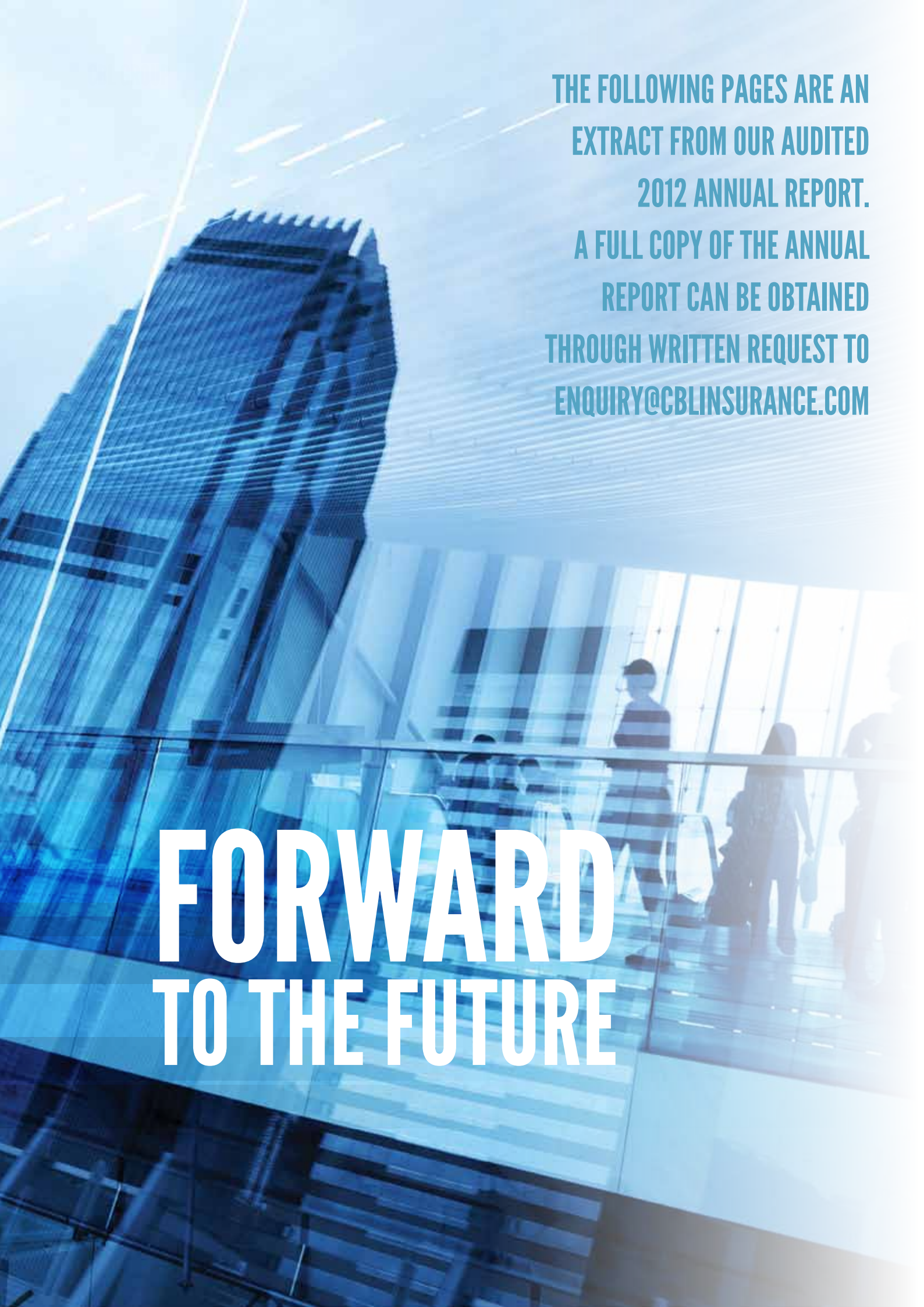


40 YEARS OF PROVIDING INSURANCE SOLUTIONS

ANNUAL REVIEW 2012



CBL *insurance*



THE FOLLOWING PAGES ARE AN
EXTRACT FROM OUR AUDITED
2012 ANNUAL REPORT.
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**FORWARD
TO THE FUTURE**

