

Continental Reinsurance Plc

Consolidated statement of changes in equity
for the year ended 31 December 2015

Group	Notes	Attributable to the equity holders of the parent							Total equity =N='000
		Share capital (Note 28) =N='000	Share premium (Note 29) =N='000	Contingency reserve (Note 30) =N='000	Retained earnings (Note 31) =N='000	Available- for-sale reserve (Note 32.1) =N='000	Foreign currency translation reserve (Note 32.2) =N='000	Non controlling interest	
As at 1 January 2015		5,186,372	3,915,451	2,785,131	1,714,433	297,704	(101,723)	979,012	14,776,380
Change in shareholding		-	-	-	(18,442)	-	-	18,442	-
Profit for the year		-	-	-	2,002,631	-	-	140,157	2,142,788
Other comprehensive loss		-	-	-	(107,378)	(115,521)	(15,033)	(3,043)	(240,975)
		5,186,372	3,915,451	2,785,131	3,591,244	182,183	(116,756)	1,134,568	16,678,193
Transfer of contingency reserve		-	-	629,477	(629,477)	-	-	-	-
Dividends declared	25.1	-	-	-	(1,141,002)	-	-	-	(1,141,002)
At 31 December 2015		5,186,372	3,915,451	3,414,608	1,820,765	182,183	(116,756)	1,134,568	15,537,191
As at 1 January 2014		5,186,372	3,915,451	2,420,096	2,519,174	276,794	(32,394)	-	14,285,493
At acquisition		-	-	-	-	-	-	885,297	885,297
Change in shareholding		-	-	-	(58,232)	-	-	58,232	-
Profit for the year		-	-	-	820,382	-	-	35,262	855,644
Other comprehensive (loss)/income		-	-	-	(60,854)	20,910	(69,329)	221	(109,052)
		5,186,372	3,915,451	2,420,096	3,220,470	297,704	(101,723)	979,012	15,917,382
Transfer of contingency reserve		-	-	365,035	(365,035)	-	-	-	-
Dividends declared	25.1	-	-	-	(1,141,002)	-	-	-	(1,141,002)
At 31 December 2014		5,186,372	3,915,451	2,785,131	1,714,433	297,704	(101,723)	979,012	14,776,380

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

Continental Reinsurance Plc

Consolidated statement of changes in equity - Continued
for the year ended 31 December 2015

Company	Notes	Attributable to the equity holders of the parent					Total equity
		Share capital	Share premium	Contingency reserve	Retained earnings	Available-for-sale reserve	
		(Note 27)	(Note 28)	(Note 29)	(Note 30)	(Note 31.1)	
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	
As at 1 January 2015		5,186,372	3,915,451	2,705,666	1,526,328	292,842	13,626,659
Profit for the year		-	-	-	1,934,387	-	1,934,387
Other comprehensive loss		-	-	-	(93,550)	(109,871)	(203,421)
		5,186,372	3,915,451	2,705,666	3,367,165	182,971	15,357,625
Transfer of contingency reserve		-	-	544,818	(544,818)	-	-
Dividends declared	25.1	-	-	-	(1,141,002)	-	(1,141,002)
At 31 December 2015		5,186,372	3,915,451	3,250,484	1,681,345	182,971	14,216,623
As at 1 January 2014		5,186,372	3,915,451	2,349,131	2,423,196	273,185	14,147,335
Profit for the year		-	-	-	661,523	-	661,523
Other comprehensive (loss)/income		-	-	-	(60,854)	19,657	(41,197)
		5,186,372	3,915,451	2,349,131	3,023,865	292,842	14,767,661
Transfer of contingency reserve		-	-	356,535	(356,535)	-	-
Dividends declared	25.1	-	-	-	(1,141,002)	-	(1,141,002)
At 31 December 2014		5,186,372	3,915,451	2,705,666	1,526,328	292,842	13,626,659

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

Continental Reinsurance Plc

Consolidated statement of cash flows for the year ended 31 December 2015

	Notes	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Cash flows from operating activities					
Premium received from policy holders		20,825,474	16,838,375	17,140,997	14,039,884
Retrocession receipts in respect of claims		289,960	507,181	156,042	485,414
Acquisition costs paid		(5,188,067)	(4,878,966)	(4,642,393)	(3,956,261)
Retrocession premium paid		(2,484,413)	(1,988,327)	(1,959,233)	(1,685,709)
Cash paid to and on behalf of employees		(1,063,312)	(1,231,477)	(861,001)	(1,021,258)
Other operating cash payment		(2,472,578)	(1,072,053)	(975,040)	(1,130,510)
Claims paid		(7,964,501)	(7,803,905)	(7,642,393)	(6,833,619)
Income taxes paid	8	(454,769)	(623,790)	(284,305)	(586,895)
Net cash generated by/(used in) operating activities	34	1,487,794	(252,962)	932,674	(688,954)
Cash flows from investing activities					
Purchase of property, plant and equipment	22	(519,414)	(201,341)	(516,148)	(131,687)
Purchase of investment properties		-	(1,096,597)	-	(1,096,597)
Proceed from disposal of investment property		445,000	-	445,000	-
Proceeds from disposal of property, plant and equipment		7,000	4,012	7,000	3,779
Purchase of investment securities		(2,390,781)	(1,767,464)	(1,256,251)	(491,454)
Proceeds on redemption /sales of investments		2,295,084	2,717,508	1,523,571	1,107,354
Interest received		1,120,218	846,214	902,941	838,546
Dividend received		235,052	148,027	235,052	148,027
Investment in subsidiary		-	-	-	(735,228)
Net cash generated by/(used in) investing activities		1,192,159	650,359	1,341,165	(357,260)
Cash flows from financing activities					
Dividends paid to equity holders parent	26.1	(588,600)	(1,141,002)	(588,600)	(1,141,002)
Net cash used in financing activities		(588,600)	(1,141,002)	(588,600)	(1,141,002)
Net increase/(decrease) in cash and cash equivalents		2,091,353	(743,605)	1,685,239	(2,187,216)
Cash and cash equivalents at beginning of year		5,878,360	6,630,640	4,337,192	6,526,753
Effect of exchange rate changes on cash and cash equivalents		(7,663)	(8,675)	(3,426)	(2,345)
Cash and cash equivalents at end of year	35	7,962,050	5,878,360	6,019,005	4,337,192

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

Continental Reinsurance Plc
Notes to the consolidated financial statements

1 Revenue	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
1.1 Insurance premium revenue				
<i>Premium revenue arising from insurance contracts issued</i>				
Life insurance contracts				
– Gross Premium	2,852,203	2,073,934	2,666,078	1,937,588
– Change in life insurance contract liabilities (Note 24.3)	(204,439)	(71,130)	(204,439)	(71,130)
Non life insurance contracts				
– Gross Premium	16,885,837	14,362,844	12,700,035	11,238,629
– Change in unearned premium provision	1,146,171	(211,908)	931,251	(35,558)
<i>Total Premium revenue arising from insurance contracts issued</i>	<u>20,679,772</u>	<u>16,153,740</u>	<u>16,092,925</u>	<u>13,069,529</u>
1.2 Insurance premium ceded to retrocessionaires				
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>				
Life insurance contracts	396,546	380,354	368,627	359,902
Non life insurance contracts	2,087,867	1,578,879	1,386,177	1,284,705
<i>Total Premium revenue ceded to retrocessionaire on insurance contracts issued</i>	<u>2,484,413</u>	<u>1,959,233</u>	<u>1,754,804</u>	<u>1,644,607</u>
Net insurance premium revenue	<u>18,195,359</u>	<u>14,194,507</u>	<u>14,338,121</u>	<u>11,424,922</u>
2 Insurance benefits and underwriting expenses				
2.1 Insurance claims and loss adjustment expenses				
Life insurance contracts	1,499,808	1,461,997	1,413,135	1,350,957
Non life insurance contracts	7,543,202	5,907,476	5,656,836	4,662,866
Total cost of policyholder benefits	9,043,010	7,369,473	7,069,971	6,013,823
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(289,960)	(489,306)	(156,042)	(485,414)
Net insurance benefits and claims	<u>8,753,050</u>	<u>6,880,167</u>	<u>6,913,929</u>	<u>5,528,409</u>
2.2 Underwriting expenses				
Amortisation of deferred expenses (Note 17)	4,010,093	3,897,913	3,964,784	3,009,305
Costs incurred for the maintenance of insurance contracts	1,495,854	271,430	356,541	271,431
Management expenses (See Note 6.1)	1,880,659	1,777,932	1,740,040	1,657,529
Total underwriting expenses	<u>7,386,606</u>	<u>5,947,275</u>	<u>6,061,365</u>	<u>4,938,265</u>
Total insurance benefits and underwriting expenses	<u>16,139,656</u>	<u>12,827,442</u>	<u>12,975,294</u>	<u>10,466,674</u>
3 Interest income				
Cash and bank balances interest income	589,068	480,757	421,050	412,323
Held-to-maturity and loans and receivables interest income	428,052	331,989	378,793	298,527
Statutory deposits interest income	103,098	127,696	103,098	127,696
Interest income	<u>1,120,218</u>	<u>940,442</u>	<u>902,941</u>	<u>838,546</u>
4 Net fair value gains/(loss) on assets at fair value through profit or loss				
Net fair value gains on financial assets designated at fair value through profit or loss	11,651	48,437	8,691	(7,467)
Fair value gains on investment properties	147,107	83,559	147,107	83,559
Total	<u>158,758</u>	<u>131,996</u>	<u>155,798</u>	<u>76,092</u>

Continental Reinsurance Plc
Notes to the consolidated financial statements - Continued

5 Other income	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
<i>Available-for-sale:</i>				

– Dividends	235,631	148,529	235,052	148,027
– Gain on disposal of available-for-sale securities	93,221	54,841	93,221	54,841
Rental income on investment properties (Note 20)	125,830	88,837	125,830	88,837
Other income	144,209	61,255	67,129	60,208
	<u>598,891</u>	<u>353,462</u>	<u>521,232</u>	<u>351,913</u>

6 Operating expenses

6.1 Management and administrative expenses

Management expenses (Note 2.2)	1,880,659	1,777,932	1,740,040	1,657,529
Administrative expenses	993,903	572,385	437,198	280,864
	<u>2,874,562</u>	<u>2,350,317</u>	<u>2,177,238</u>	<u>1,938,393</u>

Management and administrative expenses comprises the following:

Depreciation and amortisation (Note 21 and 22)	109,974	89,969	70,320	73,831
Auditor's remuneration	28,537	23,936	17,400	14,000
Employee benefits expenses (Note 6.1.1)	1,063,312	942,589	861,001	836,879
Loss on disposal of property, plant and equipment	5,849	5,559	5,850	5,559
Productivity bonus	146,861	64,725	146,861	64,725
Professional fees	155,703	155,703	153,774	53,453
Overseas travelling expenses	117,563	117,428	110,574	117,845
Other operating expenses	1,246,763	950,409	811,458	772,101
Total management and administrative expenses	<u>2,874,562</u>	<u>2,350,317</u>	<u>2,177,238</u>	<u>1,938,393</u>

6.1.1 Employee benefit expense

Wages and salaries (local)	782,568	742,966	600,012	648,857
Wages and salaries (other regions)	147,905	108,198	147,905	108,198
Pension:				
- Defined Benefit Staff Gratuity Plan	88,094	63,903	68,339	63,903
- Defined Contributory Plan	44,745	27,521	44,745	15,921
	<u>1,063,312</u>	<u>942,589</u>	<u>861,001</u>	<u>836,879</u>

The amount of Employer's pension contribution included amount of =N=15,921,609 (2013:=N=7,217,207) paid on group life scheme in compliance with the 2004 Pencom Act. Also included in pensions are amounts for the regional offices, Cameroun and Nairobi offices. The applicable law is different from that of Nigeria Pencom Act.

