



## PRESS RELEASE

### CONTINENTAL REINSURANCE PLC ANNOUNCES 2017 FULL YEAR RESULTS

**LAGOS, 19<sup>th</sup> March, 2018:** Continental Reinsurance Plc has released its full year results for the year ending 31<sup>st</sup> December 2017.

Consolidated Gross Premium for the Group posted a growth of 32% up from NGN22.4 billion in 2016 to NGN 29.7 billion, mainly driven by strong aggregated growth from its operations in Africa. Reassuringly, underwriting profit, despite mixed performances at regional level, shot up by 213% to NGN 1.3 billion from NGN 414 million in 2016 buoyed by the Group's increasing focus on underwriting discipline and benign claims experience in the principal Nigerian market.

Throughout 2017, the African insurance market continued to experience the residual effects of prior years' business turbulence stemming from the sharp slowdown of key economies impacted by the widespread foreign exchange crunch arising from low commodity prices.

Group Managing Director, Dr. Oyetunji, explained, "2017 represents yet another year characterized by headwinds emanating from the challenging economic environment. Localized volatility and periodic downturns are an inherent feature of doing business in Africa. Our performance reflects resilience deliberately imbued through a determined focus on portfolio diversification that broadens our revenue base and ultimately smoothens performance cycles. This strategy continues to pay off, and despite the Group's underwriting result being moderated by considerable reserve strengthening for our Eastern operations and unfavorable loss experience impacting our yet to mature Southern operations, performance fundamentals were maintained at good levels."

Profit before tax remained positive at NGN 3.6 billion though lower by 23% than that for 2016 due to the non-recurrence of the substantial foreign currency revaluations that boosted the prior year result. The Group's results were bolstered by a strong contribution of investment and other income which at NGN 6.6 billion reflects a healthy 37% increase over 2016.

Within the reporting period, A.M. Best affirmed the Group's rating of B+ (good). The rating report highlights Continental Re's very strong balance sheet strength, adequate operating performance and neutral business profile as positive factors. It notes the Company's balance sheet strength, recently augmented by a capital injection of USD 10 million late in 2017 to support the Company's strategic initiatives, as having strong risk-adjusted capitalization, which is expected to remain at very strong levels over the medium term.

In 2016, Management introduced new and enhanced strategic proposals meant to chart the future course for the Company through to 2020.

(More)

“Our bold transformation initiatives, building on the journey we began in 2011, are aimed at reinforcing the Company’s growth and profitability objectives for years to come. We are well prepared to meet the inevitable challenges that are encountered due to the nature of reinsurance business. We continue to pursue lofty growth and profitability ambitions and are structuring and reconfiguring ourselves to adapt our business and operating model to tide us over and ride any rough patches.”, said Dr. Oyetunji.

### **Summary of performance**

#### **Income Statement:**

- **Gross premium income;** N29.67billion, up from N22.41billion in 2016 giving a 32% year-on-year growth.
- **Claims expenses;** N10.65billion in 2017 compared to N10.93billion in 2016, a marginal decrease of 3%.
- **Underwriting profit;** N1.30 billion in 2017, up from N414 million in 2016 representing a 213% year-on-year increase.
- **Net investment and other income;** N6.66billion in 2017, a 37% growth compared to N4.87billion in 2016.
- **Profit before tax;** N3.57billion in 2017, compared to N4.65billion in 2016, a decrease of 23%.
- **Profit after tax;** N2.47billion in 2017, compared to N3.12billion in 2016, a decrease of 21%.

#### **Statement of Financial Position:**

- **Total assets;** N43.13billion in 2017, up from N40.25billion in 2016, a 7% year-on-year growth.
- **Investment portfolio;** flat at N21.46billion in 2017 compared to N21.44billion in 2016.
- **Reinsurance reserves;** N17.96billion in 2017, up by 31% from N13.75billion in 2016.
- **Shareholders’ fund;** N20.78billion in 2017, up by 5% from N19.73billion in 2016.

(Ends)

### **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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