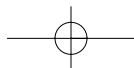
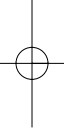


ANNUAL REPORT 2008





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## BOARD OF DIRECTORS

### FOUNDING PRESIDENT

Mr. ABDELAZIZ ESSASSI

### DIRECTORS

LE ASSICURAZIONI - GENERALI S.P.A

Represented by :

Mr. LUDOVIC BAYARD

Mr. PIERO MOZZI

FINANCIAL UNION HOLDING COMPANY

Represented by :

Mr. NABIL ESSASSI

Mr. ABDELMONEM TRABELSI

Mr. MOHAMED MONCEF MAAOUI

Professor RIDHA M'RAD

### GENERAL MANGER

Mr. ABDELAZIZ DERBEL

### STATUTORY AUDITORS

Mr. RAOUF MENJOUR

Independent Member of Baker Tilly International

Mr. MAKRAM GUIRAS

Member of the Order of Chartered Accountants



## STATEMENT BY THE FOUNDING PRESIDENT

*During 2008, ASSURANCES MAGHREBIA maintained the growth of all its activities. The positive results were in keeping with the objectives.*

*The company has developed, in partnership with GENERALI, new diversified and competitive insurance products aiming new market segments.*

*Staff training also constituted a priority of the company. It allowed the network distribution's efficiency and the customers' satisfaction. Moreover, it was crowned by the renewal of the certification ISO 9001 version 2000 of the Quality Management System including all the company activities' branches.*

*In this occasion, I thank all the customers, brokers, insurance-agents, shareholders and collaborators who trust in ASSURANCES MAGHREBIA and believe in its role a responsible and innovative insurer.*

*But, 2008 was so marked by the beginning of an unprecedented world crisis. So, it was necessary to open other perspectives notably on the regional shutter. Discussions were begun with an Algerian insurance company for the constitution of a life company in Algeria. This regional dimension joins perfectly the framework of the economical objectives of the country within the Arabic Maghreb Union.*

**Abdelaziz ESSASSI**  
**Founding President**



## ECONOMIC ENVIRONMENT

### ECONOMIC SITUATION IN THE WORLD

In 2008, the international economic situation was marked by the pursuit of the consequences of the world financial and economical crisis and its spreading in most of the countries.

This situation required a massive intervention of governments by means of recovery plans and specific measures in favor of sectors affected by this crisis.

However, in spite of the importance of these measures, the economical recession which has already touched most of the developed countries should continue in 2009. In that way, world growth should not exceed 0.5 % against a rate of 3.4 % for 2008.

### ECONOMIC SITUATION IN TUNISIA

On the national level, the recession of the world demand and the degradation of the perspectives of growth in the countries of the European Union, recorded during the last three months of 2008, echoed on the economic activity, notably on some exporting sectors.

According to the World Bank, growth rate in Tunisia decreased, moving from 6.3 % in 2007 to 5.1 % in 2008, mostly because of the degradation of outside conditions, in particular the slowdown in the European Union economy.

On another level, market capitalization increased from 6.527 million TND in 2007 to 8.301 million TND in 2008.

The rate of inflation reached 5 % against 3.2 % in 2007.

As to the position of the Tunisian dinar (TND) within the currency exchange market, it recorded a light decline of 2.9 % against the Euro and an appreciation of 4 % against the USD



## THE INSURANCE SECTOR

### AT THE INTERNATIONAL LEVEL

On an international scale, the sector of insurances was marked, by the nationalization of the American giant of insurance, International American Group (AIG) in 2008, to avoid its bankruptcy which would have provoked grave repercussions as well on the American market as international.

Many reinsurers recorded depreciations, or strong declines of profit. That introduced them to increase their rates in 2009, to maintain their performances.

On another plan, involving natural disasters, the extract of the Munich Re annual report, on these disasters, estimates that the total losses of 2008 will be twice heavier than in 2007. Losses covered by the companies of insurances and reinsurance increased by about 50 %, to reach 45 billion dollars.

### AT THE NATIONAL LEVEL

The sector of insurances in Tunisia was marked essentially by the partial privatization of the STAR, 35 % of the capital of which were bought back by the French insurer Groupama. This privatization underlines the progressive opening of the Tunisian market of insurances to the foreign investment.

