

Continental Reinsurance Plc

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2013

	Notes	Group 2013 =N='000	Company 2013 =N='000	Company 2012 Restated * =N='000
Insurance premium revenue	1.1	15,036,612	13,848,129	11,946,255
Insurance premium ceded to retrocessionaires	1.2	(1,685,709)	(1,590,406)	(1,554,221)
Net insurance premium revenue		13,350,903	12,257,723	10,392,034
Insurance Benefits				
Insurance claims and loss adjustment expenses	2.1	6,376,258	5,912,103	5,574,604
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(114,213)	(103,537)	(781,893)
Net insurance benefits and claims		6,262,045	5,808,566	4,792,711
Underwriting expenses	2.2	5,411,036	4,798,351	4,252,274
Insurance benefits and underwriting expenses		11,673,081	10,606,917	9,044,985
Underwriting profit		1,677,822	1,650,806	1,347,049
Interest income	3	1,001,601	762,620	1,068,811
Net fair value gains on financial assets designated at fair value through profit or loss	4	109,703	108,456	40,014
Other income	5	493,943	493,352	350,880
Administrative expenses	6.1	(376,372)	(340,521)	(311,434)
Impairment of financial assets	6.2	(673,303)	(673,303)	(362,897)
Profit before income tax		2,233,394	2,001,410	2,132,423
Income tax expense	8	(479,994)	(414,953)	(399,439)
Profit for the year		1,753,400	1,586,457	1,732,984
Other comprehensive income				
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>				
Net gain on available for sale financial assets	7	361,156	357,547	123,343
Exchange difference on translation of foreign operation		(32,394)	-	-
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Re-measurement gain on defined benefit plans	26.2	7,444	7,444	(152,023)
Income tax relating to component of other comprehensive income	9.1	(2,233)	(2,233)	45,607
Other comprehensive income for the year, net of tax		333,973	362,758	16,927
Total comprehensive income for the year		2,087,373	1,949,215	1,749,911
Earnings per share Basic and Diluted (kobo)	10	17	15	17

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer Note 2.4 in statement of significant accounting policies.

See accompanying notes to the consolidated financial statements.

Continental Reinsurance Plc
Consolidated statement of financial position
as at 31 December 2013

	Notes	Group 2013 =N='000	Company 2013 =N='000	Company 2012 =N='000
Assets				
Cash and cash equivalents	11	5,673,748	5,605,227	6,263,827
Financial assets				
-Financial asset designated as fair value through profit or loss	12	170,285	170,285	132,942
-Loans and other receivables	13	379,174	370,833	192,575
-Available-for-sale investments	14.1	2,259,534	2,213,919	1,910,396
-Held to maturity investments	14.2	5,830,270	4,732,522	4,359,087
Reinsurance receivables	15	6,292,066	5,613,677	5,427,732
Retrocession assets	16	358,106	279,247	779,147
Deferred acquisition costs	17	1,428,293	1,213,441	1,077,360
Other assets	18	365,839	546,073	1,113,603
Investment in subsidiary	18.1	-	987,405	-
Investment properties	19	1,746,800	1,746,800	1,661,000
Intangible assets	20	9,667	9,667	17,075
Property, plant and equipment	21	611,628	553,200	114,695
Statutory deposits	22	1,000,000	1,000,000	1,000,000
Total assets		26,125,410	25,042,296	24,049,439
Liabilities				
Insurance contract liabilities	23	9,873,379	8,961,159	9,237,451
Reinsurance creditors	24	1,169,024	1,169,024	754,969
Other liabilities	25	311,142	288,057	252,265
Retirement benefit obligations	26	45,900	45,900	164,110
Current income tax payable	8	391,381	388,875	401,617
Deferred tax liabilities	9	49,091	41,946	3,660
Total liabilities		11,839,917	10,894,961	10,814,072
Equity				
Share capital	27	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451
Contingency reserve	29	2,420,096	2,349,131	1,873,319
Retained earnings	30	2,519,174	2,423,196	2,344,587
Available-for-sale reserve	31.1	276,794	273,185	(84,362)
Foreign currency translation reserve	31.2	(32,394)	-	-
Total equity		14,285,493	14,147,335	13,235,367
Total liabilities and equity		26,125,410	25,042,296	24,049,439

See accompanying notes to the consolidated financial statements.

