CONTINENTAL REINSURANCE

Pan-African commitment made local

People, Purpose and Passion

2021 ANNUAL REPORT

Our Vision

To be the Premier Pan-African Reinsurer.

Our Mission

To Provide Credible Reinsurance Security and Services to our Clients and Sustainable Value to our Shareholders and other Stakeholders.

Our Core Values

Commitment
We are an established dedicated Pan African partner delivering superior long-term value to our clients and other stakeholders.

Responsiveness
We are highly accessible, available and agile, providing prompt services and tailored solutions that exceed expectations.

Sustainability
We must stand the test of time, focusing on long-term profitable growth whilst paying attention to Environmental, Social and Governance (ESG) challenges, and upholding outstanding corporate citizenship.

Trust
We deliver on our promises.

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Corporate Information

Board of Directors

Chief Ajibola Ogunshola
Chairman, Non-Executive Director

Mr. Lawrence M. Nazare (Zimbabwean)
Managing Director/CEO

Mr. Foluso Laguda
Non-Executive Director

Mr. Paul Oje Kokoricha
Non-Executive Director

Mr. Steve Olisa Iwenjora
Non-Executive Director

Mr. Ian Alvan Tofield, (British)
Independent Non-Executive Director

Mr. Emmanuel Brule (French)
Non-Executive Director

Ms. Seun Oni
Independent Non-Executive Director

Mrs. Christabel Onyejekwe
Independent Non-Executive Director

Mr. Quinten Matthew (South African)
Non-Executive Director

Company Secretary/Legal Adviser
Ms. Patricia N. Ifewulu

Registered Office
17, Olosa Street
Victoria Island
Lagos, Nigeria

Tunis Office
Rue Lac Leman
Imm Regency-Bloc "C"
2 eme etage- Bur 2017
1053 les Berges du Lac
Tunis, Tunisia

Regional Offices
Lagos Office
17, Olosa Street,
Victoria Island
Lagos, Nigeria

Abidjan Office
4e étage, immeuble
CONTINENTAL RE (ex - SCI Kali), Rue Pierre & Marie Curie X Rue Docteur Calmette
Zone 4C / Marcory – Abidjan
01 B.P 1073 Abidjan 01,
Abidjan,
Côte d'Ivoire

Subsidiaries

Continental Reinsurance Ltd, Kenya
197 Lenana Place (4th floor)
Lenana Road
P.O. Box 76326-00508
Nairobi, Kenya

Continental Reinsurance Co. Ltd, Botswana
1st Floor, Plot 67977, Fairgrounds,
P.O. Box 698 ABG, Sebele
Gaborone, Botswana

Continental Reinsurance SA. Cameroun
Plateau Jos, Ilmmeuble Galaxie, 1ere Etage
Situé a cote de la PJ Douala 1ere
B. P 4745 Bonanjo
Douala, Cameroun

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

Auditors
PricewaterhouseCoopers
Landmark Towers
5B, Water Corporation Road
Victoria Island, Lagos, Nigeria

Registrars
Pace Registrars Limited,
24, Campbell Street
Lagos, Nigeria

Solicitors
Bayo Osipitan & Co
2A, Ireti Street
Yaba, Lagos
Nigeria

Corporate Profile

Continental Reinsurance Plc ("the Company" or "Continental Re") is a Pan-African reinsurance Company providing Life and Non-Life reinsurance on both treaty and facultative portfolio with a well-diversified business mix and customer base across Africa. The Company was incorporated as a private reinsurance Company in Nigeria in 1985. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990.

It became a public limited Company in 2000 and recapitalized from NGN 2 billion to NGN 10 billion in 2007 and was listed on the Nigerian Stock Exchange on 30th May 2007. However, the company delisted from the Nigerian Stock Exchange on January 17, 2020, consequent upon the approval of a Scheme of Arrangement for the restructuring of the business operations by the shareholders.

Our Pan -African Footprint
The Company provides reinsurance services in 50 African countries, and it is strategically located across the African continent. The group corporate head office is in Lagos, Nigeria. It serves as the Lagos regional office and covers business activities in the Anglophone West African Countries while its regional office in Tunis, covers the Northern/Maghreb/Middle East territories and provides Takaful reinsurance offering to the Company's clients and partners in those regions.

In line with its strategic mission of being a Pan African reinsurer, the group also established three African subsidiaries as follows:

a. Continental Reinsurance Limited, Kenya established in 2011 to cover businesses in Eastern Africa markets
b. Continental Reinsurance Cameroun SA established in 2014 to covers Francophone West and Central Africa operations.
c. Continental Reinsurance Company Limited, Botswana established in 2014 to covers the Southern Africa market excluding South Africa.

The Group also has an in-house technical 'referral competence' called Continental Property and Engineering Risk Services (CPERS), that services all our clients across Africa.

All subsidiaries are properly licensed by their respective regulators and are structured to fully exploit the significant opportunities available in the region in which they operate.

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

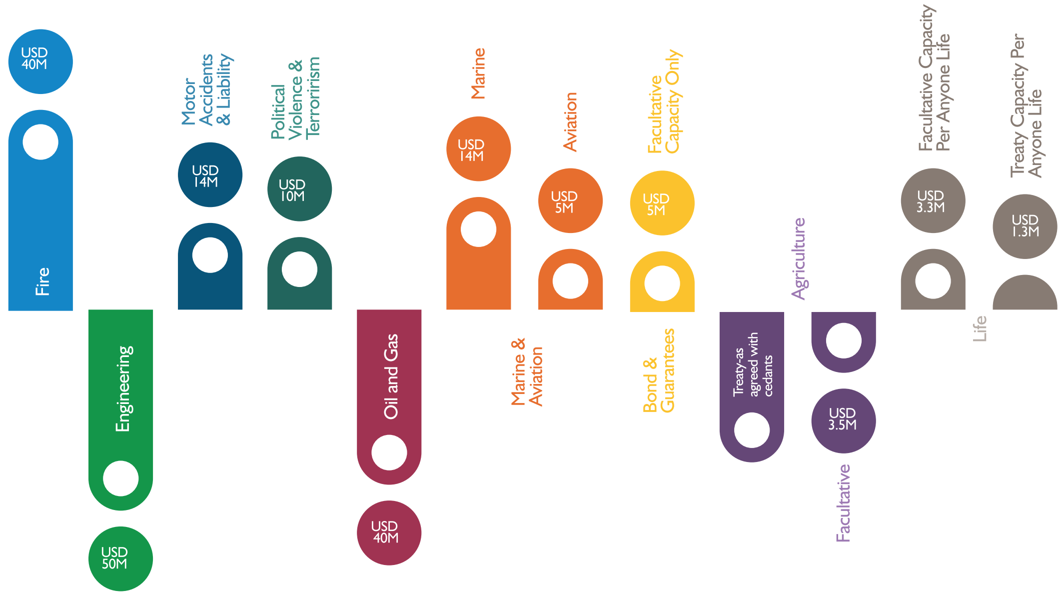
The Company has a well-structured, managed, and solid investment portfolio, with a diversified investment focus that enables it to meet future claim obligations and limit its exposure to investment risk to preserve shareholders' capital and thereby maximize total return on investment.

In line with its continued commitment towards developing the insurance industry, to provide reinsurance skills required to fill the knowledge gaps in the African markets and to enhance the technical capacity of its clients, the Company provides top-class specialized training and development programmes to its esteemed clients and the insurance industry in general on various classes of insurance and reinsurance portfolios including fire, energy, business interruption, international reinsurance, life and pension, motor and general accident insurance and engineering/bond insurance etc.

Credit rating
The Company is rated B+ (Good) for financial strength by AM Best, the world's oldest and most authoritative insurance rating company. The rating signifies that the Company has the capacity to meet its ongoing obligations.

Continental Reinsurance is a notable brand in reinsurance in Africa. With an emphasis on trusted relationships, the Company will build on its diversified and profitable portfolio to offer uncompromising service and technical capability to its diverse clients because everything it does is underpinned by the translation of its pan-African track record and commitment into local value.

UNDERWRITING LIMITS



Financial Highlights

For the year ended 31st December,2021

=N= millions, unless otherwise stated	2020	2021	change in %
Non-Life			
Premium earned	38,081	49,003	29%
Combined ratio in % (Net of Retro)	93%	92%	-1%
Life			
Premium earned	4,197	4,494	7%
Investment			
Investment income (Net of Provision)	2,375	2,635	11%
Return on investment in %	16%	10%	
Total			
Premium earned	42,278	53,497	3%
Net income	3,427	5,449	59%
Earnings per share in kobo	18	30	59%
Shareholders' equity	37,487	43,230	15%
Return on equity[1] in %	9%	13%	
Number of employees[2]	88	112	27%

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

[2] Permanent staff

Financial strength ratings

as at 31st December,2021	A.M Best
Ratings	B+
Outlook	Good

Share Performance

Market Capitalization as at 31st December 2021

Share price in =N=	NA
Number of Shares (Billion)	NA
Market capitalisation in =N= Bn	NA

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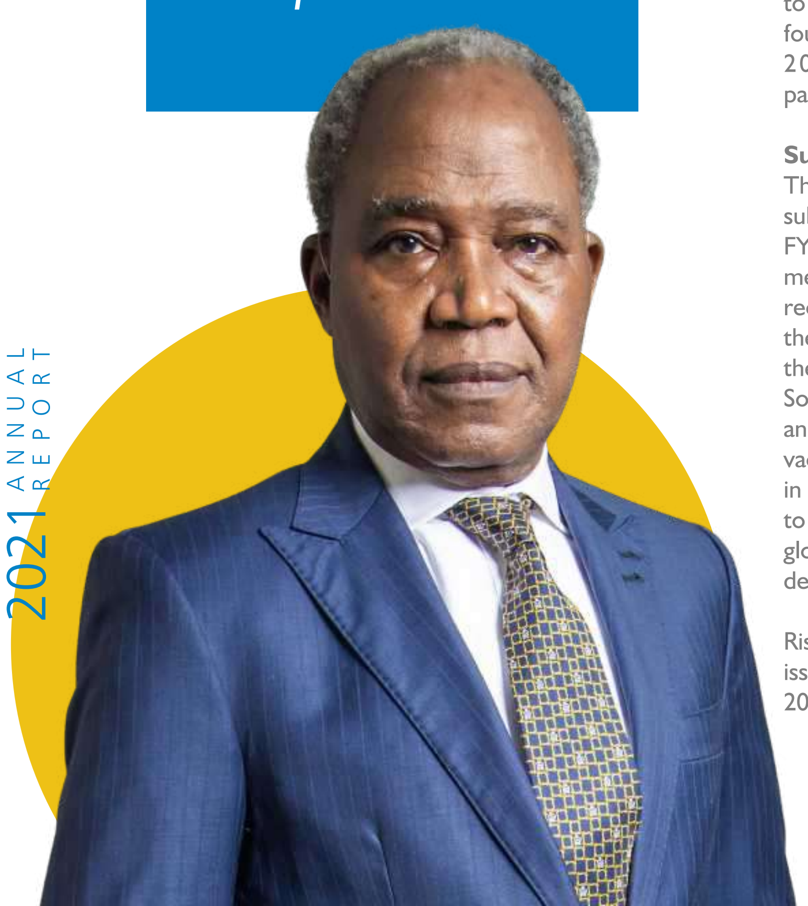
2021 continued to mark a genuinely historic and unquestionably challenging year globally following the Covid-19 pandemic.



Chairman's Statement

2021 continued to mark a genuinely historic and unquestionably challenging year globally following the Covid-19 pandemic. Nevertheless, the rapid deployment of vaccines provided a sliver of light.

Global Markets Review

According to Swiss Re, the global insurance market turnover should increase by 3.4% in 2021, 3.3% in 2022 and 3.1% in 2023. The reinsurer expects life and non-life premiums to exceed 7 billion USD by the first half of 2022. This growth would be driven by increased awareness of risks, a growing demand for protection, a rise in non-life rates and a strong cyclical recovery after the Covid-19 shock. There should be a continuation of real GDP growth in 2022 (3.9 per cent year-over-year), led by continued expansions in the US and Asia and recoveries from the pandemic throughout much of the rest of the world. However, elevated inflation globally is likely to persist in 2022 and potentially into 2023, reports World Bank in a December 2021 Publication.

A.M Best's December 2021 Review magazine also reports that in 2022 insurers/reinsurers see plenty of key challenges, including cyberattacks, growing catastrophe losses, lingering impacts of COVID-19 and the escalating costs associated with climate change. Insurers/reinsurers looking to mitigate exposure and build resilience have found opportunities in two areas heading into 2022 – technology and public-private partnerships.

Sub-Saharan Africa Economic Review

The International Monetary Fund confirmed its sub-Saharan growth forecast of 3.7 per cent FY2021 and 3.8 per cent forecast in 2022 – meaning the region already suffered the 'slowest recovery in the world.' The analysis shows that the region's economic recovery speeds vary, with the three largest economies, Angola, Nigeria, and South Africa, growing by 0.7 per cent, 2.6 per cent and 5.0 per cent, respectively. A lack of access to vaccines is cited as dampening economic recovery in sub-Saharan Africa, and the region is expected to lag behind nations for years. Disruptions in global activity and financial markets could also derail the recovery.

Rising food inflation is set to remain a burning issue. Food inflation has steadily increased since 2019 and stood at 10.9 per cent.

Insurance industry

A report by Atlas indicates that 2021 recorded the heaviest natural catastrophe balance sheet in insurance history after 2017. USD 120 billion losses were reported against USD 82 billion in 2020 and USD 57 billion in 2019. The most notable events were pertaining to hurricane IDA, winter storm Uri floods in Europe, and fires in California, Canada and around the Mediterranean. Along with the pandemic and natural disasters, cybercrime was a significant concern for insurers in 2021.

According to a report from McKinsey, the continent remains under insured with a penetration rate of less than 3 per cent – significantly below the global average of 7.23 per cent. However, the potential for growth in Africa compared to other parts of the world remains huge, which continues to cause excitement.

We delivered

2021 was an ultimately successful year despite the worsening claims experience and declining revenues witnessed in the insurance sector following the Covid-19 pandemic. In 2021, gross premium income stood at USD 175,132 million (2020: 140,305 million) – a 25% growth, and we exited the year with continued momentum.

Our profit before tax was up strongly to a notable USD 16,588 million compared to USD 12,627 million in 2020 – a 31% increase. This profit was driven by prudent risk management resulting in a loss ratio of 53% (2020: 52%) and an underwriting profit of USD 10,024 million (2020: USD 7,165 million).

Despite worsening interest rates, the strong performance was bolstered by prudent investment and other income, which stood at USD 12,042 million (2020: USD 10,111 million), backed up by a total asset base of USD 257,292 million (2020: USD 220,140 million).

Overall, we had a growth trajectory driven by excellent performance across all our regions and successful brand-building underpinned by our solid group strategy, our people, our responsive culture and our partners' support. We will continue to optimize our footprint across Africa.

Customer centricity

The Board approved a re-articulation of the Group strategy in 2021. We re-emphasized the strategic pillars that will anchor the business to achieve its four strategic results: championing customer-centricity, executing smartly, offering alternative solutions, and driving profitable growth.

In light of our client's evolving needs under the current volatile, uncertain, complex and ambiguous environment, we will continue to be agile and co-create with our clients' innovative products and services, building on what is already a great strength of our business.

Driving efficiency

Our ambition to implement a target group operating model began in 2019. The programme includes revised organizational structures, standardized processes and shared back-office services underpinned by digital transformation. New structures and process re-engineering is ongoing in phases throughout the organization. The new model already delivers agility, innovation, simplification, and cost-reduction benefits. As the roll-out continues, we expect to experience greater value.

By realizing productivity savings, we will continue to invest in innovation, our people, and their capabilities to drive growth by enhancing the client experience.

We are confident that embedding our value proposition of 'claims settlement excellence' will drive a mindset of ownership and accountability across the organization, resulting in behaviours aligned with our strategic results.

Developing our organization

We will continually develop a diverse and inclusive environment that values and harnesses people's contributions from different professional backgrounds, nationalities, cultures, and generations, representing a strong mix of experience.

We are committed to providing our employees with a wide range of experiences and skills to develop their full potential.

We aim to maintain a high-performing organization that will attract, develop, and retain the next generation of industry leaders.

Farewell

This is my official signing-off as Chairman of Continental Reinsurance Plc. It has been an honour to serve this organization. Continental Re is a remarkable organization primarily due to all our valuable employees and partners. We have strong and supportive partners and an incredible and experienced leadership team deeply committed to our mission, vision and values and poised to build on our firm foundation. I leave with a palpable sense of excitement for Continental Re's future. I believe that Continental Re's best days are still to come.

Journey ahead

I want to acknowledge the unwavering support from our clients and partners. Our partnership is critical to our success every year, and again in 2021, that was especially true. We look forward to greater partnerships and relationships to deliver yet another great set of results.

I am mindful of global challenges. We will embrace them as a resilience-building experience for ourselves and the industry. Our commitment is to be a partner who will deliver customer-centric experiences sustainably and profitably.

As torchbearers of the insurance industry in Africa, we look forward to this journey of opportunity and transformation.

I thank all our employees and partners for making 2021 so successful, and I hope we can all win in 2022.

Thank you.

Chief Ajibola Ogunshola
Chairman

2021 ANNUAL REPORT

Dear Shareholders, Ladies, and Gentlemen,

In many ways, 2021 continued to test the resilience of organisations and nations as the spillover effects of the 2020 economic recessions in various markets continued to put significant strains on the business terrain, particularly on the profitability of companies. I am therefore both proud and humbled that we were able to navigate this challenging business landscape while delivering a decent financial result. Our performance has once again demonstrated Continental Re's ability to deliver even in difficult times.

Operating Environment

Unfortunately, as economies began to witness some respite as they inched out of economic recession, the Russia-Ukraine conflict appears to be casting a dark cloud on the prospects of the global economy in the medium term. This only goes to revalidate the fact that the world is now more unpredictable and as such, organisations must embrace strategic flexibility to survive and thrive. It is for this reason that we embarked on a rigorous strategy review in the second half of 2021 with a view to re-envisioning this unpredictable future while taking the necessary strategic posture that would enable us to win in Africa's reinsurance industry.

While the global economy is projected to have grown by 6% in 2021, the recent geopolitical conflicts in 2022 are expected to dampen GDP growth rate to about 3.6%. Africa's food and energy supply have particularly been impacted by the prevailing conflict thereby triggering a sharp rise in inflation. Regrettably, it seems there is no light at the end of the tunnel because it appears that this could potentially be a long-drawn-out conflict. Consequently, it is expected that some economies could slip into another economic recession in 2022.

Performance Summary

Our recent performance indicators attest to the fact that Continental Re is heading in the right direction. For instance, in 2021 gross written premium grew year-on-year by 31%, profit before tax (PBT) grew by 38%, and the combined ratio closed at 92% - better than the average on the continent which is approximately 100%. The company also delivered a return on equity (ROE) of 13% while maintaining its B+ AM Best rating. As a recognition of its positive strides, the company has also emerged as one of the winners of the SABRE Africa awards which recognizes "superior achievement in Branding, Reputation, and Engagement".

In more ways than one, our progressive performance suggests that we are on course to become what we regard as an 'emerging champion' in the African reinsurance industry. We believe that we can sit right there at the top together with the market heavyweights. Whatever we lack, for now, in terms of financial and other resources, we make up for in sheer grit, agility, and strategic flexibility.

Strategy Review

As part of the pursuit of our long-term vision 'to be the Premier Pan-Africa Reinsurer', the Board and Management of Continental Re updated our medium-term strategy (2022 – 2024) to focus on four critical goals in line with our ambitions. These goals are to: 1. Achieve profitable growth 2. Become a customer-centric company 3. Achieve operational excellence and 4. Build a smart execution culture. We are convinced that a laser focus on these goals will propel us toward the fulfillment of our vision.

To sustain our emergence as the premier pan-Africa reinsurer, we seek profitable growth anchored on disciplined underwriting from select client segments, markets, and lines of business. As we strive to grow our market share, we will do so in a manner that preserves and does not erode shareholders' value. The tightening of terms and conditions along with, portfolio actions will be implemented to help improve our underwriting results. We will also be strengthening our asset management capabilities to enhance returns on investments. To do this, we have identified premium collections as a key ingredient that would boost the size of investible funds and as a result, our investment returns. While we understand that the subject of premium collection remains a prevalent concern across Africa, we will be deploying various initiatives to address this predicament.

(For more details on our strategy, please refer to the section on our strategy)

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> *Overall, 2021 was a positive year for Continental Re and we are very grateful for this. Nevertheless, we are now focused on building on the successes of the past in the immediate future.*

Closing Remarks

Overall, 2021 was a positive year for Continental Re and we are very grateful for this. Nevertheless, we are now focused on building on the successes of the past in the immediate future. To this end, our eyes are laser-focused on our strategic goals with a view to improving our performance.

As I close, let me use this opportunity to appreciate our shareholders, board members, clients, employees, and other stakeholders for their continued confidence in us. To sustain our growth momentum, we must continue to harness the power of collaboration that exists between the Board and Management as we work to deliver value to our customers and shareholders. We count it a great privilege to serve the interests of our shareholders and we pledge our alloyed commitment as we strive for nothing but excellence.

Yours sincerely,

Lawrence Nazare
Group Managing Director

2021 Financial Year Business Review

Review of operations

As a composite reinsurance company, Continental Reinsurance Plc (C Re) continues to accept life and general (non-life) business from Nigeria and other African countries with life business coming substantially from Nigeria.

To maintain proper focus and better service delivery, the technical and underwriting operations continue to be structured along regional lines indicated below. These are also the reporting regional/subsidiary offices.

- Lagos office covering Nigeria, other Anglophone West African countries and South Africa
- Abidjan office covering francophone west Africa.
- Tunis office covering North Africa and middle east states.
- Douala subsidiary office covering Central Africa
- Nairobi, subsidiary office covering east Africa.
- Gaborone, subsidiary office covering southern Africa excluding South Africa.

The group lines of business are classified as follows:

- Fire which covers property and subclasses
- Engineering class
- General Accident class
- Agriculture class
- Marine and Aviation class
- Liability and Motor class
- Energy (Oil and Gas) class
- Life comprising of Individual and Group life classes

Non-Life Business

Premium Income:

The group's non-life gross written premium grew by 32% in 2021 over the performance in 2020 from NGN48.95 billion to NGN64.74 billion. This performance is a further confirmation of the positive impact of the regional expansion strategy adopted by management.

Geographical Distribution;

The group's performance in 2021 is further confirmation of the continued viability of Continental Re's geographical expansion strategy. This has helped to further achieve penetration into and deepening of our markets and resulted in spreading and diversification of risk. As earlier stated, for effective coverage of the African continent, Continental Re currently operates in six strategic locations across the continent through a combination of regional and subsidiary offices.

The Lagos office's percentage contribution to total premium has further dropped by 6% from 38% in 2020 to 32% in the year 2021. This was due to the growth of the Nairobi subsidiary.

In 2021 the Lagos business constituted 32% of the total non-life business compared to the previous year's contribution of 38%. On the other hand, the Nairobi office contributed 34% compared to the contribution of 26% in 2020. Gaborone and Tunis offices contributed 12% each, the Abidjan office contributed 7% while the Douala office contributed 4% to the total non-life premium.

Classes of Business

The business performance by class in 2021 was moderate across all classes with fire taking the lead as usual. The percentage contributions to total non-life premium by business lines were 38% for Fire, 22% for General accident, Engineering at 12%, Life at 8%, Marine at 7%, Liability at 6%, Energy at 5% and Agriculture 2%.

Management plans to consolidate on the 2021 gains by further pursuing the twin growth strategy of consolidation in existing and new market segments.

Claims Incurred

The non-life gross claims incurred in 2021 were NGN29.12billion representing a 21% increase from the NGN24.09 billion recorded in 2020. This shows a high trend with claims growing at a rate of 21% in comparison with premium growth of 32% from previous years' results.

Acquisition costs and Charges

Non-life acquisition costs and charges increased by 28% in 2021, from a total of NGN12.85 billion in 2020 to NGN16.39 billion in 2021.

"In 2021 the Lagos business constituted 32% of the total non-life business compared to the previous year's contribution of 38%.

Combined ratio;

The non-life combined ratio is calculated as a percentage of 'Net Earned Premium' and includes Claims incurred, Acquisition costs and Charges and Management Expenses. The combined ratio for non-life operations improved from 93% in 2020 to 92% in 2021. Barring any unusual claims experience, the combined ratio is expected to continuously improve in the next couple of years as an increase in volume and stability is achieved.

Life Business

Premium Income;

Life business improved in 2021 by 20% to NGN5.65 billion from NGN4.69 billion in 2020. This resulted from improved participation in some treaty businesses. Group life contributed 93% of the total premium of NGN5.65 billion generated in 2021, down by 3% from 96% contribution in 2020.

This mix still shows the continued dominance of the Group life business, a trend expected to continue over the next couple of years mainly due to the impact of the Nigerian pension reform act where the bulk of the premiums are generated. The trend is however expected to taper as the individual life business is beginning to gain more acceptance.

Life Business Outgo;

Life Gross Claims Incurred in 2021 was NGN2.92 billion compared to NGN2.35 billion in 2020; an increase of 25%.

Acquisition costs and charges paid were NGN1.74 billion in 2021 compared to NGN1.54 billion in 2020 representing a 4% decrease.

2021 Investment Performance Review and Report

1. Our Investment Objective:
Our key investment objectives in managing the company's financial assets are to ensure that as a reinsurance company, we preserve the company's capital, and meet current and future claims and other obligations while maximizing total return and reducing exposure to investment risks.

Accordingly, the principal goal of our asset management strategy is to safeguard the assets and match the liability profiles of the company and make funds available to support reinsurance obligations, while at the same time ensuring that current operating cash in-flows are adequate to meet the current year operating obligations. Investments are managed in line with the following compliance guidelines:

- National Insurance Commission (NAICOM) guidelines;
- Insurance Regulatory Authority (IRA) and NBFIRA guidelines;
- Board approved policies; and
- Risk Management: Portfolio Investment objectives of Assets and Liability Matching in line with the currency and tenor of our Liability profile and Capital Adequacy.

We use multiple investment instruments to maintain sufficient liquid resources needed to meet reinsurance claims and other operational and strategic investment cash outflows. Therefore, in executing investment activities, we engage only in operations designed to achieve high quality and liquid investment portfolio.

Macro-Economic Environment

The Nigerian Economy

Nigeria's Gross Domestic Product (GDP) grew by 4.03%(year-on-year) in real terms in the third quarter of 2021, showing sustained growth over the last four quarters since the recession witnessed in 2020. Output contracted by -6.10% and -3.62% in Q2 and Q3 of 2020 under the Covid pandemic. The Q3 2021 growth rate was higher than the -3.62% growth rate recorded in Q3 2020 by 7.65% points and lower than 5.01% recorded in Q2 2021 by 0.98% points, indicative of continuous recovery. Nevertheless, quarter on quarter, real GDP grew at 11.07% in Q3 2021 compared to Q2 2021, reflecting a higher economic activity than the preceding quarter.

According to World Bank, Nigeria is projected to grow from -1.8 percent in 2020 to 2.4 percent in 2021, thanks to better performance of both oil and non-oil sectors.

The consumer price index, (CPI) which measures inflation increased by 15.63% (year-on-year) in December 2021 after eight straight months of decline. This is 13 basis points lower than the rate recorded in December 2020 of 15.75% and 23 basis points higher than November 2021, which was 15.40%. Headline inflation remained well above CBN's benchmark corridor of 6% – 9%.

Nigeria Naira continued to be under depreciation pressure throughout 2021. Naira depreciated year on year by 10.15% in the Investor and Exporter window, to close the year at N435/USD from N394.91/USD as of 31st December 2020. However, our system exchange rate as obtained from XE.com depreciated by 8.08% to close the year at N411.24/USD from N380.47/USD as of 31st December 2020. The exchange rate in the parallel market was around N570/USD as at the end of the year.

The Nigerian External reserves received a boost in the year 2021 from the issue of the Eurobond. The FX reserve increased year on year by USD 5.173 billion from USD 35.35 billion as at 31st December 2020 to close the year at USD40.53 billion. In addition to the Eurobond issue during the year that increased the reserve, other sources of accretion could be attributed to earnings from the sale of crude oil, non-oil exports, capital importation, as well as foreign investment flows.

Money Market
The Monetary Policy Committee ("MPC") of the CBN at its last meeting on 22 and 23 November 2021 maintained the Policy Rate at 11.5% (the last change was in May 2020 from 12.5%). Inflation for December 2021 was 15.63% and above the CBN ceiling of 6% - 9% at the time of the meeting.

In the fixed income space, yields in the bond market also rebounded from 2020 lows driven by 2021 budget funding and short-selling interest. The yield on the short to medium-term Federal Government bond rose to between 8% and 11% from the low of 1.7% and 6.3% in December 2020. The discount rate on Treasury Bills closed the 4th quarter at 2.49%, 3.45% and 4.9% compared to 0.035%, 0.5% and 1.21% in December 2020 for 91 days, 182 days and 364 days, respectively.

Equity Market
The All-Share Index ("ASI") closed the year on a positive note and returned 6.07% for the year 2021.

The Kenyan Economy
The Kenya Bureau of Statistics released Kenya's quarterly GDP report for quarter one and quarter two in October 2021.

Economic growth decelerated in the first quarter of 2021 to 0.7% compared to 4.4% in the corresponding quarter of 2020, mainly owing to the onset of the COVID-19 pandemic in the country in March 2020. On the other hand, real GDP grew by 10.1% in the second quarter of 2021 compared to a contraction of 4.7% in the same quarter of 2020. During the second quarter of 2021, the performance was supported by rebounds in most economic activities from significant contractions in the second quarter of 2020. The growth recorded was mainly a result of the easing of COVID-19 containment measures that facilitated the gradual resumption of economic activity. Some of the sectors that supported overall growth in the second quarter included Manufacturing (9.6%), Education (67.6%), Transportation and Storage (16.9%), Information and Communication (25.2%) and Other Services Activities (20.2%).

The overall year-on-year inflation rate as measured by the Consumer Price Index (CPI) was 5.73% in December 2021. This was mainly due to an increase in prices of commodities under; food and non-alcoholic beverages (9.09%); transport (8.10%); and housing, water, electricity, gas and other fuels (6.24%) between December 2020 and December

The Kenya Shilling depreciated against the USD to close the year at KES113.14/USD from KES109.16/USD as at 31st December 2020. The CBK foreign exchange reserves, which currently stand at USD9,450 million (5.78 months of import cover), continue to provide adequate cover and a buffer against short-term shocks in the foreign exchange market.

The Monetary Policy Committee (MPC) of Kenya's Central Bank maintained the Monetary Policy Rate at 7.00% in the last MPC meeting in October 2021(the last change was in May 2020 from 7.5%).

The Botswana Economy
Real GDP increased by 8.4% during the third quarter of 2021, as opposed to a contraction of 4.5% in the same quarter of 2020. The recovery in the domestic economy was observed across most industries. The improvement in the third quarter of 2021 GDP, reflected continued efforts to reopen businesses and relaxation of COVID-19 regulations, amidst the continued roll-out of vaccination. Quarter to quarter comparison of the domestic economy increased by 3.4% during the quarter under review.

The annual inflation rate was 8.7% in December 2021, registering an increase of 0.1 of a percentage point from the November 2021 rate of 8.6%. Contributing significantly to the December 2021 rate was Transport (4.3 percent), Housing, Water, Electricity, Gas & Other Fuels (1.4 percent), Food & Non-Alcoholic Beverages (1.0 percent) and Miscellaneous Goods & Services (0.7%).

At the meeting held on December 2, 2021, the Monetary Policy Committee (MPC) of the Bank of Botswana decided to maintain the Bank Rate at 3.75% and continue with the accommodative monetary policy stance.

Botswana's foreign exchange reserves as of October 2021 was USD5.27 billion; an increase of 14.11% from USD4.605 billion as at September 2021. Year on year, the reserve increased by 4.64% from USD5.04 as 31 October 2020 to USD5.27 billion as at October 2021.

2.1 Company Portfolio

Investment Asset	Investment Value			Actual Asset allocation 2021	Actual Asset allocation 2020	Budget Asset allocation	Assets YTD Growth	Return				Annual Budget Achieved	Annusalised Yield		
	31-Dec-21	31-Dec-20	2021					31-Dec-21	31-Dec-20	YOY	2021		31-Dec-21	31-Dec-20	2021
	Actual	Actual	A/Budget					Actual	Actual	Growth	A/Budget		Actual	Actual	Budget
	=N=Million	=N=Million	=N=Million	%	%	%	%	=N=Million	=N=Million	%	=N=Million	%	%	%	%
Cash & Cash Equivalent	7,442	9,287	4,847	33%	48%	25.42%	-20%	516	283	82%	276	186.74%	6.17%	4.04%	5.70%
Statutory Deposit	1,000	1,000	2,000	4%	5%	10.49%	0%	0	116	-100%	201	0.18%	0.04%	11.57%	10.06%
Equity	740	840	782	3%	4%	4.10%	-12%	35	372	-91%	67	51.87%	4.72%	33.16%	8.61%
Investment Property	1,826	2,146	340	8%	11%	1.78%	-15%	110	-176	162%	21	521.49%	5.51%	-6.66%	6.18%
Mutual Funds	417	339	312	2%	2%	1.64%	23%	0	0	0%		0.00%	0.00%	0.00%	0.00%
FGN Bonds	4,065	803	629	18%	4%	3.30%	406%	216	90	141%	82	264.92%	8.87%	14.02%	12.97%
FGN Eurobond	5,232	3,441	9,060	23%	18%	47.51%	52%	373	200	86%	770	48.40%	8.60%	11.63%	8.50%
Corporate Bonds - Local	204	102	368	1%	1%	1.93%	101%	30	29	2%	45	65.85%	19.50%	16.26%	12.29%
Corporate Bonds - Eurobon	1,528	1,220	730	7%	6%	3.83%	25%	122	67	81%	47	261.46%	8.86%	7.62%	6.37%
State Bonds	0	0	0	0%	0%	0.00%	0%	0	0	0%	0	0.00%	0.00%	0.00%	0.00%
Treasury Bills	206	0	0	1%	0%	0.00%	0%	15	106	-86%	0	0.00%	14.80%	7.91%	0.00%
Total	**22,660**	**19,178**	**19,068**	**100%**	**100%**	**100%**	**18.16%**	**1,417**	**1,088**	**30.25%**	**1,510**	**93.84%**	**7.10%**	**6.51%**	**8.86%**

Table 1
Note: Mutual fund is 100% Quoted equities for Nigeria and under sale.

2.2 Group Portfolio

Investment Asset	Investment Value 31-Dec-21 Actual	Investment Value 31-Dec-20 A/Actual	Investment Value 2021 A/'Budget	Actual Asset allocation 2021	Actual Asset allocation 2020	Budget Asset allocation	Assets YTD Growth	Return 31-Dec-21 Actual	Return 31-Dec-20 Actual	Return YOY Growth	2021 A/Budget	Annual Budget Achieved	Annualised Yield 31-Dec-21 Actual	Annualised Yield 31-Dec-20 Actual	Annualised Yield 2021 Budget
	=N=Millions	=N=Millions	=N=Millions	%	%	%	%	=N=Millions	=N=Millions	%	=N=Millions	%	%	%	%
Cash & Cash Equivalent	13,379	15,651	9,956	30.02%	42.75%	27.25%	-14.51%	785	584	34.5%	505	156%	5.41%	4.06%	5.07%
Statutory Deposit	1,000	1,000	2,000	2.24%	2.73%	5.47%	0.00%	0	116	-99.7%	201	0%	0.04%	12.97%	10.06%
Equity	740	840	782	1.66%	2.29%	2.14%	-11.93%	35	372	-90.6%	67	52%	4.42%	35.42%	8.61%
Investment Property	4,779	4,999	3,147	10.72%	13.65%	8.61%	-4.39%	304	284	7.0%	132	231%	6.21%	6.24%	4.18%
Mutual Funds	4,475	3,830	4,279	10.04%	10.46%	11.71%	16.82%	420	388	8.4%	393	107%	10.12%	11.03%	9.19%
Sovereign Bonds - Local	7,857	3,177	4,085	17.63%	8.68%	11.18%	147.27%	584	316	84.7%	476	123%	10.58%	10.05%	11.64%
Sovereign Eurobond	8,402	5,058	10,815	18.85%	13.82%	29.60%	66.10%	456	306	48.9%	875	52%	6.78%	10.72%	8.09%
Corporate Bonds - Local	292	119	703	0.66%	0.33%	1.92%	145.14%	31	29	7.9%	70	45%	15.28%	20.07%	10.01%
Corporate Bonds - Eurobond	2,364	1,602	730	5.30%	4.38%	2.00%	47.57%	187	73	157.2%	47	402%	9.43%	6.23%	6.37%
State Bonds	0	0	0	0.00%	0.00%	0.00%	0.00%	0	0	0.0%	0	0%	0.00%	0.00%	0.00%
Treasury Bills	1,284	333	36	2.88%	0.91%	0.10%	285.71%	38	157	-75.8%	1	3095%	4.71%	11.88%	3.38%
Total	**44,572**	**36,610**	**36,534**	**100%**	**100%**	**100%**	**21.75%**	**2,842**	**2,625**	**8.26%**	**2,767**	**102.70%**	**7.26%**	**7.65%**	**7.57%**

Table 2

Note: Mutual fund is 100% Federal Government bonds and Term deposits for Nairobi and 100% Quoted equities for Nigeria.

2.3 Commentary

2.3.1 Portfolio Size

As of 31st December 2021, our group investment portfolio grew by N7.96 billion, being a 21.75% growth to N44.57 billion (USD 108.38 million) from N36.609 billion (USD96.223) as at 31st December 2020. The growth is partly attributed to Positive net premium collections in some regions, investment income and exchange gains on valuation/translation of non-Naira denominated assets.

We recorded translation gain of N477 million from the conversion of subsidiary reporting currencies to Naira and N861 million from the valuation of non-Naira denominated investment assets (majorly USD assets) of CRe Plc. Naira depreciated against United States dollars and Kenya Shillings by 8.08% and 4.29% respectively but appreciated against XOF/XAF, BWP and TND by 0.47%, 0.59 and 0.004% respectively. However, all our reporting currencies depreciated against the USD.

The tables below show the movement of the exchange rate as at 31st December 2021.

