CONTINENTAL REINSURANCE

...sustainable trust

A pan-African commitment

2013 Annual Report and Accounts

Our vision

To be the Premier pan-African Reinsurer.

Mission

Providing credible reinsurance security and services to our clients and sustainable value to our shareholders and other stakeholders.

Our values

- Teamwork and passion
- Ability and dependability
- Sustainable trust

Corporate philosophy

...Sustainable trust


02


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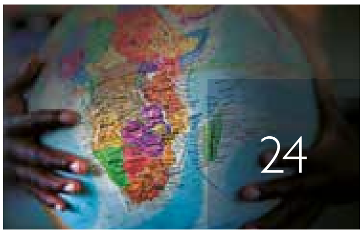
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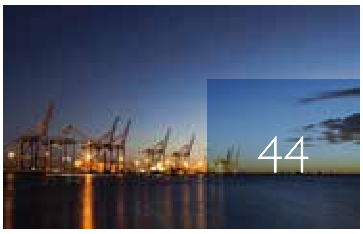
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128

01

+44 Countries

Committed to the industry and our continent

Delivering value by growing our pan-African footprint through financial investment in regional hubs, in tandem with local market development, ensuring good local corporate citizenship.

Overview / Notice of AGM

Corporate information

Board of Directors

Mr. Hurley Doddy (American), Chairman, Non-Executive Director

Dr. Olufemi Oyetunji, Managing Director/CEO

Mr. Lawrence M. Nazare (Zimbabwean), Executive Director (Non-Life)

Mr. Vincent Le Guennou (French), Non-Executive Director

Mr. David S. Sobanjo, Non-Executive Director

Ms. Nana Appiah-Korang (Ghanaian), Non-Executive Director

Mr. Bakary H. Kamara (Mauritanian), Non-Executive Director

Mr. Johnnie Wilcox, Non-Executive Director

Mr. Foluso Laguda, Non-Executive Director

Company Secretary

Mrs. Abimbola A. Falana

Registered Office

St. Nicholas House (8th Floor)
6, Catholic Mission Street
Lagos

Regional Offices

Douala Office
Rue Ngosso Din Derriere Pharmacie
De la Cote, Bali, Douala

Abidjan Office
Zone 4C, Rue Pierre et Marie Curie
Immeuble SCI Kali, Abidjan

Tunis Office
Rue Lac Léman, Imm Regency –
Bloc "C" 2ème étage- Bur 207,
1053 Les Berges du Lac, Tunis

Subsidiary

Nairobi Office
197 Lenana Place (4th flr)
Lenana Road
Nairobi

Auditors

Ernst & Young
2A, Bayo Kuku Road
Off Alfred Rewane Road
Ikoyi, Lagos

Solicitors

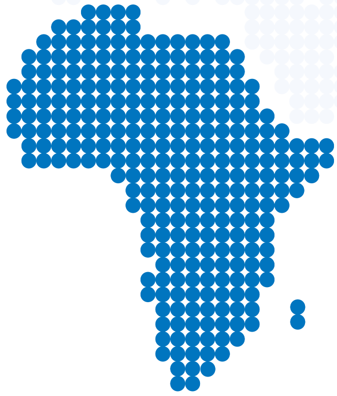
Bayo Osipitan & Co.
2A, Ireti Street
Yaba, Lagos

Registrars

Sterling Registrars Limited
24, Campbell Street
Lagos

Bankers

Stanbic IBTC Bank Ltd
Zenith Bank Plc
Guaranty Trust Bank Plc
Ecobank, Douala
United Bank for Africa Plc, Douala
BGFI Bank, Douala
United Bank for Africa Plc, Abidjan
Societe Ivorienne De Banque, Abidjan
NIC Bank Ltd, Nairobi



Financial highlights
For the year ended 31st december, 2013

=N= millions, unless otherwise stated	2012	2013	change in %
Non-Life			
Premium earned	9,449	12,240	30%
Combined ratio in % (Net of Retro)	83.55%	92.72%	11%
Life			
Premium earned	2,497	2,785	12%
Investment			
Investment income (Net of Provision)	1,460	1,455	-0.3%
Return on investment in %(Annualized)	9%	9%	
Total			
Premium earned	11,946	15,025	26%
Net income	1,733	1,753	1%
Earnings per share in kobo	17	17	
Shareholders' equity	13,235	14,285	8%
Return on equity1 in %(Annualized)	13%	14%	
Number of employees2	57	46	19%

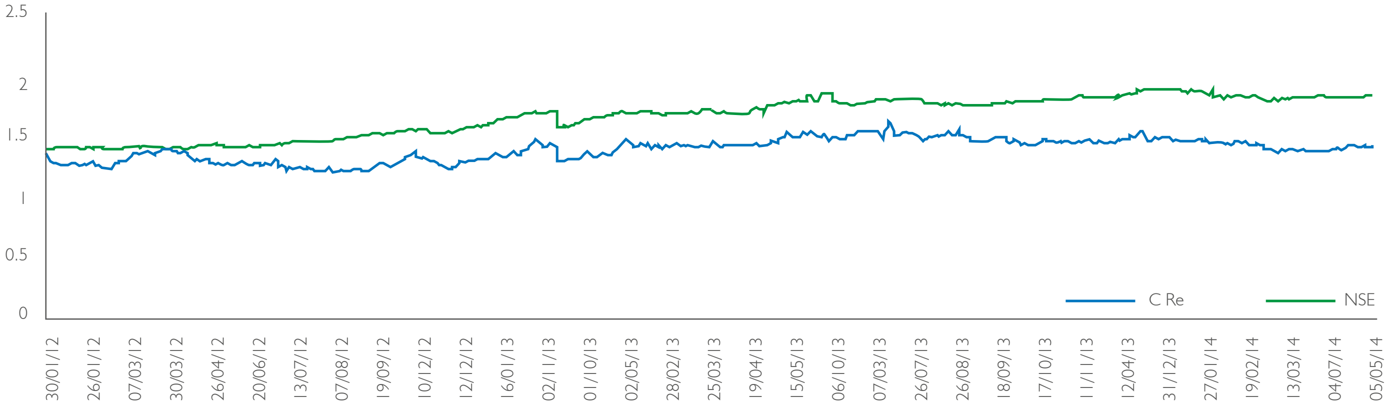
[1]Return on equity is calculated by dividing annualized net income attributable to common shareholders by average common shareholder's equity.
[2]Permanent staff

Financial strength ratings

as at 31 December, 2013	A.M Best
Ratings	B+
Outlook	Good

Share Performance	
Market Capitalization as at 23 May, 2014	
Share price in =N=	1.07
Number of Shares (Billion)	10.37
Market capitalisation in =N= Bn	11.09

CRe Share Price vs NSE ASI



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty seventh Annual General Meeting of members of CONTINENTAL REINSURANCE PLC will be held at Victoria Crown Plaza (VCP) Hotel, 292b, Ajose Adeogun Street, Victoria Island, Lagos on Tuesday, August 12, 2014 at 11.00 a.m. to transact the following businesses:

Ordinary business

1. To receive the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2013 together with the reports of the Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To re-elect a Director.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.

Special business

6. To approve the remuneration of the Directors for the year ending December 31, 2014.

By order of the Board

Abimbola A. Falana (Mrs.)
Company Secretary
FRC/2013/NBA/00000000688

Registered Office:

6, Catholic Mission Street, Lagos.

Dated: March 5, 2014

Notes:

1. Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. To be valid for the purpose of the meeting, the Proxy Form, which is in this Annual Report must be duly signed by the member and stamped by the Commissioner for Stamp Duties Office and deposited at the registered office of the Registrars, Sterling Registrars Limited, 24, Campbell Street, Lagos not less than 48 hours before the time fixed for the meeting.

2. Closure of register

Notice is hereby given that the register of members and transfer books of the Company will be closed from Monday, August 4, 2014 to Friday, August 8, 2014, (both days inclusive) to enable the Registrars update the Register of Members and prepare for the payment of dividend.

3. Payment of dividend

If the dividend recommended by the Directors is declared at the Annual General Meeting, dividend will be paid on Wednesday, August 13, 2014 to shareholders whose names are registered in the Company's Register of Members at the close of business on Friday, August 1, 2014. The accounts of shareholders who have completed the e-dividend Mandate Form will be credited on August 13, 2014 while dividend warrants for shareholders who are yet to complete the e-dividend Mandate Form will be posted on the same date.

Shareholders who have not completed the e-dividend Mandate Form are encouraged to do so. An e-dividend Mandate Form is in this Annual Report.

4. Unclaimed dividend

A booklet containing lists of shareholders who are yet to claim their dividend(s) from 2007 to date is being circulated with this Annual Report. Members who have still not claimed their dividend(s) are advised to write to or call at the office of the Registrars, Sterling Registrars Limited, 24, Campbell Street, Lagos.

5. Change of address

Members are requested to notify the Registrars of changes, if any, in their registered addresses.

6. Nominations for Audit Committee

The Audit Committee is comprised of three (3) Directors and three (3) Shareholders' representatives. In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN 2004, any shareholder may nominate another shareholder for election to the Audit Committee by giving notice of such nomination, in writing, to the Company Secretary at least 21 days before the Annual General meeting. Nominations must be accompanied by the nominee's curriculum vitae.

02

28%

growth in gross premium income

Committed to trusted client and partner relationships

Consolidating our role as the trusted partner in the pan-African industry through responsive service, offerings and training that are apt for local markets.

Our profile

Corporate profile

Continental Reinsurance Plc. ('C Re' or 'the Company') was established in 1985 as a private reinsurance Company in Nigeria. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990, rendering Life and Non-Life reinsurance on both treaty and facultative bases and has a well-diversified business mix and customer base across Africa.

In 2000, the Company was converted to a public limited liability Company. It recapitalized from NGN 2 billion to NGN 10 billion in 2007 with widespread ownership including international investors and on May 30 of the same year, was listed on the Nigerian Stock Exchange.

The Company is managed by highly talented, well trained and motivated professionals including a team of in-house actuaries plus external support. It has put in place, a rigorous Enterprise Risk Management (ERM) framework that works across all its offices.

Locations

Continental Reinsurance has its corporate head office in Lagos, Nigeria and operates in more than 44 countries. It has expanded its regional footprint by setting up regional offices in Douala, Cameroon; Abidjan, Côte d'Ivoire; and a fully licensed subsidiary in Nairobi, Kenya. The Head Office in Lagos also serves as the Regional Office for Lagos and covers business activities in the Anglophone West African countries. The Regional office in Douala covers all Francophone denominated businesses in Central Africa while the regional office in Abidjan covers all Francophone West African and some North African denominated businesses. The Nairobi subsidiary covers Eastern and Southern Africa businesses. In furtherance of its strategic positioning, the Company recently commenced operations in Tunis. The new office will greatly extend the Company's reach into the Maghreb and North African markets and will enable the Company to play a significant role in the region's growth and development to deliver world class service and locally relevant offerings particularly the introduction of Takaful offering to its client and partners. The Company has plans underway for the opening of another office later in the year 2014 in Gaborone, Botswana to support business developments plans in Southern Africa.

Credit rating

Continental Re is rated B+ (Good) by AM Best, London, the world's oldest and most authoritative insurance rating company which is indicative of its ability to meet its ongoing obligations.

Products and services

The Company provides world class products and services that covers non-life and life treaty and facultative reinsurance. It is supported by first class retrocessionaires in the London and African Reinsurance markets.
The Company's products and services cut across Fire, Energy, Marine, Liability, Accident and life, both individual and group life.

In order to maximize total return on investment and preserve shareholders' capital, the Company has a well-managed and solid investment portfolio, with diversified investment focus. This will assist the Company to meet future claim obligations and limit its exposure to investment risk.

Top-class specialized training and development programmes are also provided by the company to its esteemed clients in various classes of insurance and reinsurance portfolios including fire, energy, business interruption, international reinsurance, life and pension, motor and general accident insurance and engineering/bond insurance. The trainings are designed to upscale reinsurance skills to fill the knowledge gaps in the local African markets.

Our people

People remain the company's strategic asset to drive its vision of being a premier pan-African Reinsurer. Continental Reinsurance is managed by highly resourceful, talented, motivated and seasoned professionals. The Company's management has been stable over the years and the management has been rigorous in its pursuit of effective organizational renewal, with employment of seasoned professionals who are supported with relevant training and development initiatives.

Corporate governance

The company operates with strong adherence to international best practices in corporate governance.

Corporate social responsibility

The company has strong passion for corporate social responsibility and is highly involved in giving back to the society, across all its business locations. In 2013, the company provided support to the less privileged in Lagos, Douala, Abidjan and Nairobi.

Board of Directors


Mr. Hurley Doddy
Chairman, Non-Executive Director


Dr. Olufemi Oyetunji
Managing Director/CEO


Mr. Lawrence M. Nazare
Executive Director


Mr. Vincent Le Guennou
Non-Executive Director


Mr. David S. Sobanjo
Non-Executive Director


Ms. Nana Appiah-Korang
Non-Executive Director


Mr. Bakary H. Kamara
Non-Executive Director


Mr. Johnnie Wilcox
Non-Executive Director


Mr. Foluso Laguda
Non-Executive Director

Key management staff

Mr. Alexandre Aquereburu
Chief Risk Officer

Mr. Musa Kolo
GM (Finance)

Mrs. Abimbola Falana
Company Sec./Legal Adviser

Mr. Kanma Okafor
DGM (ICT)

Mr. Steve Odjugo
Regional Director (Lagos)

Mr. Calisto Ogaye
Managing Director (Nairobi Subsidiary)

Mr. Olusegun Ajibewa
AGM (HR & Admin)

Mrs. Lety Endeley
Regional Director (Douala)

Mr. Ibrahima Ndoye
Regional Director (Abidjan)

Mrs. Dorsaf Sassi
Regional Director (Tunis)

Mr. Abayomi Oluremi-Judah
Head-Life Operations

03

9%

growth in total assets

Committed to sustainability

Financial and technical capacity building in local markets across the continent to advance world-class standards in environmental, social and governance focus areas, as signatories of the Principles of Sustainable Insurance of the United Nations Environment Programme Finance Initiative.

Business review

Chairman's statement

Distinguished shareholders, fellow board members, representatives of regulatory bodies present, distinguished ladies and gentlemen, it is my pleasure to welcome you all to the 27th Annual General Meeting of our Company and to present the Annual Report and Financial Statements for the year ended December 31, 2013.

Business and operating Environment

The global economy grew by 2.4% in 2013 with economic growth in the emerging world stimulating continued structural shifts from advanced economies towards emerging markets. African GDP grew by more than 5%. Global activity strengthened during the second half of 2013 and is expected to improve further in 2014 – 2015. New policy challenges are arising and past problems persist – a fragmented financial system in the Euro area and high public debt in all major advanced economies remain unresolved and could trigger new crises.

The IMF *World Economic Outlook* points to better prospects in the near term but with different growth dynamics between major economies, predicting a modest acceleration of activity driven largely by advanced economies.

On the global reinsurance front, the lack of significant reinsured losses from 2012 into 2013 was a welcome departure from the growing view that a higher level of global catastrophe is the "new normal". Lower global insured catastrophe losses have restored confidence in both insurers and reinsurers in 2013. Capital available to reinsurers grew by more than 10% while reinsurance demand was stable in catastrophe lines and declined on nearly all non-catastrophe lines. While the global outlook in 2014 shows weak growth in reinsurance demand, the African reinsurance market continues to offer massive potential for diversification and growth.

In the Nigerian insurance market, regulatory measures to enforce 'no premium no cover' rules are beginning to reduce the huge provisions for doubtful premium accounts. In addition, the industry will continue to move from rule-based to risk-based supervision in 2014 in order to strengthen supervision and enforcement efforts. This new regime potentially portends continuous updating of risk assessment through on-site reviews and market intelligence.

These and other regulatory measures that we hope will be implemented in coming years will further reduce unethical practices and ultimately lead to a more productive, viable, stable and safer insurance industry.

Financial result

Continental Reinsurance had a record year in 2013. Gross Premium Income (GPI) reached NGN 15.86 billion compared to NGN 12.40 billion recorded in 2012. This gives a 28% growth with non-life and life businesses growing by 11% and 32% respectively. In 2013, profit before tax grew by 5% from NGN 2.13 billion to NGN 2.23 billion and after tax profits grew by 1% from NGN 1.73 billion in 2012 to NGN 1.75 billion. Total comprehensive income grew by 19% from NGN 1.75 billion in 2012 to NGN 2.09 billion in 2013.

Investment income increased by 10% from NGN 1.46 billion in 2012 to NGN 1.60 billion in 2013 due principally to improvement in the investment climate. Management and administrative expenses increased by 16% from NGN 1.65 billion in 2012 to NGN 1.91 billion in 2013 due partly to the recognition of one-time costs related to retiring and departing employees.

Total assets increased by 9% from NGN 24.05 billion in 2012 to NGN 26.13 billion in 2013 and Shareholders Funds increased by 8% from NGN 13.24 billion in 2012 to NGN 14.29 billion in 2013.

Dividend

In line with the Company`s dividend policy and subject to your approval at this Meeting, the Board of Directors recommends a cash dividend of 11 kobo per share for the financial year under review. This represents an increase of 10% over the 10 Kobo per share paid in 2012. I am happy to report that the Board of Directors have been able to recommend an increase in dividends every single year since the company listed in May 2007 despite the financial crises that rocked many global and Nigeria financial institutions over the last five years. With this current proposed increase, Continental Re would have increased its dividend by 120% since 2008.

Board changes

As noted in the Chairman's statement for the year 2012, Mr. Denis Chemillier-Gendreau resigned from the Board during the year with effect from May 14, 2013 and on May 24, 2013, Mr. Johnnie Wilcox was appointed a Non-Executive Director in his place. Mr. Wilcox has had a long and distinguished career in reinsurance and served as the Managing Director/CEO of United Africa Insurance Brokers Limited from 1992 to 2011.

During the year, Eng. S. A. Laguda retired from the Board and as Chairman with effect from September 18, 2013 after over 26 years on the Board. Mr. Foluso Laguda, a management consultant, was elected to the Board with effect from the same date. Please join me in thanking Eng. Akin Laguda for his significant contribution to the growth of the Company over the last 26 years and to wish him the very best in his retirement.

There were no other changes to the Board during the year under review. However, since the balance sheet date, Mr. Gbenga Falekulo, the Executive Director (Life), resigned from the Board with effect from January 29, 2014 having retired from the services of the Company with effect from January 1, 2014. On behalf of the Board, I thank Mr. Falekulo for his meritorious service to the Company which spanned well over two decades and wish him well in his future endeavours.

Staff

At Continental Reinsurance, our people are our most valuable resource and we are fortunate to have a group of highly talented and motivated seasoned professionals currently managing the Company. Under the leadership of our Managing Director and CEO, Dr. Femi Oyetunji, our people cultivate a strong passion for the business and are highly committed to upholding the performance culture of the Company and ensuring year-on-year returns to our shareholders.

Future outlook

Distinguished shareholders, we continue to pursue the implementation of our five year strategic plan which spans up to 2017. You will recall that one of the key focus areas of that plan is our geographical expansion into new territories in Africa.

I am delighted to inform you that in April 2014 we re-launched our Tunisian branch office to cater for our Northern African/Maghreb clients. Also, we are now able to cover Southern African through our joint venture in Gaborone, Botswana. The Company will, therefore, continue to live up to its aspiration to provide reinsurance services on a truly pan-African basis.

You will recall that at the last Annual General Meeting, we sought and secured your approval to raise additional capital in order to pursue our expansion drive. We are now in the process of engaging consultants and advisers in this regard. It may interest you also to know that our head office building project will commence in the course of this year.

Another critical element of our strategic plan is the development of our staff in certain critical operational areas such as Marine, Engineering, Oil & Gas Underwriting, Management and Leadership development Programmes, and IFRS. To this end, we have been investing significantly in resources for the training of our staff. We also continue to provide development programs for our clients across Africa.

Conclusion

In the year 2014, we continue to pursue our vision of making your Company the Premier Pan-African insurer and we plan to leverage this unique network to outperform our targets and deliver superior returns to our shareholders.

I would like to thank the Board of Directors for their support and also the management and staff for their commitment to the values of our Company.

Above all, I thank the Almighty God for His abounding grace in the years past and the future to come.

Thank you.

Mr. Hurley Doddy
Chairman

2013 Financial year business review

This section seeks to review and analyze the Company's 2013 operating results as compared to the performance in 2012. This is with the objective of fully explaining business operations to help for a better understanding of the Company's performance.

Review of operations

As a composite reinsurance company, Continental Reinsurance Plc ("the Company" or "Continental Re") continues to accept general business (Non-Life) from Nigeria and other African countries with Life business coming substantially from Nigeria.

In order to have a proper focus and better service delivery, the technical and underwriting operations continue to be structured along regional lines as follows:

- Lagos Office covering Nigeria, other Anglophone West African countries, Angola and South Africa.
- Douala Office covering Central Africa (Francophone).
- Abidjan covering Francophone West Africa.
- Nairobi Subsidiary Office which previously served as a regional office covering East and Southern Africa excluding South Africa.

For reporting purposes in 2013, the Company's business will be reported along the above regional offices.

Please note that from the 2013 financials, Continental Reinsurance Plc is and will from now on be reporting as a group with the capitalization and take-off of the Nairobi office as a subsidiary company. Also, the Abidjan Office operated fully as a regional office to cover Francophone West Africa previously covered by Douala office while approval has been obtained for the Tunis Office to cover the Maghreb states. The office came on stream in the last quarter of 2013 and will be reported as a regional office in the 2014 report and accounts.

For business lines, the business is arranged along the following lines:

- Fire which covers CAR/EAR, Bond and Engineering
- General Accident
- Marine which includes Aviation
- Liability
- Energy (Oil and Gas)
- Life comprising Individual and Group Life

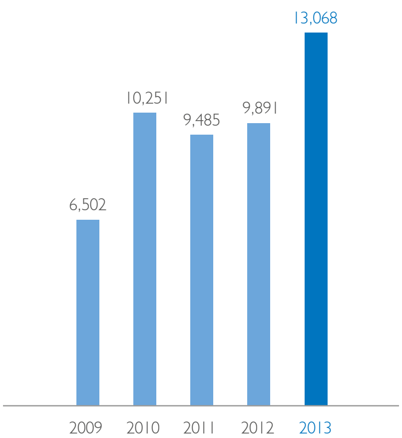
Non-life business

Premium Income

The company's Non-Life Gross Written Premium grew substantially by 32% in 2013 over the performance in 2012. This performance is a manifestation of the growth strategy adopted by management assisted by the economic growth in many African countries.

The Gross Written Premium was NGN 13.07 billion in 2013 compared to NGN 9.89 billion in 2012. The pie chart below shows C Re's steady Non-Life business growth in the last five years growing at a 19% CAGR.

Non-life premium development



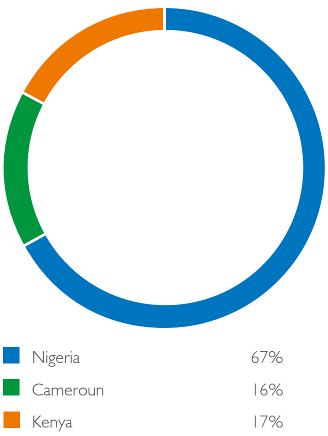
Geographical distribution

The success of Continental Re's geographical expansion strategy as confirmed by the performance in 2013 has helped to further deepen penetration in our markets and spreading of risks. In addition to the two regional offices in Lagos, Nigeria and Douala, Cameroun and the Nairobi, Kenya subsidiary, we also operated from the Abidjan, Côte d'Ivoire office in 2013 to cover Francophone West Africa (previously covered by the Douala office). Also in the last quarter of 2013, we got regulatory approval for the Tunis office to cover North Africa. The office which has since started operations fully will be reported in 2014.

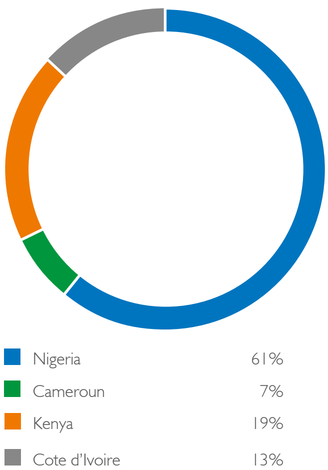
The Lagos office performance came down by 6% basis year-on-year and constitutes 61% of the total Non-Life business compared with last year's 8% increase constituting 67% in 2012. On the other hand, Douala office operations recorded more than 50% drop in premiums, understandably so due to the take-off of the Abidjan office which is covering a larger market. The proportion dropped from 16% in 2012 to 7% in 2013. On a combined basis however, the Abidjan and Douala offices performed better from a proportion of 16% in 2012 to 20% in 2013. On the other hand, Nairobi increased by 48% year-on-year and constituted 19% of total in 2013, up from 17% in 2012.

The charts below show the regional performances.

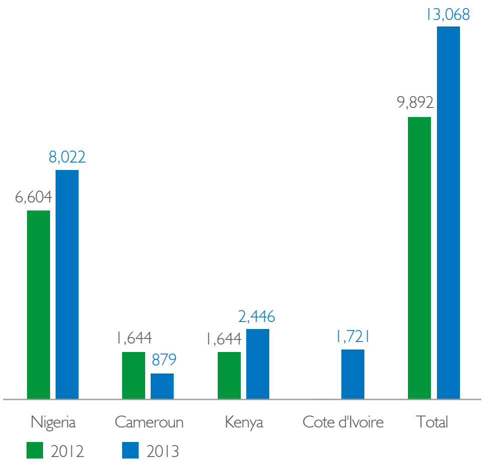
2012 Non-life premium distribution



2013 Non-life premium distribution



2013 Non-life premium income analysis



2013 Financial year business review
continued

Lines of business

All the business lines recorded absolute increases year-on-year in 2013 even though the proportionate performances were mixed just like in 2012. On the one hand, Marine and Fire (which remains the dominant class) lines of business recorded increased proportions year-on-year with 45% and 39% absolute increases respectively. Whereas the proportion of Fire increased from 40% in 2012 to 42% in 2013, Marine moved marginally from 9% to 10%. Energy and Accident classes on the other hand dropped marginally. The proportion of the Liability class of business remained unchanged at 8%. The year-on-year absolute growth of the Liability, Accident and Energy lines of business are 32%, 25% and 20% respectively.

Management plans to consolidate on the 2013 performance by pursuing further the twin growth strategy of consolidation in existing and growth in new markets and segments.

