-
Other comprehensive (income)/expense	(547)	(318)	(9 600)	2 939	443 661	(935 119)	-	-
Dividends	15 416	4 920	-	-	-	-	-	50 000
<b>Change in retained earnings</b>	<b>(1 149)</b>	<b>21 850</b>	<b>2 141 416</b>	<b>1 531 678</b>	<b>(1 277 032)</b>	<b>615 342</b>	<b>70 196</b>	<b>(1 874)</b>
Net premium to gross premium	72%	72%	85%	83%	100%	100%	3%	3%
Claims incurred to earned premium	86%	30%	10%	40%	(52%)	(12%)	254%	165%
Management and other expenses to net earned premium	17%	14%	4%	3%	413%	100%	914%	753%
Combined ratio	97%	38%	13%	41%	361%	88%	(208%)	(76%)
Operating ratio	52%	0%	(12%)	23%	333%	47%	(326%)	(135%)
Return on equity	12%	26%	42%	52%	(35%)	0%	39%	44%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Jun-17	Jun-16	Sep-17	Sep-16
Group/Company	Guardrisk Insurance Company Limited		HDI Global SA Limited		The Hollard Insurance Company Limited		Indequity Specialised Insurance Limited	
Gross premiums written	6 949 397	6 295 073	456 904	607 120	10 475 094	10 386 327	53 956	49 069
Net premiums written	3 268 209	3 014 965	4 784	3 311	8 245 096	8 138 915	52 109	46 833
<b>Earned premiums</b>	<b>2 960 435</b>	<b>3 081 325</b>	<b>4 198</b>	<b>4 145</b>	<b>8 189 034</b>	<b>8 147 850</b>	<b>52 121</b>	<b>46 806</b>
<b>Total net investment income</b>	<b>667 773</b>	<b>525 840</b>	<b>3 257</b>	<b>4 365</b>	<b>653 201</b>	<b>1 049 668</b>	<b>1 658</b>	<b>1 572</b>
Reinsurance commission revenue	493 467	335 475	47 846	45 733	-	-	-	-
Other income	120 885	106 040	2 028	2 173	157 762	190 258	59	103
<b>Total income</b>	<b>4 242 560</b>	<b>4 048 680</b>	<b>57 329</b>	<b>56 416</b>	<b>8 999 997</b>	<b>9 387 776</b>	<b>53 838</b>	<b>48 481</b>
Net claims incurred	714 833	653 078	2 779	1 397	4 693 830	4 798 541	24 774	19 884
Acquisition costs	792 254	763 192	32 082	30 573	876 289	903 800	3 924	3 577
Cell owners' transactions	384 341	305 885	-	-	-	-	-	-
Management and other expenses	2 226 315	2 228 259	20 294	16 941	2 644 448	2 515 170	15 254	12 939
<b>Total expenses</b>	<b>4 117 743</b>	<b>3 950 414</b>	<b>55 155</b>	<b>48 911</b>	<b>8 214 567</b>	<b>8 217 511</b>	<b>43 952</b>	<b>36 400</b>
<b>Net profit/(loss) before taxation</b>	<b>124 817</b>	<b>98 266</b>	<b>2 173</b>	<b>7 505</b>	<b>785 430</b>	<b>1 170 265</b>	<b>9 886</b>	<b>12 081</b>
Taxation	39 078	32 012	830	2 160	139 986	(184 027)	2 734	3 373
<b>Net profit/(loss) after taxation</b>	<b>85 739</b>	<b>66 254</b>	<b>1 343</b>	<b>5 345</b>	<b>645 444</b>	<b>1 354 292</b>	<b>7 152</b>	<b>8 708</b>
Other comprehensive income/(expense)	-	-	55	55	-	-	304	206
<b>Total comprehensive income/(loss) for the year</b>	<b>85 739</b>	<b>66 254</b>	<b>1 398</b>	<b>5 400</b>	<b>645 444</b>	<b>1 354 292</b>	<b>7 456</b>	<b>8 914</b>
Transfer to/(from) retained earnings	-	-	-	-	-	1 035 750	-	-
