

CONTINENTAL REINSURANCE PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30TH JUNE 2016

Continental Reinsurance Plc
Unaudited Consolidated Financial Statements
For the half year ended 30 June, 2016

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Continental Reinsurance Plc

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the half year ended 30 June, 2016

Note	GROUP		GROUP	
	JAN-JUN 2016 =N='000	JAN-JUN 2015 =N='000	APR-JUN 2016 =N='000	APR-JUN 2015 =N='000
Gross written Premium	11,924,815	11,069,277	6,385,066	6,156,610
Insurance premium revenue	1.1 11,809,585	10,816,683	6,297,984	5,994,559
Insurance premium ceded to retrocessionaires	1.2 (1,200,251)	(1,017,427)	(754,109)	(604,088)
Net insurance premium revenue	10,609,334	9,799,256	5,543,875	5,390,471
Insurance benefits				
Insurance claims and loss adjustment expenses	2.1 5,434,899	5,662,455	2,720,197	3,188,444
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1 (144,869)	(139,365)	(59,500)	(46,235)
Net insurance benefits and claims	5,290,030	5,523,090	2,660,697	3,142,209
Underwriting expenses	2.2 4,550,360	3,660,077	2,717,767	2,111,979
Insurance benefits and underwriting expenses	9,840,390	9,183,167	5,378,464	5,254,188
Underwriting profit	768,943	616,089	165,411	136,283
Net Interest income	3 551,154	556,652	314,827	280,716
Net gains on financial assets designated at fair value through profit or loss	4 12,972	25,162	22,319	8,082
Other income	5 89,593	220,141	54,457	137,741
Foreign exchange gain/(loss)	5.1 2,401,326	399,617	2,681,510	(49,771)
Income from investment in subsidiary	5.2 -	-	-	-
Administration expenses	6.1 (234,176)	(247,235)	(108,110)	(137,431)
Impairment of financial assets	6.2 (581,343)	(175,687)	(662,127)	(157,659)
Profit before taxation	3,008,470	1,394,739	2,468,288	217,961
Income tax expense	8 (760,772)	(360,820)	(623,244)	(125,464)
Profit after taxation	2,247,698	1,033,919	1,845,043	92,497
Profit for the year	2,247,698	1,033,919	1,845,043	92,497
Other comprehensive income:				
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:				
Remeasurement gains on available for sale financial assets	7 11,363	-	69,755	-
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7 -	-	-	-
Exchange difference on translation of foreign operations		328,297		
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:				
Actuarial (loss)/gains on defined benefit plans	26 -	14,573		(153,397)
Income tax relating to component of other comprehensive income				
Other comprehensive income for the year, net of tax	11,363	342,870	69,755	(153,397)
Total Comprehensive Income for the year	2,259,061	1,376,789	1,914,798	(60,900)
Profit attributable to:				
Equity holders of the parent	2,196,975	973,887	1,845,043	92,497
Non-controlling interest	50,723	60,032	-	-
	2,247,698	1,033,919	1,845,043	92,497
Total comprehensive income attributable to:				
Equity holders of the parent	2,208,338	1,316,757	1,914,798	(60,900)
Non-controlling interest	50,723	60,032	-	-
	2,259,061	1,376,789	1,914,798	(60,900)
Earnings per share				
Basic (kobo)	22	10		

Continental Reinsurance Plc
Statement of Profit or Loss and other Comprehensive Income
For the half year ended 30 June, 2016

Note	COMPANY		COMPANY	
	JAN-JUN 2016 =N='000	JAN-JUN 2015 =N='000	APR-JUN 2016 =N='000	APR-JUN 2015 =N='000
Gross written Premium	9,567,114	8,723,762	5,062,363	4,631,852
Insurance premium revenue	1.1 9,510,757	8,609,007	4,991,001	4,552,364
Insurance premium ceded to retrocessionaires	1.2 (996,671)	(816,302)	(624,807)	(463,381)
Net insurance premium revenue	8,514,087	7,792,705	4,366,195	4,088,983
Insurance benefits				
Insurance claims and loss adjustment expenses	2.1 4,457,956	4,611,842	2,197,398	2,407,382
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1 (89,618)	(139,365)	(61,122)	(46,235)
Net insurance benefits and claims	4,368,338	4,472,477	2,136,276	2,361,147
Underwriting expenses	2.2 3,609,140	2,914,740	2,100,355	1,608,126
Insurance benefits and underwriting expenses	7,977,478	7,387,217	4,236,631	3,969,273
Underwriting profit	536,608	405,488	129,563	119,710
Net Interest income	3 421,225	420,584	216,231	226,456
Net gains on financial assets designated at fair value through profit or loss	4 11,849	25,162	21,196	8,082
Other income	5 85,307	209,604	51,214	134,077
Foreign exchange gain/(loss)	5.1 2,433,365	399,617	2,731,603	(49,771)
Income from investment in subsidiary	5.2 -	-	-	-
Administration expenses	6.1 (173,180)	(188,116)	(109,212)	(97,350)
Impairment of financial assets	6.2 (507,262)	(153,413)	(609,913)	(153,413)
Profit before taxation	2,807,913	1,118,926	2,430,683	187,791
Income tax expense	8 (701,978)	(279,732)	(607,670)	(93,505)
Profit after taxation	2,105,935	839,195	1,823,012	94,286
Profit for the year	2,105,935	839,195	1,823,012	94,286
Other comprehensive income:				
Other comprehensive income/(loss) to be reclassified to P & L in subsequent periods:				
Remeasurement gains on available for sale financial assets	7 11,363	-	69,755	66,388
Reclassification adjustments to gain on available for sale financial assets included in profit and loss	7 -	-	-	-
Exchange difference on translation of foreign operations				
Other comprehensive income/(loss) not to be reclassified to P & L in subsequent periods:				
Actuarial (loss)/gains on defined benefit plans	26 -	-	-	-
Income tax relating to component of other comprehensive income		11,937		
Other comprehensive income for the year, net of tax	11,363	11,937	69,755	66,388
Total Comprehensive Income for the year	2,117,298	851,132	1,892,768	160,674
Profit attributable to:				
Equity holders of the parent	2,105,935	839,195	1,823,012	94,286
Non-controlling interest		-		-
	2,105,935	839,195	1,823,012	94,286
Total comprehensive income attributable to:				
Equity holders of the parent	2,117,298	851,132	1,892,768	160,674
Non-controlling interest	-	-	-	-
	2,117,298	851,132	1,892,768	160,674
Earnings per share				
Basic (kobo)	20	8		