Units of NGN to other currencies

Exchange rate	31-Dec-21	31-Dec-20	Movement
USD	411.24	380.47	8.088%
CFA	0.7098	0.7132	-0.465%
TND	142.75	142.76	-0.004%
KES	3.63	3.49	4.285%
BWP	35.05	35.26	-0.596%

Currency exchange rate to USD

Currency	31-Dec-21	31-Dec-20	Movement
NGN	411.24	380.47	8.088%
CFA	579.34	533.50	8.593%
TND	2.88	2.67	8.093%
BWP	11.73	10.79	8.736%
KES	113.14	109.16	3.647%

In USD terms, the portfolio appreciated by 12.64% from USD96.223 million as of 31st December 2020 to USD108.38 million as of 31 December 2021. The impact of currency devaluation due to the weakening NGN and other reporting currencies on the portfolio was cushioned by improved collections and income.

Portfolio size by company

The table below shows the portfolio of the company and the year-to-date growth.

Company	31-Dec-21 N'million	31-Dec-20 N'million	FX Impact N'million	Gross % Change	Ex-FX % Change
C Re Plc	22,660	19,178	861	18.16%	13.67%
C Re Gaborone	2,959	2,662	-18	11.16%	11.83%
C Re Nairobi	12,757	8,210	524	55.38%	49.00%
C Re Douala	6,196	6,560	-29	-5.55%	-5.11%
Group	**44,572**	**36,610**	**1,338**	**21.75%**	**18.09%**

The portfolio of each company in the group experienced growth except the portfolio of CRe Douala due to claims payments, liquidations, and poor premium collections. The main growth came from investment income and premium collections led by Nairobi.

Group portfolio size

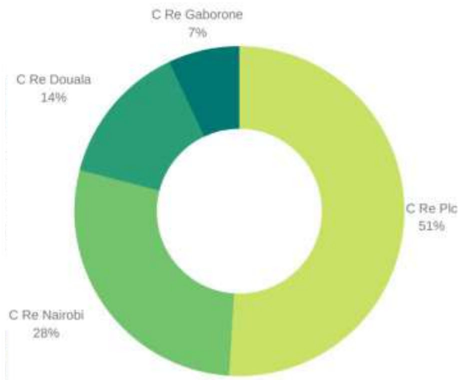


Table 1 (3.66% FX impact)

2.3.2 Portfolio performance

For the year ended 31st December 2021, we achieved 102.7% of the annual budget of N2.766 billion; the same period prior year ended 31st December 2020 was 80.93%. Income from bonds and cash contributed 88.07% of the 2021 investment performance.

Group investment return was N2.84 billion which represents a yield on average assets of 7.26% (2020: 7.75%) compared to the budget yield of 7.57%. Year on year, investment return grew by 8.26% and surpassed the annual budget by 2.7%.

At an individual company level, All the companies in the group experienced year-on-year income growth Except C Re Douala which had an income dip of 47.42% year on year. The dip is partly attributable to a decline in the portfolio; also, the investment income of 2020 included property valuation surplus of N378 million, while that amount included in 2021 performance was 100.3 million.

Cre Plc, Lagos, C Re Ltd Nairobi and C Re Ltd Gaborone experienced year-on-year income growth of 30.25%, 21.56% and 13.76% respectively. Lagos's attractive growth is partly from the 2020 capital injection coupled with improving interest rates.

The tables below show the comparative figures for returns year on year and the budget for the period:

Companies	Actual 31-Dec-21 Income	Actual 31-Dec-21 Assets	Actual 31-Dec-20 Income	Actual 31-Dec-20 Assets	YOY Income Growth	Yield on investment 31-Dec-21	Yield on investment 31-Dec-20	2021 Return Budget	YE Forecast to 31 Dec 2021	Budget peformance YTD Budget	Budget peformance Annual Budget	Budget peformance 2021 YE Forecast	% Contribution to 2021 Budget	Contributionto return 31-Dec-21	Contributionto return 31-Dec-20
	N'million	N'million	N'million	N'million	%	%	%	N'million	N'million	%	%	%	%	%	%
Lagos	1,417	22,660	1,088	19,178	30.25%	7.10%	6.51%	1,510	1,341	94%	94%	106%	55%	50%	41%
Gaborone	158	2,959	139	2,662	13.76%	6.37%	5.34%	135	159	117%	117%	99%	5%	6%	5%
Nairobi	937	12,757	771	8,210	21.56%	8.47%	10.48%	910	951	103%	103%	99%	33%	33%	29%
Douala	330	6,196	628	6,560	-47.42%	5.09%	10.03%	212	235	156%	156%	141%	8%	12%	24%
Group	2,842	44,572	2,625	36,610	8.26%	7.26%	7.75%	2,767	2,686	103%	103%	106%	100%	100%	100%

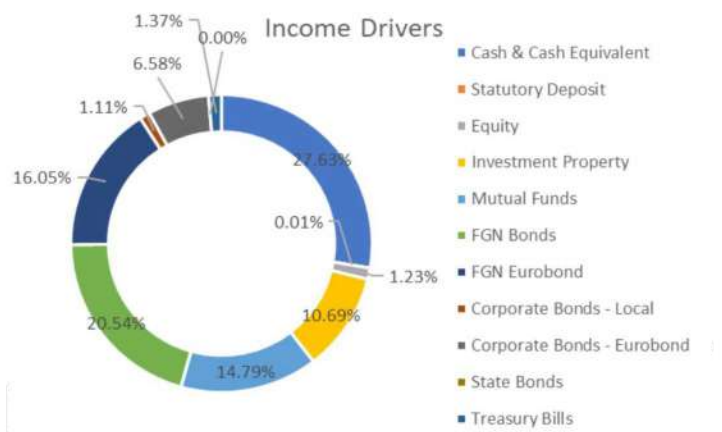
Table 4

The investment in Nigeria contributed 50% to the group investment performance, (2020: 41%) of the total group return at 7.10% (2020: 6.51%) yield, and CRe Ltd Nairobi contributed 33% (2020: 29%) of the performance at 8.47% (2020: 10.48%) yield, CIMA contributed 12% (2020: 24%) and Gaborone contributed 6% (2020: 5%) to the group total performance.

Analysis of return on investment

The chart and table below show the analysis of the contribution of the various asset classes to investment performance for the period. Fixed income instruments (comprising of Treasury Bills, Sovereign bonds, and corporate bonds) contributed 60.43% (2020: 48.36%) of the group investment return followed by placement with banks that contributed 27.64% (2020: 22.24%); a total of 88.07% (2020: 70.6%).

Equities contributed marginally at 1.23% from dividend incomes and capital gains. Statutory deposit detracted our performance contributed 0.01% due to negative return recognised in Q1 2021. The negative return was due to lower actual return at an average of 2.5% on statutory deposit credited by the Central Bank of Nigeria for the period of 1st August 2020 to 31st January 2021 compared to the 8% accrued from the period of 1st August 2020 to 31st January 2021 (2020:13.1%).



CCE: 27.63% (2020:22.24%)

FGN Bonds: 20.55% (2020: 12.05%)

FGN EB: 16.06% (2020: 11.67%)

Mutual Funds: 14.79% (2020: 14.78%)

Others: 20.96% (2020:39.26%)

Fixed income: 88.07% (2020: 70.60%)

Performance contributed by asset classes by region.

Asset class	Lagos			Gaborone			Nairobi			Douala			Group		
	weight (%)	Return (%)	% Contr to income	weight (%)	Return (%)	% Contr to income	weight (%)	Return (%)	% Contr to income	weight (%)	Return (%)	% Contr to income	weight (%)	Return (%)	% Contr to income
Cash & Cash Equivalent	32.84%	6.17%	36.44%	68.76%	4.47%	57.60%	13.63%	3.85%	6.89%	35.37%	5.25%	34.34%	30.07%	5.41%	27.63%
Statutory Deposit	4.41%	0.04%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.25%	0.04%	0.01%
Equity	3.26%	4.72%	2.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.66%	4.42%	1.23%
Investment Property	8.06%	5.51%	7.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	48.24%	6.58%	58.71%	10.74%	6.21%	10.69%
Mutual Funds	1.84%	0.00%	0.00%	0.00%	0.00%	0.00%	31.81%	11.55%	44.86%	0.00%	0.00%	0.00%	10.06%	10.12%	14.79%
FGN Bonds	17.94%	8.87%	15.25%	0.00%	0.00%	0.00%	29.72%	10.75%	39.26%	0.00%	0.00%	0.00%	17.66%	10.58%	20.54%
FGN Eurobond	23.09%	8.60%	26.32%	0.00%	0.00%	0.00%	24.84%	2.71%	8.91%	0.00%	0.00%	0.00%	18.88%	6.78%	16.05%
Corporate Bonds - Local	0.90%	19.50%	2.10%	2.98%	1.84%	1.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	15.28%	1.11%
Corporate Bonds - Eurobond	6.74%	8.86%	8.59%	28.27%	7.82%	41.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.31%	9.43%	6.58%
State Bonds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Treasury Bills	0.91%	14.80%	1.08%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.09%	16.39%	2.29%	6.95%	2.72%	5.07%	1.37%
Total	100.00%	7.10%	100.00%	100.00%	6.37%	100.00%	100.00%	8.47%	100.00%	100.00%	5.17%	100.00%	100.00%	7.27%	100.00%

Table 6

Nairobi mutual fund is 100% fixed income: 97.59% in government bonds. We continue to seek opportunities for more diversification for improved returns. Cash and cash equivalents had average returns of 5.41% compared to 4.06% in 2020.

Portfolio Performance Constraints and remedies

- Regulatory restriction on the free movement of funds across regions for investment. Some jurisdictions have below the required capital adequacy thresholds, thus the restrictions. Capital growth to prescribed capital adequacy levels will allow offshore investments.
- Liquidity requirement – the need to maintain a certain level of liquidity. More robust and timely collections will enhance liquidity and asset-liability matching enhanced by more profitable business. Some regions have aged receivables.
- Pressure to release funds for quantum operating expenses. We plan to mitigate this from planning and positive cash flows from operations through, profitable business and increased timely collections and costs control.
- Depressed yields on fixed income instruments in Nigeria and other regions. Cross-border investment opportunities will be sought.
- Lack of USD liquidity in some markets, namely Nigeria. USD assets had higher returns. We continue to preserve dollars and obtained NAICOM attestation letters to allow for USD purchases in the official markets.

3.0 Asset allocation

The charts below show the asset allocation and distribution by traditional classification for the group and the company:

The asset budget allocation is a factor of various variables at the point of budgeting, and we have had to undertake a bit of rebalancing depending on market and business demands. Details are in Tables 2 and 3 and the charts below.

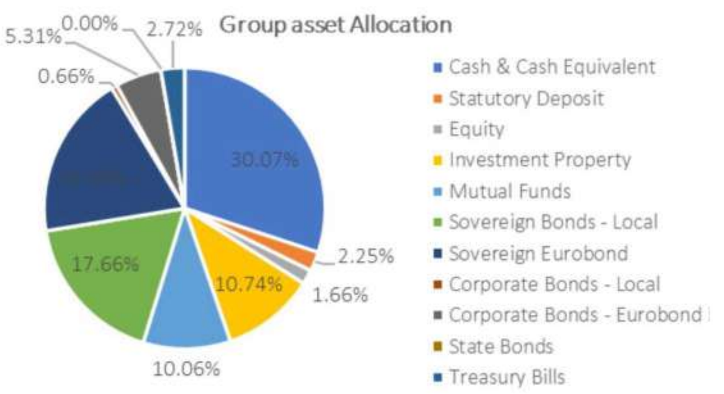


Figure 1:
Fixed income proportion including cash:
84% (2020: 80%; 2019: 79%)

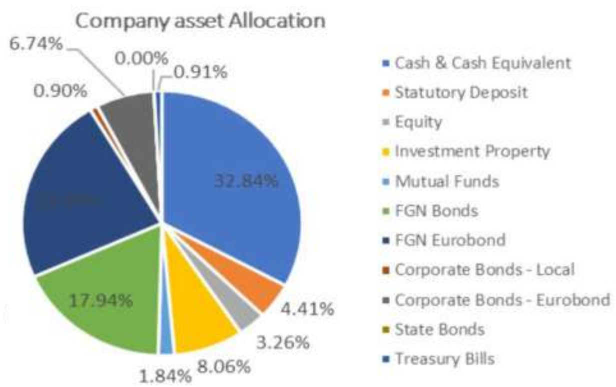


Figure 2:
Fixed income proportion including cash:
81% (2020: 77%; 2019: 57%)

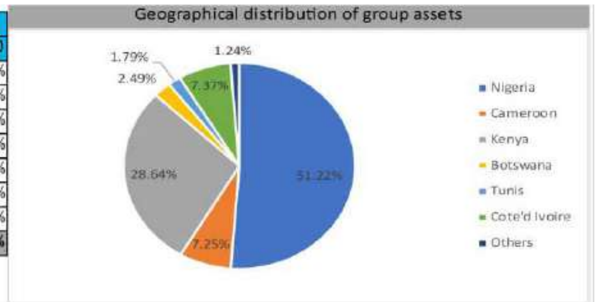
Mutual fund of 10.06% majorly represents the fund under management by BRITAM in Kenya and comprises of Fixed income and cash as shown in the table below. Also, included is a portion of FX balanced mutual of CRe Plc.

Mutual Fund make up

Amount in thousand of Kes				
Asset	**KES**	**USD**	**Total**	**%**
Cash & Cash Equivalent	12,397,639	14,528,957	26,926,596	2.41%
Corporate Bond	0	0	0	0.00%
Sovereign Bond	878,192,984	211,417,757	1,089,610,741	97.59%
Total	**890,590,623**	**225,946,714**	**1,116,537,336**	100.00%

By Geographical distribution/location of assets

Country	C Re Plc	C Re Gab	C Re Douala	C Re Nairobi	Total	Percentage	
	N'million	N'million	N'million	N'million	N'million	31-Dec-21	31-Dec-20
Nigeria	20,971	1,849	10		22,830	51.22%	53.34%
Cameroon			3,234		3,234	7.25%	10.08%
Kenya	7			12,757	12,764	28.64%	22.43%
Botswana		1,110			1,110	2.49%	2.66%
Tunis	796				796	1.79%	1.40%
Cote'd Ivoire	332		2,953		3,285	7.37%	8.85%
Others	554				554	1.24%	1.24%
Total	**22,660**	**2,959**	**6,196**	**12,757**	**44,572**	**100.00%**	**100.00%**
% Group allocation (31 Dec 21)	**50.84%**	**6.64%**	**13.90%**	**28.62%**	**100.00%**		
% Group allocation (31 Dec 20)	**52.38%**	**7.27%**	**17.92%**	**22.43%**	**100.00%**		



C Re Plc's portfolio constitutes 50.8% (2020: 52.4%) of the group portfolio with an annualized yield of 7.10% (as at Q3 21 was 6.84%) compared to a budget of 8.86%. Nairobi constitutes 28.62% (Q3 21 was 27.65%) of the group portfolio with an annualized yield of 8.47% (as at Q3 21 was 8.94%) compared to the budget yield of 9.57%. Douala portfolios constitute 13.90% (as at Q3 21 was 15.04%) of the total portfolio with a yield of 5.09% (as at Q3 21 was 3.39%) as against the budget yield of 3.89% and Gaborone constitutes 6.64% (as at Q3 21 was 7.66%) of the group portfolio and the yield on investment is 6.37% (as at Q3 21 was 6.76%) as against the budget yield of 5.39%.

Our assets are distributed across the six regions of our operations. Others include term deposit and treasury bills in Ghana of N190.54 million and Mutual funds in Europe of N382.24 million. The breakout of the mutual fund is as shown below:

Counter Party	**Currency**	**N'000**
J P Morgan	USD	34,958
Scottish Widow (Lcl International)/Monument	USD	50,158
Enko Capital	USD	156,560
HSBC LIFE BOND-53001	GBP	97,614
HSBC -LIFE BOND-3926	GBP	77,330
Total		**416,619**

Placement with banks: These are purely money market instruments in Term Deposits. The asset decreased by -14.51% year to date from 15.65b to 13.38b; we have committed some of the cash to Federal Government Bonds. Relative to the budget, the asset class is higher than the budget allocation by N3.42 billion. The cash allocation in the books of C Re Plc, Douala, Nairobi, and Gaborone are 33%, 34.94%, 14% and 68.76% respectively. Overall, the allocation to total portfolio value was 30.02% as of 31st December 2021

The yield on the asset class was 5.41% (2020: 4.06%) and it represents the average of the rates on bank placements across the various currencies compared with the budget yield of 5.07%. The return on cash and cash equivalent is partly driven by the currency composition of the asset class and the total amount available for investment and impacted by the monetary policy stance in various countries. The government in various countries has adopted a loose monetary policy to cushion the impact of the Covid-19 pandemic and stimulate the economy. This resulted in subdued returns.

The tables below show the currency distribution of cash components of our portfolio as at 31st December 2021

Group

Currency	**=N=**	**USD**	**KES**	**CFA**	**GBP**	**TND**	**BWP**	**GHC**	**Total**
Amount (N'million)	1,395	7,711	152	2,155	0	796	1,101	59	13,369
% Weight	10%	58%	1%	16%	0%	6%	8%	0%	100%

Company

Currency	=N=	USD	KES	CFA	GBP	TND	BWP	GHC	Total
Amount (N'million)	1,395	5,185	7	0	0	0	796	59	7,442
% Weight	19%	70%	0%	0%	0%	0%	11%	1%	100%

Equity:

This class of assets is made up of 24:76 proportions of quoted and unquoted equities and represents 1.66% (2020: Q4 2020: 2.4%) of the group portfolio. The return on equity comprises of dividend income and capital gain on equity trading. On a total return basis, the quoted equity portfolio return is 9.13 % (N19.11 million total return; N22.73 million realized and unrealized loss of N3.62 million) on an average portfolio of N209.21 million as of 31st December 2021; Nigeria Stock Exchange return as measured by All Share Index was 6.07% (2020: 50%).

During the year, 11 Plc (formally known as Mobil) delisted from the NGX Exchange. The company gave a cash redemption option and we received total cash of N19.242 million for our 89,959 units at an average price of 213.9 per share. The original cost of the units was N91.04 in the year 2010 per share and a total realized gain of N11.05 million was recognized in our books. This was an average return of 8.9% per annum for 11 years. We also realized some units of FBNH in the last quarter of the year.

The equity market has remained very volatile and our quoted exposure to total funds is now at 0.39% (2020: 1.06%).

The following charts show the distribution of the equity between quoted and unquoted:

Figure 3

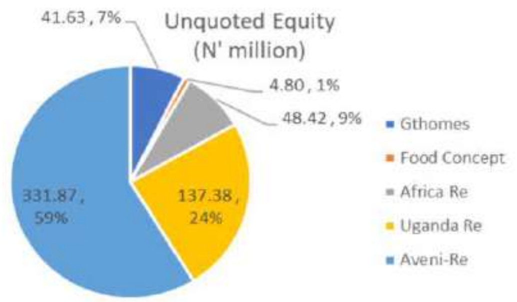
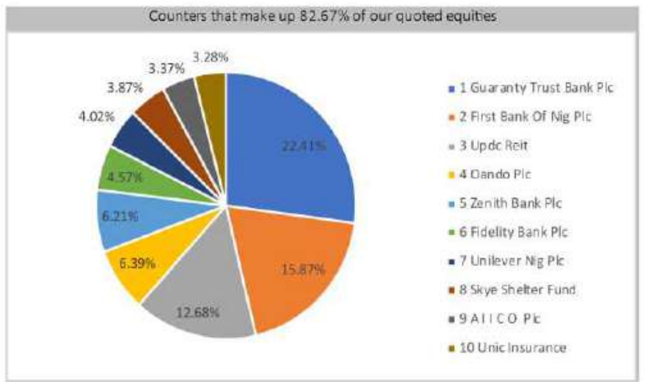


Figure 4

Top 10 Counters (88.99% of the quoted equities):

S/No	Counters	Amount (N'million) 31 Dec 2021	Amount (N'million) 31 Dec 2020	Movement to date %	% 31 Dec 2021
1	Guaranty Trust Bank Plc	39	61	-35%	22.41%
2	First Bank Of Nig Plc	28	49	-43%	15.87%
3	Updc Reit	22	28	-19%	12.68%
4	Oando Plc	11	11	4%	6.39%
5	Zenith Bank Plc	11	10	14%	6.21%
6	Fidelity Bank Plc	8	9	-15%	4.57%
7	Unilever Nig Plc	7	8	-11%	4.02%
8	Skye Shelter Fund	7	7	-2%	3.87%
9	AIICO Plc	6	7	-12%	3.37%
10	Unic Insurance	6	4	49%	3.28%
	Total	145	192	-25%	82.67%



Securities Held to Maturity (HTM)/ Fixed Income Securities: This constitutes 48.46% (2020: 43.04%) of the portfolio and it contributed 60.43% of the year group investment performance at an average annual yield of 8.82% (2020: 8.38%) compared with the budget yield of 9.32%. The income from this class of asset is mainly interest/coupon income that provides steady cash flows. It comprises of corporate bonds and government securities denominated in local currencies (56.13%) and United States Dollars (43.87%).

Investment Property and Head Office: This alternative asset class provides the benefit of diversification to the entire portfolio. It is uncorrelated with equity and fixed income yet provides two classes of income: rental income and fair value gains. During the year, we sold the block of 6 units of 3-bedroom flats in Lekki phase I for N400 million and incurred selling expenses of 3.75% of the sales value, giving net sales proceed of N385 million. The property was bought in 2010 for N300 million and the cost was increased by the net cost of replacing the old 100 KVA generator of N8.02 million. We recognized a gross capital gain of N46 million in the current year. This was a yield of 7% for the 11 years (both rental income and capital gains).

The assets currently represent 10.72% of the group's portfolio, a decrease of 2.93% from 13.65% as of 31st December 2020. The annualized yield as of 31st December 2021 was 6.21% (2020: 7%). We recorded an income of N304 million from the properties for the year (2020: N284million). The income is made up of rental income of N129 million, valuation surplus of N111.9 million (unrealized) and realized capital gain of N49.3 million. The following table shows the properties' incomes and value as of 31st December 2021.

S/No	Property description	Locaation	Carrying Value		Valuation surplus	Rental income	Gain on disposal	Total income	Occupancy rate
			31-Dec-21	31-Dec-20					
			N'million	N'million	N'million	N'million	N'million	N'million	%
1	2 Floor of office space	Olosa, VI	1,817.0	1,806.1	10.9	35.0	0.0	45.9	50%
2	7 Floor Mixed Development	Abidjan	2,952.9	2,852.6	100.3	94.0	0.0	194.3	100%
3	3 bedroom Flat	Kubuwa, Abuja	9.2	8.5	0.7	0.0	0.0	0.7	
4	Block of 5 flats	Lekki Phase 1	0.0	331.4	0.0	14.3	49.3	63.7	
	Total		4,779.1	4,998.6	111.9	129.0	49.3	304.6	

Head office (Fixed assets: 42.54%; Investment property: 57.46%) Cost N3.01b
The project has been completed and a Certificate of Practical Completion issued. However, identified snags are still being attended to. 12 months have passed from the 18 months defect and Liability period beginning 1st January 2021 and will run to 30th June 2022. Only the 350 sqms of the 513 sqms on the second floor at USD258/sqms have been let out.

We continue to market the 1st floor and the remaining space on the 2nd floor that has been idle for close to 2 years and also the training room on the pent floor, which is mainly being utilized for internal training saving the Company hotel costs.

4.0 ALM and currency matching/congruence framework
The Liabilities of the company are mainly short and medium-term in nature than long-term. As such, the company's focus is on short-term liquidity management and currency matching to mitigate exchange rate fluctuations.

4.1 Liquidity management
The focus of liquidity is both funding of liability and the ability to timely realize assets in the market without taking a significant cut in the prices of the assets or losing income. 88.07% of the portfolio assets are in liquid assets comprising placement with banks, Treasury Bills, corporate Eurobonds, and Federal Government bonds. 30.02% of the portfolio assets are in term deposits, which is adequate to meet our obligations as they crystalize. The following is the liquidity profile of the assets and technical liabilities (OCR).

Liquidity Profile of company Investment assets by month

Assets	Currency	31.00	59.00	90.00	120.00	151.00	181.00	212.00	243.00	273.00	304.00	334.00	365.00	Above
		31-Jan-22	28-Feb-22	31-Mar-22	30-Apr-22	31-May-22	30-Jun-22	31-Jul-22	31-Aug-22	30-Sep-22	31-Oct-22	30-Nov-22	31-Dec-22	365 days
		1	2	3	4	5	6	7	8	9	10	11	12	13
		N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Sovereign	NGN	33	70	113	51	0	0	33	70	113	51	0	0	3,600
Sovereign	USD	85	10	25	0	46	1,147	85	10	25	0	46	0	4,174
Corporate	NGN	0	0	0	0	13	0	0	0	0	0	13	0	200
Corporate	USD	0	7	0	37	0	525	0	7	0	119	0	0	905
Treasury Bill	NGN	0	0	0	109	0	0	0	0	0	0	0	0	0
Treasury Bill	GHS	0	102	0	0	0	0	0	0	0	0	0	0	0
Term deposit	NGN	279	103	886	153	0	0	0	0	0	0	0	0	0
Term deposit	USD	27	1,003	4,207	0	0	0	0	0	0	0	0	0	0
Term deposit	TND	423	160	74	74	74	0	0	0	0	0	0	0	0
Term deposit	KES	0	0	0	0	0	0	0	0	0	0	0	0	0
Term deposit	GHS	18	0	42	0	0	0	0	0	0	0	0	0	0
Rental Income		0	0	0	0	0	0	0	0	0	0	0	0	0
Central bank of Nigeria	NGN	10	0	0	0	0	0	10	0	0	0	0	0	1,000
Total monthly maturity		**875**	**1,455**	**5,347**	**423**	**133**	**1,672**	**128**	**88**	**138**	**170**	**59**	**0**	**9,879**
Liability monthly maturity (OCR)		409	942	1,713	2,036	1,661	845	662	1,022	854	1,770	1,567	724	0
Surplus/(Deficit)		466	513	3,634	-1,613	-1,527	827	-534	-934	-716	-1,601	-1,508	-724	9,879
Cumm surplus/(deficit)		466	978	4,612	2,999	1,472	2,299	1,765	831	115	-1,486	-2,994	-3,717	6,161
Liquid Asset/OCR 31 December 2021		213.78%	154.45%	312.12%	20.79%	8.02%	197.82%	19.40%	8.57%	16.13%	9.60%	3.78%	0.00%	NA
Liquid Asset/OCR 31 December 2020		408%	46%	612%	6%	5%	8%	46%	2%	0%	7%	5%	9%	NA

Table 9

In line with the liability monthly liquidity requirement as depicted in Tables 9 and 11, we are adequately covered in the initial months and will actively manage investment durations in order to spread some instruments for medium to longer secure tenures that give superior returns. We have high liquidity which also indicates improving collections.

Liquidity Profile of company by quarter

Assets	Currency	90 days	180 days	270 days	360 days	Above 360	Total
		N'million	N'million	N'million	N'million	N'million	N'million
Sovereign	NGN	216	51	216	51	3,600	4,133
Sovereign	USD	121	1,193	121	46	4,174	5,655
Corporate	NGN	0	13	0	13	200	226
Corporate	USD	7	562	7	119	905	1,600
Treasury Bill	NGN	0	109	0	0	0	109
Treasury Bill	GHS	102	0	0	0	0	102
Term deposit	NGN	1,268	153	0	0	0	1,421
Term deposit	USD	5,237	0	0	0	0	5,237
Term deposit	TND	656	148	0	0	0	804
Term deposit	KES	0	0	0	0	0	0
Term deposit	GHS	60	0	0	0	0	60
Rental Income	0	0	0	0	0	0	0
Central bank of Nigeria	NGN	10	0	10	0	1,000	1,020
Total quarterly maturity		7,676	2,229	354	229	9,879	20,367
Liability monthly maturity (OCR)		3,064	4,542	2,538	4,061		
Surplus/(Deficit)		4,612	-2,313	-2,184	-3,832	9,879	
Cumm surplus/(deficit)		4,612	2,299	115	-3,717	6,161	
Liquid Asset/OCR		251%	151%	105%	8%	0%	

Table 10 Adequate. All liquid assets have access and are held with reputable and low counterparty risk institutions.

We are adequately covered in the ageing brackets of 91 days through to 180 days. The strategy here is to continue to increase the liquidity in the portfolio from income, collections, and ladder portfolios and convert illiquid assets to liquid assets.

Monthly Liability Maturity Profile

Liability Profile of Paid Claims												
Month	1	2	3	4	5	6	7	8	9	10	11	12
Lagos	5.7%	9.1%	7.4%	5.5%	10.6%	8.2%	8.3%	11.4%	8.0%	7.6%	11.2%	6.8%
Nairobi	7.4%	11.8%	6.1%	11.9%	6.4%	7.1%	15.2%	6.2%	4.9%	14.3%	7.5%	1.3%
Gaborone	2.5%	0.1%	14.3%	0.4%	9.4%	13.2%	2.7%	10.1%	13.1%	5.2%	21.1%	8.0%
Abidjan	1.2%	9.0%	3.0%	6.9%	6.5%	5.0%	3.4%	5.2%	20.3%	11.3%	7.7%	20.5%
Doula	4.3%	3.4%	8.2%	5.7%	4.7%	3.5%	12.6%	12.0%	25.1%	9.3%	4.1%	7.0%
Tunis	0.1%	4.2%	16.5%	22.9%	12.7%	3.7%	1.1%	3.1%	4.1%	17.2%	10.9%	3.4%

Table 11
Source of liability profile: Continental Reinsurance Risk Unit

Quarterly Liability Maturity Profile

	Liability Profile			
Quarterly'	Q1	Q2	Q3	Q4
Lagos	22.2%	24.3%	27.8%	25.6%
Nairobi	25.3%	25.4%	26.3%	23.1%
Gaborone	16.9%	22.9%	25.9%	34.2%
Abidjan	13.3%	18.4%	28.9%	39.4%
Doula	15.9%	13.9%	49.7%	20.5%
Tunis	20.9%	39.4%	8.2%	31.4%

These tables are used to profile our claim liabilities for assets and liabilities matching. The patterns are erratic with some regions showing a general increase in paid claims profile in the later months. With exception of Nairobi and Tunis, the other regions had more payments in the year to date.

Table 12
Source of liability profile: Continental Reinsurance Risk Unit

4.2 Currency matching
The company matches its liabilities by currency by holding assets in the currencies of liabilities in the various regions. The purpose is to mitigate the impact of exchange losses that may arise from buying currencies to settle liabilities and/or keeping idle or low-earning currencies' asset class. The company is however still exposed to foreign exchange risk due to other factors that impact foreign exchange movement in all the regional offices' currencies.

The following table shows the assets and liabilities matching by currency as of 31st December,2021 for the company.
The liabilities in consideration are the Claim case reserves and the outstanding claims (IBNR). Unexpired risk reserve is excluded from the liabilities.

Assets and liabilities matching by currency as at 31st December, 2021

Currencies	Current Liability 31 Dec 2021 NGN (thousands)	Total assets 31 Dec 2021 NGN (thousand)	Liquid/Assets 31 Dec 2021 NGN (thousands)	Percentage of currency to total assets	percentage of currency to liquid assets	Variance (Liquid Assets - Lib)	Asset liability coverage ratio by currency
NGN	9,465,033	8,818,191	5,565,997	38.92%	30.13%	-3,899,035	59%
CFA	0	331,874	0	1.46%	0.00%	0	0%
USD	3,910,528	12,372,849	11,945,375	54.60%	64.66%	8,034,848	305%
TND	700,863	796,222	796,222	3.51%	4.31%	95,358	114%
EUR	129,385	0	0	0.00%	0.00%	-129,385	0%
GBP	0	174,943	0	0.77%	0.00%	0	0%
KES	0	6,682	6,682	0.03%	0.04%	6,682	0%
GHS		158,910	158,910	0.70%	0.86%	158,910	0%
Total	14,205,809	22,659,672	18,473,186	100%	100%	4,267,378	130%

Table 13 Adequate. About 70% of Nigeria's liabilities are Naira denominated.

Assets and liabilities matching by currency as at 31st December, 2020

Currencies	Current Liability 31 Dec 2020 NGN (thousands)	Total assets 31 Dec 2020 NGN (thousand)	Liquid/Assets 31 Decr 2020 NGN (thousands)	Percentage of currency to total assets	percentage of currency to liquid assets	Variance (Liquid Assets - Lib)	Asset liability coverage ratio by currency
NGN	5,163,422	7,779,850	4,245,102	40.43%	28.78%	-918,320	82%
CFA	1,205,174	387,247	0	2.01%	0.00%	-1,205,174	0%
USD	2,305,841	10,313,736	9,898,104	53.60%	67.10%	7,592,263	429%
TND	382,324	514,002	514,002	2.67%	3.48%	131,678	134%
EUR	70,583	0	0	0.00%	0.00%	-70,583	0%
GBP	0	154,786	0	0.80%	0.00%	0	0%
KES	0	6,161	6,161	0.03%	0.04%	6,161	0%
GHS		87,341	87,341	0.45%	0.59%	87,341	0%
Total	9,127,345	19,243,123	14,750,709	100%	100%	5,623,365	162%

Table 14

From the above table 13, we hold liquid assets in the currencies to match the liabilities except for Nigeria Naira and Euro- These shortfalls can be easily met using the USD assets. We continue to increase our USD-denominated assets through retention of USD collections and conversion of more local currencies to USD. The proportion of the USD assets grew to 44.4% as at 31st December 2021 from 39.4% as at 31st December 2020.

Although our USD-denominated liquid assets are enough to cover our estimated claim liabilities, retrocession obligations are USD denominated and the USD cash assets will not be able to cover the obligations. To maintain a balance between earning competitive risk-adjusted returns on investment and ensuring that we match our assets and obligations by currencies, we will seek to increase our USD assets. Future USD obligations that are eligible transactions for the purchase of USD in the official market will be bought at the spot market when there is liquidity in the market.

The tables below show group assets by currencies and the composition of the currencies to the total portfolio:

Group's Assets by currency

Currencies	=N=	USD	KES	CFA	GBP	BWP	TND	EUR	GHS	MWK	Total	Yield
Asset Class	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	%
Placement with banks	1,395	7,711	152	2,155	0	1,101	796	0	59	0	13,369	5.41%
Quoted Equity	176	0	0	0	0	0	0	0	0	0	176	0.04%
Unquoted Equity	46	186	0	332	0	0	0	0	0	0	564	4.42%
FGN Bond	4,065	8,402	3,791	0	0	0	0	0	0	0	16,258	6.21%
Corporate Bond	204	2,357	0	0	0	18	0	0	0	0	2,578	10.12%
State Bond	0	0	0	0	0	0	0	0	0	0	0	10.58%
Treasury Bill	106	0	0	1,004	0	0	0	0	100	0	1,210	6.78%
Mutual Fund	0	1,063	3,237	0	175	0	0	0	0	0	4,475	15.28%
Statutory Deposit	1,000	0	0	0	0	0	0	0	0	0	1,000	9.43%
Investment Property	1,826	0	0	2,953	0	0	0	0	0	0	4,779	0.00%
Total	**8,818**	**19,718**	**7,180**	**6,444**	**175**	**1,119**	**796**	**0**	**159**	**0**	**44,410**	4.71%
% to total asset as at 31 Dec 21	19.86%	44.40%	16.17%	14.51%	0.39%	2.52%	1.79%	0.00%	0.36%	0.00%	100%	7.26%
Average yield	8.91%	7.21%	7.24%	5.09%		3.92%	7.20%		12.67%			7.26%
% to total asset at 31 Dec 2020	21.25%	39.40%	15.70%	18.95%	0.42%	2.64%	1.40%	0.00%	0.24%	0.00%	100%	7.65%
Average yield	13.06%	7.17%	8.66%	10.03%			8.33%		11.00%			7.65%

Table 15

USD denominated assets have the highest portion at 44.4% of N44.41b (December 2020: 39.40% of N36.6b), ie additional N5.29b in USD holdings. NGN, KES and CFA constitute 19.86%, 16.17% and 14.51% of the group portfolio respectively.

Table 16 below shows company assets by currencies and the composition of the currencies to the total portfolio.

Company's Assets by currency

Currencies	=N=	USD	KES	CFA	GBP	BWP	TND	EUR	GHS	MWK	Total
Asset Class	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
Cash and cash equivalent	1,395	5,185	7	0			796		59		7,442
Quoted Equity	176	0		0	0	0	0				176
Unquoted Equity	46	186	0	332	0	0	0				564
FGN Bond	4,065	5,232	0		0	0	0				9,298
Corporate Bond	204	1,528	0	0	0	0	0				1,732
State Bond	0	0	0	0	0	0	0				0
Treasury Bill	106	0	0	0	0	0	0		100		206
Mutual Fund	0	242	0	0	175	0	0				417
Statutory Deposit	1,000	0	0	0	0	0	0				1,000
Investment Property	1,826	0	0	0	0	0	0				1,826
Total	**8,818**	**12,373**	**7**	**332**	**175**	**0**	**796**	**0**	**159**	**0**	**22,660**
% to total asset (31 Dec 21)	38.92%	54.60%	0.03%	1.46%	0.77%	0.00%	3.51%	0.00%	0.70%	0.00%	100%
% to total asset (31 Dec 2020)	40.57%	53.44%	0.03%	2.02%	0.81%	0.00%	2.68%	0.00%	0.46%	0.00%	100%

Table 16

The highest portion is USD assets at 54.6% followed by Naira assets at 38.92%. Our largest premium income earner is in Naira necessitating the need to keep building on USD to match our liabilities or at least buy USD forward to meet the retro obligations, which are USD denominated. Kenya mainly earns income in USD, which is preserved.