6.2 Impairment of financial assets

	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Reinsurance receivables (reversals)/charge (Note 15.1)	492,055	(167,406)	396,394	(205,196)
Loans and other receivables (Note 13.1)	-	225,378	-	225,378
Available for sale financial assets	-	69,500	-	69,500
Other assets (Note 18)	-	113,642	-	113,642
	<u>492,055</u>	<u>241,114</u>	<u>396,394</u>	<u>203,324</u>

7 Net gain on available for sale financial assets

Net (loss)/gain on available-for-sale financial assets				
– Equity instruments	(111,485)	70,758	(102,792)	70,516
– Debt Instruments	293	5,214	293	3,982
Remeasurement gains on available-for-sale financial assets	(111,192)	75,972	(102,499)	74,498
Reclassification adjustments to gains included in profit or loss	(7,372)	(54,841)	(7,372)	(54,841)
Total net remeasurement gains on available for sale financial assets	<u>(118,564)</u>	<u>21,131</u>	<u>(109,871)</u>	<u>19,657</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

8 Taxation	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2013 =N='000
Per consolidated statement of profit or loss :				
Income tax based on profit for the year	676,893	467,592	500,929	365,667
Education tax	41,098	25,610	41,098	25,610
Back duty charge on prior years*	-	198,020	-	198,020
	717,991	691,222	542,027	589,297
Deferred tax expense (Note 9.1)	54,814	41,103	63,830	29,174
Income tax expense	772,805	732,325	605,857	618,471
Per consolidated statement of financial position:				
At 1 January	458,813	391,381	391,277	388,875
Charged to profit or loss	717,991	691,222	542,027	589,297
Payments during the year	(454,769)	(623,790)	(284,305)	(586,895)
	722,035	458,813	648,999	391,277
Reconciliation of tax charge				
Profit before income tax	2,915,593	1,587,969	2,540,244	1,279,994
Tax at Nigerian's statutory income tax rate of 30%	874,678	476,391	762,073	383,998
Non-deductible expenses	222,340	299,913	167,997	287,168
Tax exempt income	(301,453)	(250,897)	(301,453)	(259,613)
Back duty charge on prior years	-	198,020	-	198,020
Education tax levy	41,098	25,610	41,098	25,610
Tax rate differential on fair value gains	(61,590)	(16,712)	(61,590)	(16,712)
At effective income tax rate of Group 27% (2014:46%) and Company 24% (2014:48%)	775,073	732,325	608,125	618,471
9 Deferred taxation				
Deferred income tax (assets)/liabilities are attributable to the following items:				
Deferred tax liabilities				
Property, plant and equipment	24,498	29,311	14,440	10,237
Investment properties	73,566	58,855	73,566	58,855
	98,064	88,166	88,006	69,092
Deferred tax assets				
Employee benefits	(25,156)	(24,053)	(19,229)	(24,053)
	(25,156)	(24,053)	(19,229)	(24,053)
Net	72,908	64,113	68,777	45,039
9.1 Movements in temporary differences during the year:				
As at 1 January	64,113	49,091	45,039	41,946
<i>Recognised in profit or loss on:</i>				
Property, plant and equipment	(4,813)	17,671	4,203	5,742
Investment properties	14,711	8,356	14,711	8,356
Employee benefits	44,916	15,076	44,916	15,076
Total recognised in profit or loss	54,814	41,103	63,830	29,174
<i>Total recognised in other comprehensive income on:</i>				
Employee benefits	(46,019)	(26,081)	(40,092)	(26,081)
At 31 December	72,908	64,113	68,777	45,039

***Back duty charge on prior years**

This relates to additional tax liability which arose as a result of tax audit exercise carried out by the Federal Inland Revenue Services (FIRS) on previous years financials covering 2007 to 2011.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

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 2015	Group 31 December 2014	Company 31 December 2015	Company 31 December 2014
Net profit attributable to ordinary shareholders (=N='000)	2,002,631	820,382	1,934,387	661,523
Weighted average number of shares for the year ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis and diluted earnings per ordinary share (kobo)	19	8	19	6

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.

11 Cash and cash equivalents	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Cash in hand	448	110	267	110
Balances held with local banks:				
- Current account	488,333	353,597	179,700	119,463
- Domiciliary account	114,401	9,841	114,401	9,839
Balances held with foreign banks	414,428	517,685	414,428	517,685
Placements with banks and other financial institutions	6,684,965	3,963,090	5,083,562	2,656,058
	<u>7,702,575</u>	<u>4,844,323</u>	<u>5,792,358</u>	<u>3,303,155</u>

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 34.

12 Financial assets designated at fair value through profit or loss	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Managed Funds				
External Portfolio Management	1,224,258	1,227,512	104,247	171,524
	<u>1,224,258</u>	<u>1,227,512</u>	<u>104,247</u>	<u>171,524</u>

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 includes equities.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

13 Loans and other receivables	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Staff loans and advances	364,041	234,910	302,083	207,802
Other advances	375,491	375,491	375,491	375,491
Impairment on other receivables (Note 13.1)	(375,491)	(375,491)	(375,491)	(375,491)
Total loans and other receivables	<u>364,041</u>	<u>234,910</u>	<u>302,083</u>	<u>207,802</u>

13.1 Reconciliation of impairment on loans and other receivables:

At 1 January	375,491	150,113	375,491	150,113
Charge for the year : other advances (Note 6.2)	-	225,378	-	225,378
At 31 December	<u>375,491</u>	<u>375,491</u>	<u>375,491</u>	<u>375,491</u>

14 Investment securities

Analysis of investment securities

Equity	1,944,109	2,133,706	1,925,253	2,110,689
Debt	4,145,131	5,150,393	3,663,981	4,618,680
	<u>6,089,240</u>	<u>7,284,099</u>	<u>5,589,234</u>	<u>6,729,369</u>

Analysis by class

14.1 Available-for-sale:

Equity instruments	1,944,109	2,133,706	1,925,253	2,110,689
Debt instruments	250,573	272,331	225,641	246,193
<i>Total available-for-sale</i>	<u>2,194,682</u>	<u>2,406,037</u>	<u>2,150,894</u>	<u>2,356,882</u>

14.2 Held-to-maturity

Debt instruments	<u>3,894,558</u>	<u>4,878,062</u>	<u>3,438,340</u>	<u>4,372,487</u>
<i>Total Investment securities</i>	<u>6,089,240</u>	<u>7,284,099</u>	<u>5,589,234</u>	<u>6,729,369</u>

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	838,636	1,027,724	819,780	1,004,707
Unquoted	1,105,472	1,105,982	1,105,472	1,105,982
Total equity instruments	<u>1,944,108</u>	<u>2,133,706</u>	<u>1,925,252</u>	<u>2,110,689</u>

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

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

14 Investment Securities (continued)

	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000
Debt Instruments				
<i>Securities at Available-for-sale -Fair value</i>				
Government bonds	<u>250,573</u>	<u>272,331</u>	<u>225,641</u>	<u>246,193</u>
	<u>250,573</u>	<u>272,331</u>	<u>225,641</u>	<u>246,193</u>
<i>Securities at held-to-maturity - amortised cost</i>				
Listed	2,006,411	2,753,697	1,550,193	2,461,055
Unlisted	1,888,147	2,124,365	1,888,147	1,911,432
	<u>3,894,558</u>	<u>4,878,062</u>	<u>3,438,340</u>	<u>4,372,487</u>
<i>Total debt instruments</i>	<u>4,145,131</u>	<u>5,150,393</u>	<u>3,663,981</u>	<u>4,618,680</u>

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

15 Reinsurance receivables	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000
Due from ceding companies	5,902,411	6,425,841	4,876,486	5,167,350
Due from ceding companies (Pipeline)	2,569,966	2,480,366	2,095,207	2,342,828
Premium reserves retained by ceding companies	44,365	105,182	-	(5,713)
	8,516,742	9,011,389	6,971,693	7,504,465
Impairment on reinsurance receivables (Note 15.1)	(1,258,343)	(2,268,053)	(1,178,599)	(2,230,263)
	<u>7,258,399</u>	<u>6,743,336</u>	<u>5,793,094</u>	<u>5,274,202</u>

15.1 Reconciliation of impairment on reinsurance receivables

At 1 January	2,268,053	3,341,819	2,230,263	3,341,819
Written off during the year	(1,501,765)	(906,360)	(1,448,058)	(906,360)
Charge/(credit) for the year (Note 6.2)	492,055	(167,406)	396,394	(205,196)
At 31 December	<u>1,258,343</u>	<u>2,268,053</u>	<u>1,178,599</u>	<u>2,230,263</u>

16 Retrocession Assets

Retrocessionaires' share of claims recoverable	374,745	131,006	112,088	87,453
Retrocessionaires' share of Reserve for Outstanding Claims	135,150	79,779	79,779	79,779
Retrocessionaires' share of life insurance contract liabilities	217,686	266,843	204,781	168,703
Total retrocession assets (Note 24)	<u>727,581</u>	<u>477,628</u>	<u>396,648</u>	<u>335,935</u>

At 31 December 2015, 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.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

17 Deferred acquisition costs

17 Deferred acquisition costs	Group	Group	Company	Company
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000
At 1 January	1,759,685	1,428,293	1,383,416	1,213,441
Expenses deferred	3,708,844	4,229,305	3,689,205	3,179,280
Amortisation (Note 2.2)	(4,010,093)	(3,897,913)	(3,964,784)	(3,009,305)
At 31 December	<u>1,458,436</u>	<u>1,759,685</u>	<u>1,107,837</u>	<u>1,383,416</u>

18 Other assets

Prepayments	58,279	34,762	50,599	27,493
Deposit for property (Note 18.1)	-	332,382	-	332,382
Due from stockbrokers (Note 18.2)	-	50,639	-	50,639
Intercompany balances	-	-	1,077,242	728,064
Withholding tax receivable	4,168	14,353	4,168	14,353
Others (Note 18.3)	154,401	734,920	116,486	247,298
	216,848	1,167,056	1,248,495	1,400,229
Impairment on others	(185,792)	(185,792)	(185,792)	(185,792)
	<u>31,056</u>	<u>981,264</u>	<u>1,062,703</u>	<u>1,214,437</u>

Reconciliation of impairment on

At 1 January	185,792	72,150	185,792	72,150
Charge for the year (Note 6.2)	-	113,642	-	113,642
At 31 December	<u>185,792</u>	<u>185,792</u>	<u>185,792</u>	<u>185,792</u>

18.1 This relates to deposit made for property in Douala which is yet to be concluded upon at the reporting date.

18.2 This relates to amount due as proceeds on disposal/redemption of financial assets which remained outstanding at year end.

19 Investment in subsidiaries

	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Continental Reinsurance Limited, Nairobi, Kenya			949,797	1,022,859
Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774.00
			<u>1,649,571</u>	<u>1,722,633</u>
Movement in this account is as shown below:				
Opening			1,722,633	987,405
Disposal of investment in Continental Reinsurance Limited, Kenya			(73,062)	35,454
Investment in Continental Reinsurance Limited, Botswana			-	699,774
Closing			<u>1,649,571</u>	<u>1,722,633</u>

20 Investment Properties

At 1, January	2,926,956	1,746,800	2,926,956	1,746,800
(Disposal)/additions	(388,417)	1,096,597	(388,417)	1,096,597
Fair value adjustments	147,107	83,559	147,107	83,559
At 31, December	<u>2,685,646</u>	<u>2,926,956</u>	<u>2,685,646</u>	<u>2,926,956</u>

Continental Reinsurance Plc**Notes to the consolidated financial statements - Continued****20 Investment properties (continued)**

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 2015 and 31 December 2014. 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 =N=125,830,441.75 (year ended 31 December 2014: =N=88,836,943.97) 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 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Rental Income derived from investment properties	125,830	88,837	125,830	88,837
Direct operating expenses (including repairs & Maintenance) generating income	(13,710)	(9,800)	(13,710)	(9,800)
Profit arising from investment properties carried at fair				

value	112,120	79,037	112,120	79,037
<i>The fair value disclosure on investment properties is as follows:</i>	Fair value measurement using			
	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
Date of valuation - 31 December 2015				
Investment properties	-	-	2,685,646	2,685,646
<i>The fair value disclosure on investment properties is as follows:</i>	Fair value measurement using			
	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
Date of valuation - 31 December 2014				
Investment properties	-	-	2,926,956	2,926,956

During the reporting period ending 31 December 2015 and 31 December 2014, there were no transfers between level 1 and level 2 and in and out of level 3.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

20 Investment Properties (continued)

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

Winged Duplexes

Valuation technique	Significant unobservable inputs	Range (weighted average)
<i>Income capitalization using DCF Analysis</i>	Estimated rental per wing per annum	=N=10m to =N=12.5m (=N=10.40m)
	Average annual growth	4%
	Average annual probable vacancy rate	1.4%
	Discount rate (equated yield)	8.88% - 8.96% (9.20%)

Three bedroom flats

Valuation technique	Significant unobservable inputs	Range (weighted average)
<i>Income capitalization using DCF Analysis</i>	Estimated rental per wing per annum	=N=0.5m to =N=3.5m (=N=3.06m)
	Average annual growth	4% - 4.5% (4.07%)
	Average annual probable vacancy rate	1.4%
	Discount rate (equated yield)	8.57% - 9.20% (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.