Combined ratio

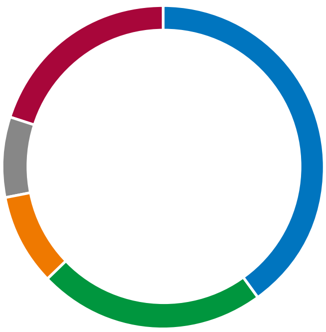
Non-Life combined ratio is calculated as a percentage of Net Earned Premium and includes Claims incurred, Commissions and charges and Management expenses. The combined ratio for Non-Life operations decreased marginally by 1% basis point from 87% in 2012 to 86% in 2013 due mainly to the relatively lower retrocession costs and a substantial drop in claims reserve. Barring any unusual claims experience, this is expected to moderate further in the next couple of years as stability is achieved.

Claims

The Non-Life Gross Claims paid in 2013 was NGN 5.14 billion, a 46% increase from the NGN 3.52 billion recorded in 2012. However, net of reserves for outstanding claims and retrocession recoveries, the Net Claims Incurred of NGN 5.03 billion in 2013 is 29% lower than NGN 3.88 billion recorded in 2012. The claims experience in 2013 can be regarded as unusual, characterized by frequency and magnitude with a number of large claims.

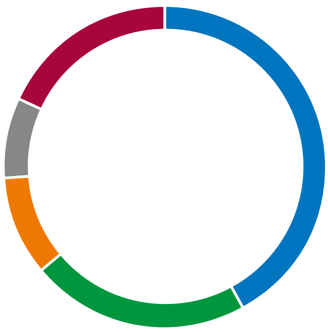
Net Incurred Claims (Loss) ratio remained flat at 47% in both 2012 and 2013 due to the reversal in claims reserve provision. The Nigerian business incurred 67% of the total claims while Cameroun, Kenya and Cote d'Ivoire recorded 4%, 11% and 8% respectively. Year-on-year, only Lagos experienced increased loss ratio while Nairobi and Douala office experienced substantially reduced ratios. The Nigerian business experienced an increase from 50% in 2012 to 57% in 2013. Kenya on the other hand reduced from 54% in 2012 to 45% in 2013 and Cameroun reduced substantially to a negative of 23% from 24% in 2012 due to the reversal in outstanding claims reserve. On a class by class basis, while Fire and Energy experienced downward trend, Accident, Liability and Marine experienced increases year-on-year. Fire went down from 50% in 2012 to 41% in 2013 just as Energy also reduced substantially from 69% in 2012 to 13% in 2013. The increases are for Accident from 44% in 2012 to 53% in 2013, Liability went up from 16% to 42%, and Marine from 38% to a whopping 101% respectively due mainly to the impact of Reserve for Outstanding Claims.
The mixed performances are possible indication of maturing businesses.

2012 Gross premium income per business line



Fire	40%
Accident	23%
Marine	9%
Liability	8%
Energy	20%

2013 Gross premium income per business line



Fire	42%
Accident	22%
Marine	10%
Liability	8%
Energy	18%

Commissions and charges

Commissions and charges came to a total of NGN 3.18 billion in 2013 compared to a lower figure of NGN 2.54 billion in 2012 representing an increase of 25% in nominal terms.

The 29% commission ratio achieved in 2013 compares favourably to 27% achieved in 2012.

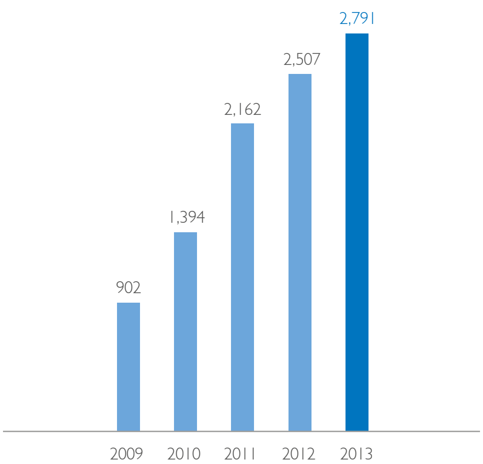
Life business

Premium income

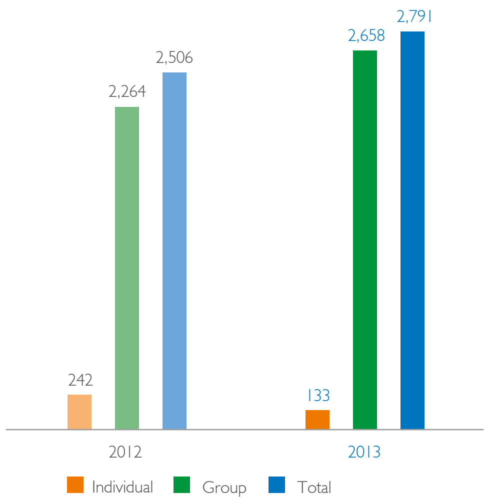
Continental Re has continued to experience impressive growth in its Life business albeit at a slower rate in 2013. Top line grew by 11% compared to an increase of 16% in 2012 due mainly to increased share of participation in a number of group life schemes, general increase in life business especially in Nigeria and the growing contributions from the regional offices moving from 8% in 2012 to 13% in 2013. As shown in the Pie Chart below, CAGR in the last five years is 33% and the trend is expected to continue given the huge potentials of Life business in the African markets.

Group Life contributed 95% of the total of NGN 2.79 billion gross premium generated in 2013, up from 90% in 2012. The dominance of Group Life business has been the trend over the years due mainly to the impact of the Nigerian Pension Reform Act where the bulk of the premiums are generated. This trend is however expected to taper as the individual life gains more acceptance.

Life premium development



Life premium analysis



Life business outgo

At an Incurred Claims ratio of 52%, the experience got relatively worse in 2013 compared to 43% in 2012. In absolute terms, gross claims increased by 8% to NGN 1.15 billion in 2013 from NGN 1.07 billion in 2012.

Commission and Charges was NGN 693 million in 2013 compared to NGN 497 million in 2012 representing a 39% change.

Investment income

Investment environment

The investment strategy is driven by the Board approved objectives contained in the investment policy document that takes into consideration the various risks in the investment space as well as the guidelines by the regulatory authorities. This ensures a well-diversified portfolio of investment. These risks include currency, interest rate, liquidity and concentration risks.

During the year under review, domestic macros across most of the African economies remained stable with average head inflations hovering around 10%. In Nigeria however, especially in the second half of the year, the financial markets were shaped by "hot" news flow, unconventional policy pronouncements, which evidently influenced asset pricing and investment decision across asset classes.

2013 Financial year business review
continued

In order to achieve our investment objectives, we have continuously strived to rebalance the portfolio to achieve good return while also ensuring liquidity and safety of the investment fund bearing in mind the ultimate goal of sustainable value to the shareholders.

The equity market

The Nigerian equity market recorded an impressive growth in 2013 as the market capitalization of stocks listed on the exchange added NGN 4.252 trillion.

The market which opened the year at NGN 8.974 trillion closed at NGN 13.226 trillion which is the highest so far in the history of the Nigerian Stock Exchange (NSE) representing 47.4 per cent growth. Consequently, the All Share Index (ASI) which is the barometer of the market movement gained 13,230.38 basis point or 47.2 per cent from 28,078.81 points at the beginning of the year to close at 41,329.19 points. This represents the market's best performance since 2008.

This best performance in the past five years was driven by relative stability of the naira, which impacted foreign portfolio inflows (FPI), increased liquidity across the globe that resulted from the US Fed's quantitative easing (QE) programme, and improved investor appetite in Nigerian equities.

Money and fixed income market

fixed income market remained investors' toast with enticing yields amid high volatility while equities were largely calm and suppressed relative to previous two quarters.

The Central Bank of Nigeria (CBN), through the Monetary Policy Committee, retained the Monetary Policy Rate (MPR) at 12% for the thirteenth consecutive time. Consequently, the money market was generally stable during the year with rates hovering around 12%. The decision to leave the policy rate unchanged was driven by the need to maintain stability in the exchange rate while maintaining inflation within its target range.

The Nigerian Treasury bills market closed lower as the 91, 182 and 364-day treasury bills which opened at 11.62% p.a., 12.75% p.a. and 13.22% p.a. closed the year at 10.85% p.a., 11.69% p.a. and 11.749% p.a. respectively and on-the-run 5, 7 and 10 year bonds which opened the year at the secondary market at 13.55% p.a., 13.90% p.a. and 13.60% p.a. closed at 13.29% p.a., 13.28% p.a. and 13.27% p.a. respectively

The bond market continues to be the toast of both local and foreign investors because of its attractiveness. However, Bond yields declined from average of 13.832 percent in Q2 to 13.50 percent in Q3 owing to higher demand over the period.

Asset	Investment Assets		Investment Income		Yield %	
	Group 31-Dec-13 =N='000	Company 31-Dec-12 =N='000	Group 31-Dec-13 =N='000	Company 31-Dec-12 =N='000	Group 31-Dec-13 %	Company 31-Dec-12 %
Cash and Cash Equivalent	4,787,641	5,592,275	271,882	598,018	5.68	10.69
Fair Value Through P and L	170,285	132,942	37,344	32,514	21.93	24.46
Available for Sale	1,952,072	1,910,396	219,441	142,166	11.24	7.44
Held to Maturity	5,830,469	4,359,087	666,605	333,925	11.43	7.66
Investment Property	1,746,800	1,661,000	136,218	88,457	7.80	5.33
Statutory Deposit	1,000,000	1,000,000	104,832	136,868	10.48	13.69
Total	15,487,267	14,655,700	1,436,321	1,331,948	9.27	9.09

Assets Class	Investment Assets			Investment weight	
	31-Dec-13 =N='000	31-Dec-12 =N='000	% Change	31-Dec-13 %	31-Dec-12 %
Cash and Cash Equivalent	4,787,641	5,592,275	–14.39	30.91	38.16
Fair Value Through P and L	170,285	132,942	28.09	1.10	0.91
Available for Sale	1,952,072	1,910,396	2.18	12.60	13.04
Held to Maturity	5,830,469	4,359,087	33.75	37.65	29.74
Investment Property	1,746,800	1,661,000	5.17	11.28	11.33
Statutory Deposit	1,000,000	1,000,000	0.00	6.46	6.82
Total	15,487,267	14,655,700	6	100	100

The overall yield as at the end of 2013 is 9.27% as against 9.09% in 2012 with Fair Value through Profit and Loss having the highest yield of 21.93%.

Among the key drivers of investment income in the group are the interest rate and the discount rates on Government Bonds and Treasury bills. While income on bonds is guaranteed for the period, the growth of income on Cash and Cash equivalent and Treasury bills are largely dependent on the availability of cash for investment.

The cash & cash equivalents are purely money market instruments that comprise of Bankers Acceptance, Commercial Papers and Term Deposits.

Securities Available for Sale (AFS) comprises of equity instruments, Federal Government Bonds and mutual funds.

Securities Held to Maturity (HTM) is made up of corporate bonds and government securities, that is, bonds and Treasury Bills).

Securities at fair value through Profit and Loss (HFT): The income on this class of assets is made up of gains from revaluation surplus and dividend income.

Conclusion

The operating environment in 2013 remained challenging. Competition has intensified, regulators are getting stricter and making tighter regulations with increasing costs of doing business. In spite of the challenges however, the company's performance in 2013 can be said to be above average with positive changes in a number of indices.

On the back of a growing middle class and rich oil and mineral resources, assisted by the continuing global economic recovery albeit at a slower pace, a stable outlook is projected for the African economies in 2014 with average growth rates of above 5% especially Sub-Sahara Africa. In addition, African governments are expected to try to improve infrastructure and policy frameworks which remains major obstacles hampering the continent's economic growth to create the enabling environment for businesses to thrive and be able to create capital and generate employment with its attendant multiplier effects. In addition, management will continue to pursue its ongoing internal business process and structural renewals. With this, management is determined to drive sustained growth and profitability and is therefore optimistic of even better performance in 2014.

04

10%

growth in investment income

Committed to putting customers first

Professional development and training of our employees and partners to enhance our customer centricity.

Reports

Reports

Directors' report

The Directors present their report together with the audited financial statements of the group for the year ended December 31, 2013.

1. Legal form

The Company was incorporated as a private limited liability Company on July 24, 1985. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990. It was converted to a public limited liability Company on March 27, 2000. The Company has evolved over the years from being a local reinsurer to becoming a pan-African reinsurance Company operating in more than 43 African Countries with regional offices in Lagos (Nigeria), Douala (Cameroon), Abidjan (Côte d'Ivoire), and a subsidiary in Nairobi (Kenya). The shares of the Company are currently listed on the Nigerian Stock Exchange.

2. Principal activity

The Company reinsures all classes of insurance business, including Life, Fire, Engineering, Bond, General Accident, Marine, Aviation, Motor, Liability and Energy within and outside Nigeria. Its product mix includes a full range of treaty and facultative reinsurance services.

3. Summary of the results for the year

	Group NGN'000	Company NGN'000
Profit before taxation	2,233,394	2,001,410
Income Tax expense	(479,994)	(414,953)
Profit after taxation	1,753,400	1,586,457

4. Business review

A review of the business of the group during the year ended December 31, 2013 and outlook for the ensuing year are contained in the 2013 financial year business review.

5. Property, plant and equipment

Movements in property, plant and equipment during the year are shown in Note 21 on page 86. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

6. Dividend

The Directors recommend for approval and payment to shareholders whose names appear in the register of members on Friday August 1, 2014, a dividend of 11 kobo on each ordinary share of 50 kobo each, amounting to NGN 1,141,001,874.54 (2012: NGN 1,037,247,431) of the profit after tax. The dividend is subject to deduction of withholding tax at the appropriate rate.

7. Post balance sheet event

Subsequent upon the year end, the Company received regulatory approval from the Botswana regulatory authority to open a subsidiary company in Gaborone, Botswana. Other than as disclosed, there are no post-Balance Sheet events which could have had a material effect on the state of affairs of the Company as at December 31, 2013 or on the profit for the year ended on that date that have not been adequately provided for or disclosed.

8. Directors

The Directors of the Company who held office during the year and at the date of this report are:

Non-Executive Directors

Engr. S. Akin Laguda
Mr. Denis Chemillier-Gendreau
Mr. Vincent LeGuennou (French)
Mr. Hurley Doddy (American)
Mr. David S. Sobanjo
Ms. Nana Appiah-Korang (Ghanaian)
Mr. Bakary H. Kamara (Mauritanian)
Mr. Johnnie Wilcox
Mr. Foluso Laguda

Executive Directors

Dr. Olufemi Oyetunji
Mr. Rasak O. Falekulo
Mr. Lawrence M. Nazare (Zimbabwean)

- During the year, the former Vice-Chairman, Mr. Denis Chemillier-Gendreau resigned from the Board with effect from May 14, 2013; the former Chairman, Engr. S. Akin Laguda retired from the Board and as Chairman with effect from September 18, 2013 after 26 years of service on the Board while two new Directors, Mr. Johnnie Wilcox and Mr. Foluso Laguda, came on Board with effect from May 24, 2013 and September 18, 2013 respectively. Following the retirement of the former Chairman, Mr. Hurley Doddy was appointed Chairman of the Board.
- The appointments of Mr. Johnnie Wilcox and Mr. Foluso Laguda were approved at the last Annual General Meeting.
- In accordance with Article 105 of the company's Articles of Association, Mr. Bakary Kamara retires by rotation and being eligible offers himself for re-election.
- Since the year end, Mr. Gbenga Falekulo the Executive Director (Life) resigned from the Board with effect from January 29, 2014, having retired from the Company with effect from January 1, 2014

9. Directors' interests

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' Shareholdings and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act, CAP C20, LFN 2004 are as follows:

Number of 50 kobo Ordinary Shares held as at December 31

	2013		2012	
Directors	Direct	Indirect	Direct	Indirect
Eng. S. A. Laguda (Retired 18/9/13)	Nil	406,975,795	Nil	404,840,961
Dr. Olufemi Oyetunji	9,640,500	Nil	6,640,500	Nil
Mr. Rasack O. Falekulo (Resigned 29/01/14)	35,266,666	Nil	35,266,666	Nil
Mr. Lawrence M. Nazare	Nil	Nil	Nil	Nil
Mr. Hurley Doddy	Nil	*	Nil	*
Mr. Vincent LeGuennou	Nil	*	Nil	*
Mr. David S. Sobanjo	2,140,350	218,714,265	2,140,350	218,348,732
Ms. Nana Appiah-Korang	Nil	*	Nil	*
Mr. Bakary H. Kamara	Nil	*	Nil	*
Mr. Johnnie Wilcox	Nil	*	Nil	Nil
Mr. Foluso Laguda (Appointed 18/09/13)	200,000	406,975,795	n/a	n/a

* The indirect interest of Mr. Vincent LeGuennou, Mr. Hurley Doddy, Ms. Nana Appiah-Korang, Mr. Bakary H. Kamara and Mr. Johnnie Wilcox who represent C-Re Holding Ltd, the majority shareholder, is 5,251,041,322 shares.
* Mr. Foluso Laguda represents Salag Ltd.

Directors' report
continued

10. Directors' interests in contracts

None of the Directors has notified the company, for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, LFN 2004, of any declarable interest in contracts with which the Company was involved as at December 31, 2013.

11. Substantial shareholding

Shareholding of 5% and above of the issued share capital of the Company as at December 31, 2013:

Ordinary Shares of 50 kobo each

	2013		2012	
	Number	%	Number	%
C-Re Holding Ltd	5,251,041,322	50.62	5,251,041,322	50.62
STANBIC Nominees Nig. Ltd [Trading A/C]	598,130,840	5.76	751,760,924	7.25

12. Acquisition of own shares

The Company did not purchase any of its own shares during the year.

13. Ownership structure

	December 31, 2013			December 31, 2012		
	No. of Holders	No. of Shares	%	No. of Holders	No. of Shares	%
Foreign	29	5,542,230,147	53.43	29	5,542,230,147	53.43
Nigeria	5,854	4,830,514,165	46.57	6,036	4,830,514,165	46.57

14. Retrocessionaires

Swiss Re
Catlin Re, London
Canopius (Lloyds)
Chauser (Lloyds)
Advent Re
CCR Algeria
Q-Re
Hiscox
Trust Re
Odyssey Re
Sirius Re
Amlin
Milli Re
Labuan Re
Sava Re
Kuwait Re
Antares Re
Transatlantic Re
Santam Re
Kiln
Lanssforsakkringar
Ingosstrakh
GIC Re, India
Intern. Gen. Ins. (IGI)
China Re
XL Re
Cathedral Syndicate, London
Helvetia Re
Hannover Re
CICA Re
Everest Re
Kenya Re
Zep Re

15. Principal brokers

The following brokers transacted business with the Company during the year under review:

Local

Glanvill Enthoven Reinsurance Brokers Limited
FBN Insurance Brokers
YOA Insurance Brokers
IBN Insurance Brokers
United African Insurance Brokers Limited
Jordan Global Insurance
Ark Reinsurance Brokers
Feybil Insurance Brokers
SCIB Insurance Brokers
Jomola Insurance Brokers

Foreign

Afro Asian
Reinsurance Solutions
Alsford Page
Guy Carpenter
AON Benfield, London
First Reinsurance Ltd
Atlas Re
KEK Reinsurance Ltd
CK Re
Willis Re
JB Boda & Company Private Limited, Bombay
Cooper Gay

16. Donations

Donations during the year amounted to NGN 4,459,312.82. The recipients include the following:

	NGN
Wesley Schools 1 & 2 for Hearing Impaired Children, Lagos	300,000.00
Pacelli School for the Blind & Partially Sighted Children, Lagos	200,000.00
Onikan Health Centre, Lagos	150,000.00
SOS Children's Village, Nigeria	2,209,299.90
Little Saints Orphanage, Lagos	200,000.00
National Handicap Carers Association of Nigeria (NAHCAN), Lagos	150,000.00
Hearts of Gold Children Hospice, Lagos	200,000.00
Lagos State Rehabilitation Centre, Ikorodu	150,000.00
Communaute De La Pierre Vivante Et De La Louange, Abidjan	300,012.92
Lagos State Association of the Deaf, Lagos	100,000.00
Star Children Development Initiative, Ibadan	100,000.00
Kenya Red Cross Society's road safety training programme	400,000.00

17. Analysis of shareholding

The issued and fully paid up share capital of the Company as at December 31, 2013 was NGN 5,186,372,156.00 divided into 10,372,744,312 ordinary shares of 50 kobo each. The range of shareholding is as follows:

Range Holdings	Number of Holders	Holdings	%
1 – 1,000	622	383,793	0
1,001 – 5,000	1,191	3,929,330	0.04
5,001 – 10,000	933	8,218,923	0.08
10,001 – 50,000	1,649	46,051,102	0.44
50,001 – 100,000	634	54,598,807	0.53
100,001 – 500,000	547	129,608,847	1.25
500,001 – 1,000,000	118	89,181,641	0.86
1,000,001 – 5,000,000	104	234,233,960	2.26
5,000,001 – 10,000,000	30	211,166,972	2.04
10,000,001 – 50,000,000	31	841,235,108	8.11
50,000,001 – 100,000,000	12	861,623,125	8.31
100,000,001 – 999,999,999,999	12	7,892,512,704	76.09
Total	5,883	10,372,744,312	100

18. Unclaimed dividends account

These are maintained in a fixed deposit account with Sterling Bank Plc. The account is jointly managed by both Continental Reinsurance and Sterling Registrars. The total amount in the account as at December 31, 2013 is NGN 145,931,190.97.

Total Unclaimed dividends as at December 31, 2013 was NGN 196,430,944.78.

Reports

Directors' report
continued

19. Employment and employees

Employment policy

The Company sees itself as a community where each employee has a valuable contribution to make. Its business success depends on its people and this is why priority is given to their professional fulfilment, work/life balance and their ability to contribute equally as part of a diverse workforce. The Company is an equal opportunity employer with values that not only describe what it is as an organization, but also the way it does business. Its core values are centered on teamwork and passion, ability and dependability, sustainable trust and these define the kind of people that make up the business. The Company is passionate about diversity, mutual trust and respect, developing individual skill and capability as well as encouraging vibrant communication and consultation between employees and the leadership team.

Continental Reinsurance operates a non–discriminatory policy and does not discriminate against physically challenged people in its recruitment or retention process. Presently, there is no physically challenged person in the employment of the Company. However, in the event of an employee becoming disabled, it is the policy of the Company that every effort is made to ensure that his/her employment with the Company continues and that appropriate training is provided.

Learning and development

The Company is committed to providing its employees with the best opportunities for learning and development. Its training and development programmes are designed to challenge the staff and empower them to be more accountable to their goals and objectives. Every year, the Company invests substantially in training and development. Employees attended relevant local and overseas functional and management training courses, conferences, seminars and workshops.

E-learning training courses are provided and a reasonable number of employees went for short-term attachments in other reinsurance companies as well as with the Company's retrocessionaires. Employees are therefore abreast with new skills and knowledge in their job roles.

Employees involvement and engagement

Employees are at the heart of the Company's business. Formal and informal channels are employed to connect staff with the business. Management and team retreats, informal lunch sessions with the leadership teams are some of the practical ways used to promote employee engagement. Management also creates an environment that endorse diversity, values employees' unique contributions, promotes team work, recognizes and rewards outstanding performance. It considers listening to the staff and acting based on their feedback as key to driving the Company's business in the desired direction.

Talent management

In pursuant of the talent management system which was adopted in the previous year, the company's competency framework was developed. This is an effective method to assess, maintain, and monitor the knowledge, skills and attributes of people in the organization. The framework allows the Company to measure its current competency levels to ensure that employees have requisite skills to add value to the business. The increased level of understanding and linkage between individual roles and organizational performance makes the effort well worth it.

Employee remuneration and benefits

The Company strives to ensure that its remuneration is competitive and aims at being employer of choice in line with its strategic focus and talent management system. Employees' salaries are determined through remuneration survey and job evaluation to determine the relative worth of each job in the Company. This helps in attracting, recruiting, retaining and motivating high talents who continuously add value to the Company.

Internal communication/ employee relationship

The Company has grown over recent years owing to its diversification and growth strategy meaning that internal communication has been at the ebb of change. The Management has therefore put more emphasis on the importance of building an effective communication system through the formulation of and revamping of existing communication channels. The fundamental objective is to create and maintain in the minds of employees a favourable opinion and pride in the Company in order to build a sense of identity, group loyalty and cooperation.

Not only does the Company communicate information to employees; it has set up mechanisms to stimulate the information flow and the sharing of information among employees throughout the Company. The communication channels include face to face communication, telephone, divisional/group meetings, training meetings, induction programmes, employee handbook, announcements, newsletters, website, intranet, e-mail, notice board, web conferencing, annual reports, brochures and social media platforms. Every channel is used to promote the flow of information.

Management uses the channels to inform the employees about the direction the Company is heading by sharing Company goals, decisions and activities as well as encourage the employees to provide input, information and feedback. Through effective communication to employees, the Company is building a communication climate that is supportive of the business goals.

Health, safety at work and welfare of employees

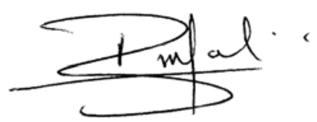
The Company believes that a healthy workforce is key to the sustenance of its business. Health and safety are therefore not negotiable in all the Company's locations. In ensuring a healthy workforce, the Company provides free medical care to employees and a number of their immediate family members through retainer's agreement with reputable clinics and hospitals and health insurance schemes. Employees from the level of Managers and above undergo comprehensive medical examination at regular intervals.

In addition, the Company has in place, Personal Accident Insurance Scheme for all staff as well as Retirement Benefit Scheme approved by the Joint Tax Board.

20. Auditors

The Auditors, Messrs. Ernst & Young have indicated their willingness to continue in office as Auditors of the Company. In accordance with Section 357 (2) of the Company's and Allied Matters Act, CAP C20, LFN 2004. A resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

By order of the board



Abimbola A. Falana (Mrs.)
Company Secretary
FRC/2013/NBA/00000000688

6, Catholic Mission Street (8th Floor), Lagos
Dated March 5, 2014

Corporate governance report

The Board recognizes that it is accountable to the shareholders for maintaining the highest standards of corporate governance and has continued to ensure that the Company's corporate governance framework reflects international best governance practices. In line with the Company's new strategic direction, the Board is in the process of reviewing the framework which will be embedded throughout the Continental Re Group.

