



Press Release

Court, Shareholders Approve Continental Reinsurance Scheme of Arrangement

Lagos, 15th January 2020: A Federal High Court sitting in Lagos has approved the restructuring arrangement of Continental Reinsurance Plc following the approval of the Company's shareholders at a Court Ordered Meeting held in the last quarter of 2019. By this approval, shareholders of the Company are free to choose among the three options provided in the scheme even as the Company promised to ensure that the concerns of all the parties are duly addressed.

It would be recalled that at the Court Ordered Meeting of the Company, which was held on Tuesday October 29, 2019, over 90% of the minority shareholders approved the restructuring plan proposed by the Board of Directors. The Board had informed the shareholders that in order for the Company to favourably compete in the global reinsurance market, it became pertinent that the Company aims higher to achieve the kind of ratings that would bring more recognition and profitability.

Speaking after the Court's approval of the arrangement, the Group Managing Director of the Company, Dr. Olufemi Oyetunji stated that the restructuring is more about repositioning and achieving the best for the Company. He affirmed that the reorganization has nothing to do with the recapitalization activities going on in Nigeria because Continental Re commenced its restructuring processes before NAICOM came up with the new capital requirement.

"We have astutely read the signals in our operating environment. Universally, these signals say grow, capitalize, expand your services and innovate. We have responded by negotiating an individualized balance of all these signals," Oyetunji said.

By the scheme, the shareholders could elect to take cash, have their shares transferred to Mauritius directly or keep their shares with the Company through a nominee vehicle.

"As at now, a significant number of our shareholders have made their choices. While some have chosen to collect cash, a few want their shares transferred to Mauritius and those who fall in that category are going through a KYC process. Those who want to join the nominee vehicle are being coordinated by PACE Registrar, which is the Company in charge of that process. The good thing about this is that our minority shareholders have options," Oyetunji said.

Commenting on the reorganization, Chairman of the Company, Chief Ajibola Ogunshola explained that it will create considerable benefits and opportunities for shareholders and other stakeholders.

According to him, the re-organization entails the creation of a new holding company that will be domiciled in Mauritius, which will be known as CRe Africa Investments Limited (CRe Mauritius) and capitalized by C-Re Holding Limited, the majority shareholders of Continental Reinsurance Plc, with all the Pan Africa business eventually being consolidated as subsidiaries of CRe Mauritius.

While thanking the shareholders for their support to the future growth of the Company, Ogunshola noted that, "in order to consolidate our gains and reposition the Company for enhanced

competitiveness, it has become imperative to restructure the Company with the aim of enhancing capacity which will drive significant business growth and profitability for the group”.

He stressed that “Today, the key driver for competitiveness is financial strength underscored by ratings and capital. Ratings and capital increasingly determine business quality and volume and confer preferred status by ceding companies, thereby creating access to profitable business.”

Upon completion of the Scheme of Arrangement, Continental Reinsurance African Investments Limited registered in Mauritius, will have CRe Nigeria, CRe Kenya, CRe Botswana, CRe Douala and CRe Tunis as subsidiaries.