21 Intangible assets - Group and Company

	Computer software =N='000	Total =N='000
Cost:		
At 1 January 2014	59,063	59,063
Cost capitalised	-	-
At 31 December 2014	<u>59,063</u>	<u>59,063</u>
Cost capitalised	-	-
At 31 December 2015	<u>59,063</u>	<u>59,063</u>
Accumulated amortisation and impairment:		
At 1 January 2014	49,396	49,396
Amortisation	8,453	8,453
At 31 December 2014	<u>57,849</u>	<u>57,849</u>
Amortisation	1,214	1,214
At 31 December 2015	<u>59,063</u>	<u>59,063</u>
Carrying amount:		
At 31 December 2015	<u>-</u>	<u>-</u>
At 31 December 2014	<u>1,214</u>	<u>1,214</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

22 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 2014	430,158	199,888	133,512	57,015	70,757	891,329
Additions	29,397	85,258	48,162	22,859	15,665	201,341
Disposals	-	(43,883)	(4,603)	-	(4,318)	(52,804)
Exchange difference	501	326	249	132	139	1,347
At 31 December 2014	460,056	241,589	177,320	80,006	82,243	1,041,213
Additions	431,930	59,212	13,055	-	15,217	519,414
Disposals	-	(29,794)	(10,653)	-	(4,501)	(44,948)
Exchange difference	-	-	3	-	102	104
At 31 December 2015	891,986	271,007	179,724	80,006	93,061	1,515,784
Accumulated depreciation:						
At 1 January 2014	-	103,541	71,745	49,965	54,450	279,701
Charge for the year	-	42,936	19,581	4,599	14,400	81,516
Disposal	-	(38,651)	(4,599)	-	(3,684)	(46,934)
Exchange difference	-	63	56	45	49	213
At 31 December 2014	-	107,889	86,783	54,609	65,215	314,496
Charge for the year	-	59,676	26,378	5,067	12,234	103,355
Disposal	-	(22,295)	(4,489)	-	(4,228)	(31,012)
Exchange difference	-	740	530	-	176	1,447
At 31 December 2015	-	146,010	109,203	59,676	73,397	388,286
Net book value:						
At 31 December 2015	891,986	124,997	70,522	20,330	19,663	1,127,498
At 31 December 2014	460,056	133,700	90,536	25,397	17,028	726,717

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

22 Property, plant and equipment	Freehold	Motor	Furniture	Office	Computer
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The Company	property =N='000	vehicles =N='000	and fittings =N='000	partitioning =N='000	equipment =N='000	Total =N='000
Cost/Valuation:						
At 1 January 2014	430,158	172,966	94,502	57,015	64,237	818,878
Additions	29,397	45,129	36,403	13,586	7,172	131,687
Disposals	-	(43,883)	(4,603)	-	(3,995)	(52,481)
At 31 December 2014	459,555	174,212	126,302	70,601	67,414	898,084
Additions	431,930	59,212	12,153	-	12,853	516,148
Disposals	-	(29,794)	(10,653)	-	(4,501)	(44,948)
At 31 December 2015	891,485	203,630	127,802	70,601	75,766	1,369,284
Accumulated depreciation:						
At 1 January 2014	-	96,680	66,781	49,965	52,252	265,678
Charge for the year	-	37,380	13,995	2,803	11,200	65,378
Disposal	-	(38,651)	(4,599)	-	(3,580)	(46,830)
At 31 December 2014	-	95,409	76,177	52,768	59,872	284,226
Charge for the year	-	42,669	13,467	5,067	6,816	68,019
Disposal	-	(22,295)	(4,489)	-	(4,228)	(31,012)
At 31 December 2015	-	115,783	85,155	57,835	62,460	321,233
Net book value:						
At 31 December 2015	891,485	87,847	42,647	12,766	13,306	1,048,051
At 31 December 2014	459,555	78,803	50,125	17,833	7,542	613,858

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

23 Statutory deposits	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
At 31 December	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost.				
24 Insurance contract liabilities	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Unearned Premium (Note 24.1)	4,912,295	5,979,095	3,684,628	4,615,879
Outstanding Claims (Note 24.2)	4,647,288	3,553,180	4,103,731	3,263,740
	<u>9,559,583</u>	<u>9,532,275</u>	<u>7,788,359</u>	<u>7,879,619</u>
Life (Note 24.3)	1,522,370	1,252,418	1,365,204	1,124,687
Total insurance liabilities	11,081,953	10,784,693	9,153,563	9,004,306
Total retrocessionaire's share of insurance liabilities (Note 16)	(727,582)	(477,628)	(396,648)	(335,935)
Net insurance contracts	<u>10,354,371</u>	<u>10,307,065</u>	<u>8,756,915</u>	<u>8,668,371</u>
24.1 Reserve for Unearned Premium				
At 1 January	5,979,095	5,338,434	4,615,879	4,580,322
Increase in the year (Note 1.1)	16,885,837	14,362,844	12,700,035	11,238,629
Released during the year	(17,952,637)	(13,722,183)	(13,631,286)	(11,203,072)
At 31 December	<u>4,912,295</u>	<u>5,979,095</u>	<u>3,684,628</u>	<u>4,615,879</u>
24.2 Reserve for Outstanding Claims				
At 1 January	3,553,180	3,426,438	3,263,740	3,339,833
Incurred in the current accident year	7,543,202	5,907,476	5,656,836	4,662,866
Paid during the year	(6,449,094)	(5,780,734)	(4,816,845)	(4,738,959)
At 31 December	<u>4,647,288</u>	<u>3,553,180</u>	<u>4,103,731</u>	<u>3,263,740</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

24	Insurance contract liabilities (continued)	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
24.3	<i>Insurance liabilities on life policy holder</i>				
	At 1 January	1,252,418	1,108,507	1,124,687	1,041,004
	Increase in retrocessionaire's share	65,513	72,781	36,078	12,553
	Accretion (Note 1.1)	204,439	71,130	204,439	71,130
	At 31 December	<u>1,522,370</u>	<u>1,252,418</u>	<u>1,365,204</u>	<u>1,124,687</u>
25	Reinsurance creditors				
	Due to retrocessionaires	60,276	157,152	60,276	157,152
	Due to ceding companies	823,840	1,247,018	786,733	1,018,583
		<u>884,117</u>	<u>1,404,170</u>	<u>847,009</u>	<u>1,175,735</u>
	This represents the amount payable to insurance and reinsurance companies.				
26	Other liabilities	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
	Sundry creditors	330,721	179,461	330,722	179,461
	Rent received in advance	77,104	71,953	28,605	71,953
	Accrued expenses	46,403	134,772	32,261	72,921
	Dividend payable (Note 26.1)	588,786	36,384	588,786	36,384
	Information technology development levy	41,225	12,800	41,225	12,800
	Others	7,915	99,726	5,451	5,950
	Intercompany balance	-	-	291,079	77,637
		<u>1,092,154</u>	<u>535,096</u>	<u>1,318,129</u>	<u>457,106</u>
26.1	Dividends paid and proposed				
	At 1 January	36,384	36,341	36,384	36,341
	Declared during the year	1,141,002	1,141,045	1,141,002	1,141,045
	Paid during the year	(588,600)	(1,141,002)	(588,600)	(1,141,002)
		<u>588,786</u>	<u>36,384</u>	<u>588,786</u>	<u>36,384</u>
	Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December): at 12 kobo per share (2014: 11 kobo).			-	
27	Retirement benefit obligations				
	Defined contribution scheme (Note 27.1)	67	-	67	-
	Defined benefit gratuity scheme (Note 27.2)	278,305	184,379	278,305	184,379
		<u>278,372</u>	<u>184,379</u>	<u>278,372</u>	<u>184,379</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

27 Retirement benefit obligations - continued

27.1 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 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Balance at beginning of year	-	2,407	-	2,407
Provisions during the year	40,670	23,995	40,670	23,995
Transfer to PFA	(40,603)	(26,402)	(40,603)	(26,402)
Balance at end of year	<u>67</u>	<u>-</u>	<u>67</u>	<u>-</u>

27.2 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.

	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Statement of financial position obligation for				
<i>The amounts recognised in the statement of financial position are</i>				
Present value of funded obligations	525,724	356,651	525,724	356,651
Fair value of plan assets	(247,419)	(172,272)	(247,419)	(172,272)
Deficit of funded plans	<u>278,305</u>	<u>184,379</u>	<u>278,305</u>	<u>184,379</u>
Unrecognised net (gain)/loss	-	-	-	-
Unrecognised past service costs	-	-	-	-
(Asset)/liability in the consolidated statement of financial position	<u>278,305</u>	<u>184,379</u>	<u>278,305</u>	<u>184,379</u>

The movement in the defined benefit obligation over the year is as follows:

At beginning of the year	356,651	378,645	356,651	378,645
Service cost	57,592	52,120	57,592	52,120
Member contribution	-	-	-	-
Interest cost	58,506	49,226	58,506	49,226
Actuarial (Gains)/Loss	101,383	(19,137)	101,383	(19,137)
Benefit paid	(48,408)	(104,203)	(48,408)	(104,203)
At end of the year	<u>525,724</u>	<u>356,651</u>	<u>525,724</u>	<u>356,651</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

27.2 Retirement benefit obligations (continued)	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Defined benefit staff gratuity scheme (€)				
<i>The amounts recognised in the profit or loss are as follows:</i>				
Current service cost	57,592	52,120	57,592	52,120
Net interest	25,596	11,783	25,596	11,783
Total, included in staff costs	83,188	63,903	83,188	63,903

The amounts recognised in other comprehensive income

Re-measurement loss on net defined benefit plans	153,397	86,935	133,642	86,935
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The movement in the plan assets over the year is as follows:

Assets at fair value - opening	172,272	335,152	172,272	335,152
Interest return	32,910	37,443	32,910	37,443
Employer contribution	142,659	9,952	142,659	9,952
Benefit paid	(48,408)	(104,203)	(48,408)	(104,203)
Actuarial loss	(52,014)	(106,072)	(52,014)	(106,072)
At end of the year	247,419	172,272	247,419	172,272

Composition of Plan assets

Cash	36.03%	36.0%	55.00%	36.0%
Equity	98.8%	99%	65.17%	98.8%
Bonds	37.3%	37%	35.38%	37.3%

The principal actuarial assumptions were as follows:

Average long term discount rate (p.a.)	15%	15%	11.4%	15%
Average long term rate of inflation (p.a.)	10%	10%	10%	10%
Average long term pay increase (p.a.)	10%	10%	10%	10%

A quantitative sensitivity analysis for significant assumption as at 31 December 2014 is as shown below:

Assumptions		Discount	Salary	Mortality
Sensitivity level		=N='000	=N='000	=N='000
Impact on defined benefit obligation	+1%	(34,109)	38,963	404
	-1%	38,810	(34,835)	(477)

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

28 Share capital	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Authorised				
25,000,000,000 Ordinary shares of 50k each	12,500,000	12,500,000	12,500,000	12,500,000
Issued and fully paid				
10,372,744,312 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372	5,186,372
29 Share premium				
At 31 December	3,915,451	3,915,451	3,915,451	3,915,451

Premiums from the issue of shares are reported in share premium.

30 Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004. The composition on the account are as follows:

35,117

	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Non - Life	3,168,859	2,601,160	3,039,852	2,521,695
Life	245,749	183,971	210,632	183,971
Total	3,414,608	2,785,131	3,250,484	2,705,666

Movement in this account is as shown below:

At 1, January	2,785,131	2,420,096	2,705,666	2,349,131
Addition during the year	629,477	365,035	544,818	356,535
At 31, December	3,414,608	2,785,131	3,250,484	2,705,666

31 Retained earnings:

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

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

32 Other reserves

32.1 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.

32.2 Foreign currency translation reserve:

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

33 Non-Controlling interests

During 2014 financial year, British American Asset Management (BAAM) invested additional capital in Continental Reinsurance Limited, Kenya (Cre Limited, Kenya); subsidiary of Continental Reinsurance Plc (Cre Plc), the transaction was not a disposal but capital injection. Formerly, Cre Plc had 100% shareholding in Cre Limited, Kenya, with the accommodation of capital set out below, the shareholding of Cre Plc was watered down to 70%. The accommodation of BAAM was to fulfill regulatory requirement that there should be equity participation from indigenous companies or citizen from Kenya when a foreign entity is investing in Kenya.

Also as set out below, Cre Plc and Botswana Insurance Company Limited co-founded Continental Reinsurance Limited, Botswana, this led to Cre Plc having shareholding of 60% and Botswana Insurance Company Limited 40% in Continental Reinsurance Limited, Botswana.

