

CONTINENTAL REINSURANCE PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

Continental Reinsurance Plc
Unaudited Consolidated Financial Statements
For the period ended 31 March, 2017

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Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the period ended 31 March, 2017

Note	GROUP			Budget Achieve %	QoQ % Change
	MARCH 2017 =N='000	MARCH 2016 =N='000	JAN-MAR. 2017 Budget =N='000		
Gross written Premium	6,565,316	5,539,752	7,779,420	84%	19%
Insurance premium revenue	5,995,576	5,511,604	7,684,551	78%	9%
Insurance premium ceded to retrocessionaires	(725,750)	(446,142)	(826,664)	88%	63%
Net insurance premium revenue	5,269,826	5,065,462	6,857,887	77%	4%
Insurance benefits					
Insurance claims and loss adjustment expenses	2,746,806	2,714,703	3,686,671	75%	1%
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(97,571)	(85,369)	(72,773)	134%	14%
Net insurance benefits and claims	2,649,235	2,629,334	3,613,898	73%	1%
Underwriting expenses	2,382,093	1,871,698	2,622,970	91%	27%
Insurance benefits and underwriting expenses	5,031,328	4,501,032	6,236,868	81%	12%
Underwriting profit	238,498	564,429	621,019	38%	-58%
Net Interest income	432,269	236,327	358,340	121%	83%
Net gains on financial assets designated at fair value through profit or loss	-	(9,347)	2,295	0%	-100%
Other income	157,171	35,135	47,732	329%	347%
Foreign exchange gain/(loss)	159,624	103,113	52,938		55%
Income from investment in subsidiary	-	-	-		
Administration expenses	(281,870)	(126,065)	(135,960)	207%	124%
Impairment of financial assets	(0)	(80,784)	(103,929)	0%	-100%
Profit before taxation	705,693	722,807	842,434	84%	-2%
Income tax expense	(190,037)	(223,576)	(213,836)	89%	-15%
Profit after taxation	515,656	499,232	628,599	82%	3%
Profit for the period	515,656	499,232	628,599	82%	3%
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	(146,437)	(58,392)	-		
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	-	-	-		
Exchange difference on translation of foreign operations	-	-	-		
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	-	-	-		
Income tax relating to component of other comprehensive income	-	-	-		
Other comprehensive income for the period, net of tax	(146,437)	(58,392)	-		151%
Total Comprehensive Income for the period	369,219	440,840	628,599	59%	-16%
Profit attributable to:					
Equity holders of the parent	461,398	439,200	559,453	82%	5%
Non-controlling interest	54,258	60,032	69,146	78%	-10%
	515,656	499,232	628,599	82%	3%
Total comprehensive income attributable to:					
Equity holders of the parent	314,960	380,808	559,453	56%	-17%
Non-controlling interest	54,258	60,032	69,146	78%	-10%
	369,219	440,840	628,599	59%	-16%
Earnings per share					
Basic (Kobo)	5	5			

Continental Reinsurance Plc
Statement of Profit or Loss and other Comprehensive Income
For the period ended 31 March, 2017

Note	COMPANY			Budget Achieved %	QoQ % Change
	MARCH 2017 =N='000	MARCH 2016 =N='000	JAN-MAR. 2017 Budget =N='000		
Gross written Premium	4,535,195	4,504,753	5,094,139	89%	1%
Insurance premium revenue	3,658,341	4,519,757	5,239,685	70%	-19%
Insurance premium ceded to retrocessionaires	(436,186)	(371,863)	(504,862)	86%	17%
Net insurance premium revenue	3,222,155	4,147,893	4,734,823	68%	-22%
Insurance benefits					
Insurance claims and loss adjustment expenses	1,602,090	2,260,557	2,721,599	59%	-29%
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(64,990)	(28,496)	(72,773)	89%	128%
Net insurance benefits and claims	1,537,100	2,232,061	2,648,826	58%	-31%
Underwriting expenses	1,722,087	1,547,889	1,747,180	99%	11%
Insurance benefits and underwriting expenses	3,259,187	3,779,950	4,396,006	74%	-14%
Underwriting profit	(37,032)	367,943	338,817	-11%	-110%
Net Interest income	374,147	204,994	281,719	133%	83%
Net gains on financial assets designated at fair value through profit or loss	-	(9,347)	2,295	0%	-100%
Other income	154,843	34,092	47,357	327%	354%
Foreign exchange gain/(loss)	201,586	85,059	52,938		137%
Income from investment in subsidiary	-	-	-		
Administration expenses	(216,731)	(63,969)	(105,397)	206%	239%
Impairment of financial assets	(0)	(102,651)	(36,921)	0%	-100%
Profit before taxation	476,814	516,121	580,809	82%	-8%
Income tax expense	(119,203)	(129,030)	(132,153)	90%	-8%
Profit after taxation	357,610	387,091	448,656	80%	-8%
Profit for the period	357,610	387,091	448,656	80%	-8%
Other comprehensive income:					
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:					
Remeasurement gains on available for sale financial assets	(148,409)	-	-		
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	-	-	-		
Exchange difference on translation of foreign operations	-	-	-		
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:					
Actuarial (loss)/gains on defined benefit plans	-	-	-		
Income tax relating to component of other comprehensive income	-	11,937	-		-100%
Other comprehensive income for the period, net of tax	(148,409)	11,937	-		-1343%
Total Comprehensive Income for the period	209,201	399,028	448,656	47%	-48%
Profit attributable to:					
Equity holders of the parent	357,610	387,091	448,656	80%	-8%
Non-controlling interest	-	-	-		
	357,610	387,091	448,656	80%	-8%
Total comprehensive income attributable to:					
Equity holders of the parent	209,201	399,028	448,656	47%	-48%
Non-controlling interest	-	-	-		
	209,201	399,028	448,656	47%	-48%
Earnings per share					
Basic (kobo)	3	4			