The sector knew during 2008 other striking facts such as:

- The increase in capital of ASTREE from 10 million TND to 20 million dinars as well as that of GAT from 20 million dinars to 25 million TND.
- The organization in October of the 14-th Forum of the African Reinsurance, about " Agricultural Insurance in Africa ".

At legal and statutory level, some law texts were promulgated, which notably:

- Law n ° 2008-8 of February 13, 2008, modifying and completing Code of Insurances, related to the creation of the General Committee of Insurances and the definition of its organization and missions.
- The decree of March 24, 2008, about determination of the modalities of guarantee, procedures and rate of allowances of care in conformance with the basic system of health insurance.



## GENERAL ACTIVITIES OF THE COMPANY

- The joint order of Social Services Minister, of the Solidarity and Tunisians to the Foreigner and of Public Minister of Health of June 03, 2008, about specifying the annual ceiling of the amounts of the ambulatory care allowance guaranteed by the basic system of health insurance, in conformance with the private pathway of care or of the system of allowance.
- The decree of July 07, 2008, fixing the rates of royalties returning to the General Committee of Insurances and foreseen by the article 198 of the Insurances Code as well as their amounts and the modalities of their perception.

Current event on 2008 was also marked by presidential decisions announced in November, aiming to protect the exporting companies of the international financial and economical crisis effects. Among these decisions, The Government guarantee 50% of the export insurance premiums signed with the COTUNACE. These decisions had been materialized in the Law of December 30, 2008, about cyclical support measures to companies to pursue their activities.



## GENERAL ACTIVITIES OF THE COMPANY

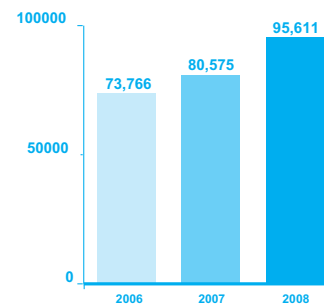
In a more and more competitive and difficult market, ASSRANCES MAGHREBIA pursued the growth of its activities, intensified the development and strengthened the profitability.

### KEY FIGURES

These are as follows :

DESCRIPTION	2007	2008	DIFFERENCE
Company turnover (CT)	80,575,153	95,610,514	18.7%
Compensations	26,779,909	38,703,900	44.5%
Premium payments	84,970,767	98,682,488	16.3%
Recovery Rate	92.40%	92.80%	0.4%
Commission payments	6,497,123	7,139,647	9.9%
Overheads (O)	8,688,339	9,487,795	9.2%
CT/O ratio	10.8%	9.9%	-8%
General charge ratio	18.90%	17.40%	-7.9%
Stocks & shares	110,644,319	135,274,507	22.3%
Net profit	4,038,844	5,733,832	42%

Growth of turnover for the last 3 years (in MD)



### PORTFOLIO STRUCTURE

On December 31, 2008, the portfolio structure of the Company appears as follows:

The **Motor** branch has decreased, to represent **24%** against 26.3 %, losing 2.3 points compared to the last year.

The contribution of **FMSR** branches in the overall company turnover increased by 5.3 points to reach **42.4%** against 37.1% last year.

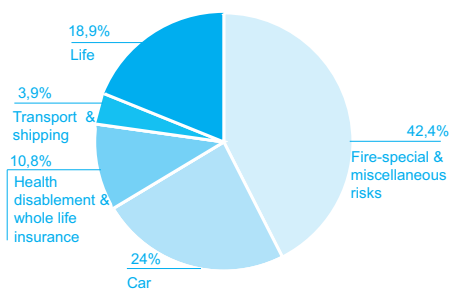
The share of the **Transport & Shipping** branch declined from 5.1% in 2007 to 3.9 % in 2008.

**Life** insurance curled up slightly, to represent **18.9%** of the global turnover against 19.7 % in 2007.



## GENERAL ACTIVITIES OF THE COMPANY

Portfolio structure by branch (life and non-life)



The **Group Disease** is in very light retreat, **10.8%** against 11.8%, losing that way, 1 point compared to the last year.

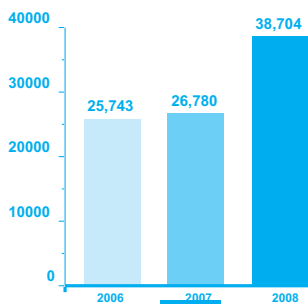
### CLAIMS AND TECHNICAL RESERVES

The compensations for claims, on December 31, 2008 amounted to **38.703.900 TND** against 26.779.909 TND, in increase of **44.5%**, with regard to the last year.