Responsibilities of the board

The Board acknowledges that it has the primary responsibility for ensuring good corporate governance and that it is collectively responsible for the long term success of the Company. The Board is also responsible for ensuring that the Company's business is carried out in accordance with the Memorandum and Articles of Association and in conformity with the laws and regulations guiding the Company's operations both locally and internationally whilst observing the highest ethical standards. The Board oversees the performance of the management in order to protect and enhance shareholder value and to meet the Company's obligations to its employees and other stakeholders. In addition, the Board formulates policies and sets long term strategic objectives of the company; reviews and approves strategic plan; reviews and evaluates the implementation of strategies, policies and corporate performance; authorizes and effectively monitors strategic decisions and ensures compliance with policies and achievement against objectives through quarterly performance reporting and budget reviews; ensures compliance with relevant laws and statutory regulatory requirements through quarterly reviews of compliance reports; selects, compensates, monitors key executives and oversees succession planning; ensures the integrity of the company's financial reporting system.

The Board also:

- Monitors corporate expenditures and acquisitions.
- Oversees major capital expenditures and acquisitions.
- Monitors and manages potential conflicts of interest of key executives, board members and Shareholders including misuse of corporate assets.
- Formulates risk policy, monitors potential risks within the company including recognizing and encouraging honest whistle blowing.

The Board governs through standing Board Committees and delegates many of the operational decision making responsibilities to the executive management with appropriate structures in place for the authorities delegated. It however, retains for itself, major decisions and monitors the performance of the executive management.

It has exclusively reserved for its consideration and decision making, the following matters which it does not delegate:

- Approval of Business strategy
- Approval of annual operating budget and capital expenditure budget
- Approval of financial statements
- Formulation of Dividend policy
- Formulation of Investment policy
- Approval of material investments and disposals
- Formulation of Risk management strategy/risk appetite
- Matters relating to share capital
- Approval of major capital projects
- Staff matters including remuneration, reward, recruitment and promotion of Senior Management.

Board of Directors

Composition and Structure

The Board is currently comprised of nine (9) Directors made up of seven non-executive Directors and two Executive Directors.

The Directors are qualified individuals with upright personal characters and knowledge on Board matters, a sense of accountability, integrity and are fully committed to the task of corporate and institutional governance. They are provided with appropriate information to enable them make informed decision on any matter and to perform their duties and responsibilities effectively.

The Company has Directors' and Officers' Liability insurance cover for all Directors.

There is clear separation of responsibilities between the Chairman and the Managing Director/CEO as well as between the Board and the management which ensures non-interference of the Board in management functions and vice versa.

Induction and training of Directors

To assist new Directors to become as effective as possible in their new roles, new Directors receive an induction pack containing information on the Company's business, products and services, ethics and philosophy; Duties of Directors; Directors' Code of Conduct; rules on Insider Trading & Directors' dealing in the Company shares; details and terms of reference of each of the Board Committees. The pack also contains copies of the Company's Memorandum and Articles of Association, Strategic Plan, Organizational Structure, Corporate Governance Principles and statutory codes of Corporate Governance, approved policies, Schedule of Meetings for the year; minutes of most recent meetings and other relevant information. Directors also receive updates through presentations at Board meetings and regularly receive up-to-date information on the Group's operations. All the Directors are encouraged to attend external courses to enhance their performance.

The Board has approved a two year Training plan for Directors that covers reinsurance, investment, people and strategic management, IFRS, Security Rating, Enterprise Risk Management and Reserving.

Right of Directors to seek independent professional advice

The Company has in place, a system whereby Directors are free to seek independent professional advice in furtherance of their duties if necessary and in appropriate circumstances at the expense of the Company. None of the Directors sought such advice during the year.
All the Directors have access to the advice and services of the Company Secretary who is charged with the responsibility of ensuring that the Company complies with all rules and regulations applicable to its operations, ensuring adherence to Board procedures and, under the guidance of the Chairman, ensuring that the Company complies with all Corporate Governance matters.

Term of office of Directors

In accordance with the Company's Articles of Association one third of the Directors, excluding the Non-executive Directors and those appointed by the Board during the year, retire by rotation at each Annual General Meeting such that each director submits himself/ herself for re-election every three years. The Directors who retire by rotation in each year are those who have been longest in office since their last election/re-election. Directors appointed by the Board during the year either to fill casual vacancies or as additions to the existing Directors are subject to election at the Annual General Meeting immediately following their appointments.
Any Director who is 70 years and above and seeking re-election must disclose his age to shareholders before and at the meeting at which the re-election is to take place.

Corporate governance report
continued

Profile of Directors

Mr. Hurley Doddy
(Non-Executive)

Mr Hurley Doddy is an economics graduate from Princeton University and holds a Chartered Financial Analyst (CFA) designation from the CFA Institute. He is currently Co-CEO of Emerging Capital Partners (ECP). Prior to joining ECP, he was an Executive Director at Sumitomo Finance International in London, where he managed the operations of a $200mm equity risk arbitrage book, creating arbitrage and convergence strategies. He began his career at Salomon Brothers in 1984, lasting over 14 years, with assignments in New York, Tokyo and Sao Paulo. In Brazil, he was appointed Managing Director of Salomon Brothers for BancoPatrimônio, Salomon's joint venture in Sao Paulo. He has served on numerous boards including African Venture Capital Association (AVCA), Oragroup (West and Central Africa), Financial Bank, Celtel International (Pan African), Charaf Corporation (Morocco), Agromed S.A (Tunisia), All Africa Airways (Mauritius), Air Ivoire (Côte d'Ivoire) and Horizon Portfolio Limited. He became a Director on May 30, 2007.

Dr. Femi Oyetunji
(Executive)

Dr. Femi Oyetunji was appointed Managing Director with effect from January 3, 2011. Prior to his appointment, Dr. Olufemi Oyetunji was the founding Managing Director/CEO of Alexander Forbes Consulting Actuaries Nigeria Limited and was the Chief Actuary supervising many large insurance and pension schemes. Before establishing Alexander Forbes, he was Managing Director/CEO of Crusader Insurance (Nigeria) Plc from 1999-2005. Dr. Oyetunji holds a PhD in Statistics from the University of Manchester, Institute of Science & Technology, England (1980); a Master of Science (MSc) degree in Statistics from Imperial College, London (1977) and a Bachelor of Science (BSc) First Class Honours degree in Statistics and Operational Research from the University of Manchester, Institute of Science & Technology, England (1976). He is a Fellow of the Institute of Actuaries, United Kingdom and he has attended several management development programmes locally and overseas. He is also a non-executive director of Alexander Forbes Ltd, Nigeria and CrusaderSterling Pensions Ltd.

Mr. Lawrence Nazare
(Executive)

Mr. Lawrence Nazare is the Executive Director Non-Life operations. He has vast experience in reinsurance spanning over 21 years. He was previously the Managing Director of ZB Reinsurance Ltd, formerly Inter-market Reinsurance Limited, Zimbabwe, a Hannover Re Joint Venture Company. He was Chairman of Credit Insurance Zimbabwe Limited; Vice President of the Insurance Institute of Zimbabwe; a member of the regulatory Non-Life advisory Committee and Chairman of the Organization of Eastern and Southern Africa Insurers (OESAI). He served as Chairman of The Insurance Council of Zimbabwe for three consecutive terms, was co-Chairman of the Non-Life Advisory Committee and Chairman of the Zimbabwe Reinsurance Association.

Mr. Nazare holds a Bachelor of Law (Hons) Degree, (1988) and a post-graduate Bachelor of Laws Degree (1989) from the University of Zimbabwe and is an admitted Legal Practitioner. He was appointed on May 1, 2010.

Mr. Vincent Leguennou
(Non-Executive)

Mr. Vincent Le Guennou is the Executive Vice President and Managing Director of EMP Africa. Mr. Le Guennou joined Emerging Markets Partnership in 2000 as a Director for West Africa and the Maghreb prior to the formation of EMP Africa in 2005. Before joining EMP, he was a member of SAUR's International Department in 1993. (SAUR is part of the French conglomerate of Bouygues, specializing in water and electricity distribution). While on secondment from SAUR, Mr. Le Guennou served as CFO of Compagnie Ivoirienne d'Electricite of Côte d'Ivoire. He began his career in 1989 with Arthur Andersen in its Paris office, where he became senior auditor in the banking and capital markets division. Mr. Le Guennou is a graduate of l'Ecole des Hautes Etudes Commerciales (HEC) in Paris. He holds a Bachelor of Economics from Université de Paris Dauphine and an M.B.A from Harvard Business School. He serves on the Boards of various companies including Charaf Corporation, SIPH, Veolia Water Maroc, Agromed S.A., All Africa Airways and Air Ivoire. He was appointed to the Board of Continental Re on May 30, 2007.

Mr. David S. Sobanjo

(Non-Executive)

Mr David Sobanjo holds a BSc (Hons) in Actuarial Science (1981) and an MSc in Business Administration (1995) from the University of Lagos. He also received an MBA (Marketing, 1999) from Enugu State University of Science and Technology. He holds the following professional qualifications: ACII (General) London 1984, FCII (Life) London (1988) and FCII (Nigeria) 1992. He was the Group Managing Director and Chief Executive Officer of AIICO insurance Plc before his retirement in September 2013. He was appointed a director of Continental Re on February 14, 2006.

Ms. Nana Appiah-Korang

(Non-Executive)

Ms Nana Appiah-Korang is a mathematics and economics graduate from Mount Holyoke College. She is a Director of Emerging Capital Partners (ECP). Prior to joining ECP, she worked for the Real Estate Principal Investment Group of Goldman, Sachs & Co. in New York where she executed real estate private equity transactions in the US and played an active role in the marketing of the Whitehall XII funds to potential investors in the US, Europe and Asia. She was appointed to the Board on May 30, 2007.

Mr. Bakary Kamara

(Non-Executive)

Mr. Bakary Kamara was the Managing Director/CEO of African Reinsurance Corporation (Africa Re), a position he held for 18 years before he retired in June 2011. He holds a Diploma of the Insurance Institute of Tours (France), 1977, Diploma of High Studies in Insurance Law (D.E.S.S.) from François Rabelais University–Tours (France), 1977, a Bachelor's Degree (BA) in General Law (1974) and a Master's Degree (MA) in Civil Law (1976) from the University Cheikh Anta Diop, Dakar. He is a member of various Boards, Councils and professional bodies and a permanent member of the Executive Committee of the African Insurance Organization. He is also a member of the Ouagadougou Forum, a gathering of prominent African captains of industry, professionals and scholars and Member of the Association of African Insurance Lawyers. He brings to the Board of Continental Re his wealth of experience as a versatile reinsurer. His appointment as a Director became effective from July 18, 2011.

Mr. Johnnie F. Wilcox

(Non-Executive)

Mr. Johnnie F. Wilcox is the former Managing Director of United African Insurance Brokers Ltd (UAIB). Mr. Wilcox is a Fellow of the Chartered Insurance Institute of London with about 35 years working experience in the Insurance Industry covering direct Insurance, reinsurance, risk management, reinsurance broking and insurance education. Mr. Wilcox led a team of professionals at UAIB providing risk solutions and consulting services to Insurance and reinsurance companies within the continent of Africa. He has extensive contacts within the continent and has served on the executive of numerous regional Associations including the African Insurance Association (AIO), West African Insurance Companies Association (WAICA), and the West African Insurance Institute, amongst others. He was appointed to the Board on May 24, 2013

Mr. Foluso Laguda

(Non-Executive)

Mr. Foluso Laguda is an experienced Strategy Consultant with over 15 years of leadership in advisory, information and research businesses. He has worked with several global corporations across Consumer Packaged Goods, Technology Media and Telecoms, and Financial Services sectors – on the development and implementation of business growth and innovation programmes.

He serves on the board of several companies including SALAG Limited.

Foluso Laguda is a member of the Institute of Directors (MIoD) in both Nigeria and the UK. He holds an MBA from Imperial College, London, UK with specialization in Entrepreneurship and Corporate Finance; Bachelor of Engineering Honours Degree in Mechanical Engineering from UMIST, Manchester, UK. He joined the Board on September 18, 2013.

Corporate governance report
continued

Board meetings

Four Board meetings were held on the following dates during the 2013 financial year:

- March 6, 2013
- May 24, 2013
- September 17, 2013
- November 26, 2013

Details of Directors' attendance at the meetings are set out in the table below. Agenda for each meeting was sent along with the notice to all the Directors within the notice period fixed by the Company's Articles of Association. Directors also received Board papers in advance of the meetings and were provided with appropriate and relevant information to enable them make informed decision on any matter before them. Directors who were unable to attend any of the meetings appointed alternates and also forwarded their comments/views to the Chairman or their appointed alternates.

Code of business conduct

The code has been formulated to promote ethical and honest behavior of Directors and key executives. All Directors and key executives are aware of the code and are required to adhere to the principles as laid down in the code and to maintain the highest standards of professional and ethical conduct in the discharge of their duties for the success of the business. The code is currently being reviewed

Insider trading & dealing in company's shares

Directors are aware that insider trading is prohibited and are also conscious of the need to notify the Nigerian Stock Exchange and the Securities & Exchange Commission immediately after any dealing in securities (shares) of the Company which results in a change in the interests of the Director in the securities (shares) of the Company.

	Meetings				
Directors	06/03/2013	24/05/2013	17/09/2013	26/11/2013	No. of Meetings Attended
Engr. S Akin Laguda[1]	Attended	Attended	Attended	n/a	3
Mr. Denis Chemillier-Gendreau[2]	Absent	n/a	n/a	n/a	0
Dr. Olufemi Oyetunji	Attended	Attended	Attended	Attended	4
Mr. Rasak O. Falekulo	Attended	Attended	Attended	Attended	4
Mr. Lawrence M. Nazare	Attended	Attended	Attended	Attended	4
Mr. Vincent Le Guennou	Absent[3]	Attended	Attended	Absent[8]	2
Mr. Hurley Doddy	Attended	Attended	Attended	Absent[9]	3
Mr. David S. Sobanjo	Attended	Attended	Absent[6]	Attended	3
Ms. Nana Appiah-Korang	Attended	Attended	Attended	Attended	4
Mr. Bakary H. Kamara	Attended	Attended	Absent[7]	Attended	3
Mr. Johnnie Wilcox[4]	n/a	n/a	Attended	Attended	2
Mr. Foluso Laguda[5]	n/a	n/a	n/a	Attended	1

Note

[1] Retired w.e.f September 18, 2013
[2] Resigned w.e.f May 14, 2013
[3] Mr. Hurley Doddy was alternate Director to Mr. V Leguennou at the meeting
[4] Appointed w.e.f May 24, 2013
[5] Appointed w.e.f. September 18, 2013
[6] Eng. S. Akin Laguda was alternate Director to Mr. D. Sobanjo at the meeting
[7] Ms. A. Appiah-Korang was alternate Director to Mr. B. Kamara at the meeting
[8] Ms. A. Appiah-Korang was alternate Director to Mr. V Leguennou at the meeting
[9] Mr. B. Kamara was alternate Director to Mr. Hurley Doddy at the meeting

Multiple directorship

It is recognized that some of the Directors have concurrent directorship positions on other Boards. This does not interfere with their ability to discharge their responsibilities on the Board. All the Directors have demonstrated that they have sufficient time to devote to the business of the Company.

Board Committees

The Board has three standing Committees that assists it in the execution of its responsibilities. The Committees are Corporate Governance, Compliance and Establishment Committee; Underwriting Committee and Investment/Finance, General Purposes & Enterprise Risk Management Committee. Each Committee has been established with specific written terms of reference which are reviewed from time to time by the Board. The Committees functioned effectively during the year and operated within the powers delegated to them by the Board. The composition of each of the Committees during the year and their terms of reference are set out below:

Corporate Governance, Compliance and Establishment Committee

Members of the Committee comprise:
Mr. Bakary H. Kamara (Chairman)
Mr. David S. Sobanjo
Ms. Nana Appiah-Korang

Terms of reference of the Committee

The Committee formulates Corporate Governance Policy for the Company; ensures effective implementation of the Policy; ensures compliance with relevant laws and regulations in the course of business; formulates recruitment policy for the Company; agrees the conditions of service of staff; reviews remuneration from time to time; recruits top Management staff; reviews Organogram of the organization from time to time for effective performance.

Underwriting Committee

Members of the Committee comprise:
Mr. Denis Chemillier-Gendreau (Chairman)
(resigned w.e.f May 14, 2013)
Mr. Bakary H. Kamara (acting Chairman)
Mr. David S. Sobanjo
Dr. Olufemi Oyetunji
Mr. Lawrence M. Nazare
Mr. Gbenga Falekulo (resigned w.e.f January 29, 2014)

Terms of reference of the Committee

The Committee reviews underwriting policy of the Company; formulates geographical expansion programme for the Company; reviews the retrocession cover of the Company; oversees Product development; considers adequacy of technical reserve; formulates Risk Management Policy and considers Actuarial Reports

Investment/Finance, General Purposes and Enterprise Risk Management Committee

Members of the Committee are:
Mr. Hurley Doddy (Chairman)
Mr. Vincent Le Guennou
Ms. Nana Appiah-Korang
Dr. Olufemi Oyetunji
Mr. Lawrence M. Nazare.
Mr. Gbenga Falekulo (resigned w.e.f January 29, 2014)

Terms of reference of the Committee

The Committee approves and reviews Investment Policy of the Company; reviews and approves assets allocation and Managers; considers Quarterly and Annual Accounts; approves Investments within limits stipulated by the Board; considers annual budgets; considers capital raising exercise and/or financial restructuring of the Company; considers internal audit report; considers investment quarterly reports; together with the Company's legal adviser, reviews any legal matters that could have a significant impact on the Company's business; reviews the Executive Committee's ("EXCO") reports detailing the adequacy and overall effectiveness of the Company's risk management function and its implementation by management, and reports on internal control and any recommendation, and confirm that appropriate action has been taken.

Corporate governance report
continued

In addition, the Committee:

- Reviews the risk philosophy, strategy and policies recommended by the EXCO and considers reports by the EXCO; ensures compliance with such policies and with the overall risk profile of the Company. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk, which together cover detailed combined risks such as:
  - interest rate risk
  - country risk
  - counterpart risk, including provisioning risk
  - currency and foreign exchange risks
  - technology risk
  - price risk
  - disaster recovery risk
  - operational risk
  - prudential risk
  - reputational risk
  - competitive risk
  - legal risk
  - compliance and control risks
  - sensitive risks, e.g. environmental, health and safety
  - concentration of risks across a number of portfolio dimensions
  - investment risk
  - asset valuation risk; and
  - other risks appropriate to the business which may be identified from time to time.
- Reviews the adequacy of insurance coverage.
- Reviews risk identification and measurement methodologies.
- Monitors procedures to deal with and review the disclosure of information to clients.

Meetings of the Committees

Each of the Committees held three meetings during the financial year on the following dates:

- March 6, 2013
- September 17, 2013
- November 26, 2013

The Chairman of each of the Committees reports the outcome of the Committees' meetings to the Board.

Records of attendance at the meetings are set out in the table below:

Members	Corporate Governance, Compliance & Establishment Committee		Underwriting Committee		Investment/Finance General Purposes & Enterprise Risk Management Committee	
Non-Executive Directors	No. of meetings	No. Attended	No. of meetings	No. Attended	No. of meetings	No. Attended
Mr. D. Chemillier-Gendreau	n/a	n/a	3	0[2]		n/a
Mr. Hurley Doddy	n/a	n/a	n/a	n/a	3	2[4]
Mr. Vincent Le Guennou	n/a	n/a	n/a	n/a	3	2[5]
Mr. Bakary H. Kamara	3	3	3	3	3	3
Mr. David S. Sobanjo	3	2[1]	3	2[3]	3	2[6]
Ms. Nana Appiah-Korang	3	3	n/a	n/a	n/a	n/a
Executive Directors						
Dr. Olufemi Oyetunji	n/a	n/a	3	3	3	3
Mr. Rasak O. Falekulo	n/a	n/a	3	3	3	3
Mr. Lawrence M. Nazare	n/a	n/a	3	3	3	3

Note:
[1,3,6] Eng. S. Akin Laguda was alternate Director to Mr. D. Sobanjo at the meetings
[2] Resigned with effect from May 14, 2013
[4] Ms Nana Appiah-Korang was alternate Director to Mr. Hurley Doddy at the meeting
[5] Mr. Bakary Kamara was also alternate Director to Mr. Vincent Leguennou at the meeting

Statutory Audit Committee

The Committee was established in accordance with Section 359, subsections 3 and 4 of the Companies and Allied Matters Act CAP C20, LFN 2004 which provides that the Committee shall consist of an equal number of Directors and Representatives of shareholders of the Company, subject to a maximum number of six members. The Company's Audit Committee comprises six members, three of whom are representatives of the Board while the remaining three are representatives of shareholders elected at the Annual General Meeting. The representatives of the Board on the Committee are Non-Executive Directors. The Committee's responsibilities include the following:

- Reviewing the scope and planning of audit requirements;
- Reviewing the accurateness of data and information provided in Audited Financial Reports;
- Reviewing the Management Letter on the Audit of the Financial Statements;
- Keeping under review the effectiveness of the Company's system of accounting and internal control;
- Reviewing the procedure put in place to encourage whistle blowing;
- Considering and reviewing major changes in accounting policies;
- Reviewing quarterly internal audit reports;
- Making recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company;
- Reviewing interim and audited financial statements and ensuring that they are in line with regulatory requirements and are in accordance with acceptable accounting standards.

The Committee met four times during the year and effectively discharged its statutory duties and responsibilities. Record of attendance of members is set out below. At each of the meetings, the CEO, the Executive Directors, the Chief Risk Officer and the Heads of Finance, Information technology and Internal Audit were in attendance and reported on matters relating to their areas of responsibilities.

In addition to being Secretary to the Board, the Company Secretary is also Secretary to all the Board Committees and the Audit Committee and is available to provide necessary assistance and information as may be required by members of the Board and Audit Committee.

	Meetings				
Members of the Committee	04/03/2013	22/5/2013	26/8/2013	25/11/2013	No of Meetings Attended
Custodian & Allied Insurance Plc Represented by Mr. Wole Oshin (Chairman)	Attended	Attended	Attended	Attended	4
SONAR – Burkina Faso Represented by Mr. Andre Bayala	Attended	Attended	Attended	Attended	4
I & I Investment represented by Mr. Blakey O. Ijezie	Attended	Attended	Attended	Attended	4
Mr. David S. Sobanjo	Attended	Attended	Attended	Attended	4
Mr. Bakary H. Kamara	Attended	Attended	Attended	Absent	3
Ms. Nana Appiah-Korang	Absent*	Attended	Attended	Attended	3

Note:
*Mr. Hurley Doddy was alternate to Ms. Nana Appiah-Korang at the meeting.

Corporate governance report
continued

Management Committees

Executive Committee

The Executive Committee is a standing Committee. It comprises the Managing Director/CEO, other Executive Directors, the Chief Risk Officer and the Head of Finance who are knowledgeable in the relevant areas of the Company's activities and possess the requisite professional qualifications needed for their specific assignments and responsibilities. The Committee is responsible for the day to day operations and management of the Company and meets weekly to map out strategies for the week. It is responsible to the Board; charts and defines corporate strategies; defines business goals and objectives; tracks and manages strategic business performance against formulated plans and expected results and outcome; makes decisions on operating plans and budgets as well as review financial results and control and makes recommendations on major policies to the Board for approvals as required through relevant Board Committees.

Other standing Committees include Enterprise Risk Management Committee; Technical Committee and Credit Control Committee.

Remuneration policy

Managing Director & Other Senior Executives

The Company's policy on remuneration of the Managing Director and other senior executives is formulated to attract, retain and compete for talents in the industry, especially in Nigeria and in all the various regions in which the Company operates. The policy is also formulated to motivate and enhance commitment of Directors and senior executives and improvement in their productivity impacting positively on overall company's performance.

The remuneration package is a mix of fixed payments and performance related element. The fixed pay comprises basic salary, benefits and allowances as approved by the Board while the performance related element consists of an annual performance bonus. The bonus which is a percentage of the Company's profit after tax is subject to the approval of the Board and its distribution is based on laid down criteria. The Board also approves annual increments and benefits on the recommendation of the Corporate Governance, Compliance & Establishment Committee. Executive Directors do not receive Director's fees and sitting allowance paid to Non-Executive Directors.

Non-Executive Directors

The remuneration of Non-Executive Directors is by way of Directors' fees as approved from time to time by the Company in general meeting based on the recommendation of the Board. The Directors are also paid sitting allowance and are reimbursed expenses incurred by them in attending and returning from meetings of the Company.

Conflict of interest

The Company's policy in respect of the above which is in line with best practice requires Directors to promptly disclose any real or potential conflict of interest that they may have regarding any matter that may come before the Board or any of its Committees and that a director who has a conflict of interest matter before the Board or its Committees should abstain from discussions and voting on such matter.

In line with the policy, the Board noted the Managing Director's disclosure with respect to the valuation of the Company's Staff Gratuity scheme as at December 31, 2013 which was carried out by Alexander Forbes Consulting Actuaries Nigeria Limited, a company in which the Managing Director, Dr. Femi Oyetunji, is a non-executive Director.

Human resources policy

The Company recognizes that employees are its greatest assets particularly in view of the technical nature of its business, hence takes employees development seriously. The Company's Human Resources Policy is contained in the staff Handbook and is in line with global Human Resources practices.

Anti-bribery and corruption

There is a formal group Anti-Bribery & Corruption policy which prohibits offering of or giving something valuable for the purpose of persuading an official or any person to misuse his office to benefit the Company or its employees. The Policy also prohibits receiving something valuable for the purpose of influencing an official action. The Company's Board of Directors and Senior Management are charged with the responsibility for ensuring that the Company complies with the Policy.

Part of the responsibility is the recognition that whistleblowing would assist in uncovering significant risks and in line with best practices, there is a separate Whistle Blower Policy and Procedure that encourage honest whistleblowing. Under the policy, a whistle blower who, in good faith, reports suspected violations or attempted violation of the Policy or who reports a request or offer of a corrupt payment is protected. The policy also provides for protection against harassment or victimization of employees who report genuine concerns, malpractice or illegal acts or omissions by Directors and employees.

Corporate social responsibility

The Board and Management recognize the role of the Company as a corporate citizen and has long supported local community and charitable projects. The Company's approach to Corporate Social Responsibility (CSR) is to regard it as a means of maintaining good relations with local communities, rather than as a means of promotion. Guidance on selecting, managing and evaluating CSR activities is provided to all regional offices. However, it is recognized that local community needs are diverse. As a result, within the parameters of this guidance and guidelines on focus of spend, CSR is managed locally to ensure the most appropriate projects are supported.