The Non-Controlling interest in the two subsidiaries is hereby presented below:

	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000	Total =N='000
At 1 January 2015	502,666	476,346	979,012
Change in shareholding	18,442	-	18,442
Profit for the year	95,871	44,286	140,157
Other comprehensive income	(3,043)	-	-3,043
At 31 December 2015	<u>613,936</u>	<u>520,632</u>	<u>1,134,568</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

34 Reconciliation of profit before taxation to net cash generated by/(used in) operating activities	Group 31 December 2015 =N='000	Group 31 December 2014 =N='000	Company 31 December 2015 =N='000	Company 31 December 2014 =N='000
Profit before income tax expense	2,915,593	1,587,969	2,540,244	1,279,994
Adjustments for:				
-Depreciation and amortization (Note 6.1)	109,974	89,969	70,320	73,831
-Increase/(decrease) in provision for bad and doubtful balances	492,055	241,130	396,394	203,324
- Profit on disposal of investments	(93,221)	(54,841)	(93,221)	(54,841)
- Loss on disposal of property, plant and equipment	5,849	5,545	5,850	5,570
- Interest received	(1,120,218)	(846,244)	(902,941)	(838,546)
- Dividend received	(235,631)	(148,027)	(235,052)	(148,027)
-Unrealised foreign exchange loss/(gain)	(467,981)	393,119	(431,038)	460,617
-Fair value loss on investment property and financial assets designated at fair value	(158,758)	(131,996)	(155,798)	(76,092)
<i>Changes in operating assets/liabilities</i>				
-Reinsurance debtors	494,647	(124,750)	532,772	(662,496)
-Prepayments and other assets	950,207	(903,587)	151,734	(494,300)
-Retrocession assets	(249,953)	(116,333)	(60,713)	(56,688)
-Reinsurance creditors and other liabilities	(520,053)	615,076	(328,726)	(62,323)
-Deferred acquisition costs	(301,249)	14,217	(275,579)	169,975
-Provision for unexpired risks	(1,066,800)	(159,341)	(931,251)	35,557
-Outstanding claims	1,094,108	(266,452)	839,991	(76,093)
-Retirement benefit obligations	93,993	138,479	93,993	138,479
Income tax paid (Note 8)	(454,769)	(586,895)	(284,305)	(586,895)
Net cash generated from/(used in) operating activities	<u>1,487,793</u>	<u>(252,962)</u>	<u>932,674</u>	<u>(688,954)</u>

35 Cash and cash equivalents for purposes of the consolidated statement of cashflows

Cash in hand	448	110	267	110
Balances held with other banks:	-	-		
- Current account	488,333	353,597	179,700	119,463
- Domiciliary account	114,401	9,841	114,401	9,839
Balances held with foreign banks	414,428	517,685	414,428	517,685
- Placements with banks and other financial institutions	6,684,965	3,963,090	5,083,562	2,656,058
Treasury bills	259,475	1,034,037	226,647	1,034,037
	<u>7,962,050</u>	<u>5,878,360</u>	<u>6,019,005</u>	<u>4,337,192</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

36 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 purchase from related parties are made at normal market prices.

	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
<i>Purchase of actuarial services:</i>				
Alexander Forbes Consulting Actuaries Nigeria Ltd.	3,904	3,904	3,904	3,904

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 and the Executive Director ('ED') - Life at the end of the year:

	MD =N='000	ED Non - life =N='000	ED Life =N='000	2015 =N='000	2014 =N='000
Mortgage loan	-	-	-	-	-
Personal loan	-	-	-	-	1,087
Car loan	-	3,607	-	3,607	4,329
	-	3,607	-	3,607	5,416

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 (2013: Nil).

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

36 Related party transactions (continued)

Compensation of key management personnel

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

	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Short-term employee benefits:				
Salaries and allowances	717,544	284,176	540,063	252,412
Long-term employee benefits:				
Post employment pension benefits	57,972	21,751	50,667	13,942
	775,516	305,927	590,730	266,354

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

	Number	Number	Number	Number
Below =N=1,000,000	-	-	-	-
=N=1,000,001 - =N=4,000,000	-	-	-	-
=N=4,000,001 - =N=7,000,000	-	-	-	-
=N=7,000,001 and above	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Employees

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

Managerial and Senior Staff	74	62	59	55
Junior Staff	-	7	-	1
	<u>74</u>	<u>69</u>	<u>59</u>	<u>56</u>

Staff cost

	=N='000	=N='000	=N='000	=N='000
Salaries and allowances	737,211	590,389	559,730	464,224
Staff pension	38,310	29,920	31,001	18,323
Staff gratuity	96,740	1,213	68,340	-
	872,260	621,522	659,070	482,547

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

36 Related party transactions (continued)

Staff cost (continued)

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

	Group 2015 Number	Group 2014 Number	Company 2015 Number	Company 2014 Number
N500,000 - N1,000,000	9	10	6	9
N1,000,001 - N1,500,000	10	14	8	11
N1,500,001 - N2,000,000	8	3	8	2
N2,000,001 - N2,500,000	2	4	1	1
N2,500,001 - N3,000,000	8	5	6	4
N3,000,001 - Above	37	33	30	29
	74	69	59	56

37 Contingencies and commitments

Contingent liabilities

There were no contingent liabilities at the end of the year (2013: Nil).

Capital commitment and operating leases

There were no capital commitments at the end of the year (2013: Nil).

The Company has entered into commercial property leases on its investment property portfolio. These cancellable leases have remaining terms of between one and two years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Group 2015 =N='000	Group 2014 =N='000	Company 2015 =N='000	Company 2014 =N='000
Within one year	22,595	60,038	22,595	60,038
After one year but not more than five years	5,833	11,915	5,833	11,915
	28,428	71,953	28,428	71,953

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

38 Compliance with regulatory bodies	2015	2014
<i>Penalties:</i>	<u>=N='000</u>	<u>=N='000</u>
a The Company contravened certain sections of the Financial Reporting Council of Nigeria (FRCN) Act 2011 with respect to late submission of the 2013 accounts.	-	2,000.00
b The Company contravened certain sections of the Security Exchange Commission (SEC) Act with respect to late filing of 2013 accounts.	-	15,335
b The Company contravened 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	-	2,750
Non compliance with NAICOM guideline on retrocession placement	-	63,308
	<u>-</u>	<u>83,393</u>

39 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 2014 or the profit for the year then ended that have not been adequately provided for or disclosed.

40 Admissible assets

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

	Non-life		Life	
	<u>=N='000</u>	<u>=N='000</u>	<u>=N='000</u>	<u>=N='000</u>
<i>Cash and cash equivalents:</i>				
Cash and bank balances	-			
Bank placements	<u>3,782,608</u>		<u>1,055,084</u>	
Total cash and cash equivalents		3,782,608		1,055,084
Investment properties		1,279,500		195,000
<i>Investment securities:</i>				
Quoted equities	478,473		104,247	
Unquoted equities	790,433		-	
Corporate Bonds	881,730		-	
Government bonds	<u>1,911,632</u>		<u>137,490</u>	
Total investment securities		<u>4,062,268</u>		<u>241,737</u>
Total assets representing insurance contract liabilities		9,124,376		1,491,821
Total insurance contract liabilities		<u>7,770,359</u>		<u>1,365,204</u>
Balance due to shareholders' funds		<u>1,354,017</u>		<u>126,617</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

41 Segment information

For management reporting purposes, the Company 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 reinsurance 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.

	Life insurance =N='000	Non-life insurance =N='000	Eliminations =N='000	Total segments =N='000
31 December 2015				
Gross Premium	2,852,203	16,885,843	-	19,738,046
Change in Reserve for unearned premium	(204,439)	1,146,171	-	941,732
Earned premium income	2,647,764	18,032,014	-	20,679,778
Less: Retrocession costs	(396,546)	(2,087,867)	-	(2,484,413)
Net premium written	<u>2,251,218</u>	<u>15,944,147</u>	<u>-</u>	<u>18,195,365</u>
Expenses				
Gross claims paid	1,521,858	6,239,188	-	7,761,046
Change in Reserve for outstanding claims.		1,109,050	-	1,109,050
Ceded Outstanding Claims Reserve	-	150,204	-	150,204
Claims incurred	1,521,858	7,498,442	-	9,020,300
Retrocession recoveries	(13,251)	(276,717)	-	(289,967)
Net claims incurred	<u>1,508,607</u>	<u>7,221,726</u>	<u>-</u>	<u>8,730,333</u>
Underwriting expenses:				
Acquisition and maintenance cost	653,094	4,852,150	(27,315)	5,477,929
Depreciation and amortisation	14,872	95,102	-	109,974
Management and Administration expenses	423,468	2,903,843	(195,984)	3,131,327
	<u>1,091,435</u>	<u>7,851,094</u>	<u>(223,299)</u>	<u>8,719,230</u>
Underwriting (loss)/profit carried forward	<u>(348,824)</u>	<u>871,327</u>	<u>223,299</u>	<u>745,803</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

41 Segment information (continued)

	Life insurance =N='000	Non-life insurance =N='000	Eliminations =N='000	Total segments =N='000
31 December 2015 (continued)				
Underwriting (loss)/profit brought forward	(348,824)	871,327	223,299	745,803
Investment Income	313,540	1,856,251	-	2,169,791
Results of operating activities	(35,283)	2,727,578	223,299	2,915,594
Income tax expense	(111,672)	(661,133)	-	(772,805)
Profit for the year	<u>(146,956)</u>	<u>2,066,445</u>	<u>223,299</u>	<u>2,142,789</u>
Segment assets	<u>4,510,640</u>	<u>26,704,316</u>	<u>(1,546,226)</u>	<u>29,668,730</u>
Segment liabilities	<u>3,666,599</u>	<u>11,860,467</u>	<u>(1,395,527)</u>	<u>14,131,539</u>
31 December 2014				
Gross Premium	2,073,934	14,362,844	-	16,436,778
Change in Reserve for unearned premium	(71,130)	(211,908)	-	(283,038)
Earned premium income	2,002,804	14,150,936	-	16,153,740
Less: Retrocession costs	(380,354)	(1,578,879)	-	(1,959,233)
Net premium written	<u>1,622,450</u>	<u>12,572,057</u>	<u>-</u>	<u>14,194,507</u>
Expenses				
Gross claims paid	1,461,997	5,946,363	-	7,408,360
Change in Reserve for outstanding claims.	-	-	-	-
Ceded Outstanding Claims Reserve	-	(38,887)	-	(38,887)
Claims incurred	1,461,997	5,907,476	-	7,369,473
Retrocession recoveries	(246,372)	(242,934)	-	(489,306)
Net claims incurred	<u>1,215,625</u>	<u>5,664,542</u>	<u>-</u>	<u>6,880,167</u>
Underwriting expenses:				
Acquisition and maintenance cost	459,048	3,710,296	-	4,169,344
Depreciation and amortisation	13,817	76,152	-	89,969
Management and Admin expenses	265,961	2,235,501	-	2,501,462
	<u>738,826</u>	<u>6,021,949</u>	<u>-</u>	<u>6,760,775</u>
Underwriting profit	(332,001)	885,566	-	553,565
Investment Income	97,098	937,306	-	1,034,404
Results of operating activities	(234,903)	1,822,872	-	1,587,969
Income tax expenses	(8,258)	(724,067)	-	(732,325)
(Loss)/profit for the year	<u>(243,161)</u>	<u>1,098,805</u>	<u>-</u>	<u>855,644</u>
Segment Assets	<u>4,731,027</u>	<u>25,751,370</u>	<u>(2,274,753)</u>	<u>28,207,644</u>
Segment liabilities	<u>2,232,204</u>	<u>11,860,467</u>	<u>(661,407)</u>	<u>13,431,264</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

41 Segment information (continued)

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2015 is as follows:

