

## PRESS RELEASE

### CONTINENTAL REINSURANCE PLC REPORTS THIRD QUARTER 2017 RESULTS

#### *A.M. Best Affirms the Financial Strength Rating*

**Lagos, 13<sup>th</sup> November 2017:** Africa's leading private pan-African reinsurer, Continental Reinsurance Plc, has announced its results for the nine-month period ended September 30, 2017 as A.M. Best affirmed its Financial Strength Rating of B+ (Good) and the Long-Term Issuer Credit Rating of "bbb-". The outlook of these Credit Ratings is stable.

Gross premium income for the period at NGN 21.86billion grew by 25% while underwriting profit grew by 178% to NGN 2.08billion reflecting the outcome of targeted underwriting actions during the year including increased underwriting discipline.

The results were buoyed by a 77% increase in investment and other income which stood at NGN 1.07billion despite a 36% decline in profit before tax resulting from the impact of foreign exchange movement.

Dr. Femi Oyetunji, Group Managing Director/CEO said, "We continuously monitor localized cycles of growth or challenges across our markets and adjust our business model to adapt, as each of our regional offices and subsidiaries play a significant role in any given reporting period. Our primary focus of improving underwriting fundamentals and capital management to ensure we meet the present and future needs of our business rests."

According to the A.M. Best report, the rating reflects Continental Re's very strong balance sheet strength, adequate operating performance and neutral business profile. The report further notes that the Company's balance sheet strength is supported by a strong level of risk-adjusted capitalisation, which A.M. Best expects to remain at a very strong level over the medium term.

#### **Year to date financial highlights (=N='000)**

##### **Income statement:**

- Gross premium income: NGN 21,858,690 up from NGN 17,513,825 in Q3 2016; a 25% growth.
- Claims expenses: NGN 7,999,563 compared to NGN 8,365,516 in 2016; a decline of 4%.
- Underwriting profit: NGN 2,079,313 up from NGN 746,723 in 2016; a 178% increase.
- Investment and other income: NGN 1,901,642 representing a 77% growth compared to NGN 1,073,187 during the same period in 2016.
- Profit before tax: NGN 3,238,952 representing a 36% decline in comparison to NGN 5,031,978 in Q3 2016; as a result of foreign exchange impact.
- Profit after tax: NGN 2,497,543 representing a 33% decline in relation to NGN 3,751,307 in Q3 2016.

**Statement of financial position:**

- Total assets: NGN 41,198,719; up by 2% compared to NGN 40,251,675 in 2016.
- Investment portfolio: NGN 21,946,100; up by 2% compared to NGN 21,442,557 in Q3 2016.
- Reinsurance reserves: NGN 14,546,780; up by 6% from NGN 13,745,314 in Q3 2016.
- Shareholders' fund: NGN 20,695,612 representing a 5% growth over NGN 19,728,422 in Q3 2016.

At the same time, the Company has announced that construction of its headquarters in Lagos was underway after a groundbreaking ceremony. The new headquarters will be a state of the art landmark building with ultra-modern and eco-friendly features. Located in Victoria Island, the new headquarters will provide Continental Re with a physical footprint in Nigeria.

“Our headquarters will be an inspiring work environment that clearly reflects who the Company is today,” said Dr. Oyetunji.

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**Notes to editors:**

**About Continental Reinsurance:**

Continental Reinsurance is a composite reinsurer, writing business in more than 50 countries across the African continent.

Established in 1985, and listed on the Nigerian Stock Exchange (NSE) in 2007, Continental Reinsurance provides support to over 200 insurance companies in Africa with its main offices in Nigeria, Cameroon, Kenya, Côte d'Ivoire, Tunisia and Botswana. It also has a specialist subsidiary – Continental Property and Engineering Risk Services (CPERS) – registered in South Africa.

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