Continental Reinsurance Plc
Consolidated Statement of Financial Position

As at 31 March 2017	Note	GROUP			COMPANY		
		31 March 2017 =N='000	31 December 2016 =N='000	2017 budget =N='000	31 March 2017 =N='000	31 December 2016 =N='000	2017 budget =N='000
Assets							
Cash and cash equivalents	11	10,252,025	9,346,512	7,602,214	6,744,612	6,538,768	6,588,554
Financial assets						-	
-Financial asset designated as fair value	12	1,956,390	2,046,334	1,224,259	11,772	96,177	114,733
-Loans and other receivables	13	467,273	391,505	288,306	372,148	296,442	450,000
-Available-for-sale investments	14.1	1,760,937	2,544,152	1,985,688	1,700,406	2,482,982	2,231,917
-Held to maturity investments	14.2	7,361,182	7,114,054	4,092,551	6,583,719	6,345,274	4,204,577
Reinsurance receivables	15	11,763,080	10,548,241	7,987,102	8,378,106	7,477,146	5,503,439
Retrocession assets	16	1,538,799	1,113,566	749,706	424,947	424,947	436,313
Deferred acquisition costs	17	1,401,107	1,532,808	1,933,220	782,628	782,627	1,440,188
Investment in Subsidiary		-	-	-	2,147,863	1,649,571	1,649,571
Other assets	18	326,890	426,753	860,550	1,088,003	1,950,129	2,443,384
Investment properties	19	2,868,728	2,868,728	2,685,646	2,868,728	2,868,728	2,746,230
Intangible assets	20	6,092	7,067	-	6,092	6,768	233,772
Property, plant and equipment	21	1,318,097	1,311,955	1,127,691	1,228,952	1,247,031	2,436,521
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		42,020,601	40,251,675	31,536,933	33,337,976	33,166,591	31,479,200
Liabilities							
Insurance contract liabilities	23	15,238,973	13,745,314	12,352,502	11,117,765	10,137,148	10,984,276
Reinsurance creditors	24	2,868,281	2,930,856	1,646,497	2,596,192	2,568,607	931,710
Other liabilities	25	1,887,323	1,976,817	1,369,052	2,029,086	3,200,303	1,054,503
Retirement benefit obligations	26	342,003	383,858	128,586	342,003	336,008	334,046
Current income tax	8	817,419	692,603	673,834	750,722	631,518	528,611
Deferred taxation	9	793,544	793,807	95,682	686,908	686,908	68,777
Total liabilities		21,947,542	20,523,254	16,266,153	17,522,675	17,560,492	13,901,923
Equity							
Share capital	27	5,186,372	5,186,372	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451	3,915,451	3,915,451	3,915,451
Contingency reserve	29	4,128,364	4,003,471	3,146,181	3,879,581	3,754,688	4,055,498
Retained earnings	30	3,210,925	2,874,421	1,958,535	2,641,393	2,408,676	4,004,802
Available-for-sale reserve	31	186,138	333,265	187,833	192,503	340,912	415,153
Foreign currency translation reserve		2,064,080	2,088,662	(244,703)			
Equity attributed to holder of parent		18,691,333	18,401,642	14,149,669	15,815,301	15,606,099	17,577,276
Non-controlling interest		1,381,728	1,326,780	1,121,112			
Total equity		20,073,060	19,728,422	15,270,781	15,815,300	15,606,099	17,577,276
Total Liabilities & equities		42,020,601	40,251,675	31,536,933	33,337,976	33,166,591	31,479,200

Continental Reinsurance Plc
Consolidated Statement of Changes in Equity
For the period ended 31 March, 2017