	Nigeria =N='000	Cameroon =N='000	Kenya =N='000	Abidjan =N='000	Tunis =N='000	Botswana =N='000	Total =N='000	Eliminations =N='000	Consolidated =N='000
Gross premium	11,467,910	1,527,639	2,916,520	1,438,836	931,729	1,455,412	19,738,046	-	19,738,046
Change in reserve for unearned premium	697,607	66,321	94,406	(12,349)	(24,760)	120,507	941,732	-	941,732
Earned premium income	12,165,517	1,593,960	3,010,926	1,426,487	906,969	1,575,919	20,679,778	-	20,679,778
Retrocession costs	(1,420,784)	(141,970)	(299,653)	(108,912)	(83,146)	(429,949)	(2,484,415)	-	(2,484,415)
Net premium written	10,744,733	1,451,990	2,711,273	1,317,575	823,822	1,145,970	18,195,364	-	18,195,364
Expenses									
Gross claims paid	5,526,401	365,563	1,422,091	293,900	21,398	131,693	7,761,047	-	7,761,047
Change in reserve for outstanding claims	190,907	204,955	123,517	271,964	172,165	145,541	1,109,049	-	1,109,049
Ceded outstanding claims reserve	-	-	(593)	-	-	150,797	150,204	-	150,204
Claims incurred	5,717,308	570,518	1,545,015	565,864	193,563	428,031	9,020,300	-	9,020,300
Retrocession recoveries	(155,984)	(38)	(133,918)	-	(27)	-	(289,967)	-	(289,967)
Net claims incurred	5,561,324	570,480	1,411,097	565,864	193,536	428,031	8,730,332	-	8,730,332
Underwriting expenses:									
Acquisition and maintenance cost	3,376,674	407,693	785,514	353,147	203,565	378,650	5,505,244	(27,315)	5,477,929
Depreciation and amortisation	63,895	8,512	16,250	8,017	5,191	8,109	109,974	-	109,974
Management and Admin expenses	1,880,711	340,453	333,005	300,327	269,958	202,857	3,327,310	(195,984)	3,131,326
	5,321,280	756,657	1,134,769	661,491	478,714	589,617	8,942,528	(223,299)	8,719,229
Underwriting profit	(137,871)	124,853	165,407	90,220	151,572	128,323	522,503	223,299	745,802
Investment Income	1,363,041	184,934	215,151	174,184	112,794	119,688	2,169,791	-	2,169,791
Results of operating activities	1,225,170	309,787	380,558	264,404	264,366	248,011	2,692,294	223,299	2,915,593
Income tax expenses	(340,125)	(95,934)	(128,178)	(78,432)	(91,367)	(38,770)	(772,805)	-	(772,805)
Profit for the year	885,045	213,853	252,380	185,972	172,999	209,241	1,919,489	223,299	2,142,788
Segment Assets	18,454,280	2,458,294	3,986,222	2,315,391	1,499,348	2,501,422	31,214,956	(1,546,226)	29,668,730
Segment liabilities	9,087,844	1,209,802	2,112,535	1,139,475	737,875	1,239,535	15,527,066	(1,395,527)	14,131,539

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

41 Segment information (continued)

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2014 is as follows:

	Nigeria =N='000	Cameroon =N='000	Kenya =N='000	Abidjan =N='000	Tunis =N='000	Botswana =N='000	Total =N='000	Eliminations =N='000	Consolidated =N='000
Gross premium	10,433,612	1,360,224	2,387,632	1,098,943	505,629	650,738	16,436,778	-	16,436,778
Change in reserve for unearned premium	(64,766)	(185,055)	(118,087)	(44,012)	(123,677)	252,559	(283,038)	-	(283,038)
Earned premium income	10,368,846	1,175,169	2,269,545	1,054,931	381,952	903,297	16,153,740	-	16,153,740
Retrocession costs	(1,352,656)	(161,609)	(167,267)	(88,749)	(37,851)	(151,101)	(1,959,232)	-	(1,959,232)
Net premium written	9,016,190	1,013,560	2,102,278	966,182	344,101	752,196	14,194,508	-	14,194,508
Expenses									
Gross claims paid	4,861,246	410,932	1,047,851	500,658	272,489	239,091	7,332,266	-	7,332,266
Change in reserve for outstanding claims	97,226	(77,135)	161,313	(3,585)	(195,795)	94,070	76,094	-	76,094
Ceded outstanding claims reserve	(38,887)	-	-	-	-	-	(38,887)	-	(38,887)
Claims incurred	4,919,585	333,797	1,209,164	497,073	76,694	333,161	7,369,473	-	7,369,473
Retrocession recoveries	(479,955)	(2,239)	(7,049)	(63)	-	-	(489,306)	-	(489,306)
Net claims incurred	4,439,630	331,558	1,202,115	497,010	76,694	333,161	6,880,167	-	6,880,167
Underwriting expenses:									
Acquisition and maintenance cost	2,533,594	345,297	698,341	294,460	81,870	215,782	4,169,344	-	4,169,344
Depreciation and amortisation	61,312	5,742	11,353	4,639	2,134	4,789	89,969	-	89,969
Management and Admin expenses	1,712,441	180,415	257,715	145,760	67,065	138,066	2,501,462	-	2,501,462
	4,307,347	531,454	967,409	444,859	151,069	358,637	6,760,775	-	6,760,775
Underwriting profit	269,214	150,548	(67,246)	24,313	116,339	60,398	553,566	-	553,566
Investment Income	710,379	61,177	152,523	49,426	22,741	38,156	1,034,403	-	1,034,403
Results of operating activities	979,593	211,725	85,277	73,740	139,080	98,554	1,587,969	-	1,587,969
Income tax expenses	(618,493)	(29,201)	(90,293)	(10,170)	(19,182)	(23,561)	(790,901)	-	(790,901)
Profit for the year	361,100	182,524	(5,016)	63,569	119,898	74,993	797,068	-	797,068
Segment Assets	19,413,638	2,521,376	3,430,093	2,037,053	937,258	2,142,979	30,482,397	(2,274,753)	28,207,644
Segment liabilities	8,964,523	1,086,783	1,710,201	878,026	403,984	990,578	14,034,095	(602,831)	13,431,264

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42 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.

42.1 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.

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 Normal Distribution approach to the non-life reserves indicates that at the 75th percentile, the reserves would be equivalent to NGN 4.12bn, ie a deterioration of NGN0.51bn 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.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.1 Management of Insurance risk (continued)

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

<i>Insurance Risk By Region</i> <i>Group</i>	Gross Written Premium (=N='000)	Ceded to Retrocess- ionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP)	Percentage (Retro)
2015					
Anglophone west	11,467,908	1,420,775	10,047,133	58%	57%
Eastern Africa	2,916,520	299,653	2,616,867	15%	12%
Southern Africa	1,455,412	429,949	1,025,463	7%	17%
Central Africa	1,527,639	141,970	1,385,669	8%	6%
Northern Africa	931,729	83,146	848,583	5%	3%
Francophone West	1,438,836	108,912	1,329,924	7%	4%
Total	19,738,044	2,484,405	17,253,639	100%	100%
2014					
Anglophone west	10,188,989	1,352,659	8,836,330	62%	69%
Eastern Africa	2,441,222	241,914	2,199,308	15%	12%
Southern Africa	841,772	76,342	765,430	5%	4%
Central Africa	1,360,223	161,609	1,198,614	8%	8%
Northern Africa	505,629	37,960	467,669	3%	2%
Francophone West	1,098,944	88,749	1,010,195	7%	5%
Total	16,436,778	1,959,233	14,477,545	100%	100%
Company					
2015					
Anglophone west	11,373,992	1,415,576	9,958,416	74%	81%
Eastern Africa	93,916	5,200	88,717	1%	0%
Southern Africa	-	-	-	0%	0%
Central Africa	1,527,639	141,970	1,385,669	10%	8%
Northern Africa	931,729	83,146	848,582	6%	5%
Francophone West	1,438,836	108,912	1,329,924	9%	6%
Total	15,366,113	1,754,804	13,611,309	100%	100%
2014					
Anglophone west	10,188,989	1,352,659	8,836,330	77%	82%
Eastern Africa	22,432	3,631	18,801	0%	0%
Southern Africa	-	-	-	0%	0%
Central Africa	1,360,223	161,609	1,198,614	10%	10%
Northern Africa	505,629	37,960	467,669	4%	2%
Francophone West	1,098,944	88,749	1,010,195	8%	5%
Total	13,176,217	1,644,607	11,531,610	100%	100%

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.1 Management of Insurance risk (continued)

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

Insurance Risk By Product

Group 2015	Gross Written Premium (=N='000)	Ceded to Retrocess- ionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP)	Percentage (Retro)
Accident	2,828,649	284,518	2,544,131	14%	11%
Energy	2,199,322	475,760	1,723,562	11%	19%
Fire	9,097,426	1,182,912	7,914,514	46%	48%
Group Life	2,635,141	383,320	2,251,821	13%	15%
Individual Life	217,062	21,609	195,453	1%	1%
Liability	1,068,125	14,621	1,053,504	5%	1%
Marine	1,692,320	121,667	1,570,653	9%	5%
Total	19,738,046	2,484,407	17,253,639	100%	100%

2014

Accident	3,182,209	216,469	2,965,740	19%	11%
Energy	2,114,961	552,116	1,562,845	13%	28%
Fire	5,991,247	652,714	5,338,533	36%	33%
Group Life	1,861,395	357,458	1,503,937	11%	18%
Individual Life	284,471	43,446	241,025	2%	2%
Liability	1,399,898	23,595	1,376,303	9%	1%
Marine	1,602,597	113,435	1,489,162	10%	6%
Total	16,436,778	1,959,233	14,477,545	100%	100%

Company

2015

Accident	1,484,189	149,904	1,334,284	10%	9%
Energy	2,199,322	475,760	1,723,563	14%	27%
Fire	6,716,207	666,451	6,049,756	44%	38%
Group Life	2,449,016	336,068	2,013,942	16%	19%
Individual Life	217,062	32,559	74,946	1%	2%
Liability	818,883	-	818,883	5%	0%
Marine	1,481,433	94,061	1,387,373	10%	5%
Total	15,366,113	1,754,803	13,402,747	100%	100%

Company

2014

Accident	1,846,015	114,912	1,731,103	14%	7%
Energy	2,114,961	531,171	1,583,789	16%	32%
Fire	4,670,287	546,725	4,123,563	35%	33%
Group Life	1,725,205	318,775	1,406,430	13%	19%
Individual Life	212,383	41,127	171,256	2%	3%
Liability	1,106,700	-	1,106,700	8%	0%
Marine	1,500,666	91,894	1,408,772	11%	6%
Total	13,176,217	1,644,604	11,531,613	100%	100%

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.1 Management of Insurance risk (continued)

Group Non-life Claims development triangle

Months/ Years	12	24	36	48	60	72	84	96	108
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2007	280,127	710,005	989,047	1,065,213	1,099,547	1,102,024	1,119,220	1,147,989	1,149,544
2008	579,645	1,989,474	2,785,593	2,948,806	3,034,361	3,183,999	3,190,017	3,185,208	
2009	801,754	1,683,942	2,355,306	2,556,346	2,861,009	2,900,807	3,036,720		
2010	862,423	2,186,276	2,554,287	2,809,789	3,124,543	3,256,491			
2011	979,336	2,369,388	3,347,404	4,482,197	4,512,476				
2012	1,580,878	3,569,602	4,297,947	4,706,042					
2013	1,587,757	3,732,917	4,285,940						
2014	1,800,191	4,627,898							
2015	2,155,934								

Life Claims development triangle

Months/ Years	12	24	36	48	60	72	84	96	108
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2007	85,368	105,925	108,069	118,977	118,977	118,977	118,977	118,977	120,034
2008	420,348	698,530	732,733	734,904	734,904	734,904	734,904	734,904	
2009	312,682	519,070	595,878	599,539	599,539	601,117	601,639		
2010	371,227	693,405	730,306	731,265	752,391	770,895			
2011	585,530	1,229,132	1,277,341	1,300,449	1,302,668				
2012	398,334	797,236	983,372	996,864					
2013	728,616	1,361,555	1,457,431						
2014	546,391	1,216,277							
2015	640,131								

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.1 Management of Insurance risk (continued)

Company
Non-life Claims development triangle

Months/ Years	12	24	36	48	60	72	84	96	108
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2007	280,127	710,005	989,047	1,065,213	1,099,547	1,102,024	1,119,220	1,147,989	1,149,544
2008	579,645	1,989,474	2,785,593	2,948,806	3,034,361	3,183,999	3,190,017	3,185,208	
2009	801,754	1,683,942	2,355,306	2,556,346	2,861,009	2,900,807	3,036,720		
2010	862,423	2,186,276	2,554,287	2,809,789	3,124,543	3,256,491			
2011	979,336	2,369,388	3,347,404	4,482,197	4,512,476				
2012	1,580,878	3,569,602	4,297,947	4,706,042					
2013	1,312,108	3,038,320	3,517,863						
2014	1,340,161	3,187,502							
2015	1,785,267								

Life Claims development triangle

Months/ Years	12	24	36	48	60	72	84	96	108
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2007	85,368	105,925	108,069	118,977	118,977	118,977	118,977	118,977	120,034
2008	420,348	698,530	732,733	734,904	734,904	734,904	734,904	734,904	
2009	312,682	519,070	595,878	599,539	599,539	601,117	601,639		
2010	371,227	693,405	730,306	731,265	752,391	770,895			
2011	585,530	1,229,132	1,277,341	1,300,449	1,302,668				
2012	398,334	797,236	983,372	996,864					
2013	721,340	1,334,497	1,429,612						
2014	515,833	1,163,741							
2015	611,601								

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2 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.