The overall share of claims paid out in 2008 represents **40.5%** of the turnover against 3.2 % the last year.

Technical reserves increased of 18.156.170 TND, i.e. **+13.4%** with regard to the previous year, moving from 135.739.337 TND to **153.895.507 TND** in 2008. They represent **161%** of written premiums of the exercise.

Claims payment over the past 3 years (in MD)



### COSTS OF REINSURANCE

The total amount of ceded reinsurance premiums rose from 26.119.105 TND to **37.067.855 TND** in 2008, i.e. an increase of **41.9%**.

The ratio of ceded premiums reported to written premiums is **38.8%** against 32.4 % the previous year.

Claims recoverable from reinsurers reached 13.005.909 TND and the participation of the latter in technical reserves was 28.330.699 TND



## COMPANY ACTIVITIES BY BRANCH

Results recorded by the Company in 2008 are in net progress with regard to 2007. All the branches behaved positively and contributed actively to the development of the company, excepting the Transport & Shipping branch, for which we record a slight decline of the turnover.

### CAR INSURANCE

Having known some slowing down in 2007 (4.1 %) against (27.6 %) in 2006, the Motor branch turnover rose again, moving from 21.181.896 TND to **22.969.681** TND, i.e. an increase of 8.4 % (1.787.785 TND), this evolution is due to the growth of the vehicles number and the increase of the rate.

Compensations for all types of damages paid out for this branch amounted to 12.641.052 TND against **12.253.397** TND, i.e. an increase of **3.2%** with regard to 2007. They represent **32.7%** of the total sums paid against 45.8 % in 2007.

Payments made for **material damages** amounted to **5.710.495** TND against 5.511.712 TND, i.e. an increase of **3.6%** (+198.783 TND)

Payments made for **physical damages** increased slightly of 2.8 % (188.873 TND from 6.741.685 TND in 2007 to **6.930.558** dinars this year.

The total reserve for claims to be paid out under this heading was **47.032.916** TND against 42.396.211 TND on 2007, i.e. an evolution of **10.9%**.

### FIRE - MISCELLANEOUS & SPECIAL RISKS (FMSR)

FMSR activities, which generated 37.1% of the turnover, knew a significant growth in 2008. They progressed of **35.6%** against 33.3 % in 2007, to reach **40.577.292** TND against 29.921.207 TND.

The **Fire** branch recorded some decline; it regressed from 14.113.233 TND in 2007 to **13.703.777** TND this year, i.e. **-2.9%**.

**Multi-risk** Contracts decreased again from 1.455.334 TND in 2007 to **1.316.532** TND, i.e. a decrease of **9.5%**.

**Individual Accidents** insurances are still increasing from 1.376.654 TND to **1.505.599** TND, i.e. an evolution of **9.4%**.



## COMPANY ACTIVITIES BY BRANCH

Theft insurance marks a significant evolution of **26.7%**, to reach **742.748** TND against 586.451 TND. This evolution reflects the bank-insurance sales promotions' of credit cards and checks theft insurance.

For second consecutive year, **Special Risks** still increasing from 10.206.934 TND to **20.826.791** TND in 2008, i.e. a progress of **104.1%** explained mainly by the realization of new important business.

**Assistance** is in very light decline of **1.2%** from 457.314 TND in 2007 to **451.799** TND in 2008, this fold is due essentially to marketing of assistance products by way of an exclusive partnership bank - insurances and post office.

**Civil liability (CL)**, increased in a slower rhythm than the previous year, only **4.4%** against 15.8 % in 2007. It reached **3.798.379** TND against **3.637.935** TND. This increase is explained essentially by the realization of new "**CL decennial**" business which premiums reached **1.033.096** TND against 709.966 TND the last year, i.e. an increase of **45.5%**.

**FMSR** branches' claims paid increased by **287.9%**, from 3.353.792 TND in 2007 to **13.009.087** TND, because of many important disasters paid during this exercise.

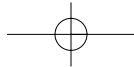
Reserves for claims reimbursement decreased, from 18.198.504 TND on December 31, 2007 to **16.250.313** TND this year.