		Attributable to equity holders-Group							
Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Foreign Exchange Translation Reserve =N='000	Non-controlling interest	Total equity =N='000	
	Balance at 1 January 2017	5,186,372	3,915,451	2,874,421	4,003,471	333,265	2,088,662	1,326,780	19,728,422
	Profit or loss for the period	-	-	461,398	-	-	-	54,258	515,656
	Transfer of contingency reserve	-	-	(124,893)	124,893	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	-	-	-	-	(147,127)	-	690	(146,437)
	Foreign exchange translation reserve	-	-	-	-	-	24,582	-	(24,582)
	Total comprehensive income or loss	-	-	336,504	124,893	(147,127)	(24,582)	54,948	344,637
	Transaction with owners								
	Dividend	-	-	-	-	-	-	-	-
	Total Transactions with owners	-	-	-	-	-	-	-	-
	At 31 March, 2017	5,186,372	3,915,451	3,210,925	4,128,364	186,138	2,064,080	1,381,728	20,073,060
	Balance at 1 January 2016	5,186,372	3,915,451	1,820,765	3,414,608	182,183	(116,756)	1,134,568	15,537,191
	At acquisition	-	-	-	-	-	-	-	-
	Change in shareholding	-	-	-	-	-	-	-	-
	Profit or loss for the period	-	-	439,200	-	-	-	60,032	499,232
	Transfer of contingency reserve	-	-	(144,283)	144,283	-	-	-	-
	Other comprehensive income								
	Fair value of equity financial assets	-	-	-	-	(58,392)	332,753	(3,043)	271,318
	Foreign exchange translation reserve	-	-	-	-	-	-	-	-
	Total comprehensive income or loss	5,186,372	3,915,451	2,115,682	3,558,891	123,791	215,997	1,191,557	16,307,741
	Transaction with owners								
	Dividend	-	-	-	-	-	-	-	-
	Total Transactions with owners	-	-	-	-	-	-	-	-
	At 31 March, 2016	5,186,372	3,915,451	2,115,682	3,558,891	123,791	215,997	1,191,557	16,307,741

Continental Reinsurance Plc
Statement of Changes in Equity
For the period ended 31 March, 2017

Attributable to equity holders-Company

Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Total equity =N='000
Balance at 1 January 2017	5,186,372	3,915,451	2,408,676	3,754,688	340,912	15,606,099
Profit or loss for the period	-	-	357,610	-	-	357,610
Transfer of contingency reserve	-	-	(124,893)	124,893	-	-
Other comprehensive income						
Fair value of equity financial assets	7	-	-	-	148,409	(148,409)
Foreign exchange translation reserve						-
Total comprehensive income or loss	-	-	232,717	124,893	(148,409)	209,201
Transaction with owners						
Dividend	25.1	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-
At 31 March, 2017	5,186,372	3,915,451	2,641,393	3,879,581	192,503	15,815,300
Balance at 1 January 2016	5,186,372	3,915,451	1,681,345	3,250,484	182,971	14,216,623
Profit or loss for the period	-	-	387,091	-	-	387,091
Transfer of contingency reserve	-	-	(144,285)	144,285	-	-
Other comprehensive income						
Fair value of equity financial assets	-	-	-	-	(58,392)	(58,392)
Foreign exchange translation reserve						-
Total comprehensive income or loss	5,186,372	3,915,451	1,924,150	3,394,769	124,579	14,545,322
Transaction with owners						
Dividend	-	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-	-
At 31 March 2016	5,186,372	3,915,451	1,924,150	3,394,769	124,579	14,545,322

Continental Reinsurance Plc
Statement of Cash flows
For the period ended 31 March, 2017

	Group		Company	
	31 mar.	31 mar.	31 mar.	31 mar.
	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
Cash flows from operating activities				
Premium received from policy holders	4,829,172	3,817,969	3,634,235	3,181,641
Retrocession receipts in respect of claims	64,989.34	28,496	64,989	28,496
Acquisition costs paid	(1,459,764)	(1,406,965)	(1,149,421)	(1,105,358)
Retrocession premium paid	(1,108,356)	(482,121)	(846,074)	(349,363)
Employees benefit and other admin expenses paid	(971,289)	(883,648)	(764,795)	(739,607)
Other operating cash receipts/payments	83,482	148,295	59,630	119,593
Claims paid	(1,446,352)	(801,098)	(1,208,088)	(693,152)
Income taxes paid	-	-	0	-
Net cash flows (outflow)/inflow from operating activities	-8,119	420,929	-209,523	442,250
Cash flows from investing activities				
Purchase of property, plant and equipment	(24,799)	(63,531)	(577)	(48,870)
Purchase of intangible assets	-	-	-	-
Investment in subsidiary	-	-	(498,292)	-
Proceeds from disposal of property, plant and equipment	(16)	11	(16)	11
Purchase of investment securities	(386,614)	(410,367)	(297,396)	(410,367)
Proceeds on redemption /sales of investments	847,244	-	770,222	-
Purchase of investment property	-	-	-	-
Proceeds from sale of investment property	-	-	(0)	-
Rent Received	29,040	13,238	29,040	13,238
Interest received	419,751	150,233	395,991	125,194
Dividend received	9,301	2,200	9,194	2,200
Net cash generated/(used) in investing activities	893,908	-308,216	408,167	-318,594
Cash flows from financing activities				
Dividend expense	(337,211)	-	(337,211)	-
Net cash used in financing activities	(337,211)	-	(337,211)	-
Net increase in cash and cash equivalents	548,578	112,712	-138,567	123,656
Cash and cash equivalents at start of year	6,822,392	7,962,050	4,014,648	6,019,005
Effect of exchange rate changes on cash and cash equivalents	103,546	18,690	91,022	18,690
Cash and cash equivalents at end of the period	7,474,516	8,093,452	3,967,103	6,161,351
	31 mar.	31 mar.	31 mar.	31 mar.
Cash and cash Equivalent	2017	2016	2017	2016
Balances held with other banks:	N' 000	N' 000	N' 000	N' 000
Cash in hand	945	1,995	507	1,812
- Current account and cash in hand	334,726	151,330	228,070	72,611
Domiciliary account	283,259	173,544	283,259	173,544
Balances held with foreign banks:	2,449,635	240,170	866,721	240,170
- Placements with banks and other financial institutions with original maturity < 90 days	4,115,950	7,305,523	2,298,544	5,452,324
Treasury bill	290,000	220,890	290,000	220,890
Cash and Cash Equivalent at end	7,474,516	8,093,452	3,967,103	6,161,351