5.0 Regulatory compliance in Nigeria

Company asset cover for insurance funds - Hypothecation

In line with the requirement of the Insurance Act 2003 Section 19, we are required to have adequate asset cover for the insurance funds. Our assets under management are allocated to insurance funds and shareholders' funds as follows:

Admissible Assets for Reinsurance Fund

	Non Life			Life			Shareholders' Fund	
Investment assets	=N='million	% to Fund Total	% Statutory requirement to fund	=N='million	% to Fund Total	% Statutory requirement to fund	=N='million	% to Fund Total
Placement with banks	7,129	37%	100%	312	15%	100%	0	0%
Investment Property	1,817	10%	25%	9	0%	35%	0	0%
Quoted Equities	417	2%	50%	175	9%	50%	0	0%
Unquoted Equities	0	0%	10%	0	0%	10%	564	36%
State bonds	0	0%	20%	0	0%	20%	0	0%
FGN Bonds	7,995	42%	100%	1,303	63%	100%	0	0%
SovereignTreasury Bills	206	1%	100%	0	0%	100%	0	0%
Corporate Bonds	1,473	8%	10%	259	13%	10%	0	0%
Statotory deposit	0	0%	0%	0	0%	0%	1,000	64%
Total	19,037	100%		2,058	100%		1,564	100%
Insurance Fund	24,350			2,586				
Asset cover	78%			80%				

Table 17

Applying the NAICOM Hypothecation model, which excludes all Receivable and other technical assets, the hypothecation has a combined gap of 21.68%. Asset cover for the Non-life and Life funds are 78% (December 2020: 89%) and 80% (December 2020: 103%) respectively, the total shortfall being N5.92 billion. This assumes the ability to meet Insurance contract obligations in the event of an inability to collect or realize Receivables. The gap is created by a continuous increase in gross Insurance contract liabilities with a lower magnitude increase in investment assets, although this is at the gross level.
The corresponding assets to match the increase in liabilities are substantially in receivables and other reinsurance technical assets. To note is that gross liabilities are admitted while their respective asset portions the technical assets are excluded. Admitting these technical assets, i.e., retrocession assets, resulting in an asset cover of 101.56% (2020: 124.27%).

6.0 2022 outlook and Investment strategy

According to World Bank economic Prospect, released in January 2022; global growth is expected to decelerate markedly to 4.1 percent in 2022 after rebounding to an estimated 5.5 percent in 2021, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2 percent in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)— particularly in small states and fragile and conflict-afflicted countries—they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic.

Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

We expect the Central banks across our regions of operations to taper on expansionary monetary policy and adopt a tight monetary policy to follow suit with the Federal Reserve Board of America's monetary policy guidance. This will result in fixed income instruments selling off in anticipation of a rate hike, which will lead to an improved yield in fixed income instruments.

The following is the summary of our strategy for 2022.
Our investment income target for 2022 is N4.16 billion representing a 48.7% growth over the 2021 budget of N2.768 billion and 45% growth over the actual investment income of N2.84 billion in 2021.
The achievement of this target will connote that we must be more tactical in our investment management approach in 2022. The income growth is based on the primary assumption of significant premium collection from profitable businesses, which will accrete our investment portfolio.
In view of the 2022 income target, we will:

- Grow our portfolio from aggressive premium collections and retention of investment income.
- Convert more local currencies to USD and invest in USD-denominated assets on short to medium-term basis, especially in the region where local currencies earn less than USD assets. We will be driving this majorly in Gaborone where it is relatively possible to convert local currency to USD. In addition, this will preserve the balance sheet value against depreciation of reporting currencies relative to USD and match our Liabilities.
- Increase the bond portfolio to take advantage of term premium and enhance our portfolio returns. This we will do by building a laddered portfolio of bonds. The laddered portfolio strategy will provide adequate liquidity to support our technical operation obligations in addition to enhancing our investment income
- Diversify the bond portfolio geographically by participating in other African Eurobonds where the opportunities exist
- Designate some of the newly purchased Eurobonds as fair value through Profit and loss to take advantage of capital gains.
- Continue to manage our bank balances efficiently to drive returns.
- Move funds across the group to the regions where we can earn a superior return
- Enhance market information intelligence by scanning the economies and tactically allocating assets for superior performance.
- Consider cautious participation in the quoted equity market in value stocks and manage on a long-term basis for income generation, while occasionally trading to take advantage of market movements.

Our Strategy

Continental Re remains the leading privately owned reinsurance company in Africa. From our humble beginnings in 1987, we have progressively grown into a force to reckon with given our reputation for consistent delivery of reliable reinsurance services to clients and strong financial performance. With operations in six countries and plans to expand to new markets between 2022 and 2024, the prospects appear positive for us. These positive prospects were reinforced by the smooth transition of leadership responsibilities in 2021 from the former Group Managing Director (GMD), Dr. Femi Oyetunji to the new GMD, Lawrence Nazare, who had formerly held the position of Group Executive Director. This succession from within, among other factors, reflects stability and steady leadership at the highest levels within the Continental Re's governance structures, and demonstrates a commitment to achieve the long-term vision 'to be the Premier Pan-Africa Reinsurer'.

As part of the pursuit of this long-term vision, the leadership of Continental Re has updated its medium-term strategy (2022 – 2024) to focus on four critical goals in line with its ambitions. These goals are 1. Profitable growth 2. Customer centricity 3. Operational excellence and 4.

Smart execution. We are convinced that a laser focus on these goals will propel us toward the fulfillment of our vision.

Profitable Growth
To sustain our emergence as the premier pan-Africa reinsurer, we seek profitable growth anchored on disciplined underwriting from select client segments, markets, and lines of business. As we strive to grow our market share, we will do so in a manner that preserves and does not erode shareholders' value. The tightening of terms and conditions along with, portfolio actions and where possible, price increases will be implemented to help improve our underwriting results. We will also be strengthening our asset management capabilities with a view to enhancing returns on investments. To do this, we have identified premium collections as a key ingredient that would boost the size of investible funds and as a result, our overall investment returns. While we understand that the subject of premium collection remains a prevalent concern across Africa, we will be deploying various initiatives to overcome this predicament. Consequently, we have prioritized the deepening of our credit control capabilities through the use of analytics, technology, and industry-wide advocacy.

Customer Centricity
The goal of customer-centricity underlines our desire to broaden and enhance the scope of reinsurance solutions that we offer to our growing client base. With our clients spread across 50 countries on the continent, we are eager to ensure that our product offerings are tailored to the evolving needs of key clients in key markets. Furthermore, we seek to sustain our reputation for providing best-in-class technical training as part of our contribution to the development of robust underwriting capabilities in Africa.

> *"Continental Re remains the leading privately owned reinsurance company in Africa. From our humble beginnings in 1987, we have progressively grown into a force to reckon with given our reputation for consistent delivery of reliable reinsurance services to clients and strong financial performance.*

Operational Excellence
Continental Re's focus on operational excellence is driven by the simple but important need to have processes that are adequately engineered to efficiently deliver on our promises to clients.
As part of efforts to be operationally excellent, we are conducting process improvements, particularly on processes that impact customers' experience such as claims management.
We are also investing in the digital transformation of Continental Re while maintaining cost discipline.

Smart Execution
Finally, the smart execution goal is aimed at building a culture of getting the right things done through the right people using the right tools. Our commitment to a progressive digital transformation journey will ensure that our people can deliver excellent service and solutions to our clients.

Our Core Values

The values we uphold influence the value we deliver

Our People

Our human resource management policies align with the world's best practices.

Employment Policy
At Continental Reinsurance, we abide by all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to the board or top management positions. Our human resource management policies align with the world's best practices.

This philosophy continues to guide us in the way we work and is reflected in our policies and practices at every stage of our employment cycle.

Employment Equity, Equality, Diversity, and Inclusion
We treat all employees fairly and equally, regardless of their gender, sexual orientation, family status, race, colour, nationality, ethnicity, religious belief, age, or physical or mental disability.

At Continental Reinsurance, we seek to achieve gender parity on the Board, top management level and across the entire workforce.

Our core values and Code of Business Principles define what we stand for and the framework in which we do business. We comply with all regulatory demands in the employment of employees and ensure that the right talents are considered for appointment to executive and top management positions.

Employment of physically challenged persons.
We operate a non-discriminatory policy in the consideration of applications for employment, including those with disabilities.

If any employee becomes disabled in the course of employment, possible efforts would be made to ensure that his or her employment continues without subjecting the employee to any form of disadvantage in his or her career development. Where required, appropriate training would be arranged to ensure they acquire the right skills to perform on the job. Currently, we have one employee with a disability for the year under review.

Health, safety at work and welfare of employees
At Continental Reinsurance, we are committed to promoting the occupational health and safety of all employees, contractors, suppliers, clients, and visitors to our Company.

One of our core objectives is a proactive safety culture in which all employees are aware that all injuries and occupational illnesses are foreseeable and preventable and are required to act in a manner that demonstrates their commitment to this belief. Therefore, employees are passionate about their safety and that of others and are committed to preventing injury and recognizing the benefits of safe behaviour at the workplace.

At Continental Re Center, our premises, fire prevention and fire-fighting equipment are installed in strategic locations and employees are well educated on fire safety protocols and the use of these equipment. Notwithstanding, we understand the inevitability of accidents and made provisions for Group Life, Group Personal Accident and Workmen's Compensation insurance cover for our employees.

Also, we operate a contributory pension scheme, social security, and Retirement Benefits Scheme approved by the Joint TAX Board and applicable to each of the office locations within Continental Reinsurance Group.

During the COVID-19 pandemic, we deployed an effective business continuity plan. Through this plan, a Work-From-Home (WFH) policy was developed and adopted by all employees allowing them to work remotely. In addition, containment strategies were initiated by the Company for the safety of its employees and clients. These included:

- Communication to all employees and clients on the Company's containment strategies to protect employees and clients.
- Temperature checks at the entrance of our business locations.
- Hand sanitisers are placed in strategic places. Soap and water were provided to improve personal hygiene and our offices were disinfected regularly.
- Face masks and hand gloves were provided for employees, as we enforced the "no face mask no entry" policy.
- We implemented selective physical presence at the office to enable social distancing.
- Issued advisory mails to employees on travelling, social engagement, self-isolation in case of contact with a suspected case, incident management hotlines and national emergency phone numbers.
- Provided regular awareness campaigns to employees on preventive measures to curtail the spread of the virus.

Several employee engagement initiatives on COVID-19 were implemented to enhance employee productivity during and the post-COVID -19 era. These included several online trainings on how to lead remote teams and work remotely, awareness of mental health, and stress management during the sit-at-home period. We also drafted a COVID-19 monitoring and response committee which met regularly to review, across the group, Covid-19 trends and advice on strategies to respond to the health and safety protocols, as well as government and regulatory directives.

Steps were also taken to enable our front-line employees in regional offices to do their jobs safely and effectively.

Learning and development
We believe strongly that we must win with people. We must not only enable employees to perform in their day-to-day jobs but must unlock their potential and make it possible for them to unleash energy to achieve business strategic objectives.

We focus on continuous training and upgrading of skills at all levels of the Company to achieve a significant competitive advantage and long-term business success. We place a high premium on the development of our workforce and as part of this commitment, we have sponsored employees for various trainings, local and international, supplemented with on-the-job training in the year under review.

We also embraced coaching, cross-location work placements, and training attachment in reputable reinsurance companies, reinsurance brokers and retrocessionaires and partnered with top-notch executive training institutes to deliver world-class technical and leadership training to employees across our offices.

Employees' involvement and engagement
Continental Reinsurance encourages an attitude of inclusiveness and participation of employees in the decision-making process with respect to matters of their well-being. To achieve this, we hold periodic general group meetings and encourage management's open door policies in order to ensure that there are opportunities for employees to deliberate and make a recommendation to management on issues and matters of interest.

Employees' remuneration and talent management
Continental Reinsurance strives to ensure that employees' remuneration is internally equitable and externally competitive. The Company's remuneration isperformance-driven and promotes employees' engagement.

We have implemented several initiatives to support a robust talent management framework that guides how we attract, develop, and retain people with the competencies to meet our strategic objectives. This has enabled the Company to build leadership bench strength and create the flexibility to meet rapidly changing market conditions and competition.

Internal communication/employee relationship
Continental Reinsurance adopts various communication best practices in its business activities. It put in place various channels of communication which include face-to-face interaction, virtual, meetings, social media platforms, newsletters, notice boards, intranet, e-mails, and other appropriate communication platforms with appropriate feedback between employees and the Company's leadership. This approach promotes employees' involvement in decision-making, enhances employee engagement and motivates the achievement of the Company's strategic objectives.

2021 Corporate Social Responsibility

At Group level, the major activities supported by the Company are the journalism awards and biodiversity partnership to support the ESG agenda.

Popularizing insurance
In 2021, we continued with our aims of advocating/popularizing insurance through our journalism awards programme as part of our corporate social investment activities. This marked the 6th edition of the awards.

Currently, insurance penetration ranges between one and three percent in most African countries. But this is a sector on the up. The subject is gaining appreciation, and this informs the continued responsibility to encourage and inspire journalists to report on insurance.

Continental Reinsurance honoured the award winners at a virtual awards ceremony following travel restrictions occasioned by the COVID-19 pandemic. There was an improvement in the geographic diversity of the finalists and balance in gender. Two female journalists made it to the top, while the winners represented five different countries: Senegal, Kenya, South Africa, Zambia, and Ghana.

The category winners were:
- Best Re/Insurance French entry – Amadou Oury Diallo, Jeune Afrique Media Group, Senegal
- Best Re/Insurance Print Article, Patrick Alushula, Nation Media Group, Kenya
- Best Re/Insurance online article, Londiwe Buthelezi, Fin24, South Africa
- Best Re/Insurance Broadcast Article, Mwape Zulu Kumwenda, Prime Television, Zambia
- Anass Sabit, Joy News, Ghana, won the Future Talent award for highlighting the plight of a community battling the absence of water amidst the Covid-19 pandemic.

The winners receive an exclusive year-long mentorship to further develop their insurance sector reporting skills. This is in addition to cash prizes and sponsorship to attend an industry event, health situations, and government restrictions permitting.

All the entries were evaluated by an independent judging panel of international experts in insurance and journalism, with Michael Wilson as the Chief Judge. Other judges were Nadia Mensah-Acogny (Journalist, Forbes Afrique) - Senegal; Dr. Jared Obuya, Lecturer, Moi University - Kenya; Kenneth Igbomor, Market News Editor (West Africa), CNBC Africa - Nigeria; Gareth Stokes, Founder, Stokes Media Group - South Africa; and Shiamdass Appannah, Insurance Industry Expert - Mauritius.

Continental Reinsurance initiated the Pan African Re/Insurance Journalism Awards in 2015 to recognize and acknowledge the good work of media on the continent. Journalists are required to demonstrate how their articles raised awareness and understanding of the insurance sector in Africa.

We will continue to support and build the capacity for journalists to contribute to the development of the re/insurance industry in Africa.

Continental Re for nature
According to the World Economic Forum, nature plays a crucial role in generating more than half of the global GDP.

In 2021, we identified an opportunity to protect biodiversity to prevent harm early on. To this end, we were excited to partner with Friends of Karura Forest in Kenya to start our tree-growing journey of one million indigenous trees. As wildfires destroy more forests, fossil fuels continue to pump carbon emissions into the air, and with the industry's drive to net-zero carbon emissions commitments, this project was incorporated into the philanthropic arm of our business.

We started by involving our employees in planting one thousand indigenous trees during the November rainy season for educational purposes. This exercise got our employees engaged in connecting with nature and getting their hands in the dirt!

Our Chairman for the Kenya subsidiary, Dr. Steve Mainda, and newly installed Group Managing Director, Mr. Lawrence Nazare, presided over the ceremony.

We gave a cash donation of Kshs. 450,000/=. The donation supports the cost of 1,000 locally sourced seeds of a diversity of indigenous species; clearing a site of invasive species, preparing the hole; and planting the trees with three years' follow-up care (approximately USD 5 per tree). We will continue to focus on this activity for the long run to make a measurable difference.

Among other benefits, we are on course to offset the carbon emissions we make through unavoidable means of mobility, consumption, and living.

The Friends of Karura is a Community Forest Association comprising Kenyans and other champions of participatory forest management who are dedicated to protecting for future generations the city's largest green area, the Karura Forest Reserve.

The aim is to return Karura Forest Reserve to a full conservation forest of indigenous upland Kenya trees and shrubs. Since 2009, indigenous tree cover has been augmented from 25% to nearly 50%, with the support of various partners.

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Director's Report

The Directors of Continental Reinsurance Plc ("the Company" or Continental Re") are pleased to present their report on the affairs of the Company and its subsidiaries ("the Group") together with the Group Audited Financial Statements and the auditor's report for the year December 31st, 2021.

1. Legal form

The Company was incorporated as a private limited liability company on July 24th,1985 and was converted to a public limited liability company on March 27th, 2000. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990. It is authorized and regulated by the National Insurance Commission (NAICOM).

2. Principal activity

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

The Company is a pan-African reinsurance Company operating in more than 50 African countries with two regional offices in Lagos (Nigeria) and Tunis (Tunisia) and three subsidiaries in Nairobi (Kenya), Gaborone (Botswana), Douala (Cameroon).

3. Results for the year

	Group =N='000	Company =N='000
Profit before taxation	6,666,790	1,457,298
Income tax expense	(1,217,964)	(123,352)
Profit after taxation	5,448,826	1,333,946

The results of the Company's three subsidiaries have been consolidated in the financial statements on pages 82 to 134. Below is a summary of the results for the year under review:

4. Property, plant, and equipment

Movements in property, plant and equipment during the year are shown in note 22 on pages 97 to 98. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the account

5. Dividend

The Board recommends no dividend payment from the profit after tax for the year ended 31, December 2021.

6. Post balance sheet event

There is no post- balance Sheet event that could have had a material effect on the situation of the Company as of December 31, 2021, or on the profit for the year ended on that date that has not been adequately provided for or disclosed.

7. Directors' And Their Interests

7.1 Changes on the Board

The following changes occurred on the board since the last annual general meeting:

a. Mr. Stephen Murphy, a Non-Executive Director retired from the board on August 31, 2021

b. Chief Ajibola Ogunshola, the Chairman of the Board, and Mr. Ian Tofield, Independent Non-executive director retired from the Board on February 4, 2022 and July 28, 2022 respectively.

c. Mrs Christabel Onyejekwe and Ms. Seun Oni were appointed as Independent Non-executive directors on July 29, 2022

7.2 Retirement by rotation

In accordance with Articles 103 and 105 of the Company's Articles of Association, the company will require one-third (or the number closest to one-third) of the Non-Executive Directors to retire by rotation at each Annual General Meeting. In keeping with this requirement, Mr. Emmanuel Brule and Mr. Paul Kokoricha are the directors eligible for re-election and having submitted themselves for re-election of the annual general meeting, were re-elected as directors.

7.3 Directors' interest

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' Shareholdings and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters 2020 are as follows:

Number of 50 kobo Ordinary Shares held as of December 31st

	2021		2020	
Director	Direct	Indirect	Direct	Indirect
Mr. Paul O. Kokoricha	1	*	1	*

7.4 Directors' interests in contracts
For the purpose of Section 303 of the Companies and Allied Matters Act CAP 2020, none of the directors has notified the Company of any declarable interest in contracts with which the Company was involved as of December 31st, 2021

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

9. Ownership structure
The issued and fully paid-up share capital of the Company as of December 31st, 2021, was NGN 6,258,602,165.50 divided into 12, 517, 204, 331 ordinary shares of 50 kobo each.

	December 31, 2021			December 31, 2020		
	No. of Holders	No. of Shares	%	No. of Holders	No. of Shares	%
Foreign	1	12, 517, 204, 330	99.9	1	12,517,204,330	99.9
Nigeria	1	1	0.01	1	1	0.01

10. Retrocessionaires

Antares Syndicate	Intern. Gen. Ins. (IGI)
ANV Syndicate 1861	Kenya Re
Ascot Syndicate	Milli Re
Atrium Syndicate	Novae Syndicate
Barbican Syndicate	One Re
Berkley Re	PTA Re
Canopius (Lloyds)	QBE Re
Cathedral Syndicate, London	Q-Re
CCR Algeria	Santam Re
Chaucer (Lloyds)	Sava Re
China Re	SCOR
CICA Re	Sirius Syndicate
Everest Re	Swiss Re
Ghana Re	Syndicate 1183
GIC Re, India	Trust Re
Hannover Re	Validus Re
Hiscox	XL Catlin Re, London

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

Local

Ark Reinsurance Brokers	Jordan Global Insurance
Boff Insurance Brokers	RTS Global Insurance Brokers
Fbn Insurance Brokers	SBG Insurance Brokers
Feybil Insurance Brokers	SCIB Insurance Brokers
Glanvill Enthoven Reinsurance Brokers	Standard Insurance Brokers
Ibn Insurance Brokers	The United African Insurance Brokers Ltd
Jomola Insurance Brokers	YOA Insurance Brokers

Foreign

African Reinsurance Brokers	Gras Savoye
Afro Asian Reinsurance Brokers	Guy Carpenter
Alsford Page	JB Boda & Company Private Ltd, Bombay
Kek Reinsurance Ltd	Alwen Hough Johnson
Aon Benfield, South Africa	KM Dastur Brokers
Arab African Insurance - Reinsurance Brokers	Pioneer Insurance Brokers
Atlas Re	Reinsurance Solution
Ck Re	Tysers & Company Ltd
Fair Insurance & Reinsurance Brokers	United Insurance Brokers
First Reinsurance Ltd	Willis Re

12. Impact of COVID-19

12.1 Going concern assessment
The real and potential impacts of the COVID-19 pandemic have been specifically considered in business planning and the going concern assessment. These impacts include the following:

- Lower revenue in the Engineering and life segments of the business due to lockdowns and loss of jobs.
- Reduced investment income resulting from extended receivables turnover
- Increased claims paid on group life business
- Lower liquidity resulting from slow collections and increase in claims paid.

These factors reduced cash flows and depleted available liquid assets.

The board considered the group's approach to mitigating the economic impacts of the pandemic as far as possible. This includes:

- Reducing planned capital expenditure in the year and suspension of expansion into other African countries.
- Reducing group operating expenses by centralizing some functions.
- Extending the credit period to business partners.

The directors performed an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. This conclusion has been arrived at after taking into account the following:

- The board of directors is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continued to be prepared on a going concern basis.

13. Employment and Employees

13.1 Employment Policy
Continental Reinsurance, prides itself in its commitment to the best practices in people management. We believe strongly that we must win with people and through people to have a competitive edge in our business. This philosophy continues to guide us in the way we work and is reflected in our policies and practices at every stage of our employment cycle. We have entrenched world-class best practices in our human resource management policies that ensure that the right work environment, professionalism, robust welfare initiatives and opportunity to acquire the right competencies are provided for employees to deliver the best results.

Equality and Diversity Policy: Continental Reinsurance is proud to be a multi-cultural community operating in an increasingly competitive and diverse business world. We value equality and diversity and are committed to creating a working environment where we, treat all individuals fairly, with dignity and respect; provide open opportunities to all and a safe, supportive, and welcoming environment for all employees and visitors.

The key elements of the policy include:

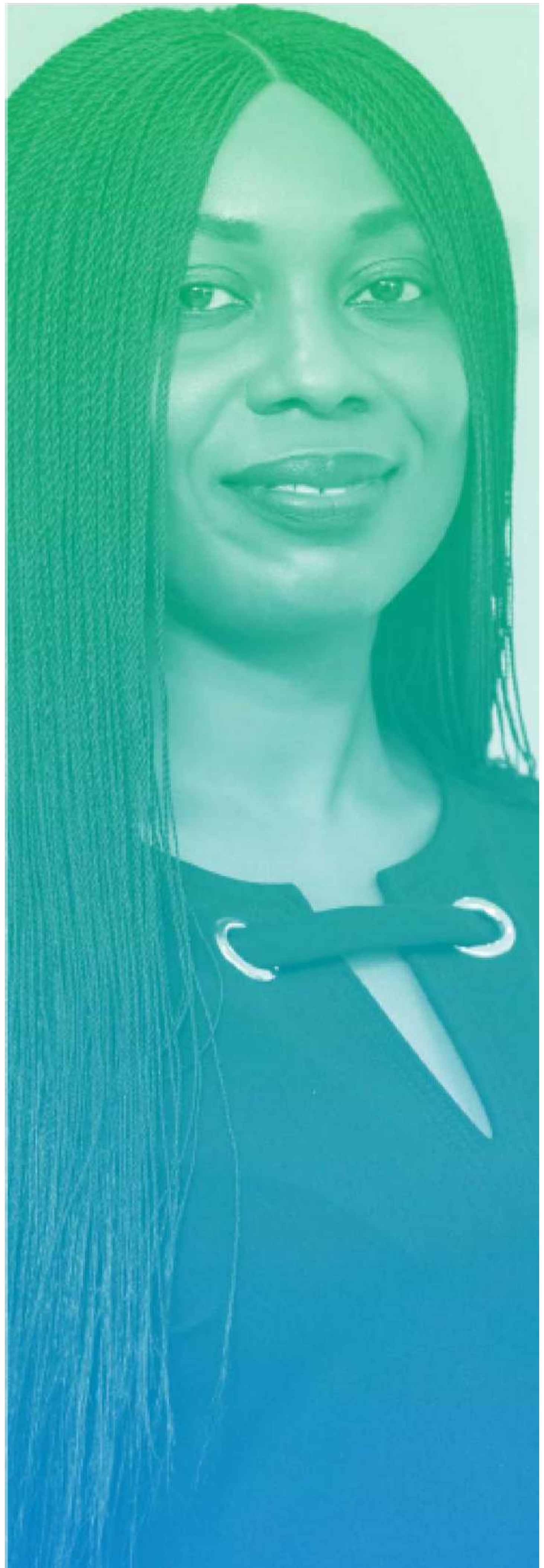
- Employment Equity and Equality: We are committed to equal treatment of employees regardless of age, gender, race, ethnic origin, religion or belief, disability, marital status, pregnancy, sexual orientation, number of dependents, part-time or fixed-term status, creed, colour, nationality, membership, or non-membership of a trade union.
- Diversity: We value diversity, recognizing that different people with diverse backgrounds and experiences can bring valuable insights that contribute to the business. We strive to remain an equal opportunity employer that is enthusiastic about diversity, inclusivity, mutual respect, and encouraging vibrant communication and consultation between employees and the leadership team. Our core values and Code of Business Principles define what we stand for and the framework in which we do business. The group complies with all regulatory demands in the employment of employees and ensures that the right talents are considered for appointment to executive and top management positions.

13.2 Employment of physically challenged persons.
The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons.
In the event of members of staff becoming disabled, efforts will be made to ensure that their employment continues, and appropriate training arranged to ensure that they fit into the Company's working environment. The Company did not have any physically challenged persons in its employment during the period under review.

13.3 Health, safety at work and welfare of employees
Health and safety regulations are in force within the Company's work environment and employees are provided with necessary training on health and safety-related issues. In line with the Company's health and safety policy, employees and their dependents enjoy free medical care through retainer agreements with reputable clinics and hospitals and health insurance schemes. Employees are insured against occupational and other hazards. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company provides Group Life, Group Personal Accident and Workmen's Compensation insurance covers for its employees. It also operates a contributory pension scheme and social security as well as a Retirement Benefits Scheme approved by the Joint TAX Board applicable to each of the office locations within the Group.

13.4 Learning and Development
The Company continues to place a high premium on the development of its manpower and thus invests substantially in training and development. Adequate training and development programs have been put in place for employees and these are pursued through enhanced job scope and responsibilities. Employees are sponsored to attend both local and internationally organized training courses, workshops, seminars, and conferences to equip them with the essential skills required for optimal performance in their day-to-day activities. These are supported by on-the-job training. The Company has also embraced e-learning, coaching, cross-location work placements, and training attachment in reputable reinsurance companies, reinsurance brokers and retrocessionaires.



13.5 Employee remuneration and talent management
The Company places great value on employees' contribution to and involvement in decision making and in line with its policy encourages the participation of employees in arriving at decisions on corporate issues and on matters affecting their well-being. In this regard, a number of initiatives have been deployed to promote a highly engaged and productive workforce, also inspiring a sense of accountability and ownership. Management and team retreats, and informal lunch sessions with the leadership teams are some of the practical ways used to promote employee engagement. Feedback from employees is considered to be essential in driving the Company's business in the desired direction.

13.6 Internal communication/employee relationship
The Company has an open internal communication policy and provides an environment that promotes effective internal communication and sound employee relations. In achieving this, various channels of communication used include face-to-face interaction, use of telecommunication devices, meetings, social media platforms, newsletters, notice boards, intranet, e-mails, and other appropriate communication platforms with appropriate feedback between employees and the Company's leadership. This approach enhances employees' involvement in decision making, promotes employee engagement, and motivates the achievement of the Company's strategic objectives.

14. External Auditors
The External Auditors, Messrs. PricewaterhouseCooper, have indicated their willingness to continue in office as Auditors of the company and in accordance with Section 408 (b) of the Companies and Allied Matters Act 2020, a resolution was passed at the Annual General Meeting authorizing

the directors to fix their remuneration.

BY ORDER OF THE BOARD

Patricia N. Ifewulu (Ms.)
Company Secretary
FRC/2014/NBA/00000007697
17 Olosa Street, Victoria Island (3rd – 4th Floor)
Lagos

Dated: February 4, 2022

Corporate Governance Report

1. Introduction
We acknowledge that Corporate Governance is the bedrock of any business as it provides fundamental structures and standards that align leadership with organization's goals, regulatory and ethical standards that enhance accountability and transparency.

At Continental Re, our Corporate Governance Framework is designed to continually demonstrate our commitment as a responsible corporate entity by operating within the highest standards of corporate governance and living our core values to enhance shareholders' value and the confidence of our stakeholders which is key to our continued long-term success.

We also recognize that regulatory compliance is central to our Corporate Governance Framework, the Board, therefore, has adopted the Nigerian Code of Corporate Governance 2018 ("the NCCG Code") and the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria (2021) as the corporate governance best practice framework for the Company. The Board also ensures an on-going compliance with the Company's Memorandum and Articles of Association, Board Charters, Companies and Allied Matters Act, 2020 ("CAMA") and all other relevant laws and regulations which collectively serve as the bedrock for sound corporate governance.

2. Governance Structure

2.1 Board of Directors
Continental Re is headed by an effective Board of Directors which is the principal driver of the strategic affairs and corporate governance of the Company.

The Board exercises leadership, enterprise, integrity and judgement in its oversight and control of the Company's affairs to achieve its strategic plans and to also ensure that Management acts in the best interests of the shareholders and other stakeholders while sustaining the prosperity of the Company.

The Board regularly reviews developments in corporate governance practices and updates the Company's Corporate Governance Framework as it deems necessary.

The Board ensures that an appropriate level of checks and balances is maintained, to ensure that decisions are taken with the best interest of the Company's stakeholders in mind. Directors of the company possess the right balance of expertise, skills, and experience, which translates to an effective Board and an executive management team capable of steering the affairs of the Company in an ever-changing and challenging environment. The Company's robust appointment and effective succession planning framework is one of the ways to ensure that we continue to have the right people to drive the Company's business in the desired direction.

2.2 Composition and structure
The Board is currently made up of eight (8) directors; five (5) non-executive directors, two (2) independent non-executive directors and one (1) executive director.

The Chairman of the Board is a non-executive director, and he is not a former Managing Director or Executive Director of the Company.

The Board promotes diversity in its membership across a variety of attributes relevant for promoting better decision making and effective governance. These attributes include field of knowledge, skills, and experience as well as age, culture, and gender.

The Directors are qualified professionals in their respective fields with extensive knowledge of the business of the Company and they bring to the Board diverse skills, knowledge, and experience appropriate for the efficient and effective running of the Company.

The Directors are upright personalities and are individuals with a sense of accountability and integrity. They are knowledgeable in board matters and are fully committed to ensuring compliance with corporate governance principles and entrenchment of high standards of governance and ethical practices.

In compliance with the Code, no individual or small group of individuals dominates the Board's decision-making and to avoid over-concentration of powers in one individual, the positions of the Chairman of the Board and the Group Managing Director/CEO is separated, and their respective roles are clearly defined in the Board Charter.

2.4 Board Appointments
There is a written, clearly defined, rigorous, formal, and transparent procedure for the selection and appointment of new Directors on the Board to ensure the appointment of high-quality individuals. The Board Nomination, Governance and Remuneration Committee is responsible for Directors' succession planning and recommendation of new appointments to the Board.

2.5 Directors' Induction, Training and Development of Board Members
There is a formal induction programme for newly appointed Directors to familiarise them with the Company's operations, strategy, people, and business environment. All Directors are given letters of appointment or contract of employment specifying their duties, liabilities, and terms of engagement. They are also required to declare any conflict of interest on appointment, annually, thereafter, and as they occur.

2.5 Directors' Induction, Training and Development of Board Members

There is a formal induction programme for newly appointed Directors to familiarise them with the Company's operations, strategy, people, and business environment. All Directors are given letters of appointment or contract of employment specifying their duties, liabilities, and terms of engagement. They are also required to declare any conflict of interest on appointment, annually, thereafter, and as they occur.

New Directors receive an induction pack containing the corporate profile; a synopsis of the Company's business, products and services; ethics and philosophy; organization structure; duties of Directors; Directors Code of Conduct; Directors' training plan; the Company's strategic plan; ERM Framework; Memorandum and Articles of Association; statutory codes of Corporate Governance, approved policies and charters including, amongst others, Anti-Bribery and Corruption Policy, Anti-Money Laundering/Countering the Financing of Terrorism Policy, , Complaints Management Policy, Board and Board Committees' Charters and Whistle Blowing Policy; staff handbook; schedule of Meetings for the year; minutes of most recent meetings and other relevant information.

Directors also receive updates through presentations by Heads of Departments, Regional Directors and Managing Directors of Subsidiaries at Board meetings and regularly receive up-to-date information on the Group's operations.

To update their skills and knowledge and thus enhance their performance, Directors are also encouraged to attend external courses, conferences, seminars, workshops, and other relevant training programs at the Company's expense.

2.4 Election and Re-Election of Directors

In line with the Companies and Allied Matter Act and the Company's Articles of Association, one-third of the directors, excluding the Executive Directors, retire by rotation at each Annual General Meeting such that each director submits himself/herself for re-election every three years. In keeping with this requirement, Mr. Paul Kokoricha and Mr. Emmanuel Brule retired at the Annual General Meeting earlier in the year and being eligible for re-election, submitted themselves for re-election and had their tenure on the board renewed. The Board confirms that following a formal evaluation, these Directors continue to demonstrate commitment to their duties and roles as Non-Executive Directors.

2.5 Multiple Directorship

It is acknowledged that some of the Directors have concurrent directorship positions on other Boards and this has not interfered their ability to discharge their responsibilities on the Board of the Company. However, none of the directors are directors in more than five (5) other public companies.

The Directors have demonstrated their commitment to the business of the Company through regular attendance at the meetings of the Board and Board Committees and effectively discharging their duties during the year. Serving and prospective Directors disclose their memberships on or prospective appointment to other Boards.

2.6 Board Evaluation

The Board has established a system of an annual independent evaluation of the performance of the Board, its committees, and individual Directors. The Summary of the Board Performance evaluation for the reporting period was carried out by HNC Professional Services, the independent Consultant approved by the Board. The report of the evaluation is included in this Annual Report.

2.7 Directors' and officers' liability insurance

The Company continues to maintain Directors' and Officers' Liability Insurance cover for all its Directors to protect them against the risk of personal liability. The cover is renewed annually.

2.8 Right of Directors to access Management and independent professional advice

The Directors are aware of their rights to unrestricted access to Management, the Company's information, independent professional advice, and any other necessary resources to enable them to make informed decisions in the discharge of their responsibilities at the Company's expense.

2.9 Company Secretary

The Directors have access to the advice and services of the Company Secretary and apart from being Secretary to the Board, the Company Secretary also acts as Secretary to all the Board Committees. The Company Secretary assists the Board and Management in implementing the provisions of the Code and she is always available to provide necessary assistance and information as may be required by members of the Board. She is responsible for ensuring adherence to Board procedures and compliance with applicable Rules and Regulations. She is also responsible for updating and implementing the induction programme for new Directors and coordinating the training of all Directors. She ensures that Directors receive timely and appropriate information on all matters relating to the Board and the Company.

3. Organizational Structure

The Company is structured to allow for effective and efficient decision-making and in keeping with best practice, there is a clearly defined organisational structure with clear job descriptions, authority levels, interrelationships among various job positions, functions, departments, and office locations, and working relationships for Management. The organization structure defines the matrix and reporting lines at the individual, Company, and Group levels. There is a clear separation of responsibilities between the Board and the Executive Management that ensures non-interference of the Board in management function and vice versa.

There is also in place an effective and efficient human resources management process that ensures strong staff welfare and objective assessment of individuals with an emphasis on performance.

4. Board Meetings

The Board met six (6) times during the financial year. The agenda for each meeting was circulated along with the notice in line with the notice period stipulated in the Company's Articles of Association. In line with best practice, Board papers were sent to Directors in advance of meetings to enable them to study and prepare ahead of the meetings. Appropriate and relevant information was also provided to enable Directors to make an informed decision on matters for consideration. Directors who were unable to attend any of the meetings appointed alternates to represent them at the meetings.

The record of attendance at Board meetings held during the year are presented as follows:

	Meetings					
Members	4/02/2021	27/04/2021	19/05/2021	29/07/2021	29/10/2021	22/11/2021
Chief Ajibola Ogunshola (Chairman)	✓	✓	✓	✓	✓	✓
Dr. Olufemi Oyetunji	✓	X[1]	X[2]	X[3]	X[4]	X[5]
Mr. Lawrence M. Nazare	✓	✓	✓	✓	✓	✓
Mr. Folusho Laguda	✓	✓	✓	✓	✓	✓
Mrs. Ahlam Bennani	✓	X[6]	X[7]	X[8]	X[9]	X[10]
Mr. Paul Kokoricha	✓	✓	✓	✓	✓	✓
Mr. Steve Iwenjora	✓	✓	✓	✓	✓	✓
Mr. Ian A. Tofield	✓	✓	✓	✓	✓	✓
Mr. Emmanuel Brule	✓	✓	✓	✓	✓	✓
Mr. Stephen Murphy	✓	✓	✓	✓	X[11]	X[12]

Notes

X[1] – X[5] Dr. Olufemi Oyetunji resigned from the company on March 31, 2021

X[6] – X[10] Mrs. Ahlam Bennani resigned from the Board on February 3, 2021

X[11] – X[12] Mr. Stephen Murphy resigned from the Board on August 31, 2021

5. Board Committees

The Board delegates some of its functions, duties, and responsibilities to well-structured Standing Committees without abdicating its responsibilities. The Board approved Charters sets out the responsibilities and Terms of Reference of the Board Committees which are reviewed periodically. The Board Committees present regular reports to the Board on their activities and performance. Although the various Board Committees have the authority to examine issues within their Terms of Reference and report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board.

Only Directors are members of the Board Committees and in line with best practice, the Chairman of the Board is not a member of any of the Board Committees. Likewise, the Group Managing Director and the Executive Director are not chairmen of any of the Board Committees.