Continental Reinsurance Plc
Consolidated Statement of Financial Position

As at 30 June 2016	Note	GROUP		COMPANY	
		30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Assets					
Cash and cash equivalents	11	9,366,056	7,702,575	6,879,080	5,792,358
Financial assets					-
-Financial asset designated as fair value	12	1,828,156	1,224,258	116,096	104,247
-Loans and other receivables	13	372,191	364,041	287,976	302,083
-Available-for-sale investments	14.1	2,234,468	2,194,682	2,175,046	2,150,894
-Held to maturity investments	14.2	5,328,848	3,894,558	4,614,980	3,438,340
Reinsurance receivables	15	11,047,014	7,258,399	8,487,826	5,793,094
Retrocession assets	16	889,784	727,581	421,143	396,648
Deferred acquisition costs	17	1,582,257	1,458,436	1,103,938	1,107,837
Investment in Subsidiary		-		1,649,571	1,649,571
Other assets	18	447,305	31,056	1,611,145	1,062,703
Investment properties	19	2,685,646	2,685,646	2,685,646	2,685,646
Intangible assets	20	-	-	-	-
Property, plant and equipment	21	1,127,887	1,127,498	1,014,937	1,048,051
Statutory deposits	22	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		37,909,611	29,668,730	32,047,386	26,531,472
Liabilities					
Insurance contract liabilities	23	13,816,629	11,081,953	10,636,161	9,153,563
Reinsurance creditors	24	2,240,350	884,117	2,422,280	847,009
Other liabilities	25	1,396,898	1,092,154	1,662,832	1,318,129
Retirement benefit obligations	26	316,206	278,372	275,953	278,372
Current income tax	8	628,297	722,035	647,463	648,999
Deferred taxation	9	142,441	72,908	68,777	68,777
Total liabilities		18,540,821	14,131,539	15,713,465	12,314,849
Equity					
Share capital	27	5,186,372	5,186,372	5,186,372	5,186,372
Share premium	28	3,915,451	3,915,451	3,915,451	3,915,451
Contingency reserve	29	3,671,114	3,414,608	3,506,991	3,250,484
Retained earnings	30	3,761,234	1,820,765	3,530,773	1,681,345
Available-for-sale reserve	31	193,546	182,183	194,335	182,971
Foreign currency translation reserve		1,455,782	(116,756)		
Equity attributed to holder of parent		18,183,501	14,402,623	16,333,922	14,216,623
Non-controlling interest		1,185,291	1,134,568		
Total equity		19,368,791	15,537,191	16,333,921	14,216,623
Total Liabilities & equities		37,909,611	29,668,730	32,047,386	26,531,472

Continental Reinsurance Plc
Consolidated Statement of Changes in Equity
For the half year ended 30 June, 2016

		Attributable to equity holders-Group							
Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Foreign Exchange Translation Reserve =N='000	Non- controlling interest	Total equity =N='000	
Balance at 1 January 2016	5,186,372	3,915,451	1,820,765	3,414,608	182,183	(116,756)	1,134,568	15,537,191	
Profit or loss for the period	-	-	2,196,975	-	-	-	50,723	2,247,698	
Transfer of contingency reserve	-	-	(256,506)	256,506	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	
Fair value of equity financial assets	-	-	-	-	11,363	-	-	11,363	
Foreign exchange translation reserve	-	-	-	-	-	1,572,538	-	1,572,538	
Total comprehensive income or loss	-	-	1,940,469	256,506	11,363	1,572,538	50,723	3,831,599	
Transaction with owners	-	-	-	-	-	-	-	-	
Dividend	-	-	-	-	-	-	-	-	
Total Transactions with owners	-	-	-	-	-	-	-	-	
At 30 June, 2016	5,186,372	3,915,451	3,761,234	3,671,114	193,546	1,455,782	1,185,291	19,368,791	
Balance at 1 January 2015	5,186,372	3,915,451	1,714,433	2,785,131	297,704	(101,723)	979,012	14,776,380	
At acquisition	-	-	-	-	-	-	-	-	
Change in shareholding	-	-	-	-	-	-	-	-	
Profit or loss for the year	-	-	973,887	-	-	-	60,032	1,033,919	
Transfer of contingency reserve	-	-	(275,686)	275,686	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	
Fair value of equity financial assets	-	-	-	-	14,573	-	-	14,573	
Foreign exchange translation reserve	-	-	-	-	-	328,297	-	328,297	
Total comprehensive income or loss	5,186,372	3,915,451	2,412,634	3,060,817	312,277	226,574	1,039,044	16,153,169	
Transaction with owners	-	-	-	-	-	-	-	-	
Dividend	-	-	-	-	-	-	-	-	
Total Transactions with owners	-	-	-	-	-	-	-	-	
At 30 June, 2015	5,186,372	3,915,451	2,412,634	3,060,817	312,277	226,574	1,039,044	16,153,169	