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

	GROUP		COMPANY	
	JAN-MAR. 2017 =N='000	JAN-MAR. 2016 =N='000	JAN-MAR. 2017 =N='000	JAN-MAR. 2016 =N='000
1 Revenue				
1.1 Insurance premium revenue				
<i>Premium revenue arising from insurance contracts issued</i>				
Life insurance contracts				
– Gross Premium	714,529	681,781	558,121	647,292
– Change in life insurance contract liabilities	(25,129)	139,099	-25,129	139,099
– Change in ceded unexpired risk reserve	-	(20,865)	-	-20,865
Non life insurance contracts				
– Gross Premium	5,850,786	4,857,972	3,977,073	3,857,461
– Change in unearned premium provision	(544,611)	(146,382)	(851,725)	-103,230
<i>Total Premium revenue arising from insurance contracts issued</i>	<u>5,995,576</u>	<u>5,511,604</u>	<u>3,658,341</u>	<u>4,519,757</u>
1.2 Insurance premium ceded to retrocessionaire				
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>				
Life insurance contracts	618,570	102,267	83,718	97,094
Non life insurance contracts	107,179	343,875	352,468	274,770
<i>Total Premium revenue ceded to retrocessionaire on insurance contracts</i>	<u>725,750</u>	<u>446,142</u>	<u>436,186</u>	<u>371,863</u>
Net insurance premium revenue	<u>5,269,826</u>	<u>5,065,462</u>	<u>3,222,155</u>	<u>4,147,893</u>
2 Insurance benefits and underwriting expenses				
2.1 Insurance claims and loss adjustment expenses				
Life insurance contracts	482,218	474,408	433,265	463,873
Non life insurance contracts	2,264,588	2,281,380	1,168,825	1,837,770
ceded outstanding claim reserve - Non Life	-	-	-	0
ceded outstanding claim reserve - Life	-	(41,085)	-	(41,085)
Total cost of policyholder benefits	<u>2,746,806</u>	<u>2,714,703</u>	<u>1,602,090</u>	<u>2,260,557</u>
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(97,571)	(85,369)	(64,990)	(28,496)
Net insurance benefits and claims	<u>2,649,235</u>	<u>2,629,334</u>	<u>1,537,100</u>	<u>2,232,061</u>
2.2 Underwriting expenses				
Costs incurred for the acquisition of insurance contracts	1,397,282	1,266,486	967,775	1,041,903
Costs incurred for the maintenance of insurance contracts	271,114	166,536	181,645	113,495
Management expenses (See Note 6.1)	713,696	438,676	572,667	392,491
Total underwriting expenses	<u>2,382,093</u>	<u>1,871,698</u>	<u>1,722,087</u>	<u>1,547,889</u>
Total insurance benefits and underwriting expenses	<u>5,031,328</u>	<u>4,501,032</u>	<u>3,259,187</u>	<u>3,779,950</u>
3 Net Interest income				
Cash and bank balances interest income	125,459	107,482	93,330	77,190
Statutory deposits interest income	28,757	30,123	28,757	30,123
Held-to-maturity and loans and receivables interest income	278,053	98,722	252,061	97,681
Net Interest income	<u>432,269</u>	<u>236,327</u>	<u>374,147</u>	<u>204,994</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY	
	JAN-MAR. 2017 =N='000	JAN-MAR. 2016 =N='000	JAN-MAR. 2017 =N='000	JAN-MAR. 2016 =N='000
4 Net fair value gains on assets at fair value through profit or loss				
Net fair value gains/ (losses) on financial assets designated at fair value through profit	-	(9,347)	-	(9,347)
Fair value gains on investment property	-	0	-	0
Total	-	(9,347)	-	(9,347)
5 Other income				
Available-for-sale				
– Dividends	9,301	2,289	9,194	2,200
– Gain on disposal of available-for-sale securities:				
Equity	-	0	-	0
Bond	111,583		111,583	
Income on investment property	30,601	22,376	30,601	22,376
– Gain/(Loss) on disposal of investment proper	-	0	-	0
–(Loss)/gain on disposal of property, plant and	(16)	(87)	(16)	(87)
Other income	5,701	10,558	3,481	9,604
	157,171	35,135	154,843	34,092
5.1 Foreign exchange gain/(loss)				
Foreign exchange gain/(loss)	159,624	103,113	201,586	85,059
	159,624	103,113	201,586	85,059
Breakdown of foreign exchange				
5.1a gain/(loss)				
Investment assets	69,731	25,778	69,731	21,265
Bank balances	17,641	22,685	17,641	18,713
Reinsurance receivables	72,252	54,650	114,213	45,081
	159,624	103,113	201,586	85,059
Less gain on impaired reinsurance receivables	-	-	-	-
	159,624	103,113	201,586	85,059
6 Operating expenses				
6.1 Management and administration expenses				
Management expenses	713,696	438,676	572,667	392,491
Administration expenses	281,870	126,065	216,731	63,969
	995,566	564,742	789,397	456,459