Continental Reinsurance Plc

Consolidated statement of changes in equity
for the year ended 31 December 2013

Group	Notes	Attributable to the equity holders of the parent						Total equity =N='000
		Share capital (Note 27)	Share premium (Note 28)	Contingency reserve (Note 29)	Retained earnings (Note 30)	Available- for-sale reserve (Note 31.1)	Foreign currency translation reserve (Note 31.2)	
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	
As at 1 January 2013		5,186,372	3,915,451	1,873,319	2,344,587	(84,362)	-	13,235,367
Profit for the year		-	-	-	1,753,400	-	-	1,753,400
Transfer of contingency reserve		-	-	546,777	(546,777)	-	-	-
Other comprehensive income		-	-	-	5,211	361,156	(32,394)	333,973
Total comprehensive income/(loss)		5,186,372	3,915,451	2,420,096	3,556,421	276,794	(32,394)	15,322,740
Dividends declared	25.1	-	-	-	(1,037,247)	-	-	(1,037,247)
At 31 December 2013		5,186,372	3,915,451	2,420,096	2,519,174	276,794	(32,394)	14,285,493
As at 1 January 2012		5,186,372	3,915,451	1,435,136	1,986,024	(207,705)	-	12,315,278
Profit for the year		-	-	-	1,732,984	-	-	1,732,984
Transfer of contingency reserve		-	-	438,183	(438,183)	-	-	-
Other comprehensive income		-	-	-	(106,416)	123,343	-	16,927
Total comprehensive income/(loss)		5,186,372	3,915,451	1,873,319	3,174,409	(84,362)	-	14,065,189
Dividends declared	25.1	-	-	-	(829,822)	-	-	(829,822)
At 31 December 2012		5,186,372	3,915,451	1,873,319	2,344,587	(84,362)	-	13,235,367

See accompanying notes to the consolidated financial statements.

Continental Reinsurance Plc

Consolidated statement of changes in equity - Continued
for the year ended 31 December 2013

		Attributable to the equity holders of the parent					
Company	Notes	Share capital	Share premium	Contingency reserve	Retained earnings	Available-for-sale reserve	Total equity
		(Note 27)	(Note 28)	(Note 29)	(Note 30)	(Note 31.1)	
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2013		5,186,372	3,915,451	1,873,319	2,344,587	(84,362)	13,235,367
Profit for the year		-	-	-	1,586,457	-	1,586,457
Transfer of contingency reserve		-	-	475,812	(475,812)	-	-
Other comprehensive income		-	-	-	5,211	357,547	362,758
Total comprehensive income/(loss)		5,186,372	3,915,451	2,349,131	3,460,443	273,185	15,184,582
Dividends declared	25.1	-	-	-	(1,037,247)	-	(1,037,247)
At 31 December 2013		5,186,372	3,915,451	2,349,131	2,423,196	273,185	14,147,335
As at 1 January 2012		5,186,372	3,915,451	1,435,136	1,986,024	(207,705)	12,315,278
Profit for the year		-	-	-	1,732,984	-	1,732,984
Transfer of contingency reserve		-	-	438,183	(438,183)	-	-
Other comprehensive income		-	-	-	(106,416)	123,343	16,927
Total comprehensive income/(loss)		5,186,372	3,915,451	1,873,319	3,174,409	(84,362)	14,065,189
Dividends declared	25.1	-	-	-	(829,822)	-	(829,822)
At 31 December 2012		5,186,372	3,915,451	1,873,319	2,344,587	(84,362)	13,235,367

See accompanying notes to the consolidated financial statements.

Continental Reinsurance Plc

Consolidated statement of cash flows for the year ended 31 December 2013

	Notes	Group 2013 =N='000	Company 2013 =N='000	Company 2012 =N='000
Cash flows from operating activities				
Premium received from policy holders		16,776,161	12,621,228	10,826,431
Retrocession receipts in respect of claims		137,622	103,537	781,893
Acquisition costs paid		(4,035,537)	(3,036,060)	(2,571,233)
Retrocession premium paid		(2,113,971)	(1,590,406)	(1,554,221)
Cash paid to and on behalf of employees		(922,878)	(694,310)	(725,489)
Other operating cash receipts/payments		(1,649,380)	(1,242,158)	(979,771)
Claims paid		(7,278,592)	(5,479,466)	(5,638,819)
Income taxes paid	8	(447,032)	(391,642)	(371,649)
Net cash from/(used in) operating activities	32	466,393	290,723	(232,858)
Cash flows from investing activities				
Purchase of property, plant and equipment	21	(604,873)	(532,738)	(111,131)
Purchase of intangible assets	20	(4,364)	(4,364)	(23,301)
Proceeds from disposal of property, plant and equipment		6,929	6,929	5,539
Purchase of investment securities		(854,702)	(856,273)	(170,096)
Proceeds on redemption /sales of investments		666,287	666,287	297,524
Interest received		739,489	735,880	1,040,161
Dividend received		96,223	96,223	89,763
Net cash from investing activities		44,989	111,944	1,128,459
Cash flows from financing activities				
Dividends paid	25.1	(1,021,857)	(1,021,857)	(865,140)
Net cash used in financing activities		(1,021,857)	(1,021,857)	(865,140)
Net (decrease)/increase in cash and cash equivalents		(510,475)	(619,190)	30,461
Cash and cash equivalents at beginning of year		7,147,778	7,147,778	7,118,608
Effect of exchange rate changes on cash and cash equivalents		(6,663)	(1,835)	(1,291)
Cash and cash equivalents at end of year	33	6,630,640	6,526,753	7,147,778

See accompanying notes to the consolidated financial statements.