The Board has four (4) Standing Committees as follows:

5.1 Audit and Compliance Committee

The Board Audit and Compliance Committee is responsible for oversight of audit functions, without prejudice to the Statutory Audit Committee established in compliance with CAMA, which is not considered a board committee. The Terms of Reference of the Board Audit Committee include amongst others:

- To keep the effectiveness of the Company's system of accounting, reporting and internal control under review and to ensure compliance with legal and ethical requirements.
- To review the activities, findings, conclusions, and recommendations of the External Auditors relating to the Company's Audited Financial Statements.
- To review the Management Letter of the External Auditors and Management's response thereto.
- To review the appropriateness and completeness of the Company's Statutory Accounts and its other published financial statements.
- To oversee the independence of the External Auditors.
- To receive a summary of whistleblowing cases reported and the result of the investigation.

The composition and record of attendance of the meeting of the Board Audit & Compliance Committee during the year are presented as follows:

Members	Meetings				
	28/01/2021	03/02/2021	20/04/2021	23/07/2021	22/10/2021
Mr. Ian Tofield (Chairman)	✓	✓	✓	✓	✓
Dr. Olufemi Oyetunji	✓	✓	X[1]	X[2]	X[3]
Mr. Lawrence M. Nazare	✓	✓	✓	✓	✓
Mrs. Ahlam Bennani	✓	✓	✓	X[5]	X[6]
Mr. Paul Kokoricha	✓	✓	X[4]	X[7]	✓
Mr. Emmanuel Brule	✓	✓	✓	✓	✓

Notes

X – X[3] Dr. Olufemi Oyetunji resigned from the company on March 31, 2021
X – X[6] Mrs. Ahlam Bennani resigned from the Board on February 3, 2021
X Mr. Steve Iwenjora was alternate to Mr. Paul Kokoricha

5.2 Enterprise Risk Management and Underwriting Committee

The primary function of the committee is to review the strategy and provide oversight of the underwriting operations of the Company and the integrity and effectiveness of the Company's enterprise risk management framework.

The Terms of Reference of the Committee include:

- Review, approve and monitor the Company's overall risk strategy and appetite.
- Provide oversight of the Company's framework for the assessment and management of risk.
- Review the adequacy and effectiveness of risk management function and controls in the company.
- Review and approve periodically the level of risk assumed by the Company in its underwriting, investment and operational activities and the methods by which such risk is measured.
- Review, approve and monitor the Company's key risk tolerances and review reports on any breaches of key risk tolerances and the adequacy of the proposed action.
- Review the Company's forward-looking risk and solvency assessment and general capital management.
- Review the Company's procedures to design, validate and use risk models for business purposes
- Ensures that the Company maintains appropriate underwriting policies, guidelines, and authorities and monitor compliance with the policies and guidelines.
- Oversees underwriting performance, monitor, and assess the potential impact of emerging risks.
- Formulate geographical expansion of the Company.
- Assess the effectiveness of the company's Retrocession Programme and the adequacy of Technical Reserves.
- The Committee together with the Company's legal adviser will review any legal matters that could have a significant impact on the Company's business.

The record of attendance at the Enterprise Risk Management and Underwriting Committee during the year are presented as follows:

Members	Meetings				
	28/01/2021	20/04/2021	20/07/2021	22/10/2021	17/11/2021
Mr. Emmanuel Brule (Chairman)	✓	✓	✓	✓	✓
Dr. Olufemi Oyetunji	✓	X[1]	X[2]	X[2]	X[4]
Mr. Lawrence M. Nazare	✓	✓	✓	✓	✓
Mr. Foluso Laguda	✓	✓	✓	✓	✓
Mr. Stephen Murphy	✓	✓	✓	X[5]	X[6]
Mr. Steve Iwenjora	✓	✓	✓	✓	✓
Mr. Ian A. Tofield	✓	✓	✓	✓	✓

Notes

X – X[4] Dr. Olufemi Oyetunji resigned from the company on March 31, 2021
X – X[6] Mr. Stephen Murphy resigned from the Board on August 31, 2021

5.3 Finance, Investment and General Purposes Committee

The Board Finance, Investment and General Purposes Committee has oversight responsibility for issues relating to the strategic planning, budgetary process, procurements, corporate finance, resources and assets utilization, capital structure and reporting financial performance of the Company, investment strategies, investment portfolio performance, investment mix and the overall investment performance of the Company.

The composition and record of attendance of the meeting the Board Finance, Investment and General Purposes Committee during the year are presented as follows:

Members	Meetings				
	28/01/2021	20/04/2021	23/07/2021	22/10/2021	22/11/2021
Mr. Paul Kokoricha - (Chairman)	✓	✓	X[1]	X[2]	X[3]
Dr. Olufemi Oyetunji	✓	X[4]	X[5]	X[6]	X[7]
Mr. Lawrence M. Nazare	✓	✓	✓	✓	✓
Mrs. Ahlam Bennani	✓	X[8]	X[9]	X[10]	X[11]
Mr. Foluso Laguda	✓	✓	✓	✓	✓
Mr. Steve Iwenjora	✓	X[12]	✓	✓	✓
Mr. Stephen Murphy	✓	✓	✓	X[13]	X[14]

Notes

X[1]– X[3]- Mr. Steve Iwenjora was alternate to Mr. Paul Kokoricha
X[4]- X[7]– Dr Olufemi Oyetunji resigned from the Company on March 31, 2021
X[8]-X[11]– Mrs. Ahlam Bennani resigned from the Board on February 3, 2021
X[12]– Mr. Paul Kokoricha was alternate to Mr. Steve Iwenjora
X[13] & X[14] Mr. Stephen Murphy resigned from the board on August 31, 2021

5.4 Nomination, Governance and Remuneration Committee

This Committee is responsible for formulating and implementing the Company's policy on Directors' appointment, remuneration of Executive Management and other Board governance matters. The Committee is also responsible for the approval of human resources matters, the oversight of Management issues, including employees' retention, equality, and diversity as well as other significant employee's relations matters.

The record of attendance at the Board Nomination and Remuneration Committee during the year are presented as follows:

Members	Meetings			
	28/01/2021	20/04/2021	23/07/2021	22/10/2021
Mr. Paul Kokoricha - (Chairman)	✓	✓	✓	✓
Mrs. Ahlam Bennani	✓	X[1]	X[2]	X[3]
Mr. Foluso Laguda	✓	✓	✓	✓
Mr. Steve Iwenjora	✓	✓	✓	✓
Mr. Stephen Murphy	✓	✓	✓	X[4]

Notes

X[1]- X[3] Mrs. Ahlam Bennani resigned from the board on February 3, 2021.
X[4] Mr. Stephen Murphy resigned from the board on August 31, 2021
X[5] Mr. Junior Ngulube was appointed to the board at the meeting of February 4, 2021

6. Management Committees

Executive Committee

The Committee comprises the Group Managing Director/CEO who acts as the Chairman, the Executive Director, the Chief Finance Officer, and other key management staff.

The Committee meets once a month and as needed , to discuss matters relating to the day-to-day operations of the Company. The Committee assists the Group Managing Director/CEO to define business goals and objectives; chart and define corporate strategies; track and manage strategic business performance against formulated plans and expected results and outcomes; make decisions on operating plans and budgets as well as review financial results and control and make recommendations on major policies to the Board for approvals as required through the relevant Board Committees. The Committee effectively discharges its responsibilities and acts within the authority delegated to it by the Board.

Adhoc Committees are set up from time to time to address specific issues.

8. Remuneration

8.1 Non-Executive Directors

Non-Executive Directors are paid fixed annual fees and sitting allowances for their services on the Board and its Committees. These fees are in line with the Company's Remuneration Policy and as may be approved from time to time by the shareholders in general meetings.

To ensure that the Company remains competitive, a peer review of compensation and remuneration of Directors is undertaken every two years.

8.2 Executives

Consistent with the Company's Remuneration Policy, remuneration of Executive Directors is fixed by the Nominations, Governance & Remuneration Committee of the Board, which also has the responsibility of making recommendations to the Board on all payments made to Executive Directors. The Company's Remuneration Policy is formulated to attract, motivate, retain, and compete for talents locally and internationally; to motivate and enhance the commitment of Directors and senior executives which would positively impact the overall Company's performance.

The remuneration package of the Managing Director/CEO, Executive Directors and other Senior Executives is a mix of fixed pay and performance-related element approved by the Board. The fixed pay comprises basic salary, benefits, and allowances while the performance-related element consists of an annual performance bonus which is a percentage of the Company's profit before tax. This is however subject to the approval of the Board and its distribution is based on laid down criteria. Executive Directors do not receive annual Director's fees and sitting allowance paid to Non-Executive Directors.

9. Directors' Code of Conduct

The Board appreciates that honesty, integrity, and accountability are crucial to the success of the Company's business and, to this end, has adopted a code of conduct to assist and guide Directors in the discharge of their duties. The purpose of this code is to promote ethical and honest behaviour amongst Directors and key Executives and to assist Directors in recognizing and dealing with ethical issues. There was no observed departure from the provisions of this code during the year.

10. Employee Code of Conduct

Employees of the Company are expected to demonstrate the highest level of conduct and ethical standards. The Company has a clearly defined Code of Conduct and Ethics that guides employees' behaviours. All employees in the Company have acknowledged receipt of the Code and confirmed that they have read and understood the contents. Procedures are put in place to ensure compliance and there are disciplinary measures for any established cases of violation. There was no reported violation of this Code during the year under review.

11. Conflict of interest

The Company's Conflict of Interest Policy specifies a number of principles to be followed by individual Directors regarding conflict-of-interest situations. The principles include, amongst others, a requirement for Directors to promptly disclose any real or potential conflict of interest that they may have regarding any matter that may come before the Board or any of its Committees and the need for such Director to abstain from discussions and voting on any matter in which he or she has or may have a conflict of interest. There was no real, potential, or perceived conflict of interest situation that was recorded during the year.

12. Human resources strategy

The Human Resources strategy is developed to align with the corporate strategy of the Company. The Human Resources strategy ensures the development of sound policies, processes and systems that are in line with global best practices to attract, motivate and retain high talents.

13. Succession Planning

The Company has in place an approved succession plan that ensures the availability of suitable talents to succeed in key positions. The succession plan is designed to provide a clear and simple process to assist managers in the activities involved in succession planning. The plan is reviewed annually, and appropriate developmental programmes are put in place for the identified successors. The developmental programmes are specific to individual successors and the impact on performance is measured regularly.

	Male	Female	Male %	Female %
Total Employees	73	46	61	39
Detailed analysis of top management:	**Male**	**Female**	**Male %**	**Female %**
Assistant General Managers	9	2	82	18
Deputy General Managers	3	1	75	25
General Managers	2	1	67	33
Executive Directors	2	0	100	0
Non-Executive Directors	7	2	78	22

16. Anti-bribery and corruption policy

The Company is committed to high ethical standards and integrity and has zero tolerance for corruption and corrupt practices. The Company fully supports the United Nations Convention Against Corruption and other anti-corruption laws in furtherance of its commitment, an Anti-Bribery & Corruption policy has been formulated and approved by the Board. The Company's Anti-Bribery & Corruption policy prohibits the offering of or giving something valuable for persuading an official or any person to misuse his office to benefit the Company or its Employees. The Policy also prohibits receiving something valuable for influencing official action. The Company's Board of Directors and Senior Management are charged with the responsibility of ensuring that the Company complies with the Policy.

There was no incidence of corruption or corrupt practices recorded during the year.

17. Whistle-blowing policy

The Company has an approved whistle-blowing Policy and procedure that encourage honest whistleblowing. All employees of the Company and stakeholders are aware of this Policy and concerns are raised anonymously through the Navex Global Ethics Point system hosted on the Company's website. The policy provides for protection against harassment or victimization of any person who reports genuine concerns, malpractice or illegal acts or omissions against the Company, Directors and employees. There were no reported cases during the year.

18. Statement of Compliance

Continental Reinsurance Plc is a Public Limited Liability Company and is subject to the jurisdiction of the Nigerian Code of Corporate Governance, 2018. The Board of Directors are charged with the responsibility of ensuring compliance with the Code and hereby confirms that the Company complied with the provisions of the Code in the 2021 financial year.

The Company also complied with all the relevant laws of Nigeria.

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Board Evaluation Report for the Board of Continental Reinsurance Plc

Executive Summary
HNC Professional Services was invited to conduct an independent evaluation/assessment of the Board of Continental Reinsurance Plc for the year ended December 31, 2021

With a history of about 30 years, Continental Reinsurance Plc. prides itself on being the 'torch bearer' of the African Reinsurance sector, developing an extensive networkof offices to reach clients across Africa. With a culture of accountability,
and transparency in managing environmental, social and governance issues throughout its business. The company continues to operate as an international company managed by seasoned professionals, complying with international standards and best practices.

The main responsibility of the Board of Continental Reinsurance Plc. is to oversee the company's business strategy and business plan and to ensure that the Management of the Company is consistent with the shareholders' resolution and in compliance with the law.

The Board is made up of Directors who are competent and experienced with sound knowledge of business issues and experienced in the insurance sector.

In view of this, we rate the board "Excellent" in regulatory compliance, accountability, and transparency.

In our opinion, The Board of Directors of Continental Reinsurance Plc has taken its oversight responsibility very seriously. This is demonstrated by the attendance at Board and Committee meetings of the Directors and the depth of discussions and resolutions arrived at during these meetings.

In the period under review, (i) the Board met six (6) times, (ii) The Audit and Compliance Committee met five (5) times, (iii) the Finance, Investment and General Purposes Committee met five (5) times, (iv) the Nomination and Remuneration committee met four (4) times and (v) the Enterprise Risk management, Governance and Underwriting Committee met five (5)

The Chairman of the Board has fostered an environment that encourages and supports the active participation and contribution of Board members at meetings.

Peer assessment results showed that the Directors' main areas of strength are Finance, Reinsurance and Management both in the Board and Committees.

The following policies were considered during the exercise: Corporate Governance policy, Board and Committee Charters, Board Guidelines, Code of Business Conduct for Directors and Employees, Crisis Management Plan, Anti Money Laundering/Countering Financing of terrorism Policy, Anti-Bribery & Corruption Policy, Enterprise Risk Management Policy and Strategy framework, Business Continuity Plans and Disaster recovery policy, Whistle Blowing Policy, Conflict of Interest Policy, Clawback Policy, Diversity Policy and Related Party transactions Policy, Data Protection and Succession Plan policy.

All the policies and other documents (including minutes of Board and Board Committees meetings) were sighted and assessed for content and relevance and were found to be way above average.

While there is still room for improvement and continuous director development, we are happy to state that the Board of Continental Reinsurance Plc. conducted its affairs in an acceptable and satisfactory manner in 2021.

For: HNC PROFESSIONAL SERVICES

Hilda Nkor (Mrs.), ACIS, MNIM
Principal Consultant/CEO
FRC/2022/PRO/NIM/002/815922

Audit Committee Report

Audit Committee Chairman's Statement
I am pleased to present the Audit Committee's report for the year ended 31st December 2021.

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors ("Board") in fulfilling its oversight responsibilities in areas such as the integrity of the Company's quarterly, annual, and other financial statements, its internal control, audit and risk management framework, ethics and compliance matters, and the appointment and performance of the external auditor. I am confident that the Audit Committee carried out its duties during the year effectively and to a high standard, providing independent oversight with the support of management and assurance from the external auditors.

During the year, the Committee supported the Board in assessing the principal and emerging risks facing the Company. This included reviewing the Company's risk management and internal control systems and overseeing the operation of the Internal Audit function. The Committee continued its work to strengthen non-financial controls and governance arrangements which included oversight of a diverse range of risks, including both principal and emerging risks, such as cyber security, climate change, data management, and privacy, fraud and compliance risk, culture, and third-party risk.

Financial statements
The Committee monitored the integrity of the Company's Financial Statements and announcements relating to the Company's financial performance. It reviewed and analysed the going concern status, adaptability, and growth of the Company including a consideration of the continuing impact of the global impact of Inflation on businesses. The Committee also assisted the Board in determining that the Annual Report and financial statements, when taken as a whole, is fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Internal Audit
The Committee assessed the effectiveness of Internal Audit by reviewing its annual risk-based audit plan at the start of the financial year, monitoring its ongoing quality throughout the year, and assessing completion rates, and feedback provided, following completion of the annual audit plan. The Committee's assessment confirms that there is no impairment to the independence and objectivity of the Internal Audit function and this has fostered a significant value addition in achieving the Company's objectives.

Priorities for the year ahead.
In the years ahead the Committee will continue to emphasize the integrity of financial controls and reports, risk management system, digital transformation, appropriate disclosures, and robustness of cyber security in line with the current reality and changing risk of our highly growing business environment. The Committee will continue to oversee the governance of various projects towards actualization of the company's business strategy.

Ian Alvan-Tofield
Audit Committee Chairman

Risk Management

Risk Management organization structure
Risk management is an intrinsic function in the company, and it is overseen by the Chief Risk Officer ("CRO"). The risk function monitors and ensures adherence to applicable policies and procedures of the company. The level of risk considered appropriate to accept in achieving the strategic objectives of Continental Reinsurance Plc is periodically reviewed and validated by the board. The appropriateness of mitigating actions is determined in accordance with the board approved risk appetite for the relevant area.

The company makes use of professional Actuaries to validate financial projections as well as reserving methodology, retrocession optimisation and capital adequacy in line with the various regulatory requirements of the National Insurance Commission.

The Company's risk management process is built on a three-line defence framework. The first line of defence is the business units and functions which are responsible for ensuring that an effective risk and control process is established as part of the day-to-day operations of the company. The second line of defence is the risk management function which provides independent oversight and applies an integrated approach to managing current and emerging risks. The third line of defence is the internal audit which provide the requisite assurances of effective management of the company's risk.

The Enterprise risk management framework of Continental Re comprises of the following major elements:

- Governance Structure
- Three Lines of Accountability
- Role of Risk Management
- Risk Management Monitoring Mechanism
- Continental Re Risk Policies, Standards and Guidelines
- Continental Re ERM Policy and Plan
- Continental Re Approach to Risk Escalation
- Continental Re Risk Appetite
- Risk Process and Status
- Assessment of the effectiveness of the risk management

The Economic Environment in Hindsight and Performance
The company's strategy is derived from its business plan and risk appetite. It focuses on how it can achieve profitable growth in a rapidly evolving terrain, through expansion initiatives that drive geographic diversification and deeper market penetration. The plan aims to aid strategy implementation and to track how well the company has performed against its objectives.

According to Africa Development Bank Report 2021, Sub-Saharan Africa was projected to grow by 3.4% in 2021 following a 2% contraction in 2020. The expected growth was anchored on the resumption of tourism activities, a rebound in commodities' prices as well as the lift of the covid 19 restriction. However, the continent's recovery plans are faced with the challenge of lack of funds, inflationary pressures, devaluation of currency and volatility in interest rates.

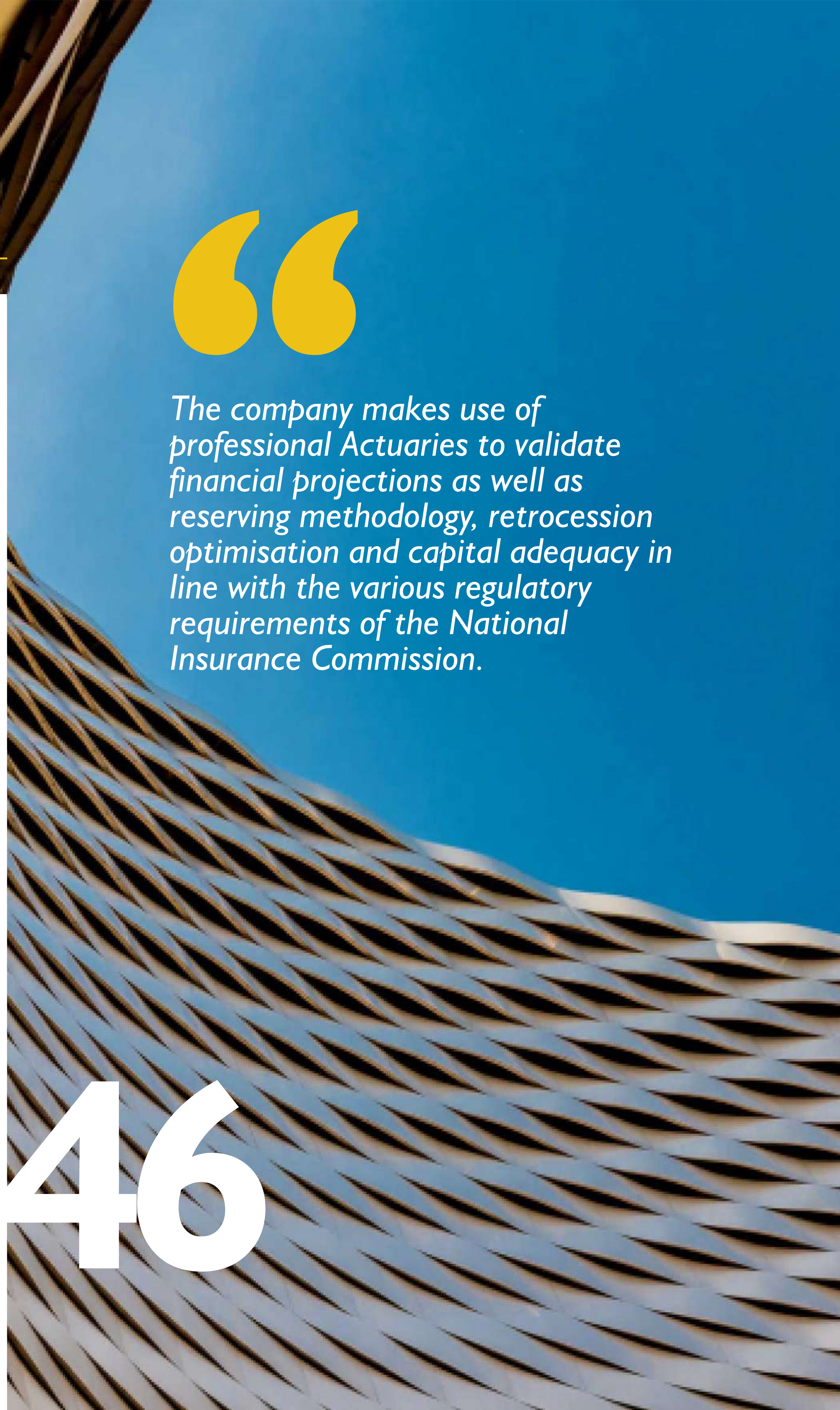
In the wake of the varying uncertainties in the African market, the African Continental Free Trade Area (AfCFTA) was established to create a market for made in Africa goods and services thereby ensuring the integration of these markets which is expected increase value addition, help create jobs and boost incomes.

Despite the uncertainties in 2021, The Gross Premium Income of the company increased year on year by 31%, Combined ratio improved at 92%, Investment Income grew by 20% with a positive Return on Equity at 13%.

The Group's Performance in 2021 further confirms the continued viability of Continental Re's geographical expansion strategy. This has helped to achieve penetration in various markets and diversification of risks. In addition, a disciplined and consistent approach is applied to managing risks where it seek fully embed risk management across the group through performance management tools, retro optimization exercise and constant engagement and trainings with all stakeholders for effective management of risks.

Continental Re recognises the need to take a stand on ESG related issues and this gave rise to the development of an ESG policy with an ESG audit conducted to review its existing processes in a bid to ensure best practices across the board.

Continental Reinsurance Risk Appetite Framework
Risk appetite is an expression of the type and amount of risk the company is prepared to take. It promotes consistent, 'risk informed' decision-making aligned with strategic aims, and it supports robust corporate governance by setting clear risk-taking boundaries. Continental Re have implemented an overarching Risk Appetite Framework (RAF) which includes policies, processes, controls, and systems through which risk appetite is established, communicated, and monitored. It consists of the risk appetite statement, risk limits, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF. The RAF considers material risks to Continental Re, as well as to its reputation vis-à-vis policyholders, investors, and customers.



The company makes use of professional Actuaries to validate financial projections as well as reserving methodology, retrocession optimisation and capital adequacy in line with the various regulatory requirements of the National Insurance Commission.

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The risk appetite reflects its goals on business growth, efficiency and return from a risk-taking perspective. Risk appetite criteria of the company have been divided into two categories:

- Stakeholders' objectives which cover Strategy, Capital, and Rating.
- Corporate level objectives which entail inherent risks – Insurance, Credit, Operational, Market Investment risks.

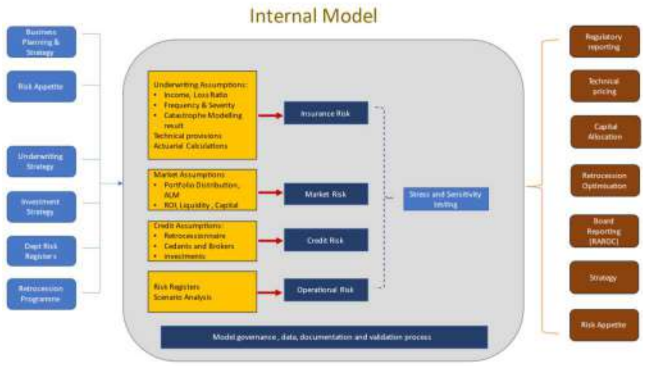
The risk management function reviews and challenges plan assumptions and assess the risk and feasibility related to implementing the proposed plan. The risk function also proposes risk capacity limits to ensure compliance with overall risk appetite and risk tolerance criteria.

Continental Reinsurance Risk Landscape

Continental Re is continuously embedding the Enterprise Risk Management (ERM) framework across all business units in the group. The ERM framework enables the company to identify current risks as well as emerging risks. It was adopted by the group to ensure effective communication and management of all risks, across the different risk categories at an aggregated level.

At Continental Re, Risk Management is not just a function, it aims to be rooted in the company's culture to ensure consistency.

Represented in the diagram below is the core risk in Continental Re's internal model.



Continental Re is exposed to these broad ranges of risks:

Insurance Risk

Insurance risk includes the risks that Continental Re is susceptible to through its underwriting operations, including related risks such as lapse, inflation or uncertainty in pricing and reserving. Risk Management ensures underwriting guideline is reviewed as well as monitoring exposures, reserves, and limits

The group has underwriting guideline that implements limits (Grouped between Class 1-5 risks). The guideline guard against risk accumulations and ensure that risk-taking remains within Continental Re's risk tolerance. Underwriting authorization limits are assigned to appropriate personnel to steer the business and ensure adherence to the guideline.

Continental Re also manages and mitigates insurance risk through external retrocession. This provides protection against attractional loses, large losses and catastrophic events, further diversifies risk, produce consistent underwriting results, and provides more underwriting capacity.

Market / Investment Risk

Market risk is the risk of loss, or adverse change in the financial situation, resulting directly or indirectly from fluctuations in the level and the volatility of market prices of assets, liabilities, and financial instruments. Continental Re's Finance and Investment team oversees all Market and Investment risk activities and is responsible for performing stress test on the macro-economic indices and its impact on balance sheet projections.

The company has an investment guideline that highlights allowable and disallowable portfolio which mirrors the regulatory expectations of the various jurisdictions where the company operate. Also included in the investment guideline are limits to which the Insurance fund can be exposed to the various asset portfolio.

Credit Risk

Credit risk is the risk of loss or adverse change in the financial position resulting directly or indirectly from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which undertakings are exposed. The company's monitors this risk through its investment and credit control policies as well as monitoring receivables and adherence to NAICOM's "no premium no cover" policy.

The approach of the company is to clearly define the responsibility of various stakeholders, monitor the weekly collections, set KPI on collections (Collections ratio), commence project to actively monitor collections in Kenya, Botswana, Côte d'Ivoire, and Cameroun .In addition to collection, is the application of the Impairment factors and assessing the impact of the emerging accounting standard IFRS 9 – Expected credit loss method to the receivable's balances.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed strategy, internal processes or personnel, systems, and external events including reputational damage. Continental Re has documentation, guidelines, and policies from HR to ICT aimed at managing operational risks.

The purpose of operational risk management is not to eliminate risks but rather to identify and cost-effectively mitigate operational risks that exceed tolerance. Risk Management is responsible for monitoring and controlling operational risks using the Risk and Control Assessment (Event, Cause, Impact and Treatment action). The residual risk is determined after the treatment action has been applied. Risks are assessed for their financial reporting, reputational, organisational resilience and compliance impact, taking into account existing mitigation and controls. Operational risks are reviewed by the CRO and reported to Executive Management and the Board of Directors.

Strategic Risk

Strategic risks are those that arise from the fundamental decisions that the directors may take concerning the company.

Overall responsibility for managing strategic risk lies with the board of directors, which establishes Continental Re's overall strategy.

Strategic risks are managed by the analysis of multi-year scenarios, the consideration of relevant risks, and the year-by-year monitoring of the chosen strategy in terms of the yearly business plan. Risk Management, Compliance, and the Internal Audit functions of the company are responsible for controlling the risk-taking that arises from the strategy's implementation as part of their independent oversight function.

Compliance Risk

Compliance risk is the potential exposure to legal penalties, fines, reputation damages and material loss, that may be caused by a failure to comply with government laws, industry regulations, or prescribed best practices. Compliance risk management includes identifying, assessing and managing compliance related risk arising in relations with Insureds, Cedants, Third Parties and Retrocessionaires. The company's level of compliance is monitored by the Audit Committee of the board through quarterly internal audit reports made to the Committee and by the Board through quarterly compliance reports prepared by the Chief Compliance Officer.

Ratings

AM Best has affirmed the Financial Strength Rating of B+ (Good) and the Long-Term Issuer Credit Rating of "bbb-" (Good) of Continental Reinsurance Plc (Cre). The ratings reflect CRe's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and marginal enterprise risk management.

Compliance with regulatory requirements

The Company is fully committed to achieving 100% compliance with statutory and other regulatory requirements and has in place a robust compliance system. The Company has also put in place a compliance risk register and a compliance reporting template to ensure the effectiveness of the Compliance system. The level of compliance is monitored by the Internal Auditor on a weekly basis; by the Audit Committee through quarterly internal audit reports to the Committee and by the Board through quarterly compliance reports detailing the Company's level of compliance and sanctions imposed, if any, prepared by the Chief Compliance Officer.

During the year, the Company ensured that it achieved its objective of full compliance with all laws and regulations that are relevant to its business. Resultantly, no penalty was incurred or paid during the year.

Internal audit

The Company has an effective internal audit function that is risk-based. The internal audit unit is headed by a professionally qualified accountant who is a senior management staff. The unit assists the Board in assessing/evaluating the effectiveness of the internal controls put in place through reviews of processes and procedures and makes recommendations for enhancement and improvement. There is an approved audit charter developed by the unit which clearly defines the purpose, authority and responsibility of the internal audit function. The unit also develops annual risk-based audit plan which is based on the result of the Group's risk assessment. The Company's ERM framework identifies the broad range of risks facing the Company and the annual audit plan addresses the identified risks and identifies audit priority areas and areas of greatest threat to the Company.

The evaluation of internal controls put in place encompasses the Group's information systems environment; the reliability of the financial and operational information; the effectiveness and efficiency of operations; safeguarding of assets; compliance with laws, statutory requirements and regulations and assurance on the robustness and effectiveness of the Company's risk management process. During the year, the unit carried out quarterly reviews of the effectiveness of the internal controls at the head office and the subsidiaries in Botswana, Kenya and Douala. Findings and recommendations were shared and discussed with Management, the Audit Committee and the Board and corrective actions were taken where control weaknesses were identified. There were no reported major breaches of internal controls and procedures during the year under review and the internal audit unit confirmed having enjoyed full co-operation of Management during the year and that its independence was unimpaired during the period.

Board of Directors

Chief Ajibola Ogunshola
Lawrence Nazare
Ian Tofield
Paul Kokoricha
Emmanuel Brule

Quinten Matthew
Seun Oni
Steve Iwenjora
Christabel Onyejekwe
Foluso Laguda

Management Team

01

Lawrence Nazare
Managing Director/CEO

02

Jane Mberia
Chief Financial Officer

03

Patricia Ifewulu
Company Secretary/ Head, Group Head, Legal Services and Compliance

04

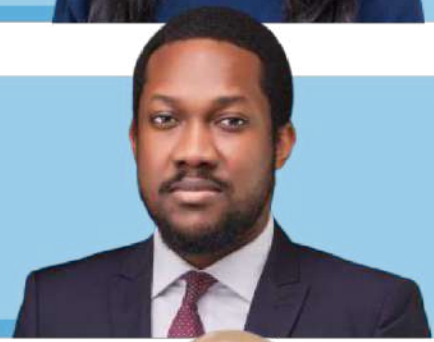
Dr. Olusegun Ajibewa
Head, (Human Resources)

05

Diana Ussher-Eke
Head, (Corporate Services & Human Capital Development)

06

Cedric Maxwell
Chief Risk Officer



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Ogadinma Onwuaduegbo
Regional Director, (Lagos Operations)

08

Abayomi Okeowo
Head, (Internal Audit & Control)

09

Bashir Akinsiku
AGM, (Underwriting & Claims)

Statement of Director's responsibilities in relation to the preparation of the financial statements

In line with the provisions of section 405 of CAMA 2020, we have reviewed the audited financial statements of the company for the year ended 31 December 2021, and based on our knowledge we confirm as follows:

- the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made

- the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the year ended 31 December 2021

- Internal controls have been established and maintained. The company's internal controls has been designed to ensure that material information relating to the company is made known during the period in which the audited financial statement report is being prepared

- the effectiveness of the company's internal controls have been evaluated within 90 days prior to the date of its audited financial statements, and are effective as of 31 December 2021.

That we have disclosed the following information to the company's auditors;

1. there are no significant deficiencies in the design or operation of the company's internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and have discussed with the company's auditors any material weaknesses in internal controls

2. there is no fraud that involves management or other employees who have a significant role in the company's internal control; and

3. there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

SIGNED ON BEHALF OF THE EXECUTIVE MANAGEMENT BY:

Jane Mberia
Chief Finance Officer
FRC:2020/001/00000021536
4 February 2022

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988
4 February 2022

Statement of Corporate Responsibility for the Financial Statements

The Companies and Allied Matters Act and Nigerian Insurance Act require the Directors to prepare financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Company and its subsidiaries at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and its subsidiaries:

keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and Group and comply with the requirements of the Companies and Allied Matters Act and the Nigerian Insurance Act;

establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standard (IFRS) and the requirements of the Companies and Allied Matters Act, Nigerian Insurance Act, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria.

The directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance and cash-flows for the period. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Ajibola Ogunshola
Chairman
FRC:2017/IODN/00000016052
4 February 2022

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988
4 February 2022

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Independent auditor's report

To the Members of Continental Reinsurance Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Continental Reinsurance Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, the Insurance Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Continental Reinsurance Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements and statement of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria pwc

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (refer to notes 2.4, 2.8 and 24) The insurance contract liabilities balance as at 31 December 2021 was N 54.6 billion and N 25.4 billion for the group and company respectively. The estimation of insurance contract liabilities (ICL) involves a significant degree of judgement. ICL is based on the best-estimate of outstanding claims liabilities and premium liabilities. The outstanding claims liabilities consists of outstanding reported and the incurred but not reported claims reserves and the premium liabilities consists of unearned premium reserve, deferred acquisition cost and additional unexpired risk reserve. In valuing insurance contract liabilities, the directors employ the service of an external actuarial expert. The expert uses a combination of different assumptions and prescribed methodologies to determine the insurance contract liabilities, some of which involve high levels of complexity. The application of these different assumptions in the actuarial models may result in different measurement of the insurance contract liabilities. This is considered a key audit matter in both the consolidated and separate financial statements.	We obtained the actuarial valuation reports for insurance contract liabilities from the directors and: • Assessed the competence, independence, and objectivity of external actuarial experts. • Understood, evaluated, and tested controls over claims process and performed detailed substantive testing over claims paid, and • Tested the accuracy, completeness and appropriateness of the underlying data used in the actuarial valuations by performing checks between the data recorded in the financial statements and actuarial data used by directors' expert. • Using our internal actuarial experts, we assessed the consistency and reasonableness of the group's methodologies used. We assessed the actuarial assumptions used in the valuation methodologies by comparing to general actuarial practice and the nature of the client's contracts, to determine whether these are appropriate and in line with actual experience. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.

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Key audit matter	How our audit addressed the key audit matter
Valuation of reinsurance receivables (refer to notes 2.4, 2.15 and 15) The reinsurance receivable balance as at 31 December 2021 was N 31.3 billion and N 12.3 billion for the group and company respectively. The impairment of the group's reinsurance receivables requires significant judgement in determining the amount to reflect the credit risk exposure to reinsurance receivables. The directors' impairment model considers the ageing of its reinsurance receivables and payables to cedants with a right of set off. This is considered a key audit matter in both the consolidated and separate financial statements.	We adopted a substantive approach to the audit of the recoverability of the reinsurance receivables. We assessed the reasonableness and appropriateness of the impairment methodology and assumptions used in testing the recoverability of the reinsurance receivables. Specifically, we: • tested the ageing analysis of the net receivable by selecting samples and checking to supporting documentation; • reviewed the reasonableness of the impairment factor applied in the valuation of the group's reinsurance receivables; and • evaluated the existing relationship between the company and selected cedants, checked for existence of business contract on a sample basis and assessed the financial condition of the cedants. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.
Valuation of investment properties (refer to notes 2.4, 2.16 and 20) The investment properties balance as at 31 December 2021 was N 4.9 billion and N 1.8 billion for the group and company respectively. We focused on this balance because significant judgement and estimates are made by management regarding the valuation of investment properties. The directors' employed the use of a property valuation expert to perform these valuations. The valuation technique adopted for each property is determined by taking into consideration the current use of the property. Management considered the rental risk and future rental income in determining the value. This is considered a key audit matter in both the consolidated and separate financial statements.	We assessed the competence, independence and objectivity of the property valuation expert. We obtained the valuation report prepared by the property valuer for all properties and assessed whether the valuation technique adopted for each property was suitable in determining the fair value of the property. We carried out procedures to test whether property-specific information supplied to the property valuation expert (such as rental income and title held on each property) reflected the underlying property records held by the Group. We used property specific information and external data to independently develop a range of estimates and compared to the property valuation expert's estimates. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.

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Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are Corporate information, Directors Report, Statement of Corporate Responsibilities, Statement of Directors' Responsibilities, Statement of Value Added and Five-Year Financial Summary, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Insurance Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Insurance Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit and loss account and other comprehensive income are in agreement with the books of account and returns.