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY	
	JAN-MAR.	JAN-MAR.	JAN-MAR.	JAN-MAR.
	2017	2016	2017	2016
	=N='000	=N='000	=N='000	=N='000
<i>Management and administration expenses comprises the following:</i>				
Depreciation and amortisation	30,514	41,914	19,447	17,411
Auditor's remuneration	4,791	2,502	293	0
Employee benefits expenses (a)	415,081	369,693	318,460	220,818
Other operating expenses	545,181	150,633	451,197.71	218,230
Total management and administrative expense	<u>995,566</u>	<u>564,742</u>	<u>789,397</u>	<u>456,459</u>

(a) Employee benefit expense

Wages and salaries (local)	194,797	258,807	194,797	120,318
Wages and salaries (other regions)	193,529	84,653	96,909	84,653
Pension	-	0	-	0
Defined Benefit Staff Gratuity Plan	-	0	-	0
Defined Contributory Plan	26,755	23,049	26,755	15,847
	<u>415,081</u>	<u>366,510</u>	<u>318,460</u>	<u>220,818</u>

6.2 Impairment of financial assets

Reinsurance receivables	0	80,784	0	102,651
Retrocessionaire's share of receivables	-	-	-	-
	<u>0</u>	<u>80,784</u>	<u>0</u>	<u>102,651</u>

7 Net unrealised gain /(loss) on financial assets

Unrealised gain/(loss) on financial asset - Available-for-sale

– Equity instruments	(146,437)	-58,392	(148,409)	0
– Debt Instruments	-	0	-	0
Total	<u>(146,437)</u>	<u>(58,392)</u>	<u>(148,409)</u>	<u>-</u>
Reclassification adjustments to gains included in	-	0	-	0
Income tax relating to component of other comp	-	-	-	-
Other comprehensive income for the year, net of	<u>(146,437)</u>	<u>(58,392)</u>	<u>(148,409)</u>	<u>-</u>

8 Taxation

	JAN-MAR.	JAN-MAR.	JAN-MAR.	JAN-MAR.
	2017	2016	2017	2016
	=N='000	=N='000	=N='000	=N='000
Per statement of comprehensive income:				
Income tax based on profit for the year	190,037	223,576	119,203.43	129,030
Education tax	-	0	-	0
Back duty charge prior year	-	0	-	0
	<u>190,037</u>	<u>223,576</u>	<u>119,203</u>	<u>129,030</u>
Deferred taxation (Note 9)	-	-	-	-
	<u>190,037</u>	<u>223,576</u>	<u>119,203</u>	<u>129,030</u>

Per statement of financial position:

At 1 January	692,603	722,035	631,518	648,999
Based on profit for the year	190,037	898,337	119,203	686,034
Payments during the year	(65,222)	(927,769)	0	(703,515)
	<u>817,419</u>	<u>692,603</u>	<u>750,722</u>	<u>631,518</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

9	Deferred taxation	GROUP		COMPANY	
		31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
	Deferred income tax (assets)/liabilities are attributable to the following items:				
	Deferred tax liabilities				
	Balance b/f	793,807	72,908	686,908	68,777
	Recognised in profit and loss				
	Property plants and equipment	(262)	236,889	0.00	134,121
	Investment property	-	-	-	-
	Unrealised FX gain	-	484,009	-	484,009
	Employee benefits	-	-	-	-
	Total recognised in profit and loss	<u>(262)</u>	<u>720,899</u>	<u>0</u>	<u>618,131</u>
	Recognised in other comprehensive income				
	Employee benefit	-	-	-	-
	Available for sale financial assets	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Net	<u>793,544</u>	<u>793,807</u>	<u>686,908</u>	<u>686,908</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

10 Earnings per share

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary share holders by the weighted average number of ordinary shares outstanding at the reporting date.

	GROUP		COMPANY	
	31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	515,656	3,118,635	357,610	2,514,962
Weighted average number of ordinary shares in issue as at year end ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis earnings per ordinary share (kobo)	5	30	3	24

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

11 Cash and cash equivalents	GROUP		COMPANY	
	31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
Cash in hand	945	384	507	98
Balances held with local banks:				
- Current account	334,726	235,464	228,070	125,836
- Domiciliary account	283,259	389,221	283,259	389,221
Balances held with foreign banks	2,449,635	954,595	866,721	954,595
Placements with banks and other financial institutions	7,183,459	7,766,848	5,366,053	5,069,018
	10,252,025	9,346,512	6,744,612	6,538,768

Included in placements with banks and other financial institutions are tenored deposits of the group (N3.1 billion) with original maturities of more that three months.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

The cash and cash equivalents position for cash flow purposes is as disclosed in statement of cashflow

12 Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
	31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
Managed Funds				
External Portfolio Management	1,956,390	2,046,334	11,772	96,177
	1,956,390	2,046,334	11,772	96,177

