

**Continental Reinsurance Plc**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2012**

	<b>2012</b> <b>=N='000</b>	<b>2011</b> <b>=N='000</b>
Insurance premium revenue	11,946,255	11,346,831
Insurance premium ceded to retrocessionaires	(1,554,221)	(1,295,097)
<b>Net insurance premium revenue</b>	<b>10,392,034</b>	<b>10,051,734</b>
<b>Insurance benefits</b>		
Insurance claims and loss adjustment expenses	5,574,604	4,464,215
Insurance claims and loss adjustment expenses recoverable from	(781,893)	-
<b>Net insurance benefits and claims</b>	<b>4,792,711</b>	<b>4,464,215</b>
Underwriting expenses	4,404,297	4,074,235
<b>Insurance benefits and underwriting expenses</b>	<b>9,197,008</b>	<b>8,538,450</b>
<b>Underwriting profit</b>	<b>1,195,026</b>	<b>1,513,284</b>
Net Interest income	1,068,811	745,692
Net gains on financial assets designated at fair value through profit or	40,014	18,617
Other income	326,559	119,772
Administration expenses	(287,113)	(239,120)
Impairment of financial assets	(362,897)	(328,516)
<b>Profit before taxation</b>	<b>1,980,400</b>	<b>1,829,729</b>
Income tax expense	(353,832)	(387,150)
<b>Profit after taxation</b>	<b>1,626,568</b>	<b>1,442,579</b>
Profit for the year	1,626,568	1,442,579
<b>Other comprehensive income:</b>		
<b>Net gains on available-for-sale financial assets:</b>		
Net unrealised gains/(losses) arising during the year	123,343	(223,633)
<b>Other comprehensive income for the year, net of tax</b>	<b>123,343</b>	<b>(223,633)</b>
<b>Total Comprehensive Income for the year</b>	<b>1,749,911</b>	<b>1,218,946</b>
<b>Earnings per share</b>	<b>16</b>	<b>14</b>
<b>Proposed Dividend (kobo per share)</b>	<b>10</b>	<b>8</b>

# Continental Reinsurance Plc

## Statement of Financial Position

As at 31 December 2012

	31 December 2012 =N='000	31 December 2011 =N='000	1 January 2011 =N='000
<b>Assets</b>			
Cash and cash equivalents	6,263,827	5,815,044	5,655,176
Financial assets			
-Financial asset designated as fair value	132,942	108,956	175,031
-Loans and other receivables	192,575	153,584	144,706
-Available-for-sale investments	1,910,396	1,736,086	1,876,705
-Held to maturity investments	4,359,087	5,076,223	4,056,865
Reinsurance receivables	5,427,732	4,602,289	3,988,642
Retrocession assets	779,147	146,974	101,470
Deferred acquisition costs	1,077,360	975,157	930,234
Other assets	1,113,603	181,718	34,638
Investment properties	1,661,000	1,653,500	1,557,834
Intangible assets	17,075	4,913	9,239
Property, plant and equipment	114,695	103,423	106,687
Statutory deposits	1,000,000	1,000,000	1,000,000
<b>Total assets</b>	<b>24,049,439</b>	<b>21,557,867</b>	<b>19,637,227</b>
<b>Liabilities</b>			
Insurance contract liabilities	9,237,451	7,747,320	6,686,979
Reinsurance creditors	754,969	722,385	275,970
Other liabilities	252,265	345,897	356,866
Retirement benefit obligations	164,110	3,893	75,690
Current income tax	401,617	381,624	336,074
Deferred taxation	3,660	41,470	31,448
<b>Total liabilities</b>	<b>10,814,072</b>	<b>9,242,589</b>	<b>7,763,027</b>
<b>Equity</b>			
Share capital	5,186,372	5,186,372	5,186,372
Share premium	3,915,451	3,915,451	3,915,451
Contingency reserve	1,873,319	1,435,136	1,094,207
Retained earnings	2,344,587	1,986,024	1,662,242
Available-for-sale reserve	(84,362)	(207,705)	15,928
<b>Total equity</b>	<b>13,235,367</b>	<b>12,315,278</b>	<b>11,874,200</b>
<b>Total equity and liabilities</b>	<b>24,049,439</b>	<b>21,557,867</b>	<b>19,637,227</b>