### TRANSPORT & SHIPPING

The **Transport & Shipping** branch decreased of **8.7%**. Its decline slowed down in 2007 (8.6 %) and continues this year to reach **3.713.798** TND against 4.066.542 TND the previous year.

Claims paid out amounted to **1.128.302** TND against 567.313 TND in 2007, i.e. an increase of **98.9%**.

Reserves for claims reimbursement decreased of **4.2%** moving from 3.017.638 TND in 2007 to **2.889.918** TND.



## COMPANY ACTIVITIES BY BRANCH

### LIFE INSURANCE

The activity of **life insurance - Capitalization** which represents **18.9%** of the global turnover remained at a satisfactory level. This activity showed a strong commercial dynamism that made the production rising of **13.5%**, from 15.901.800 TND in 2007 to **18.047.031** TND in 2008.

Payments (services and capital due) reached **2.361.899** TND against 1.763.885 TND in 2007, in increase of **33.9%**.

The mathematical reserves for Life progressed of **16.2%**, from 44.682.949 TND to **51.928.905** TND.

### HEALTH AND DISABLEMENT INSURANCE

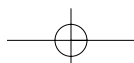
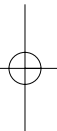
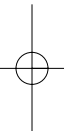
Having shown in 2007 a decline of 13.4 % for the first time, health and disablement insurance recorded an annual progress of **8.4%** in 2008 to reach **10.302.712** TND against 9.503.706 TND the last year.

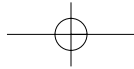
Reimbursements of healthcare expenses made under this heading reached **9.468.036** TND against 8.695.625 TND, in increase of 8.9 % with regard to the previous exercise.

### WORK ACCIDENTS AND VOCATIONAL DISEASES

Claims paid out for the settlement of annuities amounted to 145.898 TND against **95.523** TND last year.

Mathematical reserves for annuities decreased from of 1.123.918 TND on December 31, 2007 to **1.076.029** TND on December 31, 2008, in decline of **4.3 %**.





## REPORT BY THE AUDITORS

To the Company Shareholders,

In accordance with the legal mission of Company auditors entrusted to us in accordance with the proceedings of your Ordinary General Meetings of 24 April 2006 and 15 May 2008, we have audited the financial accounts of ASSURANCES MAGHREBIA as of 31 December 2008

These accounts fall under the responsibility of the Board of Directors, and our responsibility consists of expressing an opinion on these financial accounts based on our audit.

### I. OPINION ABOUT THE ANNUAL ACCOUNTS

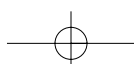
The financial statements were made available to us as provided for by the Law 96-112 of 30 December 1996, the decree 96-2459 of 30 December 1996, the decree of the Ministry of Finance of 30 December 1996, as well as the norms 26 to 31 provided for by the bylaw of 26 June 2000 by the Ministry of Finance approving accounting norms for various sectors, and the bylaw of 27 February 2001 by the Ministry of Finance as modified by the bylaw of 28 March 2005 by the Ministry of Finance on the computation of technical reserves and the conditions of their presentation.

We have conducted this audit in compliance with the standard practice of our profession, including all the necessary verifications to make reasonably sure that the accounts do not contain any significant anomalies.

Our audit consists of the verification, through surveys, of elements that prove their compliance with these accounts. It also consists of assessing the underlying accounting standards and the significant estimates made for the settlement of these accounts as well as their overall presentation. We consider that our control provides a reasonable base for the opinion expressed hereafter.

Based on our audit, we hereby certify that the annual accounts of ASSURANCES MAGHREBIA have been regularly and fairly drawn up and that they faithfully reflect the assets, financial condition and results of the company's operations for the financial year ending 31 December 2008.

The net total of the Balance Sheet submitted for your approbation is 218,002,217.477 TND, generating a net profit of 5,733,832.173 TND.



## II. VERIFICATIONS AND SPECIFIC INFORMATION

In compliance with the standard practice of our profession we have also undertaken the verifications required by law.

In conformity with the provisions of article 266 of the code of commercial companies, we have no observations to make on the sincerity and the reconciliation of the annual accounts with the data provided by the management report of the Board of Directors and by the documents addressed to the shareholders on the financial situation and the annual accounts.