Wura Olowofoyeku

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1145964

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

9 February 2022

Engagement Partner: Wura Olowofoyeku
FRC/2017/ICAN/00000016809

1 General information

a. The consolidated financial statements of Continental Reinsurance Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 4 February 2022.

Continental Reinsurance Plc (the Company or the parent) was incorporated in 1985 as a professional reinsurance limited liability company under the Companies Act 1968 and obtained license to transact non-life Reinsurance business on 10 December 1986. It commenced business operation in January 1987. The Company subsequently obtained the license to transact life reinsurance business in September 1989 and commenced life reinsurance business in January 1990. In 1999, the Company was converted to a public limited liability company and in May 2007 and had it's shares listed on the Nigerian Stock Exchange same year. The company was delisted from the Nigerian stock exchange in January 2020. In January 2005, the Company opened a business office in Douala Cameroon, Nairobi, Kenya in year 2007 and Abidjan Cote d' Ivoire in March 2012. The Nairobi office was converted to a subsidiary in 2013. In 2014, the Company acquired a subsidiary in Gaborone, Botswana. The Douala Cameroon office was converted to a subsidiary in 2018. The registered office address of the Company is 17 Olosa street, Victoria Island, Lagos, Nigeria.

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

b. Principal activity

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

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

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

2 Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

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

2.2 Basis of preparation

These consolidated and separate financial statements are the financial statements of Continental Reinsurance Plc ("the Company") and its subsidiaries, Continental Reinsurance Limited, Kenya, Continental Reinsurance Limited, Botswana and Continental Reinsurance Limited, Cameroon (together "the Group").

2.2.1 Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations, the Company and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

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

2.2.1 Basis of measurements

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

Functional and presentation currency

The consolidated financial statements are presented in Naira, which is the Group's functional currency. The figures shown in the consolidated financial statements are stated in thousands.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

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

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

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

2.4 Significant accounting judgements, estimates and assumptions

Judgements

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

Operating lease commitments — Group as lessor

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

Estimates and assumptions

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

Fair value of level 3 financial instruments

Investments in unquoted equity securities that are classified as available for sale financial instrument and measured at fair value in line with the accounting policies as set out in the statement of significant accounting policies

See note 43.3 for sensitivity analysis on level 3 financial instruments

Valuation of Insurance contract liabilities

Life insurance contract liabilities:

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

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

2.4 Significant accounting judgements, estimates and assumptions

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

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

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

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

The carrying value at the reporting date of life insurance contract liabilities for the Group is N4,308,077,000 (2020: N3,184,131,000) and Company N2,669,470,000 (2020: N2,002,398,000).

Non-life insurance contract liabilities:

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

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

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

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

The carrying value at the reporting date of non-life insurance contract liabilities for the Group is N50,261,429,000 (2020: N35,658,126,000) and Company N22,730,632,000 (2020: N15,436,428,000).

Pipeline reinsurance premium

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

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

2.4 Significant accounting judgements, estimates and assumptions (continued)

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

The carrying value at the reporting date of pipeline receivables for the Group is N13,733,327,000 (2020: N9,804,257,000) and Company N5,909,022,000 (2020: N4,042,735,000).

Deferred tax assets and liabilities

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

The carrying value at the reporting date of net deferred tax liability for the Group is N229,665,000 (2020: N343,329,000) and Company N278,299,000 (2020: 313,458,000). Further details on taxes are disclosed in Note 9 to the financial statements.

Valuation of pension benefit obligation

The cost of defined benefit pension plans and other post-employments benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 27 to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation for the Group is N542,746,000 (2020: N670,301,000) and Company N384,408,000 (2020: 507,614,000).
See note 27.2 on sensitivity analysis on retirement benefit obligation.

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2020. A valuation methodology based on discounted cash flow income capitalization model was used.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 20 to the consolidated financial statements.

The carrying value at the reporting date of investment properties for the Group is N4,925,062,000 (2020: N4,998,800,000) and Company N1,826,200,000 (2020:N2,146,000,000).
See note 20.2 on sensitivity analysis on investment properties

Valuation of reinsurance receivables

Reinsurance receivables are recognised when due. These include amounts due from dedants and brokers. If there is objective evidence that the reinsurance receivable is impaired, the group reduces the carrying amount of the receivables accordingly and recognises the impairment loss through profit or loss. The group assesses that the receivables are impaired, using the incurred loss model. By the incurred loss model, the receivables are aged in various aging category ranging from year 0 to year 3. Impairment is charged/(release) according to the various age bands

The carrying value at the reporting date of reinsurance receivables for the Group is N31,333,426,000 (2020: N24,499,743,000) and Company N12,279,107,000 (2020:N9,996,802,000).

2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2021:

a Covid-19-related Rent Concessions Amendments to IFRS 16 effective 1 April 2021

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

* The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.

If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.

However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

Covid-19-related rent concessions had no impact on the group and company during the period

b Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 effective January 1, 2021

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.

The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those r transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

The amendments had no impact on the group and company during the period

2.6 Standards and interpretations issued/amended but not yet effected/effective

Other standards issued/amended by the IASB but yet to be effective are outlined below:

IFRS 9 - Financial instruments effective 1 January 2018

IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances.

Furthermore, the IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The company elected to apply the temporary exemption from IFRS 9 and qualifies for the temporary exemption based on the following;

a) its activities are predominantly connected with insurance contracts;

b) the carrying amount of its liabilities arising from insurance contracts and insurance connected liabilities for the group sum up to N60.5billion as at 31 Dec 2021 (31 Dec 2020 : N43.9billion), Company N27.7billion (31 Dec 2020: 20.5billion) which is greater than 80 per cent of the total carrying amount of all its liabilities as at 31 Dec 2021 and 31 Dec 2020 respectively;

c) as at 31 December 2015, which is the reporting date that immediately precedes 1 January 2016, the carrying amount of the group and company liabilities arising from insurance connected contracts was 92% which is greater than 90 per cent of the total carrying amount of all its liabilities as at that date as presented below;

	Group		Company	
Liabilities	**Carrying amount**	**Insurance contracts**	**Carrying amount**	**Insurance contracts**
Trade payable	884,117	884,117	847,009	847,008
Income tax payable	722,035	722,035	648,999	648,999
Deferred tax payable	72,908	-	68,777	-
Unearned premium	4,912,295	4,912,295	3,684,628	3,684,628
Outstanding claims	6,169,658	6,169,658	5,468,935	5,468,935
Other liabilities	761,433	-	696,328	-
Other retro liabilities	330,721	330,721	621,801	621,801
Retirement benefits	278,372	-	278,372	-
Total	**14,131,539**	**13,018,826**	**12,314,849**	**11,271,372**
Predominance ratio		**92%**		**92%**

d) The impact assessment of IFRS 9 on the company's financial assets as December 31, 2017, the reporting date that immediately precede January 1, 2018, the effective implementation date of the standard is stated below;

Financial Assets	**IAS 39**	**IFRS 9**	**Impact**
Securities through profit or loss	-	345,067	345,067
Loans and other receivables (amortised cost)	439,081	439,081	-
Available-for-sale investments (FVOCI)	2,090,531	1,494,377	(596,154)
Held to maturity (FVOCI/amortised cost)	6,065,330	6,013,902	(51,428)
Reinsurance receivables	6,184,435	5,910,421	(274,014)
Total	**14,779,377**	**14,202,848**	**(576,529)**

e) The company's activities have remained the same and are predominantly connected with insurance contracts as reflected in (b) above

f) The nature and carrying amounts of the liabilities connected with insurance contracts are disclosed in notes 8, 24 and 25 respectively

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest

The group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

a) Loans
b) Other assets/receivables
c) Short term placements
d) Premium receivables

The assets listed above are short term in nature and are receivable within 12 months from the end of the reporting period and as such the carrying amount of these financial asset are deemed to be a reasonable approximation of its fair value. The group is yet to assess the impact of premium receivables.

e) Investment securities

	Fair Value	
	2021	2020
Bonds	22,967,912	12,322,456
Treasury Bills	1,284,168	1,421,583

Fair value changes during the year are disclosed in notes 4 and 7 respectively

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest

These are financial assets that meets the definition of held for trading in line with IFRS 9; or that is managed and whose performance is evaluated on a fair value basis. These assets are as follows:

	Fair Value	
	2021	2020
Quoted Equity Securities	593,401	583,652
Unquoted Equity Securities	575,163	607,946

Fair value changes during the year are disclosed in notes 4 and 7 respectively

IFRS 17 - Insurance contracts effective 1 January 2023
IFRS 17 replaces IFRS 4 effective January 1, 2023. It addresses changes in valuation and accounting for insurance contracts.

IFRS 17 aims to set high quality and globally accepted financial reporting standards based on clearly outlined principles according to the International Accounting Standards Board (IASB). It will make global insurance reporting aligned and consistent. It also aims to apply uniform accounting standards for all types of insurance contracts.

IFRS 17 provides new basis for liability measurement and profit recognition.The measurement models are;
i) Building Block Approach (BBA) measures the net inflow between the risk-adjusted present value of expected inflows and outflows at inception. This method is applicable for measurement of long-term and whole life insurance and reinsurance contracts.
ii) Premium Allocation Approach (PAA) This method is applicable for measurement of short term life, group life and general insurance.
iii) Variable fee Approach (VFA) measures participating business where policy holder libilitiy is linked to underlying items. This method is applicable for measurement of unit-linked contracts, deposit administration contracts

Ammendement to IAS 1 and IAS 8 - Definition of material effective 1 January 2020
The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

i) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

ii) the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The group is yet to assess the impact of the standard.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

2.7 Foreign currency translation

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

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

b Transactions and balances
Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency spot rate prevailing at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss.

c Group companies
On consolidation, the assets and liabilities of foreign operations are translated into naira at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

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

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

b. Group life
These contracts insure companies against death of staff. These contracts are short-term in nature and are typically renewed annually. For these contracts, gross premiums are recognised as revenue when due.

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

2.9.1 Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

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2.9.2 Gross premium

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

All written premiums are recorded on underwriting year basis and a provision is made for unearned income as Reserve for Unexpired Risk for the portion of premium relating to the current underwriting year that have not expired by the end of the accounting year. Earned Premium Income represents Gross Premium less change in reserve for unearned Premium during the year.

2.9.3 Retrocession

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

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

Retrocession assets are assessed annually for impairment and the carrying amount reduced with impairment through profit or loss.

2.9.4 Gross Claims

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

2.9.5 Reserve for unexpired risks

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

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

2.9.6 Reserve for outstanding claim

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

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

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

2.9.7 Liability adequacy test

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

2.9.8 Actuarial valuation of life insurance contract liabilities

Actuarial valuation of life insurance contract liabilities is carried out annually by certified professional actuary for the purpose of determining the surplus or deficit at the end of the year. All surpluses or deficits arising therefrom are charged to profit or loss.

2.9.9 Deferred acquisition costs

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

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

Commissions receivable on outwards retrocession contracts are deferred and amortised on a straight line basis over the term of the expected premiums payable.

2.10 Underwriting expenses

Underwriting expenses comprises acquisition, maintenance and management expenses. Acquisition and maintenance expenses relate to cost incurred directly in acquisition of businesses.

2.10.1 Acquisition expenses

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

2.10.2 Maintenance expenses

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

2.10.3 Management and administration expenses

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

Management expenses are those expenses that relate to underwriting business which are apportioned and charged thereto. These include salaries and emoluments of underwriting staff.

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

2.11 Investment income

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

2.11.1 Interest income

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

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

2.11.2 Other income

Other income is recognised in profit or loss as the service is provided or when the entity's right to receive payment is established. Other income consist primarily of dividend income, gain on assets disposal, rental income, income from technical and management services, interest on staff loan and other miscellaneous income.

2.11.3 Foreign currency gains and losses

Realised gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

2.12 Cash and cash equivalents

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

Cash and cash equivalents for the purpose of cash flow includes cash-on-hand, deposit held at call with banks and other short-term highly liquid investments which originally matures in three months or less.

2.13 Financial instruments

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

2.13.1 Initial recognition and measurement

Financial instruments are recognised initally when the company becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, ot their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.
Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.
Financial instruments are measured initially at fair value, except for equity instruments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

2.13.2 Derecognition

Financial assets

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

• The rights to receive cash flows from the asset have expired;
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) the Group has transferred substantially all the risks and rewards of the asset, or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial liabilities

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

2.13.3 Offsetting financial instruments

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

2.13.4 Financial Assets

Classification and subsequent measurement

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

a Financial assets at fair value through profit or loss

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

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

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

• the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or

• the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis; or

• the financial assets consists of debt host and an embedded derivative that must be separated.

Financial assets at fair value through profit or loss

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

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

b Loans and receivables

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

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

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

c Held-to-maturity financial assets

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

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

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

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

d Available-for-sale financial assets

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

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

The carrying value at the reporting date of available for sale financial instruments for the Group is N1,189,153,000 (2020:N1,1227,381,000) and Company N1,168,563,000 (2020:N1,191,598,000).

e Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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e Impairment of financial assets (continued)

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

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

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

Available-for-sale financial assets

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

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

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

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

2.13.5 Financial liabilities

Classification and subsequent measurement

After initial recognition, the subsequent measurement of financial liabilities depends on their classifications as follows:

a Financial liabilities at fair value through profit or loss

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

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

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

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

b Other liabilities measured at amortised cost

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

2.13.6 Determination of fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

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

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

2.13.6 Determination of fair value (continued)

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

2.14 Impairment of non-financial assets

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

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

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2.15 Reinsurance receivables

Reinsurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, reinsurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of reinsurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss. The amount of the allowance is set up in relation to the time a receivable has been due and financial condition of the debtor, and can be as high as the outstanding net balance.

Reinsurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.13.2, have been met.

2.16 Investment properties

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

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

Investment property is subsequently measured at fair value. The fair value is determined annually by independent valuation experts on the highest and best-use basis. The fair value of investment properties have been determined using the income approach as this reflects the best use of the assets.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss as "Fair value gains/loss on investment properties" in the year in which they arise.

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

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

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

2.17 Property, plant and equipment

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

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

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

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

Motor vehicles	4 years
Furniture and Fittings	8 years
Computer Equipments	3 years
Office Partitioning	8 years
Building	50 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. No property, plant and equipment were impaired as at 31 December 2021 (2020: nil).

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

2.18 Leases

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

Group as lessor

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

2.19 Intangible assets

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

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

Amortisation is calculated on a straight line basis over the useful lives as follows:
Computer software: 3 years

2.20 Reinsurance creditors

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

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

2.21 Income tax

a Current income tax

Income tax payable/(receivable) is calculated on the basis of provision of the income tax act (CITA 1979 as amended) and is recognised as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

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

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

b Deferred income tax

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

b Deferred income tax (continued)

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

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

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

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

Deferred tax assets for deductible temporary differences arising from investments in subsidiaries are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilized.

Liabilities arising from temporary differences associated with investments in subsidiaries, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

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

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except: When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable? When receivables and payables are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 Employment benefits

Defined contributory scheme

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

In line with the Pension Reform Act 2014, the Group operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute 8% and 10% of the employee's total emoluments (basic, housing and transport allowances) respectively. The Group's contribution each year is charged against income and is included in staff cost. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

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Defined benefit staff gratuity scheme

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

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

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

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

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales 'administration expenses' and 'selling and distribution expenses' in consolidated statement of profit or loss (by function):
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

2.23 Provisions

Provisions are liabilities that are uncertain in amount and timing.

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

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

2.24 Equity

Ordinary share capital

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

Dividends on ordinary share capital

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

Dividends for the year that are declared after the reporting date are dealt with as event after reporting date. Dividends proposed but not yet declared are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

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2.25 Contingency reserves

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

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

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

2.26 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.27 Operating segments

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

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Consolidated and separate statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Notes	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
		=N='000	=N='000	=N='000	=N='000
Gross premium written		*70,385,076*	*53,636,916*	*34,925,988*	*27,725,559*
Insurance premium revenue	1.1	64,171,132	52,281,087	30,622,181	27,410,614
Insurance premium ceded to retrocessionaires	1.2	(14,408,031)	(13,289,199)	(4,627,346)	(5,658,841)
Net insurance premium revenue		49,763,101	38,991,888	25,994,835	21,751,773
Commission earned under retrocession arrangements	1.3	3,733,785	3,286,710	974,191	1,106,070
Underwriting income		53,496,886	42,278,598	26,969,026	22,857,843
Insurance Benefits					
Insurance claims and loss adjustment expenses	2.1	32,044,591	26,431,539	18,840,626	15,289,330
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(5,779,740)	(5,979,893)	(3,152,062)	(2,612,944)
Net insurance benefits and claims		26,264,851	20,451,647	15,688,564	12,676,386
Underwriting expenses	2.2	23,203,606	19,087,894	10,968,774	10,174,355
Insurance benefits and underwriting expenses		49,468,457	39,539,540	26,657,338	22,850,741
Underwriting profit		4,028,429	2,739,058	311,688	7,102
Interest income	3	2,507,382	1,980,857	1,276,381	900,594
Fair value gain on investment properties	4	127,392	394,146	11,600	27,200
Other income	5	1,062,299	701,134	164,651	1,599,693
Foreign exchange gain	5.1	1,142,574	789,280	914,585	417,327
Administrative expenses	6.2	(2,023,022)	(1,211,079)	(1,301,873)	(974,306)
Impairment charge (release) during the year	6.3	(178,264)	(566,380)	80,266	(425,532)
Profit before income tax		6,666,790	4,827,015	1,457,298	1,552,078
Income tax	8	(1,217,964)	(1,399,756)	(123,352)	(380,213)
Profit for the year		**5,448,826**	**3,427,259**	**1,333,946**	**1,171,865**
Attributable to:					
Equity holders of the Parent		**3,804,307**	**1,848,563**	**1,333,946**	**1,171,865**
Non controlling interest		**1,644,519**	**47,494**	-	-
Other comprehensive income					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Remeasurement gains/(loss) on available for sale financial assets available for sale financial assets	7	51,099	(119,163)	51,510	(118,596)
Exchange difference on translation of foreign operation		450,611	784,944	-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of post employment benefits obligations	27.2	(165,469)	(502,022)	(117,196)	(452,023)
Income tax relating to component of other comprehensive income	9.1	(41,912)	(12,061)	35,159	114,053
Other comprehensive (loss)/income for the year, net of tax		**294,329**	**151,697**	**(30,527)**	**(456,566)**
Total comprehensive income for the year		5,743,155	3,578,957	1,303,419	715,299
Attributable to:					
Equity holders of the parent		**4,098,636**	**2,354,178**	**1,303,419**	**715,299**
Non controlling interest		1,644,519	1,224,779	-	-
		5,743,155	**3,578,957**	**1,303,419**	**715,299**
Earnings per share basic and diluted (kobo)	10	**30**	**18**	**11**	**9**

See accompanying notes to the consolidated financial statements.

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Consolidated and separate statement of financial position
as at 31 December 2021

	Notes	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Assets					
Cash and cash equivalents	11	16,239,808	19,015,116	9,466,791	11,474,010
Financial assets					
-Financial asset designated as fair value					
-Loans and other receivables	13	264,732	315,892	175,325	178,573
-Available-for-sale investments	14.1	1,189,153	1,227,381	1,168,563	1,191,598
-Held to maturity investments	14.2	24,231,490	13,744,039	11,235,664	5,564,847
Reinsurance receivables	15	31,333,426	24,499,743	12,279,107	9,996,802
Retrocession assets	16	16,046,933	9,513,117	6,261,679	4,123,793
Deferred acquisition costs	17	7,036,111	5,393,915	3,548,781	2,388,974
Other assets	18	389,003	758,749	2,929,146	3,232,081
Right of use Asset	18b	156,903	134,645	230	5,820
Investment in subsidiaries	19	-	-	6,123,109	6,123,109
Investment properties	20	4,925,062	4,998,800	1,826,200	2,146,000
Intangible assets	21	121,470	131,899	121,470	131,891
Property, plant and equipment	22	2,874,626	3,022,526	1,752,803	1,792,256
Statutory deposits	23	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		**105,808,717**	**83,755,822**	**57,888,868**	**49,349,754**
Liabilities					
Insurance contract liabilities	24	54,569,505	38,842,258	25,400,102	17,438,827
Reinsurance creditors	25	4,561,180	4,218,493	1,795,850	2,406,354
Other liabilities	26	1,323,252	1,232,860	1,605,133	1,515,782
Lease liability	26b	202,580	160,899	22,771	13,367
Retirement benefit obligations	27	542,746	670,301	384,408	507,614
Current income tax payable	8	1,317,178	800,776	536,867	601,185
Deferred tax liabilities	9	62,214	343,329	287,149	313,458
Total liabilities		**62,578,655**	**46,268,916**	**30,032,280**	**22,796,587**
Equity					
Share capital	28	6,258,602	6,258,602	6,258,602	6,258,602
Share premium	29	8,204,371	8,204,371	8,204,371	8,204,371
Contingency reserve	30	8,269,316	7,274,065	7,508,549	6,551,407
Retained earnings	31	8,918,338	6,304,153	5,543,726	5,248,959
Available-for-sale reserve	32.1	335,718	284,473	341,340	289,828
Foreign currency translation reserve	32.2	2,576,824	2,245,274	-	-
Equity attributable equity holders of the parent		**34,563,169**	**30,570,938**	**27,856,588**	**26,553,167**
Non-controlling interest	33	8,666,893	6,915,968	-	-
Total equity		**43,230,062**	**37,486,906**	**27,856,588**	**26,553,167**
Total liabilities and equity		**105,808,717**	**83,755,822**	**57,888,868**	**49,349,754**

Chief Ajibola Ogunshola
Chairman
FRC:2017/IODN/00000016052

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988

Jane Mberia
Chief Finance Officer
FRC:2020/001/00000021536

See accompanying notes to the consolidated financial statements.

The Financial Statements were approved by the Board on February 4, 2022

Continental Reinsurance Plc

Consolidated statement of changes in equity
For the year ended 31 December 2021

		Attributable to the equity holders of the parent							
Group	**Notes**	**Share capital**	**Share premium**	**Contingency reserve**	**Retained earnings**	**Available-for-sale reserve**	**Foreign currency translation reserve**	**Non controlling interest**	**Total equity**
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2021		6,258,602	8,204,371	7,274,065	6,304,153	284,473	2,245,274	6,915,968	37,486,906
Profit/(loss) for the period		-	-	-	3,804,307	-	-	1,644,519	5,448,826
Exchange difference on foreign currency translation	32.2						331,550	119,061	450,611
Other comprehensive income;									-
Employment benefits obligations (net of tax)					(194,871)			(12,510)	(207,381)
Available for sale financial assets		-	-	-	-	51,243	-	(144)	51,098
		-	-	-	3,609,436	51,243	331,550	1,750,926	5,743,153
Transfer of contingency reserve		-	-	995,251	(995,251)	-	-	-	-
		-	-	995,251	(995,251)	-	-	-	-
At 31 December 2021		6,258,602	8,204,371	8,269,316	8,918,338	335,718	2,576,824	8,666,893	43,230,061
As at 1 January 2020		5,186,372	3,915,451	6,264,958	5,586,910	403,437	1,832,347	6,999,394	30,188,869
Profit for the year		-	-	-	2,202,480	-	-	1,224,779	3,427,259
Exchange difference on foreign currency translation							412,927	372,017	784,944
Other comprehensive income;									-
Employment benefits obligations (net of tax)					(476,131)			(37,952)	(514,083)
Available for sale financial assets		-	-	-		(118,965)	-	(198)	(119,163)
		-	-	-	1,726,349	(118,965)	412,927	1,558,645	3,578,957
Transactions with owners									
Transfer of contingency reserve		-	-	1,009,106	(1,009,106)	-	-	-	-
Capital contribution		1,072,230	4,288,920					(1,642,072)	3,719,079
		1,072,230	4,288,920	1,009,106	(1,009,106)	-	-	(1,642,072)	3,719,079
At 31 December 2020		6,258,602	8,204,371	7,274,065	6,304,153	284,473	2,245,274	6,915,968	37,486,906

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

Separate statement of changes in equity
For the year ended 31 December 2021

Company	Notes	Share capital	Share premium	Contingency reserve	Retained earnings	Available-for-sale reserve	Total equity
		Attributable to the equity holders of the parent					
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2021		6,258,602	8,204,371	6,551,407	5,248,959	289,828	26,553,167
Capital injection during the year		-	-				-
Profit for the period		-	-	-	1,333,946	-	1,333,946
Other comprehensive income;							
Employment benefits obligations (net of tax)					(82,037)		(82,037)
Available for sale financial assets		-	-	-		51,510	51,511
		-	-	-	1,251,909	51,510	1,303,420
Transfer of contingency reserve		-	-	957,142	(957,142)	-	-
		-	-	957,142	(957,142)	-	-
At 31 December 2021		6,258,602	8,204,371	7,508,549	5,543,726	341,340	27,856,587
As at 1 January 2020		5,186,372	3,915,451	5,796,453	5,098,171	408,423	20,404,871
Capital injection during the year		1,072,230	4,288,920				5,361,150
Profit for the year		-	-	-	1,171,867	-	1,171,867
Other comprehensive income;							-
Employment benefits obligations (net of tax)					(266,125)		(266,125)
Available for sale financial assets		-	-	-		(118,596)	(118,596)
		1,072,230	4,288,920	-	905,742	(118,596)	6,148,297
Transfer of contingency reserve		-	-	754,954	(754,954)	-	-
		-	-	754,954	(754,954)	-	-
At 31 December 2020		6,258,602	8,204,371	6,551,407	5,248,959	289,828	26,553,167

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 and separate statement of cash flows
For the year ended 31 December 2021

	Notes	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Cash flows from operating activities					
Premium received from policy holders		59,301,336	45,427,399	30,251,720	24,254,141
Retrocession receipts in respect of claims and commission		5,902,176	7,607,340	4,617,793	3,792,004
Acquisition costs paid		(17,218,171)	(12,594,038)	(8,324,020)	(5,985,430)
Retrocession premium paid		(15,503,308)	(13,519,443)	(5,722,622)	(5,903,077)
Cash paid to and on behalf of employees		(2,808,253)	(2,395,731)	(1,245,482)	(1,179,578)
Other operating cash payment and receipts		(1,893,685)	(1,632,593)	(1,574,774)	(632,657)
Claims paid		(23,954,977)	(20,604,130)	(15,183,158)	(12,357,294)
Cash on intercompany portfolio transfer				-	(649,897)
Income taxes paid	8	(692,712)	(1,320,000)	(178,820)	(259,936)
Net cash generated by operating activities	**34**	3,132,405	968,802	2,640,637	1,078,276
Cash flows from investing activities					
Purchase of property, plant and equipment	22	(251,421)	(1,160,717)	(160,415)	(1,057,700)
Proceed from disposal of investment property		403,000	260,500	403,000	260,500
Purchase of intangible assets	22	(147,256)	(7,324)	(147,256)	(7,324)
Proceeds from disposal of property, plant and equipment		33,033	3,492	28,719	3,492
Purchase of investment securities		(11,761,247)	(6,950,250)	(5,759,202)	(4,612,813)
Proceeds on redemption /sales of investments		4,237,928	5,932,755	622,899	3,556,802
Interest received		2,806,909	2,095,390	1,286,414	787,286
Dividend received		32,380	102,543	32,380	1,008,721
Investment in subsidary		0	-	0	(906,178)
Net cash used in investing activities		(4,646,675)	276,390	(3,693,460)	(967,212)
Cash flows from financing activities					
Dividends paid to equity holders parent	26.1	-	-	-	-
Capital injection/(refund) during the year		-	3,572,283	-	5,361,150
Net cash used in financing activities		-	3,572,283	-	5,361,150
Net increase in cash and cash equivalents		(1,514,270)	4,817,475	(1,052,823)	5,472,214
Cash and cash equivalents at beginning of year		19,015,115	14,399,238	11,474,009	6,271,484
Effect of exchange rate changes on cash and cash equivalents		(1,205,007)	(201,597)	(898,366)	(269,688)
Cash and cash equivalents at end of year	**35**	16,295,837	19,015,115	9,522,820	11,474,009

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 and separate financial statements for the year ended 31 December 2021
Notes to the consolidated and separate financial statements

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
1	**Revenue**				
1.1	**Insurance premium revenue**				
	Premium revenue arising from insurance contracts issued				
	Life insurance contracts				
	– Gross Premium	5,648,442	4,690,027	4,531,862	3,840,651
	– Change in life unearned premium (Note 24.3a)	(813,589)	69,282	(675,065)	51,465
	Non life insurance contracts				
	– Gross Premium	64,736,634	48,946,889	30,394,126	23,884,908
	– Change in unearned premium provision (note 24.1)	(5,400,354)	(1,425,112)	(3,628,742)	(366,410)
	Total Premium revenue arising from insurance contracts issued	64,171,132	52,281,087	30,622,181	27,410,614
1.2	**Insurance premium ceded to retrocessionaires**				
	Premium revenue ceded to retrocessionaires on insurance contracts issued				
	Life insurance contracts	561,833	892,285	459,423	499,719
	Non life insurance contracts	14,941,475	12,627,156	5,263,199	5,403,358
	Gross premium ceded to retrocessionaires	15,503,308	13,519,442	5,722,622	5,903,077
	Change in retrocessionaire share of unearned premium reserve	(1,095,279)	(230,243)	(1,095,276)	(244,236)
	Cost of Premium revenue ceded to retrocessionaires on insurance contracts issued	14,408,031	13,289,199	4,627,346	5,658,841
	Net insurance premium revenue	**49,763,101**	**38,991,888**	**25,994,834**	**21,751,773**
1.3	**Commission earned under retrocession arrangements**				
	Commission received on premium ceded to retrocessionaires-Life	220,775	330,746	174,789	158,299
	Commission received on premium ceded to retrocessionaires-Non Life	3,513,010	2,955,964	799,402	947,771
		3,733,785	**3,286,710**	**974,191**	**1,106,070**
2	**Insurance benefits and underwriting expenses**				
2.1	**Insurance claims and loss adjustment expenses**				
	Life insurance contracts (note 24.3b)	2,912,686	2,345,890	1,496,877	2,025,585
	Non life insurance contracts (note 24.2)	29,131,904	24,085,649	17,343,749	13,263,745
	Total cost of policyholder benefits	32,044,590	26,431,539	18,840,626	15,289,330
	Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(5,779,739)	(5,979,893)	(3,152,062)	(2,612,944)
	Net insurance benefits and claims	**26,264,851**	**20,451,647**	**15,688,564**	**12,676,386**
2.2	**Underwriting expenses**				
	Amortized acquisition cost for the year (Note 17)	15,575,975	12,774,979	7,164,213	6,745,164
	Costs incurred for the maintenance of insurance contracts	2,286,405	1,620,198	895,499	718,600
	Management expenses (See Note 6.1)	5,341,227	4,692,717	2,909,062	2,710,591
	Total underwriting expenses	23,203,606	19,087,894	10,968,774	10,174,355
	Total insurance benefits and underwriting expenses	**49,468,457**	**39,539,540**	**26,657,338**	**22,850,741**
3	**Interest income**				
	Cash and bank balances interest income	998,236	779,038	728,752	488,564
	Held-to-maturity and loans and receivables interest income	1,485,869	1,086,112	524,353	296,322
	Statutory deposits interest income	23,276	115,708	23,276	115,708
	Interest income	**2,507,382**	**1,980,857**	**1,276,381**	**900,594**
4	**Net fair value gains on assets at fair value through profit or loss**				
	Net fair value gain/(loss) on financial assets designated at fair value through profit or loss	-	-	-	-
	Fair value gain on investment properties	127,392	394,146	11,600	27,200
	Total	**127,392**	**394,146**	**11,600**	**27,200**

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
5	**Other income**				
	Available-for-sale:				
	– Dividends	32,380	102,543	32,380	1,008,721
	– Gain on disposal of available-for-sale securities	2,546	269,381	2,546	269,381
	Gain/(loss) on disposal of property, plant and equipment	(17,065)	3,712	(20,355)	3,492
	Gain/(loss) on disposal of investment property	48,580	-	48,580	(215,870)
	Income on investment properties (Note 20.1)	127,864	105,772	49,333	13,125
	Income from management and technical services	-	-	-	363,292
	Interest on staff loan	7,791	1,305	7,791	1,305
	Others (Note 5b)	860,203	218,419	44,376	156,247
		1,062,299	701,134	164,651	1,599,693

Continental Reinsurance Plc
Consolidated and separate financial statements for the year ended 31 December 2021
Notes to the consolidated and separate financial statements-continued

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
5a	**Breakdown of others**				
	Reversal of impairment (note 13.1)	-	-	-	-
	Interest on premium/loss reserve	15,207	18,935	462	190
	Recoveries from prior year written-off from receivables and payables	796,525	112,495	19,775	78,166
	Write back from prior year accruals	-	60,197	-	60,197
	Other sundry receipts	48,471	26,791	24,138	17,693
		860,203	218,419	44,376	156,247
5b	**Foreign exchange gain**				
	Net forex gain on investment assets	1,161,657	613,596	860,714	269,114
	Net forex gain on foreign banks	43,350	574	37,652	574
	Net forex gain (loss) on reinsurances receivables/payables	(39,302)	165,923	16,112	(33,011)
	Net forex gain (loss) on retrocessionaires assets/payables	(23,132)	9,187	(8,579)	9,187
	Net forex gain on intercompany balances	-	-	8,685	171,462
		1,142,574	789,280	914,585	417,327
6	**Operating expenses**				
6.1	**Management expenses**				
	Employee benefits expenses	2,464,378	2,005,376	1,042,757	900,372
	Executive Directors emoluments	343,875	390,356	202,725	279,206
	Gratuity, redundancy and other employee related expenses	836,992	363,534	836,992	363,534
	Subscriptions	63,341	65,060	23,495	26,164
	Business travels	163,573	95,812	115,997	58,713
	Supervisory and regulatory levy	334,381	335,299	277,256	280,089
	Training and seminars	140,540	67,388	31,022	31,684
	Rent and rates	183,167	125,601	41,631	45,480
	Bank charges	94,476	79,879	41,603	43,649
	Stationeries, Printing and telephone	78,595	75,259	23,398	19,110
	Electricity, fuel and diesel	91,600	69,079	62,936	40,562
	ICT expenses-Hardware and software maintenance	141,657	181,500	91,303	170,479
	Advert and publicity	152,119	110,606	89,985	60,789
	Entert. & Public Relations	46,355	27,427	10,343	5,083
	Stamp duty, registrars fees and charges	56,245	186,504	1,747	142,681
	Clients development	48,047	24,967	149	7,669
	Other operating expenses	101,887	489,071	15,722	235,326
	Total management expenses	5,341,227	4,692,717	2,909,062	2,710,591
6.2	**Administrative expenses comprises the following:**				
	Depreciation and amortisation (Note 21 and 22)	357,480	326,153	307,939	221,254
	Auditor's remuneration	134,344	104,684	44,385	44,125
	Consultancy and professional fees	483,240	239,232	284,107	193,703
	Non-executive directors expenses	152,657	95,803	97,237	95,803
	Productivity bonus	540,551	391,380	540,551	391,380
	Other administrative expenses	354,750	53,827	27,655	28,041
	Total administrative expenses	2,023,022	1,211,079	1,301,873	974,306

During the period, the company's auditor, PricewaterhouseCoopers, did not render non-audit services to the Company and the Group

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Employee and executive management benefit expense				
Wages and salaries (local)	875,458	732,339	875,458	732,339
Wages and salaries (other regions)	1,328,214	1,236,942	62,484	156,404
Pension:			-	-
- Defined Benefit Staff Gratuity Plan	177,209	(79,618)	224,044	(104,083)
- Defined Contributory Plan	83,497	115,712	83,497	115,712
	2,464,378	2,005,376	1,245,482	900,372

The amount of Employer's pension contribution included amount of =N=39 million (2020:=N=35 million) paid on group life scheme in compliance with the 2014 Pencom Act.

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
The average number of persons employed by the Company during the year was as follows:				
Managerial Staff	52	38	29	18
Senior staff	60	50	33	35
	112	88	62	53

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 Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
N3,000,001 - N3,500,000	16	3	13	2
N3,500,001 - N4,000,000	7	6	4	4
N4,000,001 - N4,500,000	8	5	4	3
N4,500,001 - N5,000,000	7	3	5	2
N5,000,001 - N5,500,000	6	8	3	1
N5,500,001 and above	68	63	33	41
	112	**88**	**62**	**53**

6.3 Impairment charge/releases

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Reinsurance receivables (Note 15.1)	265,525	38,947	6,995	(101,900)
Retro assets (Note 16.1)	(87,262)	527,935	(87,262)	527,935
Other assets (Note 18.1)	-	(503)	-	(503)
	178,264	566,380	(80,266)	425,532

7 Net gain/(loss) on available for sale financial assets

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Net gain/(loss) on available-for-sale financial assets				
– Equity instruments	(411)	(567)	-	-
– Debt Instruments	51,510	(118,596)	51,510	(118,596)
Remeasurement gains on available-for-sale financial assets	51,099	(119,163)	51,510	(118,596)
Reclassification adjustments to gains included in profit or loss	-	-	-	-
Total net remeasurement gains/(loss) on available for sale financial assets	51,099	(119,163)	51,510	(118,596)

Continental Reinsurance Plc
Consolidated and separate financial statements for the year ended 31 December 2021
Notes to the consolidated and separate financial statements-continued

8 Taxation

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Per consolidated statement of profit or loss :				
Income tax based on profit for the year	1,190,274	1,105,910	95,662	86,367
Education tax	18,840	77	18,840	77
	1,209,114	1,105,987	114,502	86,444
Deferred tax expense (Note 9.1)	8,850	293,769	8,850	293,769
Income tax expense	1,217,964	1,399,756	123,352	380,213

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Per consolidated statement of financial position:				
At 1 January	800,776	800,776	601,185	774,676
Charged to profit or loss	1,209,114	1,105,987	114,502	86,444
Payments during the year	(692,712)	(1,105,987)	(178,820)	(259,936)
	1,317,178	800,776	536,867	601,185
Reconciliation of tax charge				
Profit before income tax	6,666,790	4,827,015	1,457,298	1,552,080
Tax at Nigerian's statutory income tax rate of 30%	2,000,037	1,448,105	437,189	465,624
Non-deductible expenses	293,865	500,722	213,989	326,147
Tax exempt income	(1,083,352)	(537,721)	(535,240)	(400,208)
Education tax levy	18,840	77	18,840	77
Tax rate differential on fair value gains	(11,427)	(11,427)	(11,427)	(11,427)
At effective income tax rate of Group 18% (2020:29%) and Company 8% (2020:24%)	1,217,964	1,399,756	123,352	380,213

9 Deferred taxation

Deferred income tax (assets)/liabilities are attributable to the following items:

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Deferred tax liabilities				
Property, plant and equipment	(332,468)	49,385	72,673	96,407
Investment properties	38,218	172,796	3,480	118,269
Unrealized exchange gain	314,552	155,509	246,155	115,823
	20,302	377,690	322,308	330,499
Deferred tax assets				
Employee benefits	41,912	(34,361)	(35,159)	(17,041)
	41,912	(34,361)	(35,159)	(17,041)
Net	62,214	343,329	287,149	313,458

9.1 *Movements in temporary differences during the year:*

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
As at 1 January	343,329	8,880	313,458	133,743
Recognised in profit or loss on:				
Property, plant and equipment	46,520	98,330	67,651	43,460
Investment properties	(116,181)	109,695	25,255	55,168
Foreign exchange unrealized gain	(169,543)	138,485	(154,375)	(32,968)
Employee benefits	(41,912)	(12,061)	35,159	114,053
	(281,116)	334,449	(26,310)	179,714
At 31 December	62,214	343,329	287,149	313,458

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 December 2021	Group December 2020	Company December 2021	Company December 2020
Net profit attributable to ordinary shareholders (=N='000)	3,804,307	3,427,259	1,333,946	1,171,865
Weighted average number of shares for the year ('000)	12,517,204	12,517,204	12,517,204	12,517,204
Basis and diluted earnings per ordinary share (kobo)	30	18	11	9

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.