**Continental Reinsurance Plc**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2012**

Attributable to equity holders

	Share capital	Share premium	Retained earnings	Contingency reserve	Available for sale reserve	Total equity
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
<b>Balance at 1 January 2012</b>	5,186,372	3,915,451	1,986,024	1,435,136	(207,705)	12,315,278
Profit or loss for the period	-	-	1,626,568	-	-	1,626,568
Transfer to contingency reserve	-	-	(438,183)	438,183	-	-
<b>Other comprehensive income</b>						
Fair value of equity financial assets	-	-	-	-	123,343	123,343
<b>Total comprehensive income or loss</b>	-	-	<b>1,188,385</b>	<b>438,183</b>	<b>123,343</b>	<b>1,749,911</b>
<b>Transaction with owners</b>						
Dividend	-	-	(829,822)	-	-	(829,822)
<b>Total Transactions with owners</b>	-	-	<b>(829,822)</b>	-	-	<b>(829,822)</b>
<b>At 31 December 2012</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>2,344,587</b>	<b>1,873,319</b>	<b>(84,362)</b>	<b>13,235,367</b>
<b>Balance at 1 January 2011</b>	5,186,372	3,915,451	1,662,242	1,094,207	15,928	11,874,200
Profit or loss for the period	-	-	1,442,579	-	-	1,442,579
Transfer of contingency reserve	-	-	(340,929)	340,929	-	-
<b>Other comprehensive income</b>						
Fair value of equity financial assets	-	-	-	-	(223,633)	(223,633)
<b>Total comprehensive income or loss</b>	-	-	<b>1,101,650</b>	<b>340,929</b>	<b>(223,633)</b>	<b>1,218,946</b>
<b>Transaction with owners</b>						
Dividend	-	-	(777,868)	-	-	(777,868)
<b>Total Transactions with owners</b>	-	-	<b>(777,868)</b>	-	-	<b>(777,868)</b>
<b>At 31 December 2011</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>1,986,024</b>	<b>1,435,136</b>	<b>(207,705)</b>	<b>12,315,278</b>

# Continental Reinsurance Plc

## Statement of Cash flows

For the year ended 31 December 2012

	<b>2012</b>	<b>2011</b>
	<b>N' 000</b>	<b>N' 000</b>
<b>Cash flows from operating activities</b>		
Premium received from policy holders	10,826,431	10,518,771
Retrocession receipts in respect of claims	781,893	-
Acquisition costs paid	(2,571,233)	(2,799,779)
Retrocession premium paid	(1,554,221)	(1,295,097)
Cash paid to and on behalf of employees	(725,489)	(593,995)
Other operating cash receipts/payments	(979,771)	(762,170)
Claims paid	(5,638,819)	(3,105,561)
Income taxes paid	(371,649)	(331,578)
<b>Net cashflows (outflow)/inflow from operating activities</b>	<b>(232,858)</b>	<b>1,630,591</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(111,131)	(64,400)
Purchase of intangible assets	(23,301)	(4,620)
Proceeds from disposal of property, plant and equipment	5,539	4,246
Purchase of investment securities	(170,096)	(900,773)
Proceeds on redemption /sales of investments	297,524	73,457
Purchase of investment property	-	(164,225)
Proceeds from sale of investment property	-	150,000
Interest received	1,040,161	701,014
Dividend received	89,763	75,026
<b>Net cash generated/(used) in investing activities</b>	<b>1,128,459</b>	<b>(130,275)</b>
<b>Cash flows from financing activities</b>		
Dividend expense	(865,140)	(766,362)
<b>Net cash used in financing activities</b>	<b>(865,140)</b>	<b>(766,362)</b>
Net increase in cash and cash equivalents	30,461	733,954
Cash and cash equivalents at start of year	7,118,608	6,380,484
Effect of exchange rate changes on cash and cash equivalents	(1,291)	4,170
<b>Cash and cash equivalents at end of year</b>	<b>7,147,778</b>	<b>7,118,608</b>