Continental Reinsurance Plc
Statement of Changes in Equity
For the half year ended 30 June, 2016

Attributable to equity holders-Company

Notes	Share capital =N='000	Share premium =N='000	Retained earnings =N='000	Contingency reserve =N='000	Available for sale reserve =N='000	Total equity =N='000
Balance at 1 January 2016	5,186,372	3,915,451	1,681,345	3,250,484	182,971	14,216,623
Profit or loss for the period	-	-	2,105,935	-	-	2,105,935
Transfer of contingency reserve	-	-	(256,507)	256,507	-	-
Other comprehensive income						
Fair value of equity financial assets	7	-	-	-	11,364	11,364
Foreign exchange translation reserve						-
Total comprehensive income or loss			1,849,428	256,507	11,364	2,117,298
Transaction with owners						
Dividend	25.1	-	-	-	-	-
Total Transactions with owners						
At 31 June 30, 2016	5,186,372	3,915,451	3,530,773	3,506,991	194,335	16,333,921
Balance at 1 January 2015	5,186,372	3,915,451	1,526,328	2,705,666	292,842	13,626,659
Profit or loss for the year	-	-	839,195	-	-	839,195
Transfer of contingency reserve	-	-	(232,093)	232,093	-	-
Other comprehensive income						
Fair value of equity financial assets		-	-	-	11,937	11,937
Foreign exchange translation reserve						-
Total comprehensive income or loss	5,186,372	3,915,451	2,133,429	2,937,759	304,779	14,477,790
Transaction with owners						
Dividend		-	-	-	-	-
Total Transactions with owners						
At 30 June 2015	5,186,372	3,915,451	2,133,429	2,937,759	304,779	14,477,790

Continental Reinsurance Plc
Statement of Cash flows
For the half year ended 30 June, 2016

	30 June	30 June
	2016	2015
	N' 000	N' 000
Cash flows from operating activities		
Premium received from policy holders	6,365,120	14,039,884
Retrocession receipts in respect of claims	88,059	485,414
Acquisition costs paid	-2,708,269	-3,956,261
Retrocession premium paid	-732,806	-1,685,709
Employees benefit and other admin expenses paid	-1,040,490	-1,021,258
Other operating cash receipts/payments	2,348,326	-1,130,510
Claims paid	-2,555,113	-6,833,619
Income taxes paid	-703,514	-586,895
Net cash flows (outflow)/inflow from operating activities	1,061,312	-688,954
Cash flows from investing activities		
Purchase of property, plant and equipment	-77,995	-131,687
Purchase of intangible assets	0	0
Investment in subsidiary	0	-735,228
Proceeds from disposal of property, plant and equipment	1,521	3,779
Purchase of investment securities	-216,504	-491,454
Proceeds on redemption /sales of investments	1,882,016	1,107,354
Purchase of investment property	0.00	-1,096,597
Proceeds from sale of investment property	0	0
Rent Received	29,982	0
Interest received	443,070	838,546
Dividend received	14,388	148,027
Net cash generated/(used) in investing activities	2,076,477	-357,260
Cash flows from financing activities		
Dividend expense	0	-1,141,002
Net cash used in financing activities	0	-1,141,002
Net increase in cash and cash equivalents	3,137,789	-2,187,216
Cash and cash equivalents at start of year	4,337,192	6,526,753
Effect of exchange rate changes on cash and cash equivalents	58,974	-2,345
Cash and cash equivalents at end of period	7,533,955	4,337,192

Cash and cash Equivalent	2015	2014
Balances held with other banks:	N' 000	N' 000
Cash in hand	99	110
- Current account and cash in hand	439,394	119,463
Domiciliary account	411,937	9,839
Balances held with foreign banks:	849,161	517,685
- Placements with banks and other financial institutions	5,178,489	2,656,058
Treasury bill	654,876	1,034,037
Cash and Cash Equivalent at end	7,533,955	4,337,192