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

13	Loans and other receivables	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Staff Loans and advances	498,723	361,810	403,597	266,746
	Other advances	375,491	436,636	375,491	436,637
	Impairment on other advances	(406,941)	(406,941)	(406,941)	(406,941)
	Total Loans and other receivables	467,273	391,505	372,148	296,442

14	Investment Securities	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000		=N='000
	Analysis of investment securities				
	Equity	1,465,519	1,968,086	1,465,519	1,945,954
	Debt	7,656,599	7,690,120	6,818,606	6,882,302
		9,122,119	9,658,206	8,284,125	8,828,256

Analysis by class

14.1	Available-for-sale:				
	Equity instruments	1,487,894	1,968,086	1,465,519	1,945,954
	Debt instruments	273,043	576,066	234,887	537,028
	Total available-for-sale	1,760,937	2,544,152	1,700,406	2,482,982
14.2	Held-to-maturity				
	Debt instruments	7,361,182	7,114,054	6,583,719	6,345,274
	Total Investment securities	9,122,119	9,658,206	8,284,125	8,828,256

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	928,205	807,538	928,205	807,538
Unquoted	537,314	1,160,548	537,314	1,138,416
Total equity instruments	1,465,519	1,968,086	1,465,519	1,945,954

These equities instruments are measured at fair value and classified as available-for-sale

Debt Instruments

	31-Mar	31-Dec	31-Mar	31-Dec
	2017	2016	2017	2016
	=N='000	=N='000		=N='000
Securities at Available-for-sale - Fair				
Bonds	273,043	576,066	234,887	537,028
	273,043	576,066	234,887	537,028

Securities at held-to-maturity - amortised

Listed	4,123,533	3,957,298	3,415,685	3,501,080
Unlisted	3,237,648	3,156,756	3,168,033	2,844,194
	7,361,182	7,114,054	6,583,719	6,345,274
Total debt instruments	7,634,225	7,690,120	6,818,606	6,882,302

None of these investment securities have been pledged to third party as collateral.

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

15	Reinsurance receivables	GROUP		COMPANY	
		31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
	Due from ceding companies	9,226,582	8,655,742	6,374,512	6,249,052
	Due from ceding companies (Pipeline)	3,267,429	3,169,706	2,797,473	2,525,279
	Premium reserves retained by ceding companies	805,547	259,271	503,306	-
		<u>13,299,558</u>	<u>12,084,718</u>	<u>9,675,291</u>	<u>8,774,331</u>
	Impairment on reinsurance receivables(Note 1)	(1,536,478)	(1,536,478)	(1,297,185)	(1,297,185)
		<u>11,763,080</u>	<u>10,548,241</u>	<u>8,378,106</u>	<u>7,477,146</u>
15.1	Reconciliation of impairment on reinsurance receivables				
	At 1 January	1,536,478	1,258,343	1,297,185	1,178,599
	Write off during the year	-	(1,350,748)	-	(1,390,068)
	Charge for the year	0	1,628,882	0	1,508,653
	Recovery during the year	-	-	-	-
		<u>1,536,478</u>	<u>1,536,478</u>	<u>1,297,185</u>	<u>1,297,185</u>
15.1a	Breakdown of charge for the year				
	impairment on gross receivables	0	1,628,882	0	1,508,653
	reversal of exchange gain on impaired reinsurance receivables	-	-	-	-
	Net charge to income statement	<u>0</u>	<u>1,628,882</u>	<u>0</u>	<u>1,508,653</u>
16	Retrocession Assets				
	Retrocessionaires' share of claims recoverable	1,257,209	850,411	161,791	161,791
	Retrocessionaires' share of reserve for outstanding claims	131,867	139,221	139,221	139,221
	Retrocession share of unearned premium reserve	11,291	-	-	0
	Retrocessionaires' share of life insurance contract liabilities	252,842	238,344	238,345	238,345
	Impairment on retro assets	(114,410)	(114,410)	(114,410)	(114,410)
	Total retrocession assets	<u>1,538,799</u>	<u>1,113,566</u>	<u>424,947</u>	<u>424,947</u>
	The Company conducted an impairment review of the reinsurance assets but no impairment loss resulted from this exercise. The carrying amounts disclosed above approximate fair value at the reporting date.				
17	Deferred acquisition costs	31-Mar 2017 =N='000	31-Dec 2016 =N='000	31-Mar 2017 =N='000	31-Dec 2016 =N='000
	At 1 January	1,532,808	1,458,436	782,627	1,107,837
	Net deferred in the year	(131,701)	74,372	1	(325,210)
		<u>1,401,107</u>	<u>1,532,808</u>	<u>782,628</u>	<u>782,627</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000	=N='000	=N='000
	Prepayments	140,307	62,938	129,560	47,577
	Intercompany balances	-	-	1,098,919	2,023,307
	Deposit for shares (Note 18 a)	11,000	11,000	11,000	11,000
	Proposed head office W.I.P	-	-	-	-
	Other	305,376	482,608	254,352	274,073
		<u>456,683</u>	<u>556,546</u>	<u>1,493,831</u>	<u>2,355,957</u>
	Impairment on others	(129,793)	(129,793)	(405,828)	(405,828)
		<u>326,890</u>	<u>426,753</u>	<u>1,088,003</u>	<u>1,950,129</u>
18a	Prepayments				
	Office rent	34,226	13,916	31,049	9,865
	Staff upfront	49,320	-	28,890	-
	Other prepaid services	56,761	49,022	69,622	37,712
		<u>140,307</u>	<u>62,938</u>	<u>129,560</u>	<u>47,577</u>
18t	Intercompany balances				
	Payable to related parties on retro	-	-	552,836	547,365
	Payable to related parties on reinsurance conti	-	-	546,083	260,280
		<u>-</u>	<u>-</u>	<u>1,098,919</u>	<u>807,644</u>
18c	Others				
	Interest receivables	134,205	23,987	134,205	19,344
	WHT recoverable	4,168	4,168	4,168	4,168
	Sundry receivables	167,002	454,453	115,978	250,560
		<u>305,376</u>	<u>482,608</u>	<u>254,352</u>	<u>274,073</u>