The Board continues to ensure that the Company's CSR activities are ongoing and that the Company takes advantage of the many opportunities that CSR brings to the business, society and its stakeholders.

The Company remained committed to its sponsorship of the 15 minutes French language education programme tagged 'Ambience Continental Re', aired on Ray Power 100.5 FM Radio every Thursday from 5.15 p.m. to 5.30 p.m.

Principles of sustainable insurance

Continental Reinsurance is one of a few reinsurance companies in Africa committed to sustainable business and corporate social responsibility by signing up to the UN Principles for Sustainable Insurance. Signatories to this accord commit to integrating Environmental, Social and Governance (ESG) issues into their core business strategies and operations. The PSI provides a global road map to develop and expand the innovative risk management and insurance solutions that are needed to promote renewable energy, clean water, food security, sustainable cities and disaster-resilient communities.

Continental Re's PSI signatory status agenda aims to build value for shareholders and other stakeholders by addressing these issues. The concept of sustainable insurance underpins all of the Company's sustainability activities. The Company submits annual reports to the UN-PSI committee to demonstrate its serious commitment to its signatory status

Continental Re is the first insurer/reinsurer in Africa (outside South Africa) to be part of this initiative.

Risk management

The Company is still in the embedding phase of its ERM framework. In 2013, efforts continued to be made in raising risk awareness across all the Company's offices and departments.

The Company also worked on developing its internal model for insurance risk, to better assist decision making and continued to strengthen controls in the following major risk areas:

- Underwriting
- Investments
- Credit
- ICT

Relations with shareholders

The Company has consistently maintained an open policy with shareholders. All shareholders are treated equally and have equal access to information about the Company. The Board appreciates comments/suggestions of shareholders at Annual General Meetings and encourages shareholders to visit the Company's offices to seek clarification on the Company's performance and familiarize themselves with the Company's operations. The Board is also available to meet with major shareholders upon request. During the year, meetings were held with a number of institutional shareholders to discuss the Company's performance and future strategies.

Corporate governance report
continued

Compliance with regulatory requirements

The Company continued to maintain its commitment to achieving 100% compliance with statutory and other regulatory requirements. It complied substantially with the Codes of Corporate Governance of the National Insurance Commission (NAICOM) and the Securities & Exchange Commission (SEC) as well as the post-listing requirements of the Nigerian Stock Exchange (NSE). In order to ensure the effectiveness of the Company's compliance system, the level of compliance is monitored regularly by the Internal Auditor on a weekly basis and by the Audit Committee and the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed, if any, prepared by the Chief Compliance Officer. Penalties paid to NAICOM during the 2013 financial year amounted to NGN1,010,000 while the sum of NGN900,000 was paid to the Stock Exchange for late filing of the 2013 Audited Result.

Internal audit

The Board recognizes that it has overall responsibility for the group's system of internal controls and for monitoring and reviewing its effectiveness. The Company has an effective internal audit function which assists the Board in assessing the effectiveness of the internal controls put in place and ensures that the controls are functioning effectively. There is an Internal Audit Charter which clearly defines the purpose, authority and responsibility of the internal auditing activities. The Internal Audit reviewed the effectiveness of the internal controls in all offices in the group during the year and submitted its quarterly findings to the Audit Committee and the Board. Corrective action is taken where control weaknesses are identified.

Communication

The Company's framework for corporate communication is built from the position that the total communication effort must serve the corporate strategy. Communication in the Company is coordinated in order to ensure inclusivity as well as build, maintain and protect the Company's reputation with its various stakeholders.

The Company is committed to ensuring that shareholders and all stakeholders are provided with full and timely information about its performance and strategic activities. This is achieved through the release of quarterly, half yearly and annual financial results in the local press, media releases for strategic announcements and distribution of annual report and corporate brochure, features, advertisements, press interviews, corporate opinion on topical issues etc. The quarterly, half yearly and annual financial results are promptly displayed on the Company's website. Other information is also available on the Company's website and its social media platforms.

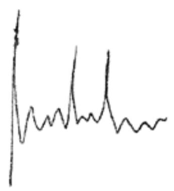
Audit Committee's report

To the members of Continental Reinsurance PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20, LFN 2004 members of the Audit Committee of Continental Reinsurance Plc hereby report on the financial statements of the Company for the year ended December 31, 2013 as follows:

- The scope and plan of the audit for the year ended December 31, 2013 were adequate;
- We have reviewed the financial statements and are satisfied with the explanations obtained;
- We have reviewed the external Auditors' management letter for the period and are satisfied with the management's responses and that management has taken appropriate steps to address the issues raised by the Auditors;
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.

The external Auditors confirmed having received full co-operation from the Company's management in the course of their statutory audit and that the scope of their work was not restricted in any way.



Mr. Wole Oshin
Chairman, Audit Committee
FRC/2013/CIIN/00000003054

March 3, 2014

Members of the Audit Committee

Custodian & Allied Insurance Plc represented by
Mr. Wole Oshin
Shareholder (Chairman)

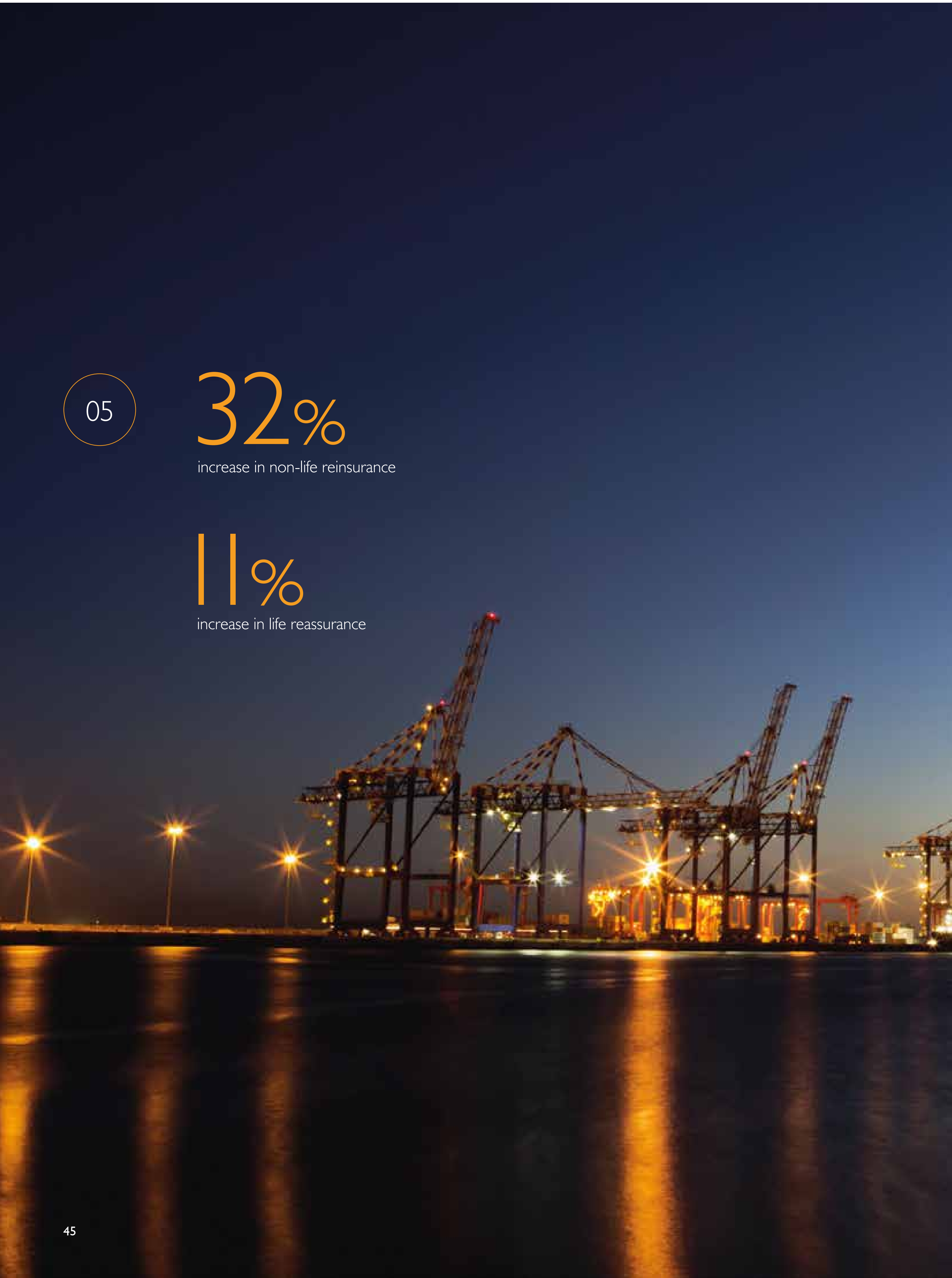
SONAR – Burkina Faso represented by
Mr. Andre Bayala
Shareholder

I & I Investments Ltd represented by
Mr. Blakey Ijezie
Shareholder

Ms. Nana Appiah-Korang
Director

Mr. David S. Sobanjo
Director

Mr. Bakary H. Kamara
Director



05

32%

increase in non-life reinsurance

11%

increase in life reassurance

Financial statements

Statement of Directors' responsibilities

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company and its subsidiary at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and its subsidiary:

a) keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

b) establish adequate internal controls to safeguard their assets and to prevent and detect fraud and other irregularities; and

c) prepare their financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

Mr. S.D.A. Sobanjo
Director
FRC/2013/CIIN/00000002149

March 5, 2014

The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Company and its subsidiary and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company and its subsidiary will not remain a going concern for at least twelve months from the date of this statement.

Dr. Olufemi Oyetunji
Managing Director/CEO
FRC/2013/NSA/00000000685

March 5, 2014

Independent Auditors' report to the members of continental reinsurance plc

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Continental Reinsurance Plc ("the Company") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003, the Financial Reporting Council of Nigeria Act, No. 6, 2011 and for such internal control as the Directors determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Insurance Act 2003 and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Independent Auditors' report to the members of continental reinsurance plc continued

Report on other legal and regulatory requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;

iv) in our opinion, the consolidated financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to present fairly the state of affairs and profit or los

Kayode Famutimi, FCA
FRC/2012/ICAN/0000000155
For: Ernst & Young
Lagos, Nigeria

June 5, 2014

1. General information

a. The consolidated financial statements of Continental Reinsurance Plc and its subsidiary (collectively, the Group) for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Directors on 05 March 2014.

Continental Reinsurance Plc (the Company or the parent) was incorporated in 1985 as a professional reinsurance limited liability company under the Companies Act 1968 and obtained license to transact non-life Reinsurance business on 10 December 1986. It commenced business operation in January 1987. The Company subsequently obtained the license to transact life reinsurance business in September 1989 and commenced life reinsurance business in January 1990. In 1999, the Company was converted to a public limited liability company and in May 2007, its shares were listed on the Nigerian Stock Exchange. In January 2005, the Company opened a business office in Douala Cameroon, Nairobi, Kenya in year 2007 (this was converted to a subsidiary in January 2013) and Abidjan, Côte d' Ivoire in March 2012. The registered office address of the Company is St Nicholas House (8th Floor), 6 Catholic Mission Street, Lagos, Nigeria

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM).

Statement of significant accounting policies

b. Principal activity

The Group is licensed to carry out both life and non-life reinsurance business. The Group provides cover in all classes of reinsurance, basically non-life and life treaty and facultative reinsurance, backed by retrocessionaires in the London and African reinsurance markets. The products and services by the Group cuts across accident, energy, fire, marine, liability, individual and group life.

The Group also has investment portfolio with diversified investment focus aimed at improving its profitability, meet future claim obligations and limit the Group's exposure to investment risk, preserve shareholders' capital in order to maximize total return on investment.

In addition, the Group also provides top-class specialized training and development programmes to its esteemed clients in various classes of insurance and reinsurance including fire, energy, business interruption, international reinsurance, life and pension, motor and general accident and engineering/bond insurance.

2. Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

These consolidated financial statements are the financial statements of Continental Reinsurance Plc ("the Company") and its subsidiary, Continental Reinsurance Limited, Kenya ("the Group").

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations, the Company and Allied Matters Act CAP C20 LFN 2004, the Insurance Act CAP I17 LFN 2004 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

The consolidated and company financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets and financial liabilities measured at fair value through profit or loss, and investment properties, which have been measured at fair value.

The Group classifies its expenses by the nature of expense method.

The consolidated financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the consolidated financial statements are stated in thousands. The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 40.

Statement of significant accounting policies
continued

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the direct method and the net incom is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities in the corresponding note. Cash transactions from investing or financing activities are shown separately from operating activities. Income tax paid is classified as operating cash flows.

The cash flows from investing and financing activities are determined by using the direct method. The Group's assignment of the cash flows to operating, investing and financing category depends on the Group's business model (management approach).

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 New standards and improvements

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the 2013 consolidated financial statements are consistent with those followed in the preparation of the Company's 2012 financial statements, except for the adoption of new standards or interpretations effective as of 1 January 2013.

The nature and the impact of each new standard/ amendment are described below:

IAS 1 – Presentation of items of other comprehensive income – amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 19 – Employee benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit or loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

In this case, the transition to IAS 19R had no effect on total comprehensive income. However, considering its retrospective application, certain items on the statement of profit or loss and other comprehensive income did not correspond to that presented in prior year.

Statement of significant accounting policies
continued

Impact profit or loss and OCI (increase/(decrease) in profit/OCI)

Statement of profit or loss	2012 N'000
Underwriting expenses	152,023
Profit before income tax	152,023
Income tax expense	(45,607)
Profit for the year	106,416
Statement of other comprehensive income	
Re-measurement loss on defined benefit plans	(152,023)
Income tax effect on above	45,607
Other comprehensive income for the year, net of tax	(106,416)
Total comprehensive income for the year	
Earnings per share Basic and Diluted (kobo)	1

The transition did not have impact on the statement of cash flows.

IFRS 7 – Financial instruments: disclosures – offsetting financial assets and financial liabilities (Amendments to IFRS 7)
The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 10 – Consolidated financial statements and IAS 27 separate financial statements
IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC–12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

To meet the definition of control in IFRS 10, all three criteria must be met, including:

(a) an investor has power over an investee;

(b) the investor has exposure, or rights, to variable returns from its involvement with the investee;

and

(c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 10 had no impact on the Group's financial statements.

IFRS 12 – Disclosure of interests in other entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable to the Group.

IFRS 13 – Fair value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim financial statements period. The Group provides these disclosures in Note 19 and 40.3.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's consolidated financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below:

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and, therefore, accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of available-for-sale investments

The Group reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired.

The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

Statement of significant accounting policies continued

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be verified from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair value. The judgements include considerations of liquidity and model inputs such as volatility for discount rates, prepayment rates and default rate assumptions for asset-backed securities.

Valuation of insurance contract liabilities

Life insurance contract liabilities:

The liability for life insurance contracts is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to the profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additional impairment write-offs to the profit or loss.

The main assumptions used relates to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

The carrying value at the reporting date of life insurance contract liabilities for the Group is N1,108,507,000 and Company N1,041,004,000 (2012:N1,127,174,000).

Non-life insurance contract liabilities:

For non-life insurance contract, estimates have to be made for the expected ultimate cost of all future payments attaching to incurred claims at the reporting date. These include incurred but not reported ("IBNR") claims. Due to the nature of reinsurance business, it takes a significant period of time before ultimate costs of claims can be established with certainty and therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of amounts due to contract holders. Actual results may differ resulting in positive or negative change in estimated liabilities.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. These methods primarily use historical claim settlement trends as a base for assessing future claims settlement amounts. Historical claims developments are mainly analysed by underwriting year, by type and line of business and by geographical territory. Large claims are separately addressed using loss adjusters' reports and historical large claims development patterns.

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, attitude to claiming, foreign exchange rates, judicial decisions and operational process.

Similar judgements, estimates and assumptions are employed in the assessment of losses attaching to unearned premium exposures. The methods used are based on time apportionment principles together with significant judgement to assess the adequacy of theses liabilities and the attached uncertainty.

The carrying value at the reporting date of non-life contract liabilities for the Group is N8,764,872,000 and Company N7,920,155,000 (2012:N8,110,277,000)

Pipeline reinsurance premium

For non-life reinsurance contracts, estimates have to be made for expected future premium from policies already written but not reported at the reporting date. Due to the nature of reinsurance business, in particular treaty business, it takes a significant period of time before all premiums are reported for a given underwriting period. Therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of pipeline premiums due from contract holders. Actual results may differ resulting in positive or negative change in estimated pipeline premium income.

The pipeline premiums are estimated by using the Chain Ladder technique. This technique primarily uses historical reporting trends as a base for assessing future premium amounts. Historical premiums developments are mainly analysed by underwriting year, by type and line of business and by geographical territory. Estimated premium income information is also used to supplement the results of this technique.

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, foreign exchange rates, industry developments and operational process.

Deferred tax assets and liabilities

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

The carrying value at the reporting date of net deferred tax liability for the Group is N49,091,000 and Company N41,946,000 (2012:N3,660,000). Further details on taxes are disclosed in Note 9 to the financial statements.

Valuation of pension benefit obligation

The cost of defined benefit pension plans and other post-employments benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 26 to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation for the group is N45,900,000 and Company N45,900,000 (2012:N164,110,000).

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2013. A valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 19 to the consolidated financial statements.

Statement of significant accounting policies continued

2.6 Standards and interpretations issued but not yet effective

The standards, interpretations and amendments included below are those which are considered relevant to the Group. The Group intends to adopt these standards, if applicable, when they become effective.

IAS 19 Employee Benefits (Effective annual periods beginning on or after 1 July 2014).

IAS 24 Key management personnel (Effective annual periods beginning on or after 1 July 2014).

IAS 27 Separate Financial Statements (Effective annual periods beginning on or after 1 January 2014).

IAS 32 Offsetting financial assets and financial liabilities (Effective annual periods beginning on or after 1 January 2014).

IAS 36 Recoverable amount disclosures for Non-financial assets (Effective annual periods beginning on or after 1 January 2014).

IAS 38 Revaluation methods – proportionate restatement of accumulated amortisation (Effective annual periods beginning on or after 1 July 2014).

IAS 40 Clarifying inter-relationship between IFRS 3 and IAS 40 (Effective annual periods beginning on or after 1 July 2014).

IFRS 10 Investment entities (Effective on or after 1 January 2014).

2.7 Insurance contracts

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts defined in IFRS 4 may also transfer financial risk.

In accordance to IFRS 4, the Group has continued to apply the accounting polices it applied in accordance with pre-change over from Nigerian GAAP.

Recognition and measurement

The Group's Insurance contracts are classified into three broad categories, depending on the duration of the risk and the type of risk insured, namely Individual Life, Group Life and General insurance.

a. Individual life

These contracts insure mainly against death. The reserve is calculated by determining an Unexpired Premiums Reserve (UPR) and an Outstanding Claims Reserve (OCR). The UPR represents the unexpired portion of premiums received for cover within the year, assuming an allowance for expenses. The OCR represents the claims reserve for claims that were received, but not yet paid, or which may have emerged but have not been received due to delayed reporting.

b. Group life

These contracts insure against death on a Company basis. These contracts are short-term in nature and are typically renewed annually. For these contracts, gross premiums are recognised as revenue when due.

c. General insurance

These contracts provide Fire, Accident, Marine, Liability and Energy insurance. For these contracts, gross premiums are recognised as revenue when due.

2.7.1 Gross premium

Premium is recognized as income when offers from ceding companies are confirmed via credit notes. This comprises premiums generated on contracts entered into during the year as well as premiums and adjustments on contracts entered into in earlier years but confirmed in the current accounting year. Also, premium for the year includes estimates for pipeline or premium not yet advised by the ceding companies for contracts in-force at the end of the year. Pipeline premiums are estimated on the basis of latest available information and historic premium development patterns.

All written premiums are recorded on underwriting year basis and a provision is made for unearned income as Reserve for Unexpired Risk for the portion of premium relating to the current underwriting year that have not expired by the end of the accounting year.

Earned Premium Income represents Gross Premium less change in reserve for unearned Premium during the year.

2.7.2 Retrocession

Retrocession premium represents the cost of outward reinsurance for the year. The retrocession programme is on underwriting year basis with appropriate reserves calculated using the same basis as reserve for unexpired risks.

Retrocession recoveries represent that portion of claims paid/payable on risks ceded out in respect of which recoveries are received/ receivable from the retrocessionaire. Retrocession recoveries are disclosed separately as an asset and charged against Gross Claims Incurred to arrive at Net Claims Incurred.

Retrocession assets are assessed annually for impairment and the carrying amount reduced with impairment through the consolidated statement of profit or loss and other comprehensive income.

2.7.3 Gross claims

Gross claims represent estimates of claims and claims handling expenses accrued during the accounting year. Gross claims incurred are made up of gross claims and changes in Reserve for outstanding claims (including IBNR) during the year.

2.7.4 Reserve for unexpired risks

The portion of the Non-life gross written premium which has not yet been earned by the end of the accounting year is accounted for as Reserve for Unexpired Risks.

This is calculated using current underwriting year gross written premium for all classes of business assuming premium earning patterns based on historical pattern and business knowledge.

2.7.5 Reserve for outstanding claim

Reserve for outstanding claims represents provisions made to account for estimated cost of all claims and the related claims handling expenses incurred but not paid at the statement of financial position date. This includes the cost of claims incurred but not reported (IBNR) using best available information.

A full provision is made for the estimated cost of all claims notified but not settled at the date of the statement of financial position, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the statement of financial position date. Similarly, provision is made for “unallocated claims expenses” being the estimated administrative expenses that will be incurred after the statement of financial position date in settling all claims outstanding as at the date, including IBNR. Differences between the provision for outstanding claims at a statement of financial position date and the subsequent settlement are included in profit or loss of the following year.

Based on the best available information, this reserve is calculated using standard actuarial methods and historical claims experience.

Statement of significant accounting policies continued

2.7.6 Liability adequacy test

Liabilities from insurance policies are tested by certified professional actuary at each reporting date for adequacy of the insurance liabilities recognised in the financial statements. During this process, up-to-date estimates of current valuation parameters are examined, taking into account all future cash flows associated with the insurance policies, to determine whether the recognised liabilities are adequate. If these tests determine that the carrying amount of the insurance liabilities is negative, taking into account capitalised acquisition costs and/or capitalised policy portfolio values, the entire shortfall is immediately recognised in profit or loss.

2.7.7 Actuarial valuation of life insurance contract liabilities

Actuarial valuation of life insurance contract liabilities is carried out annually by certified professional actuary for the purpose of determining the surplus or deficit at the end of the year. All surpluses or deficits arising there from are charged to the consolidated statement of profit or loss and other comprehensive income.

2.7.8 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the writing of reinsurance contracts. Deferred acquisition costs (DAC) comprise commissions and other variable costs directly connected with acquisition or renewal of reinsurance contracts.

Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. DAC is amortised over the premium payment period in proportion to the premium revenue recognised.

2.8 Underwriting expenses

Underwriting expenses comprises acquisition, maintenance and management expenses.

2.8.1 Acquisition expenses

Acquisition expenses are those costs incurred in obtaining and renewing insurance contracts. These include commissions paid and policy expenses.

2.8.2 Maintenance expenses

Maintenance expenses are those costs incurred in servicing existing policies/contracts and these include brokerage fees and charges.

2.8.3 Management and administration expenses

Management and administration expenses are expenses other than claims, acquisition and maintenance expenses. These include salaries and emoluments, other staff costs, depreciation and amortisation, professional fees, investment expenses and other non-operating costs.

Management expenses are those expenses that relate to underwriting business which are apportioned and charged there to. These include salaries and emoluments of underwriting staff and other non-operating expenses.

Administration expenses are those expenses that cannot be directly attributable to underwriting business and charged to the profit or loss in the accounting period in which they are incurred. These include professional fees, investment expense and depreciation and amortisation.

2.9 Investment income

Investment income comprises interest earned on short-term deposits, rental income, dividend and income earned on trading of securities. Investment income is accounted for on an accrual basis.

Interest income

Interest income and expense for all interest-bearing financial instruments are recognised within 'securities discount and similar income' and 'securities discount and similar expense' in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income

Dividends are recognised in the consolidated statement of profit or loss and other comprehensive income in 'Other income' when the entity's right to receive payment is established.

2.10 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in thousands. Naira is the Group's presentation and also the parent company's functional currency.

(b) Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency spot rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the statement of financial position. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income.

2.11 Cash and cash equivalents

Cash and cash equivalents are balances that are held for the primary purpose of meeting short-term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash are subject to insignificant risk of changes in value and whose original maturity is three months or less.

This includes cash-on-hand, deposit held at call with banks and other short-term highly liquid investments which originally matures in three months or less.

2.12 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities – which include derivative financial instruments – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

Statement of significant accounting policies continued

2.12.1 Financial assets

The Group classifies financial assets into the following IAS 39 categories: (a) financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition and the classification depends on the purpose for which the investments were acquired.

(a) Recognition and measurement

The Group uses settlement date accounting for regular way contracts when recording financial asset transactions.

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to- maturity financial assets are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income as part of other income when the Group's right to receive payments is established. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

(b) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

The Group had no assets classified as held-for-trading at the end of the year.

The Group designates certain financial assets upon initial recognition at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when any of the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis; or
- the financial assets consists of debt host and an embedded derivatives that must be separated.

The fair value option is applied to the externally managed portfolios that are part of a portfolio. The performance of the managed fund is evaluated on a fair value basis in accordance with an investment strategy and information on this is provided to the key management personnel.

Financial assets for which the fair value option is applied are recognised in the statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains on financial instruments designated at fair value through profit or loss'.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Group intends to sell immediately or in the short-term, which are classified as held-for-trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the Group upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as loans and receivables. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

(d) Held-to-maturity financial assets
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in the consolidated statement of profit or loss and other comprehensive income and reported as 'Interest and similar income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated statement of profit or loss and other comprehensive income as 'impairment of financial assets'. Held-to-maturity investments include sovereign, sub-national and corporate bonds.

(e) Available-for-sale financial assets
Available-for-sale (AFS) investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income. However, interest is calculated using the effective interest rate method, and foreign currency gains and losses on monetary assets classified as available-for-sale are recognised in the consolidated statement of profit or loss and other comprehensive income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss and other comprehensive income in 'Dividend income' when the Group's right to receive payment is established. AFS financial assets includes debt and equity (quoted and unquoted) instruments. See Note 40.3(c) for valuation methods and assumptions.