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11 Cash and cash equivalents	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Cash in hand	621	1,664	154	383
Balances held with local banks:				
- Current account	845,148	1,691,236	246,656	432,689
- Domiciliary account	284,756	595,847	284,756	595,847
Balances held with foreign banks	1,495,007	1,157,782	1,495,007	1,157,782
Placements with banks and other financial institutions	13,614,277	15,568,586	7,440,220	9,287,309
	16,239,808	19,015,116	9,466,791	11,474,010

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 35. The reconciliation of cash and cash equivalent for cash flow purpose and statement of financial position is disclosed in note 35.1

12 Financial assets designated at fair value through profit or loss	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Managed Funds				
External portfolio management	-	-	-	-
	-	-	-	-

The external portfolio management involves funds held and managed by fund and stock managers on behalf of the Group as a trading portfolio. The instruments were realised in 2019 and reinvested in held to maturity investment instruments

13 Loans and other receivables	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Staff loans and advances	203,588	254,747	114,181	117,429
Other advances	435,136	435,136	435,136	435,136
Impairment on other receivables (Note 13.1)	(373,991)	(373,991)	(373,991)	(373,991)
Total loans and other receivables	264,732	315,892	175,325	178,573

Of the other advances, N373,991,000 are deposit with a third party for investment purpose that is unrealisable. This was fully impaired in 2015.

13.1 Reconciliation of impairment on loans and other receivables:

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
At 1 January	373,991	373,991	373,991	373,991
Reversal of impairment	-	-	-	-
At 31 December	373,991	373,991	373,991	373,991
14 Investment securities				
Analysis of investment securities				
Available-for-sale (note 14.1)	1,189,153	1,227,380	1,168,563	1,191,597
Held-to-maturity (note 14.2)	24,231,490	13,744,039	11,235,664	5,564,847
	25,420,643	14,971,419	12,404,227	6,756,444
14.1 Available-for-sale:				
Equity instruments	1,168,563	1,191,598	1,168,563	1,191,598
Debt instruments	20,590	35,783	-	-
Total available-for-sale	1,189,153	1,227,381	1,168,563	1,191,598
Equity Instruments				
Quoted	593,401	583,652	593,401	583,652
Unquoted	575,163	607,946	575,163	607,946
Total equity instruments	1,168,563	1,191,598	1,168,563	1,191,598

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

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	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
14.1 Available-for-sale cont'd:				
Debt Instruments				
Securities at Available-for-sale -Fair value				
Government bonds	20,590	35,783	-	-
	20,590	35,783	-	-
Total available for sale investments	1,189,152	1,227,381	1,168,563	1,191,598
14.1.1 Movement in available for sale securities;				
At 1 January	1,191,597	1,769,668	1,191,597	1,732,411
Additions during the year	363,867	519,203	9,224	201,661
Disposal during the year	(438,000)	(978,111)	(83,768)	(623,879)
Fair value movement in the year	51,099	(119,163)	51,510	(118,596)
At 31 December	1,168,563	1,191,597	1,168,563	1,191,597

Sensitivities

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

A 5% movement in market rates will result in addition/reduction in the value of the assets by; Group of =N=88.2 million and Company =N=86.4 million

14.2 Held-to-maturity

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Debt instruments	24,231,490	13,744,039	11,235,664	5,564,847
Securities at held-to-maturity - amortised cost				
Listed	24,231,489	13,744,039	11,235,664	5,564,847
Unlisted	-	-	-	-
	24,231,489	13,744,038	11,235,664	5,564,847
Total debt instruments (14.1 and 14.2)	24,252,079	13,779,821	11,235,664	5,564,847
14.2.1 Movement in held-to-maturity securities;				
At 1 January	13,744,039	13,744,039	5,564,847	5,564,847
Additions during the year	10,630,990	2,988,261	5,749,978	2,798,016
Disposal during the year	(663,131)	(3,168,355)	(539,131)	(2,932,923)
Amortization of premium/discount on bonds	(138,294)	86,800	(122,384)	74,147
Accrued interest	275,129	93,294	231,201	60,760
Exchange difference	382,757	-	351,154	-
At 31 December	24,231,489	13,744,039	11,235,664	5,564,847

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

15 Reinsurance receivables	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Due from ceding companies	13,385,920	11,848,338	3,460,178	3,360,648
Due from ceding companies (Pipeline)	13,733,327	9,804,257	5,909,022	4,042,735
Premium reserves retained by ceding companies	5,288,844	3,902,051	3,148,451	2,847,807
	32,408,091	25,554,647	12,517,651	10,251,190
Impairment on reinsurance receivables (Note 15.1)	(1,074,664)	(1,054,904)	(238,545)	(254,388)
	31,333,426	24,499,743	12,279,107	9,996,802
15.1 Reconciliation of impairment on reinsurance receivables				
At 1 January	1,054,903	2,566,932	254,388	1,155,515
Written off during the year	(236,409)	(1,378,616)	(22,838)	(799,227)
Charge for the year (Note 6.3)	265,525	38,947	6,995	(101,900)
Exchange difference	(9,355)	(172,359)	-	-
At 31 December	1,074,664	1,054,903	238,545	254,388

By the group policy trade receivables above 2 years are written-off. During the year the group wrote-off trade receivables amounting to N236m (Company N23m). The receivables were impaired in prior years

16 Retrocession Assets	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Retrocessionaires' share of claims recoverable	5,356,223	3,440,170	870,947	1,362,487
Retro share of unearned premium and outstanding claims	11,129,597	6,566,297	5,757,343	3,250,260
Retrocessionaires' share of life insurance contract liabilities	163,578	196,377	235,853	200,772
Impairment on retro share of claims recoverable (note 16.1)	(602,465)	(689,726)	(602,465)	(689,726)
Total retrocession assets	16,046,933	9,513,117	6,261,679	4,123,793

At 31 December 2021, the Company conducted an impairment review of the retrocession assets and N87m impairment release resulted from this exercise. The carrying amounts disclosed above approximate fair value at the reporting date.

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
16.1 Reconciliation of impairment on retro share of claims recoverable				
At 1 January	689,726	161,791	689,726	161,791
Charge for the year (Note 6.3)	(87,262)	527,935	(87,262)	527,935
At 31 December	602,465	689,726	602,465	689,726
17 Deferred acquisition costs				
At 1 January	5,393,915	5,574,856	2,388,974	3,148,708
Acquisition cost paid during the year	17,218,171	12,594,038	8,324,020	5,985,430
Amortized acquisition cost for the year (Note 2.2)	(15,575,975)	(12,774,979)	(7,164,213)	(6,745,164)
At 31 December	7,036,111	5,393,915	3,548,781	2,388,974
18 Other assets				
Prepayments	188,287	138,353	73,750	91,135
Intercompany balances	-	-	2,844,188	3,106,789
Withholding tax receivable	4,168	4,168	4,168	4,168
Accrued income on statutory deposit	8,384	33,443	8,384	33,443
Others	346,925	741,548	157,417	155,308
	547,764	917,512	3,087,906	3,390,843
Impairment on other assets (note 18.1)	(158,762)	(158,762)	(158,762)	(158,762)
	389,003	758,749	2,929,146	3,232,081
Below are the breakdown of intercompany balances;				
Receivables on shared services	-	-	180,108	58,151
Retrocessions arrangement receivables	-	-	620,338	436,543
Disposal of assets	-	-	1,486,398	1,857,997
Other intercompany balances	-	-	557,345	754,098
	-	-	2,844,188	3,106,789

In 2020 the parent company sold her investment property in Cote d' voire to her subsidiary in Cameroon with a repayment plan above one year. The balance receivables on the disposal as at December 2021 was N1.5b (2020: 1.9b).

Reconciliation of movement in disposal of assets in intercompany balances:				
At 1 January	-	-	1,857,997	442,510
disposal during the year	-	-	-	1,857,997
Receipt during the year	-	-	(371,599)	(442,510)
At 31 December	-	-	1,486,398	1,857,997

The "others" are sundry receivables for which an amount of N155m have been fully impaired

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
18.1 Reconciliation of impairment on other assets				
At 1 January	158,762	158,762	158,762	159,265
Charge (release) for the year (Note 6.3)	-	-	-	(503)
Impairment no longer required	-	-	-	-
At 31 December	158,762	158,762	158,762	158,762
18b Right of use Asset (Building)				
Cost				
As at 1 January	160,396	160,396	15,259	15,259
Additions	101,897	40,214	-	-
As at 31 December	262,293	200,610	15,259	15,259
Depreciation				
As at 1 January	(65,965)	(27,176)	(9,439)	(4,485)
Depreciation for the year	(39,425)	(38,789)	(5,590)	(4,954)
As at 31 December	(105,390)	(65,965)	(15,029)	(9,439)
Carrying amount as at 31 December	156,903	134,645	230	5,820

The right of use asset is on leased office building in Tunisia. The corresponding lease liabilities arising from this arrangement in line with IFRS 16 is on note 26b

19 Investment in subsidiaries

a) The Company's investment in subsidiaries is as stated below:

	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Continental Reinsurance Limited, Nairobi, Kenya	2,478,877	2,478,877
Continental Reinsurance Limited, Gaborone, Botswana	699,774	699,774
Continental Reinsurance Limited, Douala, Cameroon	2,944,458	2,944,458
	6,123,109	6,123,109
Movement in this account is as shown below:		
Opening	6,123,109	6,123,109
investment during the period	-	-
Closing	6,123,109	6,123,109

b) Nature of investments in subsidiaries 2021 and 2020

Name of entity	Nature of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by noncontrolling interests (%)
Continental Reinsurance Limited Kenya	Composite	Kenya	65	35
Continental Reinsurance Limited, Botswana	Composite	Botswana	60	40
Continental Reinsurance Limited, Douala, Cameroon	Composite	Cameroon	51	49

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Significant restrictions

There are no significant restrictions (contractual or otherwise) on the group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit/prohibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

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20 Investment properties

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
At 1, January	4,998,800	3,123,121	2,146,000	3,123,121
Addition	130,270	13,333		
Disposal	(331,400)	(260,500)	(331,400)	(2,733,021)
Fair value gain/(loss)	127,392	394,146	11,600	27,200
Transfer (to)/from owner-occupied property	-	1,728,700	-	1,728,700
At 31 December	4,925,062	4,998,800	1,826,200	2,146,000

Income generating floors of the owner-occupied property are classified as investment property since management has demonstrated legally that the portion of the building which generates rental income can be sold separately or leased out separately under a finance lease. Investment properties are measured at fair value and the value is determined by Olalekan Aboderin Consulting an independent professional valuer. There is no restriction on the realisability of the property or the remittance of income and proceeds of disposal and no contractual obligation to purchase, construct or develop the property or for repairs, maintenance or enhancements.

Below is a breakdown of investment properties showing movement during the year;

Group:

	1-Jan-21 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-21 =N='000
3 Bedroom apartment, Kubwa, FCT	8,500	-	700	9,200
17 Olosa street, Victoria Island, Lagos	1,806,100	-	10,900	1,817,000
Block 3 bed-room flats at Castle and Temple Drive, Lekki Phase	331,400	(331,400)	-	-
Mixed development property, Abidjan.	2,852,800	130,269	115,792	3,098,861
Total	4,998,799	(201,131)	127,392	4,925,062

Company

	1-Jan-21 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-21 =N='000
3 Bedroom apartment, Kubwa, FCT	8,500	-	700	9,200
17 Olosa street, Victoria Island, Lagos	1,806,100	-	10,900	1,817,000
Block 3 bed-room flats at Castle and Temple Drive, Lekki Phase	331,400	(331,400)	-	-
Total	2,146,000	(331,400)	11,600	1,826,200

20.1 List of Investment properties and carrying amount

Description	Date of acquisition	Nature of title	Location	Carrying amount
3 Bedroom apartment	2001	FHA Letter of allocation	Kubuwa, Abuja	9,200
17 Olosa street, Victoria Island, Lagos	2020	Deed of Assignment	Victoria Island, Lagos	1,817,000
Mixed development property, Abidjan.	2014	C of O	Abidjan	3,098,861
				4,925,062

All the title documents on the investment properties are in the name of the Group

The Group enters into operating leases for all of its investment properties. The rental income arising during the period ended 31 December 2021 amounted to =N=127.86 million (year ended 31 December 2020: =N=105.022 million) 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 Group has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Rental Income derived from investment properties	127,864	105,772	49,333	13,125
Gain (loss) on disposal of investment properties	48,580	-	48,580	(215,870)
Direct operating expenses (including repairs & maintenance)	(7,586)	(16,426)	(1,045)	(13,105)
Profit arising from investment properties carried at fair value	168,857	89,346	96,868	(215,850)

The proceed from sale of investment properties during the year was N403m. The book value of the disposed asset is N331m. Disposal expense of N23m was incurred resulting to a gain of N49m

	Fair value measurement using			
Date of valuation - 31 December 2021	***Quoted prices in active market Level 1 =N='000***	***Significant observable inputs Level 2 =N='000***	***Significant unobservabl e inputs Level 3 =N='000***	***Total =N='000***
Investment properties	-	-	4,925,062	4,925,062

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			
Date of valuation - 31 December 2021	***Quoted prices in active market Level 1 =N='000***	***Significant observable inputs Level 2 =N='000***	***Significant unobservabl e inputs Level 3 =N='000***	***Total =N='000***
Investment properties	-	-	4,998,800	4,998,800

During the year, there were no transfers between level 1 and level 2 and in and out of level 3.

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Investment properties-Continued

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

Olosa Property

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*
Income capitalization using DCF Analysis	Estimated rental per Square meters per annum	N110,000/sqm
	Total Square meters	1386 sqm
	Average annual growth	8.11%
	Average annual probable vacancy rate	8.2%
	Capitalisation rate (equated yield)	15.13%

Three bedroom flats

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*
Income capitalization using DCF Analysis	Estimated rental per wing per annum	=N=700,000
	Average annual growth	8.68%
	Average annual probable vacancy rate	2.8%
	Capitalisation rate (equated yield)	13.75%

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

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

20.2 Sensitivity analysis on Investment properties

	Sensitivities in capitalization rate		**Sensitivities in vacancy rate**	
Property	**Effect of 10% increase**	**Effect of 10% Decrease**	**Effect of 10% increase**	**Effect of 10% Decrease**
	=N='000	**=N='000**	**=N='000**	**=N='000**
FHA - Abuja Property, Abuja, Nigeria	7,800	10,900	9,200	9,200
17 Olosa street, Victoria Island, Lagos Property	1,612,940	2,060,723	1,800,905	1,833,670
Zone 4/C, Marcony, Abidjan, Cote d' Ivoire	2,593,455	2,593,455	-	-
	4,214,194	4,665,077	1,810,105	1,842,870

21 Intangible assets-Software

			Group	**Company**
			=N='000	**=N='000**
Cost:				
At 1 January 2020			482,664	480,450
Disposal			-	-
Additions			7,324	7,464
At 31 December 2020			489,988	487,914
Disposal			-	-
Additions			147,256	147,256
At 31 December 2021			637,244	635,170
Accumulated amortisation:				
At 1 January 2020			221,442	219,596
Disposal			-	-
Amortisation of software			136,645	136,427
At 31 December 2020			358,088	356,023
Disposal			-	-
Amortisation of software			157,685	157,677
At 31 December 2021			515,774	513,700
Carrying amount:				
At 31 December 2021	-	-	121,470	121,470
At 31 December 2020			131,899	131,890

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22 Property, plant and equipment

Group	**Freehold property =N='000**	**Building =N='000**	**Motor vehicles =N='000**	**Furniture and fittings =N='000**	**Office partitioning =N='000**	**Computer equipment =N='000**	**Building W.I.P =N='000**	**Total =N='000**
Cost:								
At 1 January 2020	1,406,297	-	406,223	183,679	68,558	149,962	2,402,043	4,616,763
Additions	-	-	90,288	188,669	159,642	47,985	674,133	1,160,716
Disposals	-		(65,848)	(74,566)	(54,130)	(16,106)	-	(210,650)
Reclassification/write-off	(434,158)	1,279,687					(3,076,176)	(2,230,647)
Exchange difference	38,796		21,492	27,312	10,206	20,857	-	118,664
At 31 December 2020	1,010,935	1,279,687	452,155	325,095	184,275	202,698	-	3,454,846
Additions	-	-	139,100	16,801	52,309	43,210	-	251,421
Disposals	-		(136,384)	(5,134)	-	(10,277)	-	(151,795)
Exchange difference	(37,886)		(23,080)	(26,671)	(9,966)	(20,368)	-	(117,971)
At 31 December 2021	973,049	1,279,687	431,791	310,091	226,618	215,263	-	3,436,501
Accumulated depreciation:								
At 1 January 2020	-	-	154,041	128,652	64,254	101,286	-	448,233
Charge for the year	-	-	124,345	25,729	10,390	29,045	-	189,509
Disposal	-	-	(57,755)	(57,196)	(45,412)	(11,837)	-	(172,200)
Exchange difference	-		(11,332)	(8,138)	(4,188)	(9,566)	-	(33,224)
At 31 December 2020	-	-	209,299	89,047	25,044	108,928	-	432,318
Charge for the year	-	25,594	89,763	33,645	19,187	31,606	-	199,795
Disposal	-	-	(90,635)	(2,855)	-	(8,824)	-	(102,314)
Exchange difference	-		10,940	7,857	4,043	9,236	-	32,075
At 31 December 2021	-	25,594	219,367	127,693	48,274	140,946	-	561,875
Net book value:								
At 31 December 2021	973,049	1,254,093	212,424	182,397	178,343	74,318	-	2,874,626
At 31 December 2020	1,010,935	1,279,687	242,856	236,048	159,231	93,769	-	3,022,526

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22 Property, plant and equipment

Company	Freehold property =N='000	Building =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Office partitioning =N='000	Computer equipment =N='000	Building W.I.P =N='000	Total =N='000
Cost:								
At 1 January 2020	434,158	-	364,331	101,742	54,131	94,381	2,402,043	3,450,785
Additions	-		38,042	170,963	150,061	24,502	674,133	1,057,700
Reclassification	(434,158)	1,279,687	-		-		(3,076,176)	(2,230,647)
Disposals	-		(65,848)	(74,566)	(54,130)	(13,325)	-	(207,869)
At 31 December 2020	-	1,279,687	336,524	198,138	150,061	105,558	-	2,069,969
Additions	-		139,100	4,249	-	17,066	-	160,415
Disposals	-		(99,883)	(3,521)	-	(9,207)	-	(112,611)
At 31 December 2021	-	1,279,687	375,741	198,866	150,061	113,416	-	2,117,774
Accumulated depreciation:								
At 1 January 2020	-	-	173,080	69,945	45,411	73,650	-	362,085
Charge for the year	-		60,756	12,319	2,925	8,967	-	84,968
Disposal	-		(57,755)	(57,196)	(45,412)	(8,975)	-	(169,338)
At 31 December 2020	-	-	176,081	25,067	2,925	73,642	-	277,715
Charge for the year	-	25,594	64,264	24,899	18,758	16,740	-	150,254
Disposal	-		(53,900)	(1,232)	-	(7,868)	-	(63,000)
At 31 December 2021	-	25,594	186,445	48,735	21,682	82,513	-	364,970
Net book value:								
At 31 December 2021	-	1,254,093	189,296	150,131	128,379	30,902	-	1,752,803
At 31 December 2020	-	1,279,687	160,444	173,071	147,136	31,917	-	1,792,256

During the year, the company disposed PPE with a carrying book value of N49.6m (cost was N113m and accumulated depreciation was N63m) at sales price of N29.3 resulting in a disposal loss of N20.4m (see note 5). An amount of N537,211 was uncollected at the end of the reporting period. The N537,211 receivables on the disposal is reported in staff loans

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		Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
23	**Statutory deposits**				
	At 31 December	1,000,000	1,000,000	1,000,000	1,000,000

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. They are measured at cost and interest is paid semi-annually with 2021 average interest rate being 3% (2020: 13%).

		Group 2021	Group 2020	Company 2021	Company 2020
24	**Insurance contract liabilities**				
	Unearned premium (Note 24.1)	25,008,822	18,230,128	10,632,412	7,003,669
	Outstanding claims (Note 24.2)	25,252,607	17,427,998	12,098,220	8,432,759
	Non-life contract liabilities	50,261,429	35,658,126	22,730,632	15,436,428
	Life (Note 24.3)	4,308,077	3,184,131	2,669,470	2,002,398
	Total insurance liabilities	54,569,505	38,842,258	25,400,102	17,438,827
	Total retrocessionaire's share of insurance liabilities (Note 16)	(16,046,934)	(9,513,117)	(6,261,679)	(4,123,793)
	Net insurance contracts	38,522,571	29,329,141	19,138,423	13,315,034
24.1	***Reserve for unearned premium-Non life***				
	At 1 January	18,230,128	18,230,128	7,003,669	7,643,564
	Increase in the year (see note 1.1)	64,736,634	48,946,889	30,394,126	23,884,908
	Portfolio transfer and premium adjustments during the period	-	1,008,450	-	(1,006,305)
	Released during the period	(57,997,535)	(50,001,380)	(26,765,383)	(23,518,498)
	Exchange difference	39,595	46,041		
	At 31 December	25,008,822	18,230,128	10,632,412	7,003,669
24.2	***Reserve for outstanding claims-Non life***				
	At 1 January	17,427,998	11,559,459	8,432,759	3,916,834
	Portfolio transfer and claims adjustments during the period	-	-	-	(1,162,734)
	Incurred in the current year including IBNR (note 2.1)	29,131,904	24,085,649	17,343,749	14,134,171
	Paid during the period	(21,345,582)	(18,259,183)	(13,678,288)	(8,455,512)
	Exchange difference	38,287	42,073		
	At 31 December	25,252,607	17,427,998	12,098,220	8,432,759
24.3	***Insurance liabilities on life business;***				
a	***Group life reserve for unearned premium***				
	At 1 January	1,345,026	1,410,205	1,307,811	1,548,523
	Change in the period	813,589	(69,282)	675,065	(51,465)
	Portfolio transfer and premium adjustments during the period			-	(189,247)
	Exchange difference	3,570	4,103		
	At 31 December	2,162,184	1,345,026	1,982,876	1,307,811
b	***Life reserve for outstanding claims***				
	At 1 January	1,839,105	1,839,105	694,587	694,587
	Claims Incurred in the year including IBNR (note 2.1)	2,912,686	2,345,890	1,496,877	2,025,585
	Portfolio transfer and claims adjustments during the period			-	(42,770)
	Claims paid during the period	(2,609,396)	(2,349,957)	(1,504,870)	(1,982,815)
	Exchange difference	3,498	4,067		
	At 31 December	2,145,893	1,839,105	686,594	694,587
	Total Insurance liabilities on life business	4,308,077	3,184,131	2,669,470	2,002,398
25	**Reinsurance creditors**				
	Due to retrocessionaires	1,760,488	1,159,624	87,942	63,119
	Due to ceding companies	2,800,691	3,058,870	1,707,908	2,343,236
		4,561,180	4,218,493	1,795,850	2,406,354

This represents the amount payable to insurance and reinsurance companies.

		Group 2021	Group 2020	Company 2021	Company 2020
26	**Other liabilities**				
	Sundry creditors (note 26.1)	54,827	149,375	46,210	73,000
	Accrued staff benefits	540,551	391,380	540,551	391,380
	Unclaimed dividend	330,991	340,051	330,991	340,051
	Rent received in advance	-	36,833	-	36,833
	Accrued expenses	305,109	254,758	206,042	157,672
	Dividend payable (Note 26.3)	23,910	23,910	23,910	23,910
	Deposit for Shares	-	-	-	-
	Intercompany balance (note 26.2)	-	-	457,430	443,026
	Others	67,863	36,553	-	49,911
		1,323,252	1,232,860	1,605,133	1,515,782
26.1	**Sundry creditors**				
	Receipt onbehalf of 3rd party	-	-	-	-
	Adjustments on portfolio transfers	-	-	-	-
	Other sundry creditors	54,827	149,375	46,210	73,000
		54,827	149,375	46,210	73,000

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
26.2 Intercompany balance				
Retrocessions arrangement payable	-	-	396,605	388,523
Payable on Douala capitalization	-	-	-	-
Other intercompany balances	-	-	60,825	54,503
	-	-	457,430	2,359,082
26.3 Dividends payable and proposed				
At 1 January	23,910	23,910	23,910	23,910
Declared during the period	-	-	-	-
Paid during the year	-	-	-	-
	23,910	23,910	23,910	23,910

Nil dividend proposed (2020: Nil).

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
26b Lease liability				
At 1 January	160,899	127,587	13,367	9,359
Additions in the year	22,247	23,162	8,395	7,472
Interest expense(release) during the year	19,434	10,149	1,009	(3,465)
At 31 December	202,580	160,899	22,772	13,367

The lease liability arose from leased office building in Tunisia. The corresponding right of use asset arising from this arrangement in line with IFRS 16 is on note 18b

27 Retirement benefit obligations				
Defined contribution scheme (Note 27.1)	-	-	-	-
Defined benefit gratuity scheme (Note 27.2)	542,746	670,301	384,408	507,614
Exchange difference	-	-	-	-
	542,746	670,301	384,408	507,614

27.1 *Defined contribution scheme*

In accordance with the provisions of the Pensions Act 2014, the Group 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 year are as follows:

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Balance at beginning of year	-	-	-	-
Provisions during the year	83,497	115,712	83,497	115,712
Transfer to Pension Fund Administrator	(83,497)	(115,712)	(83,497)	(115,712)
Balance at end of year	-	-	-	-

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.

Statement of financial position obligation for:	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
The amounts recognised in the statement of financial position are determined as follows:				
Present value of funded obligations	1,127,433	1,222,975	798,522	926,151
Fair value of plan assets	(584,687)	(552,674)	(414,114)	(418,537)
Deficit of funded plans	542,746	670,301	384,408	507,614
Liability in the consolidated statement of financial position	542,746	670,301	384,408	507,614

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

At beginning of the year	1,222,975	920,926	926,152	779,520
Service cost	124,895	(46,511)	149,638	(50,604)
Transfer to subsidiaries	-	-	-	(8,931)
Interest cost	86,023	106,907	65,559	(32,984)
Actuarial gains (losses)	154,925	476,580	112,772	419,445
Benefit paid	(461,386)	(234,927)	(455,600)	(180,295)
At the end of the year	1,127,433	1,222,975	798,522	926,152

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27.2 Retirement benefit obligations (continued)

Defined benefit staff gratuity scheme (cont'd)	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
The amounts recognised in the profit or loss are as follows:				
Current service cost	124,895	(46,511)	149,638	(50,604)
Net interest	43,467	45,427	74,405	(53,479)
Total, included in staff costs	168,362	(1,084)	224,044	(104,083)
The amounts recognised in other comprehensive income				
Re-measurement loss on net defined benefit plans	(165,469)	(502,022)	(117,196)	(452,023)
The movement in the plan assets over the year is as follows:				
Assets at fair value - opening	552,674	516,636	418,536	437,308
Interest return	42,556	61,480	(8,847)	20,495
Employer contribution	461,386	234,927	455,600	180,295
Benefit paid	(461,386)	(234,927)	(455,600)	(180,295)
Actuarial gain/(loss)	(10,543)	(25,442)	4,424	(39,267)
At end of the year	584,687	552,674	414,114	418,536
Composition of Plan assets				
Cash	93%	93%	112%	93%
Equity	7%	7%	-12%	7%
Others	0%	0%	0%	0%

Disaggregation of plan assets

The plan assets are invested in quoted equities and cash and cash equivalents. The following show the disaggregation of the plan assets.

Plan assets by	Fair value hierarchy 31 December 2021			
	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total =N='000
Quoted equity	42,331	-	-	42,331
Cash and cash equivalents	-	542,356	-	542,356
Receivables	-	-	-	-
Total	42,331	542,356	-	584,687
				-

Plan assets by	Fair value hierarchy 31 December 2020			
	Level 1 =N='000	Level 2 =N='000	Level 3 =N='000	Total =N='000
Quoted equity	40,014	-	-	40,014
Cash and cash equivalents	-	512,660	-	512,660
Receivables	-	-	-	-
Total	40,014	512,660	-	552,674

The fair value of plan assets at the end of the reporting period is analysed as follows:

	Group		Company	
	31-Dec-21 =N='000	31-Dec-20 =N='000	31-Dec-21 =N='000	31-Dec-20 =N='000
Cash and cash equivalents	542,356	512,660	462,195	436,889
Quoted equity				
Consumer goods	2,117	2,001	1,804	1,705
Conglomerates	1,693	1,601	1,443	1,364
Financial services	38,522	36,412	-51,328	-21,422
Subtotal	42,332	40,014	-48,082	-18,353
Loans and receivables	-	-	-	-
Total	**584,687**	**552,674**	**414,112**	**418,536**

The fair values of the above equity are determined based on quoted market prices in active markets .
The loan and receivable represents the dividend income paid into the bank of the company that will be refunded to the plan assets .

The actual return on plan assets was NGN32.02 million (2020: NGN36.038 million)

27.2 Retirement benefit obligations (continued)

	Group 31 December 2021	Group 31 December 2020	Company 31 December 2021	Company 31 December 2020
The principal actuarial assumptions were as follows:				
Average long term discount rate (p.a.)	12.9%	7.7%	12.9%	7.7%
Average long term rate of inflation (p.a.)	10%	10%	10%	10%
Average long term pay increase (p.a.)	5%	5%	5%	5%

It is important to treat the results of the valuation with a degree of caution, as they are extremely sensitive to the assumptions used.

The valuation results set out above are based on a number of assumptions. The value of the liability could turn out to be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted.

We recalculated the liability to show the effect of:

i) the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate;
ii) the salary increase rate assumption on the defined benefit obligation by adding and subtracting 1% to the salary increase rate; and
iii) the mortality assumption on the defined benefit obligation by adding and subtracting 1 year to the age rating.

A quantitative sensitivity analysis for significant assumption on the group's retirement benefit obligations as at 31 December 2021 is as shown below:

		Discount rate	Salary	Mortality
Assumptions				
Sensitivity level		=N='000	=N='000	=N='000
Impact on defined benefit obligation	+1%	1,075,360	1,186,220	1,130,117
Impact on defined benefit obligation	-1%	1,182,525	1,071,037	1,125,014

Assets Volatility

The plan liabilities are calculated using a discount rate set with reference to Federal Government Bond yields. If the plan assets underperform this yield, this will create a deficit. As the plans mature, the group intends to reduce the level of investment risk by investing more in asset such that changes in the value of the assets closely match the movement in the fund's liabilities. There remains the residual risk that the selected portfolio does not match the liabilities closely enough or that as it matures there is a risk of not being able to reinvest the assets at the assumed rates. Management reviews the structure of the portfolio on a regular basis to minimize these risks.

Changes in Bond Yields
A decrease in Federal bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation.

Inflation Risk
The plan benefit obligations are linked to inflation, and higher inflation lead to higher liabilities. However, majority of the plan assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

28 Share capital

	=N='000	=N='000	=N='000	=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				
12,517,204,331 ordinary shares of 50k each	6,258,602	6,258,602	6,258,602	6,258,602

29 Share premium

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
At 31 December	8,204,371	8,204,371	8,204,371	8,204,371

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:

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Non - Life	7,833,214	6,883,282	7,077,565	6,165,741
Life	436,102	390,783	430,985	385,666
Total	8,269,316	7,274,065	7,508,549	6,551,407

Movement in this account is as shown below:

At 1, January	7,274,065	6,264,958	6,551,407	5,796,452
Addition during the year	995,251	1,009,106	957,142	754,955
At 31 December	8,269,316	7,274,065	7,508,549	6,551,407

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31 Retained earnings:

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

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

In 2013 financial year, Britam Asset Managers (BAM) invested in Continental Reinsurance Limited, Kenya (CRe Limited, Kenya); subsidiary of Continental Reinsurance Plc (CRe Plc), through capital injection. This was to fulfill regulatory requirement of minimum 30% local shareholding.

In 2014,Continental Reinsurance Plc and Botswana Insurance Company Limited co-founded Continental Reinsurance Limited, Botswana, this led to Continental Reinsurance Plc having shareholding of 60% and Botswana Insurance Company Limited 40% in Continental Reinsurance Limited, Botswana.

In 2018, Continental Reinsurance Plc and C.Re Holdings Limited, Mauritius co-founded Continental Reinsurance Limited, Cameroon, this led to Continental Reinsurance Plc having shareholding of 51% and C.Re Holdings Limited 49% in Continental Reinsurance Limited, Cameroon.