42.2 Financial risk management (continued)

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 2015	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	7,702,127		7,702,127	-	-	-	-
Reinsurance receivables	7,258,399		1,753,346	679,799	1,509,285	3,139,912	-
Loans and other receivables	364,041		364,041	-	-	-	-
Retrocession assets	727,581		727,581	-	-	-	-
Other assets	31,056		31,056	-	-	-	-
Financial asset designated at fair value	1,224,258		1,224,258	-	-	-	-
Debt Securities - <i>held to maturity</i>							
Listed	1,550,193		-	-	-	1,550,193	-
Unlisted	1,888,147		-	-	-	1,888,147	-
Debt Securities - <i>available for sale</i>	-						
Listed	272,331		272,331	-	-	-	-
Equities - <i>available for sale</i>	-						
Listed	1,102,347		1,102,347	-	-	-	-
Unlisted	1,031,359		1,031,359	-	-	-	-
Statutory deposits	1,000,000		-	-	-	-	1,000,000
Non financial asset							
Investment properties	2,685,646		-	-	-	-	2,685,646
	<u>26,837,485</u>		<u>14,208,446</u>	<u>679,799</u>	<u>1,509,285</u>	<u>6,578,252</u>	<u>3,685,646</u>
Financial liabilities							
Other liabilities	965,910		965,910	-	-	-	-
Reinsurance creditors	884,117		884,117	-	-	-	-
	<u>1,850,027</u>		<u>1,850,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2 Financial risk management (continued)

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

The Group At 31 December 2014	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	4,844,213		4,844,213	-	-	-	-
Reinsurance receivables	6,743,336		3,724,327	588,679	715,156	1,138,580	576,594
Loans and other receivables	234,910		234,910	-	-	-	-
Retrocession assets	477,628		477,628	-	-	-	-
Other assets	946,502		946,502	-	-	-	-
Financial asset designated at fair value	1,227,512		1,227,512	-	-	-	-
Debt Securities - <i>Held to maturity</i>							
Listed	2,628,657		-	-	-	2,628,657	-
Unlisted	2,249,405		-	-	-	2,249,405	-
Debt Securities - <i>available for sale</i>							
Listed	272,331		272,331	-	-	-	-
Equities - <i>available for sale</i>							
Listed	1,102,347		1,102,347	-	-	-	-
Unlisted	1,031,359		1,031,359	-	-	-	-
Statutory deposits	1,000,000		-	-	-	-	1,000,000
Non financial asset							
Investment properties	2,926,956		-	-	-	-	2,926,956
	<u>25,685,156</u>		<u>13,861,129</u>	<u>588,679</u>	<u>715,156</u>	<u>6,016,642</u>	<u>4,503,550</u>
Financial liabilities							
Other liabilities	350,617		350,617	-	-	-	-
Reinsurance creditors	1,404,170		1,404,170	-	-	-	-
	<u>1,754,787</u>		<u>1,754,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The Company At 31 December 2015							
	Carrying amount	No stated maturity	0 - 90 days	91 - 180 days	180 - 365 days	1 - 5 years	> 5 years
							=N='000
Financial assets							
Cash and cash equivalents	5,792,091		5,792,091	-	-	-	-
Reinsurance receivables	5,793,094		1,288,588	493,181	1,084,892	2,750,376	-
Loans and other receivables	302,083		302,083	-	-	-	-
Retrocession assets	396,648		396,648	-	-	-	-
Other assets	1,012,104		1,012,104	-	-	-	-
Financial asset designated at fair value	104,247		104,247	-	-	-	-
Debt Securities - <i>Held to maturity</i>							
Listed	1,550,193		-	1,550,193	-	-	-
Unlisted	1,888,147		-	522,050	102,570	1,006,839	256,688
Debt Securities - <i>available for sale</i>							
Listed	225,641		-	-	-	225,641	-
Equities - <i>available for sale</i>							
Listed	819,780		819,780	-	-	-	-
Unlisted	1,105,472		1,105,472	-	-	-	-
Statutory deposits	1,000,000		-	-	-	-	1,000,000
Non financial asset							
Investment properties	2,685,646		-	-	-	-	2,685,646
	<u>22,675,146</u>		<u>10,821,013</u>	<u>2,565,424</u>	<u>1,187,462</u>	<u>3,982,856</u>	<u>3,942,334</u>
Financial liabilities							
Other liabilities	951,769		951,769	-	-	-	-
Reinsurance creditors	847,009		847,009	-	-	-	-
	<u>1,798,778</u>		<u>1,798,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2 Financial risk management (continued)

The Company At 31 December 2014	Carrying amount	No stated maturity	0 - 90 days	91 - 180 days	180 - 365 days	1 - 5 years	> 5 years
Financial assets	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	3,303,045		3,303,045	-	-	-	-
Reinsurance receivables	5,274,202		3,014,103	367,427	359,597	956,482	576,593
Loans and other receivables	207,802		207,802	-	-	-	-
Retrocession assets	335,935		335,935	-	-	-	-
Other assets	1,186,944		1,186,944	-	-	-	-
Financial asset designated at fair value	171,524		171,524	-	-	-	-
Debt Securities - <i>Held to maturity</i>							
Listed	2,336,040		-	2,336,040	-	-	-
Unlisted	2,036,447		-	-	122,166	1,914,281	-
Debt Securities - <i>available for sale</i>							
Listed	246,193		-	-	-	246,193	-
Equities - <i>available for sale</i>							
Listed	1,079,330		1,079,330	-	-	-	-
Unlisted	1,031,359		1,031,359	-	-	-	-
Statutory deposits	1,000,000		-	-	-	-	1,000,000
Non financial asset	-						
Investment properties	2,926,956		-	-	-	-	2,926,956
	<u>21,135,777</u>		<u>10,330,042</u>	<u>2,703,467</u>	<u>481,763</u>	<u>3,116,956</u>	<u>4,503,549</u>
Financial liabilities							
Other liabilities	288,766		288,766	-	-	-	-
Reinsurance creditors	1,175,735		1,175,735	-	-	-	-
	<u>1,464,501</u>		<u>1,464,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Please refer to the maturity profile table on Note 42.2.3 on Liquidity risks, for the maturity analysis of financial instruments only.

Maturity analysis on expected maturity basis

The Group At 31 December 2015	Current =N='000	Non-current =N='000	Total =N='000
Cash and cash equivalents	7,702,575	-	7,702,575
Financial asset designated as fair value	1,224,258	-	1,224,258
Loans and other receivables	364,041	-	364,041
Available-for-sale investments	2,194,682	-	2,194,682
Held to maturity investments	-	3,894,558	3,894,558
Reinsurance receivables	4,118,487	3,139,912	7,258,399
Retrocession assets	727,581	-	727,581
Deferred acquisition costs	1,458,436	-	1,458,436
Other assets	31,056	-	31,056
Investment properties	-	2,685,646	2,685,646
Intangible assets	-	-	-
Property, plant and equipment	-	1,127,498	1,127,498
Statutory deposits	-	1,000,000	1,000,000
Total assets	<u>17,821,116</u>	<u>11,847,614</u>	<u>29,668,730</u>
Liabilities			
Insurance contract liabilities	11,081,953	-	11,081,953
Reinsurance creditors	884,117	-	884,117
Other liabilities	1,092,154	-	1,092,154
Retirement benefit obligations	278,372	-	278,372
Current income tax	722,035	-	722,035
Deferred taxation	-	72,908	72,908
Total liabilities	<u>14,058,631</u>	<u>72,908</u>	<u>14,131,539</u>
<i>Net maturity mismatch</i>	<u>3,762,485</u>	<u>11,774,706</u>	<u>15,537,191</u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

The Group	Current	Non-current	Total
At 31 December 2014	=N='000	=N='000	=N='000
Cash and cash equivalents	4,844,323	-	4,844,323
Financial asset designated as fair value	1,227,512	-	1,227,512
Loans and other receivables	234,910	-	234,910
Available-for-sale investments	2,406,037	-	2,406,037
Held to maturity investments	-	4,878,062	4,878,062
Reinsurance receivables	5,028,163	1,715,173	6,743,336
Retrocession assets	477,628	-	477,628
Deferred acquisition costs	1,759,685	-	1,759,685
Other assets	981,264	-	981,264
Investment properties	-	2,926,956	2,926,956
Intangible assets	-	1,214	1,214
Property, plant and equipment	-	726,717	726,717
Statutory deposits	-	1,000,000	1,000,000
Total assets	16,959,522	11,248,122	28,207,644
Liabilities			
Insurance contract liabilities	10,784,693	-	10,784,693
Reinsurance creditors	1,404,170	-	1,404,170
Other liabilities	535,096	-	535,096
Retirement benefit obligations	184,379	-	184,379
Current income tax	458,813	-	458,813
Deferred taxation	-	64,113	64,113
Total liabilities	13,367,151	64,113	13,431,264
<i>Net maturity mismatch</i>	<u><u>3,592,371</u></u>	<u><u>11,184,009</u></u>	<u><u>14,776,380</u></u>

The Company

At 31 December 2015

Cash and cash equivalents	5,792,358	-	5,792,358
Financial asset designated as fair value	104,247	-	104,247
Loans and other receivables	302,083	-	302,083
Available-for-sale investments	704,115	1,446,779	2,150,894
Held to maturity investments	910,385	2,527,955	3,438,340
Reinsurance receivables	3,042,718	2,750,376	5,793,094
Retrocession assets	396,648	-	396,648
Deferred acquisition costs	1,107,837	-	1,107,837
Other assets	1,062,703	-	1,062,703
Investment properties	-	2,685,646	2,685,646
Intangible assets	-	-	-
Property, plant and equipment	-	1,048,051	1,048,051
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	1,649,571	1,649,571
Total assets	13,423,094	13,108,378	26,531,472
Liabilities			
Insurance contract liabilities	9,153,563	-	9,153,563
Reinsurance creditors	847,009	-	847,009
Other liabilities	1,318,129	-	1,318,129
Retirement benefit obligations	278,372	-	278,372
Current income tax	648,999	-	648,999
Deferred taxation	-	68,777	68,777
Total liabilities	12,246,072	68,777	12,314,849
<i>Net maturity mismatch</i>	<u><u>1,177,022</u></u>	<u><u>13,039,601</u></u>	<u><u>14,216,623</u></u>

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

The Company At 31 December 2014	Current =N='000	Non-current =N='000	Total =N='000
Cash and cash equivalents	3,303,155	-	3,303,155
Financial asset designated as fair value	171,524	-	171,524
Loans and other receivables	207,802	-	207,802
Available-for-sale investments	2,356,882	-	2,356,882
Held to maturity investments	-	4,372,487	4,372,487
Reinsurance receivables	3,741,127	1,533,075	5,274,202
Retrocession assets	335,935	-	335,935
Deferred acquisition costs	1,383,416	-	1,383,416
Other assets	1,214,437	-	1,214,437
Investment properties	-	2,926,956	2,926,956
Intangible assets	-	1,214	1,214
Property, plant and equipment	-	613,858	613,858
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	1,722,633	1,722,633
Total assets	12,714,278	12,170,223	24,884,501
Liabilities			
Insurance contract liabilities	9,004,306	-	9,004,306
Reinsurance creditors	1,175,735	-	1,175,735
Other liabilities	457,106	-	457,106
Retirement benefit obligations	184,379	-	184,379
Current income tax	391,277	-	391,277
Deferred taxation	-	45,039	45,039
Total liabilities	11,212,803	45,039	11,257,842
<i>Net maturity mismatch</i>	<u><u>1,501,475</u></u>	<u><u>12,125,184</u></u>	<u><u>13,626,659</u></u>

42.2.1 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 =N=91.134 million and Company =N=72.747 million (2013: Group =N=105.007 million and Company =N=79.952 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 fluctuate 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.