### THE AUDITORS

RAOUF MENJOUR

Independent Member of Baker Tilly International

MAKRAM GUIRAS

Member of the Order of Chartered Accountants

## BALANCE SHEET AS OF 31 DECEMBER 2008

(DINARS)

ASSETS	31/12/08		31/12/07
	GA + DEPRECIATION	NET	NET
<b>Intangible assets</b>			
Software and purchased portfolios	553 040.027	113 160.000	482 969.033
Less depreciations and provisions	(439 880.027)		(361 479.751)
	<b>553 040.027</b>	<b>113 160.000</b>	<b>121 489.282</b>
<b>Tangible assets</b>			
Office furniture, computer and transport equipment	4 077 016.289	837 322.100	3 879 053.963
Less depreciations and provisions	(3 239 694.189)		(3 015 094.133)
	<b>4 077 016.289</b>	<b>837 322.100</b>	<b>863 959.830</b>
<b>Investments</b>			
<b>Land and buildings</b>			
Operating land and buildings	7 828 672.869	6 551 908.964	6 394 873.819
Less depreciations and provisions	(1 276 763.905)		(1 162 716.029)
Non-operating land and buildings	12 916 550.327	8 842 378.713	12 916 550.327
Less depreciations and provisions	(4 074 171.614)		(3 770 616.757)
<b>Investments in subsidiaries and affiliated companies</b>			
Investments in subsidiaries	5 825 118.280	5 688 027.900	5 825 118.280
Less depreciations and provisions	(137 090.380)		(208 153.449)
Floating rate shares and securities	19 112 551.591	17 908 896.008	14 598 815.166
Less depreciations and provisions	(1 203 655.583)		(1 070 204.326)
Fixed income securities and bonds	107 238 720.628	107 238 720.628	88 965 443.888
Advances on life policies	639 086.719	639 086.719	420 318.009
Deposits and guarantees	1 740.000	1 740.000	1 740.000
Funds held by grantor companies	350 025.165	350 025.165	287 146.950
Investments representing the technical reserves related to contracts in units of account	3 098 116.014	3 098 116.014	1 281 983.450
	<b>157 010 581.593</b>	<b>150 318 900.111</b>	<b>124 480 299.328</b>
<b>Reinsurers' share in the technical reserves</b>			
Unearned premium reserves (non-life)	16 289 108.527	16 289 108.527	11 589 186.457
Mathematical reserves (life)	57 829.662	57 829.662	306 202.838
Claims reserves (non-life)	11 836 262.230	11 836 262.230	17 834 394.540
Claims reserves (life)	121 490.320	121 490.320	98 850.000
	<b>28 304 690.739</b>	<b>28 304 690.739</b>	<b>29 828 633.835</b>
<b>Receivables</b>			
<b>Receivables due from direct insurance operations</b>			
Earned and unearned premiums	2 861 460.530	2 861 460.530	2 688 522.610
<b>Other receivables due from direct insurance operations</b>			
Receivable premiums	8 382 405.885	7 326 474.111	7 629 627.769
Premiums to be cancelled (life)	(123 755.851)		(147 514.699)
Premiums to be cancelled (non-life)	(932 175.923)		(903 095.626)
Other miscellaneous receivables	4 402 326.119	2 210 187.665	4 629 134.950
Less depreciation and provisions	(2 192 138.454)		(1 785 765.008)
Co-insurance debit balance	796 872.410	796 872.410	804 217.608
<b>Receivables due from reinsurance operations</b>			
Grantor companies current account	319 147.513	319 147.513	707 767.121
Other receivables from reinsurance operations	413 043.092	413 043.092	413 043.092
<b>Other receivables</b>			
State, Social Security, Local authorities	411 830.462	411 830.462	912 509.884
Miscellaneous receivables debtors	1 295 745.326	1 295 745.326	505 854.693
	<b>18 759 075.486</b>	<b>15 634 761.109</b>	<b>15 454 302.394</b>
<b>Other Assets</b>			
Securities to be collected	5 455 724.686	5 455 724.686	4 400 046.840
Banks, giro accounts and cash in hand	9 702 545.125	9 702 545.125	8 213 806.055
Deferred acquisition expenses	2 570 333.519	2 570 333.519	2 287 489.631
Unmatured interests and rents	4 595 055.211	4 595 055.211	4 185 982.318
Other equalization accounts	469 724.877	469 724.877	254 954.362
	<b>22 793 383.418</b>	<b>22 793 383.418</b>	<b>19 342 279.206</b>
<b>Total Assets</b>	<b>231 497 787.552</b>	<b>218 002 217.477</b>	<b>190 090 963.875</b>

