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## UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

**Continental Reinsurance Plc.** RC 73956

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Directors: Chief Ajibola O. Ogunshola (*Chairman*), Olufemi Oyetunji (*Chief Executive Officer*), Lawrence M. Nazare (*Executive Director Operations*) (Zimbabwean), Foluso Laguda, Ahlam Bennani (Moroccan), Paul O. Kokoricha, Steve O. Iwenjora, Ian A. Tofield (*Independent Director*) (British), Emmanuel Brule (French), Stephen Murphy (British)

Authorised and regulated by the National Insurance Commission (RRC-001)



**Continental Reinsurance Plc**  
**Unaudited Consolidated Financial Statements**  
**For the period ended 30 June, 2018**

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# Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income  
For the period ended 30 June, 2018

	Note	GROUP		GROUP	
		JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000
Gross written Premium		<b>19,257,215</b>	<b>15,190,092</b>	<b>11,541,703</b>	<b>8,624,777</b>
Insurance premium revenue	1.1	17,475,967	12,697,070	9,685,948	6,701,495
Insurance premium ceded to retrocessionaires	1.2	(2,738,894)	(1,852,552)	(1,938,670)	(1,126,802)
<b>Net insurance premium revenue</b>		<b>14,737,072</b>	<b>10,844,519</b>	<b>7,747,279</b>	<b>5,574,693</b>
<b>Insurance benefits</b>					
Insurance claims and loss adjustment expenses	2.1	7,068,591	5,106,130	3,677,196	2,359,324
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(312,010)	(1,587,824)	(199,972)	(1,490,254)
<b>Net insurance benefits and claims</b>		<b>6,756,581</b>	<b>3,518,305</b>	<b>3,477,224</b>	<b>869,070</b>
Underwriting expenses	2.2	6,649,690	5,249,814	3,861,664	2,867,721
<b>Insurance benefits and underwriting expenses</b>		<b>13,406,271</b>	<b>8,768,119</b>	<b>7,338,888</b>	<b>3,736,791</b>
<b>Underwriting profit</b>		<b>1,330,801</b>	<b>2,076,400</b>	<b>408,391</b>	<b>1,837,901</b>
Net Interest income	3	1,120,179	953,605	562,427	521,336
Net gains on financial assets designated at fair value through profit or loss	4	-	112,667	-	112,667
Other income	5	105,126	252,648	40,850	95,477
Foreign exchange gain/(loss)	5.1	1,140,819	266,978	1,544,155	107,354
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(416,102)	(532,279)	(203,835)	(250,409)
Impairment of financial assets	6.2	(41,622)	(21,545)	(41,622)	(21,545)
<b>Profit before taxation</b>		<b>3,239,201</b>	<b>3,108,473</b>	<b>2,310,366</b>	<b>2,402,781</b>
Income tax expense	8	(808,847)	(780,774)	(592,488)	(590,738)
<b>Profit after taxation</b>		<b>2,430,354</b>	<b>2,327,699</b>	<b>1,717,878</b>	<b>1,812,043</b>
Profit for the year		<b>2,430,354</b>	<b>2,327,699</b>	<b>1,717,878</b>	<b>1,812,043</b>
<b>Other comprehensive income:</b>					
<b>Other comprehensive income/(loss) to be reclassified to P &amp; L in subsequent periods:</b>					
Remeasurement gains on available for sale financial assets	7	1,922	(168,563)	(26,695)	(173,303)
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations			-		
<b>Other comprehensive income/(loss) not to be reclassified to P &amp; L in subsequent periods:</b>					
Actuarial (loss)/gains on defined benefit plans	26	-	-	-	(5,170)
Income tax relating to component of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>1,922</b>	<b>(168,563)</b>	<b>(26,695)</b>	<b>(178,473)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,432,277</b>	<b>2,159,135</b>	<b>1,691,183</b>	<b>1,633,570</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		<b>2,198,936</b>	<b>2,271,788</b>	<b>1,717,878</b>	<b>1,812,043</b>
Non-controlling interest		<b>231,418</b>	<b>55,911</b>	-	-
		<b>2,430,354</b>	<b>2,327,699</b>	<b>1,717,878</b>	<b>1,812,043</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		<b>2,200,858</b>	<b>2,103,224</b>	<b>1,691,183</b>	<b>1,633,570</b>
Non-controlling interest		<b>231,418</b>	<b>55,911</b>	-	-
		<b>2,432,277</b>	<b>2,159,135</b>	<b>1,691,183</b>	<b>1,633,570</b>
<b>Earnings per share</b>					
Basic (kobo)	10	<b>23</b>	<b>22</b>		