Other comprehensive (income)/expense	-	-	(55)	(54)	-	-	(304)	(206)
Dividends	-	70 000	-	4 000	1 158 580	1 989 240	-	13 487
<b>Change in retained earnings</b>	<b>85 739</b>	<b>(3 746)</b>	<b>1 343</b>	<b>1 346</b>	<b>(513 136)</b>	<b>(1 670 698)</b>	<b>7 152</b>	<b>(4 779)</b>
Net premium to gross premium	47%	48%	1%	1%	79%	78%	97%	95%
Claims incurred to earned premium	24%	21%	66%	34%	57%	59%	48%	42%
Management and other expenses to net earned premium	75%	72%	483%	409%	32%	31%	29%	28%
Combined ratio	109%	107%	174%	77%	100%	101%	84%	78%
Operating ratio	87%	90%	97%	(29%)	92%	88%	81%	74%
Return on equity	18%	17%	3%	11%	20%	36%	25%	39%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Jun-17	Jun-16	Dec-17	Dec-16	Dec-17	Dec-16	Feb-17	Feb-16
Group/Company	<b>Momentum Short Term Insurance Company Limited</b>		<b>Mutual &amp; Federal Risk Financing Limited</b>		<b>Nedgroup Insurance Company Limited</b>		<b>Oakhurst Insurance Company Limited</b>	
Gross premiums written	629 847	591 842	2 629 062	2 332 612	1 141 961	1 115 543	666 558	540 309
Net premiums written	622 875	586 545	99 017	27 510	977 673	967 013	552 571	455 670
<b>Earned premiums</b>	<b>622 532</b>	<b>586 705</b>	<b>53 207</b>	<b>44 006</b>	<b>845 965</b>	<b>920 304</b>	<b>541 539</b>	<b>467 979</b>
<b>Total net investment income</b>	<b>30 185</b>	<b>24 886</b>	<b>16 899</b>	<b>11 804</b>	<b>84 403</b>	<b>73 156</b>	<b>15 119</b>	<b>16 216</b>
Reinsurance commission revenue	-	-	417 771	361 414	19 016	20 164	27 135	17 469
Other income	-	-	-	-	37 233	37 757	-	-
<b>Total income</b>	<b>652 717</b>	<b>611 591</b>	<b>487 877</b>	<b>417 224</b>	<b>986 617</b>	<b>1 051 381</b>	<b>583 793</b>	<b>501 664</b>
Net claims incurred	449 115	467 364	5 019	2 107	589 037	501 722	300 761	282 085
Acquisition costs	76 436	80 232	418 793	360 046	84 750	178 288	71 895	54 177
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	194 660	186 330	35 861	26 960	257 327	252 426	161 366	134 009
<b>Total expenses</b>	<b>720 211</b>	<b>733 926</b>	<b>459 673</b>	<b>389 113</b>	<b>931 114</b>	<b>932 436</b>	<b>534 022</b>	<b>470 271</b>
<b>Net profit/(loss) before taxation</b>	<b>(67 494)</b>	<b>(122 335)</b>	<b>28 204</b>	<b>28 111</b>	<b>55 503</b>	<b>118 945</b>	<b>49 771</b>	<b>31 393</b>
Taxation	(9 449)	(17 127)	5 575	8 080	14 805	37 345	13 660	8 706
<b>Net profit/(loss) after taxation</b>	<b>(58 045)</b>	<b>(105 208)</b>	<b>22 629</b>	<b>20 031</b>	<b>40 698</b>	<b>81 600</b>	<b>36 111</b>	<b>22 687</b>
Other comprehensive income/(expense)	-	-	-	-	-	-	(1 203)	(10 669)
<b>Total comprehensive income/(loss) for the year</b>	<b>(58 045)</b>	<b>(105 208)</b>	<b>22 629</b>	<b>20 031</b>	<b>40 698</b>	<b>81 600</b>	<b>34 908</b>	<b>12 018</b>