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements

	GROUP		COMPANY		GROUP	APR-JUN	COMPANY	
	JAN-JUN 2016	JAN-JUN 2015	JAN-JUN 2016	JAN-JUN 2015			APR-JUN 2016	APR-JUN 2015
1 Revenue	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
1.1 Insurance premium revenue								
<i>Premium revenue arising from insurance contracts issued</i>								
Life insurance contracts								
– Gross Premium	1,612,627	1,560,112	1,525,366	1,480,961	930,846	942,233	878,074	893,975
– Change in life insurance contract liabilities	119,537	97,803	119,537	97,803	(19,562)	10,359	(19,562)	(12,849)
– Change in ceded unexpired risk reserve	(17,931)	(14,670)	(17,931)	(14,670)	2,934	1,928	2,933	1,928
Non life insurance contracts					0	-	0	-
– Gross Premium	10,312,188	9,509,165	8,041,748	7,242,801	5,454,220	5,214,377	4,184,289	3,737,877
– Change in unearned premium provision	(216,837)	(335,727)	(157,963)	(197,888)	(70,455)	(174,338)	(54,733)	(68,567)
Total Premium revenue arising from insurance contracts issued	11,809,585	10,816,683	9,510,757	8,609,007	6,297,984	5,994,559	4,991,001	4,552,364
1.2 Insurance premium ceded to retrocessionaire								
<i>Premium revenue ceded to retrocessionaire on insurance contracts issued</i>								
Life insurance contracts	958,357	234,017	228,805	222,144	614,482	(86,640)	-45,965	(42,728)
Non life insurance contracts	241,894	783,410	767,866	594,158	139,627	690,728	670,772	506,109
Total Premium revenue ceded to retrocessionaire on insurance contracts	1,200,251	1,017,427	996,671	816,302	754,109	604,088	624,807	463,381
Net insurance premium revenue	10,609,334	9,799,256	8,514,087	7,792,705	5,543,875	5,390,471	4,366,195	4,088,983
2 Insurance benefits and underwriting expenses								
2.1 Insurance claims and loss adjustment expenses								
Life insurance contracts	907,201	851,967	869,901	829,872	432,793	541,033	406,028	527,982
Non life insurance contracts	4,568,566	4,854,845	3,628,922	3,826,327	2,287,187	2,687,333	1,791,152	1,919,322
ceded outstanding claim reserve - Non Life	-	-	-	-	-	-	-	-
ceded outstanding claim reserve - Life	(40,868)	(44,357)	(40,868)	(44,357)	217	(39,922)	217	(39,922)
Total cost of policyholder benefits	5,434,899	5,662,455	4,457,956	4,611,842	2,720,197	3,188,444	2,197,398	2,407,382
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(144,869)	(139,365)	(89,618)	(139,365)	(59,500)	(46,235)	(61,122)	(46,235)
Net insurance benefits and claims	5,290,030	5,523,090	4,368,338	4,472,477	2,660,697	3,142,209	2,136,276	2,361,147
2.2 Underwriting expenses								
Costs incurred for the acquisition of insurance	2,994,217	2,489,514	2,441,045	1,986,595	1,766,835	1,486,218	1,438,246	1,153,281
Costs incurred for the maintenance of insurance contracts	404,126	276,503	271,122	170,683	237,590	143,463	157,627	77,807
Management expenses (See Note 6.1)	1,152,018	894,060	896,973	757,462	713,342	482,298	504,482	377,038
Total underwriting expenses	4,550,360	3,660,077	3,609,140	2,914,740	2,717,767	2,111,979	2,100,355	1,608,126
Total insurance benefits and underwriting expenses	9,840,390	9,183,167	7,977,478	7,387,217	5,378,464	5,254,188	4,236,631	3,969,273
3 Net Interest income								
Cash and bank balances interest income	215,598	184,872	153,047	106,311	108,116	54,450	75,857	57,697
Statutory deposits interest income	58,758	109,650	58,758	52,143	28,635	86,178	28,635	28,671
Held-to-maturity and loans and receivables interest income	276,798	262,130	209,421	262,130	178,076	140,088	111,740	140,088
Net Interest income	551,154	556,652	421,225	420,584	314,827	280,716	216,231	226,456
4 Net fair value gains on assets at fair value through profit or loss								
Net fair value gains/ (losses) on financial assets designated at fair value through profit or loss	12,972	25,162	11,849	25,162	22,319	8,082	21,196	8,082
Fair value gains on investment property	-	0	-	0	-	-	-	-
Total	12,972	25,162	11,849	25,162	22,319	8,082	21,196	8,082
5 Other income								
Available-for-sale								
– Dividends	14,800	103,243	14,388	102,870	12,511	51,338	12,188	50,965
– Gain on disposal of available-for-sale securities:		14,389		14,389		14,389		14,389
Equity	-	-	-	-	-	-	-	-
Bond	27,779	-	27,779	-	27,779	-	27,779	-
Income on investment property	31,729	61,023	31,729	61,023	9,353	43,302	9,353	43,302
– Gain/(Loss) on disposal of investment property	-	14,533	-	14,533	-	14,533	-	14,533
–(Loss)/gain on disposal of property, plant and equipment	1,423	0	1,423	0	1,510	-	1,510	-
Other income	13,862	26,953	9,988	16,789	3,304	14,179	384	10,888
Total	89,593	220,141	85,307	209,604	54,457	137,741	51,214	134,077

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

5.1 Foreign exchange gain/(loss)

Foreign exchange gain/(loss)	2,401,326	399,617	2,433,365	399,617	2,681,510	(49,771)	2,731,603	(49,771)
	<u>2,401,326</u>	<u>399,617</u>	<u>2,433,365</u>	<u>399,617</u>	<u>2,681,510</u>	<u>(49,771)</u>	<u>2,731,603</u>	<u>(49,771)</u>

Breakdown of foreign exchange

5.1a gain/(loss)

Investment assets	1,368,790	196,283	1,368,790	196,283	1,317,101	(24,446)	1,341,706	(24,446)
Bank balances	195,868	189,376	226,150	189,376	1,270,752	(23,586)	1,294,491	(23,586)
Reinsurance receivables	1,219,965	13,957	1,221,722	13,957	93,657	(1,738)	95,406	(1,738)
	<u>2,784,623</u>	<u>399,617</u>	<u>2,816,662</u>	<u>399,617</u>	<u>2,681,510</u>	<u>(49,771)</u>	<u>2,731,603</u>	<u>(49,771)</u>
Less gain on impaired reinsurance receivables (see note 15.1a)	(383,297)	-	(383,297)	-	-	-	-	-
	<u>2,401,326</u>	<u>399,617</u>	<u>2,433,365</u>	<u>399,617</u>	<u>2,681,510</u>	<u>(49,771)</u>	<u>2,731,603</u>	<u>(49,771)</u>

The above Foreign Exchange Gain represents unrealised gains on the valuation of cash and cash equivalents, investment assets and reinsurance receivable balances as at reporting date. The substantial year-on-year increase is as a result of over 40% devaluation of the Naira in June 2016 from N196.5 to N281.5. This is unusual occurrence and may not reoccur again.