**Continental Reinsurance Plc**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the period ended 30 June, 2018**

	Note	COMPANY		COMPANY	
		JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000
Gross written Premium		<u>11,696,883</u>	<u>11,085,915</u>	<u>5,995,303</u>	<u>6,550,720</u>
Insurance premium revenue	1.1	10,187,362	8,672,788	4,539,096	5,014,447
Insurance premium ceded to retrocessionaires	1.2	(1,084,978)	(1,217,394)	(600,307)	(781,209)
<b>Net insurance premium revenue</b>		<u>9,102,384</u>	<u>7,455,394</u>	<u>3,938,789</u>	<u>4,233,239</u>
<b>Insurance benefits</b>					
Insurance claims and loss adjustment expenses	2.1	4,421,117	3,309,758	1,853,604	1,707,669
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(160,161)	(1,245,866)	(87,638)	(1,180,877)
<b>Net insurance benefits and claims</b>		<u>4,260,956</u>	<u>2,063,892</u>	<u>1,765,966</u>	<u>526,792</u>
Underwriting expenses	2.2	4,205,005	4,072,506	2,249,273	2,350,419
<b>Insurance benefits and underwriting expenses</b>		<u>8,465,961</u>	<u>6,136,397</u>	<u>4,015,239</u>	<u>2,877,211</u>
<b>Underwriting profit</b>		<u>636,423</u>	<u>1,318,996</u>	<u>(76,450)</u>	<u>1,356,028</u>
Net Interest income	3	769,769	736,562	332,229	362,415
Net gains on financial assets designated at fair value through profit or loss	4	-	110,411	-	110,411
Other income	5	111,651	807,343	61,908	652,500
Foreign exchange gain/(loss)	5.1	1,097,723	364,464	1,430,315	162,879
Income from investment in subsidiary	5.2	-	-	-	-
Administration expenses	6.1	(248,276)	(311,957)	(101,642)	(95,227)
Impairment of financial assets	6.2	0	-	-	-
<b>Profit before taxation</b>		<u>2,367,289</u>	<u>3,025,820</u>	<u>1,646,360</u>	<u>2,549,006</u>
Income tax expense	8	(591,822)	(756,455)	(411,590)	(637,252)
<b>Profit after taxation</b>		<u>1,775,467</u>	<u>2,269,365</u>	<u>1,234,770</u>	<u>1,911,755</u>
Profit for the year		<u>1,775,467</u>	<u>2,269,365</u>	<u>1,234,770</u>	<u>1,911,755</u>
<b>Other comprehensive income:</b>					
<b>Other comprehensive income/(loss) to be reclassified to P &amp; L in subsequent periods:</b>					
Remeasurement gains on available for sale financial assets	7	2,124	(173,303)	(26,493)	(173,303)
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7	-	-	-	-
Exchange difference on translation of foreign operations		-	-	-	-
<b>Other comprehensive income/(loss) not to be reclassified to P &amp; L in subsequent periods:</b>					
Actuarial (loss)/gains on defined benefit plans	26	-	-	-	-
Income tax relating to component of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>		<u>2,124</u>	<u>(173,303)</u>	<u>(26,493)</u>	<u>(173,303)</u>
<b>Total Comprehensive Income for the year</b>		<u>1,777,591</u>	<u>2,096,062</u>	<u>1,208,276</u>	<u>1,738,452</u>
<b>Profit attributable to:</b>					
Equity holders of the parent		1,775,467	2,269,365	1,234,770	1,911,755
Non-controlling interest		-	-	-	-
		<u>1,775,467</u>	<u>2,269,365</u>	<u>1,234,770</u>	<u>1,911,755</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		1,777,591	2,096,062	1,208,276	1,738,452
Non-controlling interest		-	-	-	-
		<u>1,777,591</u>	<u>2,096,062</u>	<u>1,208,276</u>	<u>1,738,452</u>
<b>Earnings per share</b>					
Basic (kobo)	10	<u>17</u>	<u>22</u>		

**Continental Reinsurance Plc**  
**Consolidated Statement of Financial Position**

As at 30 June, 2018

	Note	GROUP		COMPANY	
		30 June 2018 =N='000	31 December 2017 =N='000	30 June 2018 =N='000	31 December 2017 =N='000
<b>Assets</b>					
Cash and cash equivalents	11	13,744,701	9,079,093	6,592,782	6,680,113
Financial assets					-
-Financial asset designated as fair value through P&L	12	2,286,504	2,159,476	-	-
-Loans and other receivables	13	543,357	492,278	424,962	439,081
-Available-for-sale investments	14.1	2,113,854	2,121,225	2,084,656	2,090,531
-Held to maturity investments	14.2	7,421,682	7,613,318	5,951,954	6,065,330
Reinsurance receivables	15	12,225,228	9,922,254	7,451,214	6,184,435
Retrocession assets	16	2,801,016	2,759,666	1,603,649	1,877,676
Deferred acquisition costs	17	2,321,836	2,291,853	1,501,752	1,501,752
Investment in Subsidiary	18.1	-	-	3,882,058	2,272,473
Other assets	18	2,891,655	329,430	1,847,851	756,128
Investment properties	19	2,727,111	2,857,111	2,727,111	2,857,111
Intangible assets	20	17,802	20,168	17,802	19,849
Property, plant and equipment	21	2,914,824	2,488,615	2,048,850	2,379,583
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total assets</b>		<b>53,009,571</b>	<b>43,134,489</b>	<b>37,134,642</b>	<b>34,124,061</b>
<b>Liabilities</b>					
Insurance contract liabilities	23	18,587,901	17,965,990	11,729,275	12,470,590
Reinsurance creditors	24	4,637,038	1,356,210	3,849,180	941,364
Other liabilities	25	1,886,901	860,223	1,882,395	1,249,989
Retirement benefit obligations	26	246,145	306,457	246,145	275,150
Current income tax	8	1,565,392	1,550,357	1,480,469	1,565,199
Deferred taxation	9	318,875	318,212	218,855	218,853
<b>Total liabilities</b>		<b>27,242,253</b>	<b>22,357,449</b>	<b>19,406,319</b>	<b>16,721,145</b>
<b>Equity</b>					
Share capital	27	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
Contingency reserve	29	4,775,106	4,462,002	4,726,136	4,413,032
Retained earnings	30	4,208,903	3,775,255	3,561,756	3,551,577
Available-for-sale reserve	31	332,584	329,978	338,608	336,484
Foreign currency translation reserve		2,568,109	1,764,220		
<b>Equity attributed to holder of parent</b>		<b>20,986,525</b>	<b>19,433,277</b>	<b>17,728,322</b>	<b>17,402,916</b>
Non-controlling interest		4,780,793	1,343,765		
<b>Total equity</b>		<b>25,767,318</b>	<b>20,777,041</b>	<b>17,728,322</b>	<b>17,402,916</b>
<b>Total Liabilities &amp; equities</b>		<b>53,009,571</b>	<b>43,134,489</b>	<b>37,134,642</b>	<b>34,124,061</b>



**Chief Ajibola Ogunshola**  
**Chairman**  
**FRC:2017/IODN/00000016052**



**Dr. Olufemi Oyetunji**  
**Group Managing Director**  
**FRC/2013/NSA/00000000685**



**Nkem Odibeli**  
**Chief Financial Officer**

The Financial Reporting Council (FRC) of Nigeria has granted a waiver which allows the Chief Financial Officer to sign the unaudited Financial Statements for the half year ended June 30th, 2018 without indicating any FRC number.

The Unaudited Financial Statements were approved by the Board on July 24, 2018

**Continental Reinsurance Plc**  
**Consolidated Statement of Changes in Equity**  
**For the period ended 30 June, 2018**