Transfer to/(from) retained earnings	-	-	-	-	-	-	-	-
Other comprehensive (income)/expense	-	-	-	-	-	-	1 203	10 669
Dividends	-	-	-	-	-	250 000	-	-
<b>Change in retained earnings</b>	<b>(58 045)</b>	<b>(105 208)</b>	<b>22 629</b>	<b>20 031</b>	<b>40 698</b>	<b>(168 400)</b>	<b>36 111</b>	<b>22 687</b>
Net premium to gross premium	99%	99%	4%	1%	86%	87%	83%	84%
Claims incurred to earned premium	72%	80%	9%	5%	70%	55%	56%	60%
Management and other expenses to net earned premium	31%	32%	67%	61%	30%	27%	30%	29%
Combined ratio	116%	125%	79%	63%	108%	99%	94%	97%
Operating ratio	111%	121%	47%	36%	98%	91%	91%	93%
Return on equity	(18%)	(40%)	11%	11%	6%	13%	17%	12%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Dec-17	Dec-16	Jun-17	Jun-16	Dec-17	Dec-16	Jun-17	Jun-16
Group/Company	Old Mutual Insure Limited		OUTsurance Insurance Company Limited		PPS Short-term Insurance Company Limited		Regent Insurance Company Limited	
Gross premiums written	8 751 000	8 718 000	7 396 117	7 019 816	141 589	93 011	1 323 264	1 385 079
Net premiums written	7 631 000	7 676 000	7 259 781	6 916 359	135 987	87 017	1 308 862	1 350 517
<b>Earned premiums</b>	<b>7 647 000</b>	<b>7 680 000</b>	<b>7 251 285</b>	<b>6 906 719</b>	<b>135 096</b>	<b>86 891</b>	<b>1 320 185</b>	<b>1 358 785</b>
<b>Total net investment income</b>	<b>686 000</b>	<b>124 000</b>	<b>398 780</b>	<b>369 948</b>	<b>5 854</b>	<b>3 594</b>	<b>531 451</b>	<b>129 117</b>
Reinsurance commission revenue	159 000	157 000	-	-	1 010	5 636	2 102	5 678
Other income	-	-	-	-	6 361	5 633	20 616	24 721
<b>Total income</b>	<b>8 492 000</b>	<b>7 961 000</b>	<b>7 650 065</b>	<b>7 276 667</b>	<b>148 321</b>	<b>101 754</b>	<b>1 874 354</b>	<b>1 518 301</b>
Net claims incurred	4 925 000	5 183 000	3 566 093	3 555 140	98 954	62 986	577 231	627 182
Acquisition costs	1 496 000	1 321 000	26 086	29 204	8 025	11 587	303 057	288 750
Cell owners' transactions	-	-	-	-	-	-	-	-
Management and other expenses	1 132 000	1 208 000	1 566 430	1 488 892	65 833	60 465	391 048	385 378
<b>Total expenses</b>	<b>7 553 000</b>	<b>7 712 000</b>	<b>5 158 609</b>	<b>5 073 236</b>	<b>172 812</b>	<b>135 038</b>	<b>1 271 336</b>	<b>1 301 310</b>
<b>Net profit/(loss) before taxation</b>	<b>939 000</b>	<b>249 000</b>	<b>2 491 456</b>	<b>2 203 431</b>	<b>(24 491)</b>	<b>(33 284)</b>	<b>603 018</b>	<b>216 991</b>
Taxation	157 000	87 000	717 022	636 568	(6 423)	(12 244)	52 760	52 985
<b>Net profit/(loss) after taxation</b>	<b>782 000</b>	<b>162 000</b>	<b>1 774 434</b>	<b>1 566 863</b>	<b>(18 068)</b>	<b>(21 040)</b>	<b>550 258</b>	<b>164 006</b>
Other comprehensive income/(expense)	(4 000)	(39 000)	(6 700)	(2 937)	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>778 000</b>	<b>123 000</b>	<b>1 767 734</b>	<b>1 563 926</b>	<b>(18 068)</b>	<b>(21 040)</b>	<b>550 258</b>	<b>164 006</b>