(DINARS)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/08	31/12/07
<b>Shareholders' Equity</b>		
Share Capital	10 000 000.000	10 000 000.000
Legal Reserves	1 000 000.000	1 000 000.000
Revenue reserves	200 000.000	200 000.000
Other Reserves	800 000.000	0.000
Other shareholders' equity	11 019 260.301	10 629 151.278
Results carried forward	4 171 889.609	2 323 154.860
<b>Total shareholders' equity before results for the year</b>	<b>27 191 149.910</b>	<b>24 152 306.138</b>
Profit for the year	5 733 832.173	4 038 843.772
<b>Total shareholder's equity before appropriation</b>	<b>32 924 982.083</b>	<b>28 191 149.910</b>
<b>Liabilities</b>		
<b>Technical reserves</b>		
Unearned premium reserves (non-life)	26 689 818.063	21 893 069.850
Mathematical reserves (life)	51 928 905.000	44 682 949.000
Reserves for management expenses (life)	639 040.000	521 198.000
Claims reserves (life)	3 575 130.000	2 075 558.000
Claims reserves (non-life)	66 173 147.125	63 612 353.894
Projected recoveries to be collected (non-life)	(3 158 246.322)	(3 206 781.352)
Annuities mathematical reserves (non-life)	1 286 589.926	1 392 231.965
Reserves for profit participations and return premiums (non life)	70 826.494	43 676.805
Reserves for profit participations and return premiums (life)	288 952.000	155 846.000
Reserves for outstanding risks (non-life)	44 982.283	0.000
Equalization reserves (life)	100 000.000	80 000.000
Reserves for contracts in units of account	3 098 116.000	1 282 453.000
	<b>150 737 260.569</b>	<b>132 532 555.162</b>
<b>Liabilities for cash deposits received from reinsurers</b>	<b>12 763 208.342</b>	<b>10 933 264.181</b>
<b>Other liabilities</b>		
Liabilities from direct insurance operations	628 156.960	588 347.855
Co-insurance credit balance	471 280.367	430 456.914
Liabilities from reinsurance operations	16 640 139.173	14 188 408.294
Deposits and guaranties received	382 362.986	314 485.044
State, Social Security, Local authorities	1 059 770.654	24 669.015
Miscellaneous liabilities	1 931 983.483	2 583 197.770
	<b>21 113 693.623</b>	<b>18 129 564.892</b>
<b>Other liabilities</b>		
Liabilities adjustment account	463 072.860	304 429.730
	<b>463 072.860</b>	<b>304 429.730</b>
<b>TOTAL LIABILITIES</b>	<b>185 077 235.394</b>	<b>161 899 813.965</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>218 002 217.477</b>	<b>190 090 963.875</b>

## LIFE INSURANCE AND REINSURANCE

### OPERATING RESULT'S ACCOUNT

(DINARS)