Attributable to equity holders-Group

Notes	Share		Retained	Contingency	Available for	Foreign	Non-	Total equity
	Share capital	premium	earnings	reserve	sale reserve	Exchange Translation Reserve	controlling interest	
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000		=N='000
<b>Balance at 1 January 2018</b>	5,186,372	3,915,451	3,775,255	4,462,002	329,978	1,764,220	1,343,765	20,777,042
Acquisition during the year							3,205,680	3,205,680
Profit or loss for the period	-	-	2,198,936	-	-	-	231,418	2,430,354
Transfer of contingency reserve	-	-	(313,104)	313,104	-	-	-	-
<b>Other comprehensive income</b>								
Fair value of equity financial assets	7	-	-	-	2,606	-	(70)	2,535
Foreign exchange translation reserve						803,889	-	803,889
<b>Total comprehensive income or loss</b>			<b>1,885,832</b>	<b>313,104</b>	<b>2,606</b>	<b>803,889</b>	<b>231,348</b>	<b>3,236,779</b>
<b>Transaction with owners</b>								
Dividend	25.1	-	(1,452,184)	-	-	-	-	(1,452,184)
<b>Total Transactions with owners</b>			<b>(1,452,184)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,452,184)</b>
<b>At 30 June, 2018</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>4,208,903</b>	<b>4,775,106</b>	<b>332,584</b>	<b>2,568,109</b>	<b>4,780,793</b>	<b>25,767,317</b>
<b>Balance at 1 January 2017</b>	5,186,372	3,915,451	2,874,421	4,003,471	333,265	2,088,662	1,326,780	19,728,422
Change in shareholding			-	-			-	-
Profit or loss for the year	-	-	2,307,210	-			20,489	2,327,699
Transfer of contingency reserve	-	-	(303,107)	303,107			-	-
<b>Other comprehensive income</b>								
Fair value of equity financial assets					(170,222)		1,659	(168,563)
Foreign exchange translation reserve						(148,837)		(148,837)
<b>Total comprehensive income or loss</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>4,878,524</b>	<b>4,306,578</b>	<b>163,043</b>	<b>1,939,825</b>	<b>1,348,927</b>	<b>21,738,722</b>
<b>Transaction with owners</b>								
Dividend			(1,452,184)	-	-	-	-	(1,452,184)
<b>Total Transactions with owners</b>			<b>(1,452,184)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,452,184)</b>
<b>At 30 June, 2017</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>3,426,340</b>	<b>4,306,578</b>	<b>163,043</b>	<b>1,939,825</b>	<b>1,348,927</b>	<b>20,286,538</b>

**Continental Reinsurance Plc**  
**Statement of Changes in Equity**  
**For the period ended 30 June, 2018**

		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
<b>Balance at 1 January 2018</b>	5,186,372	3,915,451	3,551,577	4,413,032	336,484	17,402,916
Profit or loss for the period	-	-	1,775,467	-	-	1,775,467
Transfer of contingency reserve	-	-	(313,104)	313,104	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	-
Fair value of equity financial assets	-	-	-	-	2,124	2,124
Foreign exchange translation reserve	-	-	-	-	-	-
<b>Total comprehensive income or loss</b>	-	-	<b>1,462,363</b>	<b>313,104</b>	<b>2,124</b>	<b>1,777,591</b>
<b>Transaction with owners</b>	-	-	-	-	-	-
Dividend	-	-	(1,452,184)	-	-	(1,452,184)
<b>Total Transactions with owners</b>	-	-	(1,452,184)	-	-	(1,452,184)
<b>At 30 June, 2018</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>3,561,756</b>	<b>4,726,136</b>	<b>338,608</b>	<b>17,728,322</b>
<b>Balance at 1 January 2017</b>	5,186,372	3,915,451	2,408,676	3,754,688	340,912	15,606,099
Profit or loss for the year	-	-	1,729,365	-	-	1,729,365
Transfer of contingency reserve	-	-	(303,107)	303,107	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	-
Fair value of equity financial assets	-	-	-	-	(173,303)	(173,303)
Foreign exchange translation reserve	-	-	-	-	-	-
<b>Total comprehensive income or loss</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>3,834,933</b>	<b>4,057,795</b>	<b>167,609</b>	<b>17,162,161</b>
<b>Transaction with owners</b>	-	-	-	-	-	-
Dividend	-	-	(1,452,184)	-	-	(1,452,184)
<b>Total Transactions with owners</b>	-	-	(1,452,184)	-	-	(1,452,184)
<b>At 30 June, 2017</b>	<b>5,186,372</b>	<b>3,915,451</b>	<b>2,382,749</b>	<b>4,057,795</b>	<b>167,609</b>	<b>15,709,977</b>

**Continental Reinsurance Plc**  
**Statement of Cash flows**  
**For the period ended 30 June, 2018**

	Group		Company	
	30 June 2018 N' 000	30 June 2017 N' 000	30 June 2018 N' 000	30 June 2017 N' 000
<b>Cash flows from operating activities</b>				
Premium received from policy holders	19,342,017	14,059,058	12,207,115	12,750,123
Retrocession receipts in respect of claims	521,024	212,193	434,187	212,193
Acquisition costs paid	(4,892,786)	(3,547,248)	(3,020,863)	(2,907,580)
Retrocession premium paid	(752,911)	(1,542,850)	(627,426)	(1,296,513)
Employees benefit and other admin expenses paid	(2,173,006)	(2,518,927)	(1,432,418)	(1,559,106)
Other operating cash receipts/payments	(1,261,304)	868,614	(1,051,086)	264,272
Claims paid	(6,608,080)	(7,826,342)	(4,951,776)	(6,521,951)
Income taxes paid	(793,811)	(708,630)	(676,552)	-702,939
<b>Net cash flows (outflow)/inflow from operating activities</b>	<b>3,381,143</b>	<b>-1,004,132</b>	<b>881,180</b>	<b>238,498</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(225,066)	(18,684)	(152,907)	(3,524)
Purchase of intangible assets	(966)	-	(966)	-
Investment in subsidiary	-	-	(1,609,584)	(622,902)
Proceeds from disposal of property, plant and equipment	8,488	(5,094)	8,488	(5,094)
Purchase of investment securities	(710,061)	(1,240,350)	(323,787)	(532,283)
Proceeds on redemption /sales of investments	1,963,332	1,234,045	1,118,179	1,234,045
Purchase of investment property	-	-	-	-
Proceeds from sale of investment property	135,000	(0)	135,000	(0)
Rent Received	49,563	33,687	49,563	29,040
Interest received	974,555	879,752	791,613	758,407
Dividend received	16,434	22,175	16,302	21,425
<b>Net cash generated/(used) in investing activities</b>	<b>2,211,279</b>	<b>905,529</b>	<b>31,902</b>	<b>879,113</b>
Cash flows from financing activities				
Dividend expense	(597,626)	(1,847,240)	(597,626)	(1,847,240)
<b>Net cash used in financing activities</b>	<b>(597,626)</b>	<b>(1,847,240)</b>	<b>(597,626)</b>	<b>(1,847,240)</b>
Net increase in cash and cash equivalents	4,994,796	-1,945,842	315,455	-729,628
Cash and cash equivalents at start of year	7,363,001	7,962,050	4,964,023	4,014,648
Effect of exchange rate changes on cash and cash equivalents	73,600	-67,523	0	0
<b>Cash and cash equivalents at end of period</b>	<b>12,431,397</b>	<b>5,948,685</b>	<b>5,279,478</b>	<b>3,285,020</b>
<b>Cash and cash Equivalent</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Balances held with other banks:</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>	<b>N' 000</b>
<b>Cash in hand</b>	7,011	2,726	4,585	2,430
- Current account and cash in hand	358,480	184,777	167,072	105,819
<b>Domiciliary account</b>	396,281	295,239	396,281	295,239
<b>Balances held with foreign banks:</b>	1,343,484	1,207,159	1,343,484	1,207,159
- Placements with banks and other financial institutions	8,335,835	4,198,794	1,377,750	1,614,383
Treasury bill	1,990,305	59,990	1,990,305	59,990
Cash and Cash Equivalent at end	12,431,397	5,948,685	5,279,478	3,285,020