Transfer to/(from) retained earnings	(1 000)	(39 000)	(6 700)	(2 937)	-	-	(240 599)	33 826
Other comprehensive (income)/expense	4 000	39 000	-	-	-	-	-	-
Dividends	1 225 000	-	1 395 000	1 202 000	-	8 200	838 563	109 165
<b>Change in retained earnings</b>	<b>(444 000)</b>	<b>123 000</b>	<b>379 434</b>	<b>364 863</b>	<b>(18 068)</b>	<b>(29 240)</b>	<b>(47 706)</b>	<b>21 015</b>
Net premium to gross premium	87%	88%	98%	99%	96%	94%	99%	98%
Claims incurred to earned premium	64%	67%	49%	51%	73%	72%	44%	46%
Management and other expenses to net earned premium	15%	16%	22%	22%	49%	70%	30%	28%
Combined ratio	97%	98%	71%	73%	127%	149%	96%	95%
Operating ratio	88%	97%	66%	68%	123%	145%	56%	86%
Return on equity	18%	3%	48%	47%	(15%)	(24%)	56%	15%

**SHORT TERM INSURERS | Statement of Comprehensive Income | R'000**

Accounting year end	Jun-17	Jun-16	Mar-17	Mar-16	Dec-17	Dec-16	Mar-17	Mar-16
Group/Company	<b>Renasa Insurance Company Limited</b>		<b>Safire Insurance Company Limited</b>		<b>Santam Limited</b>		<b>Sasria SOC Limited</b>	
Gross premiums written	1 255 126	1 189 676	337 613	294 545	24 500 000	22 469 000	1 843 402	1 683 895
Net premiums written	132 931	132 410	223 714	189 809	19 692 000	18 101 000	1 698 156	1 544 811
<b>Earned premiums</b>	<b>132 776</b>	<b>133 451</b>	<b>221 007</b>	<b>189 819</b>	<b>19 681 000</b>	<b>18 165 000</b>	<b>1 659 405</b>	<b>1 506 649</b>
<b>Total net investment income</b>	<b>7 168</b>	<b>6 441</b>	<b>18 379</b>	<b>12 053</b>	<b>1 664 000</b>	<b>827 000</b>	<b>436 997</b>	<b>318 067</b>
Reinsurance commission revenue	231 746	217 220	22 285	23 784	1 200 000	1 103 000	28 453	26 123
Other income	21 701	19 713	17 658	18 010	(95 000)	-	568	124
<b>Total income</b>	<b>393 391</b>	<b>376 825</b>	<b>279 329</b>	<b>243 666</b>	<b>22 450 000</b>	<b>20 095 000</b>	<b>2 125 423</b>	<b>1 850 963</b>
Net claims incurred	101 366	101 796	125 298	118 662	13 008 000	11 833 000	766 681	587 056
Acquisition costs	193 920	183 362	63 771	54 245	4 354 000	3 916 000	236 850	205 515
Cell owners' transactions	-	-	2 821	2 068	-	-	-	-
Management and other expenses	94 770	84 468	51 208	48 213	3 312 000	2 821 000	377 534	349 023
<b>Total expenses</b>	<b>390 056</b>	<b>369 626</b>	<b>243 098</b>	<b>223 188</b>	<b>20 674 000</b>	<b>18 570 000</b>	<b>1 381 065</b>	<b>1 141 594</b>
<b>Net profit/(loss) before taxation</b>	<b>3 335</b>	<b>7 199</b>	<b>36 231</b>	<b>20 478</b>	<b>1 776 000</b>	<b>1 525 000</b>	<b>744 358</b>	<b>709 369</b>
Taxation	1 053	2 127	10 106	5 923	302 000	427 000	201 095	205 250
<b>Net profit/(loss) after taxation</b>	<b>2 282</b>	<b>5 072</b>	<b>26 125</b>	<b>14 555</b>	<b>1 474 000</b>	<b>1 098 000</b>	<b>543 263</b>	<b>504 119</b>