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.1 Sensitivities (continued)

(b) Sensitivity analysis - Market price risk (continued)

A 1% movement in market prices will result in an unrealised gain or loss for the Group of =N=10.273 and Company =N=10.047 million (December 2013: Group =N=17.923 million, Company =N=15.442 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 in USD against the Naira will result in =N=39.4 million gain or loss for the Group and Company of =N=36.36 (2013: Group =N=35.23 million and Company =N=35.093). In Euro, Group =N=2.34 million and Company =N=2.09 million (2013: Group =N=2.412 million and Company =N=2.073 million). And in other currencies, Group =N=83.57 million and Company =N=40.69 million (2013: Group =N=39.581 million and Company =N= 21.154 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	Naira	USD	Euro	CFA	KSHS	Other	Total
31 December 2015	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Assets							
Cash and cash equivalents	3,286,180	280,835	84,880	1,941,090	772,558	1,337,033	7,702,575
Reinsurance receivables	677,328	2,125,475	164,970	1,389,446	485,353	2,239,770	7,082,342
Investment securities	3,676,069	1,618,091	-	218,993	1,729,709	70,636	7,313,498
Liabilities							
Other liabilities	1,092,154	-	-	-	-	-	1,092,154
31 December 2014							
Assets							
Cash and cash equivalents	1,452,941	354,490	4,717	1,393,926	406,658	1,231,591	4,844,323
Reinsurance receivables	972,271	2,092,426	229,834	2,058,537	462,477	927,791	6,743,336
Investment securities	5,141,420	1,493,829	-	-	554,729	94,121	7,284,099
Liabilities							
Other liabilities	535,096	-	-	-	-	-	535,096
The Company							
31 December 2015							
Assets							
Cash and cash equivalents	3,286,180	280,835	84,880	1,941,090	141,307	58,067	5,792,358
Reinsurance receivables	677,328	1,611,951	146,339	1,389,446	22,549	1,769,424	5,617,037
Investment securities	3,676,069	1,618,091	-	218,993	109,692	70,636	5,693,481
Liabilities							
Other liabilities	1,318,129	-	-	-	-	-	1,318,129
31 December 2014							
Assets							
Cash and cash equivalents	1,452,941	343,007	4,717	1,393,926	14,521	94,043	3,303,155
Reinsurance receivables	972,271	1,798,762	203,920	2,058,537	-	240,712	5,274,202
Investment securities	5,141,420	1,493,829	-	-	75,890	18,230	6,729,369
Liabilities							
Other liabilities	457,106	-	-	-	-	-	457,106

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.2 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+	0%	10%	40%	10%
A+	43%	10%	0%	10%
A	5%	55%	30%	55%
A-	39%	25%	15%	25%
BBB-	10%	0%	0%	0%
B++	0%	0%	15%	0%
B+	4%	0%	0%	0%
B	0%	0%	0%	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 are 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 to credit risk before collateral held or other credit enhancements:	Maximum exposure			
	Group	Group	Company	Company
	2015 =N='000	2014 =N='000	2015 =N='000	2014 =N='000
Cash and cash equivalents	7,702,575	4,844,323	5,792,358	3,303,155
Reinsurance receivables	7,258,399	6,743,336	5,793,094	5,274,202
Loans and other receivables	364,041	234,910	302,083	207,802
Debt securities	4,145,131	5,150,393	3,663,981	4,618,680
Total assets bearing credit risk	19,470,146	16,972,962	15,551,516	13,403,839

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 2015					
Neither past due nor impaired	7,702,575	3,942,430	364,041	4,145,131	16,154,177
Past due but not impaired	-	3,139,912	-	-	3,139,912
Impaired	-	1,258,343	375,491	-	1,633,834
Gross	7,702,575	8,340,685	739,532	4,145,131	20,927,923
Impairment allowance - collective	-	(1,258,343)	(375,491)	-	(1,633,834)
Net	7,702,575	7,082,342	364,041	4,145,131	19,294,089
31 December 2014					
Neither past due nor impaired	4,844,323	5,028,162	234,910	5,150,393	15,257,788
Past due but not impaired	-	1,715,174	-	-	1,715,174
Impaired	-	2,268,053	375,491	-	2,643,544
Gross	4,844,323	9,011,389	610,401	5,150,393	19,616,506
Impairment allowance - collective	-	(2,268,053)	(375,491)	-	(2,643,544)
Net	4,844,323	6,743,336	234,910	5,150,393	16,972,962

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.2 Credit Risk

Age analysis for past due and impaired - The Company

	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 2015					
Neither past due nor impaired	5,792,358	2,866,661	302,083	3,663,981	12,625,083
Past due but not impaired	-	2,750,376	-	-	2,750,376
Impaired	-	1,178,599	375,491	-	1,554,090
Gross	5,792,358	6,795,636	677,574	3,663,981	16,929,549
Impairment allowance - collective	-	(1,178,599)	(375,491)	-	(1,554,090)
Net	5,792,358	5,617,037	302,083	3,663,981	15,375,459
31 December 2014					
Neither past due nor impaired	3,303,155	3,741,126	207,802	4,618,680	11,870,763
Past due but not impaired	-	1,533,076	-	-	1,533,076
Impaired	-	2,230,263	375,491	-	2,605,754
Gross	3,303,155	7,504,465	583,293	4,618,680	16,009,593
Impairment allowance - collective	-	(2,230,263)	(375,491)	-	(2,605,754)
Net	3,303,155	5,274,202	207,802	4,618,680	13,403,839

(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 above 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 2015							
Cash and cash equivalents	-	7,702,575	-	-	-	-	7,702,575
Reinsurance receivables	-	-	-	-	-	7,258,399	7,258,399
Loans and other receivables	-	-	-	-	-	364,041	364,041
Debt securities	-	2,256,984	1,888,147	-	-	-	4,145,131
31 December 2014							
Cash and cash equivalents	-	4,844,323	-	-	-	-	4,844,323
Reinsurance receivables	-	-	-	-	-	6,743,336	6,743,336
Loans and other receivables	-	-	-	-	-	234,910	234,910
Debt securities	-	3,026,027	2,124,365	-	-	-	5,150,392
The Company							
31 December 2015							
Cash and cash equivalents	-	5,792,358	-	-	-	-	5,792,358
Reinsurance receivables	-	-	-	-	-	5,793,094	5,793,094
Loans and other receivables	-	-	-	-	-	302,083	302,083
Debt securities	-	1,775,834	1,888,147	-	-	-	3,663,981
31 December 2014							
Cash and cash equivalents	-	3,303,155	-	-	-	-	3,303,155
Reinsurance receivables	-	-	-	-	-	5,274,202	5,274,202
Loans and other receivables	-	-	-	-	-	207,802	207,802
Debt securities	-	2,707,248	1,911,432	-	-	-	4,618,680

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

The Group	< 90 days =N='000	91-180 days =N='000	181-270 days =N='000	271-365 days =N='000	1-2 yr =N='000	2-3 yrs =N='000	Total =N='000
31 December 2015							
Life	108,986	(1,904)	50,991	39,474	53,108	130,300	380,955
Non-Life	1,644,359	681,703	874,556	444,263	1,339,002	1,717,504	6,701,387
Total	1,753,345	679,799	925,547	483,737	1,392,110	1,847,804	7,082,342
Profile	25%	10%	13%	7%	20%	26%	100%

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.2 Credit Risk (continued)

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

The Group							
	< 90 days =N='000	91-180 days =N='000	181-270 days =N='000	271-365 days =N='000	1-2 yr =N='000	2-3 yrs =N='000	Total =N='000
31 December 2014							
Life	101,102	22,036	34,447	597	121,939	136,579	416,700
Non-Life	3,623,225	566,643	618,212	61,900	892,599	564,057	6,326,636
Total	3,724,327	588,679	652,659	62,497	1,014,538	700,636	6,743,336
Profile	55%	9%	10%	1%	15%	10%	100%
The Company							
	< 90 days =N='000	91-180 days =N='000	181-270 days =N='000	271-365 days =N='000	1-2 yr =N='000	2-3 yrs =N='000	Total =N='000
31 December 2015							
Life	51,630	10,800	35,948	39,332	48,165	127,431	313,306
Non-Life	1,236,958	482,380	491,570	418,041	834,501	1,840,281	5,303,731
Total	1,288,588	493,180	527,518	457,373	882,666	1,967,712	5,617,037
Profile	23%	9%	9%	8%	16%	35%	100%
31 December 2014							
Life	76,470	19,560	24,902	46,273	319,969	93,246	580,420
Non-Life	2,937,633	347,866	224,600	63,823	733,280	386,579	4,693,781
Total	3,014,103	367,426	249,502	110,096	1,053,249	479,825	5,274,201
Profile	57%	7%	5%	2%	20%	9%	100%

Impaired financial assets

At 31 December 2013, the Group impaired reinsurance receivables was =N=2,280,654,000, Company =N=2,230,263,000 (2013:=N=3,341,818,000).

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.

42.2.2.1 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 are 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	Group	Company	Company
	2015 =N='000	2014 =N='000	2015 =N='000	2014 =N='000
Nigeria	2,536,226	2,275,405	2,536,226	2,275,405
Cameroon	1,158,731	1,428,669	1,158,731	1,428,669
Kenya	1,639,211	1,765,770	690,242	537,744
Abidjan + Tunis	1,024,798	789,022	1,024,798	789,022.00
Garborone	723,376	484,470	207,040	243,362.00
Total	7,082,342	6,743,336	5,617,037	5,274,202

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.2.1 Concentration of credit risk (continued)

(b) Business Class

At 31 December	Group	Group	Company	Company
	2015 =N='000	2014 =N='000	2015 =N='000	2014 =N='000
Life operation	381,359	464,653	426,157	426,157
Non life Facultative	3,508,966	4,117,958	3,372,549	3,372,549
Non life Treaty	3,192,017	2,160,725	1,818,331	1,475,496
Total	7,082,342	6,743,336	5,617,037	5,274,202

42.2.3 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 2015	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year but less than 5 yrs	Over 5 years	Total
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets							
Cash and cash equivalents	7,702,575	-	-	-	-	-	7,702,575
Reinsurance receivables	3,913,186	326,204	588,679	715,156	1,138,580	576,594	7,258,399
Loans and other receivables	125,680	-	-	81,377	156,984	-	364,041
Other assets	31,056	-	-	-	-	-	31,056
Retrocession assets	727,581	-	-	-	-	-	727,581
Debt Securities at amortised cost	-	-	522,050	312,766	2,803,054	256,687.58	3,894,558
Debt Securities at available for sale	-	-	-	-	225,641	-	225,641
Total relevant financial assets	12,500,078	326,204	522,050	312,766	3,028,695	256,688	20,203,851
Financial liabilities							
Other liabilities	965,910	-	-	-	-	-	965,910
Total financial liabilities	965,910	-	-	-	-	-	965,910
Insurance contract liabilities				11,081,953			11,081,953
31 December 2014							
Financial assets							
Cash and cash equivalents	4,844,323	-	-	-	-	-	4,844,323
Reinsurance receivables	3,398,123	326,204	588,679	715,156	1,138,580	576,594	6,743,336
Loans and other receivables	150,418	4,038	11,267	12,115	57,072	-	234,910
Other assets	946,502	-	-	-	-	-	946,502
Retrocession assets	477,628	-	-	-	-	-	477,628
Debt Securities at amortised cost	350,779	197,795	1,576,771	46,574	2,310,038	396,105	4,878,062
Debt Securities at available for sale	-	26,135	-	-	246,196	-	272,331
Total relevant financial assets	10,167,773	554,172	1,576,771	46,574	2,556,234	396,105	18,397,092
Financial liabilities							
Other liabilities	350,617	-	-	-	-	-	350,617
Total financial liabilities	350,617	-	-	-	-	-	350,617
Insurance contract liabilities	-	-	-	10,784,693	-	-	10,784,693

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.2.3 Liquidity Risk (continued)

The Company	Over 1 year but less than						Total
	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	5 yrs	Over 5 years	
31 December 2015	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets							
Cash and cash equivalents	5,792,358	-	-	-	-	-	5,792,358
Reinsurance receivables	1,464,645	-	493,181	1,084,892	2,750,376	-	5,793,094
Loans and other receivables	125,379	-	-	19,720	156,984	-	302,083
Other assets	1,012,104	-	-	-	-	-	1,012,104
Retrocession assets	396,648	-	-	-	-	-	396,648
Debt Securities at amortised cost	-	-	522,050	312,766	2,346,836	256,688	3,438,340
Debt Securities at available for sale	-	-	-	-	225,641	-	225,641
Total relevant financial assets	8,791,134	-	522,050	312,766	2,572,477	256,688	16,960,268
Financial liabilities							
Other liabilities	951,769	-	-	-	-	-	951,769
Total financial liabilities	951,769	-	-	-	-	-	951,769
Insurance contract liabilities	-	-	-	9,153,563	-	-	9,153,563
31 December 2014							
Financial assets							
Cash and cash equivalents	3,303,155	-	-	-	-	-	3,303,155
Reinsurance receivables	2,718,173	295,930	367,427	359,597	956,482	-	4,697,609
Loans and other receivables	123,309	4,038.00	11,267	12,115	57,072	-	207,801
Other assets	1,186,944	-	-	-	-	-	1,186,944
Retrocession assets	335,935	-	-	-	-	-	335,935
Debt Securities at amortised cost	350,779	197,795	1,576,771	46,574	1,943,450	257,118.00	4,372,487
Debt Securities at available-for-sale	-	-	-	-	246,193	-	246,193
Total relevant financial assets	8,018,295	497,763	1,955,465	418,286	3,203,197	257,118	14,350,124
Financial liabilities							
Other liabilities	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-
Insurance contract liabilities	-	-	-	9,004,306	-	-	9,004,306