**Continental Reinsurance Plc**  
Notes to the Consolidated Financial Statements

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000
<b>1 Revenue</b>								
<b>1.1 Insurance premium revenue</b>								
<i>Premium revenue arising from insurance contracts issued</i>								
Life insurance contracts								
– Gross Premium	2,190,909	1,819,885	1,890,141	1,473,538	1,413,343	1,105,356	1,189,247	915,417
– Change in life insurance contract liabilities	(238,549)	(25,129)	(217,639)	-25,129	(310,948)	0	(290,038)	0
– Change in ceded unexpired risk reserve	-	-	0	-	61,539	-	61,539	-
Non life insurance contracts								
– Gross Premium	17,066,307	13,370,207	9,806,742	9,612,377	10,128,360	7,519,421	4,806,056	5,635,303
– Change in unearned premium provision	(1,542,700)	-2,467,893	(1,291,883)	(2,387,998)	(1,606,346)	(1,923,282)	(1,227,708)	(1,536,273)
<b>Total Premium revenue arising from insurance contracts issued</b>	<b>17,475,967</b>	<b>12,697,070</b>	<b>10,187,362</b>	<b>8,672,788</b>	<b>9,685,948</b>	<b>6,701,495</b>	<b>4,539,096</b>	<b>5,014,447</b>
<b>1.2 Insurance premium ceded to retrocessionaire</b>								
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>								
Life insurance contracts	2,419,134	272,983	283,521	221,031	1,735,545	165,803	178,387	137,313
Non life insurance contracts	319,760	1,579,569	801,457	996,364	203,125	960,999	421,920	643,896
<b>Total Premium revenue ceded to retrocessionaire on insurance contracts</b>	<b>2,738,894</b>	<b>1,852,552</b>	<b>1,084,978</b>	<b>1,217,394</b>	<b>1,938,670</b>	<b>1,126,802</b>	<b>600,307</b>	<b>781,209</b>
<b>Net insurance premium revenue</b>	<b>14,737,072</b>	<b>10,844,519</b>	<b>9,102,384</b>	<b>7,455,394</b>	<b>7,747,279</b>	<b>5,574,693</b>	<b>3,938,789</b>	<b>4,233,239</b>
<b>2 Insurance benefits and underwriting expenses</b>								
<b>2.1 Insurance claims and loss adjustment expenses</b>								
Life insurance contracts	1,106,071	751,855	953,161	685,149	813,205	269,637	702,530	251,884
Non life insurance contracts	5,954,785	4,354,275	3,467,956	2,624,609	2,527,361	2,089,687	848,710	1,455,784
ceded outstanding claim reserve - Non Life	-	-	-	-	104,435	-	104,435	-
ceded outstanding claim reserve - Life	7,735	-	-	-	232,197	-	197,929	-
Total cost of policyholder benefits	7,068,591	5,106,130	4,421,117	3,309,758	3,677,196	2,359,324	1,853,604	1,707,669
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(312,010)	(1,587,824)	(160,161)	(1,245,866)	(199,972)	(1,490,254)	(87,638)	(1,180,877)
<b>Net insurance benefits and claims</b>	<b>6,756,581</b>	<b>3,518,305</b>	<b>4,260,956</b>	<b>2,063,892</b>	<b>3,477,224</b>	<b>869,070</b>	<b>1,765,966</b>	<b>526,792</b>
<b>2.2 Underwriting expenses</b>								
Costs incurred for the acquisition of insurance contracts	4,327,446	3,425,380	2,653,410	2,559,454	2,671,000	2,028,099	1,492,188	1,591,679
Costs incurred for the maintenance of insurance contracts	565,340	495,531	367,453	348,125	263,379	224,417	167,298	166,481
Management expenses (See Note 6.1)	1,756,904	1,328,902	1,184,141	1,164,926	927,284	615,206	589,787	592,259
Total underwriting expenses	6,649,690	5,249,814	4,205,005	4,072,506	3,861,664	2,867,721	2,249,273	2,350,419
<b>Total insurance benefits and underwriting expenses</b>	<b>13,406,271</b>	<b>8,768,119</b>	<b>8,465,961</b>	<b>6,136,397</b>	<b>7,338,888</b>	<b>3,736,791</b>	<b>4,015,239</b>	<b>2,877,211</b>
<b>3 Net Interest income</b>								
Cash and bank balances interest income	400,494	290,486	149,875	168,322	200,241	165,027	26,458	74,993
Statutory deposits interest income	73,471	58,593	73,471	58,593	29,918	29,836	29,918	29,836
Held-to-maturity and loans and receivables interest income	646,213	604,526	546,423	509,647	332,267	326,473	275,853	257,586
<b>Net Interest income</b>	<b>1,120,179</b>	<b>953,605</b>	<b>769,769</b>	<b>736,562</b>	<b>562,427</b>	<b>521,336</b>	<b>332,229</b>	<b>362,415</b>