5.2 Income from investment in Subsidiary

- Dividend received

	-	-	-	-	-	-	-	0
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 Operating expenses

6.1 Management and administration expenses

Management expenses	1,152,018	894,060	896,973	757,462	713,342	482,298	504,482	377,038
Administration expenses	234,176	247,235	173,180	188,116	108,110	137,431	109,212	97,350
	<u>1,386,194</u>	<u>1,141,295</u>	<u>1,070,152</u>	<u>945,578</u>	<u>821,452</u>	<u>619,729</u>	<u>613,693</u>	<u>474,388</u>

Management and administration expenses comprises the following:

Depreciation and amortisation	63,294	43,047	36,983	33,330	21,380	25,495	19,572	15,778
Auditor's remuneration	12,263	27,487	9,563	18,770	9,761	16,525	9,563	7,808
Employee benefits expenses (a)	572,010	416,148	528,261	381,897	205,501	192,566	307,443	192,653
Other operating expenses	738,627	654,613	495,345	511,581	584,810	385,143	277,115	258,149
Total management and administrative expense	<u>1,386,194</u>	<u>1,141,295</u>	<u>1,070,152</u>	<u>945,578</u>	<u>821,452</u>	<u>619,729</u>	<u>613,693</u>	<u>474,388</u>

(a) Employee benefit expense

Wages and salaries (local)	375,886	281,134	339,912	246,883	117,079	152,510	219,594	118,259
Wages and salaries (other regions)	166,327	108,683	166,327	108,683	81,674	31,083	81,674	65,421
Pension	-	-	-	-	-	-	-	-
Defined Benefit Staff Gratuity Plan	-	0	-	0	-	-	-	-
Defined Contributory Plan	29,797	26,331	22,022	26,331	6,748	8,973	6,175	8,973
	<u>572,010</u>	<u>416,148</u>	<u>528,261</u>	<u>381,897</u>	<u>205,501</u>	<u>192,566</u>	<u>307,443</u>	<u>192,653</u>

6 Other operating expenses

6.2 Impairment of financial assets

Reinsurance receivables	581,343	175,687	507,262	153,413	662,127	157,659	609,913	153,413
Retrocessionaire's share of receivables	-	-	-	-	-	-	-	-
	<u>581,343</u>	<u>175,687</u>	<u>507,262</u>	<u>153,413</u>	<u>662,127</u>	<u>157,659</u>	<u>609,913</u>	<u>153,413</u>

7 Net unrealised gain/(loss) on financial assets

Unrealised gain/(loss) on financial asset - Available-for-sale

- Equity instruments	11,363	0	11,363	0	69,755	38,802	69,755	66,387
- Debt Instruments	-	0	-	0	-	1,232	-	1
Total	<u>11,363</u>	<u>0</u>	<u>11,363</u>	<u>0</u>	<u>69,755</u>	<u>40,034</u>	<u>69,755</u>	<u>66,388</u>
Reclassification adjustments to gains included in	-	0	-	0	-	-	-	0
Income tax relating to component of other com	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net	<u>11,363</u>	<u>0</u>	<u>11,363</u>	<u>0</u>	<u>69,755</u>	<u>40,034</u>	<u>69,755</u>	<u>66,388</u>

8 Taxation

	JAN-JUN 2016	JAN-JUN 2015	JAN-JUN 2016	JAN-JUN 2015	APR-JUN 2016	APR-JUN 2015	APR-JUN 2016	APR-JUN 2015
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Per statement of comprehensive income:								
Income tax based on profit for the year	760,772	360,820	701,978	279,732	623,244	125,464	607,670	93,505
Education tax	-	-	-	-	-	-	-	-
Back duty charge prior year	-	-	-	-	-	-	-	-
	<u>760,772</u>	<u>360,820</u>	<u>701,978</u>	<u>279,732</u>	<u>623,244</u>	<u>125,464</u>	<u>607,670</u>	<u>93,505</u>
Deferred taxation (Note 9)	-	-	-	-	-	-	-	-
	<u>760,772</u>	<u>360,820</u>	<u>701,978</u>	<u>279,732</u>	<u>623,244</u>	<u>125,464</u>	<u>607,670</u>	<u>93,505</u>
Per statement of financial position:								
At 1 January	722,035	458,813	648,999	391,277				
Based on profit for the year	760,772	717,991	701,978	542,027				
Payments during the year	(854,510)	(454,769)	(703,515)	(284,305)				
	<u>628,297</u>	<u>722,035</u>	<u>647,463</u>	<u>648,999</u>				

Continental Reinsurance Plc
Notes to the Consolidated Financial Statements

9	Deferred taxation Deferred income tax (assets)/liabilities are attributable to the following items:	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	Deferred tax liabilities				
	Balance b/f	72,908	64,113	68,777	45,039
	Recognised in profit and loss				
	Property plants and equipment	-	(4,813)	-	4,203
	Investment property	-	14,711	-	14,711
	Employee benefits	-	44,916	-	44,916
	Total recognised in profit and loss	-	54,814	-	63,830
	Recognised in other comprehensive income				
	Employee benefit	-	(46,019)	-	(40,092)
	Available for sale financial assets	69,533	-	-0	-
		69,533	(46,019)	(0)	(40,092)
	Net	142,441	72,908	68,777	68,777

10 Earnings per share

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary share holders by the weighted average number of ordinary shares outstanding at the reporting date.