2.12.2 Financial liabilities
The Group's holding in financial liabilities does not include financial liabilities at fair value through profit or loss (including financial liabilities held-for-trading and those designated at fair value). Other financial liabilities are subsequently measured at amortised cost. Financial liabilities are derecognised when extinguished.

Initial recognition and measurement
All financial liabilities are recognised initially at fair value minus directly attributable transaction costs.

The Group's financial liabilities include reinsurance creditors and other liabilities.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classifications as follows:

(a) Financial liabilities at fair value through profit or loss
This category comprises two sub-categories: financial liabilities classified as held-for-trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

Statement of significant accounting policies continued

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held-for-trading, unless designated as an effective hedging instrument.

Gains and losses arising from changes in fair value of financial liabilities classified held-for-trading are included in the consolidated statement of profit or loss and other comprehensive income and are reported as 'Net gains/(losses) on financial instruments classified as held-for-trading'. Interest expenses on financial liabilities held-for-trading are included in 'Net interest income'.

The Group did not have any financial liabilities that meet the classification criteria at fair value through profit or loss and did not designate any financial liabilities as at fair value through profit or loss.

(b) Other liabilities measured at amortised cost
Financial liabilities that are not classified at fair value through profit or loss fall into this category and are subsequently measured at amortised cost.

2.12.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, NSE) and broker quotes from Financial Markets Dealers Association (FMDA).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. For example a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

In cases where fair value of unquoted equities cannot be determined reliably, net asset valuation technique or cost is applied.

2.12.4 Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Statement of significant accounting policies continued

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'finance cost' in profit or loss.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Group's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

2.15 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2.16 Reinsurance receivables

Reinsurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, reinsurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of reinsurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.

Reinsurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.12.4, have been met.

2.17 Investment properties

Property held for long-term rental yields and/or capital appreciation that is not occupied by the Group is classified as investment property. Investment property comprises of land and buildings.

Investment property is measured initially at its cost, including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs.

Statement of significant accounting policies
continued

Investment property is subsequently measured at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss as "Net fair value gains on financial assets designated at fair value through profit or loss" in the year in which they arise.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated statement of profit or loss and other comprehensive income. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the consolidated statement of profit or loss and other comprehensive income.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

2.18 Property, plant and equipment

All property, plant and equipment is initially recorded at cost. They are subsequently stated at historical cost less accumulated depreciation and impairment losses with the exception of freehold land which is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

An asset is recognised when it is probable that economic benefits associated with the item flow to the Group and the cost item can be reliably measured.

All repairs and maintenance cost are charged to other operating expenses in the financial period in which they occur.

Depreciation is calculated on assets using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. The principal annual rates used for the purpose are:

	%
Motor vehicles	25
Furniture and fittings	20
Computer equipment	33 1/3
Office partitioning	20

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. No property, plant and equipment were impaired as at 31 December 2013 (2012: nil).

Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognized in other income in the profit or loss in the year the asset is derecognized.

2.19 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Intangible assets

Intangible assets comprise computer software licenses, which are with finite lives, are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

The Group chooses to use the cost model for the measurement after recognition.

Amortisation is calculated on a straight line basis over the useful lives as follows:

Computer Software	5 years

2.21 Reinsurance creditors

Reinsurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received given less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Reinsurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

Statement of significant accounting policies continued

2.22 Income tax

(a) Current income tax

Income tax payable/(receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity.

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance.

Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the statement of financial position.

The Group does not offset income tax liabilities and current income tax assets.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax related to fair value re-measurement of equity instruments, which are recognised in other comprehensive income, is also recognised in other comprehensive income and subsequently in the consolidated statement of profit or loss and other comprehensive income together with the deferred gain or loss.

2.23 Employment benefits

Defined contributory scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2004, the Group operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute 7.5% of the employee's total emoluments (basic, housing and transport allowances). The Group's contribution each year is charged against income and is included in staff cost. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit staff gratuity scheme

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Re-measurements arising from actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in periods in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group has a Gratuity Scheme for its employees managed by Trustees. The scheme is non-contributory and employees qualify for benefits after five years service. Provision for gratuity is made when it is determined that there is a shortfall in the assets funding liabilities.

2.24 Provisions

Provisions are liabilities that are uncertain in amount and timing.

Provision are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations

Statement of significant accounting policies
continued

2.25 Equity

Ordinary share capital

The Company has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

Dividends on ordinary share capital

Proposed dividends are recognised as a liability in the period in which they are declared and approved by the Company's shareholders at the Annual General Meeting.

Dividends for the year that are declared after the date of the statement of financial position are dealt with as event after reporting date.

Dividends proposed but not yet declared are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

2.26 Contigency reserves

Contigency reserves are done in accordance with the provisions of the Insurance Act, CAP II7 LFN 2004:

a. For general business the contigency reserve is credited with the higher of an amount not less than 3% of the total premium or 20% of the net profits until the reserves reaches the greater of the minimum paid up capital or 50% of net premium.

b. For life business the contigency reserve is credited with the higher of an amount equal to 1% of the gross premium or 10% of the profits.

2.27 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. This, however, is applicable to the Company but not the Group as this is the first year in which consolidated financial statements is prepared for it (the Group).

2.28 Group information

Information about subsidiary

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest 2013	% equity interest 2012
Continental Reinsurance Limited, Nairobi	Life and non-life reinsurance business	Kenya	100	nil

The Group did not acquire interest in any subsidiary during the year.

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group's executive committee as its chief operating decision maker.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 december 2013

	Notes	Group 2013 N'000	Company 2013 N'000	Company 2012 Restated * N'000
Insurance premium revenue	1.1	15,036,612	13,848,129	11,946,255
Insurance premium ceded to retrocessionaires	1.2	(1,685,709)	(1,590,406)	(1,554,221)
Net insurance premium revenue		**13,350,903**	**12,257,723**	**10,392,034**
Insurance Benefits				
Insurance claims and loss adjustment expenses	2.1	6,376,258	5,912,103	5,574,604
recoverable from retrocessionaire	2.1	(114,213)	(103,537)	(781,893)
Net insurance benefits and claims		6,262,045	5,808,566	4,792,711
Underwriting expenses	2.2	5,411,036	4,798,351	4,252,274
Insurance benefits and underwriting expenses		**11,673,081**	**10,606,917**	**9,044,985**
Underwriting profit		**1,677,822**	**1,650,806**	**1,347,049**
Interest income	3	1,001,601	762,620	1,068,811
Net fair value gains on financial assets designated at fair				
value through profit or loss	4	109,703	108,456	40,014
Other income	5	493,943	493,352	350,880
Administrative expenses	6.1	(376,372)	(340,521)	(311,434)
Impairment of financial assets	6.2	(673,303)	(673,303)	(362,897)
Profit before income tax		**2,233,394**	**2,001,410**	**2,132,423**
Income tax expense	8	(479,994)	(414,953)	(399,439)
Profit for the year		**1,753,400**	**1,586,457**	**1,732,984**
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Net gain on available for sale financial assets	7	361,156	357,547	123,343
Exchange difference on translation of foreign operation		(32,394)	–	–
Other comprehensive income/(loss) not to be				
reclassified to profit or loss in subsequent periods:				
Re-measurement gain on defined benefit plans	26.2	7,444	7,444	(152,023)
Income tax relating to component of other				
comprehensive income	9.1	(2,233)	(2,233)	45,607
Other comprehensive income for the year, net of tax		**333,973**	**362,758**	**16,927**
Total comprehensive income for the year		**2,087,373**	**1,949,215**	**1,749,911**
Earnings per share Basic and Diluted (kobo)	10	17	15	17

*Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer Note 2.4 in statement of significant accounting policies.
See accompanying notes to the consolidated financial statements.

Consolidated statement of financial position as at 31 december 2013

Assets	Notes	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Cash and cash equivalents	11	5,673,748	5,605,227	6,263,827
Financial assets				
Financial asset designated as fair value				
through profit or loss	12	170,285	170,285	132,942
Loans and other receivables	13	379,174	370,833	192,575
Available-for-sale investments	14.1	2,259,534	2,213,919	1,910,396
Held to maturity investments	14.2	5,830,270	4,732,522	4,359,087
Reinsurance receivables	15	6,292,066	5,613,677	5,427,732
Retrocession assets	16	358,106	279,247	779,147
Deferred acquisition costs	17	1,428,293	1,213,441	1,077,360
Other assets	18	365,839	546,073	1,113,603
Investment in subsidiary	18.1	–	987,405	–
Investment properties	19	1,746,800	1,746,800	1,661,000
Intangible assets	20	9,667	9,667	17,075
Property, plant and equipment	21	611,628	553,200	114,695
Statutory deposits	22	1,000,000	1,000,000	1,000,000
Total assets		**26,125,410**	**25,042,296**	**24,049,439**
Liabilities				
Insurance contract liabilities	23	9,873,379	8,961,159	9,237,451
Reinsurance creditors	24	1,169,024	1,169,024	754,969
Other liabilities	25	311,142	288,057	252,265
Retirement benefit obligations	26	45,900	45,900	164,110
Current income tax payable	8	391,381	388,875	401,617
Deferred tax liabilities	9	49,091	41,946	3,660
Total liabilities		**11,839,917**	**10,894,961**	**10,814,072**
Equity				
Share capital	27	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451
Contingency reserve	29	2,420,096	2,349,131	1,873,319
Retained earnings	30	2,519,174	2,423,196	2,344,587
Available-for-sale reserve	31.1	276,794	273,185	(84,362)
Foreign currency translation reserve	31.2	(32,394)	–	–
Total equity		**14,285,493**	**14,147,335**	**13,235,367**
Total liabilities and equity		**26,125,410**	**25,042,296**	**24,049,439**

Mr. S.D.A. Sobanjo
Director
FRC/2013/CIIN/00000002149

Dr. Olufemi Oyetunji
Managing Director/CEO
FRC/2013/NSA/00000000685

Mr. Musa Kolo
Chief Financial Officer
FRC/2012/ICAN/00000000473

Consolidated statement of changes in equity for the year ended 31 december 2013

Group	Notes	Share capital (Note 27) N'000	Share premium (Note 28) N'000	Contingency reserve (Note 29) N'000	Retained earnings (Note 30) N'000	Available-for-sale reserve (Note 31.1) N'000	Foreign currency translation reserve (Note 31.2) N'000	Total equity N'000
		Attributable to the equity holders of the parent						
As at 1 January 2013		**5,186,372**	**3,915,451**	**1,873,319**	**2,344,587**	**(84,362)**	**–**	**13,235,367**
Profit for the year		–	–	–	1,753,400	–	–	1,753,400
Transfer of contingency reserve		–	–	546,777	(546,777)	–	–	–
Other comprehensive income		–	–	–	5,211	361,156	(32,394)	333,973
Total comprehensive income/(loss)		5,186,372	3,915,451	2,420,096	3,556,421	276,794	(32,394)	15,322,740
Dividend declared	25.1	–	–	–	(1,037,247)	–	–	(1,037,247)
At 31 December 2013		**5,186,372**	**3,915,451**	**2,420,096**	**2,519,174**	**276,794**	**(32,394)**	**14,285,493**
As at 1 January 2012		**5,186,372**	**3,915,451**	**1,435,136**	**1,986,024**	**(207,705)**	**–**	**12,315,278**
Profit for the year		–	–	–	1,732,984	–	–	1,732,984
Transfer of contingency reserve		–	–	438,183	(438,183)	–	–	–
Other comprehensive income		–	–	–	(106,416)	123,343	–	16,927
Total comprehensive income/(loss)		5,186,372	3,915,451	1,873,319	3,174,409	(84,362)	–	14,065,189
Dividend declared	25.1	–	–	–	(829,822)	–	–	(829,822)
At 31 December 2012		**5,186,372**	**3,915,451**	**1,873,319**	**2,344,587**	**(84,362)**	**–**	**13,235,367**

Company	Notes	Share capital (Note 27) N'000	Share premium (Note 28) N'000	Available-for-sale reserve (Note 31.1) N'000	Total equity N'000
		Attributable to the equity holders of the parent			
As at 1 January 2013		**5,186,372**	**3,915,451**	**(84,362)**	**13,235,367**
Profit for the year		–	–	–	1,586,457
Transfer of contingency reserve		–	–	–	–
Other comprehensive income		–	–	357,547	362,758
Total comprehensive income/(loss)		5,186,372	3,915,451	273,185	15,184,582
Dividend declared	25.1	–	–	–	(1,037,247)
At 31 December 2013		**5,186,372**	**3,915,451**	**273,185**	**14,147,335**
As at 1 January 2012		**5,186,372**	**3,915,451**	**(207,705)**	**12,315,278**
Profit for the year		–	–	–	1,732,984
Transfer of contingency reserve		–	–	–	–
Other comprehensive income		–	–	123,343	16,927
Total comprehensive income/(loss)		5,186,372	3,915,451	(84,362)	14,065,189
Dividend declared	25.1	–	–	–	(829,822)
At 31 December 2012		**5,186,372**	**3,915,451**	**(84,362)**	**13,235,367**

See accompanying notes to the consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 december 2013

	Notes	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Cash flows from operating activities				
Premium received from policy holders		16,776,161	12,621,228	10,826,431
Retrocession receipts in respect of claims		137,622	103,537	781,893
Acquisition costs paid		(4,035,537)	(3,036,060)	(2,571,233)
Retrocession premium paid		(2,113,971)	(1,590,406)	(1,554,221)
Cash paid to and on behalf of employees		(922,878)	(694,310)	(725,489)
Other operating cash receipts/payments		(1,649,380)	(1,242,158)	(979,771)
Claims paid		(7,278,592)	(5,479,466)	(5,638,819)
Income tax paid	8	(447,032)	(391,642)	(371,649)
Net cash from/(used in) operating activities	**32**	**466,393**	**290,723**	**(232,858)**
Cash flows from investing activities				
Purchase of property, plant and equipment	21	(604,873)	(532,738)	(111,131)
Purchase of intangible assets	20	(4,364)	(4,364)	(23,301)
Proceeds from disposal of property, plant				
and equipment		6,929	6,929	5,539
Purchase of investment securities		(854,702)	(856,273)	(170,096)
Proceeds on redemption /sales of investments		666,287	666,287	297,524
Interest received		739,489	735,880	1,040,161
Dividend received		96,223	96,223	89,763
Net cash from investing activities		**44,989**	**111,944**	**1,128,459**
Cash flows from financing activities				
Dividend paid	25.1	(1,021,857)	(1,021,857)	(865,140)
Net cash used in financing activities		**(1,021,857)**	**(1,021,857)**	**(865,140)**
Net (decrease)/increase in cash and cash equivalents		**(510,475)**	**(619,190)**	**30,461**
Cash and cash equivalents at beginning of year		7,147,778	7,147,778	7,118,608
Effect of exchange rate changes on cash and cash equivalents		(6,663)	(1,835)	(1,291)
Cash and cash equivalents at end of year	**33**	**6,630,640**	**6,526,753**	**7,147,778**

Notes to the consolidated financial statements

1 Revenue

1.1 Insurance premium revenue	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Premium revenue arising from insurance contracts issued			
Life insurance contracts			
Gross Premium	2,790,593	2,602,090	2,506,189
Change in life insurance contract liabilities (Note 23.3)	5,742	73,245	(9,422)
Non life insurance contracts			
Gross Premium	13,068,203	11,451,162	9,891,463
Change in unearned premium provision	(827,926)	(278,368)	(441,975)
Total Premium revenue arising from insurance contracts issued	**15,036,612**	**13,848,129**	**11,946,255**

1.2 Insurance premium ceded to retrocessionaires	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Premium revenue ceded to retrocessionaire			
on insurance contracts issued			
Life insurance contracts	408,464	390,314	375,928
Non life insurance contracts	1,277,245	1,200,092	1,178,293
Total Premium revenue ceded to retrocessionaire			
on insurance contracts issued	1,685,709	1,590,406	1,554,221
Net insurance premium revenue	**13,350,903**	**12,257,723**	**10,392,034**

2 Insurance benefits and underwriting expenses

2.1 Insurance claims and loss adjustment expenses	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Life insurance contracts	1,241,525	1,167,101	1,069,229
Non life insurance contracts	5,134,733	4,745,002	4,505,375
Total cost of policyholder benefits	6,376,258	5,912,103	5,574,604
Insurance claims and loss adjustment expenses			
recoverable from retrocessionaire	(114,213)	(103,537)	(781,893)
Net insurance benefits and claims	**6,262,045**	**5,808,566**	**4,792,711**

2.2 Underwriting expenses	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Costs incurred for the acquisition of insurance contracts	3,631,383	3,172,141	2,673,436
Costs incurred for the maintenance of insurance contracts	242,710	242,710	238,402
Management expenses (See Note 6.1)	1,536,943	1,383,500	1,340,436
Total underwriting expenses	5,411,036	4,798,351	4,252,274
Total insurance benefits and underwriting expenses	**11,673,081**	**10,606,917**	**9,044,985**

Financial statements

Notes to the consolidated financial statements continued

3 Interest income

	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Cash and bank balances interest income	562,012	355,112	598,018
Held-to-maturity and loans and receivables interest income	334,052	301,971	333,925
Statutory deposits interest income	105,537	105,537	136,868
Interest income	**1,001,601**	**762,620**	**1,068,811**

4 Net fair value gains on assets at fair value through profit or loss

	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Net fair value gains on financial assets designated at fair value through profit or loss	38,591	37,344	32,514
Fair value gains on investment properties	71,112	71,112	7,500
Total	**109,703**	**108,456**	**40,014**

5 Other income

Available-for-sale:	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Dividends	96,355	96,223	89,763
Gain on disposal of available-for-sale securities	87,519	87,519	52,403
Income on investment properties (Note 19)	65,106	65,106	80,957
Foreign exchange gain	202,013	202,013	127,757
Other income	42,950	42,491	–
	493,943	**493,352**	**350,880**

6 Operating expenses

6.1 Management and administrative expenses	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Management expenses (Note 2.2)	1,536,943	1,383,500	1,340,436
Administrative expenses	376,372	340,521	311,434
	1,913,315	**1,724,021**	**1,651,870**
Management and administrative expenses comprises the following:			
Depreciation and amortisation (Note 20 and 21)	101,585	87,720	81,138
Auditor's remuneration	19,004	14,000	9,950
Employee benefits expenses (Note 6.1.1)	827,487	769,401	714,135
Loss on disposal of property, plant and equipment	11,358	11,358	24,321
Other operating expenses	953,881	841,542	822,326
Total management and administrative expenses	**1,913,315**	**1,724,021**	**1,651,870**

6.1.1 Employee benefit expense	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Wages and salaries (local)	596,777	596,777	457,366
Wages and salaries (other regions)	49,857	–	132,578
Pension:			
Defined Benefit Staff Gratuity Plan	150,677	150,677	90,414
Defined Contributory Plan	30,176	21,947	33,777
	827,487	**769,401**	**714,135**

The amount of Employer's pension contribution included amount of N7,217,207 (2012:N12,589,528) paid on group life scheme in compliance with the 2004 Pencom Act. Also included in pensions are amounts for the regional offices, Cameroon and Nairobi offices. The applicable law is different from that of Nigeria Pencom Act.

6.2 Impairment of financial assets	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Reinsurance receivables (Note 15.1)	523,190	523,190	372,889
Loans and other receivables (Note 13.1)	150,113	150,113	–
Retrocessionaire's share of receivables	–	–	(9,992)
	673,303	**673,303**	**362,897**

7 Net gain on available for sale financial assets

Net gain/(loss) on available-for-sale financial assets	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Equity instruments	465,172	462,309	95,652
Debt Instruments	(16,497)	(17,243)	27,691
	448,675	**445,066**	**123,343**
Reclassification adjustments to gains included in profit or loss	(87,519)	(87,519)	
Total net gain on available for sale financial assets	**361,156**	**357,547**	**123,343**

Notes to the consolidated financial statements continued

8 Taxation

Per consolidated statement of profit or loss	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Income tax based on profit for the year	412,332	354,436	367,116
Education tax	24,464	24,464	24,526
	436,796	378,900	391,642
Deferred tax expense (Note 9.1)	43,198	36,053	7,797
Income tax expense	**479,994**	**414,953**	**399,439**

Per consolidated statement of financial position:	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
At 1 January	401,617	401,617	381,624
Based on profit for the year	436,796	378,900	391,642
Payments during the year	(447,032)	(391,642)	(371,649)
At 31 December	**391,381**	**388,875**	**401,617**

Reconciliation of tax charge	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Profit before income tax	2,233,394	2,001,410	2,132,423
Tax at Nigerian's statutory income tax rate of 30%	670,018	600,423	639,727
Non-deductible expenses	73,427	69,265	29,512
Tax exempt income	(246,849)	(238,133)	(256,957)
Tax effect of capital allowance	(26,844)	(26,844)	(35,869)
Education tax levy	24,464	24,464	24,526
Tax rate differential on fair value gains	(14,222)	(14,222)	(1,500)
At effective income tax rate of 21%	**479,994**	**414,953**	**399,439**

9 Deferred taxation

Deferred income tax (assets)/liabilities are attributable to the following items: Deferred tax liabilities	Group 2013 N'000	Company 2 013 N'000	Company 2012 N'000
Property, plant and equipment	11,640	4,495	9,520
Investment properties	50,499	50,499	43,388
	62,139	54,994	52,908
Deferred tax assets			
Employee benefits	(13,048)	(13,048)	(49,248)
	(13,048)	(13,048)	(49,248)
Net	**49,091**	**41,946**	**3,660**

9.1 Movements in temporary differences during the year:	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
As at 1 January	3,660	3,660	41,470
Recognised in profit or loss on:			
Property, plant and equipment	2,120	(5,025)	9,520
Investment properties	7,111	7,111	750
Employee benefits	33,967	33,967	(2,473)
Total recognised in profit or loss	43,198	36,053	7,797
Total recognised in other comprehensive income on:			
Employee benefits	2,233	2,233	(45,607)
At 31 December	**49,091**	**41,946**	**3,660**

10 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary share holders by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computations:

	Group 31 December 2013	Company 31 December 2013	Company 31 December 2012
Net profit attributable to ordinary shareholders (N'000)	1,753,400	1,586,457	1,732,984
Weighted average number of shares for the year (N'000)	10,372,744	10,372,744	10,372,744
Basis and diluted earnings per ordinary share (kobo)	17	15	17

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

Notes to the consolidated financial statements continued

11 Cash and cash equivalents

	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Cash in hand	281	281	795
Balances held with local banks:			
Current account	375,101	306,580	316,045
Domiciliary account	225,555	225,555	44,753
Balances held with foreign banks	285,172	285,172	309,959
Placements with banks and other financial institutions	4,787,639	4,787,639	5,592,275
	5,673,748	**5,605,227**	**6,263,827**

Placements with banks and other financial institutions are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company. All placements are subject to average variable interest rate obtainable in the market.

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 Note 33.

12 Financial assets designated at fair value through profit or loss

Managed Funds	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
External Portfolio Management	170,285	170,285	132,942
	170,285	**170,285**	**132,942**

The external portfolio management involves funds held and managed by fund and stock managers on behalf of the Group as a trading portfolio. The underlying instruments include equities.

13 Loans and other receivables

13.1 Reconciliation of impairment on loans and other receivables:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	48,217	48,217	48,752
Write off during the year	(48,217)	(48,217)	(535)
Charge for the year: other advances (Note 6.2)	150,113	150,113	–
At 31 December	**150,113**	**150,113**	**48,217**

14 Investment securities

Analysis of investment securities	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Equity	1,992,832	1,971,443	1,656,499
Debt	6,096,972	4,974,998	4,612,984
	8,089,804	**6,946,441**	**6,269,483**

14.1 Available-for-sale:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Equity instruments	1,992,832	1,971,443	1,656,499
Debt instruments	266,702	242,476	253,897
Total available-for-sale	**2,259,534**	**2,213,919**	**1,910,396**

14.2 Held-to-maturity	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Debt instruments	5,830,270	4,732,522	4,359,087
Total investment securities	8,089,804	6,946,441	6,269,483

Equity Instruments	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Securities at Available-for-sale – Fair value			
Quoted	1,117,909	1,096,520	1,002,407
Unquoted	874,923	874,923	654,092
Total equity instruments	1,992,832	1,971,443	1,656,499

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

Debt Instruments	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Securities at Available-for-sale – Fair value			
Government bonds	266,702	242,476	253,897
	266,702	242,476	253,897
Securities at held-to-maturity – amortised cost			
Listed	3,279,934	2,412,515	2,370,873
Unlisted	2,550,336	2,320,007	1,988,214
	5,830,270	4,732,522	4,359,087
Total debt instruments	6,096,972	4,974,998	4,612,984

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

Notes to the consolidated financial statements continued

15 Reinsurance receivables

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Due from ceding companies	7,439,798	6,761,409	6,572,142
Due from ceding companies (Pipeline)	2,032,850	2,032,850	1,616,908
Premium reserves retained by ceding companies			
	161,237	161,237	57,311
	9,633,885	8,955,496	8,246,361
Impairment on reinsurance receivables (Note 15.1)	(3,341,819)	(3,341,819)	(2,818,629)
	6,292,066	**5,613,677**	**5,427,732**

15.1 Reconcilliation of impairment on reinsurance receivables	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	2,818,629	2,818,629	2,445,740
Charge for the year (Note 6.2)	523,190	523,190	372,889
At 31 December	3,341,819	3,341,819	2,818,629

16 Retrocession assets

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Retrocessionaires' share of claims recoverable	92,758	82,204	38,771
Retrocessionaires' share of Reserve for Outstanding Claims	109,197	40,892	571,301
Retrocessionaires' share of life insurance contract liabilities	156,151	156,151	169,075
Total retrocession assets (Note 23)	358,106	279,247	779,147

At 31 December 2013, 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

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	1,077,360	1,077,360	975,157
Net deferral during the year	350,933	136,081	102,203
At 31 December	**1,428,293**	**1,213,441**	**1,077,360**

18 Other assets

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Prepayments	32,344	26,893	53,797
Intercompany balances	–	189,576	–
Deposit for shares (Note 18.1)	–	–	1,042,037
Others (Note 18.2)	333,495	329,604	17,769
	365,839	546,073	1,113,603

18.1 This represents funds transferred for purpose of converting the Nairobi regional office in Kenya to a subsidiary. After obtaining the necessary regulatory approval, an amount of N987.4m was capitalized from this balance and thus the Kenya office was converted to a subsidiary in the current year.