	GROSS OPERATIONS 31/12/08	CESSIONS AND RETROCESSIONS 31/12/08	NET OPERATIONS 31/12/08	NET OPERATIONS 31/12/07
Premiums	17 602 055.912	(345 765.478)	17 256 290.434	15 448 588.684
Written premiums	17 602 055.912	(345 765.478)	17 256 290.434	15 448 588.684
<b>Investment revenues</b>	<b>3 591 220.450</b>		<b>3 591 220.450</b>	<b>3 193 112.953</b>
Investments revenues	3 321 055.879		3 321 055.879	3 153 213.045
Other investments revenues	22 746.067		22 746.067	16 797.293
Resumptions of value correction on investments	247 418.504		247 418.504	23 102.615
Capital profits on investments	0.000		0.000	0.000
<b>Other operating revenues</b>	<b>0.000</b>	<b>56 744.388</b>	<b>56 744.388</b>	<b>62 187.464</b>
<b>Claims incurred</b>	<b>(5 844 421.648)</b>	<b>65 222.719</b>	<b>(5 779 198.929)</b>	<b>(4 499 284.432)</b>
Claims paid	(4 344 849.648)	42 582.399	(4 302 267.249)	(4 055 095.398)
Changes in claims reserves	(1 499 572.000)	22 640.320	(1 476 931.680)	(444 189.034)
<b>Changes in other technical reserves</b>	<b>(9 332 567.000)</b>	<b>(15 590.540)</b>	<b>(9 348 157.540)</b>	<b>(9 412 112.656)</b>
Life mathematical reserves	(7 245 956.000)	(15 590.540)	(7 261 546.540)	(8 127 556.091)
Management expenses reserves	(117 842.000)		(117 842.000)	(231 215.063)
Equalization reserves	(20 000.000)		(20 000.000)	(10 000.000)
Reserves for participation in profits and return premiums	(133 106.000)		(133 106.000)	(20 135.508)
Reserves for contracts in units of account	(1 815 663.000)		(1 815 663.000)	(1 023 205.994)
<b>Operating expenses</b>	<b>(4 005 361.329)</b>	<b>23 008.223</b>	<b>(3 982 353.106)</b>	<b>(3 085 946.236)</b>
Acquisition expenses	(3 018 490.945)		(3 018 490.945)	(2 427 903.549)
Administrative expenses	(986 870.384)		(986 870.384)	(810 665.354)
Commissions received from reinsurers		23 008.223	23 008.223	152 622.667
<b>Other underwriting expenses</b>	<b>(254 024.225)</b>		<b>(254 024.225)</b>	<b>(311 425.045)</b>
<b>Investments expenses</b>	<b>(467 487.232)</b>		<b>(467 487.232)</b>	<b>(648 056.729)</b>
Investments management charges				
Including interest charges	(357 265.866)		(357 265.866)	(330 103.409)
Value correction on investments	(110 221.366)		(110 221.366)	(317 953.320)
Capital losses on investments	0.000		0.000	0.000
<b>Sub-total :</b>				
<b>Life Operating Result</b>	<b>1 289 414.928</b>	<b>(216 380.688)</b>	<b>1 073 034.240</b>	<b>747 064.003</b>

## NON-LIFE INSURANCE AND REINSURANCE OPERATING RESULT'S ACCOUNT

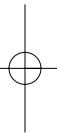
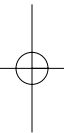
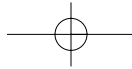
	GROSS OPERATIONS 31/12/08	CESSIONS AND RETROCESSIONS 31/12/08	NET OPERATIONS 31/12/08	NET OPERATIONS 31/12/07
Earned premiums	72 065 022.759	(32 248 523.876)	39 816 498.883	37 499 370.581
Premiums issued and accepted	76 861 770.972	(36 715 663.310)	40 146 107.662	38 242 480.412
Changes in unearned premium reserves	(4 796 748.213)	4 467 139.434	(329 608.779)	(743 109.831)
Revenue from allocated investments, transferred from the income statement	3 006 514.419		3 006 514.419	1 300 541.049
Other technical revenues	164 627.626		164 627.626	136 823.225
Claims incurred	(38 376 120.912)	6 965 212.513	(31 410 908.399)	(29 746 315.956)
Claims paid	(35 815 327.681)	12 963 344.823	(22 851 982.858)	(20 911 073.936)
Changes in claims reserves	(2 560 793.231)	(5 998 132.310)	(8 558 925.541)	(8 835 242.020)
Changes in other technical reserves	12 124.726		12 124.726	361 504.832
Changes in annuities mathematical reserves	105 642.039		105 642.039	138 818.815
Changes in projected recoveries	(48 535.030)		(48 535.030)	89 592.780
Changes in reserves for outstanding risks	(44 982.283)		(44 982.283)	133 093.237
Participation in profits and return premiums	(27 149.689)		(27 149.689)	14 661.699
Operating expenses	(9 563 989.202)	5 600 201.634	(3 963 787.568)	(4 957 906.917)
Acquisition expenses	(7 469 665.776)		(7 469 665.776)	(6 666 255.835)
Deferred acquisition expenses	282 843.888		282 843.888	337 815.332
Administrative expenses	(2 377 167.314)		(2 377 167.314)	(3 004 068.675)
Commissions received from reinsurers		5 600 201.634	5 600 201.634	4 374 602.261
Other underwriting expenses	(1 629 116.004)		(1 629 116.004)	(1 498 549.742)
<b>Sub-total :</b>				
<b>Non-life operating result</b>	<b>25 651 913.723</b>	<b>(19 683 109.729)</b>	<b>5 968 803.994</b>	<b>3 110 128.771</b>