| | | CONSOLIDATED | | PARENT | |
|--|------|-----------------|----------------|-----------------|----------------|
| | Note | 2012 \$'000 | 2011 \$'000 | 2012 \$'000 | 2011 \$'000 |
| Gross written premium | 3 | 151,225 | 103,081 | 107,683 | 76,029 |
| Movement in gross unearned premium | 3 | (18,673) | (15,723) | (18,673) | (15,723) |
| Gross premiums | | 132,552 | 87,358 | 89,010 | 60,306 |
| Premiums ceded | 3 | (49,227) | (33,288) | (16,799) | (12,836) |
| Net premiums | | 83,325 | 54,070 | 72,211 | 47,470 |
| Other revenue | 3 | 5,669 | 3,581 | 3,546 | 2,603 |
| Total revenue | | 88,994 | 57,651 | 75,757 | 50,073 |
| Claims expense | 4 | (37,738) | (30,724) | (37,738) | (30,724) |
| Reinsurance and other recoveries | 4 | 15,684 | 14,628 | 15,684 | 14,628 |
| Net claims expense | | (22,054) | (16,096) | (22,054) | (16,096) |
| Acquisition costs | 5 | (25,629) | (16,125) | (25,565) | (16,070) |
| Other operating expenses | 5 | (19,534) | (11,022) | (9,548) | (6,140) |
| Total claims and operating expenses | | (67,217) | (43,243) | (57,167) | (38,306) |
| Operating profit | | 21,777 | 14,408 | 18,590 | 11,767 |
| Finance costs | 5 | (1,076) | (846) | (117) | (310) |
| Other expenses | 5 | (2,442) | (3,528) | (2,069) | (2,712) |
| Share of profit from associate | | 190 | - | 143 | - |
| Subvention payment | 5 | (466) | (1,355) | (466) | (1,355) |
| Profit before tax | | 17,983 | 8,679 | 16,081 | 7,390 |
| Income tax expense | 7 | (5,105) | (2,617) | (4,636) | (2,008) |
| Profit for the period | | 12,878 | 6,062 | 11,445 | 5,382 |
| Other comprehensive income: | | | | | |
| Currency translation differences | | (13) | (21) | - | - |
| Other comprehensive income net of tax | | (13) | (21) | - | - |
| Total comprehensive income for the period | | 12,865 | 6,041 | 11,445 | 5,382 |
| Profit attributable to: | | | | | |
| Shareholders | | 12,878 | 6,062 | 11,445 | 5,382 |
| Minority interest | | - | - | - | - |
| Total comprehensive income attributable to: | | | | | |
| Shareholders | | 12,865 | 6,041 | 11,445 | 5,382 |
| Minority interest | | - | - | - | - |

CBL GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

| | Note | CONSOLIDATED | | PARENT | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2012 \$'000 | 2011 \$'000 | 2012 \$'000 | 2011 \$'000 |
| ASSETS | | | | | |
| Cash and cash equivalents | 8 | 65,034 | 32,523 | 58,797 | 24,196 |
| Other financial assets | 9 | 12 | 12 | 12 | 12 |
| Insurance receivables | 10 | 24,315 | 17,996 | 23,419 | 17,996 |
| Trade and other receivables | 10 | 15,115 | 12,231 | 16,561 | 11,698 |
| Loans | 10 | 2,334 | 265 | 6,089 | 19,884 |
| Recoveries on outstanding claims | 11 | 24,050 | 12,905 | 24,050 | 12,905 |
| Deferred reinsurance expense | 12 | 7,121 | 4,445 | 7,121 | 4,445 |
| Deferred acquisition costs | 12 | 13,441 | 7,842 | 13,441 | 7,842 |
| Deferred tax assets | 7 | 3,861 | 69 | 3,861 | 69 |
| Property, plant and equipment | 13 | 1,271 | 1,383 | 1,006 | 1,004 |
| Investment in associate | 14 | 447 | 265 | 224 | 80 |
| Intangible assets | 16 | 3,990 | 3,173 | 948 | - |
| Goodwill | 17 | 30,371 | 31,681 | - | - |
| TOTAL ASSETS | | 191,362 | 124,790 | 155,529 | 100,131 |
| LIABILITIES | | | | | |
| Trade and other payables | 18 | 7,460 | 7,364 | 6,048 | 6,347 |
| Insurance payables | 18 | 9,619 | 6,273 | 4,654 | 690 |
| Current tax liabilities | | 4,439 | 1,672 | 3,724 | 1,082 |
| Unearned premium liability | 19 | 46,615 | 27,943 | 46,615 | 27,943 |
| Employee benefits provision | 20 | 317 | 200 | 197 | 135 |
| Contingent consideration | 18 | 5,094 | 7,785 | - | - |
| Deferred tax liabilities | 7 | 3,767 | 585 | 3,764 | 585 |
| Outstanding claims liability | 4 | 47,435 | 24,358 | 47,435 | 24,358 |
| Borrowings | 21 | 21,512 | 17,787 | - | 8,760 |
| TOTAL LIABILITIES | | 146,258 | 93,967 | 112,437 | 69,900 |
| NET ASSETS | | 45,104 | 30,823 | 43,092 | 30,231 |
| EQUITY | | | | | |
| Share capital | 22 | 26,700 | 24,200 | 26,700 | 24,200 |
| Reserves | 22 | (34) | (21) | - | - |
| Retained earnings | 22 | 18,438 | 6,644 | 16,392 | 6,031 |
| Total equity attributed to shareholders | | 45,104 | 30,823 | 43,092 | 30,231 |
| Minority interest | | - | - | - | - |
| TOTAL EQUITY | | 45,104 | 30,823 | 43,092 | 30,231 |

The financial statements were approved for issue by the Board on 21 March 2013.



Sir John Wells KNZM
Chairman



Peter Harris
Managing Director



CBLinsurance