18.2 Included in this account is amount due as proceeds on disposal/redemption of financial assets which remained outstanding at year end. Also included is an amount incurred on establishment of an office in Tunisia which still seeks local regulatory approvals.

19 Investment properties

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Opening	1,661,000	1,661,000	1,653,500
Additions (Subsequent expenditure)	14,688	14,688	–
Fair value adjustments	71,112	71,112	7,500
Closing	**1,746,800**	**1,746,800**	**1,661,000**

Investment properties are stated at fair value, which has been determined based on valuations performed by Fola Oyekan & Associates, a professional firm of Estate Surveyors and Valuers who are accredited independent valuers, as at 31 December 2013 and 31 December 2012. These valuers are specialists in valuing these types of investment properties. The fair value of the properties has not been determined on transactions observable in the market because of the nature of the property and the lack of comparable data. Instead, a valuation model, based on discounted cash flows, in accordance with that recommended by the International Valuation Standards Committee has been applied. Valuations are performed on an annual basis and the fair value gains and losses are recorded within the profit or loss.

The Company enters into operating leases for all of its investment properties. The rental income arising during the year amounted to N65,105,506.45 (year ended 31 December 2012: N80,957,148) which is included in other income. Direct operating expenses arising in respect of such properties during the year are included in administrative expenses.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Rental Income derived from investment properties	65,106	65,106	80,957
Direct operating expenses (including repairs & Maintenance) generating income	(20,830)	(20,830)	(8,197)
Profit arising from investment properties carried at fair value	**44,276**	**44,276**	**72,760**

Notes to the consolidated financial statements
continued

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			
Date of valuation – 31 December 2013	Quoted prices in active market Level 1 N'000	Significant observable inputs Level 2 N'000	Significant unobservable inputs Level 3 N'000	Total N'000
Investment properties	–	–	1,746,800	1,746,800

During the reporting period ending 31 December 2013, there were no transfers between level 1 and level 2 and in and out of level 3.

Description of valuation techniques used and key inputs to valuation on investment properties

Winged Duplexes		
Valuation technique	Significant unobservable inputs	Range (weighted average)
Income capitalization using DCF Analysis	Estimated rental per wing per annum	N9.25m to N12m (N10.42m)
	Average annual growth	4%
	Average annual probable vacancy rate	1.4%
	Discount rate (equated yield)	7.4% – 9.6% (8.73%)
Three bedroom flats		
Valuation technique	Significant unobservable inputs	Range (weighted average)
Income capitalization using DCF Analysis	Estimated rental per wing per annum	N0.45m to N3.5m (N3.06m)
	Average annual growth	4% – 4.5% (4.07%)
	Average annual probable vacancy rate	1.4%
	Discount rate (equated yield)	7.6% – 8.6% (8.46%)

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

20 Intangible assets – Group and Company

Cost:	Computer software N'000	Total N'000
At 1 January 2012	31,398	31,398
Cost capitalised	23,301	23,301
At 31 December 2012	54,699	54,699
Cost capitalised	4,364	4,364
At 31 December 2013	**59,063**	**59,063**

Accumulated amortisation and impairment:	Computer software N'000	Total N'000
At 1 January 2012	26,485	26,485
Amortisation	11,139	11,139
At 31 December 2012	37,624	37,624
Amortisation	11,772	11,772
At 31 December 2013	49,396	49,396

Carrying amount:	Computer software N'000	Total N'000
At 31 December 2013	9,667	9,667
At 31 December 2012	17,075	17,075

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21 Property, plant and equipment

The Group	Freehold property N'000	Motor vehicles N'000	Furniture and fittings N'000	Office partitioning N'000	Computer equipment N'000	Total N'000
Cost/Valuation:						
At 1 January 2012	2,524	149,732	79,135	45,264	41,876	318,531
Additions	–	74,637	6,769	11,751	17,974	111,131
Disposals	–	(59,767)	(12,156)		(3,817)	(75,740)
At 31 December 2012	2,524	164,602	73,748	57,015	56,033	353,922
Additions	430,158	94,161	63,355	–	17,199	604,873
Disposals	(2,524)	(58,974)	(3,734)	–	(2,550)	(67,782)
Exchange difference	–	99	143	–	75	316
At 31 December 2013	**430,158**	**199,888**	**133,512**	**57,015**	**70,757**	**891,329**
Accumulated depreciation:						
At 1 January 2012	–	94,840	51,719	33,963	34,586	215,108
Charge for the year	–	34,311	13,383	11,403	10,902	69,999
Disposal	–	(33,719)	(8,542)	–	(3,619)	(45,880)
At 31 December 2012	–	95,432	56,560	45,366	41,869	239,227
Charge for the year	–	52,764	18,208	4,599	14,242	89,812
Disposal	–	(44,732)	(3,079)	–	(1,686)	(49,497)
Exchange difference	–	78	56	–	25	159
At 31 December 2013	–	103,541	71,745	49,965	54,450	279,701
Net book value:						
At 31 December 2013	430,158	96,347	61,766	7,050	16,307	611,628
At 31 December 2012	**2,524**	**69,170**	**17,188**	**11,649**	**14,164**	**114,695**

The Company	Freehold property N'000	Motor vehicles N'000	Furniture and fittings N'000	Office partitioning N'000	Computer equipment N'000	Total N'000
Cost/Valuation:						
At 1 January 2012	2,524	149,732	79,135	45,264	41,876	318,531
Additions	–	74,637	6,769	11,751	17,974	111,131
Disposals	–	(59,767)	(12,156)	–	(3,817)	(75,740)
At 31 December 2012	2,524	164,602	73,748	57,015	56,033	353,922
Additions	430,158	67,338	24,488	–	10,754	532,738
Disposals	(2,524)	(58,974)	(3,734)	–	(2,550)	(67,782)
At 31 December 2013	**430,158**	**172,966**	**94,502**	**57,015**	**64,237**	**818,878**
Accumulated depreciation:						
At 1 January 2012	–	94,840	51,719	33,963	34,586	215,108
Charge for the year	–	34,311	13,383	11,403	10,902	69,999
Disposal	–	(33,719)	(8,542)	–	(3,619)	(45,880)
At 31 December 2012	–	95,432	56,560	45,366	41,869	239,227
Charge for the year	–	45,980	13,300	4,599	12,069	75,948
Disposal	–	(44,732)	(3,079)	–	(1,686)	(49,497)
At 31 December 2013	–	**96,680**	**66,781**	**49,965**	**52,252**	**265,678**
Net book value:						
At 31 December 2013	430,158	76,286	27,721	7,050	11,985	553,200
At 31 December 2012	**2,524**	**69,170**	**17,188**	**11,649**	**14,164**	**114,695**

22 Statutory deposits

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 31 December	**1,000,000**	**1,000,000**	**1,000,000**

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.

Notes to the consolidated financial statements continued

23 Insurance contract liabilities

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Reserve for Unearned Premium (Note 23.1)	5,338,434	4,580,322	4,301,953
Reserve for Outstanding Claims (Note 23.2)	3,426,438	3,339,833	3,808,324
	8,764,872	7,920,155	8,110,277
Life (Note 23.3)	1,108,507	1,041,004	1,127,174
Total insurance liabilities	9,873,379	8,961,159	9,237,451
Total retrocessionaire's share of insurance			
liabilities (Note 16)	(358,106)	(279,247)	(779,147)
Net insurance contracts	**9,515,273**	**8,681,912**	**8,458,304**

23.1 Reserve for Unearned Premium

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	4,301,953	4,301,953	3,859,978
Increase in the year (Note 1.1)	13,068,203	11,451,162	9,891,463
Release of unearned premium during the year	(12,031,722)	(11,172,793)	(9,449,488)
At 31 December	**5,338,434**	**4,580,322**	**4,301,953**

23.2 Reserve for Outstanding Claims

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	3,808,324	3,808,324	2,822,811
Claims incurred in the current accident year	5,134,733	4,745,002	4,505,375
Claims paid during the year	(5,516,619)	(5,213,493)	(3,519,862)
At 31 December	**3,426,438**	**3,339,833**	**3,808,324**

23.3 Insurance liabilities on life policy holders

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	1,127,174	1,127,174	1,064,531
(Decrease)/increase in retrocessionaire's share	(12,925)	(12,925)	53,221
(Decrease)/accretion during the year (Note 1.1)	(5,742)	(73,245)	9,422
At 31 December	**1,108,507**	**1,041,004**	**1,127,174**

24 Reinsurance creditors

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Due to retrocessionaires	319,555	319,555	148,773
Due to ceding companies	849,469	849,469	606,196
	1,169,024	**1,169,024**	**754,969**

This represents the amount payable to insurance and reinsurance companies.

25 Other liabilities

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Sundry creditors	166,859	166,859	146,495
Rent received in advance	40,999	40,999	53,791
Accrued expenses	16,892	16,892	8,648
Dividend payable (Note 25.1)	36,341	36,341	20,951
Information technology development levy	20,014	20,014	20,536
Others	30,039	6,953	1,844
	311,142	**288,058**	**252,265**

25.1 Dividends paid and proposed	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 1 January	20,951	56,269
Declared during the year	1,037,247	829,822
Paid during the year	(1,021,857)	(865,140)
	36,341	**20,951**
Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December): at 11 kobo per share (2012: 10 kobo)	1,141,002	1,037,274

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26 Retirement benefit obligations

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Defined contribution scheme (Note 26.1)	2,407	2,407	–
Defined benefit staff gratuity scheme (Note 26.2)	43,493	43,493	164,110
	45,900	**45,900**	**164,110**

26.1 Defined contribution scheme

In accordance with the provisions of the Pensions Act 2004, the Group and its staff commenced a contributory pension scheme in January 2005. The contribution by employees and the Company are 7.5% and 7.5%, respectively, of the employees' basic salary, housing and transport allowances. The contribution made and transferred to the pension fund administrator during the year are as follows;

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Balance at beginning of year	–	–	–
Provisions during the year	21,947	21,947	53,325
Transfer to PFA	(19,540)	(19,540)	(53,325)
Balance at end of year	**2,407**	**2,407**	–

26.2 Defined benefit staff gratuity scheme

The Group 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:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
The amounts recognised in the statement of financial position are determined as follows:			
Present value of funded obligations	378,645	378,645	436,837
Fair value of plan assets	(335,152)	(335,152)	(272,727)
Deficit of funded plans	43,493	43,493	164,110
Unrecognised net (gain)/loss	–	–	–
Unrecognised past service costs	–	–	–
(Asset)/liability in the consolidated statement of financial position	**43,493**	**43,493**	**164,110**

The movement in the defined benefit obligation over the year is as follows:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At beginning of the year	436,837	436,837	285,816
Service cost	55,435	55,435	39,888
Member contribution	–	–	–
Interest cost	51,239	51,239	40,277
Actuarial (Gains)/Loss	(34,297)	(34,297)	146,873
Benefit paid	(130,569)	(130,569)	(76,017)
At end of the year	**378,645**	**378,645**	**436,837**
The amounts recognised in the profit or loss is as follows:			
Current service cost	55,435	55,435	39,888
Net interest	15,311	15,311	3,655
Total, included in staff costs	**70,746**	**70,746**	**43,543**
The amounts recognised in the other comprehensive income:			
Re-measurement (gains)/loss on net defined benefit plans	(7,444)	(7,444)	152,023
The movement in the plan assets over the year is as follows:			
Assets at fair value – opening	272,727	272,727	281,923
Interest return	35,928	35,928	36,622
Employer contribution	183,919	183,919	35,349
Benefit paid	(130,569)	(130,569)	(76,017)
Actuarial loss	(26,853)	(26,853)	(5,150)
At end of the year	**335,152**	**335,152**	**272,727**
Composition of Plan assets:			
Cash	9.60%	9.60%	0.63%
Equity	61.1%	61.1%	52.5%
Bonds	29.4%	29.4%	46.9%
Property	0.0%	0.0%	0.0%
International	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.00%
The principal actuarial assumptions were as follows:			
Average long term discount rate (p.a.)	13%	13%	12%
Average long term rate of inflation (p.a.)	10%	10%	10%
Average long term pay increase (p.a.)	12%	12%	12%

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A quantitative sensitivity analysis for significant assumption as at 31 December 2013 is as shown below:

Assumptions Sensitivity level		Discount rate N'000	Salary increase N'000	Mortality rate N'000
Impact on defined benefit obligation	+1%	(22,978)	26,084	(15,922)
	–1%	26,143	(23,300)	28,876

The following payments are estimated contributions to the define benefit plan obligation in future years:

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Within the next 12 months (next annual reporting period)	219,448	219,448	24,501

27 Share capital

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Authorised 15,000,000,000 Ordinary shares of 50k each	7,500,000	7,500,000	7,500,000
Issued and fully paid 10,372,744,000 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372

28 Share premium

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
At 31 December	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 117 LFN 2004.

The composition on the account is as follows:

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Non-Life	2,255,501	2,184,536	1,734,745
Life	164,595	164,595	138,574
Total	**2,420,096**	**2,349,131**	**1,873,319**

30 Retained earnings:

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

31.1 Available-for-sale reserve:

The fair value available-for-sale reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale. Any gains or losses are not recognised in the profit or loss until the asset has been sold or impaired.

31.2 Foreign currency translation reserve:

Foreign currency translation reserve comprises the exchange differences arising on translation of its subsidiary. Gains or losses arising therefrom are recognised in other comprehensive income.

32 Reconciliation of profit before income tax to net cash from/(used in) operating activities

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Profit before income tax	**2,233,394**	**2,001,410**	**2,132,423**
Adjustments for:			
Depreciation and amortization (Note 6.1)	101,585	87,720	81,138
Increase in provision for bad and doubtful balances	523,190	523,190	359,046
Profit on disposal of investments	(87,519)	(87,519)	(57,440)
Loss on disposal of property, plant and equipment	11,358	11,358	24,321
Interest received	(762,620)	(762,620)	(1,068,811)
Dividend received	(96,223)	(96,223)	(89,763)
Unrealised foreign exchange gain	(202,013)	(202,013)	(126,466)
Fair value loss on investment properties and financial assets designated at fair value	(112,065)	(108,456)	(40,014)
Changes in operating assets/liabilities			
Reinsurance debtors	(1,266,807)	(672,075)	(910,621)
Prepayments and other assets	20,962	(491,023)	(931,890)
Retrocession assets	499,900	499,900	(632,173)
Reinsurance creditors and other liabilities	433,424	448,462	96,551
Deferred acquisition costs	(136,081)	(136,081)	(102,203)
Provision for unexpired risks	278,369	278,369	451,397
Provision for outstanding claims	(381,886)	(468,491)	945,102
Provision for Retirement benefit obligations	(143,543)	(143,543)	8,194
Income tax paid (Note 8)	(447,032)	(391,642)	(371,649)
Net cash from/(used in) operating activities	**466,393**	**290,723**	**(232,858)**

Notes to the consolidated financial statements
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33 Cash and cash equivalents for purposes of the consolidated statement of cashflows:

	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Cash in hand	281	281	795
Balances held with other banks:			
Current account	375,101	306,580	316,045
Domiciliary account	225,555	225,555	44,753
Balances held with foreign banks	285,172	285,172	309,959
Placements with banks and other financial institutions	4,787,639	4,787,639	5,592,275
Treasury bills	956,892	921,526	883,951
	6,630,640	**6,526,753**	**7,147,778**

34 Related party transactions

Transaction with related parties

The Group entered into transactions with related parties during the year in the normal course of business. The purchases from related parties are made at normal market prices.

Purchase of actuarial services:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Alexander Forbes Consulting Actuaries Nigeria Limited	2,947	2,947	895

There were no outstanding balances due from/to this related party at the reporting date.

Loans and advances to related parties:

The following facilities were due from the Managing Director ('MD')/Chief Executive Officer, the Executive Director ('ED') – Life and Executive Director ('ED') – Non-Life at the end of the year:

	MD N'000	ED Non-life N'000	ED Life N'000	2013 N'000	2012 N'000
Mortgage loan		–	4,137	4,137	3,889
Personal loan	–	1,087	18,868	19,955	11,728
Car loan	–	–	125	125	625
	–	**1,087**	**23,130**	**24,217**	**16,242**

These loans were given in line with the conditions of service of the Directors. Under the terms of the mortgage loan, repayment is to be made over the mortgage period from 2004. For other loans, 100% repayment is through deductions from salaries plus cash payment of balance upon cessation of employment.

The carrying amounts of loans and advances to related parties as disclosed above approximate fair value at the reporting date. There was no allowance for impairment on them at the reporting date and no bad debt expense in the year (2012: Nil).

Compensation of key management personnel

Key management personnel of the Group include all Directors, executives and non-executive, and senior management. The summary of compensation of key management personnel for the year is as follows:

Short-term employee benefits:	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Salaries and allowances	243,987	203,065	191,475
Long-term employee benefits:			
Post-employment pension benefits	14,708	8,365	10,485
	258,695	211,430	201,960

The number of Directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Number	Number	Number
Below N1,000,000	2	–	–
N1,000,001 – N4,000,000	3	–	–
N4,000,001 – N7,000,000	–	–	–
N7,000,001 and above	3	3	4
	8	**3**	**4**

Employees

The average number of persons employed by the Company during the year was as follows:

	Number	Number	Number
Managerial and Senior Staff	50	46	57
Junior Staff	6	1	1
	56	47	58

Staff cost	Group 31 December 2013 N'000	Company 31 December 2013 N'000	Company 31 December 2012 N'000
Salaries and allowances	324,022	277,630	397,887
Staff pension	30,081	21,947	33,777
Staff gratuity	133,632	133,632	57,220
	487,735	433,209	488,884

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The number of employees of the Company, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	Number	Number	Number
N500,000 – N1,000,000	13	12	13
N1,000,001 – N1,500,000	4	2	2
N1,500,001 – N2,000,000	6	4	8
N2,000,001 – N2,500,000	8	8	8
N2,500,001 – N3,000,000	2	2	4
N3,000,001 – Above	23	19	23
	56	47	58

35 Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments at the end of the year (2012: Nil).

36 Compliance with regulatory bodies

Penalties:	2013 N'000	2012 N'000
a The Company contravened certain sections of the Financial Reporting Council of Nigeria (FRCN) Act 2011 with respect to non-disclosure in the 2011 accounts	–	1,750
b The Company contavened certain sections of 2011 operational guidelines issued by the National Insurance Commission (NAICOM). Details of contravention and penalty paid are as shown below:		
Late rendition of quarterly returns	–	70
	–	1,820

37 Events after reporting date

There were no events after reporting date which would have a material effect on the state of affairs of the Group as at 31 December 2013 or the profit for the year then ended that have not been adequately provided for or disclosed.

38 Admissible assets

The admissible assets representing insurance contract liabilities are included in the consolidated statement of financial position as follows:

	Non-life		Life	
	N'000	N'000	N'000	N'000
Cash and cash equivalents:				
Cash and bank balances	–			
Bank placements	4,211,504		576,136	
Total cash and cash equivalents		**4,211,504**		**576,136**
Investment properties		**1,156,600**		**185,000**
Investment securities:				
Quoted equities	307,843		113,389	
Unquoted equities	707,553		–	
Government bonds	1,606,472		242,476	
Total investment securities		**2,621,868**		**355,865**
Total assets representing insurance contract liabilities		7,989,972		1,117,001
Total insurance contract liabilities		7,920,155		1,041,004
Balance due to shareholders' funds		**69,817**		**75,997**

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39 Segment information

For management reporting purposes, the Group is organised into business units based on Life and Non-Life products and geography (regions).

Life assurance business can be either Individual or Group and covers the mortality aspect of the life contract which is annual. Revenue from this segment is derived mainly from reassurance premium and becomes fully earned after the year of cover.

The Non-Life reinsurance business covers general insurance to individuals and businesses. The general insurance products covered include motor, household, commercial and business interruption insurance, and indemnification of other parties that suffer damage resulting from the policyholders' accident, e.g., employees' liability claims.

Also, segment information is presented in respect of the company's geographic segments.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance and reporting is based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, income taxes are not allocated to operating segments.

31 December 2013	Life insurance N'000	Non-life insurance N'000	Eliminations N'000	Total segments N'000
Gross Premium	2,790,593	13,068,203	–	15,858,796
Change in Reserve for unearned premium	5,742	(827,926)	–	(822,184)
Earned premium income	2,796,335	12,240,277	–	15,036,612
Less: Retrocession costs	(408,464)	(1,277,245)	–	(1,685,709)
Net premium written	**2,387,871**	**10,963,032**	–	**13,350,903**
Expenses				
Gross claims paid	1,154,920	5,141,120	–	6,296,040
Change in Reserve for outstanding claims.	86,605	(468,490)	–	(381,885)
Ceded Outstanding Claims Reserve	–	462,104	–	462,104
Claims incurred	1,241,525	5,134,734	–	6,376,259
Retrocession recoveries	(4,800)	(109,413)	–	(114,213)
Net claims incurred	1,236,725	5,025,320	–	6,262,045
Underwriting expenses:				
Acquisition and maintenance cost	692,895	3,181,199	–	3,874,093
Depreciation and amortisation	16,686	84,899	–	101,585
Management and Administration expenses	417,157	2,067,875	–	2,485,032
	1,126,738	5,333,973	–	6,460,711
Underwriting profit carried forward	**24,408**	**603,738**	–	**628,147**

31 December 2013 (cont'd)	Life insurance N'000	Non-life insurance N'000	Eliminations N'000	Total segments N'000
Underwriting profit brought forward	24,408	603,738	–	628,147
Investment Income	268,346	1,336,900	–	1,605,247
Results of operating activities	292,755	1,940,639	–	2,233,394
Income tax expense	(107,669)	(372,325)	–	(479,994)
Profit for the year	185,086	1,568,314	–	1,753,400
Segment Assets	4,636,814	22,656,235	(1,167,639)	26,125,410
Segment liabilities	1,006,258	11,013,893	(180,234)	11,839,917
31 December 2012				
Gross Premium	2,506,189	9,891,463	–	12,397,652
Change in Reserve for unearned premium	(9,422)	(441,975)	–	(451,397)
Earned premium income	2,496,767	9,449,488	–	11,946,255
Less: Retrocession costs	(375,928)	(1,178,293)	–	(1,554,221)
Net premium written	**2,120,839**	**8,271,195**	–	**10,392,034**
Expenses				
Gross claims paid	1,069,229	3,519,862	–	4,589,091
Change in Reserve for outstanding claims	–	985,513	–	985,513
Ceded Outstanding Claims Reserve	–	(571,301)	–	(571,301)
Claims incurred	1,069,229	3,934,074	–	5,003,303
Retrocession recoveries	(160,384)	(50,208)	–	(210,592)
Net claims incurred	908,845	3,883,866	–	4,792,711
Underwriting expenses:				
Acquisition and maintenance cost	496,832	2,262,983	–	2,759,815
Depreciation and amortisation	16,402	64,736	–	81,138
Management and Admin expenses	402,185	1,683,467	–	2,085,652
	915,419	4,011,186	–	4,926,605
Underwriting profit	296,575	376,143	–	672,718
Investment Income	304,310	1,155,395	–	1,459,705
Results of operating activities	600,885	1,531,538	–	2,132,423
Income tax expenses	(71,527)	(327,912)	–	(399,439)
Profit for the year	529,358	1,203,626	–	1,732,984
Segment Assets	5,013,007	19,036,432	–	24,049,439
Segment liabilities	2,320,964	8,493,108	–	10,814,072

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continued

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2013 is as follows:

	Nigeria N'000	Cameroon N'000	Kenya N'000	Abidjan N'000	2013 Total N'000	Eliminations N'000	Consolidated N'000
Gross premium	10,501,544	973,482	2,573,282	1,810,488	15,858,796	–	15,858,796
Change in reserve for unearned premium	(536,296)	292,729	(245,045)	(333,572)	(822,184)	–	(822,184)
Earned premium income	9,965,248	1,266,211	2,328,237	1,476,916	15,036,612	–	15,036,612
Retrocession costs	(1,270,448)	(88,305)	(166,557)	(160,399)	(1,685,709)	–	(1,685,709)
Net premium written	8,694,800	1,177,906	2,161,680	1,316,517	13,350,903	–	13,350,903
Expenses							
Gross claims paid	4,571,646	217,403	1,068,421	438,570	6,296,040	–	6,296,040
Change in reserve for outstanding claims	(317,329)	(419,987)	(13,232)	368,662	(381,886)	–	(381,886)
Ceded outstanding claims reserve	530,409	–	(68,305)	–	462,104	–	462,104
Claims incurred	4,784,726	(202,584)	986,884	807,232	6,376,258	–	6,376,258
Retrocession recoveries	–	(8,618)	(10,676)	(94,919)	(114,213)	–	(114,213)
Net claims incurred	4,784,726	(211,202)	976,208	712,313	6,262,045	–	6,262,045
Underwriting expenses:							
Acquisition and maintenance cost	2,456,207	257,141	712,327	448,418	3,874,093	–	3,874,093
Depreciation and amortisation	71,103	7,369	17,147	5,966	101,585	–	101,585
Management and Admin expenses	1,737,205	152,240	303,166	292,422	2,485,033	–	2,485,033
	4,264,515	416,750	1,032,640	746,806	6,460,711	–	6,460,711
Underwriting profit	(354,441)	972,358	152,832	(142,602)	628,147	–	628,147
Investment Income	1,186,922	90,384	253,624	74,317	1,605,247	–	1,605,247
Results of operating activities	832,481	1,062,742	406,456	(68,285)	2,233,394	–	2,233,394
Income tax expenses	(122,614)	(265,782)	(108,675)	17,077	(479,994)	–	(479,994)
Profit for the year	709,867	796,960	297,781	(51,208)	1,753,400	–	1,753,400
Segment Assets	18,533,244	3,789,313	3,417,872	1,552,620	27,293,049	(1,167,639)	26,125,410
Segment liabilities	7,927,796	868,354	2,161,550	1,062,451	12,020,151	(180,234)	11,839,917

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2012 is as follows:

	Nigeria N'000	Cameroon N'000	Kenya N'000	2012 Total N'000
Gross Premium	9,110,711	1,643,439	1,643,501	12,397,651
Change in Reserve for unearned premium.	(398,638)	(6,427)	(46,331)	(451,396)
Earned premium income	8,712,073	1,637,012	1,597,170	11,946,255
Retrocession costs	(1,240,336)	(155,076)	(158,809)	(1,554,221)
Net premium written	7,471,737	1,481,936	1,438,361	10,392,034
Expenses				
Gross claims paid	3,723,420	263,706	601,964	4,589,090
Change in Reserve for outstanding claims.	626,535	187,084	171,895	985,514
Ceded outstanding claims reserve	(571,301)	–	–	(571,301)
Claims incurred	3,778,654	450,790	773,859	5,003,303
Retrocession recoveries	(210,592)	–	–	(210,592)
Net claims incurred	3,568,062	450,790	773,859	4,792,711
Underwriting expenses:				
Acquisition and maintenance cost	2,041,289	404,666	465,881	2,911,836
Depreciation and amortisation	62,907	12,684	5,547	81,138
Management and Admin expenses	1,378,552	261,805	268,953	1,909,310
	3,482,748	679,155	740,381	4,902,284
Underwriting profit	420,927	351,991	(75,879)	697,039
Investment Income	1,276,796	101,041	57,547	1,435,384
Results of operating activities	1,697,723	453,032	(18,332)	2,132,423
Income tax expenses	(305,629)	(46,904)	(46,906)	(399,439)
Profit for the year	1,392,094	406,128	(65,238)	1,732,984
Segment Assets	18,207,605	3,802,809	2,039,025	24,049,439
Segment liabilities	7,880,464	1,692,745	1,240,863	10,814,072

Notes to the consolidated financial statements continued

40 Management of financial and insurance risk

Continental Reinsurance Plc issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

40.1 Management of insurance risk

Continental Reinsurance Plc defines Insurance risk as the risk of loss arising from inadequate pricing, from uncertainties relating to the occurrence, amount and timing of insurance liabilities or from adverse changes in claim reserves development.

