

Business Today



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BOV holds its breath as MSI announces loss

Charlot Zahra

Middle Sea Insurance (MSI) yesterday announced a considerable loss of €29.7 million for the financial year ending 31 December 2008, compared to a profit of €9.317 million during the previous financial year ending 31 December 2007.

MSI attributed the losses to "the unprecedented world financial crisis and its effect on the performance of the investment portfolio together with the technical performance of the Italian subsidiary, Progress Assicurazioni", which registered a €19.1 million loss during the 2008 Financial Year.

This was due to a number of reasons including "the marked deterioration in the loss ratio on the obligatory third party motor business (RCA) by 24 percentage points.

Middle Sea Insurance's technical general business before allocation of investment income also went down almost by half, from €2.4 million in 2007 to €1.48 million

last year.

Income from MSI's long-term technical general business remained steady at €0.298 million generated last year as against €0.293 million generated in 2007.

On the other hand, total investment income for MSI plummeted from a €8.47 million profit in 2007 to a loss of €4.33 million in 2008, a difference of €12.8 million.

The company is not giving a dividend to shareholders for Financial Year 2008.

Earnings per share for MSI went down from €0.27 in 2007 to a loss of €0.74 in 2008.

The grim financial results of MSI were the latest in a series of bad news for Bank of Valletta (BOV), which has a joint venture with Middle Sea Insurance which trades under the brand name "Middle Sea Valletta Life Assurance (MSV)", whose Financial Year ended on 31 December last year.

Sources told Business Today that although MSV did not register a loss, its results were "not exceptional" A

few days ago, MSV nounced that it had registered a profit after tax of €1.92 million for the year ended 31 December 2008, a decrease of 63 per cent over the 2007 result.

Business underwritten decreased by 19 per cent from €135.91 million in 2007 to €109.70 million in 2008, while the company's total assets increased marginally from €832.25 million in 2007 to €843.02 million at the end of 2008.

"However, the news that BOV was financing the €60 million new catamaran for Virtu' Ferries was a sign that the bank was still seeking new revenue streams," the sources told Business Today.

A clearer indication will be obtained later this week when BOV publishes its half-year results for 2009 tomorrow.

Since the beginning of the year, the value of BOV shares quoted on the MSE fell by 27.975 per cent, starting at €3.471 per share and ending up at €2.500 per share.

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MTA monitoring swine flu situation constantly

A statue on Reforma Avenue in Mexico City

David Darmanin

The MTA is keeping its fingers crossed on developments regarding the swine flu outbreak originating from Mexico and spreading over to Europe over the last few days.

Although the authority assured that it "is constantly monitoring the international situation as it evolves," no measures have been yet taken by the Maltese government in limiting the possible damage caused to Maltese tourism should travellers start fearing the use of international airports around the world.

Worse still, the World Health Organisation could recommend travel restrictions or border closures – although EU Health Commissioner, Androulla Vassiliou said that she does not "see any point of restricting travelling".

Nevertheless the MTA said it "will take the necessary measures accordingly, depending on how this issue unfolds".

The new strain of the swine flu virus

was first detected by public health agencies last March in three areas of Mexico.

On 25 April, the WHO said the situation was of "public health emergency concern", and governments all over the world released statements over the issue saying that the situation was being closely monitored.

On the morrow, some schools and universities in Mexico city were closed due to confirmed cases in students. On 27 April, Mexican government officials announced a nationwide shutdown of schools.

By yesterday, patients infected with the strain were confirmed in Canada, Spain, the UK, New Zealand and Israel. With over 2,500 candidate cases carrying the strain, the WHO raised a pandemic alert level to 4 – meaning that there is "sustained human to human transmission". Level 5 and 6 would represent "widespread human infection".

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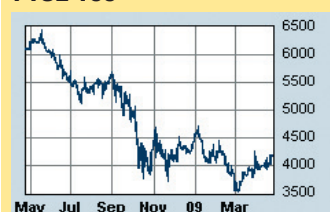
World Business Highlights

Chrysler's Banks, U.S. Government Said to Reach Agreement on Reducing Debt
Chrysler LLC's largest banks reached a tentative agreement with the U.S. government to exchange \$6.9 billion in secured debt for \$2 billion in cash, according to three people with knowledge of the negotiations.

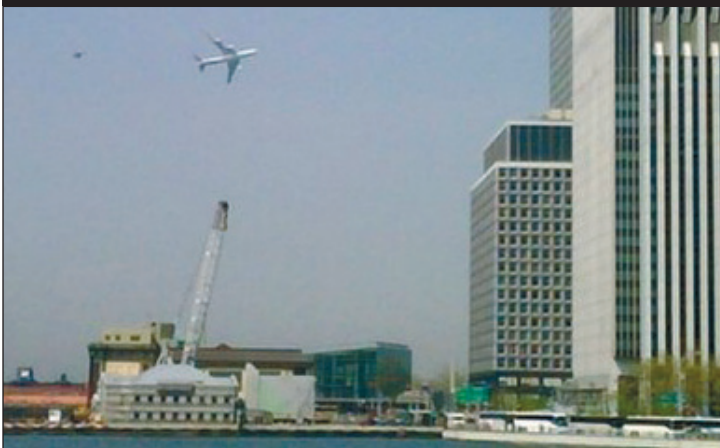
U.S. Consumer Confidence Jumps, Home-Price Drop Slows in Evidence of Shift
Consumer confidence in the U.S. jumped by the most since 2005 this month as stocks rallied, mortgage rates dropped and Americans anticipated more jobs would become available.

Stocks in U.S. Fall on Concern Over Bank Balance Sheets; Citigroup Slumps
U.S. stocks retreated for a second day as concern that banks need more capital and the swine-flu outbreak will thwart an economic recovery offset a bigger-than-expected jump in consumer confidence.

FTSE 100



False alarm



In this image taken with a cell phone, the primary presidential aircraft, a Boeing 747 known as Air Force One when the president is aboard, flies low over New York Harbour, followed by an F-16 chase plane during a federal government photo op on Monday. A low-flying Boeing 747 escorted by two fighter jets as part of a federal government photo opportunity over lower Manhattan caused a brief panic among workers near ground zero on Monday

Markets

Security	Closing Prices in Euro Tue 21-April-09	Closing Prices in Euro Tue 28-April-09	% Change from previous wk
Bank of Valletta p.l.c.	2.450	2.500	2.041%
HSBC Bank Malta p.l.c.	2.500	2.349	-6.040%
Lombard Bank p.l.c.	2.500	2.650	6.000%
Middlesea Insurance p.l.c.	2.450	2.450	0.000%
Simonds Farsons Cisk p.l.c.	1.750	1.750	0.000%
GO p.l.c.	1.549	1.599	3.228%
IHI p.l.c.	0.759	0.759	0.000%
Plaza Centres p.l.c.	1.700	1.700	0.000%
FIMBank p.l.c. (US\$)	\$1.380	\$1.364	-1.159%
Malta International Airport p.l.c.	2.170	2.170	0.000%
GlobalCapital p.l.c.	1.991	1.000	-49.774%
Datatrak Holdings p.l.c.	0.190	0.190	0.000%
San Tumas Shareholdings p.l.c.	3.200	3.200	0.000%
Medserv p.l.c.	3.690	3.690	0.000%
Grand Harbour Marina p.l.c.	1.980	1.980	0.000%
6pm Holdings p.l.c. (GBP)	£0.590	£0.590	0.000%
Crimsonwing p.l.c.	0.469	0.469	0.000%
MaltaPost p.l.c.	0.700	0.700	0.000%
RS2 Software p.l.c.	0.740	0.740	0.000%



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