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

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000	Total =N='000
At 1 January 2021	2,607,358	2,699,756	1,608,851	6,915,965
Capital refund-preference shares	-	-	-	-
Profit for the period	565,710	761,693	317,116	1,644,519
Difference on foreign currency translation	(19,887)	115,455	23,493	119,061
Other comprehensive income;				-
Available for sale remeasurement	-	(144)	-	(144)
Remeasurement of retirement benefits obligations	(3,243)	(4,633)	(4,633)	(12,510)
At 31 December	3,149,938	3,572,127	1,944,827	8,666,893

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

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000	Total =N='000
At 1 January 2020	2,024,147	2,280,337	2,694,910	6,999,394
Capital injection-preference shares	-	-	-1,642,072	-1,642,072
Profit for the period	254,935	482,373	487,471	1,224,779
Difference on foreign currency translation	338,116	(48,699)	82,599	372,017
Other comprehensive income;				-
Available for sale remeasurement	-	(198)	-	-198
Remeasurement of retirement benefits obligations	(9,840)	(14,057)	(14,057)	(37,952)
At 31 December	2,607,358	2,699,756	1,608,851	6,915,967

33a Condensed results of consolidated entities

The condensed financial data of the consolidated entities as at 31 December 2021, are as follows:

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000
Condensed statement of profit or loss and other comprehensive income			
Revenue	**6,604,029**	**20,202,582**	**8,469,258**
Profit before income tax	1,213,982	2,989,341	1,014,854
Income tax	(59,472)	(813,075)	(222,065)
Profit after tax	**1,154,510**	**2,176,266**	**792,789**
Condensed statement of financial position			
Cash and cash equivalents	2,789,347	1,750,184	2,233,486
Financial assets			
-Financial asset designated as fair value through profit or loss	-	-	-
-Loans and other receivables	75,508	6,866	7,033
-Available-for-sale investments	-	20,590	-
-Held to maturity investments	1,072,989	10,998,328	924,509
Reinsurance receivables	4,948,372	9,182,859	4,923,089
Retrocession assets	3,128,939	3,006,991	3,649,325
Deferred acquisition costs	559,997	1,816,829	1,110,504
Other assets	527,392	114,012	295,224
Right of use of Asset	-	138,503	18,170
Investment properties	3,098,862	-	-
Property, plant and equipment	1,019,415	74,896	27,512
Statutory deposits			
Total assets	**17,220,821**	**27,110,058**	**13,188,852**
Liabilities			
Insurance contract liabilities	6,943,715	15,289,015	6,936,672
Reinsurance creditors	1,092,783	733,927	938,619
Other liabilities	2,611,220	162,992	420,678
Lease liability	-	162,346	17,463
Retirement benefit obligations	72,284	59,928	26,126
Current income tax payable	60,462	624,351	95,497
Deferred tax liabilities	11,911	(128,576)	(108,270)
Equity	6,428,446	10,206,076	4,862,069
Total liabilities and equity	**17,220,821**	**27,110,058**	**13,188,854**
Cashflows from operating activities	(1,281,316)	4,302,311	(1,301,340)
Cashflows from investing activities	54,231	(2,771,017)	(1,733,623)
Cashflows from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	(1,227,085)	1,531,294	(3,034,963)
Cash and cash equivalent, beginning of year	723,826	2,382,849	1,237,401
Cash and cash equivalent, end of year	**(503,259)**	**3,914,143**	**(1,797,560)**

The condensed financial data of the consolidated entities as at 31 December 2020, are as follows:

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000
Condensed statement of profit or loss and other comprehensive income			
Revenue	**5,708,184**	**12,710,501**	**7,004,710**
Profit before income tax	640,304	1,932,147	1,564,255
Income tax	(120,028)	(553,937)	(345,578)
Profit after tax	**520,276**	**1,378,210**	**1,218,677**
Condensed statement of financial position			
Cash and cash equivalents	4,266,306	1,310,115	1,964,685
Financial assets			
-Financial asset designated as fair value through profit or loss	-	-	-
-Loans and other receivables	100,483	23,054	13,782
-Available-for-sale investments	-	35,783	-
-Held to maturity investments	262,968	6,873,848	1,042,376
Reinsurance receivables	3,122,151	6,630,361	4,750,430
Retrocession assets	1,285,223	2,025,897	2,078,204
Deferred acquisition costs	534,330	1,232,308	1,238,303
Other assets	588,597	10,599	637,403
Right of use of Asset	-	95,923	32,902
Investment properties			-
Intangible assets	-	-	-
Property, plant and equipment	1,185,720	23,227	21,323
Statutory deposits			
Total assets	**11,345,778**	**18,261,115**	**11,779,408**
Liabilities			
Insurance contract liabilities	5,389,336	10,000,877	6,013,217
Reinsurance creditors	345,852	205,731	1,260,556
Other liabilities	2,924,507	79,895	422,605
Lease liability	-	114,518	33,013
Retirement benefit obligations	77,826	73,799	11,061
Current income tax payable	127,958	7,812	63,821
Deferred tax liabilities	11,967	64,899	(46,995)
Equity	5,321,140	7,713,588	4,022,129
Total liabilities and equity	**14,198,586**	**18,261,119**	**11,779,407**
Cashflows from operating activities	(2,255,399)	1,482,433	(124,858)
Cashflows from investing activities	1,698,549	(129,985)	(324,959)
Cashflows from financing activities	-	-	(1,788,867)
Net increase/(decrease) in cash and cash equivalents	(556,850)	1,352,448	(2,238,685)
Cash and cash equivalent, beginning of year	1,280,676	1,030,401	3,476,085
Cash and cash equivalent, end of year	**723,826**	**2,382,849**	**1,237,401**

34 Reconciliation of profit before taxation to net cash generated by operating activities

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Profit before income tax expense	6,666,790	4,827,015	1,457,298	1,552,080
Adjustments for:				
- Depreciation and amortization (Note 6.1)	357,480	326,153	307,939	221,254
-increase in provision for bad and doubtful balances (note 6.3)	178,264	566,379	(80,266)	425,532
– Profit on disposal of investments	(2,546)	(269,381)	(2,546)	(269,381)
–commission income on retro and unamortized retro cost	(1,095,279)	(230,243)	(1,095,276)	(244,236)
– Interest income	(2,507,382)	(1,980,858)	(1,276,381)	(900,594)
– Dividend received	(32,380)	(102,543)	(32,380)	(1,008,721)
–unrealised foreign exchange gain	(1,048,508)	(722,202)	(820,517)	(363,760)
–Fair value loss on investment property and financial assets designated at fair value	(127,392)	(394,146)	(11,600)	(27,200)
Changes in operating assets/liabilities				
–Reinsurance debtors	(2,924,374)	(5,844,642)	(400,174)	(1,161,115)
–Prepayments and other assets	369,746	(352,895)	302,935	(1,145,866)
–Retrocession assets	(6,533,816)	(815,079)	(2,137,886)	68,165
–Reinsurance creditors and other liabilities	883,238	831,650	(69,953)	2,420,994
–Deferred acquisition costs	(1,642,196)	180,941	(1,159,807)	759,734
–Provision for unexpired risks	7,595,852	1,405,974	4,303,808	(880,607)
–Outstanding claims	3,815,174	4,596,667	3,657,468	1,726,531
–Retirement benefit obligations	(127,555)	266,011	(123,206)	165,402
Income tax paid (Note 8)	(692,712)	(1,320,000)	(178,820)	(259,936)
Net cash generated from operating activities	3,132,405	968,803	2,640,636	1,078,276

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

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Cash in hand	621	1,664	154	383
Balances held with other banks:				
- Current account	845,148	1,691,236	246,656	432,689
- Domiciliary account	284,756	595,847	284,756	595,847
Balances held with foreign banks	1,495,007	1,157,782	1,495,007	1,157,782
- Placements with banks and other financial institutions with original maturity < 90 days	13,614,277	15,568,586	7,440,220	9,287,309
Treasury bills	56,026	-	56,026	-
	16,295,837	19,015,115	9,522,819	11,474,010

35.1 Reconciliation of Cash and cash equivalents for purposes of statement of cashflows and Statement of financial

Cash and cash equivalent in cash flows (note 35)	16,295,837	19,015,116	9,522,819	11,474,010
Add items in Statement of financial position not in Cashflows;				
Placement with original maturity more than 90 days	-	-	-	-
Less items in Cashflows not in statement of financial position;				
Treasury bills with original maturity less than 90 days	(56,026)	-	(56,026)	-
Cash and cash equivalent in statement of financial position (note 11)	16,239,808	19,015,116	9,466,791	11,474,010

36 Related parties

The group is controlled by C-Re holdings Ltd (incorporated in Mauritius), the major shareholder of the group parent company, C-Re Africa Investment Limited (incorporated in Mauritius)

a Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates as well as key management personnel.

b Transactions with key management personnel

The group's key management personnel, and persons connected with them are also considered to be related parties. The definition of key management includes close members of family of key personnel and any entity over which they exercise control. The key management have been identified as executive and non executive directors of the group as well as their close family members.

c *Transaction with related parties*

Name of related party and relationship	Nature of transactions	Due from/ due to		Income (expense)	
		Dec. 2021 =N='000	Dec. 2020 =N='000	Dec. 2021 =N='000	Dec. 2020 =N='000
Salam/Saham group and related companies	Premium	392,311	547,085	544,071	444,024
		-	-		
Salam/Saham group and related companies	Acquistion cost	-	-	(163,221)	(97,685)
		-	-		
Salam/Saham group and related companies	Claims	(188,906)	(1,576)	(167,621)	(342,167)
		203,405	545,509	213,229	4,171

Loans and advances to related parties

The following facilities were due from the Managing Director (MD)/Chief Executive Officer and Executive Director (ED) at the end of the year:

	MD =N='000	ED =N='000	2021 =N='000	2020 =N='000
Mortgage loan	-	-	-	-
Personal loan	21,857	-	21,857	2,250
	21,857	-	21,857	2,250

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. The personal loan is salary advance

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 (2020: Nil).

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36 Related party transactions (continued)

Compensation of key management personnel

The summary of compensation of key management personnel for the year is , as follows:

Short-term employee benefits:	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Salaries and allowances	851,663	769,837	695,421	507,452
Post employment benefits:				
Gratuity benefits paid	284,342	85,488	284,342	85,488
Pension contribution	79,001	70,584	62,349	70,584
	1,215,006	**925,909**	**1,042,112**	**663,524**

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

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Short term employee benefits	288,872	353,357	288,872	353,357
Post employment benefits:				
Gratuity benefits paid	-	-	-	-
Pension contribution	7,707	8,660	7,707	8,660
	296,579	362,016	296,579	362,016

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	5	5	-	-
=N=7,000,001 - =N=10,000,000	7	7	6	7
=N=10,000,001 and above	2	3	3	3
	14	15	9	10

37 Contingencies and commitments

Contingent liabilities
There were no contingent liabilities at the end of the year (2020: Nil).

Capital commitment and operating leases
There were no capital commitments at the end of the year (2020: Nil).

38 Compliance with regulatory bodies

Penalties:	**2021 =N='000**	**2020 =N='000**
The Company contravened certain sections of the Financial Reporting Council of Nigeria (FRCN) Act 2011	5,000	-
	5,000	-

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 2021 or the profit for the year then ended that have not been adequately provided for or disclosed.

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40 Admissible assets

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

	Non-life		Life	
	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents:				
Cash and bank balances	-			
Bank placements	6,786,941		312,265	
Total cash and cash equivalents		6,786,941		312,265
Investment properties		1,817,000		9,200
Retrocession assets	-	6,025,825	-	235,853
Investment securities:				
Quoted equities	417,190		174,943	
Corporate Bonds	1,732,022		-	
Government bonds and treasury bills	7,562,273		1,941,369	
Total investment securities		9,711,486		2,116,312
Total assets representing insurance contract liabilities		24,341,252		2,673,631
Total insurance contract liabilities		22,730,632		2,669,470
Excess of assets over liabilities		1,610,620		4,161
		107%		**100%**

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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 reassurance premium and becomes fully earned after the year of cover.

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

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

The Executive board 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.

Group 31 December 2021	Notes	Life insurance =N='000	Non-life insurance =N='000	Total segments =N='000
Gross Premium	1.1	5,648,442	64,736,634	70,385,076
Change in Reserve for unearned premium	24.3	(813,589)	(5,400,355)	(6,213,944)
Earned premium income	1.1	4,834,854	59,336,279	64,171,132
Less: Retrocession costs		(561,833)	(13,846,198)	(14,408,031)
Net insurance premium revenue	1.2	4,273,021	45,490,080	49,763,101
Commission earned under retrocession arrangements		220,775	3,513,010	3,733,785
Underwriting income		4,493,796	49,003,090	53,496,886
Expenses				
Gross claims paid		2,609,396	18,736,186	21,345,582
Change in Reserve for outstanding claims		294,250	7,530,359	7,824,609
Ceded Outstanding Claims Reserve		18,551	2,855,849	2,874,400
Claims incurred	2.1	2,922,197	29,122,394	32,044,591
Retrocession recoveries	2.1	(266,083)	(5,513,656)	(5,779,740)
Net claims incurred	2.1	2,656,114	23,608,739	26,264,851
Underwriting expenses:				
Acquisition and maintenance cost		1,474,422	16,387,958	17,862,380
Depreciation and amortisation	6.2	57,412	300,068	357,480
Management expenses		390,329	4,593,418	4,983,747
		1,922,163	21,281,444	23,203,607
Underwriting profit		(84,481)	4,112,908	4,028,428
Investment and other income		221,690	3,475,384	3,697,073
Foreign exchange gain	5.1	17,648	1,124,925	1,142,574
Administrative expenses	6.2	(195,145)	(1,827,877)	(2,023,022)
Impairment of assets	6	26,895	(205,159)	(178,264)
Results of operating activities		(13,394)	6,680,180	6,666,789
Income tax expense	8	(2,431)	(1,215,533)	(1,217,964)
Profit for the year		(15,825)	5,464,647	5,448,825
Segment assets		2,673,631	103,135,086	105,808,717
Segment liabilities		2,669,470	59,909,185	62,578,655

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Group 31 December 2020		Life insurance =N='000	Non-life insurance =N='000	Total segments =N='000
Gross Premium	1.1	4,690,027	48,946,889	53,636,916
Change in Reserve for unearned premium	24.3	69,282	(1,425,111)	(1,355,829)
Earned premium income	1.1	4,759,309	47,521,778	52,281,087
Less: Retrocession costs		(892,285)	(12,396,916)	(13,289,201)
Net insurance premium revenue	1.2	3,867,024	35,124,862	38,991,886
Commission earned under retrocession arrangements		330,746	2,955,964	3,286,710
Underwriting income		4,197,770	38,080,826	42,278,596
Expenses				
Gross claims paid		2,344,946	15,914,237	18,259,183
Change in Reserve for outstanding claims		55,363	5,813,176	5,868,539
Ceded Outstanding Claims Reserve		(54,419)	2,358,237	2,303,818
Claims incurred	2.1	2,345,890	24,085,650	26,431,540
Retrocession recoveries	2.1	(251,717)	(5,728,176)	(5,979,893)
Net claims incurred	2.1	2,094,174	18,357,474	20,451,647
Underwriting expenses:				
Acquisition and maintenance cost		1,543,380	12,851,797	14,395,177
Depreciation and amortisation	6.2	43,461	282,692	326,153
Management expenses		459,642	3,906,922	4,366,564
		2,046,482	17,041,412	19,087,894
Underwriting profit		57,114	2,681,941	2,739,055
Underwriting profit/(loss) brought forward		57,114	2,681,941	2,739,055
Investment and other income		205,268	2,870,869	3,076,137
Foreign exchange gain	5.1	16,341	772,938	789,280
Administrative expenses	6.2	(180,689)	(1,030,390)	(1,211,079)
Impairment of assets	6.3	(20,721)	(545,658)	(566,379)
Results of operating activities		77,311	4,749,701	4,827,013
Income tax expense	8	(293)	(1,399,463)	(1,399,756)
Profit for the year		77,018	3,350,238	3,427,257
Segment assets		2,267,858	81,487,963	83,755,821
Segment liabilities		2,002,398	44,266,517	46,268,915

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Notes to the consolidated and separate financial statements-continued

Company	**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
31 December 2021			
Gross Premium	4,531,862	30,394,126	34,925,988
Change in Reserve for unearned premium	(675,065)	(3,628,742)	(4,303,807)
Earned premium income	3,856,797	26,765,384	30,622,181
Less: Retrocession costs	(459,423)	(4,167,923)	(4,627,346)
Net insurance premium revenue	3,397,374	22,597,461	25,994,835
Commission earned under retrocession arrangements	174,789	799,402	974,191
Underwriting income	3,572,163	23,396,863	26,969,026
Expenses			
Gross claims paid	1,504,870	12,173,418	13,678,288
Change in Reserve for outstanding claims	(7,993)	5,795,253	5,787,260
Ceded Outstanding Claims Reserve	9,510	(634,433)	(624,922)
Claims incurred	1,506,387	17,334,239	18,840,626
Retrocession recoveries	(180,584)	(2,971,478)	(3,152,062)
Net claims incurred	1,325,803	14,362,761	15,688,564
Underwriting expenses:			
Acquisition and maintenance cost	1,264,512	6,795,200	8,059,712
Depreciation and amortisation	39,259	268,680	307,939
Management expenses	341,823	2,259,300	2,601,123
	1,645,594	9,323,180	10,968,773
Underwriting profit	600,766	(289,077)	311,690
Investment and other income	134,716	1,317,916	1,452,632
Foreign exchange gain	15,465	899,120	914,585
Administrative expenses	(119,593)	(1,182,280)	(1,301,873)
Impairment of assets	9,918	70,348	80,266
Results of operating activities	641,273	816,027	1,457,300
Income tax expenses	(2,123)	(121,229)	(123,352)
Profit for the year	639,150	694,799	1,333,948
Segment Assets	2,673,631	24,341,252	27,014,882
Segment liabilities	2,669,470	22,730,632	25,400,102

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Company	**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
31 December 2020			
Gross Premium	3,840,651	23,884,908	27,725,559
Change in Reserve for unearned premium	51,465	(366,410)	(314,945)
Earned premium income	3,892,116	23,518,498	27,410,614
Less: Retrocession costs	(499,719)	(5,159,122)	(5,658,841)
Net insurance premium revenue	3,392,397	18,359,376	21,751,773
Commission earned under retrocession arrangements	158,299	947,771	1,106,070
Underwriting income	3,550,696	19,307,147	22,857,843
Expenses			
Gross claims paid	1,904,100	8,549,093	10,453,194
Change in Reserve for outstanding claims	121,485	5,293,379	5,414,864
Ceded Outstanding Claims Reserve	55,705	(634,433)	(578,728)
Claims incurred	2,081,290	13,208,040	15,289,330
Retrocession recoveries	(228,492)	(2,384,452)	(2,612,944)
Net claims incurred	1,852,798	10,823,588	12,676,386
Underwriting expenses:			
Acquisition and maintenance cost	1,290,745	6,173,019	7,463,764
Depreciation and amortisation	37,390	183,864	221,254
Management expenses	334,985	2,154,352	2,489,337
	1,663,119	8,511,236	10,174,354
Underwriting profit	34,780	(27,676)	7,104
Investment and other income	123,593	2,403,894	2,527,487
Foreign exchange gain	14,188	403,139	417,327
Administrative expenses	(109,718)	(864,588)	(974,306)
Impairment of assets	(14,808)	(410,724)	(425,532)
Results of operating activities	48,035	1,504,046	1,552,080
Income tax expenses	(293)	(379,920)	(380,213)
Profit for the year	47,742	1,124,127	1,171,867
Segment Assets	2,267,858	18,959,016	21,226,875
Segment liabilities	2,002,398	15,436,429	17,438,827

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The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2021 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
Group									
Gross premium	26,947,492	2,455,192	22,241,773	4,422,008	7,978,496	8,067,032	72,111,993	(1,726,918)	70,385,076
Change in reserve for unearned premium	(3,712,818)	(30,644)	(2,039,191)	(242,527)	(590,989)	402,226	(6,213,943)	-	(6,213,944)
Earned premium income	23,234,674	2,424,547	20,202,582	4,179,482	7,387,507	8,469,258	65,898,050	(1,726,918)	64,171,132
Retrocession costs	(3,813,421)	(950,411)	(3,802,515)	(1,796,139)	(813,925)	(4,958,538)	(16,134,949)	1,726,918	(14,408,031)
Net insurance premium revenue	19,421,253	1,474,136	16,400,067	2,383,343	6,573,582	3,510,720	49,763,101	-	49,763,101
Commission earned under retrocession arrangements	880,305	96,359	776,487	444,913	93,886	1,441,835	3,733,785		3,733,785
Underwriting income	20,301,557	1,570,495	17,176,554	2,828,256	6,667,468	4,952,555	53,496,886	-	53,496,886
Expenses									
Gross claims incurred	14,904,639	1,040,356	7,964,714	2,243,812	3,935,987	2,665,082	32,754,590	(709,999)	32,044,591
Retrocession recoveries	(3,023,317)	(803,480)	(190,547)	(846,832)	(128,745)	(1,496,818)	(6,489,739)	709,999	(5,779,740)
Net claims incurred	11,881,321	236,876	7,774,167	1,396,979	3,807,242	1,168,264	26,264,851	-	26,264,851
Underwriting expenses:									
Acquisition and maintenance cost	6,265,313	608,843	5,908,032	959,520	1,794,400	2,326,273	17,862,381	-	17,862,380
Depreciation and amortisation	300,511	18,039	12,139	27,158	7,428	6,657	371,932	(14,452)	357,480
Management expenses	1,937,643	388,326	1,077,168	347,948	663,480	554,729	4,969,294	14,452	4,983,747
	8,503,468	1,015,208	6,997,339	1,334,626	2,465,306	2,887,659	23,203,607	-	23,203,606
Underwriting profit	(83,232)	318,412	2,405,048	96,650	394,920	896,632	4,028,428	-	4,028,430
Investment Income & other income	1,395,561	836,519	1,121,397	124,520	57,071	162,004	3,697,071	-	3,697,072
Foreign exchange gain/(loss)	914,585	(5,926)	96,758	(693)	-	146,535	1,151,259	(8,685)	1,142,574
Administrative expenses	(1,004,473)	(128,713)	(352,647)	(118,812)	(297,400)	(120,977)	(2,023,023)	-	(2,023,022)
Impairment of financial assets	64,180	(322,905)	(281,217)	414,932	16,086	(69,340)	(178,264)	-	(178,264)
Results of operating activities	1,286,621	697,386	2,989,339	516,597	170,678	1,014,854	6,675,471	(8,685)	6,666,790
Income tax expenses	(106,584)	(55,050)	(813,075)	(4,422)	(16,768)	(222,065)	(1,217,964)	-	(1,217,964)
Profit for the year	1,180,036	642,336	2,176,264	512,175	153,910	792,789	5,457,507	(8,685)	5,448,826
Segment assets	57,888,868	17,220,821	27,110,058	-	-	13,188,852	115,408,599	(9,599,880)	105,808,718
Segment liabilities	30,032,280	10,792,375	16,903,985	-	-	8,326,785	66,055,425	(3,476,770)	62,578,655

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The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2020 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
Group									
Gross premium	22,451,503	2,511,204	13,078,903	2,889,330	5,274,056	7,984,842	54,189,838	(552,923)	53,636,916
Change in reserve for unearned premium	(319,324)	(228,887)	(368,402)	536,537	4,380	(980,132)	(1,355,828)	-	(1,355,829)
Earned premium income	22,132,179	2,282,317	12,710,501	3,425,867	5,278,436	7,004,710	52,834,010	(552,923)	52,281,087
Retrocession costs	(4,759,379)	(1,019,777)	(2,774,167)	(1,421,837)	(899,462)	(2,967,502)	(13,842,124)	552,923	(13,289,201)
Net insurance premium revenue	17,372,800	1,262,540	9,936,334	2,004,030	4,378,974	4,037,208	38,991,886	-	38,991,887
Commission earned under retrocession arrangements	1,024,671	174,990	987,642	306,751	81,399	711,257	3,286,710		3,286,710
Underwriting income	18,397,470	1,437,530	10,923,976	2,310,782	4,460,373	4,748,465	42,278,596	-	42,278,597
Expenses									
Gross claims incurred	12,045,166	853,948	6,105,778	2,746,451	3,244,164	1,483,380	26,478,887	(47,347)	26,431,540
Retrocession recoveries	(1,961,310)	(419,522)	(962,912)	(1,640,987)	(651,634)	(390,875)	(6,027,240)	47,347	(5,979,893)
Ceded outstanding claims reserve							-	-	-
Claims incurred	10,083,856	434,427	5,142,866	1,105,463	2,592,530	1,092,505	20,451,647	-	20,451,647
Retrocession recoveries							-	-	-
Net claims incurred	10,083,856	434,426	5,142,866	1,105,463	2,592,529	1,092,505	20,451,647	-	20,451,647
Underwriting expenses:									
Acquisition and maintenance cost	6,069,532	590,425	3,663,271	693,691	1,394,233	1,984,027	14,395,179	-	14,395,178
Depreciation and amortisation	214,562	50,848	30,329	24,466	6,692	-745	326,153	-	326,153
Management expenses	1,980,410	270,135	811,315	281,889	508,927	513,886	4,366,562	-	4,366,563
	8,264,505	911,409	4,504,915	1,000,046	1,909,850	2,497,168	19,087,894	-	19,087,893
Underwriting profit	49,110	91,695	1,276,195	205,272	(42,006)	1,158,792	2,739,055	-	2,739,057
Investment Income & other income	2,484,398	549,676	813,296	144,458	43,089	94,818	4,129,735	(1,053,600)	3,076,136
Foreign exchange gain/(loss)	417,327	4,915	196,542	5,655	-	336,303	960,742	(171,462)	789,280
Administrative expenses	(788,970)	(107,698)	(296,332)	(99,413)	(185,336)	(96,622)	(1,574,372)	363,292	(1,211,079)
Impairment of financial assets	(522,337)	(71,728)	(57,556)	(82,527)	96,805	70,964	(566,379)	-	(566,379)
Results of operating activities	1,639,528	466,860	1,932,145	173,444	(87,448)	1,564,255	5,688,780	(861,770)	4,827,015
Income tax expenses	(307,888)	(118,021)	(553,937)	(2,007)	(72,325)	(345,578)	(1,399,756)	-	(1,399,756)
Profit for the year	1,331,640	348,839	1,378,208	171,437	(159,774)	1,218,677	4,289,024	(861,770)	3,427,259
Segment assets	49,349,754	14,198,586	18,261,115	-	-	11,779,408	93,588,863	(9,833,040)	83,755,822
Segment liabilities	22,796,587	8,877,446	10,547,532	-	-	7,757,278	49,978,843	(3,709,930)	46,268,913

42 Capital Management

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.

42.1 Solvency Margin

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 N10billion and
(b) maintain a minimum ratio of either 15% of net premium or the amount of minimium capital requirement whichever is higher.

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

43 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.

43.1 Management of Insurance risk

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

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

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

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

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

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

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

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

Insurance Risk By Region Group	Gross written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
31 December 2021					
Anglophone west	25,220,574	(3,813,420.9)	21,407,154	36%	26%
Eastern Africa	22,241,773	(3,802,515.0)	18,439,258	32%	26%
Southern Africa	8,067,032	(3,231,620.3)	4,835,412	11%	22%
Central Africa	2,455,192	(950,411.2)	1,504,780	3%	7%
Northern Africa	7,978,496	(813,925.1)	7,164,571	11%	6%
Francophone West	4,422,008	(1,796,138.8)	2,625,871	6%	12%
Total	**70,385,075**	**(14,408,031)**	**55,977,045**	**100**	**100**
31 December 2020					
Anglophone west	22,451,503	(4,998,909.3)	17,452,593	32%	37%
Eastern Africa	13,078,903	(2,774,166.8)	10,304,737	19%	21%
Southern Africa	7,431,919	(2,414,579.7)	5,017,339	11%	18%
Central Africa	2,511,205	(1,019,776.7)	1,491,428	4%	8%
Northern Africa	5,274,056	(899,462.2)	4,374,594	7%	7%
Francophone West	2,889,330	(1,421,836.8)	1,467,494	4%	11%
Total	**53,636,916**	**(13,528,732)**	**40,108,185**	**100%**	**100%**

43.1 Management of Insurance risk (continued)

	Gross written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
Company					
31 December 2021					
Anglophone west	25,220,574	(3,813,421)	21,407,154	72%	72%
Eastern Africa	-	-	-	0%	0%
Southern Africa	1,726,918	(690,767)	1,036,151	5%	13%
Central Africa	-	-	-	0%	0%
Northern Africa	7,978,496	(813,925)	7,164,571	23%	15%
Francophone West	-	-	-	0%	0%
Total	**34,925,988**	**(5,318,113)**	**29,607,874**	**100%**	**100%**
31 December 2020					
Anglophone west	22,451,503	(4,998,909)	17,452,593	64%	85%
Eastern Africa	-	-	-	0%	0%
Southern Africa	-	-	-	0%	0%
Central Africa	-	-	-	0%	0%
Northern Africa	5,274,056	(899,462)	4,374,594	15%	15%
Francophone West	-	-	-	0%	0%
Total	**27,725,560**	**(5,898,372)**	**21,827,187**	**79%**	**100%**

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

Insurance Risk By Class Group	Gross Written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
31 December 2021					
Accident	15,726,247	(2,261,805)	13,464,441	22%	15%
Energy	3,415,777	(1,009,280)	2,406,497	5%	7%
Fire	26,733,219	(6,844,472)	19,888,746	38%	44%
Group Life	5,439,736	(536,788)	4,902,948	8%	3%
Individual Life	208,706	(25,045)	183,661	0%	0%
Liability	4,542,460	(818,082)	3,724,379	6%	5%
Engineering	8,309,200	(2,440,884)	5,868,316	12%	16%
Agriculture	1,348,931	(715,402)	633,529	2%	5%
Marine	4,660,800	(796,885)	3,863,915	7%	5%
Total	**70,385,076**	**(15,448,644)**	**54,936,432**	**100%**	**100%**
31 December 2020					
Accident	9,019,966	(2,869,282)	6,150,684	17%	21%
Energy	3,048,344	(1,233,868)	1,814,475	6%	9%
Fire	22,377,841	(5,539,481)	16,838,360	42%	41%
Group Life	4,450,561	(838,705)	3,611,857	8%	6%
Individual Life	239,465	(28,736)	210,730	0%	0%
Liability	2,764,863	(627,766)	2,137,097	5%	5%
Engineering	6,647,696	(1,085,531)	5,562,165	12%	8%
Agriculture	984,079	(341,783)	642,296	2%	3%
Marine	4,104,100	(963,580)	3,140,521	8%	7%
Total	**53,636,916**	**(13,528,732)**	**40,108,184**	**100%**	**100%**

	Gross Written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
Company					
31 December 2021					
Accident	3,791,012	(1,265,259)	2,525,753	11%	22%
Energy	3,391,013	(999,784)	2,391,229	10%	17%
Fire	13,986,342	(1,377,504)	12,608,838	40%	24%
Group Life	4,324,467	(489,199)	3,835,268	12%	9%
Individual Life	207,395	(24,887)	182,508	1%	0%
Liability	1,083,581	(70,530)	1,013,051	3%	1%
Engineering	4,153,551	(497,444)	3,656,107	12%	9%
Agriculture	810,342	(565,478)	244,864	2%	10%
Marine	3,178,285	(432,538)	2,745,748	9%	8%
Total	**34,925,988**	**(5,722,622)**	**29,203,367**	**100%**	**100%**
Company					
31 December 2020					
Accident	2,667,196	(1,134,764)	1,532,432	10%	22%
Energy	2,984,574	(1,209,339)	1,775,235	11%	23%
Fire	10,037,546	(1,209,339)	8,828,207	36%	23%
Group Life	3,648,619	(437,834)	3,210,784	13%	8%
Individual Life	192,033	(23,044)	168,989	1%	0%
Liability	528,699	(253)	528,446	2%	0%
Engineering	3,959,034	(281,042)	3,677,991	14%	5%
Agriculture	681,884	(271,881)	410,003	2%	5%
Marine	3,025,976	(674,984)	2,350,993	11%	13%
Total	**27,725,559**	**(5,242,479)**	**22,483,079**	**100%**	**100%**

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Consolidated and separate financial statements for the year ended 31 December 2021
Notes to the consolidated financial statements - Continued

43.1 Management of Insurance risk (continued)

The claims paid triangulations is presented below for the two businesses (i.e. Non-Life and Life) where triangulation methods were used. The triangulations is based on the Company's claims paid data as at 31 December 2021 which formed the basis of the results of the actuarial valuation of the insurance contract claims liabilities carried out by Zamara for the Non-Life and Life businesses respectively.

Group

Non-life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	1,762,195	3,052,130	3,603,160	3,981,836	4,068,587	4,667,565	5,377,520	6,032,170	6,065,802
2014	1,869,358	4,116,166	5,006,770	5,055,653	5,129,117	5,137,666	5,274,012	5,318,651	
2015	2,988,590	6,533,078	7,604,164	8,079,754	8,128,575	8,233,295	8,246,915		
2016	3,377,834	7,346,167	8,141,005	9,385,924	9,861,106	10,508,839			
2017	3,662,755	9,433,484	12,728,683	14,435,122	15,242,887				
2018	4,190,537	10,256,121	11,460,390	12,410,916					
2019	4,832,866	11,261,358	14,658,460						
2020	4,128,207	11,675,694							
2021	5,631,781								

Life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	-	-	117,680	152,263	153,717	159,767	160,726	161,118	161,118
2014	-	819,094	939,629	943,394	952,098	952,812	954,052	954,176	
2015	920,759	1,671,173	1,907,911	1,959,416	1,966,998	1,969,801	1,976,735		
2016	448,018	1,228,539	1,645,005	1,667,452	1,685,484	1,690,611			
2017	641,405	1,743,339	1,914,779	1,998,591	2,017,161				
2018	1,412,152	2,820,758	3,108,375	3,189,080					
2019	841,472	1,853,853	2,043,486						
2020	1,282,175	2,262,490							
2021	839,240								

Continental Reinsurance Plc
Consolidated and separate financial statements for the year ended 31 December 2021
Notes to the consolidated financial statements - Continued

43.1 Management of Insurance risk (continued)

Company

Non-life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	1,315,071	2,277,709	2,688,925	2,971,519	3,036,259	3,483,257	4,013,075	4,501,619	4,526,718
2014	1,384,710	3,049,012	3,708,719	3,744,928	3,799,346	3,805,679	3,906,675	3,939,742	
2015	2,197,493	4,803,734	5,591,297	5,940,995	5,976,893	6,053,893	6,063,908		
2016	2,465,572	5,362,166	5,942,339	6,851,040	7,197,888	7,670,686			
2017	2,654,170	6,835,858	9,223,683	10,460,233	11,045,571				
2018	3,014,775	7,378,505	8,244,885	8,928,717					
2019	3,452,047	8,043,827	10,470,329						
2020	2,927,807	8,280,634							
2021	3,991,256								

Life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	-	-	87,821	113,629	114,714	119,229	119,945	120,237	120,237
2014	-	606,736	696,022	698,810	705,258	705,786	706,705	706,797	
2015	677,029	1,228,804	1,402,876	1,440,747	1,446,322	1,448,383	1,453,482		
2016	327,020	896,744	1,200,733	1,217,118	1,230,280	1,234,023			
2017	464,786	1,263,289	1,387,521	1,448,254	1,461,711				
2018	1,015,936	2,029,322	2,236,241	2,294,302					
2019	601,052	1,324,180	1,459,633						
2020	909,344	1,604,603							
2021	595,199								

43.1.1 Sensitivity analysis of insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Life insurance contract liabilities

The sensitivity analysis also indicates that an increase of Ultimate loss ratio by 5% will lead to an additional Life fund liability of N270m million whilst a reduction by 5% will result in a reduction of Life fund liability by N137 million.

Non-life insurance contract liabilities

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary provides valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the insurance contract liabilities balance would change if we were to consider the effects of changes to the ultimate premium and ultimate loss ratio as opposed to our best estimate figures included in reserve reviews of the Company as at 31 December 2021. The effects of these changes are as follows:

	Ultimate Premium			Ultimate Loss Ratio (ULR)		
	Best estimate	Effects of 5% decrease	Effects of 5% increase	Best estimate	Effects of 5% decrease	Effects of 5% increase
Class of business	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Accident	1,834,078	2,437,318	1,676,159	766,403	901,282	631,524
Agriculture	292,528	335,328	271,458	240,868	294,580	187,157
Energy	824,727	910,871	773,011	714,321	1,157,451	318,390
Engineering	1,551,265	1,760,356	1,419,393	1,494,433	1,871,864	1,117,713
Fire	4,262,733	4,712,657	3,830,426	7,963,623	8,745,382	7,181,865
Liability	184,590	200,646	170,778	424,992	493,593	356,390
Marine	1,682,491	1,922,253	1,516,498	493,581	602,908	384,254
Life	1,982,878	2,202,443	1,781,444	686,592	823,760	553,648
Total	12,615,291	14,481,871	11,439,165	12,784,813	14,890,819	10,730,942

43.2 Financial risk management

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

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

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

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

The following tables indicate the contractual timing of cash flows arising from financial instruments:

Group At 31 December 2021	Carrying amount =N='000	0 - 90 days =N='000	91 - 180 days =N='000	180 - 365 days =N='000	over one year =N='000
Financial assets					
Cash and cash equivalents	16,239,808	14,214,531	530,585	1,494,692	(0)
Reinsurance receivables	31,333,426	4,989,525	6,460,254	4,074,777	15,808,870
Loans and other receivables	264,732	65,906	8,544	92,173	98,110
Retrocession assets	16,046,933	3,158,493	1,052,831	2,075,141	9,760,469
Other assets	196,548	43,563	96,343	56,642	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - *held to maturity*					-
Listed	24,231,489	469,214	2,484,125	656,024	20,622,126
Unlisted	0	-	-	-	-
Debt Securities - *available for sale*					-
Listed	-	-			-
Equities - *available for sale*					-
Listed	593,401				593,401
Unlisted	575,163				575,163
Statutory deposits	1,000,000	-	-	-	1,000,000
	90,481,500	22,941,231	10,632,682	8,449,449	48,458,138
Financial liabilities					
Other liabilities	1,200,562	380,928	430,567	389,066	-
Reinsurance creditors	4,561,180	4,561,180	-	-	-
	5,761,742	4,942,108	430,567	389,066.44	-

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

43.2 Financial risk management (continued)

The following tables indicate the contractual timing of cash flows arising from financial instruments risk:

Group At 31 December 2020	Carrying amount =N='000	0 - 90 days =N='000	91 - 180 days =N='000	180 - 365 days =N='000	over one year =N='000
Financial assets					
Cash and cash equivalents	19,015,116	17,183,866	792,547	1,038,703	0
Reinsurance receivables	24,499,743	5,606,208	7,258,712	4,578,402	7,056,422
Loans and other receivables	315,892	74,051	9,600	103,565	128,676
Retrocession assets	9,513,117	3,715,874	1,238,625	2,441,342	2,117,276
Other assets	616,228	616,228	-	-	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - held to maturity					-
Listed	13,744,039	837,454		533,049	12,373,536
Unlisted	0	-	-	-	-
Debt Securities - available for sale					-
Listed	-	-			-
Equities - available for sale					-
Listed	583,652				583,652
Unlisted	607,946				607,946
Statutory deposits	1,000,000	-	-	-	1,000,000
Non financial assets					
Investment properties		-	-	-	-
	69,895,733	28,033,680	9,299,484	8,695,060	23,867,508
Financial liabilities					
Other liabilities	940,563	507,904	432,659	-	-
Reinsurance creditors	4,218,493	4,218,493	-	-	-
	5,159,056	4,726,397	432,659	-	-

Company At 31 December 2021	Carrying amount =N='000	0 - 90 days =N='000	91 - 180 days =N='000	180 - 365 days =N='000	over one year =N='000
Financial assets					
Cash and cash equivalents	9,466,791	9,174,358	292,433	-	0
Reinsurance receivables	12,279,107	3,970,335	2,754,267	1,741,720	3,812,785
Loans and other receivables	175,325	42,579	5,520	59,550	67,676
Retrocession assets	6,261,679	2,825,070	865,342	1,342,738	1,228,529
Other assets	2,851,228	2,851,228	-	-	-
Debt Securities - *Held to maturity*					-
Listed	11,235,664	99,806	1,704,569	83,894	9,347,395
Unlisted	0	-	-	-	-
Debt Securities - *available for sale*					-
Listed	0	0			-
Equities - *available for sale*					-
Listed	593,401				593,401
Unlisted	575,163				575,163
Statutory deposits	1,000,000	-	-	-	1,000,000
	44,438,358	18,963,377	5,622,130	3,227,902	16,624,948
Financial liabilities					
Other liabilities	1,558,923	540,357	237,891	564,333	216,342
Reinsurance creditors	1,795,850	1,795,850	-	-	-
	3,354,773	2,336,207	237,891.43	564,333.00	216,341.58

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

43.2 Financial risk management (continued)

Company At 31 December 2020	Carrying amount =N='000	0 - 90 days =N='000	91 - 180 days =N='000	180 - 365 days =N='000	over one year =N='000
Financial assets					
Cash and cash equivalents	11,474,010	11,361,448	76,415	36,147	0
Reinsurance receivables	9,996,802	4,093,129	2,839,450	1,795,588	1,268,635
Loans and other receivables	178,573	46,282	6,000	64,728	61,563
Retrocession assets	4,123,793	1,072,421	-	1,525,839	1,525,533
Other assets	3,136,778	3,136,778	-	-	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - Held to maturity					0
Listed	5,564,847	195,352	-	270,081	5,099,414
Unlisted	0	-	-	-	-
Debt Securities - available for sale					0
Listed	0	-			-
Statutory deposits	1,000,000	-	-	-	1,000,000
	36,666,401	19,905,411	2,921,865	3,692,382	10,146,743
Financial liabilities					
Other liabilities	1,286,504	1,182,224	104,280	-	-
Reinsurance creditors	2,406,354	2,406,354	-	-	-
	3,692,858	3,588,578	104,280	-	-

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent
Please refer to the maturity profile table on Note 42.2.2 on Liquidity risks, for the maturity analysis of financial instruments only.