	GROUP		COMPANY	
	30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
The following reflects the income and share data used in the basic earnings per share computations:				
Net profit attributable to ordinary shareholders	2,247,698	2,142,788	2,105,935	1,934,387
Weighted average number of ordinary shares in issue as at year end ('000)	10,372,744	10,372,744	10,372,744	10,372,744
Basis earnings per ordinary share (kobo)	22	21	20	19

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

Continental Reinsurance Plc
Notes to the Consolidated Financial Statements

11	Cash and cash equivalents	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	Cash in hand	364	448	99	267
	Balances held with local banks:				
	- Current account	599,092	488,333	439,394	179,700
	- Domiciliary account	411,937	114,401	411,937	114,401
	Balances held with foreign banks	849,161	414,428	849,161	414,428
	Placements with banks and other financial institutions	7,505,501	6,684,965	5,178,489	5,083,562
		<u>9,366,056</u>	<u>7,702,575</u>	<u>6,879,080</u>	<u>5,792,358</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 an average variable interest rates.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

12	Financial assets designated at fair value through profit or loss	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	<i>Managed Funds</i>				
	External Portfolio Management	1,828,156	1,224,258	116,096	104,247
		<u>1,828,156</u>	<u>1,224,258</u>	<u>116,096</u>	<u>104,247</u>

13	Loans and other receivables	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	Staff Loans and advances	372,191	364,041	287,976	302,083
	Other advances	375,491	375,491	375,491	375,491
	Impairment on other advances	-375,491	-375,491	-375,491	-375,491
	Total Loans and other receivables	<u>372,191</u>	<u>364,041</u>	<u>287,976</u>	<u>302,083</u>

14	Investment Securities	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	Analysis of investment securities				
	Equity	1,949,159	1,944,109	1,925,616	1,925,253
	Debt	5,614,157	4,145,131	4,864,410	3,663,981
		<u>7,563,316</u>	<u>6,089,240</u>	<u>6,790,026</u>	<u>5,589,234</u>

Continental Reinsurance Plc
Notes to the Consolidated Financial Statements

Analysis Investment by class

14.1 Available-for-sale:				
Equity instruments	1,949,159	1,944,109	1,925,616	1,925,253
Debt instruments	285,309	250,573	249,430	225,641
<i>Total available-for-sale</i>	<u>2,234,468</u>	<u>2,194,682</u>	<u>2,175,046</u>	<u>2,150,894</u>
14.2 Held-to-maturity				
Debt instruments	5,328,848	3,894,558	4,614,980	3,438,340
<i>Total Investment securities</i>	<u>7,563,316</u>	<u>6,089,240</u>	<u>6,790,026</u>	<u>5,589,234</u>

Equity Instruments

Securities at Available-for-sale - Fair value

Quoted	928,205	1,027,724	928,205	819,780
Unquoted	1,020,954	1,105,982	997,411	1,105,472
Total equity instruments	<u>1,949,159</u>	<u>2,133,706</u>	<u>1,925,616</u>	<u>1,925,252</u>

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

Debt Instruments

	30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
<i>Securities at Available-for-sale -Fair</i>				
Bonds	285,309	250,573	249,430	225,641
	<u>285,309</u>	<u>250,573</u>	<u>249,430</u>	<u>225,641</u>
<i>Securities at held-to-maturity - amortised</i>				
Listed	2,663,875	2,006,411	2,013,767	1,550,193
Unlisted	2,664,973	1,888,147	2,601,213	1,888,147
	<u>5,328,848</u>	<u>3,894,558</u>	<u>4,614,980</u>	<u>3,438,340</u>
<i>Total debt instruments</i>	<u>5,614,157</u>	<u>4,145,131</u>	<u>4,864,410</u>	<u>3,663,981</u>

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

	GROUP		COMPANY	
	30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
15 Reinsurance receivables				
Due from ceding companies	9,736,605	5,902,411	7,630,951	4,876,486
Due from ceding companies (Pipeline)	2,490,093	2,569,966	2,095,215	2,095,207
Premium reserves retained by ceding companies	550,897	44,365	447,521	-
	<u>12,777,595</u>	<u>8,516,742</u>	<u>10,173,687</u>	<u>6,971,693</u>
Impairment on reinsurance receivables(Note 1)	(1,730,581)	(1,258,343)	(1,685,861)	(1,178,599)
	<u>11,047,014</u>	<u>7,258,399</u>	<u>8,487,826</u>	<u>5,793,094</u>

Continental Reinsurance Plc
Notes to the Consolidated Financial Statements

15.1 Reconciliation of impairment on reinsurance receivables

At 1 January	1,258,343	2,268,053	1,178,599	2,230,263
Write off during the year	-	(1,501,765)	-	(1,448,058)
Charge for the year	507,262	492,055	507,262	396,394
Recovery during the year	(35,024)	-	(0)	
	<u>1,730,581</u>	<u>1,258,343</u>	<u>1,685,861</u>	<u>1,178,599</u>

15.1a Breakdown of charge for the year
impairment on gross receivables
reversal of exchange gain on impaired reinsurance receivables (see note 5.1a)
Net charge to income statement

impairment on gross receivables	890,559	492,055	890,559	396,394
reversal of exchange gain on impaired reinsurance receivables (see note 5.1a)	(383,297)		(383,297)	
Net charge to income statement	<u>507,262</u>	<u>492,055</u>	<u>507,262</u>	<u>396,394</u>

16 Retrocession Assets

Retrocessionaires' share of claims recoverable	281,139	374,745	113,647	112,088
Retrocessionaires' share of reserve for outstanding claims	325,049	135,150	79,779	79,779
Retrocession share of unearned premium reserve	(17,931)	-	(17,931)	
Retrocessionaires' share of life insurance contract liabilities	301,526	217,686	245,648	204,781
Total retrocession assets	<u>889,784</u>	<u>727,581</u>	<u>421,143</u>	<u>396,648</u>

The Company conducted an impairment review of the reinsurance assets but no impairment loss resulted from this exercise. The carrying amounts disclosed above approximate fair value at the reporting date.

