

# Calliden Group's Financial Position

As at 01 March 2009

**calliden**  
group

ABN 37 061 215 601

## Calliden Group

Calliden Group is publicly listed on the Australian Stock Exchange code CIX. As a listed entity the group is subject to ASX continuous disclosure rules and listing rules. Calliden is also subject to ASIC's rigorous governance framework. Our shares are publicly traded and as we have strong support from institutional investors, with over 50% of shares currently held by leading Australian institutions.

As at the end of December 2008, the group has \$100.5m in paid up capital and a market capitalisation of \$92.4m.

As at 30 December 2008 Calliden's major shareholders include:

• Hunter Hall Investment Management	17%
• Australian Unity	13%
• HGL	7%
• MMC	6%
• Souls Funds Management	6%

## Calliden Insurance Limited

Calliden Group currently holds a single authorisation by the Australian Prudential Regulation Authority (APRA) to conduct general insurance, the authorised entity is subject to independent actuarial valuation and risk based regulatory capital requirements. The majority of Calliden Group's capital has been employed to support its subsidiary: Calliden Insurance Limited.

## Financial Strength

### (a) Capital Management

Calliden completed the second stage of its capital restructuring program in 2008 with the transfer of the insurance liabilities of Calliden Limited to Calliden Insurance Limited. This transfer consolidates Calliden's general insurance licenses from two into one.

Calliden Insurance Limited, the licensed insurer of the group, is independently capitalised and benefits from the support from Calliden Group. Calliden Insurance Limited has net assets of greater than \$50m and exceeds APRA's minimum capital requirements by more than 2 times.

This capital restructuring has simplified Calliden's regulatory capital requirements and further strengthened the overall capital position within the group. These steps have contributed to Calliden continuing to be a strongly capitalised general insurer.

### (b) Investments

Calliden maintains a conservative investment strategy with \$135 million invested in cash and high quality fixed interest securities. The conservative investment philosophy where the Group exited all investments in

listed equities in early 2008 has protected it from the worst of investment market volatility. The technical insurance funds are duration matched which has cushioned Calliden from the impact of reduced interest rates and credit spread losses.

In addition to these market investments, Calliden has specific investments in strategic joint ventures.

### (c) Reinsurance

The company maintains a conservative reinsurance philosophy with low risk retention levels in comparison to its strong capital base.

Calliden's conservative reinsurance program is supported by some of the world's largest reinsurers, all of whom have Standard & Poor's rating of "A" or better.

Calliden has a 50% Quota Share treaty and a strong partnership with one of the world's largest reinsurers with a credit rating of AA- from S&P. The whole account quota share for 2009 has been renewed providing proportional cover across the portfolio for all claims.

The quota share reinsurance program is supplemented by a comprehensive excess of loss reinsurance program providing additional coverage for both our property and casualty portfolios. The excess of loss reinsurance program has been renewed for 2009 and is supported by some of the world's largest reinsurers, all of whom have Standard & Poor's rating of "A" or better.

## Financial Results

Calliden Group reported gross written premiums (GWP) in excess of \$200m, a net profit of \$9.1 million and declared its first dividend of 1.25 cents per share fully franked for the year ended December 2008. Calliden has consistently increased premium revenue and net profit since establishing its general insurance operations in 2005.

As at year ended December 2008, Calliden has Total Assets of \$393.9 million and Shareholders Equity of \$103.4 million.

## Broker Security Committees

Calliden has approval from the majority of international broker security committees.

## 2009 Focus on Organic Growth

- Continue building Financial Strength
- Simplifying our Business
- Unlocking the Potential for the Group

For further information please visit our website [www.calliden.com.au](http://www.calliden.com.au) or contact Mike Hooton on: (02) 9551 1150.