Continental Reinsurance Plc provides covers in all classes of reinsurance basically, non-life and life treaty and facultative reinsurance.

The Group is exposed to underwriting risk through the reinsurance contracts that are underwritten. The risks within the underwriting risk arises from its products which include Accident, Energy, Marine, Liability and life, both individual and group life.

To manage this risk, the underwriting function is conducted in accordance with a set of guidelines, which are defined in line with the Group's risk appetite statement. This risk is further mitigated by increasing diversification by region and by class and also by a retrocession programme, which takes into account the Group's risk exposure profile by class of business.

Loss reserves are the largest liability on the statement of financial position and are inherently uncertain. Differences in actual losses and reserves can have a material impact on future profitability. The sensitivity of the reserves could be potentially significant given the nature of the assumptions and variables included in its estimation procedure.

The sensitivity analysis for insurance risk illustrates how reserves could fluctuate because of changes in assumptions included in its calculation at the reporting date.

Applying the Thomas Mack approach to the non-life reserves indicates that at the 75th percentile, the reserves would be equivalent to NGN 4.01bn, i.e a deterioration of NGN0.67bn over the best estimate.

The company has an in-house experienced actuarial team, which reviews reserves on a quarterly basis with the operations team. The company also carries out independent reserves reviews for both life and non-life Business.

The Company's insurance risk by region and by class is shown on the table below:

Insurance Risk By Region	Gross Written Premium (N'000)	Ceded to Retrocessionaire (N'000)	Net Written Premium (N'000)	Percentage (GWP)	Percentage (Retro)
Group					
2013					
Anglophone west	10,501,545	1,270,449	9,231,096	75%	80%
Eastern Africa	1,892,882	103,408	1,789,474	13%	7%
Southern Africa	680,399	63,148	617,251	5%	4%
Central Africa	973,482	88,305	885,177	7%	6%
Northern Africa	285,408	27,549	257,859	2%	2%
Francophone West	1,525,080	132,850	1,392,230	11%	8%
Total	**15,858,796**	**1,685,709**	**14,173,087**	**100%**	**100%**
Company					
2013					
Anglophone west	10,501,545	1,270,448	9,231,097	75%	80%
Eastern Africa	87,338	8,106	79,232	1%	1%
Southern Africa	680,399	63,148	617,251	5%	4%
Central Africa	973,482	88,305	885,177	7%	6%
Northern Africa	285,408	27,549	257,859	2%	2%
Francophone West	1,525,080	132,850	1,392,230	11%	8%
Total	**14,053,252**	**1,590,406**	**12,462,846**	**100%**	**100%**
Company					
2012					
Anglophone west	8,663,435	1,086,084	7,577,351	70%	70%
Eastern Africa	1,219,420	152,872	1,066,548	10%	10%
Southern Africa	625,904	78,466	547,438	5%	5%
Central Africa	690,722	86,591	604,131	6%	6%
Northern Africa	146,045	18,309	127,736	1%	1%
Francophone West	995,705	124,826	870,879	8%	8%
Others	56,421	7,073	49,348	0%	0%
Total	**12,397,652**	**1,554,221**	**10,843,431**	**100%**	**100%**

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The Group's insurance risk by product is shown on the table below:

Insurance Risk By Product	Gross Written Premium (N'000)	Ceded to Retrocessionaire (N'000)	Net Written Premium (N'000)	Percentage (GWP)	Percentage (Retro)
Group					
2013					
Accident	2,881,480	181,236	2,700,244	21%	11%
Energy	2,301,624	415,936	1,885,688	16%	26%
Fire	5,588,761	615,732	4,973,029	40%	39%
Group Life	2,657,662	362,412	2,295,250	19%	23%
Individual Life	65,428	9,054	56,374	0%	1%
Liability	1,088,844	1,339	1,087,505	8%	0%
Marine	1,274,997	100,000	1,174,997	9%	6%
Total	**15,858,796**	**1,685,709**	**14,173,087**	**100%**	**100%**

Insurance Risk By Product	Gross Written Premium (N'000)	Ceded to Retrocessionaire (N'000)	Net Written Premium (N'000)	Percentage (GWP)	Percentage (Retro)
Company					
2013					
Accident	1,860,085	142,218	1,717,867	13%	9%
Energy	2,301,624	415,936	1,885,688	16%	26%
Fire	5,091,043	569,846	4,521,197	36%	36%
Group Life	2,538,364	360,623	2,177,741	18%	23%
Individual Life	63,726	9,054	54,672	0%	1%
Liability	1,017,736	–	1,017,736	7%	0%
Marine	1,180,674	92,729	1,087,945	8%	6%
Total	**14,053,252**	**1,590,406**	**12,462,846**	**100%**	**100%**
Company					
2012					
Accident	2,302,075	286,226	2,015,849	19%	18%
Energy	1,911,859	237,709	1,674,150	15%	15%
Fire	3,977,603	494,551	3,483,052	32%	32%
Group Life	2,264,411	293,083	1,971,328	18%	19%
Individual Life	241,777	31,293	210,484	2%	2%
Liability	822,910	102,316	720,594	7%	7%
Marine	877,017	109,043	767,974	7%	7%
Total	**12,397,652**	**1,554,221**	**10,843,431**	**100%**	**100%**

Non-life claims development triangle

Months/ Years	12 N'000	24 N'000	36 N'000	48 N'000	60 N'000	72 N'000	84 N'000	96 N'000	108 N'000
2005	227,364	563,559	591,411	615,473	623,860	625,867	638,850	640,944	641,173
2006	319,769	573,330	689,906	722,187	734,056	736,676	738,641	738,361	
2007	264,817	665,621	922,464	997,744	1,030,488	1,034,586	1,052,191		
2008	555,684	2,026,598	2,771,688	2,926,862	3,017,553	3,145,841			
2009	753,147	1,678,809	2,115,562	2,297,847	2,551,517				
2010	851,016	2,116,837	2,446,703	2,670,420					
2011	923,592	2,189,837	3,067,296						
2012	1,517,999	3,433,899							
2013	1,317,180								

Life claims development triangle

Months/ Years	12 N'000	24 N'000	36 N'000	48 N'000	60 N'000	72 N'000	84 N'000	96 N'000	108 N'000
2005	17,467	31,604	33,059	33,059	33,059	33,059	33,059	33,059	33,059
2006	35,427	73,570	79,093	82,387	82,387	82,387	82,387	82,387	
2007	84,616	105,174	107,318	118,226	118,226	118,226	118,226		
2008	420,246	698,428	732,630	734,801	734,801	734,801			
2009	298,931	505,319	579,874	583,535	583,535				
2010	361,628	683,570	720,471	721,429					
2011	566,844	1,197,605	1,245,812						
2012	398,312	787,150							
2013	717,302								

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40.2 Financial risk management

The Group is exposed to a range of financial risks through its financial assets and liabilities.

The Group's principal financial instruments are cash and cash equivalents, loans and receivables including reinsurance receivables, investment securities held to maturity, investment securities available-for-sale, financial asset designated at fair value through profit and loss and retrocession contracts.

In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts.

The main risks arising from these financial instruments are interest rate risk, foreign currency risk, credit risk, market price risk and liquidity risk. The Board reviews and approves an investment policy to manage these risks on an annual basis.

The following tables indicate the contractual timing of cash flows in respect of arising from financial instruments and non-financial assets impacted by this risk:

The Group At 31 December 2013	Carrying amount N'000	No stated maturity N'000	0 – 90 days N'000	91 – 180 days N'000	180 – 365 days N'000	1 – 5 years N'000	> 5 years N'000
Financial assets:							
Cash and cash equivalents	5,673,748		5,673,748	–	–	–	–
Reinsurance receivables	6,292,066		1,703,229	542,947	1,173,077	2,470,741	402,072
Loans and other receivables	379,174		379,174	–	–	–	–
Retrocession assets	358,106		358,106	–	–	–	–
Other assets	333,495		333,495	–	–	–	–
Financial asset designated at fair value	170,285		170,285	–	–	–	–
Debt Securities							
Held to maturity							
Listed	3,180,939		–	–	–	3,180,939	–
Unlisted	2,649,331		–	–	–	2,649,331	–
Available for sale							
Listed	266,702		266,702	–	–	–	–
Equities							
Available for sale							
Listed	1,117,909		1,117,909	–	–	–	–
Unlisted	874,923		874,923	–	–	–	–
Statutory deposits	1,000,000		–	–	–	–	1,000,000
Non-financial asset:							
Investment properties	1,746,800		–	–	–	–	1,746,800
	24,043,478		10,877,571	542,947	1,173,077	8,301,011	3,148,872
Financial liabilities							
Other liabilities	220,092		220,092	–	–	–	
Reinsurance creditors	1,169,024		1,169,024	–	–	–	–
	1,389,116		1,389,116	–	–	–	–

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent received in advance

The following tables indicate the contractual timing of cash flows arising from financial instruments and non-financial assets impacted by this risk:

The Company At 31 December 2013	Carrying amount N'000	No stated maturity N'000	0 – 90 days N'000	91 – 180 days N'000	180 – 365 days N'000	1 – 5 years N'000	> 5 years N'000
Financial assets:							
Cash and cash equivalents	5,605,227		5,605,227	–	–	–	–
Reinsurance receivables	5,613,677		1,024,840	542,947	1,173,077	2,470,741	402,072
Loans and other receivables	370,833		370,833	–	–	–	–
Retrocession assets	279,247		279,247	–	–	–	–
Other assets	519,180		519,180	–	–	–	–
Financial asset designated at fair value	170,285		170,285	–	–	–	–
Debt Securities							
Held to maturity							
Listed	2,412,515		–	–	–	2,412,515	–
Unlisted	2,320,007		–	–	–	2,320,007	–
Available for sale							
Listed	242,476		242,476	–	–	–	–
Equities							
Available for sale							
Listed	1,096,520		1,096,520	–	–	–	–
Unlisted	874,923		874,923	–	–	–	–
Statutory deposits	1,000,000		–	–	–	–	1,000,000
Non-financial asset:							
Investment properties	1,746,800		–	–	–	–	1,746,800
	22,251,690		10,183,531	542,947	1,173,077	7,203,263	3,148,872
Financial liabilities							
Other liabilities	220,092		220,092	–	–	–	–
Reinsurance creditors	1,169,024		1,169,024	–	–	–	–
	1,389,116		1,389,116	–	–	–	–

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent received in advance

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The Company At 31 December 2012	Carrying amount N'000	No stated maturity N'000	0 – 90 days N'000	91 – 180 days N'000	180 – 365 days N'000	1 – 5 years N'000	> 5 years N'000
Financial assets:							
Cash and cash equivalents	6,263,827		6,263,827	–	–	–	–
Reinsurance receivables	5,427,732		3,104,468	733,829	1,076,763	512,672	–
Loans and other receivables	192,575		192,575	–	–	–	–
Retrocession assets	779,147		779,147	–	–	–	–
Other assets	1,059,806		1,059,806	–	–	–	–
Financial asset designated at fair value	132,942		132,942	–	–	–	–
Debt Securities							
Held to maturity							
Listed	2,370,874		–	–	–	2,370,874	–
Unlisted	1,988,213		–	–	–	1,988,213	–
Available for sale							
Listed	253,897		253,897	–	–	–	–
Equities							
Available for sale							
Listed	1,002,407		1,002,407	–	–	–	–
Unlisted	654,092		654,092	–	–	–	–
Statutory deposits	1,000,000		–	–	–	–	1,000,000
Non-financial asset:	–						
Investment properties	1,661,000		–	–	–	–	1,661,000
	22,786,512		13,443,161	733,829	1,076,763	4,871,759	2,661,000
Financial liabilities							
Other liabilities	176,094		176,094	–	–	–	–
Reinsurance creditors	754,969		754,969	–	–	–	–
	931,063		931,063	–	–	–	–

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent received in advance.
Please refer to the maturity profile table on Note 40.2.3 on Liquidity risks, for the maturity analysis of financial instruments only.

The Group At 31 December 2013	Current N'000	Non-current N'000	Total N'000
Cash and cash equivalents	5,673,748	–	5,673,748
Financial asset designated as fair value	170,285	–	170,285
Loans and other receivables	379,174	–	379,174
Available-for-sale investments	2,259,534	–	2,259,534
Held to maturity investments	–	5,830,270	5,830,270
Reinsurance receivables	3,419,253	2,872,813	6,292,066
Retrocession assets	358,106	–	358,106
Deferred acquisition costs	1,428,293	–	1,428,293
Other assets	365,839	–	365,839
Investment properties	–	1,746,800	1,746,800
Intangible assets	–	9,667	9,667
Property, plant and equipment	–	611,628	611,628
Statutory deposits	–	1,000,000	1,000,000
Investment in subsidiary	–	–	–
Total assets	**14,054,232**	**12,071,178**	**26,125,410**
Liabilities			
Insurance contract liabilities	8,558,709	1,314,670	9,873,379
Reinsurance creditors	1,169,024	–	1,169,024
Other liabilities	311,142	–	311,142
Retirement benefit obligations	45,900	–	45,900
Current income tax	391,381	–	391,381
Deferred taxation	–	49,091	49,091
Total liabilities	**10,476,156**	**1,363,761**	**11,839,917**
Net maturity mismatch	3,578,076	10,707,417	14,285,493

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continued

The Company At 31 December 2013	Current N'000	Non-current N'000	Total N'000
Cash and cash equivalents	5,605,227	–	5,605,227
Financial asset designated as fair value	170,285	–	170,285
Loans and other receivables	370,833	–	370,833
Available-for-sale investments	2,213,919	–	2,213,919
Held to maturity investments	–	4,732,522	4,732,522
Reinsurance receivables	2,740,864	2,872,813	5,613,677
Retrocession assets	279,247	–	279,247
Deferred acquisition costs	1,213,441	–	1,213,441
Other assets	546,073	–	546,073
Investment properties	–	1,746,800	1,746,800
Intangible assets	–	9,667	9,667
Property, plant and equipment	–	553,200	553,200
Statutory deposits	–	1,000,000	1,000,000
Investment in subsidiary	–	987,405	987,405
Total assets	**13,139,889**	**11,902,407**	**25,042,296**
Liabilities			
Insurance contract liabilities	7,920,155	1,041,004	8,961,159
Reinsurance creditors	1,169,024	–	1,169,024
Other liabilities	288,057	–	288,057
Retirement benefit obligations	45,900	–	45,900
Current income tax	388,875	–	388,875
Deferred taxation	–	41,946	41,946
Total liabilities	**9,812,011**	**1,082,950**	**10,894,961**
Net maturity mismatch	3,327,878	10,819,457	14,147,335

The Company At 31 December 2012	Current N'000	Non-current N'000	Total N'000
Cash and cash equivalents	6,263,827	–	6,263,827
Financial asset designated as fair value	132,942	–	132,942
Loans and other receivables	192,575	–	192,575
Available-for-sale investments	1,910,396	–	1,910,396
Held to maturity investments	–	4,359,087	4,359,087
Reinsurance receivables	4,915,060	512,672	5,427,732
Retrocession assets	779,147	–	779,147
Deferred acquisition costs	1,077,360	–	1,077,360
Other assets	1,113,603	–	1,113,603
Investment properties		1,661,000	1,661,000
Intangible assets	–	17,075	17,075
Property, plant and equipment	–	114,695	114,695
Statutory deposits	–	1,000,000	1,000,000
Total assets	**16,384,910**	**7,664,529**	**24,049,439**
Liabilities			
Insurance contract liabilities	8,110,277	1,127,174	9,237,451
Reinsurance creditors	754,969	–	754,969
Other liabilities	252,265	–	252,265
Retirement benefit obligations	164,110	–	164,110
Current income tax	401,617	–	401,617
Deferred taxation	–	3,660	3,660
Total liabilities	**9,683,238**	**1,130,834**	**10,814,072**
Net maturity mismatch	6,701,672	6,533,695	13,235,367

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continued

40.2.1 Sensitivities

The sensitivity analysis below are based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values.

(a) Sensitivity analysis – interest rate risk

The Group defines interest rate risk as the risk of loss arising from changes in interest rates that will affect future profitability or fair values of financial instruments. The Group is exposed to this risk on some of its investments and mitigates this risk by actively monitoring changes in interest rate in all countries where it has cash and interest-bearing investments.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

A 100 basis point movement in interest rates will result in additional interest income or less for the Group of N105.007 million and Company N79.952 million (2012:N112.053 million).

(b) Sensitivity analysis – Market price risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of change in market prices (other than those arising from interest rate risk and currency risk) whether those changes are caused by factors specific to the individual security or its issuer or factors affecting the all securities traded in a market.

The Group equity price risk exposure relates to financial assets whose value fluctuates as a result of changes in market prices.

The Group also has unquoted equities classified as available-for-sale whose fair value is determined using a valuation technique because of the lack of active market for these instruments.

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

A 1% movement in market prices will result in an unrealised gain or loss for the Group of N17.923 million and Company N15.442 million (December 2012:N13.892 million).

Management monitors movements of financial assets and equity price risk movements on a monthly basis by assessing the expected changes in the different portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Group's equity instruments in that particular index moving proportionally.

(c) Sensitivity analysis – currency risk

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group carries out an asset liability matching exercise to ensure an adequate currency match between assets and liability so that any net movement in currency is minimal on the financial statements.

A 1% movement in foreign exchange rate against the Naira will result in N77.223 million gain or loss for the Group and Company of N58.320 million (2012:N72.014 million).

In addition, the Group's retrocession programme is denominated in US dollars and provides a stable hard currency platform to hedge against the fluctuations of the various African currencies.

The Group 31 December 2013	Naira N'000	USD N'000	Euro N'000	Other N'000	Total N'000
Assets					
Cash and cash equivalents	4,879,240	458,759	–	335,749	5,673,748
Reinsurance receivables	2,160,732	1,665,618	241,199	2,224,517	6,292,066
Investment securities	5,293,391	1,398,634	–	1,397,779	8,089,804
Liabilities					
Other liabilities	311,142	–	–	–	311,142

The Company 31 December 2013					
Assets					
Cash and cash equivalents	4,879,240	445,055	–	280,932	5,605,227
Reinsurance receivables	2,160,732	1,665,618	207,280	1,580,047	5,613,677
Investment securities	5,293,391	1,398,634	–	254,416	6,946,441
Liabilities					
Other liabilities	288,057	–	–	–	288,057

The Company 31 December 2012					
Assets					
Cash and cash equivalents	3,032,324	587,659	–	2,643,845	6,263,827
Reinsurance receivables	2,039,468	1,607,092	119,674	1,661,498	5,427,732
Investment securities	5,687,893	421,790	–	159,800	6,269,483
Liabilities					
Other liabilities	176,094	–	–	–	176,094

Notes to the consolidated financial statements
continued

40.2.2 Credit risk

Credit Risk is the risk that one party to a financial instrument will fail to honour its obligations and cause the Group to incur a financial loss. Credit risk arises mainly from 3 sources: retrocession, reinsurance receivables and cash and investment securities.

On retrocession, the Group mitigates credit risk by applying minimum security standards for all its retrocession programmes in terms of the credit rating of the retrocessionaires, and the proportion ceded to each retrocessionaire. The Group has a diverse panel of retrocessionaires to avoid concentration risk.

The credit rating profile of our retrocessionaires by product is shown below:

Credit Rating	Fire and Engineering	Marine and Aviation	Motor, Accident and Liability	Energy
AA+	8%	0%	0%	0%
A+	13%	14%	0%	11%
A	22%	68%	65%	79%
A–	45%	11%	20%	10%
BBB–	2%	0%	0%	0%
B++	7%	7%	5%	0%
B+	4%	0%	10%	0%
Total	**100%**	**100%**	**100%**	**100%**

The overdue premiums are considered by the Group on case by case basis. If an overdue premium is recognised by the Group as uncollectible, a notification is sent to the cedants(ceding companies) and the reinsurance agreement is assigned for monitoring from the date of notification. The uncollectible portion of the premium receivable is considered as impaired and charged through the statement of comprehensive income.

On insurance receivables, the Group has a credit control policy which is enforced by a credit control unit and which forms part of the underwriting process.
In addition, the Group re-assesses its insurance receivables on a regular basis and makes adequate provisions based on ageing and credit quality.
The table below shows the ageing of receivables:

	Maximum exposure		
Maximum exposure to credit risk before collateral held or other credit enhancements:	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Cash and cash equivalents	5,673,748	5,605,227	6,263,827
Reinsurance receivables	6,292,066	5,613,677	5,427,732
Loans and other receivables	379,174	370,833	192,575
Debt securities	6,096,972	4,974,998	4,612,984
Total assets bearing credit risk	18,441,960	16,564,735	16,497,118

Age analysis for past due and impaired – The Group	Cash and cash equivalents N'000	Reinsurance receivables N'000	Loans and other receivables N'000	Debt securities N'000	Total N'000
31 December 2013					
Neither past due nor impaired	5,673,748	3,893,533	221,301	6,096,972	15,885,554
Past due but not impaired	–	2,398,534	–	–	2,398,534
Impaired	–	3,341,818	307,986	–	3,649,804
Gross	5,673,748	9,633,885	529,287	6,096,972	21,933,892
Impairment allowance	–	–	–	–	–
Collective	–	(3,341,819)	(150,113)	–	(3,491,932)
Net	5,673,748	6,292,066	379,174	6,096,972	18,441,960

Age analysis for past due and impaired – The Company					
31 December 2013					
Neither past due nor impaired	5,605,227	3,218,928	212,960	4,974,998	14,012,113
Past due but not impaired	–	2,394,750	–	–	2,394,750
Impaired	–	3,341,818	307,986	–	3,649,804
Gross	5,605,227	8,955,496	520,946	4,974,998	20,056,667
Impairment allowance	–	–	–	–	–
Collective	–	(3,341,819)	(150,113)	–	(3,491,932)
Net	5,605,227	5,613,677	370,833	4,974,998	16,564,735
31 December 2012					
Neither past due nor impaired	6,263,827	3,186,144	192,575	4,612,984	14,255,530
Past due but not impaired	–	1,810,591	–	–	1,810,591
Impaired	–	3,249,626	48,217	–	3,297,843
Gross	6,263,827	8,246,361	240,792	4,612,984	19,363,964
Impairment allowance	–	–	–	–	–
Collective	–	(2,818,629)	(48,217)	–	(2,866,846)
Net	6,263,827	5,427,732	192,575	4,612,984	16,497,118

Notes to the consolidated financial statements
continued

(a) Financial assets neither past due nor impaired
The credit quality of the portfolio of insurance receivables and other loans and receivables, debt securities and other financial asset exposed to credit risk that were neither past due nor impaired can be assessed by reference to the capacity of the business to pay on written businesses.

The Group does not rate any of its financial assets measured at amortised cost.

The assets page before are analysed in the table below using Standard & Poors (S&P) rating (or equivalent when not available from S&P)

The Group	AA+ N'000	A+ N'000	A N'000	BBB– N'000	Below BBB N'000	Not rated N'000	Total N'000
31 December 2013							
Cash and cash equivalents	–	5,673,748	–	–	–	–	5,673,748
Reinsurance receivables	–	–	–	–	–	3,893,533	3,893,533
Loans and other receivables	–	–	–	–	–	379,174	379,174
Debt securities	–	3,546,636	2,550,336	–	–	–	6,096,972
The Company							
31 December 2013							
Cash and cash equivalents	–	5,605,227	–	–	–	–	5,605,227
Reinsurance receivables	–	–	–	–	–	3,218,928	3,218,928
Loans and other receivables	–	–	–	–	–	370,833	370,833
Debt securities	–	2,654,991	2,320,007	–	–	–	4,974,998
31 December 2012							
Cash and cash equivalents	–	6,263,827	–	–	–	–	6,263,827
Reinsurance receivables	–	–	–	–	–	3,186,144	3,186,144
Loans and other receivables	–	–	–	–	–	192,575	192,575
Debt securities	–	2,624,770	1,988,214	–	–	–	4,612,984

(b) Age Analysis financial assets past due but not impaired

The Group 31 December 2013	< 90 days N'000	91–180 days N'000	181–270 days N'000	271–365 days N'000	1–2 yrs N'000	2–3 yrs N'000	Total N'000
Life	344,595	233,639	168,940	204,024	413,389	261,959	1,626,547
Non-Life	1,052,013	431,606	526,860	455,754	1,199,057	1,000,229	4,665,519
Total	1,396,608	665,245	695,800	659,778	1,612,446	1,262,188	6,292,066
Profile	22%	11%	11%	10%	26%	20%	100%
The Company							
31 December 2013							
Life	315,068	223,973	154,815	203,725	413,389	261,959	1,572,929
Non-Life	707,951	318,974	362,268	452,269	1,199,057	1,000,229	4,040,748
Total	1,023,019	542,947	517,083	655,994	1,612,446	1,262,188	5,613,677
Profile	18%	10%	9%	12%	29%	22%	100%
31 December 2012							
Life	503,527	80,877	106,555	63,842	17,382	–	772,182
Non–Life	2,682,617	652,952	589,513	316,853	413,615	–	4,655,550
Total	3,186,144	733,829	696,068	380,695	430,997	–	5,427,732
Profile	59%	14%	13%	7%	8%	0%	100%

Impaired financial assets

At 31 December 2013, the Group impaired reinsurance receivables was N3,341,818,000, Company N3,341,818,000 (2012:N2,818,629,000).