42.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	At 31 December 2015		At 31 December 2014	
	Group		Group	
	Carrying value	Fair value	Carrying value	Fair value
	=N='000	=N='000	=N='000	=N='000
Financial assets				
Cash and cash equivalents	7,702,575	7,702,575	4,844,323	4,844,323
Reinsurance receivables	7,258,399	7,258,399	6,743,336	6,743,336
Loans and other receivables	364,041	364,041	234,910	234,910
Other assets	31,056	31,056	981,264	981,264
Retrocession assets	727,581	727,581	477,628	477,628
Debt securities at amortised cost				
Listed	2,006,411	2,006,411	2,753,697	2,753,697
Unlisted	1,888,147	1,888,147	2,124,465	2,124,465
Financial liabilities				
Other liabilities	1,092,154	1,092,154	535,096	535,096

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.3 Fair value of financial assets and liabilities (continued)

(a) Financial instruments not measured at fair value (c)	At 31 December 2015		At 31 December 2014	
	Company		Company	
	Carrying value =N='000	Fair value =N='000	Carrying value =N='000	Fair value =N='000
Financial assets				
Cash and cash equivalents	5,792,358	5,792,358	3,303,155	3,303,155
Reinsurance receivables	5,793,094	5,793,094	5,274,202	5,274,202
Loans and other receivables	302,083	302,083	207,802	207,802
Other assets	1,062,703	1,062,703	1,214,437	1,214,437
Retrocession assets	396,648	396,648	335,935	335,935
Debt securities at amortised cost				
Listed	2,753,697	2,753,697	3,279,934	3,279,934
Unlisted	2,124,365	2,124,365	2,550,336	2,550,336
Financial liabilities				
Other liabilities	1,318,129	1,318,129	457,106	457,106

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 asset or liability that are not based on observable market data (unobservable inputs).

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

	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total =N='000
The Group				
31 December 2015				
Financial assets				
Financial asset designated at fair value	1,224,258	-	-	1,224,258
Debt securities at available for sale				
Listed	250,573	-	-	250,573
Equity securities at available for sale				
Listed	838,636	-	-	838,636
Unlisted	-	-	-	-
31 December 2014				
Financial assets				
Financial asset designated at fair value	1,227,512	-	-	1,227,512
Debt securities at available for sale				
Listed	272,331	-	-	272,331
Equity securities at available for sale				
Listed	1,027,724	-	-	1,027,724
Unlisted	-	1,105,982	-	1,105,982
The Company				
31 December 2015				
Financial assets				
Financial asset designated at fair value	104,247	-	-	104,247
Debt securities at available for sale				
Listed	225,641	-	-	225,641
Equity securities at available for sale				
Listed	819,780	-	-	819,780
Unlisted	-	-	-	-

Continental Reinsurance Plc

Notes to the consolidated financial statements - Continued

42.3 Fair value of financial assets and liabilities (continued)

(b) Financial instruments measured at fair value (continued)

The Company

31 December 2014

Financial assets

	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	
Financial asset designated at fair value	171,524	-	-	171,524
Debt securities at available for sale				
Listed	246,193	-	-	246,193
Equity securities at available for sale				
Listed	1,004,707	-	-	1,004,707
Unlisted	-	1,105,982		1,105,982

(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 portfolio 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.

42.4 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 satisfy 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.

Continental Reinsurance Plc

Consolidated statement of value added
for the year ended 31 December 2015

	Group 2015 =N='000	%	Group 2014 =N='000	%	Company 2015 =N='000	%	Company 2014 =N='000	%
Net premium income:								
- Local	10,744,733		9,016,190		10,744,733		9,016,190	
- Foreign	7,450,626		5,178,318		3,593,388		2,408,732	
Other income	1,730,760		1,342,341		1,432,864		1,182,992	
	<u>19,926,119</u>		<u>15,536,849</u>		<u>15,770,985</u>		<u>12,607,914</u>	
Claims, commission, charges and management expenses								
- local	(7,157,836)		(6,430,005)		(7,157,836)		(6,430,005)	
- imported	(8,638,178)		(6,473,517)		(5,100,359)		(3,974,405)	
Value Added	<u>4,130,105</u>	100.0	<u>2,633,327</u>	100.0	<u>3,512,790</u>	100.0	<u>2,203,504</u>	100.0
Applied as follows:								
To pay employees:								
- Salaries, pension and other allowances	1,063,312	25.7	942,589	26.0	861,001	24.5	836,879	26.7
To pay Government:								
- Income tax	717,991	17.3	691,222	13.7	542,027	15.3	589,297	13.2
- Information technology levy	41,225	1.0	12,800	0.6	41,225	1.2	12,800	0.7
Retained for growth:								
- Depreciation and amortisation	109,974	2.7	89,969	3.2	70,320	2.0	73,831	3.0
- Deferred taxation	54,814	1.4	41,103	1.4	63,830	1.9	29,174	1.3
- Profit for the year	2,142,788	51.9	855,644	55.1	1,934,387	55.1	661,523	55.1
	<u>4,130,105</u>	100.0	<u>2,633,327</u>	100.0	<u>3,512,790</u>	100.0	<u>2,203,504</u>	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.

Continental Reinsurance Plc
Group three-year financial summary

STATEMENT OF FINANCIAL POSITION AS AT	<-----31 DECEMBER----->		
	2015 =N='000	2014 =N='000	2013 =N='000
ASSETS			
Cash and cash equivalents	7,702,575	4,844,323	5,673,748
Financial asset held for trading	1,224,258	1,227,512	170,285
Loans and other receivables	364,041	234,910	379,174
Available-for-sale investments	2,194,682	2,406,037	2,259,534
Held to maturity investments	3,894,558	4,878,062	5,830,270
Reinsurance receivables	7,258,399	6,743,336	6,292,066
Retrocession assets	727,581	477,628	358,106
Deferred acquisition costs	1,458,436	1,759,685	1,428,293
Other assets	31,056	981,264	365,839
Investment properties	2,685,646	2,926,956	1,746,800
Intangible assets	-	1,214	9,667
Property, plant and equipment	1,127,498	726,717	611,628
Investments in subsidiary	-	-	-
Statutory deposits	1,000,000	1,000,000	1,000,000
Total assets	29,668,730	28,207,644	26,125,410
LIABILITIES			
Insurance contract liabilities	11,081,953	10,784,693	9,873,379
Reinsurance creditors	884,117	1,404,170	1,169,024
Other liabilities	1,092,154	535,096	311,142
Retirement benefit obligation	278,372	184,379	45,900
Current income tax payable	722,035	458,813	391,381
Deferred tax liabilities	72,908	64,113	49,091
Total liabilities	14,131,539	13,431,264	11,839,917
EQUITY			
Share capital	5,186,372	5,186,372	5,186,372
Share premium	3,915,451	3,915,451	3,915,451
Retained earnings	1,820,765	1,714,433	2,420,096
Contingency reserve	3,414,608	2,785,131	2,519,174
Available-for-sale reserve	182,183	297,704	276,794
Foreign currency translation reserve	(116,756)	(101,723)	(32,394)
Equity attributable equity holders of the parent	14,402,623	13,797,368	14,285,493
Non-controlling interest	1,134,568	979,012	
Total equity	15,537,191	14,776,380	14,285,493
Total liabilities and equity	29,668,730	28,207,644	26,125,410

Continental Reinsurance Plc
Group three year financial summary (continued)

INCOME STATEMENT FOR YEAR ENDED	<-----31 DECEMBER----->		
	2015 =N='000	2014 =N='000	2013 =N='000
Gross premium	19,738,040	16,436,778	15,858,796
Profit before income tax expense	2,915,593	1,587,969	2,233,394
Income tax expense	(772,805)	(732,325)	(479,994)
Profit for the year	<u>2,142,788</u>	<u>855,644</u>	<u>1,753,400</u>
Appropriations:			
Transfer to contingency reserve	629,477	365,035	546,777
Transfer to retained earnings	<u>1,513,311</u>	<u>490,609</u>	<u>1,206,623</u>
Earnings per share (kobo)	19	8	8
Net assets per share (kobo)	<u>139</u>	<u>133</u>	<u>138</u>

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.

Continental Reinsurance Plc
Separate five-year financial summary

STATEMENT OF FINANCIAL POSITION

AS AT

ASSETS

	-----31 DECEMBER----->				
	2015	2014	2013	2012	2011
	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	5,792,358	3,303,155	5,605,227	6,263,827	5,815,044
Financial asset held for trading	104,247	171,524	170,285	132,942	108,956
Loans and other receivables	302,083	207,802	370,833	192,575	153,584
Available-for-sale investments	2,150,894	2,356,882	2,213,919	1,910,396	1,736,086
Held to maturity investments	3,438,340	4,372,487	4,732,522	4,359,087	5,076,223
Reinsurance receivables	5,793,094	5,274,202	5,613,677	5,427,732	4,602,289
Retrocession assets	396,648	335,935	279,247	779,147	146,974
Deferred acquisition costs	1,107,837	1,383,416	1,213,441	1,077,360	975,157
Other assets	1,062,703	1,214,437	546,073	1,113,603	181,718
Investment properties	2,685,646	2,926,956	1,746,800	1,661,000	1,653,500
Intangible assets	-	1,214	9,667	17,075	4,913
Property, plant and equipment	1,048,051	613,858	553,200	114,695	103,423
Investments in subsidiary	1,649,571	1,722,633	987,405	-	-
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	26,531,472	24,884,501	25,042,296	24,049,439	21,557,867

LIABILITIES

Insurance contract liabilities	9,153,563	9,004,306	8,961,159	9,237,451	7,747,320
Reinsurance creditors	847,009	1,175,735	1,169,024	754,969	722,385
Other liabilities	1,318,129	457,106	288,057	252,265	345,897
Retirement benefit obligation	278,372	184,379	45,900	164,110	3,893
Current income tax payable	648,999	391,277	388,875	401,617	381,624
Deferred tax liabilities	68,777	45,039	41,946	3,660	41,470
Total liabilities	12,314,849	11,257,842	10,894,961	10,814,072	9,242,589

EQUITY

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	1,681,345	1,526,328	2,423,196	2,344,587	1,986,024
Contingency reserve	3,250,484	2,705,666	2,349,131	1,873,319	1,435,136
Available-for-sale reserve	182,971	292,842	273,185	(84,362)	(207,705)
Total equity	14,216,623	13,626,659	14,147,335	13,235,367	12,315,278

Total liabilities and equity

26,531,472	24,884,501	25,042,296	24,049,439	21,557,867
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Continental Reinsurance Plc
Separate five year financial summary (continued)

INCOME STATEMENT FOR YEAR ENDED	<-----31 DECEMBER ----->				
	2015 =N='000	2014 =N='000	2013 =N='000	2012 =N='000	2011 =N='000
Gross premium	15,366,113	13,176,217	14,053,252	14,053,252	11,647,038
Profit before income tax	2,540,244	1,279,994	2,001,410	1,699,731	1,829,729
Income tax expense	(605,857)	(618,471)	(414,953)	(414,953)	(387,150)
Profit after taxation	<u>1,934,387</u>	<u>661,523</u>	<u>1,586,457</u>	<u>1,284,778</u>	<u>1,442,579</u>
Appropriations:					
Transfer to contingency reserve	544,818	356,585	475,812	438,183	340,929
Transfer to retained earnings	<u>1,389,569</u>	<u>304,988</u>	<u>1,110,645</u>	<u>1,110,645</u>	<u>1,101,650</u>
Earnings per share (kobo)	19	6	15	12	14
Net assets per share (kobo)	<u>137</u>	<u>131</u>	<u>136</u>	<u>128</u>	<u>119</u>

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.