17 Deferred acquisition costs

	30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
At 1 January	1,458,436	1,759,685	1,107,837	1,383,416
Net deferral during the year	123,821	3,708,844	(3,899)	3,689,205
		(4,010,093)		(3,964,784)
	<u>1,582,257</u>	<u>1,458,436</u>	<u>1,103,938</u>	<u>1,107,837</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

18	Other Assets	GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
	Prepayments	177,659	58,279	168,547	50,599
	Intercompany balances	-	-	1,172,951	1,077,242
	Deposit for shares (Note 18 a)	11,000	-	11,000	-
	Proposed head office W.I.P	186,090		186,090	
	Other	258,349	158,569	258,349	120,654
		<u>633,097</u>	<u>216,848</u>	<u>1,796,936</u>	<u>1,248,495</u>
	Impairment on others	(185,792)	(185,792)	(185,792)	(185,792)
		<u>447,305</u>	<u>31,056</u>	<u>1,611,145</u>	<u>1,062,703</u>
18a	Prepayments				
	Office rent	45,635	27,832	41,398	13,253
	Staff upfront	98,640	-	93,780	-
	Other prepaid services	33,384	30,447	33,369	37,346
		<u>177,659</u>	<u>58,279</u>	<u>168,547</u>	<u>50,599</u>
18b	Intercompany balances				
	Payable to related parties on retro	-		823,562	816,962
	Payable to related parties on reinsurance conti	-		349,389	260,280
		<u>-</u>	<u>-</u>	<u>1,172,951</u>	<u>1,077,242</u>
18c	Others				
	Interest receivables	89,470	5,816	89,470	2,816
	WHT recoverable	4,168	4,168	4,168	4,168
	Sundry receivables	164,710	148,585	164,710	113,670
		<u>258,349</u>	<u>158,569</u>	<u>258,349</u>	<u>120,654</u>
		GROUP		COMPANY	
		30-Jun 2016 =N='000	31-Dec 2015 =N='000	30-Jun 2016 =N='000	31-Dec 2015 =N='000
18.1	Investment in Subsidiary				
	Continental Reinsurance Limited, Nairobi Kenya			949,797	949,797
	Continental Reinsurance Limited, Gaborone, Botswana			699,774	699,774
				<u>1,649,571</u>	<u>1,649,571</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

19 Investment Properties	30-Jun	31-Dec	30-Jun	31-Dec
	2016	2015	2016	2015
	=N='000	=N='000	=N='000	=N='000
Opening	2,685,646	2,926,956	2,685,646	2,926,956
Fair value adjustments	-	147,107	-	147,107
Additions	-	-	-	-
Disposal during the year	-	-388,417	-	(388,417)
Closing	<u>2,685,646</u>	<u>2,685,646</u>	<u>2,685,646</u>	<u>2,685,646</u>

20 Intangible assets	Group	Company
	Computer software =N='000	Computer software =N='000
Cost:		
At 1 January 2016	59,063	59,063
Cost capitalised	-	-
At 31 June 2016	<u>59,063</u>	<u>59,063</u>
Accumulated amortisation and impairment:		
At 1 January 2016	59,063	59,063
Amortisation for the year	-	-
At 31 June 2016	<u>59,063</u>	<u>59,063</u>
NBV At 30 June 2016	<u>-</u>	<u>-</u>
NBV At 31 December 2015	<u>-</u>	<u>-</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements - Continued

Group

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Plant & equipment =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2016	891,986	271,007	179,724	-	80,006	93,061	1,515,784
Additions	28,992	72,040	14,547	-	-	3,585	119,162
Disposals	-	(3,350)	(68)	-	-	(1,123)	(4,541)
Reclassification	(74,028)	-	-	-	-	-	(74,028)
At 30 June 2016	846,949	339,697	194,203	-	80,006	95,522	1,556,377
Accumulated depreciation:							
At 1 January 2016	-	146,010	109,203	-	59,676	73,397	388,286
Charge for the year	-	27,902	10,714	-	2,307	3,723	44,647
Disposal	-	(3,350)	(68)	-	-	(1,025)	(4,443)
Reclassification	-	-	-	-	-	-	-
At 30 June 2016	-	170,562	119,849	-	61,983	76,096	428,490
NBV At 30 June 2016	846,949	169,134	74,354	-	18,023	19,426	1,127,887
NBV At 31 December 2015	891,986	124,997	70,522	-	20,330	19,663	1,127,498

Company

21 Property, plant and equipment

	Freehold property =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Plant & equipment =N='000	Office partitioning =N='000	Computer equipment =N='000	Total =N='000
Cost/Valuation:							
At 1 January 2016	891,485	203,630	127,802	-	70,601	75,766	1,369,284
Additions	28,992	36,476	9,967	-	-	2,562	77,995
Disposals	-	(3,350)	-68	-	-	(1,123)	(4,541)
Reclassification	(74,028)	-	-	-	-	-	(74,028)
At 30 June 2016	846,448	236,756	137,701	-	70,601	77,204	1,368,710
Accumulated depreciation:							
At 1 January 2016	-	115,783	85,155	-	57,835	62,460	321,233
Charge for the year	-	23,759	7,863	-	2,307	3,053	36,983
Disposal	-	(3,350)	(68)	-	-	(1,025)	(4,443)
Reclassification	-	-	-	-	-	-	-
At 30 June 2016	-	136,192	92,951	-	60,142	64,488	353,774
NBV At 30 June 2016	846,448	100,563	44,750	-	10,459	12,716	1,014,937
NBV At 31 December 2015	891,485	87,847	42,647	-	12,766	13,306	1,048,051