## INCOME STATEMENT AS OF 31 DECEMBER 2008

	(DINARS)	
	31/12/08	31/12/07
<b>Operating insurance and reinsurance non-life result</b>	<b>5 968 803.994</b>	<b>3 110 128.771</b>
<b>Operating insurance and reinsurance Life result</b>	<b>1 073 034.240</b>	<b>747 064.003</b>
<b>Investment revenues (insurance and reinsurance non-life)</b>	<b>6 538 300.853</b>	<b>3 928 988.425</b>
Investment revenues	2 821 261.010	2 354 408.105
Other revenues of investments	3 615 438.360	1 122 425.546
Resumptions of value correction on investments	54 379.936	320 600.000
Investment realization gains	47 221.547	131 554.774
<b>Investment expenses</b>	<b>(3 407 140.295)</b>	<b>(2 226 050.513)</b>
investments management charges including interest charges	(871 014.048)	(467 964.015)
Value correction on investments	(512 514.510)	(809 469.737)
Capital losses on investments	(2 023 611.737)	(948 616.761)
<b>Revenues from allocated investments, transferred from the operating results account (non-life)</b>	<b>(3 006 514.419)</b>	<b>(1 300 541.049)</b>
<b>Profits from ordinary activities</b>	<b>7 166 484.373</b>	<b>4 259 589.637</b>
<b>Income tax</b>	<b>(1 432 652.200)</b>	<b>(220 745.865)</b>
<b>After-tax profits from ordinary activities</b>	<b>5 733 832.173</b>	<b>4 038 843.772</b>
<b>Net profit year</b>	<b>5 733 832.173</b>	<b>4 038 843.772</b>

## CASH-FLOW STATEMENT AS OF 31 DECEMBER 2008

	(DINARS)	
	31/12/08	31/12/07
<b>Operating Cash-flow related to exploitation</b>		
Premiums paid in by policy holders	88 601 263.608	68 274 289.166
Amounts paid out for damages	(35 179 572.828)	(26 529 709.393)
Premiums paid in (acceptance)	132 765.705	57 969.740
Disbursement of premiums on transfers	(15 369 945.297)	(14 343 140.039)
Fees paid out on transfers	44 730.826	560 827.057
Fees paid to intermediaries	(357 504.848)	(345 983.995)
Amounts paid to suppliers and staff	(5 913 217.228)	(4 983 761.018)
Disbursements for acquisition of financial assets	(119 804 930.041)	(98 014 609.610)
Income from transfers of financial assets	99 473 913.754	74 447 287.270
Taxes on insurances paid to the Treasury	(8 277 320.699)	(4 752 468.255)
Financial products received	1 160 778.571	1 463 744.712
Loans awarded	(391 989.600)	2 000.000
Re-imbursement of loans	24 544.259	28 346.858
Other movements	(76 320.980)	59 432.105
<b>Operating cash-flow related to exploitation</b>	<b>4 067 195.202</b>	<b>(4 075 775.402)</b>
<b>Cash-flow related to investments</b>		
Disbursements for acquisition of tangible & intangible assets	(101 339.452)	(74 986.238)
Incomes from transfers of tangible and intangible assets	0.000	0.000
Disbursements for acquisition of land and buildings for exploitation	(1 410 349.277)	(496 923.529)
<b>Cash-flow resulting from investment activities</b>	<b>(1 511 688.729)</b>	<b>(571 909.767)</b>
<b>Cash-flow related to financial activities</b>		
Dividends and other distributions	(1 066 767.403)	(576 078.000)
<b>Cash-flow resulting from financial activities</b>	<b>(1 066 767.403)</b>	<b>(576 078.000)</b>
<b>Cash-flow variation</b>	<b>1 488 739.070</b>	<b>(5 223 763.169)</b>
<b>Cash-flow at beginning of financial year</b>	<b>8 213 806.055</b>	<b>13 437 569.224</b>
<b>Cash-flow at end of financial year</b>	<b>9 702 545.125</b>	<b>8 213 806.055</b>



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