	GROUP		COMPANY	
	31-Mar	31-Dec	31-Mar	31-Dec
	2017	2016	2017	2016
	=N='000	=N='000	=N='000	=N='000
#### #### Investment in Subsidiary				
Continental Reinsurance Limited, Nairobi Kenya			1,448,089	949,797
Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774
			<u>2,147,863</u>	<u>1,649,571</u>

19	Investment Properties	GROUP		COMPANY	
		31-Mar	31-Dec	31-Mar	31-Dec
		2017	2016	2017	2016
		=N='000	=N='000	=N='000	=N='000
	Opening	2,868,728	2,685,646	2,868,728	2,685,646
	Fair value adjustments	-	623,082	-	623,082
	Additions	-	-	-	-
	Disposal during the year	0	(440,000)	0	(440,000)
	Closing	<u>2,868,728</u>	<u>2,868,728</u>	<u>2,868,728</u>	<u>2,868,728</u>

20	Intangible assets	Group	Company
		Computer software =N='000	Computer software =N='000
	Cost:		
	At 1 January 2017	67,186	67,186
	Cost capitalised	-	-
	At 31 March 2017	<u>67,186</u>	<u>67,186</u>
	Accumulated amortisation and impairment:		
	At 1 January 2017	60,418	60,418
	Amortisation for the year	677	677
	At 31 March 2017	<u>61,094</u>	<u>61,094</u>
	NBV At 31 March 2017	<u>6,092</u>	<u>6,092</u>
	NBV At 31 December 2016	<u>7,067</u>	<u>6,768</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

Group

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	869,393	357,367	196,272	190,490	80,006	104,018	1,797,545
Additions	(0)	24,222	577	-	-	0	24,799
Disposals	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March 2017	869,393	381,589	196,849	190,490	80,006	104,018	1,822,344
Accumulated depreciation:							
At 1 January 2017	-	206,949	135,047	-	64,743	78,851	485,590
Charge for the year	-	11,834	3,822	-	679	2,322	18,657
Disposal	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March 2017	-	218,783	138,870	-	65,422	81,173	504,247
NBV At 31 March 2017	869,393	162,806	57,979	190,490	14,584	22,845	1,318,097
NBV At 31 December 2016	869,393	150,418	61,224	190,490	15,263	25,167	1,311,955

Company

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Building W.I.P =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2017	868,892	285,256	141,942	190,490	70,601	83,298	1,640,479
Additions	(0)	0	577	-	-	0	577
Disposals	-	-	0	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March 2017	868,892	285,256	142,519	190,490	70,601	83,298	1,641,056
Accumulated depreciation:							
At 1 January 2017	-	164,184	100,370	-	62,902	65,991	393,448
Charge for the year	-	11,834	3,822	-	679	2,322	18,657
Disposal	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 March 2017	-	176,018	104,193	-	63,582	68,313	412,105
NBV At 31 March 2017	868,892	109,238	38,327	190,490	7,019	14,986	1,228,952
NBV At 31 December 2016	868,892	121,071	41,572	190,490	7,699	17,308	1,247,031

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.				
23 Insurance contract liabilities	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
Reserve for Unearned Premium (Note 23.1)	5,770,404	4,923,170	3,624,577	2,772,852
Reserve for Outstanding Claims (Note 23.2)	7,531,144	6,883,939	5,879,093	5,775,330
	<u>13,301,548</u>	<u>11,807,109</u>	<u>9,503,670</u>	<u>8,548,182</u>
Life (Note 23.3)	1,937,425	1,938,205	1,614,095	1,588,966
Total insurance liabilities	<u>15,238,973</u>	<u>13,745,314</u>	<u>11,117,765</u>	<u>10,137,148</u>
Total retrocessionaire's share of insurance liabilities (Note 16)	(1,538,799)	(1,113,566)	(424,947)	(424,947)
Net insurance contracts	<u>13,700,173</u>	<u>12,631,748</u>	<u>10,692,818</u>	<u>9,712,201</u>
23.1 Reserve for Unearned Premium				
At 1 January	4,923,170	4,912,295	2,772,852	3,684,628
Increase in the period	4,126,801	20,911,910	3,977,073	15,000,920
Release of unearned premium during the period	(3,279,567)	(20,901,035)	(3,125,348)	(15,912,696)
	<u>5,770,404</u>	<u>4,923,170</u>	<u>3,624,577</u>	<u>2,772,852</u>
23.2 Reserve for Outstanding Claims				
At 1 January	6,883,939	4,647,288	5,775,330	4,103,731
Claims incurred in the current accident year	2,146,018	9,790,772	1,168,825	7,297,162
Claims paid during the period	(1,498,814)	(7,554,121)	(1,065,062)	(5,625,563)
	<u>7,531,144</u>	<u>6,883,939</u>	<u>5,879,093</u>	<u>5,775,330</u>
23.3 Insurance liabilities on life policy holders				
At 1 January	1,938,205	1,522,370	1,588,966	1,365,204
(Decrease)/Increase in retrocessionaire's share	-	1,015,389	-	823,316
Changes in life policy contracts	(780)	(599,554)	25,129	(599,554)
	<u>1,937,425</u>	<u>1,938,205</u>	<u>1,614,095</u>	<u>1,588,966</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