Maturity analysis on expected maturity basis

Group At 31 December 2021	Current =N='000	Non-current =N='000	Total =N='000
Cash and cash equivalents	16,239,808	-	16,239,808
Financial asset designated as fair value	-	-	-
Loans and other receivables	166,622	98,110	264,732
Available-for-sale investments	593,400	595,753	1,189,153
Held to maturity investments	3,609,364	20,622,126	24,231,490
Reinsurance receivables	15,524,556	15,808,870	31,333,426
Retrocession assets	16,046,933	-	16,046,933
Deferred acquisition costs	7,036,111	-	7,036,111
Other assets	389,003	-	389,003
Investment properties	-	4,925,062	4,925,062
Intangible assets	-	121,470	121,470
Property, plant and equipment	-	2,874,626	2,874,626
Statutory deposits	-	1,000,000	1,000,000
Total assets	59,605,797	46,046,017	105,651,813
Liabilities			
Insurance contract liabilities	54,569,505	-	54,569,505
Reinsurance creditors	4,561,180	-	4,561,180
Other liabilities	1,323,252	-	1,323,252
Retirement benefit obligations	-	542,746	542,746
Current income tax	1,317,178	-	1,317,178
Deferred taxation	-	62,214	62,214
Total liabilities	61,771,115	604,960	62,376,075
Net maturity mismatch	*(2,165,318)*	*45,441,057*	*43,275,738*

43.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

Group			
At 31 December 2020	**Current =N='000**	**Non-current =N='000**	**Total =N='000**
Cash and cash equivalents	19,015,116	-	19,015,116
Financial asset designated as fair value	-	-	-
Loans and other receivables	206,392	109,500	315,892
Available-for-sale investments	607,717	619,664	1,227,381
Held to maturity investments	1,370,503	12,373,536	13,744,039
Reinsurance receivables	22,089,337	2,410,406	24,499,743
Retrocession assets	9,513,117	-	9,513,117
Deferred acquisition costs	5,393,915	-	5,393,915
Other assets	758,749	-	758,749
Investment properties	-	4,998,800	4,998,800
Intangible assets	-	131,899	131,899
Property, plant and equipment	-	3,022,526	3,022,526
Statutory deposits	-	1,000,000	1,000,000
Total assets	58,954,847	24,666,331	83,621,177
Liabilities			
Insurance contract liabilities	38,842,258	-	38,842,258
Reinsurance creditors	4,218,493	-	4,218,493
Other liabilities	1,232,859	-	1,232,859
Retirement benefit obligations	-	670,301	670,301
Current income tax	800,776	-	800,776
Deferred taxation	-	343,329	343,329
Total liabilities	45,094,386	1,013,630	46,108,016
Net maturity mismatch	*13,860,461*	*23,652,701*	*37,513,161*

Company			
At 31 December 2021			
Cash and cash equivalents	9,466,791	-	9,466,791
Financial asset designated as fair value	-	-	-
Loans and other receivables	114,630	60,695	175,325
Available-for-sale investments	593,400	575,163	1,168,563
Held to maturity investments	1,888,269	9,347,395	11,235,664
Reinsurance receivables	8,466,322	3,812,785	12,279,107
Retrocession assets	6,261,679	-	6,261,679
Deferred acquisition costs	3,548,781	-	3,548,781
Other assets	2,929,146	-	2,929,146
Investment properties	-	1,826,200	1,826,200
Intangible assets	-	121,470	121,470
Property, plant and equipment	-	1,752,803	1,752,803
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	6,123,109	6,123,109
Total assets	33,269,018	24,619,620	57,888,638
Liabilities			
Insurance contract liabilities	25,400,102	-	25,400,102
Reinsurance creditors	1,795,850	-	1,795,850
Other liabilities	1,605,133	-	1,605,133
Retirement benefit obligations	-	384,408	384,408
Current income tax	536,867	-	536,867
Deferred taxation	-	287,149	287,149
Total liabilities	29,337,952	671,557	30,009,509
Net maturity mismatch	*3,931,066*	*23,948,063*	*27,879,129*

43.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

Company			
At 31 December 2020	**Current =N='000**	**Non-current =N='000**	**Total =N='000**
Cash and cash equivalents	11,474,010	-	11,474,010
Financial asset designated as fair value	-	-	-
Loans and other receivables	120,942	57,631	178,573
Available-for-sale investments	582,407	609,191	1,191,598
Held to maturity investments	465,433	5,099,414	5,564,847
Reinsurance receivables	8,728,167	1,268,635	9,996,802
Retrocession assets	4,123,793	-	4,123,793
Deferred acquisition costs	2,388,974	-	2,388,974
Other assets	3,232,081	-	3,232,081
Investment properties	-	2,146,000	2,146,000
Intangible assets	-	131,891	131,891
Property, plant and equipment	-	1,792,256	1,792,256
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	6,123,109	6,123,109
Total assets	31,115,807	18,228,127	49,343,934
Liabilities			
Insurance contract liabilities	17,438,827	-	17,438,827
Reinsurance creditors	2,406,354	-	2,406,354
Other liabilities	1,515,783	-	1,515,783
Retirement benefit obligations	-	507,614	507,614
Current income tax	601,185	-	601,185
Deferred taxation	-	313,458	313,458
Total liabilities	21,962,149	821,072	22,783,221
Net maturity mismatch	*9,153,658*	*17,407,055*	*26,560,713*

43.2.1 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 gross interest income or loss for the Group of =N=136.142 million and Company =N=74.409 million (2020: Group =N=136. million and Company =N=92.87 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.

(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=11.89 million and Company =N=11.686 million (December 2019: Group =N=12.274 million, Company =N=11.915

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 1% 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 - foreign 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=478.827 million gain or loss for the Group and Company of =N=200.8 million (2020: Group =N=305.025 million and Company =N=172.142). In Euro, Group =N=4.382 million and Company =N=1.806 million (2020: Group =N=3.33 million and Company =N=1.02 million). And in other currencies, Group =N=241.129 million and Company =N=41.91 million (2020: Group =N=262.411 million and Company =N= 35.096 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 following table analyses the group's exposure to foreign currency risk:

Group **At 31 December 2021**	**Naira** **=N='000**	**USD** **=N='000**	**Euro** **=N='000**	**CFA** **=N='000**	**Others** **=N='000**	**Total** **=N='000**
Assets						
Cash and cash equivalents	3,420,395	7,675,331	95,296	2,779,661	2,269,128	16,239,810
Reinsurance receivables	7,981,420	5,786,648	342,982	2,838,766	14,383,611	31,333,426
Investment securities	4,609,674	12,050,102	-	1,410,043	7,350,823	25,420,643
Loans and other receivables	124,481	-	-	56,343	83,908	264,732
Other assets	42,321	-	-	112,321	41,906	196,548
Retrocession assets	-	16,046,933	-	-	-	16,046,933
	16,178,290	41,559,014	438,278	7,197,134	24,129,375	89,502,092
Liabilities						
Other liabilities	1,323,252	-	-	-	-	1,323,252
	1,323,252	-	-	-	-	1,323,252
Net foreign currency exposure	14,855,038	41,559,014	438,278	7,197,134	24,129,375	88,178,840

31 December 2020 **Assets**	**Naira** **=N='000**	**USD** **=N='000**	**Euro** **=N='000**	**CFA** **=N='000**	**Others** **=N='000**	**Total** **=N='000**
Cash and cash equivalents	3,874,928	8,052,637	26,901	4,257,871	2,802,779	19,015,116
Reinsurance receivables	6,497,921	5,166,650	306,234	2,534,613	9,994,326	24,499,743
Investment securities	1,203,809	7,770,125	-	650,215	5,347,271	14,971,420
Loans and other receivables	126,787	-	-	64,564	124,541	315,892
Other assets	151,336	-	-	176,454	288,438	616,228
Retrocession assets	-	9,513,117	-	-	-	9,513,117
	11,854,780	30,502,528	333,135	7,683,717	18,557,355	68,931,516
Liabilities						
Other liabilities	1,232,859	-	-	-	-	1,232,859
	1,232,859	-	-	-	-	1,232,859
Net foreign currency exposure	10,621,920	30,502,528	333,135	7,683,717	18,557,355	67,698,657

Company **At 31 December 2021**	**Naira** **=N='000**	**USD** **=N='000**	**Euro** **=N='000**	**CFA** **=N='000**	**Others** **=N='000**	**Total** **=N='000**
Assets						
Cash and cash equivalents	3,420,395	5,184,396	95,296	-	766,704	9,466,791
Reinsurance receivables	7,981,420	1,445,954	85,342	-	2,766,392	12,279,107
Investment securities	4,609,674	7,187,929	-	-	606,624	12,404,227
Loans and other receivables	124,481	-	-	-	50,844	175,325
Other assets	2,851,228	-	-	-	-	2,851,228
Retrocession assets	-	6,261,679	-	-	-	6,261,679
	18,987,197	20,079,958	180,638	-	4,190,564	43,438,357
Liabilities						
Other liabilities	1,605,133	-	-	-	-	1,605,133
	1,605,133	-	-	-	-	1,605,133
Net foreign currency exposure	17,382,064	20,079,958	180,638	-	4,190,564	41,833,224

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Company **31 December 2020**	**Naira** **=N='000**	**USD** **=N='000**	**Euro** **=N='000**	**CFA** **=N='000**	**Others** **=N='000**	**Total** **=N='000**
Assets						
Cash and cash equivalents	3,874,928	6,636,885	26,901	-	935,297	11,474,010
Reinsurance receivables	6,497,921	1,442,937	75,463	1,159,644	820,837	9,996,802
Investment securities	1,203,809	5,010,603	-	-	542,034	6,756,445
Loans and other receivables	126,787	-	-	-	51,786	178,573
Other assets	3,136,778	-	-	-	-	3,136,778
Retrocession assets	-	4,123,793	-	-	-	4,123,793
	14,840,222	17,214,217	102,364	1,159,645	2,349,953	35,666,401
Liabilities						
Other liabilities	1,515,783	-	-	-	-	1,515,783
	1,515,783	-	-	-	-	1,515,783
Net foreign currency exposure	13,324,439	17,214,217	102,364	1,159,645	2,349,953	34,150,618

43.2.2 Credit Risk

Credit Risk is the risk that a party to a financial instrument will fail to honor 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**
A++	0%	0%	0%	0%
A+	24%	26%	3%	26%
A	55%	58%	10%	58%
A-	9%	17%	50%	17%
BBB+	7%	0%	33%	0%
BBB-	3%	0%	0%	0%
B++	1%	0%	0%	0%
B+	2%	0%	5%	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 profit or loss and 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:	**Group** **2021** **=N='000**	**Maximum** **Group** **2020** **=N='000**	**Company** **2021** **=N='000**	**Company** **2020** **=N='000**
Cash and cash equivalents	16,239,808	19,015,116	9,466,791	11,474,010
Reinsurance receivables	31,333,426	24,499,743	12,279,107	9,996,802
Loans and other receivables	264,732	315,892	175,325	178,573
Debt securities	13,779,822	13,779,822	5,564,847	5,564,847
Total assets bearing credit risk	**61,617,788**	**57,610,573**	**27,486,070**	**27,214,232**

Credit quality of financial assets per asset class-Group

At 31 December 2021	**Cash and cash equivalents** **=N='000**	**Reinsurance receivables** **=N='000**	**Loans and other receivables** **=N='000**	**Debt securities** **=N='000**
Neither past due nor impaired	16,239,808	17,600,099	264,732	24,252,080
Past due but not impaired	-	-	-	-
Impaired	-	1,074,664	373,991	-
Gross	16,239,808	18,674,763	638,723	24,252,080
Impairment allowance - collective	-	(1,074,664)	(373,991)	-
Net	16,239,808	17,600,099	264,732	24,252,080
31 December 2020				
Neither past due nor impaired	19,015,116	14,695,486	315,892	13,779,822
Past due but not impaired	-	-	-	-
Impaired	-	1,054,904	373,991	373,991.00
Gross	19,015,116	15,750,389	689,883	14,153,813
Impairment allowance - collective	-	(1,054,904)	(373,991)	-
Net	19,015,116	14,695,486	315,892	14,153,813

43.2.2 Credit Risk

Credit quality of financial assets per asset class-Company

	Cash and cash equivalents =N='000	Reinsurance receivables =N='000	Loans and other receivables =N='000	Debt securities =N='000
At 31 December 2021				
Neither past due nor impaired	9,466,791	9,469,996	175,325	11,235,664
Past due but not impaired	-	1,930,748	-	-
Impaired	-	1,116,906	373,991	-
Gross	9,466,791	12,517,651	549,316	11,235,664
Impairment allowance - collective	-	(238,545)	(373,991)	-
Net	9,466,791	12,279,106	175,325	11,235,664
31 December 2020				
Neither past due nor impaired	11,474,010	6,997,435	178,573	6,756,445
Past due but not impaired	-	2,169,380	-	-
Impaired	-	1,084,375	373,991	-
Gross	11,474,010	10,251,190	552,564	6,756,445
Impairment allowance - collective	-	(254,388)	(373,991)	-
Net	11,474,010	9,996,802	178,573	6,756,445

(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)

Group	A+ =N='000	A =N='000	BBB- =N='000	Below BBB =N='000	Not rated =N='000
At 31 December 2021					
Cash and cash equivalents	16,239,808	-	-	-	-
Reinsurance receivables	-	-	-	-	31,333,426
Loans and other receivables	-	-	-	-	264,732
Other assets	-	-	-	-	389,003
Retrocession assets	-	16,046,933	-	-	-
Debt securities	-	-	-	24,252,080	-
	16,239,808	16,046,933	-	24,252,080	31,987,161
31 December 2020					
Cash and cash equivalents	19,015,116	-	-	-	-
Reinsurance receivables	-	-	-	-	24,499,743
Loans and other receivables	-	-	-	-	315,892
Other assets	-	-	-	-	758,749
Retrocession assets	-	9,513,117	-	-	-
Debt securities	-	-	-	13,779,822	-
	19,015,116	9,513,117	-	13,779,822	25,574,384
Company					
At 31 December 2021					
Cash and cash equivalents	9,466,791	-	-	-	-
Reinsurance receivables	-	-	-	-	12,279,107
Loans and other receivables	-	-	-	-	175,325
Other assets	-	-	-	-	2,851,228
Retrocession assets	-	6,261,679	-	-	-
Debt securities	-	-	-	11,235,664	-
	9,466,791	6,261,679	-	11,235,664	15,305,660
31 December 2020					
Cash and cash equivalents	11,474,010	-	-	-	-
Reinsurance receivables	-	-	-	-	9,996,802
Loans and other receivables	-	-	-	-	178,573
Other assets	-	-	-	-	3,136,778
Retrocession assets	-	4,123,793	-	-	-
Debt securities	-	-	-	3,951,711	-
	11,474,010	4,123,793	-	3,951,711	13,312,153

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

Group At 31 December 2021	< 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 years & above =N='000
Reinsurance receivables-Life	665,174	628,653	92,187	43,523	33,243	-
Reinsurance receivables-Non Life	7,946,622	2,459,130	481,062	669,985	4,580,520	-
Total	**8,611,797**	**3,087,783**	**573,249**	**713,508**	**4,613,763**	**-**
Profile	**49%**	**18%**	**3%**	**4%**	**26%**	**0%**
Group 31 December 2020	**< 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 years & above =N='000**
Reinsurance receivables-Life	395,937	439,769	54,873	27,540	23,368	-
Reinsurance receivables-Non Life	5,000,701	2,844,464	495,940	690,706	4,722,186	-
Total	**5,396,639**	**3,284,233**	**550,814**	**718,246**	**4,745,554**	**-**
Profile	**37%**	**22%**	**4%**	**5%**	**32%**	**0%**
Company At 31 December 2021	**< 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 years & above =N='000**
Reinsurance receivables-Life	395,779	374,351	54,851	27,529	23,359	33,242
Reinsurance receivables-Non Life	3,375,261	1,572,013	1,150,584	792,922	1,043,776	626,329
Total	**3,771,040**	**1,946,364**	**1,205,436**	**820,451**	**1,067,136**	**659,571**
Profile	**40%**	**21%**	**13%**	**9%**	**11%**	**7%**
31 December 2020						
Reinsurance receivables-Life	388,018	367,011	53,776	26,989	22,901	-
Reinsurance receivables-Non Life	586,549	1,620,632	1,186,169	301,981	1,488,429	954,978
Total	**974,568**	**1,987,643**	**1,239,945**	**328,971**	**1,511,330**	**954,978**
Profile	**14%**	**28%**	**18%**	**5%**	**22%**	**14%**

43.2.2.1 Concentration of credit risk

Concentration risk (including geographical risk) includes identification of the concentration of risks insured. 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 concentration of credit risk for reinsurance receivables are set out below:

(a) Geographical sectors

At 31 December	Group 2021 =N='000	Group 2020 =N='000	Company 2021 =N='000	Company 2020 =N='000
Nigeria	9,404,895	7,122,590	9,404,895	7,122,590
Cameroon+Abidjan	4,948,372	3,122,151	0	0
Kenya	9,182,859	6,630,361	0	0
Tunis	2,874,212	2,874,212	2,874,212	2,874,212
Gaborone	4,923,089	4,750,430	0	0
Total	**31,333,427**	**24,499,744**	**12,279,107**	**9,996,802**

(b) Business Class

At 31 December	Group 2021 =N='000	Group 2020 =N='000	Company 2021 =N='000	Company 2020 =N='000
Life operation	1,462,780	941,488	858,696	858,696
Non life Facultative	3,147,418	3,147,418	1,837,428	1,837,428
Non life Treaty	26,723,229	20,410,838	9,582,984	7,300,679
Total	**31,333,427**	**24,499,744**	**12,279,107**	**9,996,802**

43.2.2 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.

Group

31 December 2021	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets						
Cash and cash equivalents	5,676,086	8,538,447	1,030,584	1,894,537	-	17,139,654
Reinsurance receivables	1,780,782	5,606,056	6,046,828	5,968,917	11,930,843	31,333,426
Loans and other receivables	3,546	79,228	10,271	110,805	60,883	264,732
Other assets	126,353	54,363	76,354	64,352	67,581	389,003
Retrocession assets	973,356	1,586,700	1,343,835	2,138,310	10,004,732	16,046,933
Debt Securities at amortised cost	278,048	644,962	2,484,125	2,968,064	20,622,130	26,997,329
Debt Securities at available for sale	-	0	0	0	20,590	20,590
Total relevant financial assets	**8,838,171**	**16,509,755**	**10,991,997**	**13,144,986**	**42,706,758**	**43,064,852**
Financial liabilities						
Outstanding claims	713,707	424,877	727,947	570,317	1,760,390	4,197,236
Other liabilities	166,735	178,501	120,609	213,398	644,008	1,323,252
Total financial liabilities	**880,442**	**603,378**	**848,556**	**783,714**	**2,404,398**	**5,520,488**
31 December 2020						
Financial assets						
Cash and cash equivalents	7,228,246	9,955,620	792,547	1,038,702	0	19,015,115
Reinsurance receivables	1,817,124	5,839,641	6,107,907	6,559,250	4,175,820	24,499,743
Loans and other receivables	0	80,845	10,481	113,066	111,501	315,892
Other assets	92,033	102,736	225,824	144,531	193,625	758,749
Retrocession assets	993,221	1,619,081	1,371,260	2,181,949	3,347,605	9,513,117
Debt Securities at amortised cost	837,454	0	0	533,049	13,600,917	14,971,420
Debt Securities at available for sale	-	0	0	0		-
Total relevant financial assets	**10,968,078**	**17,597,923**	**8,508,019**	**10,570,547**	**21,429,469**	**24,484,537**
Financial liabilities						
Outstanding claims	654,777	389,795	667,841	523,226	1,615,036	3,850,675
Other liabilities	166,735	178,501	120,609	213,398	553,616	1,232,859
Total financial liabilities	**821,512**	**568,296**	**788,450**	**736,624**	**2,168,652**	**5,083,535**

Company	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
31 December 2021	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets						
Cash and cash equivalents	2,819,841	6,295,793	766,705	-	-	9,882,339
Reinsurance receivables	3,294,697	476,343	1,205,436	820,451	6,482,180	12,279,107
Loans and other receivables	-	43,532	7,645	63,453	60,695	175,325
Other assets	41,212	564,432	423,127	1,765,463	134,912	2,929,146
Retrocession assets	1,428,764	597,543	876,453	1,765,353	1,593,566	6,261,679
Debt Securities at amortised cost	100,288	419,202	1,828,260	550,410	12,749,994	15,648,154
Debt Securities at available for sale	-	-	-	-	-	-
Total relevant financial assets	7,684,802	8,396,845	5,107,625	4,965,130	21,021,348	47,175,749

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial liabilities						
Outstanding claims	103,000	122,098	679,635	50,000	1,865,289	2,820,022
Other liabilities	314,595	336,795	227,564	402,637	323,542	1,605,133
Total financial liabilities	**417,595**	**458,893**	**907,199**	**452,637**	**2,188,831**	**4,425,155**

The unpaid claims as at end of the year is due to incomplete documentation by the insured and cedants. By practice, all claims with complete documentation are paid within 72 hours

31 December 2020						
Financial assets						
Cash and cash equivalents	4,561,101	6,800,348	76,415	36,147	-	11,474,010
Reinsurance receivables	480,661	493,907	1,239,945	328,971	7,453,318	9,996,802
Loans and other receivables	-	47,837	6,202	66,903	57,631	178,573
Other assets	44,448	636,653	454,813	1,802,704	293,463	3,232,081
Retrocession assets	30,224	432,924	609,273	1,525,839	1,525,533	4,123,793
Debt Securities at amortised cost	195,352	-	-	270,081	5,099,414	5,564,847
Debt Securities at available for sale	-	-	-	-	-	-
Total relevant financial assets	5,311,786	8,411,668	2,386,648	4,030,644	14,429,360	34,570,106
Financial liabilities						
Outstanding claims	398,525	237,246	406,477	318,458	982,980	2,343,686
Other liabilities	314,595	336,795	227,564	402,637	234,192	1,515,783
Total financial liabilities	**713,120**	**574,041**	**634,041**	**721,095**	**1,217,172**	**3,859,469**

43.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

Group	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Fair value
31 December 2021	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets					
Cash and cash equivalents	16,239,808	-	16,239,808	-	16,239,808
Reinsurance receivables	31,333,426	-	-	31,333,426	31,333,426
Loans and other receivables	264,732	-	-	264,732	264,732
Retrocession assets	16,046,933	-	-	16,046,933	16,046,933
Other assets	196,548	-	-	196,548	196,548
Held to maturity Debt instruments	24,231,490	-	24,231,490	-	24,231,490
	88,312,937	-	40,471,298	47,841,639	88,312,937
Financial liabilities					
Reinsurance creditors	4,561,180	-	-	4,561,180	4,561,180
Other liabilities	1,323,252	-	-	1,323,252	1,323,252
	5,884,432	-	-	5,884,432	5,884,432

Group	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Fair value
31 December 2020	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets					
Cash and cash equivalents	19,015,116	-	19,015,116	-	19,015,116
Reinsurance receivables	24,499,743	-	0	24,499,743	24,499,743
Loans and other receivables	315,892	-	0	315,892	315,892
Retrocession assets	9,513,117	-	0	9,513,117	9,513,117
Other assets	616,228	-	0	616,228	616,228
Held to maturity Debt instruments	13,744,039	-	13,744,039	-	13,744,039
	67,704,134	-	32,759,155	34,944,980	67,704,134
Financial liabilities					
Reinsurance creditors	4,218,493	-	-	4,218,493	4,218,493
Other liabilities	1,232,859	-	-	1,232,859	1,232,859
	5,451,352	-	-	5,451,352	5,451,352

Company	Carrying value	Fair value Level 1	Level 2	Level 3	Fair value
31 December 2021	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets					
Cash and cash equivalents	9,466,791	-	9,466,791	-	9,466,791
Reinsurance receivables	12,279,107	-	-	12,279,107	12,279,107
Loans and other receivables	175,325	-	-	175,325	175,325
Retrocession assets	6,261,679	-	-	6,261,679	6,261,679
Other assets	2,851,227	-	-	2,851,227	2,851,227
Held to maturity Debt instruments	11,235,664		11,235,664	-	11,235,664
	42,269,793	-	20,702,455	21,567,338	42,269,793
Financial liabilities					
Reinsurance creditors	1,795,850	-	-	1,795,850	1,795,850
Other liabilities	1,605,133	-	-	1,605,133	1,605,133
	3,400,983	-	-	3,400,983	3,400,983

	Carrying value	Fair value Level 1	Level 2	Level 3	Fair value
31 December 2020	=N='000	=N='000	=N='000	=N='000	=N='000
Financial assets					
Cash and cash equivalents	11,474,010	-	11,474,010	-	11,474,010
Reinsurance receivables	9,996,802	-	-	9,996,802	9,996,802
Loans and other receivables	178,573	-	-	178,573	178,573
Retrocession assets	4,123,793	-	-	4,123,793	4,123,793
Other assets	3,136,778	-	-	3,136,778	3,136,778
Held to maturity Debt instruments	5,564,847		5,564,847	-	5,564,847
	34,474,803	-	17,038,857	17,435,946	34,474,803
Financial liabilities					
Reinsurance creditors	2,406,354	-	-	2,406,354	2,406,354
Other liabilities	1,515,783	-	-	1,515,783	1,515,783
	3,922,137	-	-	3,922,137	3,922,137

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:

Financiual instrument in level 1:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities,held to maturity or available for sale investment.

Financiual instrument in level 2:

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where itis available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial instruments in level 3:

The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include comparison with similar instruments for which market observable prices exist and other valuation models. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the deter- mination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows onthe financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction.

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Determination of fair value of financial instruments.

Valuation techniques used to derive Level2 fair values

Level 2 fair values of investments have been generally derived using the Market approach.

Belowis a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 31 December 2021 N'000	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5% N'000	Fair value if inputs decreased by 5% N'000	Relationship of unobservable inputs to
Investment in Aveni Reinsurance	331,874	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	348,468	315,281	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Uganda Reinsurance	137,377	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	144,246	130,508	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Africa Reinsurance	41,631	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	43,712	39,549	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Imperial homes	39,528	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	41,505	37,552	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Other investment	12,268	This are fully impaired asset	This are fully impaired asset	12,881	11,654	This are fully impaired asset

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Price per book value ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on private entity in comparison to a publicly quoted entity and Non controlling Discount which assumes the equity is valued from the minority interest perspective.

Description	Fair value at 31 December 2020 N'000	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5% N'000	Fair value if inputs decreased by 5% N'000	Relationship of unobservable inputs to
Investment in Aveni Reinsurance	387,247	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	406,610	367,885	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Uganda Reinsurance	115,529	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	121,306	109,753	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Africa Reinsurance	49,841	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	52,333	47,349	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Imperial homes	39,528	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	41,505	37,552	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Other investment	12,268	This are fully impaired asset	This are fully impaired asset	12,881	11,654	This are fully impaired asset

Group	Level 1	Level 2	Level 3	Total
31 December 2021	=N='000	=N='000	=N='000	=N='000
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				-
Debt investments	20,590	-	-	20,590
Quoted equity investments	175,514	416,619	-	592,133
Unquoted equity investments		-	576,429	576,429
	196,104	416,619	576,429	1,189,153
31 December 2020				
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				-
Debt investments	35,783	-	-	35,783
Quoted equity investments	242,902	339,483	-	582,385
Unquoted equity investments		-	609,213	609,213
	278,685	339,483	609,213	1,227,381

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Company	Level 1	Level 2	Level 3	Total
31 December 2021	=N='000	=N='000	=N='000	=N='000
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				
Debt investments	-	-	-	-
Quoted equity investments	175,514	416,619	-	592,133
Unquoted equity investments		-	576,429	576,429
	175,514	416,619	576,429	1,168,563
Company				
31 December 2020				
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				
Debt investments	-	-	-	-
Quoted equity investments	242,902	339,483	-	582,385
Unquoted equity investments		-	609,213	609,213
	242,902	339,483	609,213	1,191,598

Reconciliation of Level 3 items

The following table presents the changes in level 3 instruments for the year ended 31st December 2021

Equity securities - Available for sale	Group 2021 =N='000	Group 2020 =N='000	Company 2021 =N='000	Company 2020 =N='000
At 1, January	609,213	615,464	609,213	615,464
Total unrealised gains or (losses) in OCI	(32,784)	(6,251)	(32,784)	(6,251)
Reclassification to profit and loss	-	-	-	-
Addition				
At 31 December	**576,429**	**609,213**	**576,429**	**609,213**

Investment properties	Group 2021 =N='000	Group 2020 =N='000	Company 2021 =N='000	Company 2020 =N='000
At 1, January	4,998,799	3,123,121	2,146,000	3,123,121
Fair value gain/(loss)	127,392	394,146	11,600	27,200
Disposal	(331,400)	(260,500)	(331,400)	(2,733,021)
Addition	130,270	13,333	-	-
Transfer (to)/from owner-occupied property	-	1,728,700	-	1,728,700
At 31 December	**4,925,062**	**4,998,799**	**1,826,200**	**2,146,000**

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Disclosure Requirements for Level3 Financial Instruments

Valuation Technique Unquoted Equity:

In accordance with IFRS 13 Fair Value Measurement, which outlines three approaches for valuing unquoted equity instruments; market
The Adjusted fair value comparison approach of P/Bv ratios was adopted in valuing each of these equity investments taken into cognizance the

Description of Valuation Methodology and inputs:

The fair value of the unquoted equity securities were derived using the Adjusted fair value comparison technique. Adjusted fair value comparison
The steps involved in estimating thefair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step1: Identify quoted companies with similar line of business ,structure and size
Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from S&P, Bloomberg or Reuters
Step 3: Derive the average or median of the P/B ratios of these identified quoted companies
Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value of the investment company to get the value of the investment company
Step 5: Discount the derived value of the investment company by lliquidity discount and Non controlling discount to obtian the Adjusted Equity Value
Step6: Multipy the Adjusted Equity value by the present exchange rate for foreign currency investment
Step 7: Compare theAdjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

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Statement of value added
For the year ended 31 December 2021

	Group 2021 =N='000	%	Group 2020 =N='000	%	Company 2021 =N='000	%	Company 2020 =N='000	%
Net premium income:								
- Local	19,421,253		17,372,800		19,421,253		17,372,800	
- Foreign	30,341,848		21,619,086		6,573,581		4,378,973	
Other income	3,569,681		2,681,991		1,441,032		2,500,287	
	53,332,782		41,673,878		27,435,866		24,252,060	
Claims, commission, charges and management expenses								
- local	(18,355,324)		(17,075,974)		(18,355,324)		(17,075,974)	
- imported	(25,488,811)		(17,439,360)		(6,272,548)		(4,502,379)	
Value Added	9,488,647	100%	7,158,544	100%	2,807,994	100%	2,673,706	100%
Applied as follows:								
To pay employees:								
- Salaries, pension and other allowances	2,464,378	26%	2,005,376	47%	1,042,757	37%	900,372	37%
To pay Government:								
- Income tax	1,194,223	13%	1,091,096	13%	99,611	4%	71,553	6%
- Information technology levy	14,891	0%	14,891	0%	14,891	1%	14,891	0%
Retained for growth:								
- Depreciation and amortistion	357,480	1%	326,153	1%	307,939	1%	221,254	1%
- Deferred taxation	8,850	0%	293,769	-3%	8,850	0%	293,769	-5%
- Profit for the year	5,448,826	57%	3,427,259	38%	1,333,946	48%	1,171,867	53%
	9,488,647	100%	7,158,544	100%	2,807,994	100%	2,673,706	100%

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

Five-year financial summary-Group

Statement of financial position	<----- 2021 =N='000	31 DECEMBER 2020 =N='000	2019 =N='000	2018 =N='000	-----> 2017 =N='000
Assets					
Cash and cash equivalents	16,239,808	19,015,116	14,151,673	14,610,220	9,079,093
Financial asset held for trading	-	-	-	2,853,024	2,159,476
Loans and other receivables	264,732	315,892	333,701	642,862	492,278
Available-for-sale investments	1,189,153	1,227,381	1,769,668	2,229,365	2,121,225
Held to maturity investments	24,231,490	13,744,039	9,998,905	6,820,073	7,613,317
Reinsurance receivables	31,333,426	24,499,743	17,143,071	11,950,636	9,922,255
Retrocession assets	16,046,933	9,513,117	8,698,039	6,494,583	2,759,666
Deferred acquisition costs	7,036,111	5,393,915	5,574,856	4,034,583	2,291,853
Other assets	389,003	758,749	405,855	151,555	329,433
Right of use Asset	156,903	134,645	133,220	-	-
Investment properties	4,925,062	4,998,800	3,123,121	3,073,003	2,857,111
Intangible assets	121,470	131,899	261,221	381,949	20,168
Property, plant and equipment	2,874,626	3,022,526	4,168,529	3,395,476	2,488,615
Investments in subsidiary	-	-	-	-	-
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**105,808,717**	**83,755,821**	**66,761,859**	**57,637,329**	**43,134,490**
Liabilities					
Insurance contract liabilities	54,569,505	38,842,258	30,554,284	23,256,657	17,965,990
Reinsurance creditors	4,561,180	4,218,493	3,778,222	2,191,916	1,356,210
Other liabilities	1,323,252	1,232,859	661,775	862,568	860,222
Lease liability	202,580	160,898	150,749	-	-
Retirement benefit obligation	542,746	670,301	404,290	203,124	306,457
Current income tax payable	1,317,178	800,776	1,014,789	1,656,899	1,550,357
Deferred tax liabilities	62,214	343,329	8,880	517,949	318,212
Total liabilities	**62,578,656**	**46,268,914**	**36,572,990**	**28,689,113**	**22,357,448**
Equity					
Share capital	6,258,602	6,258,602	5,186,372	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	3,915,451	3,915,451	3,915,451
Retained earnings	8,918,338	6,304,153	5,586,910	5,093,838	3,775,255
Contigency reserve	8,269,316	7,274,065	6,264,958	5,265,633	4,462,001
Available-for-sale reserve	335,718	284,473	403,438	441,041	329,978
Foreign currency translation reserve	2,576,824	2,245,274	1,832,347	4,291,530	1,764,220
Equity attributable equity holders of the parent	**34,563,168**	**30,570,940**	**23,189,475**	**24,193,865**	**19,433,277**
Non-controlling interest	8,666,893	6,915,968	6,999,394	4,754,351	1,343,765
Total equity	**43,230,061**	**37,486,907**	**30,188,869**	**28,948,216**	**20,777,042**
Total liabilities and equity	**105,808,718**	**83,755,821**	**66,761,859**	**57,637,329**	**43,134,491**

Income statement For year ended	<----- 2021 =N='000	<----- 2020 =N='000	31 DECEMBER 2019 =N='000	2018 =N='000	-----> 2017 =N='000
Gross premium	70,385,076	53,636,916	47,663,124	34,185,991	29,673,215
Profit before income tax expense	6,666,790	4,827,015	2,395,626	4,359,355	3,570,285
Income tax expense	(1,217,964)	(1,399,756)	(499,569)	(1,037,242)	(1,099,994)
Profit for the year	5,448,826	3,427,259	1,896,057	3,322,113	2,470,291
Appropriations:					
Transfer to contingency reserve	995,251	1,009,106	999,325	803,632	458,530
Transfer to retained earnings	4,453,575	2,418,153	896,731	2,518,481	2,011,761
Earnings per share (kobo)	30	18	18	34	27
Net assets per share (kobo)	276	244	224	233	187

Note: Earnings and dividend per share were computed

Continental Reinsurance Plc

Five-year financial summary-Company

Statement of financial position	<----- 2021 =N='000	31 DECEMBER 2020 =N='000	2019 =N='000	2018 =N='000	-----> 2017 =N='000
Assets					
Cash and cash equivalents	9,466,791	11,474,010	6,023,919	6,027,224	6,680,113
Financial asset held for trading	-	-	-	-	-
Loans and other receivables	175,325	178,573	224,299	432,699	439,081
Available-for-sale investments	1,168,563	1,191,598	1,732,411	2,194,549	2,090,531
Held to maturity investments	11,235,664	5,564,847	3,951,711	4,294,419	6,065,330
Reinsurance receivables	12,279,107	9,996,802	7,934,560	6,098,604	6,184,435
Retrocession assets	6,261,679	4,123,793	4,191,959	2,880,398	1,877,676
Deferred acquisition costs	3,548,781	2,388,974	3,148,708	2,227,037	1,501,752
Other assets	2,929,146	3,232,081	2,086,215	1,968,320	756,126
Right of use Asset	230	5,820	10,774	-	-
Investment properties	1,826,200	2,146,000	3,123,121	3,073,003	2,857,111
Intangible assets	121,470	131,891	260,854	381,580	19,849
Property, plant and equipment	1,752,803	1,792,256	3,088,702	2,327,693	2,379,583
Investments in subsidiary	6,123,109	6,123,109	5,216,931	5,216,931	2,272,473
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**57,888,869**	**49,349,755**	**41,994,164**	**38,122,457**	**34,124,060**
Liabilities					
Insurance contract liabilities	25,400,102	17,438,827	16,592,902	12,077,902	12,470,590
Reinsurance creditors	1,795,850	2,406,354	750,051	1,103,195	941,363
Other liabilities	1,605,133	1,515,783	2,978,877	3,611,173	1,249,986
Lease liability	22,771	13,367	16,831	-	-
Retirement benefit obligation	384,408	507,614	342,212	158,847	275,150
Current income tax payable	536,867	601,185	774,676	1,504,444	1,565,199
Deferred tax liabilities	287,149	313,458	133,743	400,311	218,855
Total liabilities	**30,032,279**	**22,796,588**	**21,589,292**	**18,855,872**	**16,721,143**
Equity					
Share capital	6,258,602	6,258,602	5,186,372	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	3,915,451	3,915,451	3,915,451
Retained earnings	5,543,726	5,248,960	5,098,171	4,662,873	3,551,578
Contigency reserve	7,508,549	6,551,407	5,796,453	5,054,404	4,413,032
Available-for-sale reserve	341,340	289,828	408,424	447,486	336,484
Total equity	**27,856,587**	**26,553,167**	**20,404,872**	**19,266,585**	**17,402,917**
Total liabilities and equity	**57,888,866**	**49,349,755**	**41,994,164**	**38,122,457**	**34,124,060**

Income statement For year ended	<----- 2021 =N='000	<----- 2020 =N='000	<----- 2019 =N='000	2018 =N='000	31 DECEMBER ----- 2017 =N='000
Gross premium	34,925,988	27,725,559	28,008,904	19,195,853	20,384,093
Profit before income tax	1,457,298	1,552,080	1,534,723	3,912,856	4,427,541
Income tax expense	(123,352)	(380,213)	(40,338)	(770,479)	(1,170,231)
Profit after taxation	1,333,946	1,171,867	1,494,385	3,142,377	3,257,310
Appropriations:					
Transfer to contingency reserve	289,580	250,253	325,459	638,844	659,818
Transfer to retained earnings	1,044,366	921,614	1,168,926	2,503,533	2,597,492
Earnings per share (kobo)	11	9	14	30	31
Net assets per share (kobo)	223	212	197	186	168

Note: Earnings and dividend per share


The Pan-African Re-Insurance
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