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

22 Statutory deposits	GROUP		COMPANY	
	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
	1,000,000	1,000,000	1,000,000	1,000,000
<p>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.</p>				
23 Insurance contract liabilities	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Reserve for Unearned Premium (Note 23.1)	4,362,560	4,912,295	4,362,560	3,684,628
Reserve for Outstanding Claims (Note 23.2)	5,932,845	4,647,288	5,932,845	4,103,731
	10,295,405	9,559,583	10,295,405	7,788,359
Life (Note 23.3)	3,521,224	1,522,370	340,757	1,365,204
Total insurance liabilities	13,816,629	11,081,953	10,636,161	9,153,563
Total retrocessionaire's share of insurance liabilities (Note 16)	(889,784)	(727,581)	(421,143)	(396,648)
Net insurance contracts	12,926,845	10,354,372	10,215,018	8,756,915
23.1 Reserve for Unearned Premium				
At 1 January	4,912,295	5,979,095	3,684,628	4,615,879
Increase in the year	8,041,748	16,885,837	8,041,748	12,700,035
Release of unearned premium during the year	(8,591,483)	(17,952,637)	(7,363,816)	(13,631,286)
	4,362,560	4,912,295	4,362,560	3,684,628
23.2 Reserve for Outstanding Claims				
At 1 January	4,647,288	3,553,180	4,103,731	3,263,740
Claims incurred in the current accident year	3,628,922	7,543,202	3,628,922	5,656,836
Claims paid during the year	(2,343,366)	(6,449,094)	(1,799,808)	(4,816,845)
	5,932,845	4,647,288	5,932,845	4,103,731
23.3 Insurance liabilities on life policy holders				
At 1 January	1,522,370	1,252,418	1,365,204	1,124,687
(Decrease)/Increase in retrocessionaire's share	-	65,513	-	36,078
Changes in life policy contracts	1,998,854	204,439	- 1,024,447	204,439
	3,521,224	1,522,370	340,757	1,365,204
24 Reinsurance creditors	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Due to retrocessionaires	88,233	60,276	324,141	60,276
Due to ceding companies	2,152,117	823,840	2,098,139	786,733
	2,240,350	884,117	2,422,280	847,009
<p>This represents the amount payable to insurance and reinsurance companies</p>				
25 Other liabilities				
Sundry creditors	619,892	330,721	587,044	330,722
Rent received in advance	26,858	77,104	26,858	28,605
Accrued expenses	54,850	46,403	8,407	32,261
Dividend payable (Note 25.1)	588,786	588,786	588,786	588,786
Information technology development levy	16,074	41,225	16,074	41,225
Others	90,438	7,915	86,073	5,451
Intercompany Balance	-	-	349,591	291,079
	1,396,898	1,092,154	1,662,832	1,318,129

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

25.1 Dividends paid and proposed

At 1 January	588,786	36,384	588,786	36,384
Declared during the year		1,141,002		1,141,002
Paid during the year		(588,600)		(588,600)
	<u>588,786</u>	<u>588,786</u>	<u>588,786</u>	<u>588,786</u>

25.2 Sundry creditors;

Risk management service obligations	-	71,890	-	71,890
Bonus	-	145,300	-	145,300
Liabilities on gratuity & staff benefits	619,892	113,531	587,044	113,532
	<u>619,892</u>	<u>330,721</u>	<u>587,044</u>	<u>330,722</u>

25.3 Others;

Staff bonus	83,101	-	83,101	-
PAYE and other statutory liabilities	7,337	7,915	2,972	5,451
	<u>90,438</u>	<u>7,915</u>	<u>86,073</u>	<u>5,451</u>

25.4 Intercompany balance;

Receivables from related parties on retro	-	-	206,090	197,934
Receivables from related parties on reinsurance contract:	-	-	143,501	93,145
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>349,591</u>	<u>291,079</u>

26 Retirement benefit obligations

Define contribution scheme

In accordance with the provisions of the Pensions Act 2004, AS AMENDED 2014 the Company and its staff commenced a contributory pension scheme in January 2005. The contribution by employees and the Company are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. The contribution made and transferred to the pension fund administrator during the period are as follows;

	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Balance at start of period	67	-	67	-
Provision during the period		40,670		40,670
Transfer to PFA		(40,603)		(40,603)
	<u>67</u>	<u>67</u>	<u>67</u>	<u>67</u>

Defined benefit staff gratuity scheme

The company operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

Statement of financial position obligation for:	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
<i>The amounts recognised in the balance sheet are determined as follows:</i>				
Balance as at the beginning of the year	278,305	184,379	278,305	184,379
Net Expense/Income recognised in P & L	37,834	83,188	2,419	83,188
Remeasurement recognised in OCR	-	153,397	-	153,397
Company's contribution	-	(142,659)	-	(142,659)
Fair value of plan assets		-		-
Deficit of funded plans		278,305	275,886	278,305
(Asset)/liability in the balance sheet	<u>316,139</u>	<u>278,305</u>	<u>275,886</u>	<u>278,305</u>

Continental Reinsurance Plc

Notes to the Consolidated Financial Statements -Continued

27 Share capital	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Authorised				
20,000,000,000 Ordinary shares of 50k each	10,000,000	7,500,000	10,000,000	7,500,000
Issued and fully paid				
10,372,744,000 Ordinary shares of 50k each	5,186,372	5,186,372	5,186,372	5,186,372
28 Share premium				
	3,915,451	3,915,451	3,915,451	3,915,451

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

29 Contingency reserve

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

	30 June 2016 =N='000	31 December 2015 =N='000	30 June 2016 =N='000	31 December 2015 =N='000
Non - Life	456,391.66	3,168,859	292,268.44	3,039,852
Life	3,214,722	245,749	3,214,722	210,632
Total	3,671,114	3,414,608	3,506,991	3,250,484

30 Retained earnings:

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

31 Available-for-sale reserve:

The fair value reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale after deduction of deferred taxes. Any gains or losses are not recognised in the statement of comprehensive income until the asset has been sold or impaired.

32 Significant accounting policies

The statement of accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. There have not been any change in the policies and methods of computation adopted.