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000
<b>4 Net fair value gains on assets at fair value through profit</b>								
Net fair value gains/ (losses) on financial assets designated at fair value through profit	-	112,667	-	110,411	-	112,667	-	110,411
Fair value gains on investment property	-	0	-	-	-	-	-	-
Total	-	112,667	-	110,411	-	112,667	-	110,411
<b>5 Other income</b>								
Available-for-sale								
– Dividends	16,434	22,175	16,302	21,425	7,717	12,873	7,716	12,231
– Gain on disposal of available-for-sale securities:								
Equity	-	27,779	-	27,779	-	-	-	-
Bond	-	113,330	-	113,330	-	29,526	-	29,526
Income on investment property	41,188	35,725	41,188	35,725	11,701	5,124	11,701	5,124
– Gain/(Loss) on disposal of investment properties	5,000	0	5,000	-	5,000	-	5,000	-
–(Loss)/gain on disposal of property, plant and equipment	1,873	-5,154	782	(5,154)	1,805	(5,139)	715	(5,139)
Other income	40,631	58,793	48,378	614,238	14,627	53,091	36,775	610,757
	105,126	252,648	111,651	807,343	40,850	95,477	61,908	652,500
<b>5.1 Foreign exchange gain/(loss)</b>								
Foreign exchange gain/(loss)	1,140,819	266,978	1,097,723	364,464	1,544,155	107,354	1,430,315	162,879
	1,140,819	266,978	1,097,723	364,464	1,544,155	107,354	1,430,315	162,879
<b>Breakdown of foreign exchange gain/(loss)</b>								
<b>5.1a</b>								
Investment assets	130,515	83,804	130,515	83,804	(106,148)	(26,396)	(106,148)	(56,396)
Bank balances	314,737	83,470	314,737	180,955	118,472	57,416	118,472	148,113
Reinsurance receivables	695,568	99,705	652,471	99,705	1,531,831	76,334	1,417,990	71,162
	1,140,819	266,978	1,097,723	364,464	1,544,155	107,354	1,430,315	162,879
<b>5.2 Income from investment in Subsidiary</b>								
– Dividend received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>6 Operating expenses</b>								
<b>6.1 Management and administration expenses</b>								
Management expenses (note 2.2)	1,756,904	1,328,902	1,184,141	1,164,926	927,284	615,206	589,787	592,259
Administration expenses	416,102	532,279	248,276	311,957	203,835	250,409	101,642	95,227
	2,173,006	1,861,181	1,432,418	1,476,883	1,131,119	865,615	691,429	687,486
<i>Management and administration expenses comprises the following:</i>								
Depreciation and amortisation	68,732	58,100	44,212	37,728	40,184	27,586	20,161	18,281
Auditor's remuneration	5,228	10,820	-	1,793	-	6,030	-	1,500
Employee benefits expenses (a)	989,126	974,468	625,371	753,429	497,487	559,388	285,090	434,969
Other operating expenses (b)	1,109,919	817,793	762,835	683,933	593,448	272,612	386,177	232,736
Total management and administrative expenses	2,173,006	1,861,181	1,432,418	1,476,883	1,131,119	865,615	691,429	687,486
<b>(a) Employee benefit expense</b>								
Wages and salaries (local)	428,183	444,202	428,183	444,202	237,495	249,405	237,495	249,405
Wages and salaries (other regions)	504,312	461,615	140,556	240,576	246,275	268,086	33,877	143,667
Pension	-	0	-	-	-	-	-	-
Defined Benefit Staff Gratuity Plan	-	30,540	-	30,540	-	30,540	-	30,540
Defined Contributory Plan	56,631	38,111	56,631	38,111	13,718	11,356	13,718	11,356
	989,126	974,468	625,371	753,429	497,487	559,388	285,090	434,969
<b>(b) Other operating expense;</b>								
Advert, publicity and client's devt.	48,118	63,353	34,370	44,426	23,289	35,478	19,247	24,878
Non-executive directors Expenses	89,822	87,740	66,535	74,138	42,689	33,870	33,267	27,069
Business travels	96,850	40,436	45,004	30,693	33,771	22,644	25,202	17,188
Supervisory levy	75,928	62,030	75,928	62,030	42,520	34,737	42,520	34,737
Consultancy and other professional fees	160,323	185,805	125,252	165,848	70,141	28,710	70,141	28,710
Training and seminars	113,180	63,021	70,738	44,193	52,289	25,292	39,613	24,748
Rent and rates	60,865	59,110	35,537	37,711	34,084	23,102	19,901	21,118
AGM	10,039	18,211	10,039	18,211	5,622	10,198	5,622	10,198
Bank charges	15,630	11,737	11,165	9,621	5,047	4,801	4,137	4,137
Stationeries, Printing & telephone	35,867	26,376	22,992	18,673	19,368	14,243	11,266	4,353
Electricity, fuel and diesel	26,136	22,395	18,669	17,680	11,239	9,630	8,028	7,602
ICT expenses-Hardware & software maintenance	79,142	27,700	56,530	24,535	51,443	18,005	36,745	15,948
Others	298,017	149,879	190,076	136,174	201,946	11,903	70,488	12,049
	1,109,919	817,793	762,835	683,933	593,448	272,612	386,177	232,736

## Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

	GROUP		COMPANY		GROUP		COMPANY	
	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	JAN-JUNE 2018 =N='000	JAN-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000	APR-JUNE 2018 =N='000	APR-JUNE 2017 =N='000
<b>6 Other operating expenses (cont'd)</b>								
<b>6.2 Impairment of financial assets</b>								
Reinsurance receivables	41,622	21,545	(0)	-	41,622	21,545	-	-
Retrocessionaire's share of receivables	-	-	-	-	-	-	-	-
	<u>41,622</u>	<u>21,545</u>	<u>(0)</u>	<u>-</u>	<u>41,622</u>	<u>21,545</u>	<u>-</u>	<u>-</u>
<b>7 Net unrealised gain /(loss) on financial assets</b>								
Unrealised gain/(loss) on financial asset - Available-for-sale								
- Equity instruments	1,922	-168,563	2,124	(173,303)	(26,695)	(168,563)	(26,493)	(173,303)
- Debt Instruments	-	0	-	-	-	-	-	-
Total	1,922	(168,563)	2,124	(173,303)	(26,695)	(168,563)	(26,493)	(173,303)
Reclassification adjustments to gains included in profit and loss	-	0	-	-	-	-	-	-
Income tax relating to component of other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	<u>1,922</u>	<u>(168,563)</u>	<u>2,124</u>	<u>(173,303)</u>	<u>(26,695)</u>	<u>(168,563)</u>	<u>(26,493)</u>	<u>(173,303)</u>
<b>8 Taxation</b>								
<i>Per statement of comprehensive income:</i>								
Income tax based on profit for the year	808,847	780,774	591,822	756,455	592,488	590,738	411,590	637,252
Education tax	-	-	-	-	-	-	-	-
Back duty charge prior year	-	-	-	-	-	-	-	-
	<u>808,847</u>	<u>780,774</u>	<u>591,822</u>	<u>756,455</u>	<u>592,488</u>	<u>590,738</u>	<u>411,590</u>	<u>637,252</u>
Deferred taxation (Note 9)	<u>808,847</u>	<u>780,774</u>	<u>591,822</u>	<u>756,455</u>	<u>592,488</u>	<u>590,738</u>	<u>411,590</u>	<u>637,252</u>
<i>Per statement of financial position:</i>								
At 1 January	1,550,357	692,602	1,565,199	631,518				
Based on profit for the year	808,847	1,566,385	591,822	1,636,621				
Payments during the year	(793,811)	(708,630)	(676,553)	(702,940)				
	<u>1,565,392</u>	<u>1,550,357</u>	<u>1,480,469</u>	<u>1,565,199</u>				