For assets to be classified as 'past-due and impaired' contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

The Group records impairment allowances for loans and receivables in a separate impairment allowance account. See Note 15.1 for the reconciliation of allowance for reinsurance receivables account.

Notes to the consolidated financial statements
continued

40.2.2.1 Concentration of credit risk

Concentration risk (including geographical risk) includes identification of the concentration of risks insured by Continental Reinsurance Plc utilize data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business.

The assessment of the concentration risk is consistent with the overall risk appetite as established by the Group. Continental Reinsurance monitors concentration of credit risk by geographical and nature of business. An analysis of concentrations of credit risk for reinsurance receivables are set out below:

(a) Geographical sectors

At 31 December	Group 2013 N'000	Company 2013 N'000	Company 2012 N'000
Nigeria	2,431,183	2,431,183	3,335,558
Cameroon	1,758,031	1,758,031	1,248,408
Kenya	1,086,269	407,880	843,767
Abidjan + Tunis	717,232	717,232	–
Garborone	299,351	299,351	–
Total	**6,292,066**	**5,613,677**	**5,427,732**

(b) Business Class

At 31 December			
Life operation	1,626,547	1,572,929	772,182
Non life Facultative	2,788,626	2,351,286	1,849,212
Non life Treaty	1,876,893	1,689,462	2,806,339
Total	**6,292,066**	**5,613,677**	**5,427,732**

40.2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its insurance liabilities as they fall due. The Group mitigates this risk by having an investment strategy which focuses on liquidity and capital preservation before investment returns.

In addition, the actuarial team carries out an asset liability matching exercise to ensure that the Group will meet its liquidity requirements. Finally the Group's asset allocation is defined to enable insurance liabilities to be paid from current assets.

The table below presents the cash flows receivable/payable by the Group and the Company. The amounts disclosed in the table are the contractual undiscounted cash flows. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows.

The Group 31 December 2013	0 – 30 days N'000	31 – 90 days N'000	91 – 180 days N'000	181 – 365 days N'000	Over 1 year but less than 5 yrs N'000	Over 5 yrs N'000	Total N'000
Financial assets							
Cash and cash equivalents	5,673,748	–	–	–	–	–	5,673,748
Reinsurance receivables	918,144	480,286	665,245	1,355,578	2,470,741	402,072	6,292,066
Loans and other receivables	379,174	–	–	–	–	–	379,174
Other assets	333,495	–	–	–	–	–	333,495
Retrocession assets	358,106	–	–	–	–	–	358,106
Debt Securities at amortised cost	236,332	586,581	332,561	944,062	4,453,175	–	6,552,711
Debt Securities at available for sale	2,792	5,585	8,377	17,220	328,160	–	362,134
Total relevant financial assets	**7,901,791**	**1,072,452**	**340,938**	**961,282**	**4,781,335**	**–**	**19,951,434**
Financial liabilities							
Other liabilities	220,092	–	–	–	–	–	220,092
Total financial liabilities	**220,092**	**–**	**–**	**–**	**–**	**–**	**220,092**
Insurance contract liabilities	–	8,558,709	–	–	1,314,670	–	9,873,379

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The Company 31 December 2013	0 – 30 days N'000	31 – 90 days N'000	91 – 180 days N'000	181 – 365 days N'000	Over 1 year but less than 5 yrs N'000	Over 5 years N'000	Total N'000
Financial assets							
Cash and cash equivalents	5,605,227	–	–	–	–	–	5,605,227
Reinsurance receivables	656,085	368,755	542,947	1,173,077	2,470,741	402,072	5,613,677
Loans and other receivables	370,833	–	–	–	–	–	370,833
Other assets	519,180	–	–	–	–	–	519,180
Retrocession assets	279,247	–	–	–	–	–	279,247
Debt Securities at amortised cost	236,332	586,581	332,561	944,062	3,355,427	–	5,454,963
Debt Securities at available for sale	2,792	5,585	8,377	17,220	303,934	–	337,908
Total relevant financial assets	**7,669,696**	**960,921**	**340,938**	**961,282**	**3,659,361**	**–**	**18,181,035**
Financial liabilities							
Other liabilities	220,092	–	–	–	–	–	220,092
Total financial liabilities	**220,092**	**–**	**–**	**–**	**–**	**–**	**220,092**
Insurance contract liabilities	–	7,920,155	–	–	1,041,004	–	8,961,159

The Company 31 December 2012	0 – 30 days N'000	31 – 90 days N'000	91 – 180 days N'000	181 – 365 days N'000	Over 1 year but less than 5 yrs N'000	Over 5 years N'000	Total N'000
Financial assets							–
Cash and cash equivalents	6,263,827	–	–	–	–	–	6,263,827
Reinsurance receivables	1,987,427	1,117,041	733,829	1,076,763	512,672	–	5,427,732
Loans and other receivables	192,575	–	–	–	–	–	192,575
Other assets	1,059,806	–	–	–	–	–	1,059,806
Retrocession assets	779,147	–	–	–	–	–	779,147
Debt Securities at amortised cost	186,034	477,541	226,613	870,872	3,188,027	–	4,949,087
Debt Securities at available-for-sale	2,786	5,573	8,359	17,182	270,272	91,829	396,001
Total relevant financial assets	**10,471,602**	**1,600,155**	**968,801**	**1,964,817**	**3,970,971**	**91,829**	**19,068,175**
Financial liabilities							
Other liabilities	176,094	–	–	–	–	–	176,094
Total financial liabilities	**176,094**	**–**	**–**	**–**	**–**	**–**	**176,094**
Insurance contract liabilities	–	8,110,277	–	–	1,127,174	–	9,237,451

40.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	At 31 December 2013				At 31 December 2012	
	Group		Company		Company	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
Financial assets						
Cash and cash equivalents	5,673,748	5,673,748	5,605,227	5,605,227	6,263,827	6,263,827
Reinsurance receivables	6,292,066	6,292,066	5,613,677	5,613,677	5,427,732	5,427,732
Loans and other receivables	379,174	379,174	370,833	370,833	192,575	192,575
Other assets	365,839	365,839	546,073	546,073	1,113,603	1,113,603
Retrocession assets	358,106	358,106	279,247	279,247	779,147	779,147
Debt securities at amortised cost						
Listed	3,279,934	3,340,082	2,412,515	2,471,393	2,370,874	2,456,189
Unlisted	2,550,336	2,387,493	2,320,007	2,158,429	1,988,212	1,849,742
Financial liabilities						
Other liabilities	239,579	239,579	220,440	220,440	176,094	176,094

Note: Financial liabilities carrying amounts approximates their fair value

(b) Financial instruments measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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continued

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The Group 31 December 2013	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets				
Financial asset designated at fair value	170,285	–	–	170,285
Debt securities at available for sale				
Listed	266,702	–	–	266,702
Equity securities at available for sale				
Listed	1,117,909	–	–	1,117,909
Unlisted	–	504,400	370,523	874,923

The Company 31 December 2013	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets				
Financial asset designated at fair value	170,285	–	–	170,285
Debt securities at available for sale				
Listed	242,476	–	–	242,476
Equity securities at available for sale				
Listed	1,096,520	–	–	1,096,520
Unlisted	–	504,400	370,523	874,923

31 December 2012	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Financial assets				
Financial asset designated at fair value	132,942	–	–	132,942
Debt securities at available for sale				
Listed	253,897	–	–	253,897
Equity securities at available for sale				
Listed	1,002,407	–	–	1,002,407
Unlisted	–	386,573	267,519	654,092

(c) Fair valuation methods and assumptions

Financial assets and liabilities

(i) Cash and cash equivalents

Cash and cash equivalents represent cash and placement held with banks for short-term. The carrying amount of these balances approximates their fair value.

(ii) Other assets and other liabilities

Other assets represent monetary assets which usually has a short recycle period and other liabilities represents amount outstanding on account payables. And as such the fair values of these balances approximate their carrying amount.

(iii) Equity and Bond prices

Listed equities were fair valued using quoted prices from the Nigeria Stock Exchange. Available-for-sale bond portfolios were measured using prices from Financial Market Dealer Association (FMDA).

Unlisted equities were fair valued using recent market prices from Over-the-counter market and in some instances, net asset valuation technique. For unlisted bonds, valuation is done using market information of bonds with similar credit characteristics.

(iv) Other assets and liabilities including loans and receivables

Other assets and liabilities represent financial instruments which usually has a short recycle period and as such the carrying amount of these instruments represent their fair values.

40.4 Capital management and solvency margin

Continental Reinsurance Plc capital management strategy focus on the creation of shareholders' value whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfies regulators.

The Group's objectives when managing capital are as follows:

- To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Company;
- To generate sufficient capital to support the Company's overall business strategy;
- To ensure that the Company meets all regulatory capital ratios and the prudent buffer required by the Board.

Solvency and the use of regulatory capital are monitored periodically by the company's management, employing techniques based on the guidelines developed by the NAICOM, for supervisory purposes. Regulatory capital requirements are designed to monitor capital adequacy and to protect policyholders.

The National Insurance Commission requires each registered insurance company to:

(a) hold the minimum level of the regulatory capital of

and

(b) maintain a minimum ratio of solvency margin of 15% .

During the period under review, all businesses within the Group complied with the solvency margin regulation as stated by National Insurance Commission.

Consolidated statement of value added

	Group 2013 N'000	%	Company 2013 N'000	%	Company 2012 N'000	%
Net premium income:						
Local	8,694,800		8,694,800		7,471,737	
Foreign	4,656,103		3,562,923		2,920,297	
Other income	1,605,247		1,364,428		1,459,705	
	14,956,150		13,622,151		11,851,739	
Claims, commission, charges						
and management expenses						
local	(7,070,091)		(7,070,091)		(6,259,322)	
imported	(4,703,579)		(3,673,515)		(2,644,185)	
	3,182,480	100.0	2,878,545	100.0	2,948,232	100.0
Applied as follows:						
To pay employees:						
Salaries, pension and other allowances	827,487	26.0	769,401	26.7	714,135	24.1
To pay Government:						
Income tax	436,796	13.7	378,900	13.2	391,642	13.3
Information technology levy	20,014	0.6	20,014	0.7	20,536	0.7
Retained for growth and payment of dividend to shareholders:						
Depreciation and amortistion	101,585	3.2	87,720	3.0	81,138	2.8
Deferred taxation	43,198	1.4	36,053	1.3	7,797	0.3
Profit for the year	1,753,400	55.1	1,586,457	55.1	1,732,984	58.8
	3,182,480	100.0	2,878,545	100.0	2,948,232	100.0

Value added is the wealth created by the efforts of the Company and subsidiary and its employees and its allocation between employees, shareholders, government and re-investment for the future creation of further wealth.

Five year financial summary

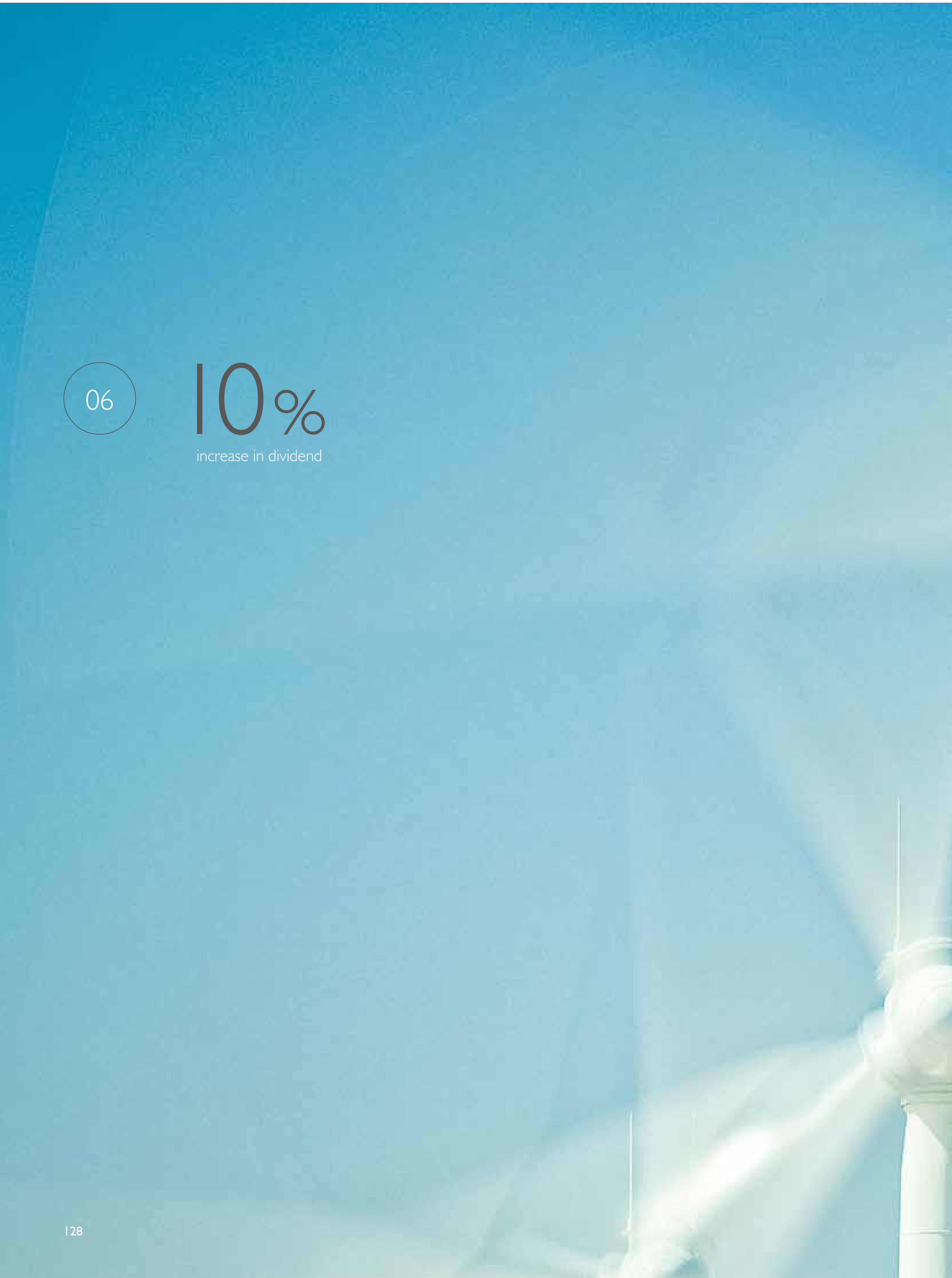
	IFRS				NGAAP
	31 DECEMBER				
	2013 N'000	2012 N'000	2011 N'000	2010 N'000	2009 N'000
Assets					
Cash and cash equivalents	5,605,227	6,263,827	5,815,044	5,655,176	–
Cash and bank balances	–	–	–	–	338,216
Short-term investments	–	–	–	–	6,648,097
Financial asset held for trading	170,285	132,942	108,956	175,031	–
Loans and other receivables	370,833	192,575	153,584	144,706	–
Available-for-sale investments	2,213,919	1,910,396	1,736,086	1,876,705	–
Held to maturity investments	4,732,522	4,359,087	5,076,223	4,056,865	–
Reinsurance debtors	–	–	–	–	3,349,515
Reinsurance receivables	5,613,677	5,427,732	4,602,289	3,988,642	–
Retrocession assets	279,247	779,147	146,974	101,470	–
Deferred acquisition costs	1,213,441	1,077,360	975,157	930,234	–
Other assets	546,073	1,113,603	181,718	34,638	–
Treasury bills	–	–	–	–	–
Prepayments and other debit balances	–	–	–	–	698,109
Long-term investments	–	–	–	–	2,622,852
Investment properties	1,746,800	1,661,000	1,653,500	1,557,834	827,629
Intangible assets	9,667	17,075	4,913	9,239	–
Property, plant and equipment	553,200	114,695	103,423	106,687	160,391
Investments in subsidiary	987,405	–	–	–	–
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**25,042,296**	**24,049,439**	**21,557,867**	**19,637,227**	**15,644,809**
Liabilities					
Insurance contract liabilities	8,961,159	9,237,451	7,747,320	6,686,979	–
Insurance funds		–	–	–	2,538,230
Outstanding claims		–	–	–	884,096
Creditors and accruals		–	–	–	784,109
Reinsurance creditors	1,169,024	754,969	722,385	275,970	–
Other liabilities	288,057	252,265	345,897	356,866	–
Retirement benefit obligation	45,900	164,110	3,893	75,690	–
Dividend payable		–	–	–	36,345
Current income tax payable	388,875	401,617	381,624	336,074	213,266
Deferred tax liabilities	41,946	3,660	41,470	31,448	19,146
Total liabilities	**10,894,961**	**10,814,072**	**9,242,589**	**7,763,027**	**4,475,192**

Five year financial summary
continued

	IFRS			NGAAP	
	31 DECEMBER				
Equity	2013 N'000	2012 N'000	2011 N'000	2010 N'000	2009 N'000
Share capital	5,186,372	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	3,915,451	3,915,451	3,915,451	3,915,451	3,915,451
Retained earnings	2,423,196	2,344,587	1,986,024	1,662,242	635,747
Revaluation reserve		–	–	–	90,401
Contingency reserve	2,349,131	1,873,319	1,435,136	1,094,207	772,680
Exchange equalization reserve		–	–	–	568,966
Available-for-sale reserve	273,185	(84,362)	(207,705)	15,928	–
Total equity	**14,147,335**	**13,235,367**	**12,315,278**	**11,874,200**	**11,169,617**
Total equity and liabilities	**25,042,296**	**24,049,439**	**21,557,867**	**19,637,227**	**15,644,809**

Income statement					
Gross premium	14,053,252	12,397,652	11,647,038	11,644,720	7,403,914
Profit before income tax	2,001,410	2,132,423	1,829,729	1,585,000	979,814
Income tax expense	(414,953)	(399,439)	(387,150)	(354,766)	(74,597)
Profit after taxation	1,586,457	1,732,984	1,442,579	1,230,234	905,217
Appropriations:					
Transfer to contingency reserve	475,812	438,183	340,929	321,526	204,085
Transfer to retained earnings	1,110,645	1,294,801	1,101,650	908,708	701,132
Earnings per share (kobo)	15	17	14	12	9
Net assets per share (kobo)	136	128	119	115	108

Note: Earnings and dividend per share were computed based on the profit for the year and on the number of issued and fully paid ordinary shares at the end of the year. Net assets per share were computed on the number of issued and fully paid ordinary shares at the end of the respective years.



06

10%

increase in dividend

Other information

Share capital history

	Authorised (NGN)		Issued & Fully Paid up (NGN)		
Date	Increase	Cumulative	Increase	Cumulative	Consideration
1985	–	10,000,000	–	–	–
1986	–	10,000,000	–	5,070,000	Cash
1987	–	10,000,000	3,730,000	8,800,000	Cash
1988	5,000,000	15,000,000	1,200,000	10,000,000	Cash
1989	–	15,000,000	2,450,000	12,450,000	Cash
1990	–	15,000,000	1,490,000	13,940,000	Cash
1991	–	15,000,000	1,060,000	15,000,000	Cash
1992	85,000,000	100,000,000	4,918,000	19,918,000	Cash
1993	–	100,000,000	10,934,000	30,852,000	Cash and Bonus (1 for 15)
1994	–	100,000,000	24,148,000	55,000,000	Cash and Bonus (1 for 8)
1995	–	100,000,000	17,012,000	72,012,000	Cash and Bonus (1 for 15)
1996	–	100,000,000	6,197,237	78,209,237	Cash, Stock split (N1,000 to N1)
1997	100,000,000	200,000,000	36,317,763	114,527,000	Cash
1998	–	200,000,000	35,487,588	150,014,588	Cash and Bonus (1 for 10)
1999	300,000,000	500,000,000	29,985,414	180,000,002	Cash and Bonus (1 for 15)
2000	–	500,000,000	12,000,000	192,000,002	Cash
2001	–	500,000,000	63,598,223	255,598,225	Cash and Bonus (1 for 8)
2002	–	500,000,000	44,503,325	300,101,550	Cash and Bonus (1 for 6)
2003	500,000,000	1,000,000,000	103,565,104	403,666,654	Cash and Bonus (1 for 4)
2004	–	1,000,000,000	254,674,470	658,241,124	Cash and Bonus (1 for 9)
2005	1,000,000,000	2,000,000,000	198,566,308	856,907,432	Cash and Bonus (1 for 9)
2006	5,5000,000,000	7,500,000,000	383,683,372	1,240,590,804	Cash
2007	–	7,500,000,000	3,945,781,353	5,186,372,157	Cash, Stock split (N1 to N0.50)
2008	–	7,500,000,000	–	5,186,372,157	–
2009	–	7,500,000,000	–	5,186,372,157	–
2010	–	7,500,000,000	–	5,186,372,157	–
2011	–	7,500,000,000	–	5,186,372,157	–
2012	–	7,500,000,000	–	5,186,372,157	–
2013	5,000,000,000	12,500,000.000	–	5,186,372,157	–

Proxy form

Continental Reinsurance Plc RC : 73956.

27th Annual General Meeting to be held at Victoria Crown Plaza (VCP) Hotel, 292b, Aajose Adeogun Street, Victoria Island, Lagos on, Tuesday, August 12, 2014 at 11.00am.

I/We ________________________________being a member/members of CONTINENTAL REINSURANCE PLC,

hereby appoint** ________________________________of ________________________________ or failing him,

the Chairman as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting

of the Company to be held on ____, 2014 and at any

and every adjournment thereof.

Dated this________________________________day of ________________________________ 2014

Shareholder's Signature____

RESOLUTIONS

	FOR	AGAINST
To receive the Audited Financial Statements and the Reports of the Directors, Auditors and Audit Committee		
To declare a dividend		
To re-elect Mr. Bakary Kamara		
To authorize the Directors to fix the remuneration of the Auditors		
To elect members of the Audit Committee.		
To approve the remuneration of the Directors.		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise indicated, the proxy will vote or abstain at his/her discretion

Notes

1. A member (shareholder) who is unable to attend the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. This Proxy Form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting.
2. Provision has also been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert, in the space marked **, the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf.
3. In the case of joint shareholders, the signature of any of them will suffice, but the names of all Joint Shareholders must be stated.
4. The appoint a proxy using this form, the form must be completed and signed and must be deposited at the registered office of the Company or the office of the Registrars, Sterling Registrars Limited, 24, Campbell Street, Lagos not later than 48 hours before the time for holding the meeting.
5. If this Proxy form is executed by a corporate shareholder, it must be sealed under the common seal of the corporate shareholder or under the hand of an officer or attorney duly authorized in that behalf.
6. It is the requirement of the law under the Stamp Duties Act Cap. S8 LFN 2004, that any instrument of Proxy to be used for the purpose of voting by any persons entitled to vote at any meeting of shareholders, must bear the appropriate stamp duty and not adhesive postage stamps.
TO BE VALID, THIS FORM MUST ACCORDINGLY, BE STAMPED AT THE STAMP DUTIES OFFICE.

Before posting or depositing the above form, please tear off the admission card below and retain it for admission to the meeting.

Admission Card

Continental Reinsurance Plc RC : 73956

Number of shares held ____

Please admit the shareholder named on this form or his duly appointed proxy to the 27th Annual General Meeting to be held at Victoria Crown Plaza (VCP) Hotel, 292b, Ajose Adeogun Street, Victoria Island, Lagos on Tuesday, August 12, 2014.

Name of shareholder ____

Name of person attending ____

Signature of person attending ____

NOTE:
You are requested to sign this form at the entrance in the presence of the Registrar on the day of the Annual General Meeting.

The Registrar
Sterling Registrars Limited,
8th Floor, Knight Frank Building
24, Campbell Street
Lagos

CONTINENTAL REINSURANCE
...sustainable trust

Mandate form for E-Dividend payment

The Registrar,
Sterling Registrars Limited
8th Floor, Knight Frank Building,
24, Campbell Street, Lagos.
Tel: 01-2806987, 7303445
Tel/Fax: 2806987

Date:____________________________

I/We hereby request that from now on, all dividends due or which may be due to me/us from my/our holding in Continental Reinsurance Plc, be paid directly to my/our Bank Account named below:

Surname/Company's Name:
Other Names (for Individual Shareholder):
Current Postal Address:
E-mail Address:
Mobile No(s):
Name of Bank:
Bank Branch:
Bank Branch Address:
Bank Account Number:
Bank Sort Code:

Shareholder's right thumbprint or signature:

Corporate Shareholder:

Authorized Signature(s):

Company Seal /Incorporation Number (Corporate Shareholder)

BANK AUTHORISED SIGNATURE AND BANK STAMP

PLEASE COMPLETE AND RETURN TO THE REGISTRARS

The Registrar
Sterling Registrars Limited,
8th Floor, Knight Frank Building
24, Campbell Street
Lagos

Data update form

The Registrar,
Sterling Registrars Limited
8th Floor, Knight Frank Building,
24, Campbell Street, Lagos.
Tel: 01-2806987, 7303445
Tel/Fax: 2806987

Date:____________________________

Shareholder Account No:
CSCS Number
Surname/Company's Name:
Other Name (Individual Shareholder):
E-mail Address:
Mobile Phone Numbers:
Current postal address:

Signature(s)

The Registrar
Sterling Registrars Limited,
8th Floor, Knight Frank Building
24, Campbell Street
Lagos

Notes

Notes

Continental Reinsurance

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St. Nicholas House (8th Floor)
6 Catholic Mission Street
Lagos Island
P.O. Box 2401
Lagos
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Telephone +234-0700 7346 7873

Cameroon
Rue Ngosso Din
Derriere Pharmacie de la Cote Bali
P.O. Box 4745
Douala
Cameroon

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Lenana Road
P.O. Box 76326-00508
Nairobi
Kenya

Côte d'Ivoire
1er étage imm. SCI Kali
Rue Pierre Marie Curie
Zone 4C/Marcory 01
B.P. 1073
Abidjan 01
Côte d'Ivoire

Tunisia
Rue Lac Léman
Imm Regency- Bloc "C"
2ème étage- Bur 207
1053 Les Berges du Lac
Tunis
Tunisia

www.continental-re.com