24 Reinsurance creditors	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
Due to retrocessionaires	277,603	777,047	109,030	518,918
Due to ceding companies	2,590,678	2,153,809	2,487,162	2,049,689
	<u>2,868,281</u>	<u>2,930,856</u>	<u>2,596,192</u>	<u>2,568,607</u>

This represents the amount payable to insurance and reinsurance companies

25 Other liabilities

Rent received in advance	9,499	11,060	9,499	11,060
Accrued expenses	88,388	363,037	33,240	352,937
Unclaimed dividend	287,723	257,204	287,723	257,204
Dividend payable (Note 25.1)	904,240	1,241,451	904,240	1,241,451
Intercompany Balance	-	-	332,758	1,180,673
Information technology development levy	37,820	37,821	37,820	37,820
Others	559,653	66,244	423,806	119,159
	<u>1,887,323</u>	<u>1,976,817</u>	<u>2,029,086</u>	<u>3,200,303</u>

25.1 Dividends paid and proposed

At 1 January	1,241,451	588,786	1,241,451	588,786
Declared during the period	-	1,244,729	-	1,244,729
Paid during the period	(337,211)	(592,065)	(337,211)	(592,065)
	<u>904,240</u>	<u>1,241,451</u>	<u>904,240</u>	<u>1,241,451</u>

25.2 Others;

Staff bonus	292,781	-	292,781	-
Sundry creditors	199,799	-	116,169	-
PAYE and other statutory liabilities	67,073	66,244	14,856	119,159
	<u>559,653</u>	<u>66,244</u>	<u>423,806</u>	<u>119,159</u>

25.3 Intercompany balance;

Receivables from related parties on retro	-	-	206,758	298,657
Receivables from related parties on reinsurance contrac	-	-	126,000	882,016
	<u>-</u>	<u>-</u>	<u>332,758</u>	<u>1,180,673</u>

26 Retirement benefit obligations

Define contribution scheme

In accordance with the provisions of the Pensions Act 2004, AS AMENDED 2014 the Company and its staff commenced a contributory pension scheme in January 2005. The contribution by employees and the Company are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. The contribution made and transferred to the pension fund administrator during the period are as follows;

	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
Balance at start of period	-	-	-	-
Provision during the period		0		0
Transfer to PFA		0		0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Defined benefit staff gratuity scheme

The company operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

Statement of financial position obligation for:	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
<i>Balance as at the beginning of the year</i>	383,858	265,481	336,008	286,873
Net Expense/Income recognised in P & L	-	135,602	-	61,961
Remeasurement recognised in OCR	-	40,378	-	44,778
Benefits paid/company contribution	(41,855)	(57,604)	5,994.63	(57,604)
Fair value of plan assets		-		-
Deficit of funded plans		383,858	342,003	336,008
(Asset)/liability in the balance sheet	<u>342,003</u>	<u>383,858</u>	<u>342,003</u>	<u>336,008</u>

27 Share capital	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
Authorised				
20,000,000,000 Ordinary shares of 50k each	<u>10,000,000</u>	<u>7,500,000</u>	<u>10,000,000</u>	<u>7,500,000</u>
Issued and fully paid				
10,372,744,000 Ordinary shares of 50k each	<u>5,186,372</u>	<u>5,186,372</u>	<u>5,186,372</u>	<u>5,186,372</u>
28 Share premium	<u>3,915,451</u>	<u>3,915,451</u>	<u>3,915,451</u>	<u>3,915,451</u>

Premiums from the issue of shares are reported in share premium.

29 Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004. The movements on the account are as follows:

	31 March 2017 =N='000	31 December 2016 =N='000	31 March 2017 =N='000	31 December 2016 =N='000
Non - Life	3,831,928	3,733,983	3,621,773	3,520,317
Life	296,437	269,488	257,808	234,371
Total	<u>4,128,364</u>	<u>4,003,471</u>	<u>3,879,581</u>	<u>3,754,688</u>

30 Retained earnings:

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

31 Available-for-sale reserve:

The fair value reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale after deduction of deferred taxes. Any gains or losses are not recognised in the statement of comprehensive income until the asset has been sold or impaired.

32 Significant accounting policies

The statement of accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. There have not been any change in the policies and methods of computation adopted.