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements

9	Deferred taxation	GROUP		COMPANY	
		30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
	Deferred income tax (assets)/liabilities are attributable to the following items:				
	<b>Deferred tax liabilities</b>				
	Balance b/f	318,212	793,806	218,853	686,907
	<b>Recognised in profit and loss</b>				
	Property plants and equipment	2	(49,742)	2	(49,742)
	Unrealised FX gain	-	(425,852)	-	(418,311)
	Employee benefits	-	-	-	-
	Total recognised in profit and loss	2	(475,594)	2	(468,053)
	<b>Recognised in other comprehensive income</b>				
	Employee benefit	-	-	-	-
	Available for sale financial assets	661	-	-	-
		661	-	-	-
	<b>Net</b>	<b>318,875</b>	<b>318,212</b>	<b>218,855</b>	<b>218,853</b>

### 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	
	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	2,430,354	3,118,635	1,775,467	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)	23	30	17	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	
		30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
	Cash in hand	7,011	996	4,585	839
	Balances held with local banks:				
	- Current account	358,480	211,938	167,072	145,736
	- Domiciliary account	396,281	207,170	396,281	207,170
	Balances held with foreign banks	1,343,484	590,326	1,343,484	590,326
	Placements with banks and other financial institutions	11,639,444	8,068,663	4,681,359	5,736,042
		13,744,701	9,079,093	6,592,782	6,680,113

Included in placements with banks and other financial institutions are tenored deposits of the group (N3.3b) with original maturity of more than 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 disclosed in the statement of cash flow.

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements - Continued

12	Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
<b>Managed Funds</b>					
	External Portfolio Management	2,286,504	2,159,476	-	-
		<u>2,286,504</u>	<u>2,159,476</u>	<u>-</u>	<u>-</u>

13	Loans and other receivables	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
	Staff Loans and advances	575,807	462,584	457,411	409,387
	Other advances	374,491	436,635	374,491	436,635
	Impairment on other advances	(406,941)	(406,941)	(406,941)	(406,941)
	Total Loans and other receivables	<u>543,357</u>	<u>492,278</u>	<u>424,962</u>	<u>439,081</u>

14	Investment Securities	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
<b>Analysis of investment securities</b>					
	Equity	1,733,392	1,944,109	1,733,392	1,925,253
	Debt	7,802,144	7,790,434	6,303,218	6,230,608
		<u>9,535,536</u>	<u>9,734,543</u>	<u>8,036,610</u>	<u>8,155,861</u>

#### Analysis by class

14.1	<b>Available-for-sale:</b>				
	Equity instruments	2,084,656	1,744,048	2,084,656	1,742,269
	Debt instruments	29,198	377,177	-	348,262
	Total available-for-sale	<u>2,113,854</u>	<u>2,121,225</u>	<u>2,084,656</u>	<u>2,090,531</u>
14.2	<b>Held-to-maturity</b>				
	Debt instruments	7,421,682	7,613,318	5,951,954	6,065,330
	Total Investment securities	<u>9,535,536</u>	<u>9,734,543</u>	<u>8,036,610</u>	<u>8,155,861</u>

#### Equity Instruments

##### Securities at Available-for-sale - Fair value

	Quoted	928,205	-	928,205	-
	Unquoted	805,187	1,944,109	805,187	1,925,253
	Total equity instruments	<u>1,733,392</u>	<u>1,944,109</u>	<u>1,733,392</u>	<u>1,925,253</u>

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

#### Debt Instruments

	30-Jun	31-Dec	30-Jun	31-Dec
	2018	2017	2018	2017
	=N='000	=N='000	=N='000	=N='000
Securities at Available-for-sale -Fair				
Bonds	29,198	377,177	-	348,262
	<u>29,198</u>	<u>377,177</u>	<u>-</u>	<u>348,262</u>

#### Securities at held-to-maturity - amortised

Listed	3,828,622	4,757,744	3,758,586	3,919,774
Unlisted	3,593,061	2,855,574	2,193,368	2,145,556
	<u>7,421,682</u>	<u>7,613,318</u>	<u>5,951,954</u>	<u>6,065,330</u>
Total debt instruments	<u>7,450,880</u>	<u>7,990,495</u>	<u>5,951,954</u>	<u>6,413,592</u>

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	
		30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018	31-Dec 2017 =N='000
	Due from ceding companies	8,539,784	7,218,432	4,914,324	4,691,388
	Due from ceding companies (Pipeline)	3,662,392	3,645,142	2,554,071	2,554,071
	Premium reserves retained by ceding companies	1,346,389	340,397	1,043,843	-
		<u>13,548,566</u>	<u>11,203,970</u>	<u>8,512,238</u>	<u>7,245,459</u>
	Impairment on reinsurance receivables(Note 1)	<u>(1,323,338)</u>	<u>(1,281,716)</u>	<u>(1,061,024)</u>	<u>(1,061,024)</u>
		<u>12,225,228</u>	<u>9,922,254</u>	<u>7,451,214</u>	<u>6,184,435</u>
<b>15.1</b>	<b>Reconciliation of impairment on reinsurance receivables</b>				
	At 1 January	1,281,716	1,536,477	1,061,024	1,297,185
	Write off during the year	-	(810,979)	-	(669,753)
	Charge for the year	41,622	556,218	(0)	433,591
	Recovery during the year	-	-	-	-
		<u>1,323,338</u>	<u>1,281,716</u>	<u>1,061,024</u>	<u>1,061,024</u>
<b>15.1a</b>	<b>Breakdown of charge for the year</b>				
	impairment on gross receivables	41,622	556,218	(0)	433,591
	reversal of exchange gain on impaired reinsurance receivables	-	-	-	-
	Net charge to income statement	<u>41,622</u>	<u>556,218</u>	<u>(0)</u>	<u>433,591</u>
<b>16</b>	<b>Retrocession Assets</b>				
	Retrocessionaires' share of claims recoverable	1,729,362	1,853,942	741,233	1,015,259
	Retrocessionaires' share of reserve for outstanding claims	818,169	717,466	717,465	717,465
	Retrocession share of unearned premium reserve	126,456	-	-	-
	Retrocessionaires' share of life insurance contract liabilities	288,821	350,049	306,743	306,743
	Impairment of retro assets	<u>(161,791)</u>	<u>(161,791)</u>	<u>(161,791)</u>	<u>(161,791)</u>
	Total retrocession assets	<u>2,801,016</u>	<u>2,759,666</u>	<u>1,603,649</u>	<u>1,877,676</u>
<b>16.1</b>	<b>Reconciliation of impairment on retro assets</b>				
	At 1 January	161,791	114,410	161,791	114,410
	Write off during the year	-	-	-	-
	Charge for the year	0	47,381	0	47,381
	Recovery during the year	-	-	-	-
		<u>161,791</u>	<u>161,791</u>	<u>161,791</u>	<u>161,791</u>
<b>17</b>	<b>Deferred acquisition costs</b>				
	At 1 January	2,291,853	1,532,809	1,501,752	782,628
	Net deferral during the year	29,983	759,044	-	719,124
		<u>2,321,836</u>	<u>2,291,853</u>	<u>1,501,752</u>	<u>1,501,752</u>

## Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
	Prepayments (18a)	292,477	97,532	155,783	74,169
	Intercompany balances (18b)	-	-	1,563,051	849,072
	Deposit for shares (Note 18 a)	11,000	11,000	11,000	11,000
	Proposed head office W.I.P	-	-	-	-
	Other (18c)	2,717,971	350,690	523,845	227,715
		3,021,448	459,222	2,253,679	1,161,956
	Impairment on others	(129,793)	(129,793)	(405,828)	(405,828)
		2,891,655	329,430	1,847,851	756,128
<b>18: Prepayments</b>					
	Office rent	24,932	29,832	20,052	23,253
	Staff upfront	37,688	-	33,834	-
	Other prepaid services	229,857	67,700	101,897	50,916
		292,477	97,532	155,783	74,169
<b>18: Intercompany balances</b>					
	Payable to related parties on retro	-	-	788,090	754,653
	Payable to related parties on reinsurance contr	-	-	774,961	94,419
		-	-	1,563,051	849,072
<b>18: Others</b>					
	Interest receivables	309,120	245,816	274,020	222,816
	WHT recoverable	1,168	4,168	1,168	4,168
	Sundry receivables	2,407,683	100,706	248,657	731
		2,717,971	350,690	523,845	227,715

18.1	Investment in Subsidiary	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
	Continental Reinsurance Limited, Nairobi Kenya			1,572,699	1,572,699
	Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774
	Continental Reinsurance Limited, Douala, Cameroon			1,609,584	
				3,882,058	2,272,473

19	Investment Properties	GROUP		COMPANY	
		30-Jun	31-Dec	30-Jun	31-Dec
		2018	2017	2018	2017
		=N='000	=N='000	=N='000	=N='000
	Opening	2,857,111	2,868,728	2,857,111	2,868,728
	Fair value adjustments	-	(11,617)	-	(11,617)
	Additions	-	-	-	-
	Disposal during the year	(130,000)	-	(130,000)	-
	Closing	2,727,111	2,857,111	2,727,111	2,857,111

20	Intangible assets	Group	Company
		Computer software =N='000	Computer software =N='000
	<b>Cost:</b>		
	At 1 January 2018	85,697	85,378
	Cost capitalised	966	966
	<b>At 30 June, 2018</b>	<b>86,663</b>	<b>86,344</b>
	<b>Accumulated amortisation and impairment:</b>		
	At 1 January 2018	65,529	65,530
	Amortisation for the year	3,331	3,012
	<b>At 30 June, 2018</b>	<b>68,860</b>	<b>68,542</b>
	<b>NBV At 30 June 2018</b>	<b>17,802</b>	<b>17,802</b>
	<b>NBV At 31 December 2017</b>	<b>20,168</b>	<b>19,849</b>

## 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
<b>Cost/Valuation:</b>							
At 1 January 2018	868,892	365,690	193,754	1,378,792	82,273	125,850	3,015,252
Additions	274,251	80,414	31,725	102,004	0	10,922	499,317
Disposals	-	(22,205)	(24,352)	-	(596)	(8,353)	(55,506)
Reclassification	-	-	-	-	-	-	-
<b>At 30 June, 2018</b>	<b>1,143,143</b>	<b>423,899</b>	<b>201,127</b>	<b>1,480,796</b>	<b>81,677</b>	<b>128,419</b>	<b>3,459,062</b>
							-
<b>Accumulated depreciation:</b>							
At 1 January 2018	-	233,534	129,668	-	73,065	90,370	526,637
Charge for the year	-	38,147	16,692	-	1,846	8,716	65,401
Disposal	-	(22,205)	(18,858)	-	(60)	(6,676)	(47,800)
Reclassification	-	-	-	-	-	-	-
<b>At 30 June, 2018</b>	<b>-</b>	<b>249,476</b>	<b>127,502</b>	<b>-</b>	<b>74,851</b>	<b>92,409</b>	<b>544,238</b>
<b>NBV At 30 June 2018</b>	<b>1,143,143</b>	<b>174,423</b>	<b>73,626</b>	<b>1,480,796</b>	<b>6,826</b>	<b>36,010</b>	<b>2,914,824</b>
<b>NBV At 31 December 2017</b>	<b>868,892</b>	<b>132,156</b>	<b>64,086</b>	<b>1,378,792</b>	<b>9,208</b>	<b>35,480</b>	<b>2,488,615</b>

#### 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
<b>Cost/Valuation:</b>							
At 1 January 2018	868,892	253,335	114,969	1,378,792	71,197	87,780	2,774,966
Additions	0	38,577	7,638	102,004	0	4,687	152,907
Disposals	(434,734)	(22,205)	(24,352)	-	(596)	(8,353)	(490,240)
Reclassification	-	-	-	-	-	-	-
<b>At 30 June, 2018</b>	<b>434,157</b>	<b>269,707</b>	<b>98,255</b>	<b>1,480,796</b>	<b>70,601</b>	<b>84,114</b>	<b>2,437,632</b>
<b>Accumulated depreciation:</b>							
At 1 January 2018	-	177,818	79,577	-	65,679	72,309	395,383
Charge for the year	-	23,680	11,132	-	1,359	5,029	41,200
Disposal	-	(22,205)	(18,858)	-	(60)	(6,676)	(47,800)
Reclassification	-	-	-	-	-	-	-
<b>At 30 June, 2018</b>	<b>-</b>	<b>179,293</b>	<b>71,851</b>	<b>-</b>	<b>66,978</b>	<b>70,661</b>	<b>388,783</b>
<b>NBV At 30 June 2018</b>	<b>434,157</b>	<b>90,414</b>	<b>26,405</b>	<b>1,480,796</b>	<b>3,623</b>	<b>13,453</b>	<b>2,048,850</b>
<b>NBV At 31 December 2017</b>	<b>868,892</b>	<b>75,517</b>	<b>35,392</b>	<b>1,378,792</b>	<b>5,518</b>	<b>15,471</b>	<b>2,379,583</b>



## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =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	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
Reserve for Unearned Premium (Note 23.1)	9,098,653	8,281,665	5,613,724	5,125,005
Reserve for Outstanding Claims (Note 23.2)	<u>6,784,232</u>	<u>7,254,013</u>	<u>3,846,135</u>	<u>5,179,229</u>
	15,882,885	15,535,678	9,459,860	10,304,234
Life (Note 23.3)	2,705,016	2,430,312	2,269,416	2,166,356
Total insurance liabilities	<u>18,587,901</u>	<u>17,965,990</u>	<u>11,729,275</u>	<u>12,470,590</u>
Total retrocessionaire's share of insurance liabilities (Note 16)	<u>(2,801,016)</u>	<u>(2,759,666)</u>	<u>(1,603,649)</u>	<u>(1,877,676)</u>
Net insurance contracts	<u>15,786,885</u>	<u>15,206,324</u>	<u>10,125,626</u>	<u>10,592,914</u>
<b>23.1 Reserve for Unearned Premium</b>				
At 1 January	8,281,665	4,923,170	5,125,005	2,772,852
Increase in the year	17,193,951	25,963,551	9,806,742	17,295,784
Release of unearned premium during the year	(15,997,482)	(22,605,057)	(8,514,860)	(14,943,631)
Portfolio transfer during the year	<u>(379,481)</u>	<u>(803,163)</u>	<u>(803,163)</u>	<u>(803,163)</u>
	<u>9,098,653</u>	<u>8,281,665</u>	<u>5,613,724</u>	<u>5,125,005</u>
<b>23.2 Reserve for Outstanding Claims</b>				
At 1 January	7,254,013	6,883,940	5,179,229	5,775,330
Claims incurred including IBNR	5,849,636	12,197,651	3,467,956	7,953,283
Claims paid during the year	(6,007,781)	(11,827,579)	(3,884,036)	(8,549,384)
Portfolio transfer during the year	<u>(311,636)</u>	<u>(917,014)</u>	<u>(917,014)</u>	<u>(917,014)</u>
	<u>6,784,232</u>	<u>7,254,013</u>	<u>3,846,135</u>	<u>5,179,229</u>
<b>23.3 Insurance liabilities on life policy holders</b>				
At 1 January	2,430,312	1,938,205	2,166,356	1,588,966
(Decrease)/Increase in retrocessionaire's share	-	589,311	-	415,770
Changes in life policy contracts	<u>274,704</u>	<u>(97,204)</u>	<u>103,060</u>	<u>161,620</u>
	<u>2,705,016</u>	<u>2,430,312</u>	<u>2,269,416</u>	<u>2,166,356</u>

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements -Continued

24 Reinsurance creditors	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
Due to retrocessionaires	1,954,857	589,921	1,271,962	278,310
Due to ceding companies	2,682,182	766,289	2,577,218	663,054
	<u>4,637,038</u>	<u>1,356,210</u>	<u>3,849,180</u>	<u>941,364</u>

This represents the amount payable to insurance and reinsurance companies

25 Other liabilities				
Rent received in advance	11,292	2,917	11,292	2,917
Receipt on behalf of 3rd party	-	-	-	-
Accrued expenses	91,254	359,781	28,893	400,689
Dividend payable (Note 25.1)	877,799	23,241	877,799	23,241
Unclaimed dividend	298,921	270,241	298,921	270,241
Information technology development levy	1,712	45,988	1,712	45,987
Others	605,924	158,055	328,683	251,127
Intercompany Balance	-	-	335,096	255,787
	<u>1,886,901</u>	<u>860,223</u>	<u>1,882,395</u>	<u>1,249,989</u>

25.1 Dividends paid and proposed				
At 1 January	23,241	1,241,451	23,241	1,241,451
Declared during the year	1,452,184	1,452,184	1,452,184	1,452,184
Paid during the year	(597,626)	(2,670,394)	(597,626)	(2,670,394)
	<u>877,799</u>	<u>23,241</u>	<u>877,799</u>	<u>23,241</u>

25.2 Others;				
Staff bonus	191,099	-	191,099	-
Sundry creditors	251,105	87,072	118,221	251,127
PAYE and other statutory liabilities	163,720	70,983	19,363	-
	<u>605,924</u>	<u>158,055</u>	<u>328,683</u>	<u>251,127</u>

25.3 Intercompany balance;				
Receivables from related parties on retro	-	-	264,098	155,950
Receivables from related parties on reinsurance contrac	-	-	70,999	99,836
	-	-	-	-
	-	-	<u>335,096</u>	<u>255,787</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;

	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
Balance at start of period	-	-	-	-
Provision during the period	-	-	-	-
Transfer to PFA	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

Statement of financial position obligation for:	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
Balance as at the beginning of the year	306,457	383,857	275,150	336,008
Net Expense/Income recognised in P & L	-	184,600	-	164,294
Remeasurement recognised in OCR	-	57,588	-	5,170
Defined contribution scheme	-	-	-	-
Fair value of plan assets	(60,312)	(319,589)	(29,005)	(230,322)
Deficit of funded plans	<u>246,145</u>	<u>306,457</u>	<u>246,145</u>	<u>275,150</u>
(Asset)/liability in the balance sheet	<u>246,145</u>	<u>306,457</u>	<u>246,145</u>	<u>275,150</u>

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements -Continued

27 Share capital	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
<b>Authorised</b>				
25,000,000,000 Ordinary shares of 50k each	12,500,000	12,500,000	12,500,000	12,500,000
<b>Issued and fully paid</b>				
10,372,744,000 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372	5,186,372
<b>28 Share premium</b>				
	3,915,451	3,915,451	3,915,451	3,915,451

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:

	30-Jun 2018 =N='000	31-Dec 2017 =N='000	30-Jun 2018 =N='000	31-Dec 2017 =N='000
Non - Life	333,125	300,372	284,155	265,254
Life	4,441,981	4,161,630	4,441,981	4,147,779
Total	4,775,106	4,462,002	4,726,136	4,413,032

## Continental Reinsurance Plc

### Notes to the Consolidated Financial Statements -Continued

### 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.