Other comprehensive income/(expense)	-	-	6 064	10 501	6 000	(140 000)	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>2 282</b>	<b>5 072</b>	<b>32 189</b>	<b>25 056</b>	<b>1 480 000</b>	<b>958 000</b>	<b>543 263</b>	<b>504 119</b>
Transfer to/(from) retained earnings	-	-	-	-	3 000	(11 000)	(45 536)	(57 365)
Other comprehensive (income)/expense	-	-	(6 064)	(10 501)	(6 000)	140 000	-	-
Dividends	-	-	4 113	3 612	1 043 000	1 887 000	151 236	183 205
<b>Change in retained earnings</b>	<b>2 282</b>	<b>5 072</b>	<b>22 012</b>	<b>10 943</b>	<b>428 000</b>	<b>(778 000)</b>	<b>346 491</b>	<b>263 549</b>
Net premium to gross premium	11%	11%	66%	64%	80%	81%	92%	92%
Claims incurred to earned premium	76%	76%	57%	63%	66%	65%	46%	39%
Management and other expenses to net earned premium	71%	63%	23%	25%	17%	16%	23%	23%
Combined ratio	119%	114%	99%	104%	99%	96%	82%	74%
Operating ratio	114%	109%	90%	98%	90%	92%	55%	53%
Return on equity	4%	9%	15%	10%	21%	17%	9%	9%

## SHORT TERM INSURERS | Statement of Comprehensive Income | R'000

Accounting year end	Dec-17	Dec-16	Sep-17	Sep-16
Group/Company	Standard Insurance Limited		Unitrans Insurance Limited	
Gross premiums written	2 473 659	2 249 006	283 950	249 426
Net premiums written	2 314 086	2 100 067	175 157	132 689
<b>Earned premiums</b>	<b>2 291 494</b>	<b>2 092 148</b>	<b>175 164</b>	<b>125 731</b>
<b>Total net investment income</b>	<b>152 001</b>	<b>154 732</b>	<b>36 190</b>	<b>34 019</b>
Reinsurance commission revenue	13 075	22 750	6 907	4 587
Other income	-	-	3 005	1 417
<b>Total income</b>	<b>2 456 570</b>	<b>2 269 630</b>	<b>221 266</b>	<b>165 754</b>
Net claims incurred	1 193 869	1 011 764	113 831	56 168
Acquisition costs	356 573	323 761	38 521	43 467
Cell owners' transactions	-	-	-	-
Management and other expenses	309 934	342 207	10 959	11 059
<b>Total expenses</b>	<b>1 860 376</b>	<b>1 677 732</b>	<b>163 311</b>	<b>110 694</b>
<b>Net profit/(loss) before taxation</b>	<b>596 194</b>	<b>591 898</b>	<b>57 955</b>	<b>55 060</b>
Taxation	160 533	161 435	15 883	16 079
<b>Net profit/(loss) after taxation</b>	<b>435 661</b>	<b>430 463</b>	<b>42 072</b>	<b>38 981</b>
Other comprehensive income/(expense)	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>435 661</b>	<b>430 463</b>	<b>42 072</b>	<b>38 981</b>
Transfer to/(from) retained earnings	-	-	-	-
Other comprehensive (income)/expense	-	-	-	-
Dividends	339 000	466 000	-	-
<b>Change in retained earnings</b>	<b>96 661</b>	<b>(35 537)</b>	<b>42 072</b>	<b>38 981</b>
Net premium to gross premium	94%	93%	62%	53%
Claims incurred to earned premium	52%	48%	65%	45%
Management and other expenses to net earned premium	14%	16%	6%	9%
Combined ratio	81%	79%	89%	84%
Operating ratio	74%	72%	69%	57%
Return on equity	30%	32%	11%	11%